STRICTLY BUSINESS

McDonald's Corp. sued for racial discrimination

THE WASHINGTON POST

TAMPA, Fla. – A former employee filed a discrimination suit against McDonald's claiming widespread bias against blacks by the fast food giant.

Yolanda Y. Anthony, who worked in the corporation's Clearwater accounting center, maintains discrimination is a pattern, affecting pay, benefits, hiring, work assignments and promotions.

She is seeking class action status on behalf of blacks employees throughout the country.

"We know that there are a large number of black employees who were treated very badly by the company," said Scott Charlton, Anthony's attorney, after he filed suit.

Anthony, 42, said she ultimately was fired because of her race.

A call to a McDonald's spokesman at the company's headquarters in Oak Brook, Ill. was not returned.

Charlton said he has evidence that the discrimination at the Clearwater accounting center is happening at other McDonald's accounting centers, which handle the books for company-owned restaurants.

Charlton said he plans to investigate whether restaurant employees were victims of similar bias.

In her suit, Anthony alleges the fast-food company:

- Pays white workers more than black workers for the same work,
- Excludes black workers from bonus programs,
- Hires whites into management positions while blacks with the same experience are put in entry-level jobs,
- Denies blacks promotions and is quicker to fire blacks.

If U.S. District Judge Henry Lee Adams Jr. grants class action status, the suit could incorporate hundreds, or even thousands of black McDonald's workers nationwide.

Reduce taxes on investments

OMAR DILLARD

Financial Focus

Your financial professional has probably talked to you about your "real rate of return." It's what you get to keep after paying taxes on your investment income.

Most people typically overlook taxes when comparing investment returns. They also don't think about capital gains taxes – the tax you owe if you make a profit on an investment. The best way to avoid capital gains tax is not to sell.

But with mutual funds, taxes take on a different twist. Mutual funds generally do not pay income taxes. Instead, profits and income generated within the fund are passed on to shareholders, who must pay taxes on them. Even if you select to have dividends and capital gains reinvested, you still owe taxes on them for the year in which they occur. You're paying taxes now on benefits you may not receive for years.

One way to reduce taxes on mutual fund capital gains is to buy funds with a relatively low portfolio turnover. Turnover refers to the selling of investments within a fund. Each time a mutual fund sells an investment and realizes a gain, a taxable event occurs. High turnover typically occurs more frequently in aggressive growth funds than in more conservative funds that buy and hold securities for longer periods. You can find a fund's turnover rate in its prospectus.

That takes care of taxes on capital gains within a mutual fund, but what about taxes on your mutual fund dividends? Another way some funds are attempting to increase net after-tax return to shareholders is through tax strategy funds. For example, one such fund invests 40 percent to 50 percent of its assets in tax-exempt bonds.

While investing part of a mutual fund portfolio in tax-free securities can increase returns to shareholders, it takes a knowledgeable investor to appreciate its value. In performance comparisons, tax strategy funds are often grouped with funds that allocate 60 percent to stocks and 40 percent to taxable bonds. Because stocks and taxable bonds generally provide higher rates of return (before taxes) than tax-exempt bonds, the performance figures of tax strategy funds pale by comparison. But when taxes are in, the tax strategy funds move up considerably in performance rankings.

This is another example of the importance of clearly identifying your objective before investing. If taxes are of no consequence to you, go for total return. Look for funds that offer the highest income and gains within your risk requirements. On the other hand, if you'd like to minimize taxes, ask your financial professional about tax strategy funds.

OMAR DILLARD is an investment counselor at Edward Jones investments in Charlotte.

A new beginning

PHOTO/CALVIN FERGUSON

Errol Harper, owner of Queen City Lincoln Mercury (center) helps son Zachary Harper cut the ribbon to the grand opening of the automobile dealership on South Boulevard. Harper bought the dealership from Sam Johnson, owner of Sam Johnson Lincoln Lincoln Mercury and dealerships in Mississippi, Virginia and Fayetteville, N.C. Also on hand for the ceremony were general manager Clayton Perry (left) and Harper's daughter Rena

Black expo showcases businesses and arts

By Herbert L. White
THE CHARLOTTE POST

An expo billed as a showcase of African American business, culture and history makes its way to Charlotte this weekend.

The African American Cultural Expo will make its only southeastern stop Saturday and Sunday at the Charlotte Convention Center. The two-year-old expo will transform 15,000 square feet of floor space into a gallery of black-owned businesses and their products. There will also be motivational speeches by Charlotte native and golf legend Charlie Sifford, comedian-activist Dick Gregory and economic strategist Claud Anderson.

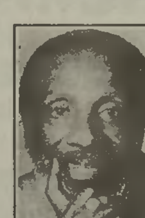
Staten

"Our mission is to provide an event that accentuates the positive attributes of the African American experience and our many contributions to society," said expo founder Everett Staten. "Our intention is to promote cultural pride, unity and economic self-reliance by showcasing past and present African American achievement and ingenuity."

Anderson will speak Saturday at 5 p.m. on "PowerNomics," an economic empowerment strategy for African Americans. On Sunday at 4:30 p.m., Gregory will offer his uncensored ideas about the state of the union. Sifford, the first black to win a professional golf championship, will discuss and autograph his new book "Just Let Me Play," a chronicle of his 28 years on tour.

Other expo highlights include several pavilions, including best-selling black authors such as Virginia DeBerry and Donna Grant ("Tryin' To Sleep In The Bed You Made"), Gyasi Foluke ("The Real Holocaust") and Herbert Harris ("The Twelve Universal Laws of Success.") There will also be a sports challenge pavilion, black inventions museum and a photo exhibit of the Henrietta Marie slave ship. A Caribbean vacation will also be given away.

The expo should also benefit from up to 40,000 football fans coming to Charlotte for the Carolinas Football Classic between N.C. A&T State University and S.C. State University. To attract them to the Convention Center, expo organizers will discount the $7 admission for adults with tickets to the classic.



Gregory

"We are additionally pleased that the expo will be held the same weekend as the annual Carolinas Football Classic," Staten said. "The two events will make this one of the most exciting weekends in Carolinas history and we encourage everyone to come out and enjoy both."

Admission for children between 6 and 12 years old is $3, with kids under 6 admitted free. Expo hours Saturday are 11 a.m.-8 p.m. and 11 a.m.-7 p.m. Sunday.

AFRICAN AMERICAN CULTURAL EXPO™

Conservative Wachovia buys Ameribank

By Paul Nowell
THE ASSOCIATED PRESS

Wachovia Corp., trying to shake off its image as a bank too stodgy to launch a takeover, announced Tuesday that it is buying Ameribank Bancshares Inc., a $280 million bank based in Hollywood, Fla.

The acquisition is the fourth the Winston-Salem, N.C.-based bank has announced since June. Wachovia's sudden shopping binge comes after six years without a major acquisition.

Valued at $71 million, the buyout pales in comparison to some recent bank deals – particularly ones made by North Carolina's two banking giants, Charlotte-based NationsBank and First Union.

Both of those banks have made recent moves into the lucrative Florida banking market, leaving little else for their rivals to even consider to buy.

"There's nothing big left, only community banks," said Marguerite Sons, who follows Wachovia for Interstate/Johnson Lane in Atlanta.

Ameribank Bancshares Inc. is the parent of American Bank and operates seven branches that specialize in serving individuals and small businesses.

"This is not a deal that fills in some gaps because there are too many of them to fill," Sons said.

Size is becoming increasingly important as banks struggle to compete for financial customers with huge nonbank companies like AT&T and General Motors and other giant multistate banks.

In what was the largest bank merger in U.S. history, NationsBank announced in August it would take over Jacksonville, Fla.,-based Barnett Banks in a $14.6 billion deal that will create the nation's third-largest bank. That deal was surpassed Tuesday when First Union and CoreStates Financial Corp. announced they have agreed to a $16.1 billion merger. The merger would create a financial giant with $204 billion in assets and 2,600 branches serving 16 million people in 12 states from Florida to Connecticut.

Money Management

A matter of trusts

By Amanda Danchi
SPECIAL TO THE POST

If the word "trust" brings to mind an opulent lifestyle and exorbitant wealth, think again. Although establishing a trust can cost anywhere from $500 to $2,000, more and more parents are viewing trusts as valuable tools for protecting and distributing assets to their children, reports the North Carolina Association of CPAs. When your will leaves property outright to your beneficiaries, you have no control over how that property is used. Trusts, on the other hand, provide a means for ensuring that children receive the benefits of your estate in accordance with your wishes.

How does a trust work?

A trust is simply a legal written document that allows you to transfer your property and to dictate how and when the funds will be used and distributed to your beneficiaries. You decide what property will be included in the trust and who will manage and spend the trust's assets. The trustee, the one responsible for managing the trust fund – may be yourself (until the time of your death), the guardian you choose to care for your children, a different individual, or even an institution such as a bank.

One of the simplest types of trust is the 2503c Minors Trust. You can contribute as much as you want to this type of trust, but contributions over $10,000 will trigger the gift tax. One way to stay within the annual gift tax limit is to put $10,000 worth of a growth stock into the trust. When the trust terminates, your child will get the current value of the stock, which presumably is more than you paid. Keep in mind that assets put in a minor's trust must be saved for the minor's benefit. One drawback to a minor's trust is that the child must have the option to withdraw the trust's assets when he or she is 21.

If you're not confident that, at age 21, your child will have the maturity to handle the trust's assets, there are other options available to you. Trust agreements are not boilerplate documents – they come in all shapes and sizes and can be custom tailored to meet your unique objectives. The type of trust you choose depends on what you want to accomplish.

How are trusts distributed?

With a trust, you can select the ages at which your children will ultimately get the trust's assets. as well as whether they will get them all at once, in installments over several years, or even over several decades. You might decide to give your son one-third of his inheritance at age 25 when he is beginning a career, another third at age 30 when he is married and looking to buy a house, and the final third at age 45 to help pay for his children's college education. Another more flexible option is to give the trustee the authority to pay out the trust's assets based on the beneficiaries' ability to handle money.

See TRUSTS on page 9A