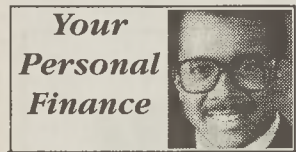


STRICTLY BUSINESS

Bonds in a profitable light

CHARLES ROSS



Your Personal Finance

Bonds have not always enjoyed the most robust reputation. With the stock market soaring, bonds were eating dust. However, many financial analysts think a period is beginning when bonds can be a good alternative to stocks, offering the upside potential of stocks with much less downside risk.

Buying bonds can be tricky. It's tough to buy bonds in denominations of less than ten thousand dollars, and, except for treasury bonds and listed corporate bonds, it is almost impossible to determine if you are paying a fair price when you buy a bond. Bond funds provide a good way to buy bonds without some of the problems of buying individual bonds. Bond funds offer professional management and greater diversification than investors can achieve on their own.

The disadvantages

Despite their compelling advantages, bond funds aren't always the best choice, especially if you don't like the uncertainty of fluctuating bond fund prices. One flaw of bond funds is that there's no fixed date when you are sure of getting your principal back. And bond fund shares fluctuate in value as interest rates change. If you should need to sell the fund when the market is down, you could lose principal. The same uncertainty could happen when you sell an individual bond, but only if you are selling the bond prior to its maturity date. If you can wait until the maturity date, you get the full value of the bond. If the bond is called before maturity, you know what you'll get back - this is not true for bond funds. Consider carefully your options and choose the best fit for your investment preferences.

Making the choice

Like every financial decision you make, the choice whether to buy bonds or bond funds depends on your needs and preferences. If you have less than \$50,000 to invest then bond funds make more sense. Bond funds can be purchased for as little as \$50 a month and offer the liquidity that allows you to sell your shares at any time. If volatility concerns you, opt for short- and intermediate-maturity bond funds, which at present are offering yields close to those on longer term funds.

If you can afford to spend at least \$50,000 to buy a few diversified issues, consider individual bonds. But be sure you won't have to sell them before maturity. Unless it's a U.S. Treasury security you'll be at the mercy of your broker, and you won't be sure of getting a good price.

With less than \$50,000 to invest, some categories of bonds are better owned in mutual funds. If you're interested in high risk bonds such as junk bonds, those with credit quality below investment grade, a bond fund is almost a must.

Professional management of a fund is crucial for the security of your investment since there is a higher-than-average risk for default. U.S. Treasury securities, on the other hand, are easily bought through a broker or a bank, or directly through the Treasury with no fee. Safety is not much of an issue, and fair prices are assured because Treasury securities are actively traded. Many municipal and

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Merger of The Post, Winston-Salem Chronicle is OK'd

By John Minter
THE CHARLOTTE POST

The merger of the two Carolina's largest black newspapers - The Charlotte Post and Winston-Salem Chronicle - was officially registered last week with the N.C. secretary of state.

The merged papers create the Consolidated Media Group, which includes a new Research Triangle-based weekly planned to begin publication in early 1998. Consolidated Media is based in Charlotte, while the

two papers operate independently from an editorial standpoint.

Also on the drawing board in the expanded media firm is taking the Chronicle and the new publication on-line and including a public relations firm and an Internet service provider.

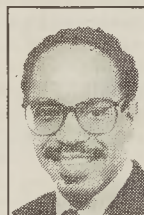
"The merger has gone pretty much as planned," said Post Publisher Gerald Johnson. "We were able to form the new company on schedule. There is a lot of work to be done, especially as it relates to getting a new company in the Triangle area."

The Chronicle has a weekly circulation of 10,500 and the Post's circulation is 8,000, with a readership of more than 60,000.

The Chronicle will cover the Triad, including Greensboro and High Point. The Post already serves Charlotte and surrounding areas, including Salisbury and Gastonia in N.C. and Lancaster, Chester and York counties in S.C. The new Triangle publication will serve Raleigh, Durham and Chapel Hill.

"In the long term, what we

have built has tremendous potential in terms of business opportunities and employment opportunities," Johnson said.



Johnson

The organization of Consolidated Media brings N.C.'s three largest urban centers under one umbrella, which will give statewide and national

advertisers access to a huge African American population with one media buy, Johnson said.

"It's harder to get national firms (as advertisers) if you can only deliver black readers in one city," Johnson said. "We wanted a statewide presence."

The merger helps satisfy both interest in expanding of both Johnson and Chronicle owner Ernie Pitt.

"Bigger is better now, and we are trying to get bigger," Pitt

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Leading Shell diversity



Leslie Mays has been named executive director of corporate diversity for Shell Oil Co. Her job is to provide strategic direction in the company's human resources and contracting strategies.

By Herbert L. White
THE CHARLOTTE POST

Leslie Mays has been appointed executive director of corporate diversity for Shell Oil.

Mays, who will report to Shell President and CEO Philip Carroll, will work with the company's Corporate Leadership Council to provide strategic direction, creative thought leadership and development of diversity strategies in both human resources and contracting.

A native of Houston, Mays has 15 years experience in human resources management, change management,

developing corporate diversity initiatives and organizational strategy development. She will coordinate all internal and external diversity activities and initiatives from Shell's headquarters in Houston.

Milton H. Jones has been named president of NationsBank's Dealer Financial Services Group in Greensboro.

"A great deal of change is taking place in this industry," said Pat Phillips, president of Financial Products for NationsBank. "Milton is a person who can deal effectively with this shifting marketplace and move our Dealer Finance Group - already one of the

nation's largest bank providers of retail financing for automobile buyers - to an even higher level of customer-centered sales and service."

Jones, who has been with NationsBank in Atlanta for 20 years, has served finance executive for NationsBank Services over the past three years.

Prior to that, he was finance executive for the General Bank of NationsBank.



Jones

Money Management

Don't let Uncle Sam make you an April tax fool

By Amanda S. Danchi
SPECIAL TO THE POST

Don't be an April fool this tax season. The North Carolina Association of CPAs says that when preparing your tax return, accurate documentation, good faith intentions to meet your tax responsibilities, and a clear understanding of the tax law can make all the difference in disputes with the Internal Revenue Service - and whether you or the IRS end up the April fool.

No excuses for not knowing law

Distributions from Individual Retirement Accounts (IRAs) taxed in the year you receive them. However, if you roll over withdrawn IRA money into another IRA account within 60 days, the distribution is not taxed. Miss this deadline and you'll be required to pay the requisite tax as well as a possible penalty if you make the withdrawal before the year you reach age 59 1/2. One man discovered the hard way. Because his investment advisor and employer provided conflicting advice about IRA rollovers, he failed to complete rollover within 60 days. The result: he had to pay taxes on his distribution and was subject to a premature withdrawal penalty. Winthrop B. Orera, TC Memo 1995-575.

IRS underwrites some parties

Entertaining for business is not unusual. As long as you discussed business during, immediately before, or immediately after event, 50 percent of the expense is typically deductible. Conducting parties at home for customers or potential clients may also fall into this category even when the deduction is for hundreds of thousands of dollars.

One couple held a dinner party, replete with a nationally recognized performer, for their sales associates and potential customers. Employed in the home-building business, the taxpayers claimed a \$347,000 business-related entertainment expense on the basis that the party was designed to promote the house.

The IRS objected, but the federal tax court ruled in the taxpayers' favor, noting that there was no personal relationship between the taxpayers and their guests - and the fact that the sales of their houses tripled in the years since they started throwing parties. Moore, Dist. Ct. VA, 6/6/96.

Computing a deduction for computer

If you're thinking about buying a computer to do some work at home for your employer, you may be entitled to a deduction. But be aware that strict rules apply to employee deductions for computer and other similar equipment. In fact, the IRS is likely to scrutinize such deductions, as it did with one sales manager. The manager bought a computer and printer and took a first-year expense deduction of \$3,700 for the equipment.

Although the IRS disallowed the deduction, the tax court allowed it because the employee met the qualifications: the computer was purchased for the convenience of the employer (as opposed to the convenience of the employee) and it was used more than 50 percent of the time for business. Mulne, TC Memo 1990-320.

Paperwork that counts

It's especially important for self-employed people to keep a paper trail that supports their deduction. One such entrepreneur was audited by the IRS and could readily produce his receipts for expenses. The agent asked him to prepare a list of the expenses.

The taxpayer discarded the old receipts thinking they were no longer necessary. When the taxpayers went to tax court, the IRS challenged his deductions because the original receipts were gone. However, the tax court ruled in his favor, since the list of expenses was derived from actual receipts. Robert Fors, TC Memo 1995-392.

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Hewlett-Packard rolls out advanced business computers

THE ASSOCIATED PRESS

PALO ALTO, Calif. - Hewlett-Packard Co. on Monday outlined plans for more advanced computers for businesses, a strategy centering on a new chip being developed with Intel that will work with HP's current products.

HP said it will continue to produce a variety of computers that use its version of the Unix operating system and others using

Microsoft Corp.'s Windows NT.

But a future family of computers using the future HP-Intel chip will be run both programs and be compatible with earlier machines using either, the company said in a briefing with reporters.

"We're going to offer our customers a seamless choice. We're not going to try to push our customers forward on technology," said Richard Sevcik, general

manager of HP's systems technology group.

"We're going to work with them. They move forward with the technology when they're ready to move," he said.

Hewlett-Packard, one of the nation's biggest computer companies, and Intel, the world's largest chip maker, announced nearly three years ago that they would develop advanced microprocessors compatible with cur-

rent computers and software.

HP currently sells computers for business that use its own chip and its own version of the Unix operating system. It also makes machines using Intel's Pentium Pro processor that run Windows NT, Microsoft's heavy-duty operating software that is increasingly popular among businesses.

The company said it will continue improving those products

even as it moves toward developing new ones based on the new chip. In the future, both its Unix and Windows NT systems will run on the same processor.

By ensuring that future products using the processor are compatible with both HPUX and NT, HP's customers will have access to both the 35,000 applications available for Windows and 15,000 available for Unix.