

## Awrey from NEXT PAGE

lational institutional sales backfired. The recession hit, anticipated growth didn't occur among national customers and the bakery missed revenue from the closed-down retail operation, Awrey said.

On top of that, Awrey lost a major client which had acquired interest in another bakery.

Last October, Awrey's son, Tom, was placed in charge of day-to-day operations and retail sales were resumed in the metro area.

"We had two bright young men, hard-working, intelligent, who made a master plan for the company to streamline," Bob Awrey said. "They had great ideas to expand. The only problem was we closed too much sales volume without adequate replacement."

"The way we were losing money and sales were off, there was considerable concern (about survival). When management changed, there was a groundswell of support. It was remarkable to experience," Awrey said.

Tom Awrey was named president and chief operating officer permanently by the company's board of directors last month.

### Recovery strategy

"Our first charge is to get the company turned back around," Tom Awrey said. "We set several goals last October. Number one was to stop the bleeding. We were losing money and the future didn't look good. The second goal was to get

**■ 'It's a fact that people still like to eat sweets; that which tastes good. They talk more than they diet.'**

Bob Awrey  
chairman and chief executive officer

into black numbers by the first quarter of 1992."

"That basically was done through some layoffs, re-instituting retail sales in metro area stores and growth among national and contract clients."

Awrey does subcontract work for Swenson Foods — the biscuit portion for a sausage and biscuit packaged meal and tops for pot pies. Awrey is looking for more contract work and that his institutional sale — perhaps to a national fast-food restaurant — that would rocket revenues.

Tom Awrey wants to show a profit of at least \$1 million for this year "while positioning ourselves to a more reasonable level of profit," which he declined to elaborate.

Awrey realized revenue of more than \$50 million per year before dropping retail sales, Bob Awrey said. Revenue fell to about \$40 million but is now coming back, he added.

### Future plans

Bob Awrey, 67, said he intends to stay involved in company business less than during the previous sever-

al months but more than before the financial hemorrhaging began.

"I'm really a product and sales person," he said. "I push for new markets. I've been pushing everybody, stirring everyone up."

The highlights of Bob Awrey's career so far?

"Principally, setting up a stock purchase plan for key employees. We transferred a good share from families to active employees. Plus, the constantly changing business, keeping up with trends so gradually we're not in some rut," he said.

When not involved with business, Bob Awrey likes to garden, travel and go to horse races.

Tom Awrey, 38, has worked for the family business virtually his whole life in the plant, maintenance, research and development and driving trucks.

"I think I have a good relationship with everyone in the company I've dealt with," he said. "I think I have a good seat-of-the-pants feel for this business. Our desire is to stay private and independent."

## Auto finance scheme merely echoed ethics of the Eighties



DAN MCCOSH

When I was just out of college, a common piece of advice was to borrow some money from a bank, then repay the loan with the money you borrowed, the idea being to establish a credit record.

This was more or less the game plan of John McNamara, a Long Island, N.Y., GM dealer. Only McNamara got a little carried away.

McNamara is accused of scheming to defraud GMAC, the credit arm of GM. GMAC finances the cars in dealer inventories. GMAC also finances the cars sold to the final customer, which means that when you buy a car and borrow the money from GMAC, the dealer then takes your money and pays off GMAC, borrows more money from GMAC to buy more cars for GMAC to finance, and so on.

Apparently drawing inspiration from Donald Trump, Texas savings and loan operations and the U.S. government, McNamara allegedly decided to "eliminate" the middle man and began borrowing money

from GMAC — bothering to order any cars — and made payments directly on the inventory loans with the money that he had borrowed.

By eliminating the most inefficient part of a car dealership — mainly trying to sell cars — he soon became GMAC's best customer, scrupulously making payments on time, while less efficient dealers struggled to sell Oldsmobiles with Chevrolet engines in them. This strategy quickly ranked him among GMAC's best customers, and GMAC was anxious to loan him even more money. Sort of like those Japanese U.S. government bond holders.

It's not clear exactly how much money was borrowed in total. The last report was approximately \$4.5 billion — with about \$4 billion, give or take a couple of hundred million, eventually repaid to General Motors. It's also still not clear exactly what he did do with the money instead of buy and sell cars, although today his assets include gold mines, substantial real estate investments and at least one Chrysler dealership. (I'm not kidding.)

In any case, McNamara appears to have pulled over considerably more than the money it took to bail out Chrysler Corp. — more or less

about what it cost GM to buy Hughes aircraft. McNamara, in all likelihood, could have bought and sold Ross Perot with the money he borrowed from GMAC over a period of time.

That one dealer on Long Island could have borrowed this much without raising the curiosity of the accounting staff at GMAC is now the subject of considerable consternation at GM. The deal finally came under scrutiny when someone realized that the guy was claiming to be selling more vans than GM was manufacturing. Any explanation will no doubt be more or less par with the theory about how the Chicago building inspector couldn't look at the project that punched the hole in the Chicago river because he couldn't find a parking space.

The full ramifications will take years to unravel. Oddly enough, it now appears that McNamara actually has enough in tangible assets to pay most of the money back — although Chrysler wasn't too happy when GMAC sent out a repo man to take over its dealership. The folks at Chevrolet truck reportedly are concerned that all those non-existent vans will be deducted from truck sales totals and they will have to take back all those "We're Number One" badges.

## BUSINESS PEOPLE

George D. Sutton and Hudson A. Mend have been named assistant vice presidents and trust officers for First Of America Bank trust division in Bloomfield Hills.

Marshall R. Solomon, formerly vice president of brokerage of the Heale Group in Southfield, has formed ABS Investments Inc. a commercial Real Estate Firm in Farmington Hills.

Neiman Marcus has announced that Kathy Sweeney has been named Human Resources Manager for the new Troy store which is scheduled to open August 7.

Great Lakes Regional Rehabilitation Hospital has announced the appointment of John E. Barrett

jr., M.H.A. PACHE, as chief executive officer.

Gerardo Espinoza an accounting staff member with the Southfield-based Plante & Moran, has received the Elijah Watt Sells Award With High Distinction for his performance in the 1991 Uniform CPA Examination.

Troy-based public accounting firm Gordon & Company, P.C. has announced that Antonio DeLuca, CPA, has been installed as a member of the Italian American Chamber of Commerce.

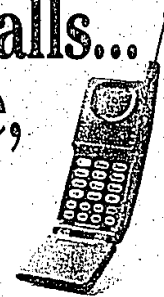
David M. Pappas of Farmington Hills has been elected a vice president of Merrill Lynch, with offices in Birmingham.

## \$150 in American Express Gift Cheques



or

## \$150\* in free calls... with Ameritech Mobile, it's your call.



Plus, Free Activation (\$35 value)

When you sign up for an eligible Ameritech Mobile Service Plan, and buy a selected Motorola phone, you can take your choice. Get \$150 in American Express Gift Cheques, good for just about anything cash can buy. Or, get \$150 in free Ameritech Mobile phone calls. If you decide on a different phone, or only need to activate a new line, you still receive the \$150 in free airtime. No matter which offer you choose, we'll also waive the normal \$35.00 activation fee. Offer ends July 15, 1992. New line activations only. Participating distributors only.

Call or visit your nearest authorized  
Ameritech Mobile distributor or phone 1-800-MOBILE-1

<b>ALBANY</b> Cableplace Communications 215 Branch St. 768-6961	<b>Mobile Communications Services</b> 990 Oakland Blvd. 863-7575	<b>LATHRUP VILLAGE</b> Ameritech Mobile Sales & Service Center 2691 Southfield Rd. 557-8655	<b>MT. CLEMENS</b> Metro Cell 36681 Harper 783-5290 1-800-LEADER-1	<b>ROYAL OAK</b> Riv. & Radio Sales & Service 6125 Main St. 538-8711	<b>TROY</b> General Cellular Sales 2705 Rochester Rd. 523-4232
<b>ALBURN HILLS</b> Metro Cell 2560 N. Square Rd. 377-3333 1-800-LEADER-1	<b>EAST POINTE</b> Ameritech Mobile Sales & Service Center 2231 Gratiot Ave. 774-8007	<b>Ameritech Paging Services &amp; Service Center</b> 2620 Southfield Rd. 1-800-458-2942	<b>PLYMOUTH</b> Ameritech Mobile Sales & Service Center 620 W. Ann Arbor Rd. 331-0720	<b>SOUTHFIELD</b> Henderson Glass Cellular All 26 Locations 2169 W. 30 Mile Rd. 330-2100	<b>VIRILANTI</b> Future Sound 3020 Carpenter Rd. 923-6584
<b>BIRMINGHAM</b> Howthorne Home Appliances & Electronics 1015 S. Woodward 644-2200	<b>FARMINGTON HILLS</b> Metro Cell 3122 W. Eight Mile Rd. 472-6333 1-800-LEADER-1	<b>LIVONIA</b> Mobile Communications Services 3441 Industrial Rd. 427-1800	<b>ROCHESTER</b> The Sound Advantage 918 Main St. 656-3911	<b>STERLING HEIGHTS</b> Metro Cell 5063 E. 14 Mile Rd. 923-6540 1-800-LEADER-1	<b>Ypsilanti</b> All Metro Detroit Locations Highland Supercenters All Metro Detroit Locations Radio Shack All Metro Detroit Locations Sears All Metro Detroit Locations
<b>DETROIT</b> Ameritech Mobile Sales & Service Center 3331 E. Jefferson Ave. 525-5907	<b>FLINT</b> Ameritech Paging Services 3035 Claude Ave. 1-800-232-5212	<b>MADISON HEIGHTS</b> Madison Electronics 513-7700	<b>ROCHESTER HILLS</b> Ameritech Paging Services 2801 S. Rochester Rd. 1-800-232-5212	<b>TAYLOR</b> Express Paging Systems 2017 Fenwick Rd. 921-1111	

\* \$150 applied toward purchase of mobile phone bill only. Excludes taxes, insurance, and service.

Offer applies to new Ameritech Mobile line activations only. Offer ends when a phone is activated for selected Motorola models, or when a new line is activated only for the \$150 in free calls and free activation. Additional restrictions apply.

© 1992 Ameritech Mobile Communications Inc. All rights reserved.

**AMERITECH**  
MOBILE COMMUNICATIONS

## LOW RATE HOME LOANS



TERM	RATE	A.P.R.
15 YEAR FIXED	8.50%	8.62%
20 YEAR FIXED	8.88%	9.11%
30 YEAR FIXED	8.88%	9.06%
5/25 CONV. BALLOON	7.86%	8.27%
7/23 CONV. BALLOON	8.13%	8.43%

For a limited time, Mutual Savings Bank charges no application fee - a \$175 savings and you can receive a fee free Mutual checking account when you have your loan payments automatically deducted.

Call Karen Slawek today to make an appointment: 1305 W. 14 Mile, 280-0565

**MUTUAL SAVINGS BANK, f.s.b.**  
Safety and Dependability Since 1887

FDIC Insured

Locations Throughout Michigan