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In Business This Week

EDITED BY HARRIS COLLINGWOOD

DALKON VICTIMS TO ROBINS: GIVE US MORE

► Lawyers, consumer activists, and feminists have formed a coalition to oppose the \$2.3 billion settlement plan for Dalkon Shield injury claims. They could hobble efforts by A.H. Robins, the Shield's maker, to emerge from bankruptcy protection.

The coalition, which is led by the International Dalkon Shield Victims Education Assn., complains that the court-appointed committee representing the 197,000 listed claimants settled for as little as 35¢ on the dollar. Trade claimants will be paid in full, and Robins' shareholders will get \$700 million. The coalition says the claimants should get about \$5 billion. If fewer than two-thirds of the claimants approve the settlement, the deal under which American Home Products would acquire Robins will have to be renegotiated and may fall through.

KUWAIT'S BP STAKE MAY NOT BE CRICKET

► Reflecting doubt about Kuwaiti aims, Britain ordered its Monopolies Commission to investigate Kuwait's purchase—ostensibly a passive investment—of 22% of British Petroleum. When the Kuwaitis started buying BP last November, the Thatcher government advised them to limit their holding to 20%.

The Kuwaitis ignored this advice, raising suspicions that they might seek a seat on BP's board. The commission could bar a Kuwaiti role in BP management, put a cap on Kuwait's holding, or order a cutback—possibly to 15%.

A CLOSE SHAVE FOR GILLETTE

► Gillette won a narrow victory in its proxy battle with Coniston Partners. Gillette said its nominees for 4 of the

12 spots on its board garnered 52% of the 87 million votes cast at its Apr. 21 annual meeting, while 48% supported Coniston's slate. The considerable backing given Coniston indicates that many shareholders want to see the company sold. Gillette shares dropped just 3.3%, to 39%, on news of the results, a sign that traders think the company remains vulnerable.

Coniston says it will challenge the results: Its partners thought they had won 5 million more votes than actually turned up. But, says partner Paul Tierney, "we haven't decided" what to do with Coniston's 5.9% stake in Gillette.

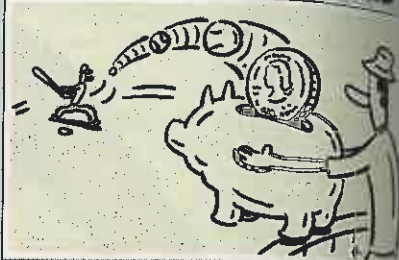
THE FEDS STRIKE OUT IN CHICAGO

► The U.S. Attorney's office in Chicago failed to win convictions of two ex-bankers and an oilman accused of fraud related to the 1984 collapse of Continental Illinois National Bank. Deliberations ended in a hung jury for the bankers and an acquittal of wildcatter Jere Sturgis.

Former Continental officer John Lytle was charged with taking at least \$585,000 in kickbacks in return for buying \$44 million in low-quality loans from Oklahoma City's Penn Square Bank. Former Penn Square Vice-President William Patterson was ac-

INVESTORS WHO WATCH FENWAY'S SCOREBOARD

The rivalry between the Boston Red Sox and the New York Yankees is one of the most ancient and honorable in baseball. Now it has taken on new substance. Fleet National Bank in Providence has intro-



duced a certificate of deposit whose interest rate is pegged to the results of this season's 13-game Yankees-Red Sox series.

In a world of ever more complex financial instruments, this one is simple. Investors pick a team—the Red Sox, say—and their favorite and start with a CD paying 7%. If the Sox beat the Yanks in their first meeting on June 6, the CD rate jumps to 7.1% starting the next day. For each game the BoSox take thereafter, backers receive another 0.1 of a percentage point for the life of the CD. There's no penalty for losses, and if either team wins the pennant, Fleet will tack on an additional 0.5 of a percentage point through Oct. 31, when the CD expires. Not surprisingly, Providence has a majority of Boston rooters. Fleet says Red Sox CDs outnumber Yankee CDs 60% to 40%.

cused of arranging the scheme, while Sturgis allegedly plotted a related kickback deal. All told, Continental bought \$1 billion in Penn Square loans. After they went sour, Continental required a \$4.5 billion federal bailout. Prosecutors hint they will seek a new trial.

ger joint to the Soviet Union. The deal gives McDonald's a 49% share of the venture and calls for 20 restaurants and a food-processing plant to be built in Moscow.

THE FUN'S OVER AT COLECO

► Troubled toymaker Coleco Industries, which hasn't had a hit product since the fad for its Cabbage Patch dolls faded, dismissed 475 employees on May 2—half its manufacturing workers and 35% of its headquarters staff.

The next day, Coleco announced that Chairman and Chief Executive Arnold Greenberg had resigned and that Morton Handel, vice-president for corporate development, would replace him.

With many observers predicting that it will be forced to file for Chapter 11, Coleco has ceased paying interest to holders of \$335 million in subordinated debentures. Those holders balked at a Coleco plan to swap the debt for a mix of \$119 million in debentures and new equity. Coleco, whose negative net worth is \$84.3 million, is struggling to come up with an alternative.

GOLDEN ARCHES, RED SQUARE

► McDonald's Restaurants of Canada and the Moscow city council are bringing the bur-



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