

IMPROPER MARKDOWNS

Saks Inc. cans top executives after probe

THE ASSOCIATED PRESS

BIRMINGHAM, Ala. - Saks Inc. on Monday said it has fired its chief accounting officer and other top officers after an internal investigation into improper collections of markdown allowances found that \$20 million was inappropriately taken from vendors between 1999 and 2003.

The company - which is also the target of an informal inquiry by the Securities and Exchange Commission and U.S. Attorney's Office in New York - said no improper collections were identified as having taken place last year. Saks said it would reimburse vendors for money taken.

Suppliers pay markdown money to compensate stores when they don't sell products or are forced to take a deeper markdown than expected. Over the past few years, stores have placed more financial pressure on suppliers, and that's expected to get worse as stores consolidate and have more power in negotiations.

As a result of the review, the retailer said it has asked Chief Accounting Officer Donald Wright and Saks Fifth Avenue Chief Administrative Officer Donald Watros to resign from their positions. Brian Martin, formerly the company's general counsel, was also asked to resign.

Saks said other employees "directly involved in the over-collection" will also be asked to resign. The company added that employees who failed to "adequately supervise" those involved in such over-collections will receive disciplinary actions including termination.

The company expects to restate of financial statements for fiscal 1999 through the third quarter of fiscal 2004. The restatement will be completed on or before Sept. 1.

The energy to move ahead

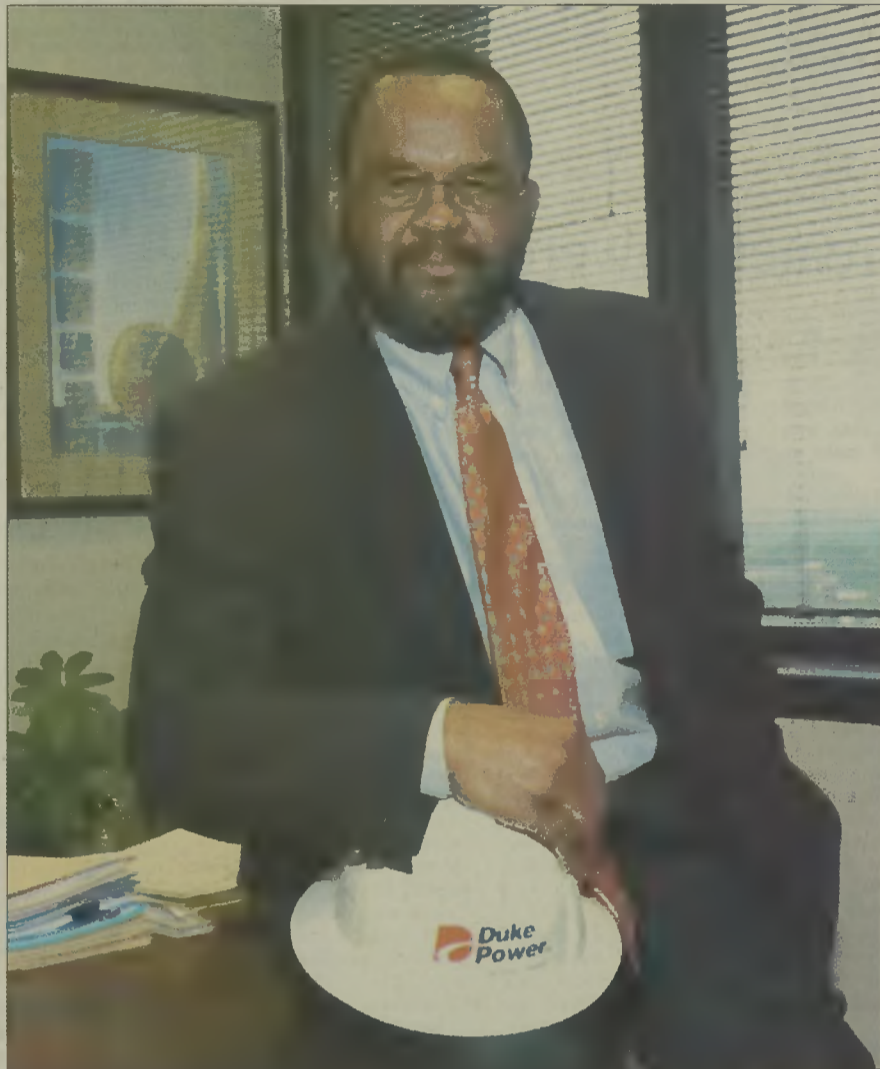


PHOTO: CALVIN FERGUSON

Black Enterprise magazine named Duke Power vice president Theopolis Holeman is one of the most influential blacks in corporate America.

Duke Power's Holeman wields corporate clout

By Paula Young  
THE CHARLOTTE POST

Theopolis Holeman isn't a household name, but he's made one for himself in corporate America.

Holeman, a Duke Power vice president, was named one of the 75 most powerful African Americans in corporate America by Black Enterprise magazine. He says the recognition was an honor.

"My mom would have been proud," said Holeman. "It speaks volumes of what hard work and preparation can position you to do."

Holeman's career in the energy industry has been all about hard work and preparation. Starting out in the industry in 1972, he did not see many faces that resembled his. He was the first black engineer at Trunkline Gas Co. in Houston, a groundbreaking position in an industry where African Americans were predominantly found in the secretarial and labor sectors. As the sole engineer, Holeman had to prove himself by making consistent contributions as a professional. "I had the good fortune to work with fair-minded people who provided those opportunities," he said.

Fast forward 30-plus years later and Holeman is still advancing up the career ladder. He has seen strides in his own career as well as other African Americans in executive positions within the energy and electric utility industry. Although Holeman has worked in some part of Duke Energy for 33 years, for the past two years he was named group vice president of power, which moved him to Charlotte from Houston. Holeman says he loves Charlotte.

"It's a great part of the country." He says he loves the size and environment of the city, even the topography of Charlotte's rolling hills and trees.

Holeman says his role is management, leadership of the power delivery group.

See HOLEMAN/7C

Duke Energy-Cinergy merger creates powerhouse

By Lisa Cornwell  
THE ASSOCIATED PRESS

Charlotte-based Duke Energy Corp. has agreed to buy rival power company Cinergy Corp. in a stock deal worth \$9 billion that will create one of the nation's largest power generators.

The deal, announced Monday after being unani-

mously approved by both companies' boards, would create an energy company with 5.4 million retail customers, more than \$70 billion in assets and about \$1.9 billion in annual profit on \$27 billion in annual revenue. Analysts said it could augur further consolidation in the industry.

Based on market capital-

ization, the combined company's electric operations would be in the top five in the United States and the natural gas operations would be the largest in North America, Paul Anderson, Duke Energy's chairman and chief executive, said Monday.

The proposed merger would allow Duke to com-

plement its gas-fired operations in the Midwest with Cinergy's coal-fired plants.

"Down the road - long term - that will give us a lot more portfolio flexibility than we have had to date," Anderson said. Analysts questioned, however, whether such flexibility would boost profitability enough to justify the merger.

James Rogers, Cinergy chairman and chief executive, said the merger puts Cinergy in a better position to meet its power generating needs in the Midwest.

"Over time, Duke's Midwest plants would allow us to modernize our fleet faster as environmental regulations become more strin-

Please see DUKE/7C

FLAT WORLD FATIGUE



ASSOCIATED PRESS PHOTO/MARCIO JOSE SANCHEZ

PortalPlayer Inc. engineers (from left) Vallab Kulkarni, Sudhakar Ram and Jeff Hawkey conduct a teleconference meeting with project managers in India from the company's offices in Santa Clara, Calif. As offshore outsourcing accelerates, American technology executives are finding they have to work later and stranger hours than before.

Globalization breeds interminable work day

By Rachel Konrad  
THE ASSOCIATED PRESS

SANTA CLARA, California - The traffic jam ended hours ago, the parking lot is nearly empty and fluorescent lights are dimmed at PortalPlayer Inc., where the nightly brainstorming session is about to begin.

Instead of gathering the few remaining souls from their cubicles, three managers move into a conference room to dial India, where engineers 12 1/2 time zones ahead

are just arriving in Hyderabad.

As colleagues on opposite sides of the globe discuss circuit board configurations and debugging strategies for a project codenamed "Doppelganger," it's just the start of another endless day for the company. Within twelve hours, Indian workers will end their day with calls and e-mails to California, where managers in the Santa Clara headquarters will just be waking up.

"We keep passing the baton between California and India, and that way we can cram a lot more work into a 24-hour peri-

od," said Jeff Hawkey, vice president of hardware engineering, who conducts evening meetings from the office or on his laptop at home. "A lot of nights, I go home, tuck the kids into bed and then get on the conference call."

Executives at PortalPlayer, which makes chips and software for portable music devices such as the iPod, say having 90 employees in Hyderabad nearly doubles the amount of engineering work that gets done in 24 hours. That shrinks production

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movers & shakers

Caulton named senior VP by RBC Centura

RBC Centura Bank has appointed Mark H. Caulton senior vice president, Commercial Real Estate Finance for RBC Centura.

In this new role, Caulton will act as market manager for construction financing in Charlotte and the surrounding area. He brings more than 17 years of commercial real estate experience to his new position.

Caulton's office will be located in Charlotte.

Caulton received an undergraduate degree from Howard University in Washington, D.C., and a MBA from American International College in Massachusetts. He is originally from Springfield, Mass.

The RBC Centura Commercial Real Estate group is based in Atlanta.

Cindy Curry has been appointed to the N.C. Travel and Tourism Board. She will help create policy and research for the Division of Tourism, Film and Sports Development in the N.C. Department of Commerce.

Curry, a group events accounts manager at Paramount's Carowinds, was appointed by N.C. House Speaker Jim Black (D-Mecklenburg).

Know of a promotion or honor? E-mail information, and a photo if possible to herb.white@thecharlottepost.com



Caulton



Curry