

Popping from page NEXT PAGE

"It was strictly a Saturday and Sunday venture," Robert said. "I'd take it on Saturday, he'd do it on Sunday. We made a couple of dollars."

"We thought we were rich," Richard said.

Flushed with success, they decided to expand. They found an investor through a mutual friend who helped finance eight new vans for the 1970 season, then they quit their regular jobs.

"In the interim, we needed a source of supply — popcorn, oils, napkins," Richard said. "The only place we could buy supplies was a tiny place in a 600-square-foot office called Detroit Popcorn Co."

"He wouldn't give us a deal," Robert said. "So we said, 'Do you want to sell the whole business?' He said yes."

The brothers obtained a Small Business Administration loan, re-mortgaged Robert's house and borrowed from a relative of the partner who had financed their trucks.

Fighting adversity

Things went well that summer. They decided to send the trucks to Florida for winter, but two vehicles were destroyed in an accident during transit.

"The mishap put us back financially," Richard said. "We had difficulty raising the whole sale in Michigan and the trucks in Florida. The original investor got the trucks. We got the popcorn."

The original owner of Detroit Popcorn Co. had only a few regular customers — a couple of churches, carnivals, independent peddlers, Richard said.

"We asked why couldn't we sell to all the churches, schools, fundraisers, all the people who want to have parties? We made a lot of phone calls, sent out a lot of brochures," Richard said.

The brothers gradually expanded the wholesale end from one popcorn machine to two, then started making caramel corn, oven-kitchen stoves. They added other products — cotton candy, syrup for ice drinks — and branched into equipment rental and sales.

They also hooked up with a manufacturer of popcorn equipment who was just starting his business at the time. It's proven to be a good association.

And they moved twice to larger, more highly visible quarters in Detroit before settling in Redford in 1979.

Their growth has been so good that the Jaguars recently moved

manufacturing operations and storage from a small building and 14 trailer tractors behind its showroom on Telegraph Road to a 70,000-square-foot facility in Detroit.

There are no plans to move the headquarters, they said.

Warehouse pioneers

The brothers maintain that they perfected the warehouse method of retailing long before the bigger players popularized the concept.

"We split the case, you take what you want," Robert said.

The brothers said they've had

only two unprofitable years. A fire destroyed their production plant, then the very next year, hostilities in the Persian Gulf hurt the general economy.

The current payroll fluctuates between 25 and 30 depending on seasonal needs.

"The key is a friendly personality and an outright desire to help people," Robert said.

"I really get a thrill watching people take our equipment and make a profit for themselves," Richard said. "Success comes from great product to sell, great people you're working with and

great people to sell to."

Robert recalled when he delivered his resignation to Chrysler before entering the world of popcorn.

"It was a cold, snowy winter day. I was driving a car with no heater. Half the people didn't show up that day. During the exit interview, they said I was crazy. How could I leave a job I was in for eight years to sell popcorn?"

"I said I don't know if the decision is right or wrong, but it sounds exciting."

That's exactly how it turned out.

Comerica from Next page

pending and expect more in the near future. The firms that we feel will be successful in the branches are professional groups such as law firms, businesses from the service industry, restaurants and real estate brokerage firms."

There are drawbacks though. Many of the sites are small, ranging in size from 0.5 to 1.5 acres, and some parking lot space will likely need replacing due to drive-up lanes marked off by curbs. In addition, all of the branch sites have large vaults, which maybe perfect for a jewelry store but cumbersome for a fast-food restaurant. The vaults could easily be used for storage space, however.

Still, Frederick Marx, president of Marx Layne & Co., a marketing and communications firm in

Farmington Hills, said the sites do come with a number of advantages, including accessible parking, excellent location and multiple areas for hanging company signs.

"We would be looking at those sites for a business like ours if we weren't already here (in an office building)," said Marx. "They would be great for office uses such as an insurance or accounting firm and it probably wouldn't be too difficult to build out the lots."

"The only minus I see is that many of the sites are free-standing and may be of limited use for retail activity. You don't have the synergy of adjoining stores. It also depends on where they price them but I'm sure they'll find very creative uses for them."

The buildings range in size

from 2,000 to 8,000 square feet and landscaping features have been well-maintained, said Pitton.

Comerica owns 75 percent of the sites with the rest tied up in long-term leases. Prices for the owned sites range from \$72,000 to \$795,000 while subleases are available for between \$2,900 and \$5,200 a month. Prices are, of course, negotiable.

Pitton added the branches would not be offered immediately to competing banks, savings-and-loan institutions, mortgage companies or credit unions, though each site will be evaluated on an individual basis.

While Comerica will soon close several deals on the vacant branch sites, the thrift has been delayed by federal banking laws which require a formal appraisal of any bank property valued at over \$100,000.

To help market the properties,

Comerica has published offer sheets which detail locations, building specifications and asking prices. In some cases, the sites will be sold with deed or lease restrictions barring their use as competing banks or thrifts for varying periods.

"There's not a lot of businesses which need a vault, special drive lanes and drive-up windows, but it could fit the need of florist shops, dry cleaners or furriers," said John McDonough, a former executive with Michigan National Bank and currently vice president of Document Services, Inc. in Livonia.

"When we offered branches for sale at Michigan National, we couldn't get non-financial businesses to fill them all so at times we wound up donating them as community centers or to church groups. Some of the branches were also torn down and new buildings put up."

Retirement from Next page

We'd suggest a cash purchase; however, he has little ready cash available. If he can hold off until next year when he will be in a lower tax bracket (15 percent), he could cash in some of the savings bonds or the deferred annuity to make this purchase. Or, he may be able to accumulate enough savings from the \$1,000 monthly debt repayments.

We agree that his putting additional money in savings bonds is probably not wise. With only a 4 percent rate guarantee — and only if he holds them for five years — he should be able to do better elsewhere.

Most of his current investments are in fixed-rate, guaranteed interest accounts. These do not protect him against one of the biggest threats to his long-term financial security — inflation.

Taylor's pension is a fixed, flat amount. He needs to realize that he may spend as much time in retirement as he did in his working career. At just 4 percent inflation, the purchasing power of this income will decline by almost half at the time he reaches age 70.

The solution to this problem is two-fold: First, he must conserve his capital as much as possible to give him the flexibility to respond to future circumstances. Second, he needs to position his portfolio for conservative growth.

To obtain the needed growth, Taylor should maintain some

stocks in his investment portfolio. Since he has a modest portfolio and a disinclination to follow individual stocks very closely, he is better off investing in well-diversified, conservative mutual funds.

Rather than put large sums of money into stock funds all at once, he should move into these funds gradually.

At his relatively young age, he should adopt a buy-and-hold strategy.

The desire to spend winters in Florida is problematic. Dipping further into his retirement plans is clearly not the best idea, either.

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