

Business Briefing

AOL, Time Warner avert suit

America Online Inc. and Time Warner Inc. averted a litigious U.S. Federal Trade Commission court challenge to their \$142.9 billion combination by pledging to offer new concessions to preserve competition for Internet access, the FTC said.

The agency said in a statement that it met on Thursday to "consider an enforcement action against the proposed merger" and decided to delay any action for "not more than 30 days." The companies promised in the last 24 hours to "address competitive issues" raised by FTC antitrust enforcers the statement said.

Shares of AOL fell \$3.80 to \$52 on Thursday, and Time Warner shares dropped \$4.37 to \$78.84.

Index signals stable inflation

Prices paid to U.S. producers, excluding those for food and energy, unexpectedly declined in October, suggesting inflation remains in check.

The core rate of the producer price index for finished goods, which eliminates food and energy costs, fell 1.1 percent last month as car prices fell to the highest decline in 10 years. It was the third decline in the core rate since last November and followed a September increase of 0.3 percent. Analysts expected a 0.1 percent increase in October core prices.

Disney warning hurts shares

Walt Disney Co. shares fell 16 percent after the entertainment company said first-quarter earnings will be stagnant and advertising rates at ABC Television are slipping.

Profit in the quarter ending next month will be about the same as the year-earlier 23 cents a share, excluding losses from Walt Disney Internet Group, Chief Financial Officer Thomas Staggs said. The average estimate from analysts was 32 cents.

Thursday, Disney reported profit for the fiscal fourth quarter ended Sept. 30. Revenue overall rose 3.8 percent to \$6.12 billion from \$5.78 billion a year ago.

At Disney's three parks and resorts, revenue rose 10 percent to \$1.72 billion, and operating profit rose 10 percent to \$362 million.

Shares fell \$5.50 to \$31.38.

Mars plans mission to L.A.

Mars Music, a seller of musical instruments, said that it plans to open two stores next month in the Los Angeles area.

The Fort Lauderdale-based company plans 25,000-square-foot stores in Torrance and Cerritos, Calif. The stores are the 44th and 45th for the chain. A fourth store in the region is expected Nov. 29 in Santa Ana.

Maytag CEO resigns

Maytag Corp. Chairman and Chief Executive Lloyd Ward resigned and was replaced by his predecessor after a 15-month tenure in which the appliance maker's profit shrank and share price plunged.

Ward, 51, led because of differences with Maytag's directors over "strategic outlook and direction," the third-largest U.S. maker of large appliances said in a statement. Leonard Arrad, an employee since 1959 who retired after seven years as chairman, will replace Ward until a successor is found.

Dell quarterly earnings double

Dell Computer Corp., the biggest distributor of personal computers, said fiscal third-quarter earnings more than doubled on a 22 percent jump in sales.

Net income was \$674 million, or 25 cents a share, in the quarter ended Oct. 27, compared with \$280 million, or 11 cents, in the year-earlier period. Sales climbed to \$8.26 billion from \$6.78 billion.

Last month, Dell said third-quarter sales were trailing forecasts. The results matched an average estimate from analysts.

Shares fell \$1.94 to \$28.38 before the earnings release, and in after-hours trading fell to \$28.94.

American teams with Viajo

American Airlines announced an agreement Thursday to offer tickets, schedules and other flight-related information in Spanish and Portuguese on the Internet through Coral Gables-based Viajo.com, an online travel service for Latin America. The accord also calls for Viajo.com to build free telephone service centers in Argentina, Brazil and other Latin nations to handle calls for American Airlines.

American is the leading airline serving Latin America. The carrier runs its Latin American operations from Miami.

CONVENTION

Politics roils financial meeting

Markets slip; new SEC plan outlined

By ANTONIO FINS
BUSINESS WRITER

The head of the Securities and Exchange Commission on Thursday praised his agency's recent efforts to protect small investors, and said the SEC might take action to force companies to get shareholder approval for executive stock option and compensation packages.

Arthur Levitt, chairman of the SEC, issued the advisory during a speech to Securities Industry Association annual conference at the Boca Raton Resort & Club.

The stockbrokers, money managers and investment bankers listening to speeches by Levitt, Treasury Secretary Lawrence Summers and others anxiously alternated their attention from the speakers to the volatility rattling the nation's political arena and financial markets.

On Wall Street, the two major gauges

tumbled early only to recover in the afternoon. The Dow Jones industrial average ended the day down just 72.81 at 10,834.25, after being down 288 points in the early afternoon. The Nasdaq composite index fell 31.35 to 3,200.33, but was down 144 points at one point in the day.

And, just up the road in downtown West Palm Beach, the national electoral dispute was playing out on street corners and courtyards.

"The situation could be in chaos for a long time," said Byron Wien, chief market strategist at Morgan Stanley Dean Witter.

Still, Wien said that once the vote dispute is settled, the result of the election would be more of the very type of political deadlock that many Wall Street prefer. The investment community has been generally cool to the presidential candidates' economic plans. So, they are relieved that a political gridlock will make it difficult for the winner to enact tax or spending increases that might upset the economy or the markets.

Levitt, however, refocused the SIA's

CONVENTION continues on 90



SEC Chairman Arthur Levitt



NYSE Chairman Richard Grasso

Election considered: Messing with destiny?

By MARCIA HEROUX POUNDS
BUSINESS WRITER

Linda Wertheimer, co-host of National Public Radio's All Things Considered, expected to talk about the outcome of the 2000 election at the Securities Industry Association meeting Thursday.

Instead, she talked about the lack of an outcome. "I think what we're looking at here is war," Wertheimer told more than 700 security company executives at the Boca Raton Resort & Club.

"To what extent are you messing with destiny and where do you cross the line?" she said. "It's fascinating. But there's little balance be-

tween fascinating and dangerous, and we have to be careful about what goes on."

A factor that could come into play in the final decision is the "faithless elector," she said. "It is within the power of the electors to do what they want. All it would take is a couple who could switch the result."

Wertheimer said history tells us that for the president who takes office without the popular vote, "his honeymoon period is 62 seconds."

There have been only three candidates who lost the popular vote but won the election: John Quincy Adams, Rutherford B. Hayes and Benjamin Harrison. His-

ELECTION continues on 20

ONLINE



DIGITAL DREAMING: John Tector, founder and CEO of JesterDigital in West Palm Beach, anticipates a new age of e-commerce in which his company will play a major role in providing music and entertainment for a fee over the Internet. Staff photo by Marcia Pounds

Serious opportunity

By CHRISTINE WINTER
BUSINESS WRITER

John Tector, 35, chief executive officer and founder of West Palm Beach-based JesterDigital, has already made his millions as a hands-on venture capitalist with his own firm, Wyndcrest Holdings Ltd.

Now he wants to be the guru of a new age of e-commerce, where he dreams of making the sales experience as close to real life as a computer keyboard can bring you, especially when it comes to selling digital music online.

Tector thinks the way music is

distributed on the Internet will change dramatically in the wake of legal challenges to Napster. The popular file-sharing service, and that legal downloads backed by licenses with major record labels and transmitted via emerging secure technologies will take over the online music business.

How can you get kids to pay happily for what they used to get for free? Tector is convinced the way to win over young music fans is by dazzling them with what he likes to call "a unique user experience."

Jester.com is designed to blow

kids' minds with 3-D extreme sports gaming experiences and group-oriented band "rooms." There fans can chat with other kids, view videos of popular bands like the Hippos and Metallica, listen to their music, look at digital versions of their recording sessions, and of course, download music for a fee.

The fee then gets divided up between Jester.com, the artists and the record label.

The heavy emphasis on youth culture at Jester.com is there for one reason: to drive the music.

"As the entertainment and technology industries converge,

the entertainment industry has to catch up to the Internet as a channel of distribution, and the Internet has to catch up to the richness of the entertainment experience," Tector said. "Everybody on the Internet is going to have to upgrade the user experience."

But currently, because of the popularity of Napster, the market for legal downloadable music is almost nonexistent, according to Forrester Research.

Sites like Jester.com, which did not have enough traffic,

ONLINE continues on 100

AUTOMOTIVE

Broadcaster acquires AutoNation's ad unit

Lauderdale firm emphasizing cars

SUN SENTINEL WIRE SERVICES

AutoNation Inc. said it sold its outdoor-advertising business to an Infinity Broadcasting Corp. unit for \$104 million in cash, as the largest U.S. auto retailer focuses on new-vehicle sales.

The sale of Republic Media Companies Holding Co. will result in a pretax gain of about \$50 million in this quarter, AutoNation said. As part of the transac-

tion, AutoNation agreed to a three-year, \$15 million advertising contract with Infinity Outdoor. Republic Media has about 1,200 billboards, all in Florida.

AutoNation is focusing on new-vehicle sales after closing the company's used-car outlets earlier this year and spinning-off its car-rental unit in June. The Fort Lauderdale-based company said the Republic Media sale "substantially completes our program of divesting noncore businesses."

"This is further evidence that the company is focusing exclusively on its auto retailing operations," said Salomon Smith Barney analyst David Rindel, who

has a "buy" rating on AutoNation's shares. "They are really entirely focused on running the dealerships that they own."

Proceeds from the asset sales have helped it reduce debt and buy back stock, AutoNation said. Republic Media dates to the days when AutoNation, then Republic Industries, was buying companies in diverse businesses such as security, trash, and outdoor advertising. The company has since spun off its auto rental and trash-handling units as separate public companies.

Infinity Outdoor plans to keep about 60 percent of Republic Media's more

than 40 employees. Infinity spokesman Tom Witz said. The rest have received severance pay, said AutoNation spokesman Jim Donahue.

Infinity Outdoor bought Republic Media to add to its existing operations in Florida, Witz said.

Infinity Outdoor, based in Phoenix, is North America's largest outdoor advertising company. Its parent, New York-based Infinity Broadcasting, is the No. 5 U.S. radio company and a part of Viacom Inc., the world's third-largest media company.

Business Writer David Altman contributed to this report.

BUSINESS

JesterDigital seeks niche in e-commerce

ONLINE
CONTINUED FROM PAGE 10

(700,000 hits per month) to make the Media Matrix report, have to find other ways to survive until alliances with big record labels drive traffic to their site.

Jester.com sells sporting goods, apparel and CDs from its site, as well as from a traditional catalog mailed to 800,000 customers quarterly. Media Matrix is a company that measures internet traffic.

"Worldwide, record industry revenues are about \$40 billion, and there were only \$7 million worth of legal downloads, maybe less; the amount is small enough that it is difficult to estimate," said Eric Scheiter, an analyst at Cambridge, Mass.-based Forrester. But things will change, even if Napster does survive, said Scheiter, who estimates the downloadable music business will reach \$4 billion by 2005.

"The record companies will eventually start making licenses available," Scheiter said, anticipating it could be several years before there is any kind of critical mass of downloadable music available legally. "Then, the world is going to get a lot better for those artists like Jester.com that have their own content that speaks to a particular type of demographic, and they are going to find some success."

Textor, however, disagreed. He says the music is on its way.

He said Jester.com is one of the first licensees of IBM's Electronic Media Management System, known as eMedia, a secure technology — one of several being developed as the online music business evolves — for selling music over the Internet. Phil Ruggieri, vice chairman and co-founder of JesterDigital, is a 25-year veteran of IBM and was part of the team that developed eMMS.

"IBM is busy right now digitizing massive amounts of content, and we will be distributing that content, and it will happen very fast," Textor said.

He said Jester has already reached an agreement with a major record label regarding "locked CD" distribution, a system he calls "super-cyber sampling," by which kids will get CDs with as many as 200 tracks stacked into Jester catalogs. The CDs will feature a certain number of free plays, then users must go to the Web site and pay for an "unlock code."

He predicted direct downloads would be the biggest part of Jester.com's e-commerce business by Christmas 2001.

In the meantime, Jester.com is working on developing a lucrative sideline.

It takes the technology it has developed and builds 3-D Web sites for some of the bands it works with as well as other companies that have approached them. This has created a bonanza that could result in an upward revision of 2001 revenues to \$20 million from the original \$12 million forecast. Revenues for the company this year are expected to be \$4.5 million.

Textor said he is working on a \$2.5 million deal with a "major theme park" to utilize Jester's experience in 3-D and virtual reality programming to build them a site that will exhibit future rides.

JesterDigital started a year ago with \$6 million in capital from Wyndcrest, which is funded by the principals' own money.

Wyndcrest has invested in such companies as **Art Technology** and **Intellicash**, an Internet telephone company, and **Sims Sports**, one of the world's largest reboutage companies.

"Because Textor and most of his management team wear second hats as venture capitalists who have been involved in managing the companies they are investing in, Jester.com might have more staying power than the typical startup."

"We have more than enough capital from our successful investments to launch Jester.com and persevere," Textor said. "Other dot-coms don't have that advantage. We don't have to answer to anybody other than when to sell, merge or go public."

Christine Winter can be reached at cwinter@sun-sentinel.com or 954-356-4664

For more reservations, reserve space in the Travel Section. Call (954) 356-4105.

Sun-Sentinel



AN OFFER TO MAKE YOUR HEART



The A8 2.8 + 200 hp, 30-valve V8 engine • Full-time quattro® all-wheel drive available • 5-speed manual transmission or automatic transmission with Tiptronic® feature • Next generation front airbag and side airbag supplemental restraint systems • Sunroof and HomeLink® remote transmitter available • Heart-Stopper! Wait until you see how little it costs.



CHAMPION AUDI
500 West Copans Road
Pompano Beach, FL
954-946-4020

THE COLLECTION
3780 Brnd Road
Miami, FL
305-444-1111

PRESTIGE AUDI
14800 Biscaynys Blvd.
North Miami Beach, FL
305-947-1000

BRAMAN AUDI
2901 Oklawaha Blvd.
West Palm Beach, FL
561-684-6666

Lease for \$429/mo.*

Down payment \$ 2,499
Refundable security deposit \$ 480
Acquisition fee \$ 480
First month payment \$ 429
Amount due at lease inception \$ 3,888

Audi Advantage: Now with 4 years or 50,000 miles of no-charge scheduled maintenance.

*Includes optional maintenance only. Always use safety belts and seat children only in the rear, using restraint systems appropriate for their size and age. *2000, closed-end lease offered to qualified customers by Audi Financial Services, Inc. through participating dealers. Must take delivery by November 30, 2000. Rate based on \$28,375 MSRP of 2001 Audi A8 2.8 with optional Colorization Leasing (p/g), leather seating surfaces, sunroof, Tiptronic, four-disc remote transmitter and destination charge. Residual value contribution which could offset their required transaction. Lessee responsible for insurance and may have some financial liability at lease end. Lease responsibility for 50,000 miles over 10,000 miles per year. Dealer sets actual price. See dealer for details. "Audi," "quattro," "V8" and the four rings emblem are registered trademarks of AUDI AG. "Tiptronic" is a registered trademark of Dr. Ing. h.c. F. Porsche AG. "HomeLink" is a registered trademark of Home Connection, Inc., Michigan. Sunroof is a widely owned subsidiary of Johnson Controls. ©2000 Audi of America, Inc. To find out more about Audi, call 1-800-FORAUDI or visit us at www.audiusa.com.

\$29.99 for 500 Minutes
All with Nationwide Long Distance



250 Anytime Minutes
250 Night & Weekend Minutes
500 Total Minutes

All including Nationwide Long Distance when you sign a one-year Sprint PCS Advantage Agreement**

You can call anywhere in the country from anywhere on our network. And there are plenty of other great plans to choose from, so you're sure to get exactly what you want. This special offer is available to new customers only. Sprint PCS built the only all-digital, all-PCS nationwide network from the ground up, serving more than 300 major metropolitan areas. **Hear the difference today.**



The clear alternative to cellular.™

Sprint PCS®

To find out more or to order your phone with free delivery, visit www.sprintpcs.com, call 1-800-480-4PCS or shop at one of the locations below:

FT LAUDERDALE Sunshine Fountain Hwy & Broward Blvd. 561-926-6647	POINCIPE PINES Sunshine Greenway Pines Blvd. & Dunwoody Blvd. 305-966-6647	ADVENTA Lauderdale Lakes Shirley Rd. & US 90 S.W. 954-356-6647	SOUTH MIAMI The Plaza US 95 S.W. & S.W. 11 954-356-6647	DELABE BEACH The Plaza of Delray Lynn Rd. & U.S. 1 561-321-6647	STUART Marlin Square Mall Stellar Dr. & U.S. 1 888-3-United Way
WESTON Sunrise Plaza Stellar Drive & Weston Rd. 561-886-6647	DADE SPRING The Plaza at Sunway Sunway Blvd. & Sunway Blvd. 305-292-6647	MIAMI Palm Springs Mills Sunway Blvd. & N.W. 55th St. 305-411-6647	GENOA Sunset Marketplace Sunset Dr. & S.W. 31 305-411-6647	WEST PALM BEACH Coral Center Plaza Military Trail & Sheepland Blvd. 561-833-6647	CORAL GABLES 300 Alhambra Dr. PINESIDE Pinecrest Center Pinecrest Dr. & S.W. 113th St. 305-411-6647



Also available at: The Sprint Store RadioShack Sprint Store Sprint Store	CONCORD FLORIDA Sunshine Plaza Sunshine Plaza Sunshine Plaza	DADE PINES 4-80 US Hwy 90 4-80 US Hwy 90 4-80 US Hwy 90	DADE BEACH Sunshine Plaza Sunshine Plaza Sunshine Plaza	DADE COUNTY Sunshine Plaza Sunshine Plaza Sunshine Plaza	DADE COUNTY Sunshine Plaza Sunshine Plaza Sunshine Plaza	DADE COUNTY Sunshine Plaza Sunshine Plaza Sunshine Plaza	DADE COUNTY Sunshine Plaza Sunshine Plaza Sunshine Plaza	DADE COUNTY Sunshine Plaza Sunshine Plaza Sunshine Plaza	DADE COUNTY Sunshine Plaza Sunshine Plaza Sunshine Plaza	DADE COUNTY Sunshine Plaza Sunshine Plaza Sunshine Plaza
---	--	---	---	--	--	--	--	--	--	--

Offer of \$29.99/minute available only on Sprint PCS Free & Clear Plan. Long Distance is available on the \$29.99 plan as the subscriber's Free & Clear Option, and an additional 250 Night & Weekend Minutes can be chosen at no additional cost with a one-year Sprint PCS Advantage Agreement**. If Long Distance is selected, all 500 minutes will include long distance. If Long Distance is not selected, a \$0.10 per-minute charge will apply to all domestic long-distance calls, at a rate to each call made in excess of the included minutes. Benefits of the offered plan continue as long as customer remains on the \$29.99 plan with these options. This plan is only available with new or additional subscriptions. A \$10.00 activation fee applies to the Sprint PCS Advantage Agreement. A complete statement of the terms and restrictions of the Sprint PCS Free & Clear Plan is available at the Sprint PCS Free & Clear Plan and Simple Facts Guide. A non-refundable \$29.99 phone activation fee applies. All plans subject to credit approval. Remaining calls and minutes in excess of plan minutes are included in Sprint PCS Free & Clear Options. Domestic long-distance calls made while roaming off the Sprint PCS Network will be charged at an additional \$0.20 per minute. Night & Weekend Minutes are Monday-Thursday, 8pm-1am and Friday-Sunday, 12pm-5am. Included minutes are not good for calls while roaming off the Sprint PCS Network, whether local or long distance. Remaining calls are charged at \$0.10 per minute or \$0.20 per minute, depending on specific local-market offers. ©2000 Sprint Wireless. Sprint is available only on the Sprint PCS Nationwide Network and may not be available in select affiliate markets. Sprint PCS Wireless Web services require a wireless Internet-ready phone. A rate of \$0.20 per minute applies to wireless Internet usage on a Sprint PCS Wireless Web option. ©2000 Sprint Spectrum, L.P. All rights reserved. Sprint, Sprint PCS, Sprint PCS Wireless, Sprint PCS Phone and the four rings logo are trademarks of Sprint Communications Company, L.P.