

BUSINESS

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BRIEFS

LOCAL

New law firm opens in Franklin

Three Johnson County attorneys have opened a Franklin law office.

George "Jay" Hoffman III, James Admire and Brian Newcomb recently opened the law office of Hoffman, Admire and Newcomb at 250 E. Jefferson St., in Franklin. Their services will include personal injury, wrongful death, medical malpractice, criminal defense, divorce and family law, and business and real estate law.

Hoffman has practiced law in Franklin for more than 13 years. Admire, a Franklin native, has practiced general litigation for more than 13 years, with an emphasis on family, business and real estate law.

Newcomb has practiced in the areas of criminal law and civil litigation for the past eight years. Information: 736-1982

Shaub CPA group hires two employees

Shaub CPA Group recently hired two new certified public accountants.

Lisa Pinegar joined the company's tax consulting group. She has 18 years of CPA firm experience, specializing in tax research and planning. She and her husband, Andy, and sons Cameron and Braden, live in White River Township.

Marcia Davault joined the staff of Shaub CPA Group. She has worked with both large and small CPA firms, focusing on tax research, planning and return preparation. She has experience in tax planning for stock options and individual tax planning and preparation. Marcia and her husband, Ron, live in Greenwood with their two children.

Information: 888-2047

Center Grove grad joins Kansas law firm

A 1997 Center Grove graduate has joined a Kansas collegiate sports law firm.

Kyle R. Skillman has joined Bond, Schoeneck & King in Overland Park, Kan. As an associate with the firm he will work on representing colleges, universities, athletics conferences and associations, and individuals in NCAA infractions, eligibility and compliance-related matters.

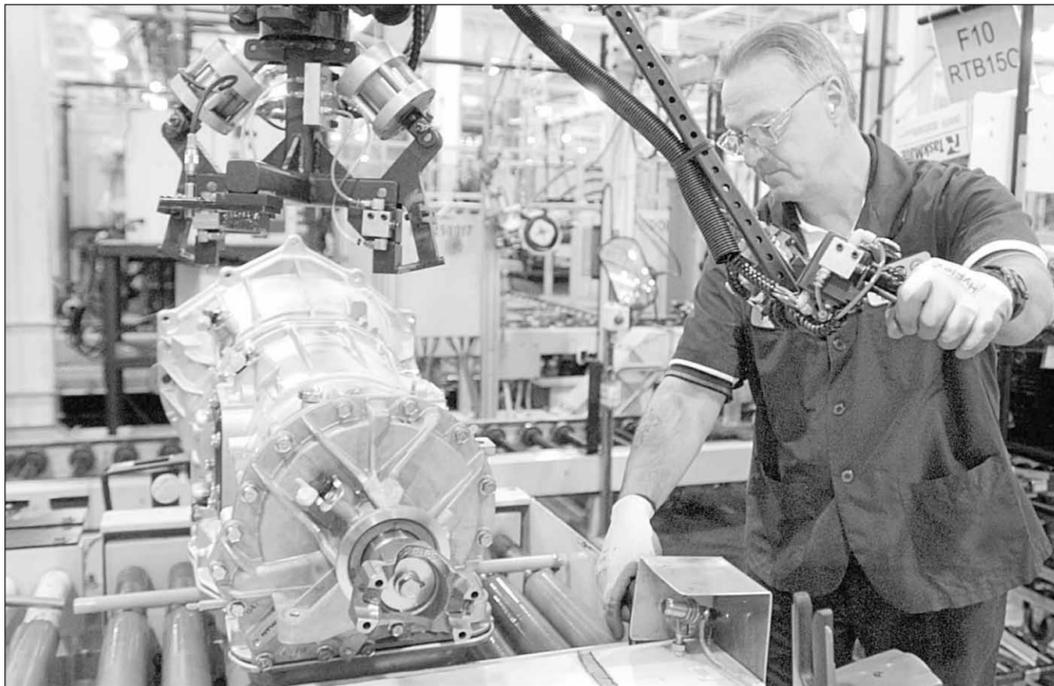
He received his bachelor's degree from Middle Tennessee State University in 2001. He received his law degree from the University of Kansas School of Law in 2004.

Therapy provider wins national award

A Franklin nursing home's therapy provider recently was honored by a national trade magazine.

Aegis Therapies, the provider of physical, occupational and speech therapy services for Hickory Creek at Franklin, won the McKnight's Long-Term Care News Reader's Choice Award.

Aegis Therapies employees at the nursing home are occupational therapists Kelly Koepper and Leanne Lamm; physical therapist assistant Yolanda Roszell; physical therapist Franco Adamo; and speech therapists Trisha Barker and Farah Mardanzai. Information: 736-8214



Frank DiGiacomo, a transmission technician at General Motors' Baltimore Transmission, a manufacturing facility in White Marsh, Md.,

sends a transmission down a manufacturing line on Feb. 1. GM, which reported a loss of \$8.6 billion for 2005, is looking for ways to cut costs.

What's ahead for GM?

Troubled automaker working to find fixes for 2005's \$8.6B loss

By BRUCE MEYERSON
THE ASSOCIATED PRESS

NEW YORK

General Motors Corp. made some tough decisions this week. Unfortunately, the automaker's mess requires tougher moves and a jolt of imagination.

The numbers speak for themselves. The future cash savings from a dividend cut, a reduction in white-collar benefits and a cut in executive pay, totaling less than \$800 million a year overall, merely skirt the problems facing a company that reported a net loss of \$8.6 billion in 2005.

Since GM is looking to shed a 51 percent stake in its highly profitable financing arm, General Motors Acceptance Corp., it's easy to argue that the dividend should have been eliminated rather than halved. GMAC contributed \$2.5 billion in cash to GM last year, and the potential divestiture would cut

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Gary Chaison
Professor at Clark University in Atlanta
on what GM needs to get past 2005's loss

future cash flow in half, while GM's dividend cut will save just \$565 million.

Likewise, management could have made a stronger statement by giving up all salary and agreeing to a bonus arrangement that only rewards a successful turnaround.

Instead, the plan includes an assortment of pay cuts at odd-sounding increments: a 50 percent reduction for the chief executive and board members, 30 percent for three vice chairmen and 10 percent for the general counsel.

The unavoidable fact is that GM's unionized workers enjoy a level of pay, health insurance and pension benefits that can't

be sustained. And then there's the jobs bank, a unique entitlement program that pays laid-off workers most of their salaries for an extended period.

Peter Morici, an economist at the University of Maryland, estimates that to make money, GM's hourly cost per employee needs to be nearly halved to about \$40, a number he derives from the steel industry, a business that's been dragged kicking and screaming into a new era of profitability.

But analogies to the steel industry only go so far. Cars aren't a raw material. To make one that sells for a premium price, its needs to be

hotter, more powerful, more efficient or more something else than a rival product.

"Cutting costs is not a business plan. You can cut costs but it doesn't sell cars," said Gary Chaison, professor of industrial relations at Clark University in Atlanta.

Here, the example of Motorola Inc. is instructive. The cell phone maker once ruled the market with technology and design before falling into a similar rut as GM, where innovation has often amounted to little more than slapping different brand names on the same vehicle platform. Motorola's revival involved wrenching cost cuts. But it also developed sharp new handsets, including the single most recognizable phone in the industry's history, the RAZR.

GM needs a RAZR badly, and management has given little hint anything so bold is in the works.

U.S. trade deficit hits \$725.8B; January has budget surplus

By MARTIN CRUTSINGER
THE ASSOCIATED PRESS

WASHINGTON

The U.S. trade deficit soared to an all-time high of \$725.8 billion in 2005, pushed upward by record imports of oil, food, cars and other consumer goods. The deficit with China hit an all-time high as did America's deficits with Japan, Europe, OPEC, Canada, Mexico and South and Central America.

The Commerce Department reported Friday that the gap between what America sells abroad and what it imports rose to \$725.8 billion last year, up by 17.5 percent from the previous record of \$617.6 billion set in 2004.

It marked the fourth consecutive year that America's trade deficit has set a record as American consumers continued their seemingly

insatiable demand for all things foreign from new cars to televisions and electronic goods.

The increased foreign competition has helped keep the lid on prices in this country, but critics say the rising trade deficit is a factor in the loss of nearly 3 million manufacturing jobs since mid-2000 as U.S. companies moved production overseas to lower-waged nations.

"Such a huge trade gap undercuts domestic manufacturing and destroys good U.S. jobs," said Richard Trumka, secretary-treasurer of labor's AFL-CIO.

Last year's deficit reflected the fact that imports rose by 12.9 percent to an all-time high of \$2 trillion, swamping a 10.4 percent increase in exports, which reached a record high of \$1.27 trillion.

For December, the trade deficit edged up a slight 1.5 percent to

\$65.7 billion, the third highest monthly figure on record.

January budget surplus

The federal government ran a \$21 billion budget surplus last month, the best January showing in four years.

The Treasury Department said the government spent \$209 billion last month, a record amount for January and up 7.9 percent from January 2005. Government tax receipts, however, also set a record for the month of \$230 billion, up 13.7 percent from January 2005.

The faster growth in receipts than in spending pushed the surplus for the month to \$21 billion, more than double the \$8.6 billion surplus the government recorded in January 2005. It was the biggest January surplus since \$43.7 billion in 2002.

MARKETS

The Associated Press

Indianapolis grain

Estimated grain prices Friday at Indianapolis-area elevators: Corn: cash \$2.00, March \$2.01. Soybeans: cash \$5.67, March \$5.67. Wheat: \$3.46.

Eastern Cornbelt direct hogs

Eastern Cornbelt Lean Value Direct Hogs report for Friday:

Trend: Barrows and gilts were 62 cents higher compared with previous day's close. Base-market carcass basis plant-delivered: 0.9 to 1.1 square inches of back fat, \$46.50-\$60.00; weighted average \$55.44.

Net prices, including premiums: 0.9-1.0, \$46.50-\$61.50; 1.0-1.1, \$46.50-\$60.00; 1.1-1.2, \$46.50-\$57.50.

Daily movement estimate: 5,180.

Wall Street

NEW YORK — Stocks rebounded from an earlier decline to post moderate gains Friday as investors looked past a mediocre outlook from Dow Jones industrial Pfizer Inc. and a new record U.S. trade deficit. The major indexes finished the week mixed.

Pfizer's profit warning dragged the Dow into negative territory for most of the day and added to traders' concerns about weak overall corporate earnings in 2006 amid a slowing economy. A fourth straight record trade deficit of \$725.8 billion last year also left Wall Street wondering whether rising energy and import prices could spark domestic inflation.

But the market managed to recoup its losses and pressed higher late in the day, giving the Dow a sturdy advance this week. Analysts have been expecting volatility among stocks following January's rally and with no major events on the horizon to clarify investors' uncertainty about the economy.

Steven Goldman, chief market strategist for Weeden & Co., said traders were assessing the latest round of earnings reports and whether stocks are fairly priced, or even overpriced. He added that the widening gap between short- and long-term bond yields also stoked worries about a downturn.

At the close of trading, the Dow rose 35.70, or 0.33 percent, to 10,919.05, after losing as much as 63 points early in the session.

Broader stock indicators also reversed course to close higher. The Standard & Poor's 500 index gained 3.21, or 0.25 percent, to 1,266.99, and the Nasdaq composite index advanced 6.01, or 0.27 percent, to 2,261.88.

Bonds pulled back from an early runup, with the yield on the 10-year Treasury note jumping to 4.58 percent from 4.55 percent late Thursday. The two-year Treasury yield was up at 4.68 percent, but the inversion of the yield curve signaled a lack of short-term confidence and, some traders believe, foreshadowed a possible economic slide.

Meanwhile, the dollar was down against most major currencies, as gold prices plunged.

Crude futures slipped following a report suggesting that high prices were starting to stifle demand. The drop came even as concerns about political unrest in oil-producing countries persisted, with a barrel of light crude losing 78 cents to settle at \$61.84 on the New York Mercantile Exchange.

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Douglas L. Tillman
Franklin College Class of 1970
Associate General Counsel (Retired)
Eli Lilly and Company

Mr. Tillman resides in Indianapolis where he is a retired attorney for Eli Lilly and Company. After graduating from Franklin College in 1970, he received his corporate law degree from Indiana University School of Law. Tillman is a veteran of the U.S. Army where he received the Army Commendation Medal.

In addition, Tillman contributes his time, talent and treasure to many civic and professional organizations. Currently, he is the immediate past president of the Board of Directors of the Hoosier Salon Patrons Association as well as a member of the governor-appointed Board of Trustees of the Indiana State Museum and Historic Sites.

His commitment and service to Franklin College has been long. As a student, he was Student Council President and the 1970 commencement speaker. As an alumnus, he is currently a member of the Franklin College Board of Trustees and a member of the President's Club. He served on the alumni council from 1973 to 1979 and on the Minority Alumni Advisory Committee from 1987 to 1988. He has also participated in the Alumni Lecture Series.

Mr. Tillman believes that his liberal arts education and experiences at Franklin College more than suitably prepared him to serve his profession in various communities.



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