



THE CHARLOTTE POST

"The Voice Of The Black Community"

Volume 13, Number 12

THE CHARLOTTE POST - Thursday, August 20, 1987

Price: 50 Cents

Beatrice Buyout Puts Black Co. In Big League

TLC Becomes Nation's Largest Black Business

NEW YORK (AP) -- TLC Group made its mark with a highly profitable buyout of McCall's Pattern Co. But the planned acquisition of Beatrice International Food Co. catapults TLC into the merger and acquisition big leagues -- and will make it the nation's biggest black-owned business.

BCI Holdings, the Chicago-based parent of Beatrice Companies, announced Monday that it would sell its international foods business in a \$985 million leveraged buyout led by TLC, a closely held investment firm.

A successful buyout of Beatrice International would make TLC the nation's biggest black-owned company in terms of annual revenue.

With Beatrice expecting \$2.5 billion in 1987 sales, TLC would jump past such well-known black-owned businesses as Johnson Publishing Co., publisher of Ebony and Jet magazines, and Motown Industries, the entertainment concern, according to rankings compiled by Black Enterprise magazine.

The acquisition also would continue TLC's rapid rise in the risky and often highly profitable field of leveraged buyouts. Such acquisitions are financed heavily with debt that is repaid with the target company's cash flow or the sale of its assets.

TLC is run by Reginald F. Lewis, 44, who founded the investment firm after working as a corporate attorney at the New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison and later at the firm he cofounded, Lewis & Clark.

The Beatrice deal is just the second major buyout undertaken by TLC, which is controlled by Lewis and his family. After its founding in 1983, TLC acquired and later sold interests in several relatively small broadcasting properties before undertaking a leveraged buyout of McCall Pattern in 1984.

TLC and senior members of McCall management acquired the sewing pattern company from Esmark Inc. for \$1 million in cash and \$23.5 million in debt.

During the two years TLC owned the company Lewis became actively involved in its management. He recognized that although home sewing had been declining as more women entered the work force, McCall had inherent economic strengths and strong management that could be translated into higher profits, said Everett Grant, vice president of TLC.

McCall's operating earnings rose to \$14 million in 1986 from a previous peak of \$6.5 million, while its earnings per share nearly tripled from 1984 to 1986.

This past July, TLC and the others sold most of their holdings to an investor group led by the British textile concern John Crowther Group to net total gains of \$90 million, a 90-to-1 cash return.

"The entire transaction was a textbook leveraged buyout in terms of having done everything well," said Dean C. Kehler, a managing director of Drexel Burnham Lambert, Inc., the investment bank that is financing TLC's buyout of Beatrice International.

Grant said the buyout of Beatrice International, while much bigger than the McCall deal, reflected TLC's strategy of finding companies that are leaders in their respective businesses and already have top-quality management in place.

Beatrice International comprises 64 companies in 31 countries, involved in wholesale and retail distribution of foods and household products that include Tropicana juices, Peter Pan peanut butter and Orville Redenbacher popcorn.

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Dr. Mildred Baxter-Davis donates a major contribution to Rev. Jesse Jackson's Rainbow Coalition.

Jackson Tells Audience To Fight Today's Fight

By Loretta Richardson Post Staff Writer

The community's political and business leaders were there, local candidates vying for office were there. In fact the Fiesta and Gold Rooms of McDonald's Cafeteria overflowed with Charlotte's leading citizens who had come out to have breakfast with Jesse Jackson, president of the Rainbow Coalition and potential candidate for the presidential seat.

Addressing an audience whose number exceeded 200, Mayor Harvey Gantt welcomed the morning's guest of honor, whom he affectionately referred to as a "homeboy."

With those words Gantt then talked about the excitement of being a Democrat and on a larger scale of being an American. Gantt stressed that it was his son's seeing Jesse Jackson as an example that he was able to say, "when I grow up I want to become president."

The audience rallied around the welcome for Jackson by Stan Kaplan, president and publisher of The Charlotte Leader who said

Cummings Named NCAE Executive Director

Frances McArthur Cummings, a former president of the North Carolina Association of Educators, has been named Associate Executive Director of the 45,000 member organization. The post is the second most powerful administrative post in NCAE.

Cummings, who was president of NCAE in 1983-84 and who is just completing seven years on the NCAE Board of Directors as an NEA Director, is expected to be on staff by September 1, Gladys Graves, NCAE president, announced. Cummings will also serve with Executive Director Tom Husted as an ex-officio member of the NCAE Board of Directors.

An office occupations teacher at Lumberton Senior High School, Cummings won the NCAE post in a national search. She was one of six persons chosen to participate in an assessment center where participants did role playing involving duties the NCAE Associate Executive Director could be expected to perform. Cummings, one of 14 children, eight of whom are still living, grew up on a Robeson County farm, did her undergraduate work at Livingstone College and earned a Master's Degree at the North Carolina Central University at Durham and Vocational Certification at the University of North Carolina at Greensboro. She began her first year of teaching in an all-black school in Robeson County, then joined the faculty of Lumberton Senior High School in

that it did not matter if Jesse Jackson was the next president or if he won the Democratic nomination. "All that matters is that Jesse runs and that Jesse tries. And it will have an effect on us in '88. What Jesse does, does matter. It matters to us all and one day we will be free for his efforts."

Before this audience who stood applauding Jackson made his way to the podium. The charismatic black minister and founder of Operation P.U.S.H. who later that day would be attending a Youth Rally in Greensboro and a Rainbow Coalition board meeting that evening in Raleigh expended little time in getting to the heart of his message.

Jackson made it clear that throughout his bid for the presidency five points would be the focused on: 1) stopping the importation of drugs; 2) halting the exportation of jobs; 3) ceasing the exploitation of workers; 4) restructuring the debts of farmers; and 5) the relieving of the budget.

On the topic of drugs, Jackson was emphatic when he said, "We

must not learn to live with drug distribution." Jackson insisted that if the country can defend the borders of other countries like Nicaragua and Vietnam, then it must be willing to defend the borders of America from drugs, adding that the government knows where the drugs are and where they are grown. Comparing the drug situation to lynch mobs and robs, Jackson remarked, "At least the KKK came by night in robes, sheets and hoods. A drug pusher is just a hood who comes dressed as a friend. And we have lost more lives to dope than we

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NAACP Investigates Derek Barnes Story

By Jalyne Strong Post Managing Editor

The story of Derek Barnes, the 14-year old black student who was rejected from McClintock Junior High School's charter of the National Junior Honor Society, has initiated a NAACP query into the policies and procedures of the NJHS, as administered in the Charlotte-Mecklenburg School System.

Preliminary investigation into the Charlotte charters of NJHS will be conducted by Dr. Audrey Fisher-Brown, NAACP Education Specialist for the Southeast region. Dr. Fisher-Brown will arrive in Charlotte from Atlanta, Ga., on Monday, August 24.

"She has decided that the best thing to do is to come to Charlotte to talk with people about specific incidence or beliefs concerning Charlotte children who have been kept unfairly from the NJHS," explains Kelly Alexander Jr., Executive Secretary of the local branch and President of the North Carolina State NAACP.

Alexander's assistance was sought by Richard and Mamie Barnes, the parents of Derek, following the Charlotte-Mecklenburg School Board's decision to uphold Derek's rejection from his school's NJHS charter.

Prior to a hearing with the school board, the Barnes has been through a lengthy process with their son's teachers, his counse-



Derek Barnes

lor, the school's principal, the area superintendent and others, questioning why there son was not admitted to the honor society.

When the Barnes were given no plausible reasons for their son's exclusion, they concluded that Derek had been treated unfairly in the McClintock's NJHS selection process.

The Charlotte-Mecklenburg School Board voted five to two, white members to black members, to uphold McClintock's decision to exclude Derek from the NJHS.

Alexander claims, "I've learned the system protects itself. Even if they make a mistake and do not induct someone who should be inducted, the system forms ranks to justify its decision. That makes it hard for any parent to have justice."

Alexander, who was present at the school board hearing at the request of the Barneses, relates, "I don't think the Barneses had a fair chance at the hearing. I was appalled at what I heard."

"That is one reason why I

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Alexander



Bill Hagerman (center), McDonald's Regional Manager, presents check to Julia Taylor, Chairman, President and CEO of Mechanics and Farmers Bank. Others participating are

Stanley Green Jr. (left), Senior Vice President of Mechanics and Farmers Bank, and Eddie Maxwell and Bill Pretty (right), McDonald's Owner/Operators.

McDonald's Deposits In Black Bank

Raleigh, N.C., -- McDonald's Corporation recently announced that a \$90,000 deposit was made recently to Mechanics and Farmers Bank of Raleigh, North Carolina, as part of McDonald's National Minority Banking Program that has deposited over \$1 million in banks nationwide.

fit the community. Mechanics and Farmers Bank is an excellent corporate citizen that serves the people of North Carolina.

McDonald's is the world's leading food service organization,

servicing 20 million people a day in more than 9,500 restaurants in 46 countries. Seventy-five percent of McDonald's restaurants are locally owned and operated by independent entrepreneurs.

Bill Hagerman, McDonald's Regional Manager, made the deposit to Ms. Julia Taylor, Chairman, President and CEO of Mechanics and Farmers Bank.

"At McDonald's we do our best to put something back into the community where we do business," Hagerman said. "Making a deposit in an area bank is one of the most direct ways we can do just that."

McDonald's National Minority Banking Program targets savings institutions who, like McDonald's, make extra efforts to work to bene-



Frances Cummings

1965. She was active in her professional organizations from the beginning and was president of the North Carolina Association of Classroom Teachers in 1978.

Cummings said she is looking forward to joining the NCAE staff and to helping to "lead the educational reform movement which is sweeping across the state and nation." She said she is extremely pleased that North Carolina is leading that reform movement, is upgrading the effective schools for children, and "is raising teachers' salaries at the same time that the state is undertaking the vastly important Basic Education Plan."

She added: "I have a lot to learn in my new career, but I am joining what I consider the most outstanding state education association staff in the nation, and I am excited about helping that staff do its job."

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Enrollment Increase In Charlotte Schools

School Opens August 24

A total of 650 buses will roll as Charlotte-Mecklenburg Schools open for students Monday, August 24.

Total projected enrollment is 73,901, an increase of 548 from last year. This is the fourth straight year of an enrollment increase. Charlotte-Mecklenburg now is the nation's 29th largest school system, having moved up from 30th last year.

This year, there will be a total of 102 schools and five special programs.