

BUSINESS

TUESDAY
August 23, 2

MARKETS

DOW 30 Industrials	BONDS 10-yr. Treasuries
10,589.89 +10.66	4.22% +0.01

NASDAQ Composite	S&P 500
2,141.41 +5.85	1,221.73 +2.02

NEWS OF NOTE

Firms hold cash; amount highest since 1988

U.S. companies, which have been reluctant to part with their mountain of cash, may start spending more of it — and spur the economy in the process.

Flush from three years of soaring profits, the top U.S. corporations held \$634 billion in cash, the biggest hoard relative to their market value in 17 years, according to Standard & Poor's. Companies including Exxon Mobil Corp., Dell Inc. and Pfizer Inc. are hearing from investors who say it's time to either spend more to expand their businesses, or pay higher dividends.

Allied Mutual lawsuit settled

Policyholders who claimed asset losses to get \$100 million-plus

By S. P. DINNEN
REGISTER BUSINESS WRITER

Nationwide Mutual Insurance Co. will pay as much as \$163 million to settle an eight-year-old lawsuit over challenged financial transactions at Des Moines-based subsidiary Allied Insurance.

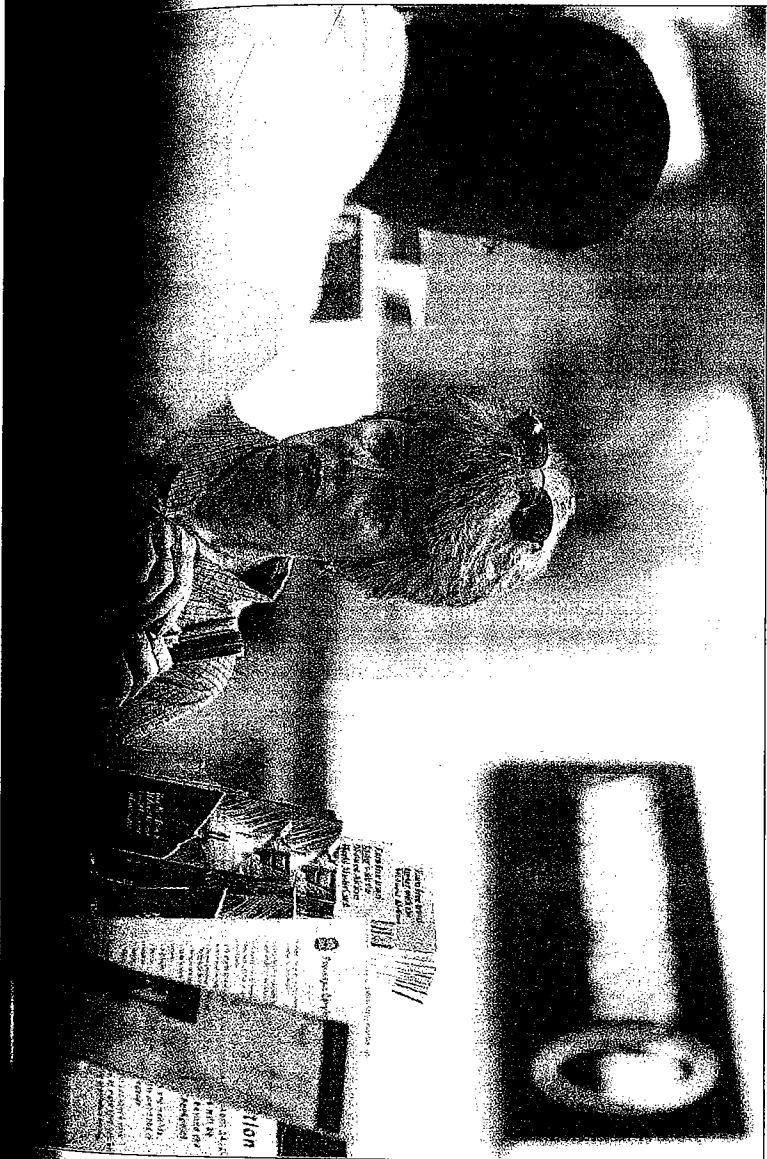
Policyholders of Allied Mutual Insurance sued some of its directors and executives in late 1997, alleging that they had improperly transferred assets of the property-and-casualty company to a publicly held subsidiary, Allied Group.

By doing so, the plaintiffs alleged, Allied Mutual, which was owned by customers who had bought the policies, lowered the value of the mutual insurer and increased the value of the publicly held side of the company.

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bus, Ohio, bought Allied Group in 1988. In one of the biggest business deals ever for an Iowa company, Nationwide paid Allied Group stockholders \$1.57 billion. Allied Mutual policyholders received \$110 million.

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Details of the Allied Mutual settlement:

AMOUNT: Minimum of \$100 million; maximum of \$135 million. Amount per client depends on amount and duration of an individual policy, plus the number of policyholders who file claims.

WHO QUALIFIES: Customers of Allied Mutual who had policies in effect on Feb. 18, 1993.

TO REQUEST A REFUND: File a claim by calling (800) 589-7679, or log on to alliedmutualsettlement.com.

FILING DEADLINE: Jan. 10, 2006.

TO OPT OUT AND SEEK PRIVATE REDRESS: Do not file a claim with attorney this action. Any recovery will be left to the individual.

WHAT'S NEXT: A court hearing to finalize the lawsuit at 9 a.m. Oct. 7 in Polk County District Court.

Merck worked to cut Vioxx risk in 1998

The pharmaceutical was trying to fix problems before the drug hit the market

By THERESA AGOVINC
ASSOCIATED PRESS

New York, N.Y. — Merck & Co. sought patent protection for a way to reduce cardiovascular problems in C inhibitors, the class of drugs that includes Vioxx, as early as 1998 — a year before popular pain killer was introduced, newly disclosed documents show.

The application suggests Merck was attempting to

Nationwide Mutual OKs settlement

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the best interest of everyone to move on."

Nationwide did not admit any guilt in settling the lawsuit, which was granted class-action status during its lengthy run in Polk County District Court.

David Schiff, publisher of Schiff's Insurance Observer and a longtime critic of Allied, said Monday that the tentative deal was only a partial victory for Allied Mutual policyholders.

"A total victory would be for a court to say what (the defendants) did was despicable and pay \$1.5 billion in damages," said Schiff.

Among the defendants was John Evans, who was chairman and chief executive officer of Allied Group. He could not be reached for comment on the settlement.

Nationwide said the proposed settlement for Allied, which employs 3,200 people in the Des Moines area, must still be approved. A hearing on its fairness will be held at 9 a.m. Oct. 7 in Polk County District Court.

Case said Nationwide has agreed to pay at least \$100 million and possibly as much as \$135 million. Law firms on the case have asked for \$28 million in fees.

Schiff said he thought that about 300,000 policyholders could be eligible to participate in the settlement. To qualify, they would have had to own an Allied Mutual policy as of Feb. 18, 1993.

Reporter S.P. Dinnen can be reached at (515) 284-8543 or sdinnen@dmreg.com

BUSINESS BRIEFCASE

From the Register's staff and news services

AROUND IOWA

Deere credit union approves name change

The John Deere Community Credit Union membership has approved a new name, Veridian Credit Union.

The name has now been forwarded to the Iowa Credit Union Division for final approval.

ON WALL STREET

Wall Street seesaws before finishing higher

Wall Street wobbled through an indecisive session Monday, rallying late in the day and squeezing out a modest gain after the price of oil fell back from \$66 a barrel. News of acquisitions carried some stocks higher.

The Dow Jones industrial average closed up 10.66 at 10,569.89. Broader stock indicators also ended slightly higher.

H.J. Heinz Co.'s first-quarter profit fell 19 percent as higher expenses offset sales growth. The company's earnings declined to \$157.3 million, or 45 cents per share, from a year earlier. Sales rose 5 percent from last year to \$2.11 billion.

Lawsuit: Two former executives of Bristol-Myers Squibb Co., were sued Monday by federal regulators who accused them of civil fraud in orchestrating a \$1.5 billion scheme to deceive investors about the company's performance. The Securities and Exchange Commission said the lawsuit names Frederick Schiff, former chief financial officer, and Richard Lane, former executive vice president.

AROUND THE MIDWEST

Beef shipped to U.S. recalled after audit

Beef banned under mad cow disease rules was shipped from Canada to wholesalers in the United States and is being recalled by a Wisconsin beef plant.

Iowa wasn't among the six states. Canadian inspectors determined the cow was eligible for shipment to the United States. But a Canadian audit later said the cow was too old to be allowed inside the United States.

AROUND THE NATION

Apple offers free repairs for computers

Apple Computer Inc. is offering free repairs for iMac G5 computers after reports of power and video failure.

Computers sold between September 2004 and June 2005 may be affected by the component failure, Apple said. The repair program covers first-generation iMac G5 computers for two years from the purchase date.

Treasury bills: The Treasury Department auctioned \$18 billion in three-month bills at a discount rate of 3.460 percent, down from 3.470 percent last week. Another \$16 billion in six-month bills was auctioned at a discount rate of 3.690 percent, down from 3.705 percent last week. Separately, the Federal Reserve said the average yield for one-year Treasury bills, an index for making changes in adjustable-rate mortgages, dipped to 3.89 percent last week.

CENTRAL IOWA

Country elevator bids in are Moines:
Corn (No. 2 yellow) — \$1.62-1.65
Soybeans (No. 2 yellow) — \$5.00-5.05
Grain prices are subject to varient sections of the state due to handling and storage costs.

IOWA REGIONAL

Iowa elevator bids on corn compiled by the Federal-State Grain in Des Moines:
Corn prices were 2 to 5 cents high
bean prices were 9 to 12 cents high

Region	No. 2 Yellow Corn
Northwest	\$1.56-\$1.69
North Central	\$1.60-\$1.76
Northeast	\$1.68-\$1.92
Southwest	\$1.52-\$1.65
South Central	\$1.62-\$1.91
Southeast	\$1.78-\$1.94

KANSAS CITY

Wheat 280,476 bushels: 4½ cent; cents higher; No. 2 hard 3.60-3.63; 3.49-3.67½; No. 2 red wheat 3.75-4.36-4.02½.
Corn 27,612 bushels: unch to 2½¢; No. 2 white 1.85-1.87¢; No. 2 yel 1.88½; No. 3 1.76¼-1.87½¢.
No. 2 milo 3.39-3.51¢.
Soybeans 4,338 bushels: 1½ cent; cents higher; No. 1 soybeans 5.83-6.10; Hoppers 40.00-45.00.

CATTLE

Chicago futures



HOG

Chicago ft



SLAUGHTER

	Cattle	Hogs
Today	117,000	387,000
Week ago	119,000	385,000
Year ago	108,000	391,000

FUTURES

Futures trading on the Chicago Exchange on Monday:

CATTLE: 40,000 lbs.; cents per lb.

	Open	High	Low	Settle
Aug	80.35	80.65	80.02	80.2
Oct	82.15	82.20	81.40	81.6
Dec	85.15	85.20	84.35	84.6
Feb	86.95	87.05	86.32	86.7
Apr	84.95	85.00	84.45	84.9
Jun	79.65	80.00	79.60	79.6
Aug	79.42	79.70	79.35	79.6

Est. sales 112,112. Friday's sales 25.1
Friday's open int 134,136

FEEDER CATTLE: 50,000 lbs.; cents per lb.

	Open	High	Low	Settle
Aug	103.00	103.75	102.75	103.0
Oct	103.00	103.75	102.75	103.0
Dec	103.00	103.75	102.75	103.0
Feb	103.00	103.75	102.75	103.0
Apr	103.00	103.75	102.75	103.0
Jun	103.00	103.75	102.75	103.0
Aug	103.00	103.75	102.75	103.0

Northwest strike signals turbulence ahead for industry

NORTHWEST, from Page 8C

The trouble is that weak airlines don't make a habit of going away quickly or quietly.

Weak airlines, most experts had written off US Airways based on the merger with American Airlines, are now being re-evaluated.

For US Airways, analysts are

merger, expected to be completed as soon as this fall, has allowed fading US Airways to heavily discount tickets in order to keep steady cash flow, keeping average fares low on the East Coast.

Now, with jet fuel chugging toward \$2 per gallon, twice as high as

last year, analysts

fighting for passengers and fewer airlines determined to fill those planes at any price.

The true effect of excess capacity remains a frothy debate among industry-watchers. (After all, planes are more full now than ever before, leading some to question

whether there's truly a seat surplus. Analysts will also average fares at travel demand remains strong.

NASDAQ