

# BUZZES

## Republic Security rumors mount

### Local observers say bank might be courting out-of-state buyer

By Jeff Ostrowski  
Palm Beach Post Staff Writer

Republic Security Financial Corp. is courting suitors and might sell to an out-of-state bank, possibly Wachovia Corp. of North Carolina, local bankers say.

Neither Republic Security nor Wachovia would discuss speculation of a marriage.

"We never comment on rumors," said Republic Security Chairman and Chief Executive Rudy Schapp.

If a deal were to happen, it would mark yet another takeover of a Florida bank by an out-of-state firm.

NationsBank, now part of Bank of America, bought Jacksonville-based Barnett Banks in 1998, which left Republic Security as the largest commercial bank based in Florida, West Palm Beach-based Republic Security has \$3.4 billion in assets and 98 offices in 11 Florida counties.

Observers say Republic Security's lagging stock price has forced the bank

to consider a sale.

The stock (Nasdaq:BSFC, \$4.81) has dropped 42 percent in the past year. Republic Security has been hit harder than most by a bear market for bank shares, partly caused by rising interest rates.

Among the major publicly traded banks with offices in Florida and community banks in Palm Beach County and the Treasure Coast, only one — AmSouth of Alabama — has dropped more than Republic Security since September 1999.

"I've heard for a while that Rudy is sort of discouraged, and he should be," said Josiah Austin, an Arizona rancher and bank investor who owns about 4 percent of Republic Security's stock. "It's probably one of the worst performers in

the country."

One Ft. Pierce County bank president who asked not to be named said Republic Security has been seeking suitors. Another local bank president said Republic Security has spoken to several banks, including Wachovia.

Added Dick Aldred, chief financial officer at Fidelity Federal Bank & Trust of West Palm Beach: "It wouldn't surprise me, but I don't know if it's true or not."

If a deal is in the works, investors haven't caught on. Republic Security stock has barely moved in recent weeks.

Analyst Ben Bishop of Allen C. Dewing & Co. in Jacksonville said he doubts a

Please see REPUBLIC, 7D

## THE MORNING LINE

### Danes reject adopting European Union's euro

Palm Beach Post Wire Service

COPENHAGEN, Denmark — In the lead-up to the beleaguered euro, Danish voters on Thursday rejected the European Union's common currency in favor of keeping the 125-year-old krona.

The referendum — closely watched because Britain, Sweden and Greece also plan votes on euro adoption — was an embarrassment to the European Union which has pressed for a monetary union.

With 95.5 percent of referendum votes counted, 53.1 percent opposed replacing the 125-year-old krona with the euro, while 46.9 percent favored the switch, according to the Interior Ministry.

About 87.5 percent of the more than 4 million eligible voters turned out for the vote.

EU officials planned to meet today to discuss the Danish vote.

### Man indicted on 11 counts of wire and securities fraud

LOS ANGELES — A 23-year-old former community college student was indicted by a federal grand jury on charges he cheated Emulex Corp. investors last month by issuing a phony press release that sent the company's shares tumbling.

Mark S. Jakob was indicted on 11 counts of wire fraud and securities fraud. A former employee of the Internet service that distributed the phony news release, he will be arraigned Oct. 10.

Jakob, a student at El Camino Community College in Torrance, Calif., is accused of scheming to manipulate the price of Emulex shares (Nasdaq: EMLX, \$129.50) by issuing a bogus press release, then earning about \$241,000 by trading shares in the company.

He faces as many as 15 years in prison if convicted on all charges.

### Apple shares plunge 45% after warning about earnings

SAN JOSE, Calif. — Shares of Apple Computer (Nasdaq: AAPL) plunged more than 45 percent Thursday after a warning that its earnings for the fourth quarter will fall substantially below expectations because of slower-than-expected sales in September.

The company's shares, which had been up 9 percent before the announcement, plummeted \$24.31 to \$29.19 per share in after-hours trading.

For the quarter ending today, the company said it expects to report revenues between \$1.85 and \$1.90 billion, and earnings between \$1.30 and \$3 cents per share, excluding investment gains.

### WebMD Corp. to cut 1,100 jobs, consolidate many operations

ATLANTA — Hoping to send a clear signal about its drive toward profitability, WebMD Corp. said Thursday it will cut 1,100 jobs by the end of next year and consolidate many of its operations around the country.

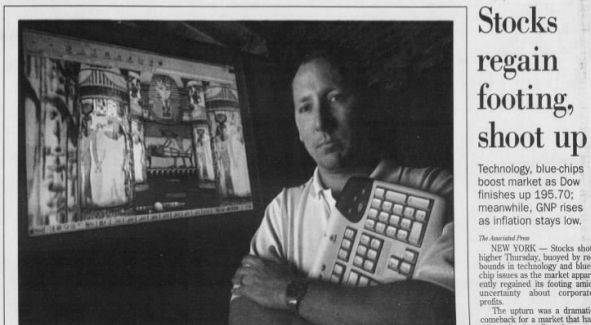
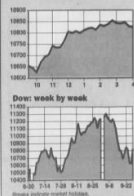
WebMD (Nasdaq: HLTH, \$14) said it will assume a pre-tax charge of \$35 million to \$45 million in the third quarter of this year to cover costs of the restructuring, which is expected to save \$250 million by the end of 2001.

Marketing and other expenses also will be trimmed.

The company, which attempts to connect doctors, patients and health care companies, is the latest in a growing collection of Internet companies that have been cutting costs this year in a scramble for profits.

### Market activity

Dow closed at 10,824.06, up 195.70  
S&P 500 index: 1,458.29, up 31.72  
Nasdaq: 3,778.32, up 122.02  
Atrix: 939.80, up 13.37  
Russell 2000: 623.81, up 15.68  
Toronto: 10,431.88, up 181.88  
30-year bond: 5.86 percent  
Dow: Minus by minute



REMARKS GRAPHIC/STAFF PHOTOGRAPHER

Jester.com CEO John Tector hopes virtual-reality scenarios will draw teenage customers to the company's Web site.

## West Palm company bets teenagers will soon pay for music downloads

*'Our belief is that the market for digital media is poised to explode.'*

By Stephen Pounds  
Palm Beach Post Staff Writer

WEST PALM BEACH — Jester.com plays to the rock 'n' roll techno-crowd grog. They live on the Web, so they love rock music and aren't afraid to spend a ton of money on either.

Jester.com Chief Executive John Tector knows this, and is talking his West Palm Beach-based Web site to attract these deep-pocketed kids. In digital audio downloads.

Teenagers can listen to music and play video games before paying to download the tunes. "Our belief is that the market for digital media is poised to explode," Tector said. It's a smart idea. There's a \$28.5 billion market out there for traditional recordings on compact discs and cassettes. But so far, only a meager \$7 million is sold annually in digital audio downloads.

Jester and other Web music start-ups are contending with huge technical and legal issues. First, it takes about four minutes to download a song to your computer hard drive with the typical Internet dial-up connection and the appropriate software. As access to so-called broadband, or high-speed, Internet service becomes more widespread, download time will drop markedly. "Now that more bandwidth seems just around the

Please see JESTER, 7D

## AutoNation testing Boca firm's online sales system

By Stephen Pounds  
Palm Beach Post Staff Writer

A BOCA RATON — AutoNation will conduct pilot tests on a system for selling products online developed by a small high-tech company in Boca Raton that says its Internet-transaction technology is more secure than other methods.

The tests will take place at AutoNation's Marston Ford on North Federal Highway in Fort Lauderdale, AutoNation spokesman Oscar Suris said.

AutoNation already is the largest seller over the Internet of new and used cars and trucks. It had \$1 billion in online sales last year and is expected to reach \$1.5 billion from Web sales this year. Marston Ford now sells about 100 vehicles a month over the Internet.

"The PC Pay device will give online consumers the peace of mind they are looking for when leaving a credit card deposit online," Hillcock said in a statement. Marston, AutoNation's dealership brand name in South Florida, will distribute 200 MerchantOnline PC Pay credit card-swiping devices that will allow Web buyers to make a refundable credit card deposit via the Internet for vehicles they want to buy from Marston's database of vehicles. MerchantOnline says its product is

Please see AUTONATION, 8D

## Drivers' eyes don't glaze over woman touting Donut Factory

How do you compete with Dunkin' Donuts? Let it all hang out. After 10 months, the Donut Factory in Port St. Lucie has become a popular place for morning commuters to grab breakfast, sip on a hot cup of Joe and maybe even poke fun at modesty.

The women at this small doughnut shop on U.S. 1 wear tight white tank tops and barely there shorts — strange for a place that sells fat food, but we digress.

The Donut Factory is a lesson in how to overcome bad location. Cramped into an unremarkable shopping center, it would be easy to miss if not for a 27-year-old native of Southern California who, for \$7 an hour, holds a



Amy Martinez  
Treasurer, Donut Factory

sign and waves to passersby at U.S. 1 and La Buena Vista. Tall and thin and dressed like a Hollywood waitress, Pasha Shaw directs drivers to the Donut Factory four days a week, from 6:30 a.m. to 11:30 a.m., minus bathroom breaks. She's a draw even on days she

doesn't work — concerned fans want to know if she's OK — and she can scarcely go unrecognized. "It's just ridiculous," said Shaw, who has short brown hair and a girl-next-door smile. "I went to Home Depot the other day, not in my doughnut outfit or anything, and people were like, 'Oh, there she is.'"

A skinny clad Marlene Canara, who opened the shop 10 months ago with her husband, Rick, after working in a doctor's office, swears it's the best way to advertise. Customers come for a range of reasons that have nothing to do with doughnuts, such as those who feel sorry for Shaw sitting in the heat, or others less charitable. "We get all kinds of guilt-trips in here," Canara said. "She's gotten tips,

and a date from here, too. Other businesses have even tried to steal her. "Trust me, it works."

From the "what won't they sell over the Internet?" category comes **MarineBay.com**, a new Web site based in Port St. Lucie that offers just about anything related to fishing, including live bait.

The Web site, founded by Florida Power & Light Co. employee Mark Geisler, has partnership with local businesses to sell bait and tackle, nautical jewelry, T-shirts and art.

Its biggest partner is **Smook Nook**, a 52-year-old bait-and-tackle shop in Jensen Beach.

Please see MARTINEZ, 2D

