

8A STRICTLY BUSINESS

Funeral giant faces stiff challenges after suit

By Kendall Wilson
THE PHILADELPHIA TRIBUNE

A white-owned funeral services conglomerate that is trying to make inroads into the lucrative black funeral market is running into internal and external problems.

A Wall Street Journal article last week reported that Loewen Group, the Canadian-based giant is laying off some 500 employees and is in the process of streamlining services in a mas-

sive cost-cutting move.

Loewen is working with black Baptist churches, primarily through the National Baptist Convention, to tap into the African American market.

The company is already feeling the pains of a \$175 million settlement with a black mortician and insurance company owner in Biloxi, Miss., following a \$500 million judgment against the company. The owner, Jeremiah O'Keefe, who sold pre-need insurance to funeral homes, had

an insurance deal with a major

funeral home that was bought out by Loewen. O'Keefe said Loewen reneged on the agreement and he charged that the conglomerate was trying to destroy a black competitor. Interestingly, Raymond L. Loewen, the corporation's founder and chairman, in attempting to show Loewen's color-blind philosophy, testified that the company's deal with the National Baptist Convention was a testament to his interest in

helping African Americans.

That approach didn't sit well with the jurors.

"Here was this Canadian who didn't know anything about blacks, trying to say he was creating jobs for these black people he loved so much," jury foreman Glenn Millen said in a published interview. "But it looked to us like he was ripping them off."

The jury foreman said the jury's distaste for Loewen's marketing strategy figured prominently in its decision to award

O'Keefe \$500 million and some jurors wanted to give him more than \$1 billion. The jurors were equally incensed at the role of the National Baptist Convention, which recently dropped an investigation into alleged money mismanagement against President Henry Lyons.

"When your own preacher comes to you selling a funeral plot and you are deeply religious, it just follows you're going to get sucked in," Millen said. "It just doesn't seem right."

Loewen criticized the "injustice of the disproportionate award," but said it did not appeal because it did not want to subject shareholders to "the continued uncertainty and financial burden."

"The people in these churches are good people, humble people," said Mike Allred, one of O'Keefe's attorneys. "In many instances they are naive people, and it's an obscenity to trick them."

O'Keefe's lead attorney was prominent black lawyer Willie Gary.

Outpace stock market

CHARLES ROSS

Your Personal Finance



There are two smart investing strategies that can help you strengthen your portfolio and beat the Standard and Poor's 500. First, buy depressed shares in a company that is making initial reorganization moves. Companies at this stage often experience a boost in their stock price, but the biggest jump often occurs just before the company announces major changes. You can spot companies in this ripe condition by watching your paper's business section, or the Wall Street Journal.

A second strategy is to buy stock in spin-offs about a month after they go independent. But be patient: a spin-off's shares can falter because many investors who receive the shares don't want them and sell them right away, depressing the price. But wait a month or two. The typical spin-off goes on to superior performance.

Reinvest in top executives

Buying a stock because somebody else bought it may not always be smart. But if the investor you're tracking is a company itself, or a company's top executives, you are probably in line for a good investment. When a company's management decides the firm should repurchase its own stock, chances are the stock's price will see a boost. Buybacks signal that insiders, who have the best information available, think the stock is selling cheaper than it should.

Buybacks can also raise earnings per share, because the profits

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Africa's finest



PHOTO/LEE STEWART

House of Africa owner Papa "Pap" Seydou Ndiaye in African dress sits on lionskin rug during grand opening activities Saturday at his African gallery at 1215 Thomas Ave., just off Central Avenue, near The Plaza. The opening celebration featured master drummers, dancing and African food. Ndiaye opened the store in August. He got the idea to open the store last year after a stopover in Charlotte after selling his goods in Atlanta during the Olympics. He also owns a showroom in New York. The House of Africa features authentic African art, jewelry, drums, clothing and specialty items such as Shea butter and black soap.

Winners are consistent at investment game

OMAR DILLARD

Financial Focus



Look at successful people, and you'll find that many of them

share an important trait: consistency.

Take race car drivers, for example. A road race lasts a long time, and the lead changes. Lap records and daring moves are common. Some drivers grab for heroics, but the winners know they must finish the race. Winners may not be in front through the whole race, but they know consistency will

get them to the finish line first.

When it comes to mutual funds, consistency is the goal of professional managers. There's no way around short-term fluctuation, but with sound management, mutual funds can provide long-term consistency.

Consistency does not mean that your investments will achieve positive returns every year. To

illustrate, let's compare a global mutual fund to the MSCI World Index, an unmanaged index of global stocks tracked by Morgan Stanley Capital International. Global stock markets are typically more volatile than ours, and they better illustrate how consistent management can provide better returns than an unmanaged index of stocks.

TIME Conference focuses on the millineum

By Herbert L. White
THE CHARLOTTE POST

The economy's role in the next millenium will be the focus of a conference in Charlotte next week.

The Transition Into Millenium Economy Conference Oct. 9-11 at the Airport Sheraton Hotel will highlight topics ranging from

asset protection, the Federal Reserve, Internet, new technology and wealth accumulation. The conference's sponsor, Partnership Services Network, is a membership organization that provides access to products and services to develop business alliances to penetrate established and emerging markets.

The conference's format includes pre-conference activities,

plenary sessions, and International Marketplace and Trade Show and a banquet with live entertainment. Among the presenters are:

- Sandra D. Lynch, an emerging commerce specialist with AT&T Communications, will speak on "How to conduct international trade on the Internet."
- Lecturer and author Charles

Reives will conduct seminars on basic money facts that can change individuals' financial status;

- Forrest D. Toms, president and CEO of Training Research Development. His presentation is "Challenges and opportunities of communities in transition."

- Dan Bechter, senior vice president and officer in charge of the Charlotte and Columbia offices of the Federal Reserve Bank of

Richmond. His presentation is "The role of the Federal Reserve System."

Registration is \$250, and can be arranged by calling (800) 307-6543, extension 9106. For more information, call Richard Hooker at 482-7026.

For hotel reservations and rates, call the Sheraton Airport Plaza Hotel at 392-1200 and mention the TIME conference.

BUSINESS BRIEFS

Myrna M. Love has been hired by McDewitt Street Bovis to serve as project accountant for program management of a \$92 million Charlotte-Mecklenburg schools construction budget.

As project accountant, Love is



Love

responsible for the budget, preparing monthly cash flow analyses and reviewing project bids and contracts as well as billing and maintenance of vendor relationships.

Prior to MSB, Love was budget assistant in the facilities department for Charlotte-Mecklenburg Schools.

Joy E. Paige has been named Central Region Community Reinvestment Act officer at Wachovia Bank in Raleigh.

Paige joined Wachovia in the bank's Fayetteville sales office in 1985. She transferred to the Chapel Hill office in 1987

as a Personal Banker. Most recently, she was a Private Banker and vice president in the Raleigh office before



Paige

assuming her current position.

Ernest E. Oglesby Jr. has joined Payless Car Rental as marketing consultant for its offices in Atlanta, Charlotte and Myrtle Beach.

Oglesby is founder and past CEO for Oglesby & Anderson Inc., a marketing, public relations and advertising company in Philadelphia. His responsibilities include development of programs in the three markets, promotions and public outreach.

Jenene L. Herring has been named scholarship manager for Foundation For The Carolinas.

Herring was previously employed as enrollment services associate at Lynchburg College in Virginia. She was assistant director of admissions



Herring

at Niagra University in New York from 1992-94 as well as Temple University's admissions department.

Foundation For The Carolinas is a nonprofit organization that serves donors, communities and charities in the Carolinas.

A seminar on bonding for business will be held Saturday, McDewitt Street Bovis Charlotte-Mecklenburg

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Money Management

Avoid a tax surprise

By Amanda Danchi
SPECIAL TO THE POST

Business owners can avoid tax surprises and improve their bottom line by giving their businesses a year-end tax checkup. According to the North Carolina Association of CPAs, it involves estimating your taxable income for 1997, identifying tax deductions that can help offset that income, calculating your withholding and estimated payments, and implementing a strategy that enables you to take advantage of the tax breaks available to you.

Deductions that affect health

Self-employed individuals can deduct up to 40 percent of their health insurance premiums for themselves and their families, with a few restrictions. If you're self-employed, make sure you have adequate coverage and if not, boost it by year-end to claim this deduction. Proprietors of non-incorporated closely held business may be entitled to deduct even more - up to 100 percent of their health insurance - if they demonstrate that it is an employee benefit.

Let the IRS offset bad debts

When someone owes your business money that cannot be collected, you are entitled to a deduction for the amount of the bad debt. However, you must be able to demonstrate that you have tried to collect the debt. Be sure to make attempts to collect the debt before year end and document your efforts - so you can demonstrate that the debt has, in fact, become worthless. Be aware that if your company uses the cash method of accounting, it can deduct a bad debt only if it incurred an actual cash loss or if the amount was included in income. If your company uses accrual accounting, you may deduct a bad debt in the years in which it becomes partly or totally worthless.

Give tax-deductible bonuses

If you're looking to reward your employees for their hard work over the years, Uncle Sam can

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