

7/29/96

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July 29, 1996

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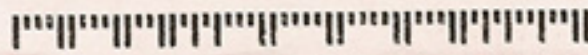
Those hot over-the-counter stocks

# Taking investors for a ride



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## For residents only

A STORM IS BREWING in one of the tony East Coast summer spots. Buck Hill Falls, a resort community just south of the Poconos, has been frequented by such establishment types as James Ottaway of the newspaper chain, Edwin Gee, who ran International Paper and now is chairman of Oncogene, and William Laporte, former chairman of American Home Products. The undeveloped land around them is very, very valuable and is owned by Buck Hill Falls Co., whose shares are dispersed among resort residents and some outsiders looking for an asset play.

For the past 95 years this company has rarely turned a profit. The nonresiding shareholders are aching to sell more land or build some more houses. The residents like things just the way they are. And to protect themselves from prefab townhouses, they're planning to issue another class of stock with special voting rights. The hitch? You have to own a house to buy the stock. The dissidents are up in arms. Quite literally. Last year Ed Gee's house got shot at.

Can you make a rights issue contingent on address? Weirder things have been pulled off in the name of corporate governance. See the story on page 66.



Jo-Ellan Demitrius  
**Best jury consultant money can buy?**

## A tougher client

JO-ELLAN DEMITRIUS boasts she gets up to \$500,000 a case to help pick sympathetic juries, and if the O.J. Simpson jury is any guide, she's worth it. But she's probably not putting Charles Givens on her flamboyant résumé. Givens, you recall, is the author of *Wealth Without Risk* and other dubious propositions. The illustrious Baker & McKenzie, hired by Givens to defend a suit against him for fraud, brought in Demitrius. Last month a federal judge in California upheld a \$14 million jury verdict against Givens. The money is to be divided among 29,000 plaintiffs. We don't know how much Givens' net worth was shrunk by Demitrius' bill.

## Justice for Justice

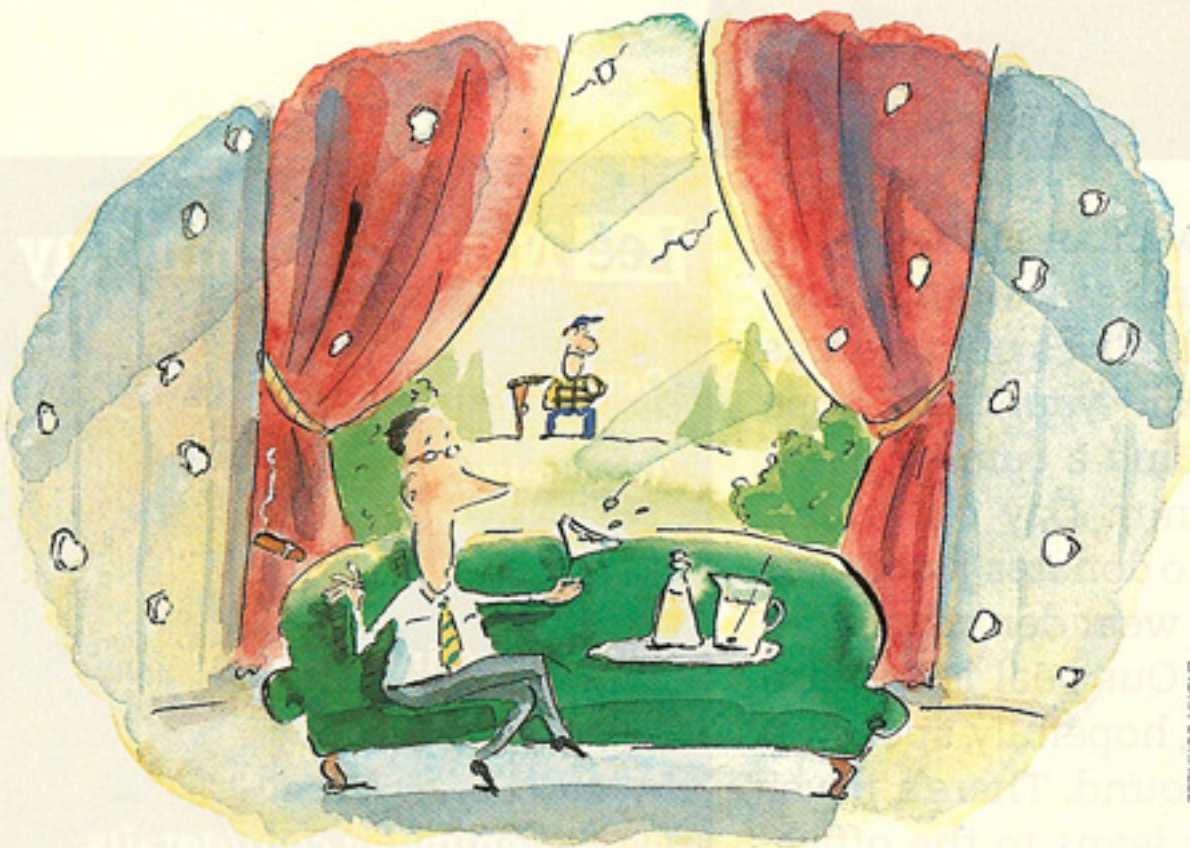
RANDALL JAMAIL, 39, is an up-and-coming Houston record producer whose Justice Records counts Willie Nelson among its stars. Jamail knows a thing or two about



Randall Jamail of Justice Records  
**Inside track.**

electronics, too. Last fall he was awarded a patent on a scheme for tucking liner notes, typically spoken by the lead singer in a group, onto audio CDs. But Sony and Philips, which own the key patents on CD technology, wouldn't have anything to do with him. They went so far as to forbid their licensees to use the Jamail system.

Jamail, smart businessman that he is, hired the best trial lawyer he could find. Then he sued the elec-



LAURA CORNELL

tronics giants. On July 3 they settled, agreeing not to stop CD producers from giving the liner note technology a try. Who is Jamail's crack attorney of record? His daddy, tort kingpin Joseph Jamail.

## Studio guy

A WHOLE MONTH has gone by and Sony hasn't fired any of its movie executives. But the next shakeup could be close at hand.

The insufficiently titillating *Striptease* has hauled in only \$23 million so far at the box office, of which Sony's share as distributor would not be enough even to cover Demi Moore's fee. The deficiently funny *Cable Guy* is not in much better shape (\$55 million gross; fee for Jim Carrey, \$20 million).

Could Mark Canton, head of Sony's Columbia TriStar Pictures, be in trouble? Instead of dumping him, Sony might merely insult him by bringing in a new studio boss over his head. Top candidate, according to our Hollywood source: Jeffrey Sagansky, once a very successful programming chief at CBS. Sagansky now bears the lofty title of executive vice president of Sony Corp. of America, but has been assigned only thumb-twiddling projects so far. It would make sense if he were being warmed up for some more visible role.

## Hostess with an eye on the bottom line

MARTHA STEWART, the doyenne of style, has gotten some ribbing lately for her tough-as-nails haggling with Time Warner. Nothing new, says a source of ours. Some years ago, when negotiating over the promotion of her Kmart housewares line, the lady rebuffed a suggestion that the parties meet in a restaurant. Why not just come to my place, she said. So the crew repaired to her Westport estate for a sumptuous lunch. The following

week the participants got a steep bill for their share of the food costs.

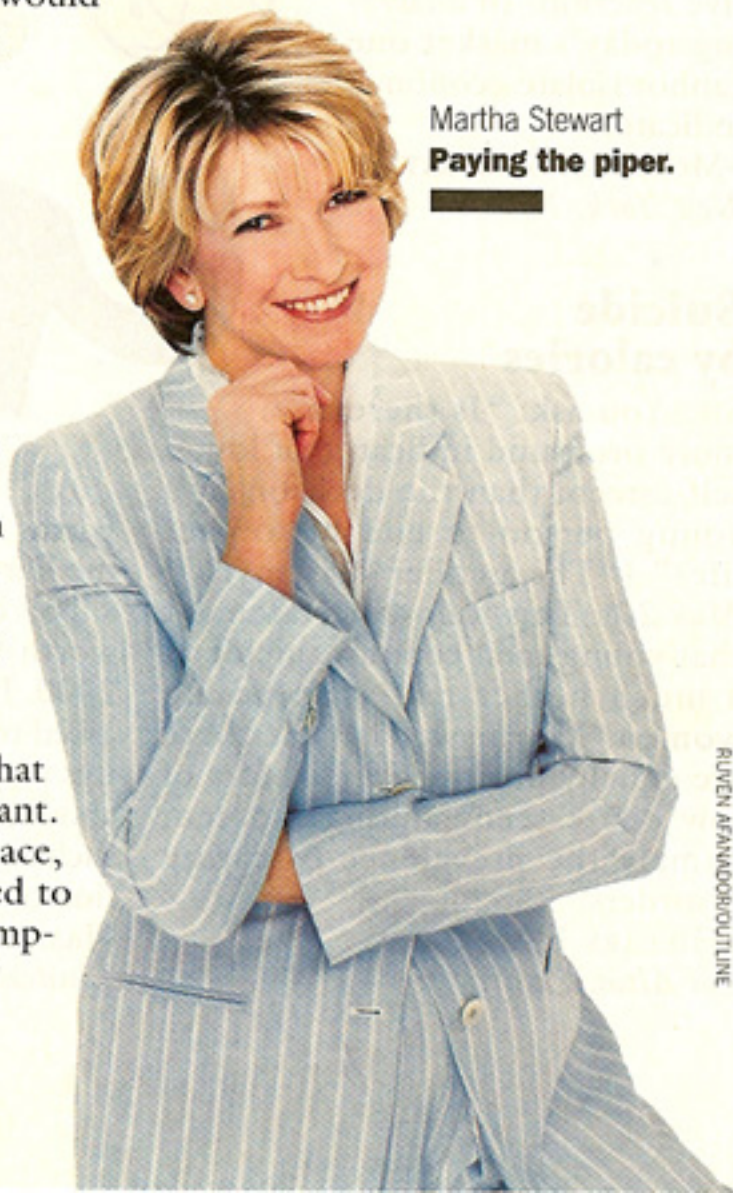
## Askin for trouble

REMEMBER David Askin? The money manager left investors with \$450 million in losses when hedge funds he managed collapsed along with the mortgage-backed securities market in 1994.

What's Askin up to lately? He's surfaced as keynote speaker at a \$1,200-a-head hedge fund conference to be held in Monaco in September. The subject of his presentation: "The evolution of high-performance investing in Europe."

Is Askin trolling for bargains overseas? Hardly. He's barred from associating with any investment adviser or broker-dealer until next year. In the meantime, Askin says he's an adjunct professor at the business schools of Columbia University and Polytechnic Institute. He's also been consulting for clients whose names he would not divulge. Why is he qualified to speak on the European markets? Says Askin: "I've been in the securities industry for 20 years."

—RIVA ATLAS



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