

IN BRIEF

NEW YORK

Drug-maker plans to cut 4,300 jobs

Bristol-Myers Squibb, whose best-selling product is its anti-coagulant Plavix, said Wednesday it would lay off about 4,300 employees and close more than half of its manufacturing plants in a broad restructuring aimed at cost savings of \$1.5 billion by 2010. The job cuts at Bristol-Myers represent 10 percent of its staff and will be made largely in 2008 and 2009. The company also said it will close more than 50 percent of its factories by 2010 and reduce by 60 percent the number of brands in its mature products portfolio by 2011.

WALKER

Battery store to open

A Batteries Plus retail store will open Monday at 3575 Alpine Ave. NW. The new franchise joins one other store in the Grand Rapids area. The Alpine store is owned by Steve Herr and will offer a large selection of batteries, accessories and a technical support center that is equipped to design, assemble, rebuild and test custom battery packs for consumer and commercial use.

WALKER

Meijer holds video contest

Meijer Inc. is holding a contest to solicit amateur short videos or commercials to showcase the retailer's private brand of groceries. Prizes are being awarded in two categories, one for videos submitted by schools and the other for individuals. The entry deadline is Dec. 27. For details, visit meijerbrand.com.

DETROIT

Direct-mail name retired

Valassis Communications Inc. and Advo Inc. announced Wednesday they will drop the Advo name by year's end and continue under the Valassis name after the two direct-mail marketers combined earlier this year. In February, shareholders of Windsor, Conn.-based Advo approved a revised merger agreement with Valassis. The approval culminated a bitter legal battle that erupted after the two companies agreed to combine in July 2006. Valassis said the acquisition helped it more than double its third-quarter income to \$16.4 million, or 34 cents a share, from \$6.6 million, or 14 cents a share during the same period a year ago.

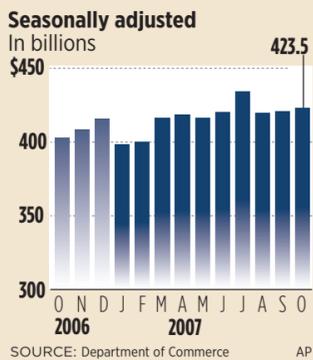
SEATTLE

Jones Soda chief to quit

Jones Soda Inc.'s chief executive and founder, Peter van Stolk, will step down from the top spot at the end of the year, the premium soda maker said. Van Stolk, who is also chairman of the board, temporarily will be replaced by two board members.

NEWS IN NUMBERS
Factory orders rise

Orders to U.S. factories rose unexpectedly in October, although much of the gain reflected higher energy prices. The Commerce Department reported orders advanced by 0.5 percent in October, far better than the flat reading that was expected.



Making work more comfortable

WOLVERINE STRIVES FOR COMFORT OF RUNNING SHOE WITH NEW BOOT

BY JULIA BAUER
THE GRAND RAPIDS PRESS

ROCKFORD — Rugged work boots are not always downright comfortable out of the box, but that's the claim for a new design expected to be patented by Wolverine World Wide Inc.

By the new year, the Wolverine Contour Welt boots are expected to be in West Michigan stores, selling for \$129 to \$159.

Although the leather boots will come in three styles with or without steel toe protection, the mission was to mimic the comfort of a running shoe.

Work boots supported by a welt, a strengthening layer sandwiched and stitched between the leather upper and the sole, traditionally are heavy and stiff, said Tim Bushell, vice president and general manager

of the Wolverine footwear group.

The contoured sides of the design created in Rockford, along with a padded lining and gel insole, make for a better pair of boots, he said.

"Anybody who's wearing work boots day in and day out, because these are lightweight and flexible, are going to be a lot more comfortable," Bushell said.

Although the first Contour Welt boots have yet to hit West Michigan, pre-orders are lively.

"It's the most successful launch we've had for a number of years," Bushell said.

Wolverine introduced the design at trade shows earlier this year, then started fielding orders for its Chinese manufacturing partner.

Forming the curving welt is no simple task.

"You've got to put a shape to it," Bushell said. "It really is difficult."

FACT SHEET

Getting the boot
Wolverine World Wide Inc. expects to patent comfort-centric Wolverine Contour Welt boot.

Cost: \$129 to \$159
Design: Leather boots with contoured section along arch, to be more flexible
Created: In Rockford
Produced: In Guangzhou, China
Available: Early 2008
At: Track 'n Trail stores, Sears



Roebuck and Co.
SOURCE: Wolverine World Wide Inc.

Wolverine's partner, a Guangzhou, China, bootmaker, is unique.

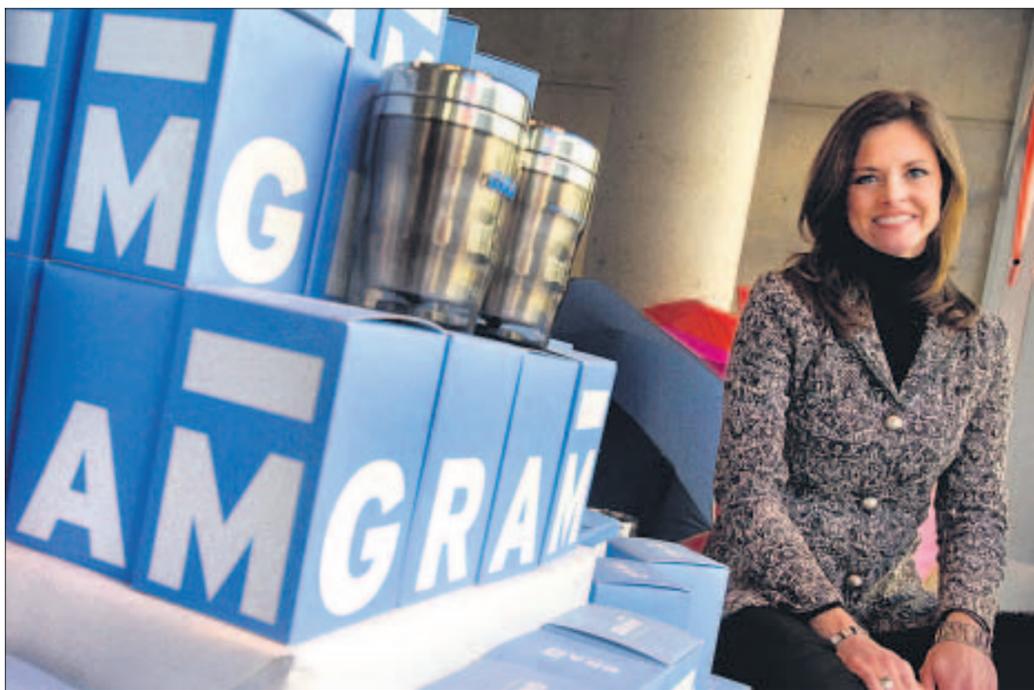
"He's the only one with the equipment to do it," Bushell said.

"It was a joint effort."

Wolverine shares closed Tuesday at \$25.41, up 79 cents on the New York Stock Exchange.

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GIVING GREEN FOR CHRISTMAS



PRESS PHOTO/EMILY ZOLADZ

Ecofriendly promotions: Karen Scarpino, owner of Promotional Impact, helped design many of the ecofriendly promotional items for the Grand Rapids Art Museum. Some of the items include GRAM bags, coffee mugs, notebooks, aprons and T-shirts made of organic cotton.

Eco-friendly and proud of it

Promotional Impact helps organizations highlight environmental commitment

BY SHANDRA MARTINEZ
THE GRAND RAPIDS PRESS

GRAND RAPIDS — Trinkets and trash.

That's the not-so-nice moniker for promotional items branded with companies' logos given away to potential clients.

But that isn't Karen Scarpino's style.

"I don't like to be known as the trinket lady. I want to set myself apart," said Scarpino, president of Promotional Impact, a 15-year-old firm with more than \$1 million in an-

nual sales.

Her company creates distinctive and custom-designed promotional products.

These days, more and more companies are looking for eco-friendly promotional items aimed at reinforcing their environmentally friendly images.

Companies are building structures with Leadership in Energy and Environmental Design certification, and are committed to the triple bottom line — people, planet, profits. They want to go to trade shows with items reflecting their environmental commitment, Scarpino said.

Inside the store at the Grand Rapids Art Museum, there are displays of T-shirts, mugs, pens and notebooks bearing GRAM's name created by Promotional Impact.

It is a good fit with a LEED-certified museum.

CONNECT

■ greengiftz.com

"LEED certification really extends beyond construction and living in a way that supports a sustainable planet. It makes sense that our shop be part of that equation," said Celeste Adams, museum director.

One of the products is a GRAM notebook made with 100 percent post-consumer paper with a ring spiral created from reclaimed metal and produced with wind energy.

"It's so important when we go the extra mile to pursue sustainable practices that the consumer knows it. The amazing thing is that there are products that can look so beautiful and be sustainable," Scarpino said.

SEE PROMOTIONS, C2

Chrysler signs point to \$1.6 billion loss

CEO's words to employees similar to predictions of another executive

THE ASSOCIATED PRESS

DETROIT — Chrysler LLC Chief Executive Robert Nardelli told a group of employees this week the company is headed for a \$1.6 billion loss this year, according to a person familiar with his statements.

Nardelli, the former CEO of The Home Depot Inc. who was hired this year by Chrysler's new owners, Cerberus Capital Management LP, told

a group of engineers and designers revenue will be less than \$63 billion but costs will exceed \$64 billion, said the person, who requested anonymity because Chrysler is a private company and no longer has to report its earnings.

If his prediction is correct, it would be the company's second straight year of losses. Chrysler lost \$618 million in 2006, but made \$1.8 billion in 2005.

Chrysler spokeswoman Shawn Morgan said the company will not comment on its financial perform-



Robert Nardelli

ance because it is privately owned.

Nardelli's statements are similar to those made by Steven Landry, executive vice president of North American sales, who told a group of Canadian business students last week the company is likely to lose \$1 billion this year as its new leadership tries to cut costs and streamline the automaker's model lineup.

Landry said Chrysler is poised to break even next year and make money in 2009 and 2010. He added the company plans to "right size" itself and reduce its model lineup from 28 to around 20 while focusing on top-quality interiors.

The automaker, he said, will take in about \$64 billion in revenue this

SEE CHRYSLER, C2

'Teaser freezer' means relief

Rates will be locked in for five years on some subprime mortgages

THE ASSOCIATED PRESS

WASHINGTON — One wag has called it the "teaser freezer." But whatever the name, it is going to mean relief for thousands of homeowners facing a painful jump in their mortgage rates in coming months.

Thanks to a deal hammered out by the Bush administration, the mortgage industry has agreed to freeze rates on a portion of the 2 million subprime mortgages that were scheduled to reset to higher rates over the next two years.

To qualify for the relief, according to congressional and industry officials who have seen the plan, the homeowner must be current on his payments under the initial introductory rates.

The freeze will last for five years, said these officials, who spoke on condition of anonymity because the plan has not been released.

They said the rate freeze will apply to loans made at the start of 2005 through July 30 of this year and will cover loans that were scheduled to rise to higher rates between Jan. 1, 2008, and July 31, 2010.

The administration said President Bush will speak on the agreement today followed by a news conference featuring Treasury Secretary Henry Paulson, Housing and Urban Development Secretary Alphonso Jackson and leading executives of the mortgage industry.

Paulson, who has spearheaded the effort to craft a plan, said Monday the program would be available only for owner-occupied homes — to ensure the break is not given to real estate speculators.

Addressing feared foreclosures

The plan emerged from talks between Paulson and other banking regulators and banks, mortgage investors and consumer groups trying to address an avalanche of feared foreclosures as an estimated 2 million subprime mortgages reset from lower introductory "teaser" rates to higher rates.

In many cases, the higher rates will boost monthly payments by as much as 30 percent, making it very difficult for many people to keep current with their loans.

The plan is aimed at homeowners who are making payments on time at lower introductory mortgage rates but cannot afford a higher adjusted rate.

Through October, there were

SEE MORTGAGES, C2

Comcast outlook sends shares falling

Cable company is up against stiffer competition

THE ASSOCIATED PRESS

PHILADELPHIA — In a bad year for cable stocks, Comcast's fall has been downright ugly.

Shares of the nation's largest cable operator, which operates the cable system in the Grand Rapids area, tumbled to a 20-month low Wednesday after it disclosed this year's cable revenue growth and cash flow will come in lower than expected.

It said consumers were balking at increasing their spending in a slowing economy and phone companies had stepped up competition.

Meanwhile, Comcast also raised its capital spending to push advanced digital set-top boxes and its digital services.

"Comcast's announcement today is the worst of all possible worlds," said Craig Moffett, senior analyst at Sanford Bernstein.

"The promise of the cable stocks has always been as

growth decelerates so, too, will capital intensity and free cash flow will rise."

The stock lost \$1.81, or 8.7 percent, to close at \$18.92, after earlier trading as low as \$18.08. In the past year, Comcast shares have ranged from \$18.83 to \$30.18.

Whole industry weakens

The news also pressured other cable stocks: Time Warner Cable Inc. slid 4.4 percent to \$25.87 while shares of Cablevision Systems Corp. fell 4.2 percent to \$25.76.

"We've seen a real softness in the business related to a combination of ... macroeconomic issues and markets and you've seen some competitive intensity," Michael Angelakis, Comcast's co-chief financial officer, said Wednesday at the UBS Global Media and Communications Conference in New York.

Cable stocks have struggled in 2007 on worries of stricter regulations, a slowing economy and competition from phone companies as they lured customers with their video services. Cable had enjoyed an advantage of being able to deliver video, Internet and phone services through one provider.

"Competition has increased, and we've got to respond," Angelakis said. But "the expectation that I have is over the next couple of years we will lose some share on the video side."

Comcast is considering rolling out lower-priced services, such as an Internet and phone bundle for customers who don't get its cable TV service. It represents a "cultural shift" for a company whose core business is video, Angelakis said.

Numbers revised

Late Tuesday, the company said it expects 2007 cable revenue to increase by 11 percent, instead of 12 percent, as its forecast for the number of new subscriptions fell.

Revenue generating units — the number of services sold — are expected to increase by 6 million to 57 million instead of by 6.5 million.

Cable operating cash flow growth is projected at 13 percent, down from 14 percent. Consolidated operating cash flow growth is expected at about 13 percent, instead of at least 13 percent.

Hasan said Comcast had been overly optimistic in its forecasts.



AP PHOTO

Trouble stalled: Nettie McGee, 73, a great-grandmother from Chicago with mortgage interest problems, concludes her opening statement Wednesday before the Senate Judiciary Committee hearing on home foreclosures.

MORTGAGES PLAN IS ABOUT-FACE FOR PAULSON

CONTINUED FROM C1
about 1.8 million foreclosure filings nationwide, compared with about 1.3 million in all of 2006, according to Irvine, Calif.-based RealtyTrac Inc. With home loan defaults still rising, the trend is expected to worsen next year.

The plan represents an about-face for Paulson, who until recently insisted the mortgage crisis could be handled on a case-by-case basis.

A severe threat

However, he and other administration officials became convinced the tide of foreclosures threatened by the mortgage resets represented such a severe threat that a more sweeping approach was needed. They opted for a proposal that was along the lines of a plan put forward in Octo-

ber by Sheila Bair, head of the Federal Deposit Insurance Corp.

Paulson and other federal regulators began holding talks with some of the country's biggest mortgage lenders, mortgage service companies, investors who hold mortgage-backed securities and non-profit groups that provide counseling for at-risk homeowners.

Under the typical subprime loan — those offered to borrowers with spotty credit histories — the rates for the first two years were at levels around 7 percent to 9 percent.

But after two years, those rates were scheduled to reset to levels around 9 percent to 11 percent.

For a typical \$1,200 monthly mortgage payment, the reset could add another

\$350 to the monthly payment, greatly raising the risks of loan defaults by homeowners struggling with the current payment.

The administration plan is designed to deal with the crisis by letting subprime borrowers who are living in their homes and are current on their payments to avoid a costly reset for five years.

The hope is by that time, the housing downturn will have stabilized, clearing out the glut of unsold homes and halting the steep slide in prices that is hitting many parts of the country.

With sales and prices once again rising, the expectation is homeowners will be able to renegotiate their current adjustable rate mortgages into a more affordable fixed-rate plan.

CHRYSLER AUTOMAKER TO ELIMINATE FOUR PRODUCTS

CONTINUED FROM C1
year, but it will spend about \$65 billion.

Chrysler in November announced plans to cut up to 12,000 jobs, just after employees represented by the United Auto Workers ratified a new four-year contract with the company.

The cuts include 8,500 to 10,000 hourly jobs and 2,100 salaried jobs through 2008, or about 15 percent of its work force. The cuts came on top

of 13,000 Chrysler job reductions that were announced in February.

Chrysler already has said it will eliminate four products through 2008: the Dodge Magnum wagon, the convertible version of the Chrysler PT Cruiser, the Chrysler Pacifica crossover and the Chrysler Crossfire sports car.

In the same time frame, Chrysler plans to add two new products: the Dodge Journey crossover and Dodge

Challenger sports car, along with two hybrid models, the Chrysler Aspen and Dodge Durango.

Chrysler became a private company in August when Cerberus, a private equity firm, became the majority owner after buying an 80.1 percent stake from then-DaimlerChrysler AG.

The company's expected loss was reported Wednesday on The Wall Street Journal Web site.

PROMOTIONS CLIENTS AREN'T SHOWN A CATALOG

CONTINUED FROM C1

Last month, she launched greengiftz.com to highlight eco-friendly promotional items.

Some products, such as umbrellas and travel mugs, are intended for reuse.

Others are made with recyclable materials, including scrap material from some company's product lines.

For Zeeland office-furniture maker Herman Miller Inc., Promotional Impact creates briefcases made from the same material used in the company's signature Aeron chair.

Scarpino doesn't show her clients a catalog. Instead, she begins asking questions about the company's products and

values, then brainstorms potential promotional items.

For C2AE, a Lansing-headquartered architectural, engineering and planning firm with an office in Grand Rapids, she created grass kits — a tin filled with dirt and grass seed that can be grown on a desk.

They were given away to potential clients during a seminar about rain gardens.

Eco-friendly "is a hot topic for our industry," said Marcie McCann, the firm's marketing coordinator.

Promotional Impact's clients include Edelman Leather, Steelcase Inc., X-Rite Inc., Bissell, Trendway, Koleaseco, Cascade Engineering, Dow Chemical, Hanon McKendry

and Haworth Inc.

With business growing, Scarpino's goal is to move her home-based business into some "real estate" in 2008.

A former vice president for the defunct downtown ad agency Aves & Inc., she joined her husband, Louis, full time at Promotional Impact a dozen years ago.

The firm has two other employees, plus an intern from Aquinas College's Sustainable Business program.

"I love being an entrepreneur," Scarpino said.

"There are not any boundaries, and your ideas can take you anywhere you want to go."

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NAMES AND FACES IN BUSINESS

Personnel changes

Kenneth Trupke joined Grubb & Ellis / Paramount Commerce as managing director.

A.G. Edwards & Sons Inc. hired **Patrick Mulvihill** and **Ryan Riley** as financial consultants at the downtown Grand Rapids office.

Lindsay Griffiths was hired as staffing specialist at Beacon Services Inc.'s Grand Rapids office.

Baudville Inc. welcomed **Cindy Gilman** as human resources manager.

Marianne Filary was appointed director of events for Zondervan.

Awards and achievements

Dan Vos Construction Co. received two ABC Awards of Excellence from the West Michigan Chapter of Associated Builders and Contractors.

DILBERT by Scott Adams



Dixie Anderson, executive director of the World Affairs Council of Western Michigan, is part of a delegation from the National Office of the World Affairs Councils of America visiting Saudi Arabia for government policy briefings.

Curt Sharp, of Merl's Towing Service Inc., was awarded the WreckMaster of the Year Award at the American Towman Exposition.

Groups and organizations

Mark Spitzley, a partner with Warner Norcross & Judd LLP, was elected to the board of directors of the Japan-America Society of West Michigan.

The following were elected to the board of directors of the hospital for Pine Rest Christian Mental Health Services: the **Rev. Wesley Granberg-Michaelson**, of the Reformed Church in America; psychiatrist **Lori Holstege**; **Stephanie Leonardos**, of Amerikam Inc.; **Victoria Proctor-Gibbs**, of the Christian Reformed Church; and **Judge Joseph Scoville**, U.S. District Court.

Send announcements to Names and Faces in Business, The Grand Rapids Press, 155 Michigan St. NW, Grand Rapids, MI 49503, or fax to 222-5409. E-mail releases and photos to: namesandfaces@grpress.com