

CDs are almost as safe as T-bills

In a recent column, you gave a very good explanation of T-bills, but it seems to be that the basic question of whether T-bills are safer than CDs was not answered. Can you address that point?

On the scale of risk, T-bills are considered to be the safest paper investment in our country since they have the backing of the U.S. government. If a bank is federally insured, their CDs are just a step behind T-bills. Both offer less risk than the other end of the spectrum, which might include such things as drilling for oil or backing the production of a movie.

With the purchase of T-bills, you can decide on the length of time you want to have your money invested — three, six or 12 months. A CD can be bought for a longer period of time.

Rather than T-bills with short maturities, I would like to invest in something safe for a much longer period of time, perhaps 30 years. Can this be done?

Treasury bonds can be bought for a longer period of time, as they mature in 10 to 30 years. If you do not wish to make that long of a commitment because of the uncertainties of

inflation, you may want to stay with T-bills.

You can get a pamphlet that explains the roll-over renewal from the local Federal Reserve branch. That way, you can invest for a shorter duration and automatically roll over the T-bills as long as the interest rates are satisfactory. No renewal fee is charged. The pamphlet is entitled "Infor-



today's investor
Thomas E. O'Hara
of the National Association of Investors Corp.

mation About Marketable Treasury Securities, Bills, Notes and Bonds Sold at Original Issue" and is free for the asking. Write the Detroit Federal Reserve office at Securities Department, 160 W. Fort St., Detroit, Mich. 48231. The telephone number is 961-6580.

Thomas O'Hara of Bloomfield Hills welcomes your questions and comments but will answer them only through this column. Readers who send in questions on a general investment subject or on a corporation with broad investor interest and whose questions are used will receive a free one-year subscription to the investment magazine "Better Investing." For a sample copy of "Better Investing" or information about investment clubs, write Today's Investor, PO Box 220, Royal Oak MI 48068.

marketplace

Peterson Spring has expanded its corporate office and laboratory at 21200 Telegraph in Southfield.

Chase Manhattan has opened an office at 100 Bloomfield Hills Parkway, Suite 140, in Bloomfield Hills. The telephone number is 645-6466.

Greiner Inc. opened a branch office at 34405 W. 12 Mile, Suite 133 in Farmington Hills. The telephone number is 553-9449.

Integrated Network Communications Inc. has hired 1988 Seoul Olympics bronze medalist Connie Paraskevin-Youngs as its corporate spokeswoman. I.N.C. has opened new headquarters at 1000 N. Opdyke, Suite K, Auburn Hills.

Liza Chenk May Chan opened an office for the practice of law at 719 South Woodward Avenue, Royal Oak.

Associates Creative of Southfield was selected to create and stage the Motorsports Hall of Fame Inaugural Event for the Detroit Grand Prix.

Hollis Healthcare Data Systems of Southfield was selected by Fujitsu America to provide warranty and out-of-warranty repair on Fujitsu's printer products.

Omnicare Health Plan of South-east Michigan was selected a winner in the 1989 Telly Awards competition for its 30-second, rotoscope-animated spot titled "Butterfly." It was awarded the Telly's top prize, a Silver Statuette, in the Health Care category. Smith-Winchester Inc. of Southfield created and produced the spot.

Blow Press Limited has opened new sales offices at 725 South Adams in Birmingham.

Electronics Group Inc. moved its offices to 2158 Bridge Street in Southfield's Bridge Industrial Park.

Kolka & Robb of West Bloomfield was selected by Governor Information Products to develop and implement a marketing and public relations program.

World Computer Corp. of Auburn Hills acquired LaserTec Inc., a laser printing firm in Royal Oak. LaserTec will continue to operate as an independent division of World Computer.

Marketing One of West Bloomfield was commissioned by Elkin Equities to handle all marketing and advertising for Sterling Place Mall in Sterling Heights.

Kohl's Department Store opened eight stores simultaneously in the Detroit area, including one in the Northland area.

Robert Bosch Corp. Office and Research Center's expansion in Farmington Hills received the Outstanding Achievement Award in the Engineering Society of Detroit's annual Building Design and Construction Awards program.

Alps Automotive will open a new facility in Metro North Technology Park in Auburn Hills.

Great Lakes Pump & Supply Co. of Troy was selected as sales representative of the Year for 1988 by Tranter Inc.

Midcom Communications Inc. of Farmington Hills was honored by IBM at the National Distribution Division Remarketer Recognition Event for its achievements as an IBM Business Partner in 1988.

Scherer acquired by Shearson Lehman

R.P. Scherer Corp. of Troy and Shearson Lehman Hutton Holdings Inc. have entered into a definitive merger agreement. The agreement was approved by the board of directors of R.P. Scherer.

In that agreement, R.P. Scherer

will be acquired by RPS Corp., a corporation organized by Shearson Lehman and its Merchant Banking Partnerships.

Under the terms of the merger agreement, RPS Acquisition Corp., a subsidiary of RPS Corp., will offer

cash for shares of common stock of R.P. Scherer representing up to approximately 88.8 percent of the common shares for \$31.75 per share or common share equivalent.

RPS Acquisition will then be merged into R.P. Scherer, and each remaining share of common stock and Class B common stock and preferred stock of R.P. Scherer will be exchanged for RPS Corp.'s cumulative exchangeable preferred stock at a rate of one share of cumulative exchangeable preferred stock for each common share or common share equivalent.

Each share of preferred stock of R.P. Scherer represents a 1.0593 common share equivalent. The new preferred shares will each have a liquidation value of \$31.75 and will pay a 17-percent dividend guaranteed for the first seven years. The tender offer depends on the acquisition by RPS Acquisition of

shares constituting 51 percent of the voting power of R.P. Scherer, on a fully diluted basis, the receipt by RPS Acquisition of all necessary financing and the expiration of the Hart-Scott-Rodino waiting period.

A Shearson Lehman spokesman said Shearson Lehman is determined to maintain R.P. Scherer as the leader in the softgel industry and to continue R.P. Scherer's commitment to product quality and customer service.

Ernst A. Schoepe, Scherer's president and CEO, expressed satisfaction that Scherer will continue to operate as the world's largest manufacturer of softgel capsules. Schoepe said the sale confirmed the wisdom of the board's Sept. 30 decision to seek a buyer for the company.

Scaled bids were invited from a number of prospective purchasers who had expressed interest in the company.

Scherer reports big increase in sales

R.P. Scherer Corp. reported a 21-percent increase in sales for the fiscal year ended March 31, 1989.

Sales for the 12-month period rose to \$350.6 million from \$290.7 million the prior year. Excluding the impact of \$9.0 million of one-time charges primarily associated with the sale of the company and management changes during the year, net income would have been \$16.9 million or \$1.74 per share on a fully diluted basis, a 26-percent increase over last year.

Because of these charges, however, net income was held to \$7.9 mil-

lion or \$0.86 per share compared with \$12.8 million or \$1.38 last year. The per-share amounts include extraordinary credits of \$0.10 in fiscal 1989 and \$0.34 in fiscal 1988.

Sales for the three months ended March 31, 1989, improved 9 percent to \$89.9 million compared with \$82.8 million in the prior year's fourth quarter. Net income before extraordinary credit for the period was \$4.8 million or \$0.44 a share compared with \$2.0 million or \$0.19 a share last year. Earnings per share in the fourth quarter of fiscal 1988 totaled \$0.50 and included an extraordinary credit of \$0.31 a share.

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