

Business

3D TAPS NEW CEO IN WAKE OF SCANDAL

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VALENCIA - After half a year of front-office turmoil stemming from misreported accounting, 3D Systems Corp. announced on Friday the hiring of a new president and chief executive officer.

Abe Reichental will take the reins at 3D Systems in the wake of a scandal that led to the departures of the company's CEO, chief financial officer and chief operating officer.

The hiring of Reichental, who comes from a vice president position at New Jersey-based Sealed Air Corp., marks the first permanent replacement within 3D's executive ranks.

Friday, Reichental said he is ready to help heal the company.

"My background and experience is the perfect match for this point in the evolution, or recovery, of the 3D business," Reichental said.

"The people of 3D systems are exceptional and are ready to rally behind the right kind of leadership."

In August, former CEO Brian Service resigned after nearly four years as president and CEO of the \$100 million Valencia-based company, which sells systems that create solid models out of computer images. In April, 3D Systems ousted CFO James Selzer, and, in May, the company demoted COO Grant Flaharty.

The executive shake-up came after a February audit of the company revealed that \$3 million in earnings was misreported as revenue for 2002 instead of 2003. Without those earnings, the company failed to turn a profit in 2002.

Since the revelations, 3D Systems has been struggling to emerge from what Service called "a long and difficult process."

Company officials were ecstatic with Reichental's decision to join the company, but did not mention the past year of struggles.

"Abe is distinctly qualified to lead 3D Systems," said Chuck Hull, co-founder and chief technology officer. "His strong deal-making and negotiating skills will enable us to forge ahead with our growth strategies."

Reichental, 46, will leave an executive position at Sealed Air, which is a leading global manufacturer of packaging materials.

He joined Sealed Air in 1981 as a project manager and worked his way up through positions in engineering, sales, marketing and general management in North America, Europe and Asia. He will move to the Santa Clarita area from South Carolina, where he managed Sealed Air's shrink packaging unit.

Shares of 3D Systems - which have suffered for much of the year - rose sharply on the news of Reichental's hiring Friday, jumping 18 percent to close at \$8.53 per share.

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Also ran in SAC edition

photo; Caption: Photo: (color) Abe Reichental Ready to help company

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Text	
Date	All Dates
Source	Newspapers: All
Author	All Authors
Company	3-D Systems Corp
Subject	All Subjects
Industry	All Industries
Region	United States
Language	English
Results Found	186
Timestamp	17 July 2018 11:15