### Money from NEXT PAGE

"The biggest drawback is public exposure of everything you do," Gunn said. "It's expensive to ad-minister. There are strict regulatory requirements. It's demanding on management's time."

Investors usually must have a pipeline or window to the investment community to get in on the ground floor of an initial public of-fering.

"Typically, the investment bank-"Typically, the investment bank-er who uniforwites the security, goes to its clientele," Gunn said. "That's when you get a cold call from a broker and he says, "I've got a great opportunity," People in New York have contacts with people around the world."

Gunn conceded that the route Sommetics took to go public was quite a bit more convoluted than usual.

quite a Dit more someonicustal.
"It was complicated by the (Persion Gulf) War, a lot of stockholders were in the deal before the initial public offering — the company was still evolving." he sold.
The best time to go public is when the stock market is hot, said

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Roney & Co, a brokerage firm.

"The most Important factor is receptivity. You have to be in a position where the public wants to buy your stock," Gulfs said.
"The most important thing is a buoyant stock market. Usually you associate that with low interest rates, or declining, anyway, a robust economy, a growing economy," Gulfs said.
"Only companies that have a

Guils said.
"Only companies that have a great story and a great opportunity can go public," Gunn said. "People are interested in explosive opportunity when they invest in !nitlal public offerings."
But after going public, some companies decide to return to private status.

panies decide to return to private status.

D.O.C. Optics, headquatered in Southfield, went from a public to private company earlier this year with a stock repurchase strategy.

"One of the reasons we went private was so we don't have to give out information," said James A. Lies, chief financial officer.

Fretter, based in Livonia, has announced that it's studying the possibility of going private from public.

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## GM could force health care changes



going to cut its health benefits, mainly for its

The first reaction is "join the par-ty," since I am one of those white-collar employees who has seen med-ical benefits dwindle for years. Still, the announcement came with the usual misleading statements about the true state of auto company cor-porate health plans, and it irked me

anyway.

There is no question that health care premiums are escalating faster than any other portion of the payroll, but what seems to be missing in most of the debate is that they are, in fact, part of the payroll. puter sita is cur-rently inundated with partially paid medical bills, which no doubt affects my objectivity when I read about how GM is planning sping to cut its

Corporate axmen like to kid themselves that cutting benefits lan't quite the same as cutting pay. And too many employees think the corporation is somehow "paying" corporation is somehow "paying" for benefits separate from their sal-The reality is that "company

The reality is that "company paid" benefits are part of the pay-roll sheltered from income taxes. Co-payments are not sheltered, and hence cost the employee roughly \$2 of pre-tax income for every dollar the company saves. Usually, three "co-pay" deals don't seem like a

it is, in my mind, a particularly dumb way of attempting to save money, (Like I said, I am looking at uncovered medical bills and eying my own co-pay statement).

All that sside, the effect of health All that saide, the effect of health car costs today is supposed to be costing GM about \$1,000 per car. That's a peculiar figure, since it skyrockets when GM production and productivity drop, as well as when medical insurance costs rise.

A better way of looking at it is that GM's medical coats ought to be about B percent of psyroli—a level of some concern, but not its primary cost problem.

U.S. auto companies' hiring-to-the-grave health benefits today are legendary compared to those of most Americans. Auto industry health benefits today cost an amount equal to roughly two-thirds

of the entire take-home pay of a minimum-wage worker.
Most of the Big Three's offshore competition has health care costs at least partially offset by national health programs, a fact that puts the United States in a poor competitive position. The irony here is that the co-pay proposal would increase the tax burden for GM employees — the opposite of gaining any kind off cederal subsidy.

As one of the biggest corporate players, GM long has been in a position to arm-wreatte with the medical establishment and force some reform in the whole industry, rather than fool around with stoppa post-

cutting.

Given the tone of the national election, it would seem an appropri-ate time to do so, unless the strate-gy is to lay back and let the govern-ment do it for them.

## Highland

### from NEXT PAGE

In its bankruptcy petition filed Monday, Highland Superatores listed 18 creditors to which it owes more than 31 million. Highland Appliance also named the more than 1.7 million customers who hold extended warrantles as its largest creditor. Other creditors include companies like National Bank of Detroit, Manufacturen Bank (now merged with Comerica), Sony Corp, and Whirlpool Corp. The root of Highland Superstores problems stems from an ambitious expansion plan in the 1980s that eventually saw the firm grow to more than 80 stores.

more than 80 stores.

more than 80 atores.
After public demand for electronics wancd — the failoff in VCR sales in the late 1989s in particular— Highland Superatores began withdrawing from some of its more far-flung markets like New York, Minneapolis and Texas.
In January of this year, Highland

Superstores began implementing a plan to eliminate \$20 million in ex-

plan to eliminate \$20 million in ex-penses annually that included a company-wide layoff of approxi-mately 500 at both the corporate and retail level. Wineberg said the newest move in not expected to result in any further layoffs at the retail outlet level in Michigan, Ohlo and Indiana. "In the case of our downsizing, certain non-atore support area may be af-fected."

In a prepared statement issued

fected."

In a prepared statement issued Monday, Highland's president and chief financial officer Ira Mondry said, "We have been unable to achieve the out-of-court financial achieve the out-of-court financial restructuring of the company we had originally hoped for. We intend to seek the support of our creditors in the formulation of a reorganization plan that will allow us to emerge from Chapter 11 as soon as possible." Mondry added, "Chapter 11 will give us the opportunity to deal more effectively with certain burdensome obligations, such as closed store

obligations, such as closed store leases."

Steve Hertzberg, an attorney representing the trade creditors of Highland Superstores, said he and his clienta were surprised by the company's plants to file bankruptcy, which they learned of Friday.

"There have been two deals we've negotiated with them in the past months, and they've come back to us both times to say they couldn't meet the cash flow obligations (of the out-of-court reorganization plans)."

For now, customers in areas

plans)."
For now, customers in areas served by remaining stores should notice little difference in merchandiae quantities.
Heritberg said that despite the disappointment of the trade creditors in Highland's latest actions.

suppliers will probably continue shipping merchandise to the re-tailers.

"I'm sure it will be on a cash-only basis, or cash-on-delivery as it has been for the past six to eight months," he said.

months, "ne said.

Suppliers to Highland have been shipping to the company on a cash-on-delivery basis since the thre-creditor groups — suppliers, banks and insurance lender — began negotiating an out-of-court reorganization.

As for now, Hertzberg said the creditors will wait until they have a chance to review all of the bank-ruptcy paperwork. "Then we'll take a look at it and decide what we're going to do." But the latest news is not encour-

aging for creditors, he said. "We're not overly optimistic (about resolv-ing the dispute amicably)."

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International Training in Communication will meet at 6 p.m. Thursday, Sept. 3, at the Dearborn Civic Center, 15801 Michigan Avenue.

E DIRECT MARKETING

# et" Ray Jutkins will be the guest speaker at the Sept. 3 meeting of the Direct Marketing Assocation of Detroit at 11:30 a.m. at the Plaza Hotel in Southfield.

E LEGAL ASSISTANTS Direct marketing consultant "Rock- The personal assessment inventory,

required for entry into Oakland University Legal Assistant Pro-gram, will be conducted by Oakl-land University at 7 p.m. Tuesday, Sept. 15, at Adams High School in Rochester Hills, Fee: \$35, Call 370-2120

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