

Business *Review*

Highlights of the week: Feb. 11-17

The Region

20 minutes and fewer M&M's

The Federal Trade Commission came down on Acton-based CML Group Inc., maker of NordicTrack exercise equipment, for using unsubstantiated weight-loss claims in its advertising materials. In a proposed settlement, CML agreed to stop touting the "fact" that people who use a ski machine three times a week for 20 minutes had an average weight loss of 18 pounds over 12 weeks. The FTC said CML neglected to note that some of the suddenly fit also cut down on the calories.

Kilowatt vs. kilowatt

Five electric utilities have filed plans with the Department of Public Utilities, outlining their vision for a newly competitive market for electricity that will, in theory, lower everyone's rates. Of course, the devil is in the details. Several of the companies have costly investments in nuclear power plants, investments they intended to recoup when nuke watts were sold at rates set on the basis of how much (a lot) they cost to produce. Any deregulation plan must wrestle with the question of who will take the financial hit when nuclear-generated power is forced to go zap-to-zap with cheaper coal and hydroelectric power. Naturally, no company wants its balance sheet to be the site of a financial nuclear meltdown.

Chipping away

It was supposed to give a nice boost to Digital Equipment Co.'s comeback effort. In a \$355 million chip-manufacturing partnership, Cirrus Logic Corp. would use some of the excess capacity at Digital's new chip plant in Hudson to make its chips. Trouble is, Cirrus is now mired in its own financial swamp. The companies jointly announced that the deal will not be done.

Turning plastic into gold



Chiu

You laughed when "Graduate" Dustin Hoffman was advised that the future was in plastics. Laugh if you want, but entrepreneur Bernard Chiu, founder of Duracraft Corp. of

Southborough, is taking home a cool \$91.4 million after selling his company to Honeywell Inc. for a total \$283 million. The 40-year-old Chiu learned the business at his family's plastics plant in his native China. Duracraft, which he will continue to operate as a Honeywell division, manufactures humidifiers, heaters, air cleaners and fans.

Entrepreneurship 101

Here's a new way to pay off those pesky college loans: Five years ago, three Massachusetts Institute of Technology students won \$10,000 in a business plan contest. They used

the money to put the plan into action. Last week they sold Stylus Innovation Co., which makes sophisticated telephone voice-response products, for \$12.8 million in cash.

Son of megaplex

In the latest effort to drum up some enthusiasm and financing for a new Boston football stadium, Patriots supporters are circulating glossy plans for a South Boston project to be called, at least for now, "Urban Events Center at Commonwealth Flats." It's getting some attention from the political crowd, but the hurdle for owner Robert Kraft may still be public opinion. There's no sign that taxpayers are clamoring to contribute to the \$255.45 million project.

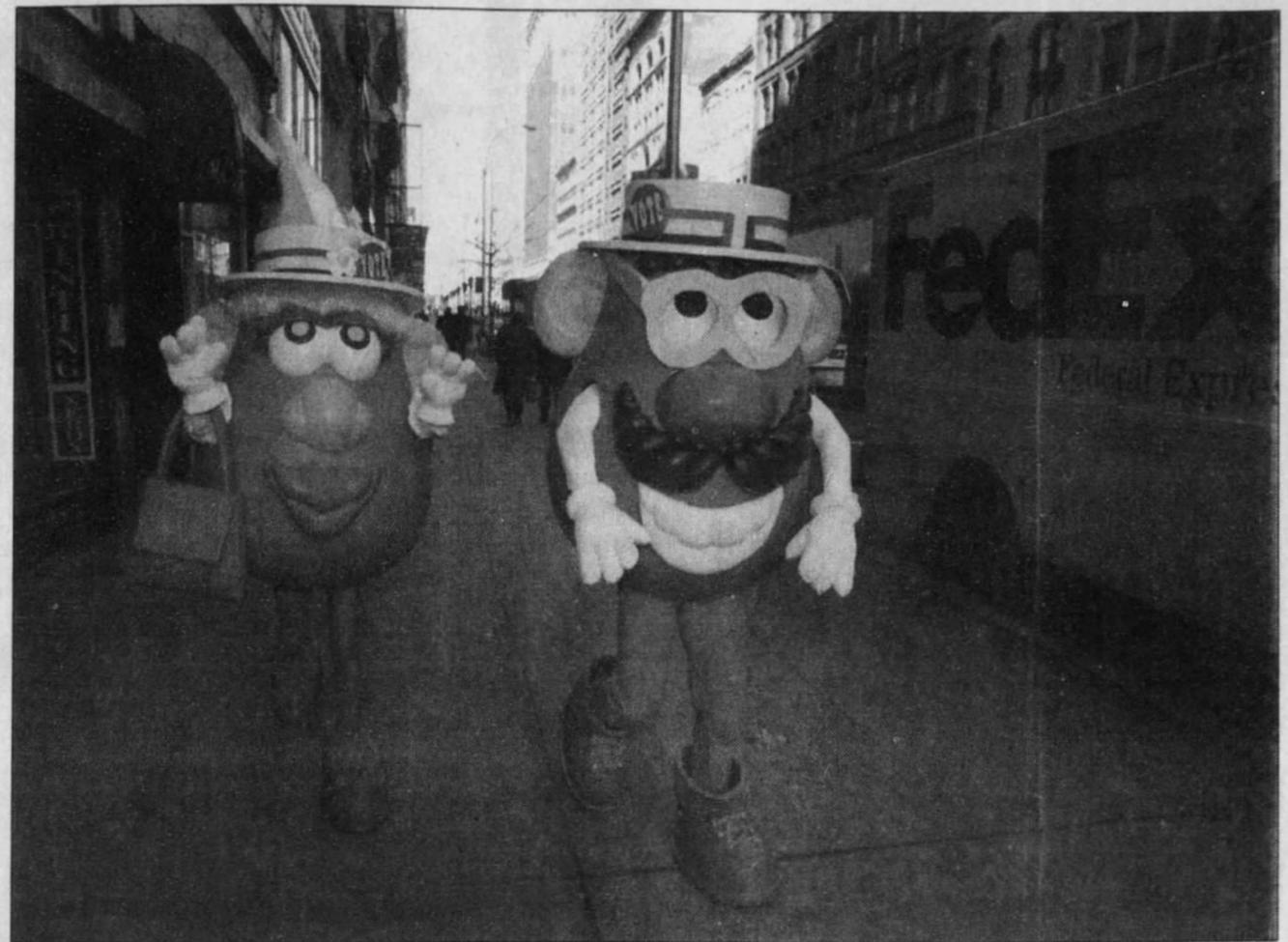
Back on the radar screen

Lexington-based Raytheon Co. got a boost with the vote of a Brazilian Senate panel in favor of a \$1.4 billion contract for an Amazon Basin radar project. Amid charges of attempted bribery and improper pressure from Uncle Sam, the committee decided Raytheon's bid was better than that of a rival French firm and should be accepted. Although the full Senate has yet to vote, leaders are expressing confidence it will ratify the committee vote.

World/Nation

Sky's the limit?

Apparently not. The Dow Jones industrial average, which not too long



AP PHOTO

A pair of Potato Heads prowling the streets of Manhattan? Just another day in the Big Apple.

One potato, 2,000 potatoes: Thousands of new and retooled toys made their debuts at the American International Toy Fair in New York last week. Mattel Inc. offered Barbie computer games and a trolley track to assist with grammar. A host of aspiring toy entrepreneurs showed off their puzzles and dolls and games. And from Hasbro Inc. of Pawtucket, R.I., came more potatoes than you could shake a peeler at. Not only does Mr. Potato Head have a daughter (Sweet Potato) and CD-ROM game (Mr. Potato Head Saves Veggie Valley) and a joint register-to-vote effort with the League of Women Voters ("Head" to the polls), but he's now joined in the lineup by Hot Potato, an electronic variation of the schoolyard standard Wonder Ball. In terms of overexposure, Potato Head and his relatives are beginning to look like the Bill Gates of the vegetable patch.

The Scrooge economy

According to the US Labor Department, American workers received

and they've been treading water ever since then," said Dean Baker, an economics analyst with the Eco-

same time, the motelier has recognized reality: After years of fighting the HoJo nickname, HoJo's will incorporate it into its reservation-system phone number.

Dirty pictures debate

A federal judge has blocked enforcement of some parts of the new federal telecommunications law relating to on-line pornography. Responding to a suit brought by the American Civil Liberties Union, US District Judge Ronald Buckwalter agreed to stop enforcement pending a full hearing on the ACLU's claim that terms such as "indecent" may be too vaguely defined in the law to allow equitable enforcement.

Agenda