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Auto show spawns more than vehicle sales

Related services pay off

By Doug Funke
staff writer

Car and truck dealers harvest sales from exhibitions like the North American Auto Show. Most families that attend buy a vehicle within a year, said Daniel Hayes, executive director of the Detroit Auto Dealers Association.

But hundreds of models, singers, dancers and musicians, local talent for the most part, can expect a more immediate payoff and a pretty good one during the run of the show Jan. 12-20 in downtown Detroit.

They'll work as narrators and floor people at exhibits. They'll greet dignitaries at the airport, assist in the press room and sell tickets at Cobo. They'll entertain at parties and breakfasts.

And in the end, they will earn \$2.5 million for their aggregate efforts, said Tim Rice, general manager for Gail & Rice Productions of Troy. "There are a lot of people working down there," he said.

"Manufacturers prefer not to be used by name. We'll have at least 115 people, male narrators, female narrators, spokespersons," Rice said. "They're pre-

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Wendy Kulczycki of Farmington Hills (second from left), a dancer for Chevrolet, uses the auto shows as a way to earn money while a full-time student majoring in marketing.

Work is fun but tough

By Doug Funke
staff writer

The money is good and so is the travel. But narrators and entertainers who do the auto show circuit apparently don't plan to make a career of that kind of work.

Wendy Kulczycki, a dancer for Chevrolet, is a full-time student majoring in marketing. Jamie Lynn Kolodziej, a narrator for Hyundai, is a part-time student majoring in broadcast communications. Cynthia Guenther, a narrator for Ford, owns a modeling/talent agency.

"It's a very good job," said Kulczycki, 21, a Farmington Hills resident. "I get a lot of experience from traveling. It pays very well."

This is Kulczycki's third year on the circuit. She took dance lessons for 12 years, first at the insistence of her mother, then because she found them enjoyable. She's also taught dance.

Kulczycki generally dances a five-minute number once an hour eight times a day.

"I STUDY on the road constantly," she said. "It's been diffi-

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Thrift bucks S&L mess with charter conversion

By Gerald Frawley
staff writer

Taxpayer bailouts, federal regulator crackdowns, forms in triplicate — let's face it, being a savings and loan today is not what it used to be.

Even in Michigan, where the industry is relatively healthy, having the word thrift associated with a financial institution is like leprosy.

It's bad for business, it's bad for public relations and it's bad for morale.

Which is why Franklin Savings Bank, a savings and loan founded with branches in Birmingham, Southfield and Grosse Pointe Woods, has taken steps to convert to a federally chartered bank, said Franklin Savings Bank vice president of corporate communications Rebecca J. Christian.

Franklin Savings received approval from the office of the Comptroller of Currency — the federal agency that regulates banks — and the Office of Thrift Supervision — the agency that supervises savings and loans — to convert to a bank Dec. 17.

Franklin Savings is the first thrift in the Midwest and only the second in the nation to receive conversion approval. Button Gwinnett Savings Bank in Norcross, Ga., was the first.

"The main reason is banks are allowed to be more diversified in loans and investments," Christian said. That is doubly true now that federal regulators are cracking down on thrifts.

JUST AS AN example, new regulations requires 70 percent of a thrift's portfolio be made up of residential loans, she said. "Currently, 52 to 55 percent of Franklin Savings loans are commercial."

The other main reason, Christian said, is public perception. Despite the relative health of Michigan thrifts, many people feel banks are more stable. "When all is said and done and the smoke clears, people will want banks," she said. "Whether the perception (of thrift instability) is real or not we want (the sense of stability) for our stockholders and customers."

Ironically, Franklin Savings Bank promoted itself as a product of deregulation after incorporating in 1983. At the time, Christian said, deregulated thrifts offered great opportunities.

Dean DeBuck, a spokesman for the Office of the Comptroller of Currency, said Franklin Savings applied for conversion in September 1989 soon after the passage of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1988. "It was the first to do so; it's the second thrift to receive approval."

Only 10 thrifts have applied for conversion thus far, DeBuck said.

It is not unreasonable to expect other thrifts will soon follow suit and apply for conversion, DeBuck said, adding future applications should be processed more quickly. "This was new for us — before a thrift can convert to a bank there needed to be new procedures (established)."

ANOTHER REASON for the delay, DeBuck said, is the Office of Thrift Supervision questioned the legality of direct conversions. The Office of the Comptroller of Currency was prepared to grant approval in early 1990, but since two supervisory agencies are involved, both

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must agree to a conversion.

Christian said Franklin Savings will continue as a thrift because it must meet conditions set by the Office of the Comptroller of Currency before the conversion is complete, Christian said, adding the transition should take between six and 12 months, she said.

To come into compliance, Franklin will need to increase its risk and core capital to ensure adequate capital and liquidity to deal with situations as they arise.

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Change seen benefiting all

By Gerald Frawley
staff writer

Franklin Savings Bank's decision to convert from a savings and loan to a bank should benefit everyone involved, from the smallest depositor to the largest stockholder.

"I can't think of any reason not to (convert from a savings and loan to a bank)," said Franklin Savings Bank vice president of corporate communications Rebecca Christian.

Since the passage of the Financial Institutions Reform, Recovery and Enforcement Act of 1988, the benefits of being a savings and loan no longer exist, Christian said. "Financial institutions might as well become banks to benefit from the advantages such a move offers."

Stockholders will benefit from an appreciation of stock value, she said. "Because banks will be able to make more diversified investments, and because of the public perception that banks are more stable, a bank stock will be more attractive than a thrift stock."

It therefore stands to reason that Franklin Savings Bank stock will increase in value if it converts to a bank. Even if that does not occur, the regulations affecting savings and loans will not cause a bank's stock to depreciate.

DEPOSITORS STAND to benefit because — if they believe the perception that banks are more secure than thrifts — they can be confident their money is safe,


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