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On The Road

Say farewell to another highway icon: The Orange Roof. Howard Johnson is putting an end to its famous top, along with the "motor lodge" moniker. **Page 39**

High praise

Labor Secretary Reich praises mill owner Aaron Feuerstein for standing by workers after a devastating fire and criticizes other CEOs for "turning their backs" on employees. **Page 38**

Genzyme acquisition

Genzyme buys Repligen's process development and manufacturing operation for an undisclosed amount. Genzyme will use the plant to expand its own production. **Page 38**

Markets

DOW JONES INDUSTRIALS	5600.15	▲ 58.53
BLOOMBERG MASS. INDEX	140.62	▲ 0.58
THE DOLLAR	106.85 yen	▼ 0.20
30-YEAR TREASURY YIELD	6.03%	▼ 0.07



GLOBE FILE PHOTO

Bernard Chiu founded Duracraft, which makes humidifiers, heaters, air cleaners and fans.

Honeywell will buy Duracraft

Southborough firm fetches \$283m in cash

By Alex Pham
GLOBE STAFF

Bernard K. Chiu, who founded Duracraft Corp. six years ago in Southborough, yesterday agreed to sell the company to Honeywell Inc. for \$283 million in cash, the companies said yesterday.

Chiu, who emigrated to Boston from China 13 years ago, will get \$91.4 million for his 31 percent share of the fast-growing company. Duracraft makes 60 types of humidifiers, heaters, air cleaners and fans.

Shares of Duracraft skyrocketed, zooming 15 39/64 to 43 7/64 on the Nasdaq yesterday. Honeywell also gained to 53 on the New York Stock Exchange.

Chiu, 40, will continue to head Duracraft once the business is digested as a subsidiary of Honeywell's home and building control division. Chiu said Duracraft will retain its name, at least in the short run, and Michael R. Bonsignore, chief executive of Honeywell, said few jobs would be affected by the merger.

Duracraft employs 3,300 people worldwide, but only 130 in Massachusetts at its Southborough headquarters. About 2,700 Duracraft employees are in China, where the company operates a manufacturing plant and where Chiu first learned the plastics business at his father's toy-making company.

Chiu came to the United States in 1983
DURACRAFT, Page 43

Dow jumps 58 to close above 5600

By Charles Stein
GLOBE STAFF

The stock market soared to another record high yesterday, propelled by a steady flow of money that is betting the good economic times will continue.

The Dow Jones industrial average climbed 58.53 to close at 5600.15, its sixth consecutive new high. The market has been breaking records on almost a daily basis. The

Investors bet good economic times to roll on

30-stock Dow, which rose 33 percent last year, is already up more than 9 percent in 1996. "In this environment, people feel equities are the only place to be," said Allen Sinai, chief economist at Lehman Bros.

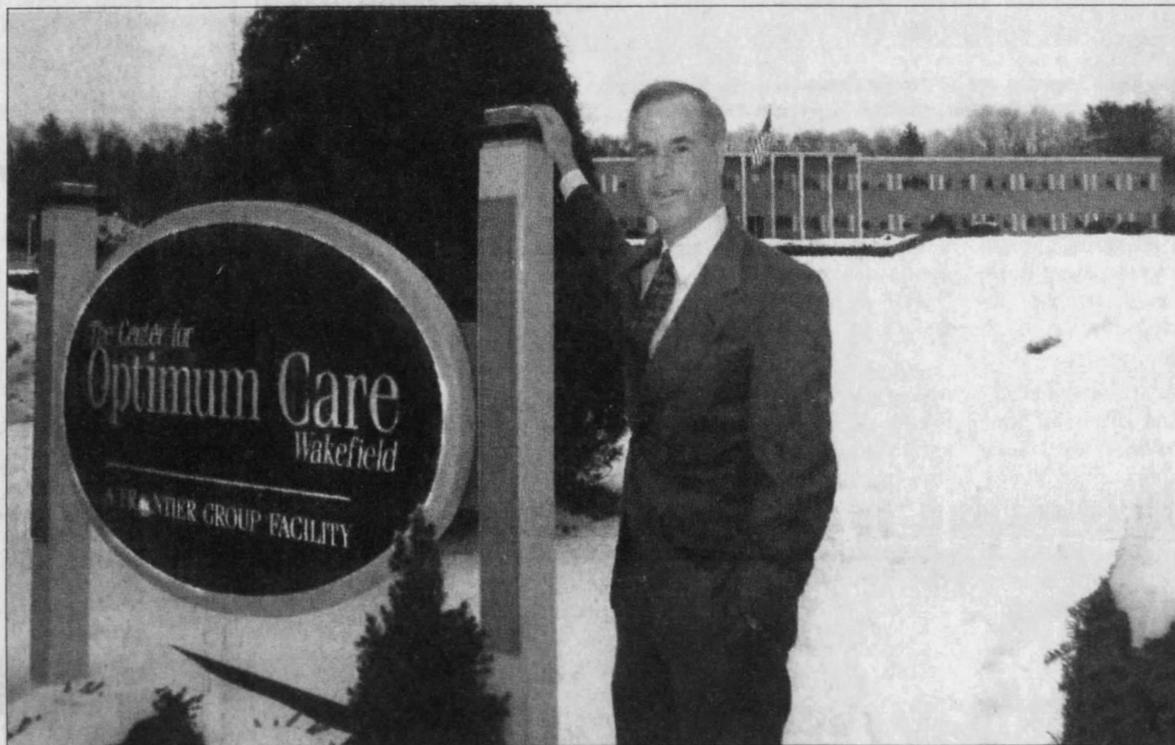
Analysts say the incredible rally is being fueled by two things: solid economic conditions and a shift in the nation's pattern of

investing. Americans are saving money for their own retirement, and a big chunk of that savings is finding its way into mutual funds and the stock market. "The baby boomers are starting to save for themselves, and that is a fundamental change," said David Jones, chief economist at Aubrey G. Lanston.

According to Fidelity Investments, Bos-

ton's mutual fund giant, roughly 70 percent of the new money invested in the company's mutual funds last year came from retirement plans — mainly 401(k) plans where employees put away their own money.

Thanks in large measure to those retirement plans, investors poured more than \$24 billion into equity funds in January, and the flow has continued this month. Trading volume on the New York Stock Exchange is **STOCKS, Page 42**



GLOBE STAFF PHOTO / BARRY CHIN

After serving as president of Mediplex, Jonathan Sherwin wants to take his company, The Frontier Group, public this year.

Boston Capital Steve Bailey & Steven Syre

The rising sons

INVESTORS LOVED ABE GOSMAN'S SUPER-SUCCESSFUL Mediplex Group. Will they also love The Sons of Mediplex?

At 66, Gosman has become a legend for his ability to know when to get into the public equity markets — and when to get out. Little surprise that those who studied under the chief executive during the heady days of Mediplex, a nursing home operator, are itching to try their hands at the initial public offering game.

Investors will get their first shot at The Sons, all still relative babes, as early as this year.

Four emerging Massachusetts health care companies headed by former top Mediplex executives are lined up, looking to cash

Ex-Mediplex executives chart paths of new firms

Group, a Boston nursing home operator headed by former Mediplex president Jonathan Sherwin, who wants to take his company public this year. The others may not be far behind.

The problem for Frontier and all the Mediplex wannabes is the push in Washington to rein in Medicare and Medicaid spending, which pays for as much as 80 percent of all the patients treated in these facilities. Those cuts — when and how big — are

Weld urges utility plan

Asks electric firms to get rid of plants, prepare to sell power competitively by '98

By Jerry Ackerman
GLOBE STAFF

Gov. William F. Weld's administration yesterday proposed that the state's electric utilities voluntarily sell or spin off their generating plants and other assets as a major step toward introducing competition to the now tightly regulated electricity industry.

The proposal also calls for Massachusetts' electric utilities to start pilot programs for competitive power sales by next Jan. 1, and to make the industry fully competitive for all customers, business and residential alike, by Jan. 1, 1998.

Divestiture of generating plants would have to be complete by Jan. 1, 2001. The administration said its proposal would help create new generating entities that would compete for customers' business and reduce the monopoly power utilities now have.

But the state's schedules run ahead of most industry proposals offered since the administration began pressing, two years ago, for industry restructuring as a way to reduce rates.

Drafted by the Office of Energy Resources, the proposal comes as the state's three largest utilities, the Massachusetts Electric Co., Boston Edison Co. and the Western Massachusetts Electric Co., are due to file their own industry restructuring plans with the state Department of Public Utilities on Friday.

The utilities agency called last August for these proposals as part of a long-range program to force utilities to open their wires to power from lower-cost independent generating companies.

The department said then it hoped to issue regulatory guidelines by the end of this year. Energy Resources commissioner David