

Business

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(R0-8X)7C

Thursday, September 26, 1985 O&E

Junk bonds can be part of sound portfolio

Junk bonds have returned to the investment scene, thanks to the recent takeover rumors that are running wild on Wall Street. Junk bonds are those deemed less than investment grade by Standard & Poor's Corp. or Moody's Investors Service Inc.

That is, they are rated BB or lower according to S&P or Ba by Moody's. Banks and trusts generally must steer clear of them, but with \$55 billion worth outstanding, junk bonds comprise a big part of the \$425 billion corporate bond market.

Diversify your investment

A low rating is a caution sign, not necessarily an indication of default. Frequently, junk bonds did not start out

that way but reflect the hard times on which a prosperous company has fallen and from which it may well recover.

The issuers of many newer junk bonds might be well-managed young companies that can't get any more credit from their banks. Or, the bonds can be a product of today's wave of corporate takeovers.

But are junk bonds safe? One might argue that most companies do not go bankrupt. Still, whether you invest in junk bonds on your own or through a fund, diversification lowers the risk of losing money.

Avoid concentrating on one particular field such as railroad or small oil and gas companies, where an economic downturn could create severe problems for numerous companies.



finances
and you
Sid Mittra

High-quality issues reduce risk

Most mutual funds that invest in junk bonds combine their basic junk bond holdings with some high-quality bonds, common stocks, and government securities.

Take a look at the prospectus to see for yourself how well a junk portfolio is cushioned by cash, Treasury securities,

gill-edged bonds or other investments. A review of the fund's proportionate holdings of bonds rated as medium-grade (BBB by S&P), speculative (BB) and extremely speculative (B to C) can provide guidelines as to how speculative that portfolio might be.

Watch your bonds closely

If you decide to buy some junk bonds

on your own or through a unit investment trust, which is a fixed portfolio, view them as long-term investments. And with plenty of time to consider how different companies are faring, you can sell some bonds or to redeem your trust units if problems appear.

Your broker or specialized newsletters can alert you to any lowering of the bond's rating that indicates the issuer is having trouble.

Another consideration is the sales charge or management fee levied by funds or trusts. If fees use up too much of that high yield advantage, you might be as well off — or even better off — buying an investment-grade fund.

Check with your financial planner before investing in junk bonds.

A SEMINAR designed to help you decide "What To Do Now" will be offered 7-9 p.m. Tuesday, Oct. 8 at the Kingsley Inn, 1475 N. Woodward, Bloomfield Hills. The following people will speak: Sid Mittra and Bob Fulton: annuities and taxation. Bill Argeropoulos: how to write-off tax shelter. Dean Calvert and Sid Mittra: mutual funds (bonds and stock) with timing.

The seminar is free, but registration is required. Call 643-8888 for registration.

Sid Mittra is director, personal financial planning program at Oakland University and president of Coordinated Financial Planning Inc. in Troy.

marketplace

The Berline Group, Birmingham, has been retained to handle advertising and public relations for Patomac Leasing, a subsidiary of Dana Corp.

Glorious Food, Birmingham, has changed its name to R.I.K., located at Telegraph and Maple Road in the Bloomfield Plaza. Telephone, 855-4005.

The Releheld Corp., Farmington Hills, has been appointed the advertising agency for Grand Auto Parts.

Luckebach/Zieglerman, a Birmingham-based architectural design firm, announces the groundbreaking at 280 Daines, Birmingham, for Unipro.

French & Rogers Inc., Troy, has been named advertising agency for Seal-Dry Inc. of Pontiac.

Carson Business Interiors Inc., Southfield, a full-service commercial business interiors design firm, has ap-

pointed Anthony M. Franco Inc. as its public relations counsel.

PAMI, Southfield, has been retained for advertising and public relations by the following firms: Ramada Hotel, Southfield; Jim's Garage Restaurant, Detroit; The Place Restaurant, Royal Oak; Detroit Institute of Commerce, Detroit.

Bowtel Long Gust Klein & Van Zile, of Bloomfield and Southfield, announces the relocation of its offices to Suite 200, 32270 Telegraph, Birmingham. Telephone, 258-1616.

Gordon and Shortt Inc., Birmingham, has been retained by Motors Insurance Corp., as their advertising agency.

Perameter Driven Software Inc., Birmingham, has developed ADEPT PC, a new software system which enables IBM PC users to generate ready-to-run application programs in minutes instead of hours.

Masonry Institute of Michigan Inc., Farmington, has available for Michigan architects, guidelines for its 1985 Honor Awards Program for Excellence in Masonry Design Competition.

Norell Services Inc., a business services company in the temporary help, health care, printing and computer software fields, has acquired a division of Suburban Office Services headquartered in Rochester.

NTN Toy Bearing Co. Ltd. and Federal-Mogul Corp. of Southfield signed an agreement in principle to form a jointly owned company for the manufacture and distribution of tapered and cylindrical roller bearings.

Sikens Car Refinishes has opened a regional office and training center located at 1506 Maxwell Street, north of Maple, behind Troy Motor Mail.

Releheld Corp., Farmington Hills, has been appointed advertising agency

for Ferradale Honda and Gorno Ford of Woodhaven, Mich.

Dawber and Co., Southfield, has been selected by the Oakland County Private Industry Council (PIC) and Oakland County Executive Dan Murphy for advertising and promotion of its Job Training and Placement Service.

Elecometer Inc., Birmingham, has relocated its corporate offices to 1180 E. Big Beaver Road, Troy, MI 48064. Telephone number is (313) 528-0611. Elecometer will retain its toll-free phone number, (800-221-0635), as well as its mailing address — P.O. Box 1202, Birmingham, MI 48012-1202.

Shella Sloan Public Relations Inc., Southfield, has been appointed to handle public relations and marketing for Benusha, Detroit's authentic sushi bar and restaurant scheduled to open in August 1985.

Hank Gluckman Designs Inc., Southfield, has been retained by Knoppow Industries Ltd. of Detroit to transform Knoppow's Dearborn store into a proto-

type for all future Knoppow locations.

Cushman & Wakefield of Michigan Inc., Southfield, is the result of a merger of Cushman & Wakefield and Carl Rosman & Co. commercial and industrial real estate brokerage firms.

Maccabees Mutual Life Insurance Co., Southfield, has introduced its new PRO+ (Protection Plus) group life insurance package, tailored specifically for smaller business with ten or more employees.

Plante & Moran, Southfield, certified public accounting and management consulting firm, will relocate its offices to 27400 Northwestern Highway, Southfield.

Korn, Womack, Stern & Associates, a financial planning firm based in Southfield, announces the opening of a branch office at 20600 Eureka Road, Suite 615, Taylor, MI 48180.

Leo D. Phillips and Co., a Birmingham real estate and development firm, announces the completion of renovation and reconstruction to the former research laboratory of the Bendix Cor-

poration, on Civic Center Drive and Northwestern Highway in Southfield.

Tyner Communications Ltd., Birmingham, was named by The Hyatt Regency and Crable Joe's, both of Dearborn, for direct database marketing programs.

Houston Marine Training Services, a marine examination preparation school for persons seeking Coast Guard licenses, has opened the Farmington Hills Exam-Prep Center at 1896 Orchard Lake Road, Farmington Hills.

Avanti & Associates Public Relations, West Bloomfield, has been selected to handle public relations for Amal-Fine Art, both of Southfield.

R.E. Lanza Inc., Southfield, has been appointed advertising and public relations agency for Warner Vineyards of Paw Paw, Michigan.

Baker, Abbs, Cunningham & Kieper Inc., Birmingham, has been appointed the advertising agency for St. Joseph Mercy Hospital in Pontiac.

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September

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- LIVONIA/REDFORD 534-8200
- 1421 TELEGRAPH RD. at the Jeffries Ewy.
- MT. CLEMENS 463-3620
- 1216 S GRATIOT 1/2 mile north of 16 Mile
- EAST DETROIT 778-7020
- 22301 KELLY between 8 Mi. and 9 Mile Rd.
- ANN ARBOR 973-9340
- 3336 WASHTEWEN RD. west of U.S. 23
- FLINT 313-732-5580
- 4261 MILLER across from Genesee Valley
- SUGAR LOAF 816-228-8700
- SKI AREA 18 miles N/W of Traverse City
- FARMINGTON HILLS 553-8585
- 27847 ORCHARD LAKE RD. at 12 Mile Rd.
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