

NorthMarq to buy unit of Legg Mason

Deal makes it third-biggest firm in field

By Julie Forster
Star Tribune Staff Writer

NorthMarq Capital of Minneapolis and its parent, Marquette Financial Companies, will nearly double the size of its commercial mortgage banking business by buying a unit of Legg Mason Inc.

The deal to buy the commercial mortgage business of

Legg Mason Real Estate Services is expected to close in September. The transaction, announced Friday, will create the nation's third-largest commercial real estate mortgage banking business, with 28 offices, and extend the reach of NorthMarq to the East Coast.

After the deal, NorthMarq will have 350 employees, more than \$6.5 billion in annual

commercial real estate financing of debt and equity transactions, and a servicing portfolio of \$21 billion. The deal will open up new territory for NorthMarq, with 17 offices from Boston to Miami.

NORTHMARQ continues on D2:
— Legg Mason to realize an \$11 million pretax gain.
— Several attractions.

"Northwest has something that belongs to the former Republic pilots and their families, and they want it back."

— John Nichols, plaintiffs' attorney

Ex-Republic pilots sue NWA over stock

By Liz Fedor
Star Tribune Staff Writer

Northwest Airlines was sued Friday by former Republic Airlines pilots and their beneficiaries, who argue that Northwest should relinquish control of Prudential Financial stock worth \$55 million.

In 1986, Eagan-based Northwest acquired Republic's stock and the two airlines merged.

After falling behind on payments to its pension plan, Republic terminated its pension fund in 1985. Plan assets were then used to pay the premium

for a group annuity contract through Prudential Insurance Co. of America.

Northwest received the shares that are the focus of the suit as compensation in late 2001 or early 2002 when Prudential shifted from a mutual company to a stock company. Northwest, as Republic's successor, is the contract-holder under the annuity contract.

SUIT continues on D10:
— Plaintiffs say Northwest refused to turn over the Prudential stock for Republic pilots and their beneficiaries.

Rainbow purchase spawns pay fight

Some lose out on vacation check

By Ann Merrill
Star Tribune Staff Writer

Hundreds of Rainbow Foods employees have been short-changed on vacation pay by the chain's former owner, Fleming Companies Inc.

Fleming, based in suburban Dallas, sought Chapter 11 bankruptcy protection in April and sold Rainbow to Milwaukee-based Roundy's Inc. in June.

"It's a mess," said Don Seaquist, president of Local 789 of the United Food and Commercial Workers Union, which represents more than 700 employees at St. Paul-area Rainbow stores. "We're hearing stories about people not getting vacation checks and others who have. There is a real inconsistency."

A week after the Rainbow sale was finalized, Fleming sent vacation benefit checks to employees with anniversary dates that fell between Jan. 1 and the June sale date, said Bob Adams, a Local 789 steward and bakery manager at the Rainbow store in Roseville.

Workers whose hiring date falls outside of that five-month period have received nothing from Fleming, which has told workers it has the right to deny payment under the bankruptcy code, he said.

The amount in dispute is uncertain at this point but easily is in "six figures," Adams said. Rainbow has about 3,500 employees.

The fact that some have received checks and others haven't has created hard feelings among workers, Adams said. "I think we all underestimated this," he said, noting that the union is working to get the money for workers.

"We will be pursuing a group claim with the court, so employees won't have to file separately," said Roger Jensen, an attorney at Jensen, Bell, Converse & Erickson in St. Paul, who is representing both Local 789 and its larger Minneapolis counterpart, Local 653.

RAINBOW continues on D2



Minerva Rules Your Future

Author: Barrie Dolnick; Harmony Books, 230 pages, \$18.00
Quote: "Use a full or waning moon for all releasing rituals."

Why Good Girls Don't Get Ahead... But Gutsy Girls Do

Author: Kate White; Warner Books, 278 pages, \$13.99
Quote: "A Gutsy Girl doesn't worry whether people like her."

Use What You've Got

Author: Barbara Corcoran; Portfolio, 261 pages, \$24.95
Quote: "If you don't have big breasts, put ribbons on your pigtails."

What Queen Esther Knew

Authors: Connie Glaser and Barbara Smalley; Rodale, 259 pages, \$19.95
Quote: "Carry yourself like a queen."

The growing number of women in the business world has attracted a flood of advice books aimed at them. It's a dubious achievement.

What's a girl to do?

Minnesota women have the highest labor force participation in the nation, but it's doubtful that they read their way to the top. Browse the business, self-help or women's studies shelves at the local Barnes & Noble store, or click on Amazon.com. You'll find an assortment of women-oriented career books that runs the gamut from ditty to daffy.

In the former (and latter) category there's the new book, "Use What You've Got & Other Business Lessons I Learned From My Mom," in which real estate billionaire Barbara Corcoran admonishes: "If you don't have big

The workplace

Gwen Freed

breasts, put ribbons on your pigtails," or "Put socks in the sock drawer," and "Go stand next to Nana and see how big you are!"

Connie Glaser and Barbara Smalley's heavily promoted new book, "What Queen Esther Knew: Business Strategies From a Biblical Sage," will be another downer for feminists.

WOMEN continues on D10:
— Some books get attention by beating women up.

INSIDE: What are local businesswomen reading? We ask them. **PAGE D10**

Hard Won Wisdom

Author: Fawn Germer; Perigee, 320 pages, \$14.95
Quote: "We are women who want to read and learn from others who have something to share."

The Girls' Guide to Power and Success

Author: Susan Wilson Solovic; MJF Books, 208 pages, \$22.95
Quote: "Hire a cleaning lady."

Chicken Soup for the Working Woman's Soul

Authors: Canfield, Hansen, Aubrey and Donnelly; Health Communications, 384 pages, \$12.95
Quote: "Because of working women like yourself, the world is a wonderful place."

In the Company of Women

Authors: Pat Heim and Susan A. Murphy; Putnam, 337 pages, \$24.95
Quote: "One of the best ways to avoid a catfight is to put subordinates at ease by symbolically minimizing your superior position."



Jason Geschwind, right, talked in his Minneapolis cabinet factory with Lee Sheehy of the MCDA, which helped with financing.

In regulatory tangle, contractor and city see room for improvement

Jason Geschwind is the kind of entrepreneur Minneapolis officials say they need more of to rejuvenate the city's core neighborhoods.

Geschwind, 32, is a veteran minority contractor and inner-city developer who has built employment to 15 at his **Gesco Construction**. The company will post \$5 million in revenue this year from remodeling and new construction.

On Business

Neal St. Anthony

"He's a good customer, and we like what Jason does," said **Kyle Kray**, a commercial lender at **Franklin Bank**. "He pushes the city in the right direction. He's aggressive and on top of his business. He's about improving the urban community."

Regardless, Geschwind, a Minneapolis native who started out cutting lawns and working as a construction-site helper during high school, also has been caught for months between two city agencies in a crosswind that even has **Mayor R.T. Rybak's** new planning-and-development czar shaking his head.

ST. ANTHONY continues on D2

MARKETS

Dow Industrials
CLOSE: 9,188.15
up 137.33

S&P 500
CLOSE: 993.32
up 11.59

Oil
CLOSE: 31.96
up 0.55
NY, Merc. Aug. futures

Gold
CLOSE: 347.30
up 3.00
Comex August futures

Nasdaq
CLOSE: 1,708.30
up 10.48
VOLUME: 1.6 billion

NYSE
CLOSE: 5,555.26
up 71.07
VOLUME: 1.4 billion

Key interest rates

3-month Treasury bill	0.89%
1-year Treasury note	1.05%
10-year Treasury bond	4.00%
30-year Treasury bond	4.93%
Prime rate	4.00%

Star Tribune 100
CLOSE: 120.53
up 1.12

Russell 2000
CLOSE: 464.76
up 4.83

FYI

Low interest rates cut Greenspan's earnings too

Americans who have watched interest on savings shrink with rock-bottom interest rates are in good company: Federal Reserve Chairman Alan Greenspan has taken a hit, too.

Greenspan's 2002 financial disclosure form showed that

income from his no-frills investments — Treasury securities, money market accounts and savings and checking accounts — totaled \$55,000 to \$139,000. That's down from the \$106,000 to \$309,000 Greenspan reported in investment income for 2001.

As Fed chairman, Greenspan has preferred to keep all of his holdings in money market accounts and Treasury se-

curities, which are considered the world's safest investment, to avoid any appearance of conflict. But those safer investments typically pay smaller interest rates than riskier investments.

Still, the value of Greenspan's investment holdings in 2002 totaled \$3 million to \$6.3 million, nearly the same as in 2001.

Associated Press