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## Business Briefs

Reported by Star-Bulletin staff & wire

Sunday, July 22, 2001

### **Jurassic ads appear in TV, movie listings**

NEW YORK >> Some newspaper readers saw shadows of dinosaurs flying over their stock tables and TV listings this week. It wasn't an illusion, but an unusual marketing gamble by Universal Studios to promote its latest "Jurassic Park" movie.

The ads, which ran in 15 newspapers throughout the country, marked a departure from usual advertising practices and an experiment by Universal Pictures.

The shadowy figures of the flying pteranodons, a kind of winged dinosaur, weren't labeled as promotions. They also appear in the advertising campaign for "Jurassic Park III," which opened Wednesday, the same day the ads began.

Terry Curtin, head of publicity for Universal Pictures, said the ads appeared on pages with listings and agate such as stock tables, TV program schedules and weather pages. None of the ads appeared over news stories, but in the San Francisco Examiner it did appear over a page with advice columns and horoscopes.

"Where there was resistance from some papers was where they could place it in terms of church and state, editorial and advertising," Curtin said.

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### **[Taking Notice]**

#### **NEW JOBS**

>> **J. Michael Rose** has been named vice president and commercial mortgage loan officer in the construction lending department at City Bank. He joins the bank after serving as a vice president and senior relationship underwriter in the real estate banking group of Bank of America (San Francisco). In addition, Melvin K. Harada has been named vice president of credit operations in the corporate loan

department of City Bank. Harada previously worked for Bank of Hawaii as vice president and department manager for merchant services.

>> **Sylvia Sepielli** has been chosen to operate the new indoor/outdoor spa at the Mauna Lani Resort. Sepielli, who will operate the Mauna Lani Spa as Sylvia Planning and Design, has consulted in the past on spa operations in California and Arizona. Sylvia Planning and Design operates spas in Asia, but Mauna Lani will be the first spa it operates in the United States.

>> **Leonard Tom** has been named vice president of loan administration at Hawaii National Bank. A 31-year veteran of the banking and finance industry, Tom joins HNB after serving as a vice president at City Bank.

>> **Peili Lin O.D.** has joined the optometry practice at Honolulu Vision Center. Lin will be responsible for the center's general vision care practice. He joins Honolulu Vision Center after working at the Pacific Eye Surgery Center.

>> **Barbara Nishikawa** has joined INETS as corporate account representative. She brings more than 10 years of experience in the technology industry, most recently a senior account manager at a local telecommunication company.

## ON THE BOARD

>> **Barry O'Connell** has been named to the Hawaii Foodbank's board of directors. O'Connell, president of HFM FoodService, has been an active member of the Hawaii Foodbank board since 1999.

>> Pearl City resident Greg Ching has been named a district governor for 2001-02 by Toastmasters International. He will oversee 53 Toastmasters clubs in the state of Hawaii. Ching is an enrollment representative in the membership department of Hawaii Medical Service Association.

>> **Mary Fastenau** has been elected chairwoman of the American Heart Association of Hawaii. Fastenau, president and co-founder of StarrTech Interactive, is also the association's communications committee chair.

In addition, the association announced the following new board members: Dan Cooke, Robert Cooney, Deborah Green, Judy Perry, Neal Suenishi and Jay Talwar. Fastenau and the other board members were elected during the AHA of Hawaii's annual meeting June 28.

>> **Johnson W. K. Choi** has been elected president and executive director of the Hong Kong China Hawaii Chamber of Commerce. He is president and managing director of Global Estate & Tax Consultant. Other newly elected officers were: Vice President, Gerhart Walch, chairman and CEO of Wall Street Financial; Vice President, Brenda Foster, executive assistant for international and national affairs with the Governor's Office; Treasurer, Natalie Tse, lawyer; Secretary, Inpam "Laura" Smith, senior financial service representative with Principal Financial Group. Manuel Menendez III, director of the City & County of Honolulu Office of Economic Development, was elected membership chairman. New directors include: Melvyn Choy, chairman of Durrant Media Five; Yen Chun, manager of Japan American Institute of Management Science (JAIMS); Chuck Y Gee, dean emeritus of the University of Hawaii School of Travel Industry Management; Ken Hayashida, president of Kai Hawaii Inc.; Paul Tang, general manager of the Hyatt Regency Waikiki; Charlotte Vick, senior vice president of marketing for Starr Seigle Communication; and Janice Zheng, business banker with First Hawaiian Bank.

>> The Kaimuki Business and Professional Association recently named Peggy Steckert president. Also elected were: Keven Matsuura, first vice president; Cyrus Robinson, second vice president; Nancy Oide, third vice president; David Chinaka, secretary; Randall Ikawa, treasurer; and Nicki Thompson, past president.

Directors elected include: Cheryl Yuen, Edna Hussey, Eric Wong, Elissa Josephsohn, Neill Char, Philip Keat, Andy Kano, Chris Yuen, John Steelquist, Lisa Baptista, Mark Watase and Ryan Yamauchi.

In addition, KBPA presented its 2001 Scholarship Award to St. Louis High student Davin Nakasoto.

## RECOGNITION

>> J. Walter Cameron Center has named R. Gregory LaGoy Maui's Outstanding Executive Director of a Non-Profit Organization for 2001. The award honors executive directors of nonprofit organizations who have served and contributed to their agencies, community, and peers.

LaGoy is executive director at Hospice Maui. Cameron Center board President Thomas Schwab, who nominated LaGoy, credited his community outreach with an increase in the number of patients served by Hospice. LaGoy received a cash award of \$1,000.

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## [Winners & Losers]

### WINNERS

>> **Lily Yao**, who took over this week as chairwoman of the Chamber of Commerce of Hawaii. Yao is the first Asian American female to head the chamber, and she hopes her career in the banking industry can inspire other women to set high goals in the business world. At the chamber, Yao hopes to push more legislative involvement, military affairs and education.

**CB Bancshares**, parent company of City Bank, which boosted second-quarter earnings 13 percent over a year ago. The bank made a \$3.1 million profit in the second quarter of 2001, compared with \$2.8 million in 2000. The company said the gains came on more interest income from a higher margin, a recovered nonperforming loan, and an increase in the number of outstanding loans.

**BFS Inc.**, the family company that has operated Ben Franklin Crafts and Ace Hardware stores in Hawaii for 50 years. As the company is preparing for the fourth generation to run the business, it has expanded into online retailing with American-craft.com, a Web site that targets Japanese craft customers; and RealBoss.com, which sells products for pet dogs. After retooling from an overexpansion in the 1970s and 1980s, it trimmed down and is poised for potential competition from mainland craft giants.

### LOSERS

>> **Alexander & Baldwin Inc.**, which saw its quarterly earnings fall about as much as it expected. The 13 percent decline in second-quarter profit was put to sea by operating profit at subsidiary Matson Navigation Co. sinking by about one-third from a year ago. A lack of big real estate sales also hurt quarterly profits. Overall, A&B reported a \$24.5 million second-quarter profit, compared with \$28.2 million in the same period of 2000.

**WorldPoint Interactive Inc.**, Hawaii's own chapter in the dot-com Jazz Age. When the company furnished its 1132 Bishop St. office, it added items like 15 flat-screen video display screens at \$15,000 a piece. Now it has laid off its employees and is facing a lawsuit from the state to recoup money loaned to the company. If you're interested in those flat-screen displays, you can pick them up when the company auctions off its assets next weekend.

**JTI International**, a Hawaii company now facing federal wire fraud charges amid allegations it duped island and mainland investors into investing an average of \$10,000 by promising profits from retail Web

sites that not only weren't profitable, but didn't even exist. JTI chief Jason Tadao Ibara told an FBI agent last year: "I know this was wrong and I'm no longer defrauding anybody." Gee, thanks.

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### **Pitt made more than \$3 million in 2000**

WASHINGTON >> Harvey Pitt, President Bush's nominee to head the Securities and Exchange Commission, amassed more than \$3 million last year as a lawyer representing seemingly everyone in the financial world.

His financial disclosure report shows the sweep of his clients: big brokerage houses, Big Five accounting firms, federal financial agencies, and more than a few prominent corporate executives in trouble with the SEC.

If confirmed by the Senate, as is expected, Pitt will oversee the Wall Street firms and corporations he has represented since leaving the government more than two decades ago.

Pitt, 56, was the SEC's general counsel from 1975 to 1978, before going into private practice at his blue chip law firm, Fried, Frank, Harris, Shriver & Jacobson.

He will take away his capital account at the firm, worth between \$500,001 and \$1 million, and an unspecified partnership share when he is confirmed, his disclosure report shows.

### **Lilly CEO readies firm for Prozac sales plunge**

Indianapolis >> Eli Lilly & Co. Chief Executive Sidney Taurel is counting on new medicines to re-accelerate growth at his company and help its recovery from an expected plunge in Prozac sales this year and next.

Lilly expects to have profit gain of less than 10 percent in the next two years before returning to double-digit growth in 2003. Cheaper generic versions of Prozac will come on the market next month in the U.S., where Prozac now sells at the rate of \$6 million a day.

"We will still be producing growth, albeit at single-digit levels, in 2001 and 2002" after Prozac rivals reach the market, Taurel said. "After that, we may emerge as the fastest growing company in our industry."

Five drugs, including the Zyprexa schizophrenia medicine, now make up more than 40 percent of Lilly's sales, he said. These already helped reduce Prozac's contribution to Lilly sales to 24 percent last year from 31 percent in 1995. Lilly's sales grew to \$11 billion from \$6.8 billion during the same period.

### **Merrill CEO stumbles on path to profit goals**

NEW YORK >> Merrill Lynch & Co.'s second straight quarterly profit decline set back Chief Executive David Komansky's effort to meet profit targets he set last year.

Merrill Lynch earnings fell 41 percent in the second quarter as revenue declined in its four businesses -- trading, brokerage, asset management, and investment banking -- cutting the return on equity to 10.1 percent, less than half last year's level.

Decisions by Komansky, chief executive since December 1996, to scale back bond and energy trading in recent years left the firm unable to benefit from their rebound. Those businesses had helped Morgan Stanley Dean Witter & Co., Goldman Sachs Group Inc. and Lehman Brothers Holdings Inc. offset declines

in investment banking and stock trading.

"They missed some of the fixed-income upside of 2001," said Morgan Stanley Dean Witter & Co. analyst Henry McVey.

For Komansky, 62, the earnings plunge makes it more difficult to reach targets he outlined in May 2000, aiming to match returns generated by rivals and round out a career that has spanned five decades at the firm. The profit goals helped drive Merrill's stock up 71 percent last year. Komansky got an 11 percent raise last year to \$32.5 million.

### **Taiwan Central Bank says don't ask, don't tell**

Taipei >> Taiwan's central bank has a message for those who say the island's currency is headed lower: Keep quiet.

"Banks are free to advise clients about their predictions of the Taiwan dollar," Hsu Yi-hsiung, deputy governor of the Central Bank of China, said. "But we object to expressing views to the press to create a trend."

The Taiwan dollar fell 6 percent against the U.S. dollar in three months, making it Asia's second worst-performing currency after the Philippines peso. Deutsche Bank AG expects it to weaken another 1.1 percent by year's end to NT\$35.50.

Taiwan is keen to bolster its currency, encouraging more foreign investment.

### **Toyota to begin selling cars in Mexico**

Mexico City >> Toyota Motor Corp., the third-largest automaker, will start selling vehicles in Mexico in the second quarter of 2002.

The automaker said in a statement that it won't disclose which vehicles will be sold in the Mexican market until the Auto Show Mexico in December. Toyota plans to establish its dealer network in Mexico first.

Toyota formed the Mexican sales unit in May in anticipation of relaxed import duties expected in January 2004 under the North American Free Trade Agreement. Toyota said it plans to eventually build an assembly plant in Mexico.

### **Japan chipmakers to cut semiconductor spending**

TOKYO >> Japan's five chipmaking conglomerates will spend 20 percent less on capital investment in semiconductors than they targeted in April, the Nihon Keizai Shimbun said last week.

Citing a slump in demand for chips from such key markets as personal computers, mobile phones and network equipment, the business daily said the five would spend about &YEN550 billion (\$4.43 billion) on their chip operations in 2001-02, down from the &YEN694 billion in combined targets announced in late April and &YEN963 billion the year before.

### **Philippines posts \$1.4 billion deficit**

Manila >> The Philippines had a 76 billion peso (\$1.4 billion) budget deficit in the first six months of the year, putting it on course to meet its 145 billion full-year target, Budget Secretary Emilia Boncodin said.

The six-month deficit was less than the 80 billion peso target set by the government.

"There is a revenue shortfall, but expenditures are much less than target, so it was offset," Boncodin said.

With the deficit expected to reach a fourth straight record this year, the government has little room to spend to help an economy crippled by falling exports.

### **China growth slightly ahead of target**

BEIJING >> China's gross domestic product rose 7.9 percent in the first half of this year over the same period last year to 4,294.2 billion yuan (about \$519.4 billion), the National Bureau of Statistics said last week.

The growth rate exceeds the government's target of 7 percent for the whole year, and partly reflects steady expansion of domestic demand spurred by strong consumer demand and increased government spending.

But the growth rate has been held back by the continued sluggishness of the Japanese economy and the sharp slowing of growth of the U.S. economy.

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