

RESEARCH

Sen. Eric Fingerhut wants grants to fund embryonic stem cell research. C3

# BUSINESS

THE PLAIN DEALER

## DIARY

From staff reports

### STEEL Mittal Steel idles two more furnaces

With steel inventory piling up, Mittal Steel USA said Thursday that it was idling one of its two Cleveland blast furnaces. The furnace, known as C-6, had been scheduled for a shut-down in June for maintenance to its lining. Mittal also said it was idling the H-3 blast furnace at its Indiana Harbor plant in East Chicago, Ind. That makes two idled blast furnaces out of five at that complex, or three out of the company's 12 overall. Employees at the furnaces are working on maintenance, the company said. Steel industry analysts have attributed the inventory buildup to excessive buying by steel service centers. Louis L. Schorsch, chief executive officer of Mittal Steel USA, noted that "the underlying economy is still strong."

### INVESTMENT AmeriMark gets new investor

JH Partners LLC, a San Francisco-based private equity firm, has invested in AmeriMark Direct LLC, a Middleburg Heights direct marketer of women's apparel, cosmetics and jewelry. Terms of the deal weren't disclosed. AmeriMark said in a news release that the investment will be "valuable during this next stage of our company's growth, as we add new catalogs and broaden our customer base." Gary Giesler, AmeriMark's chairman and former controlling shareholder, will continue as chairman and chief executive. Members of senior management will remain investors in the company.

### CapitalWorks buys Highland firm

Alternative investment manager CapitalWorks LLC in Cleveland has agreed to buy asset manager Highland Investment Management in Independence for undisclosed terms. Ed Matuszak, who founded Highland as president two years ago, joined CapitalWorks as senior vice president. Gillian Graham, also of Highland, joined as director of funds administration. CapitalWorks started a new hedge fund called Lakefront Partners LP. Lakefront will be co-managed by Matuszak and Brenton Luce, who joined CapitalWorks as senior vice president from Verus Investment Management, a Highland Hills hedge fund manager.

### CORPORATE BOARDS

#### Keithley names Jackman to board

Solon's Keithley Instruments Inc. has selected Brian J. Jackman to fill a vacant spot on its board of directors. Jackman, 64, most recently was an executive with Tellabs Inc., an Illinois-based company that provides technology solutions to the telecommunications industry. Jackman replaces William J. Hudson on Keithley's nine-member board and will stand for election at the company's annual meeting next February.

### MANUFACTURING Lamson loosens rights trigger

Directors of Lamson & Sessions Co. have approved an amendment to the Beachwood company's shareholder rights agreement. The amendment provides that any person may own up to 20 percent of Lamson's outstanding shares before a "triggering event" can occur. Previously a person could own up to 15 percent before a triggering event would occur.



PHOTOGRAPHS COURTESY OF KALAHARI WATERPARK

## Making a splash in Erie County

### Newest water park has Africa theme

MOLLY KAVANAUGH  
Plain Dealer Reporter

Todd Nelson needed a catchy theme for the water park he was about to build in his hometown of Wisconsin Dells.

He gathered employees to brainstorm. Other park operators had already latched onto rainforest and log cabin themes, so what else was there?

Someone yelled out an idea: "Africa, the last frontier" — a continent rich in exotic animals, unusual hardwoods and handicrafts of all sorts.

Nelson liked it. Several months later, he traveled to Africa with his two teenage sons, parents and others for a buying trip and was sold on the theme. "We knew we had hit a big one, immediately," he recalls.

That was 1999. On May 20, south of Sandusky, Nelson will open his second African-themed resort called Kalahari, named after the Kalahari Desert in South Africa.

The \$120 million resort, with an in-



Above, work continues on a surf ride at the Kalahari Waterpark. The ride will be powered by two jets that blast 50,000 gallons of water per minute. At left, a sculpture of an elephant accents a fireplace in the lobby.



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door water playground the size of two football fields, will be the third indoor water park in Erie County. It will join Castaway Bay, owned by Cedar Point, and Great Wolf Lodge, formerly Great Bear. Another out-of-state developer is already looking at nearby land to build a fourth park.

National consultant Jeff Coy says the Sandusky area is similar to the Dells, which has 18 water parks. Both areas are close to major cities and interstate highways and have a history of family travel, in this case Cedar Point.

"I would say it could support more water parks. The point of saturation — I don't know what it is," said Coy, whose company, JLC Hospitality Consulting, publishes an annual report of water park resorts.

Along with floating, surfing and climbing through the waterways, guests will be able to play miniature golf, make pottery, get a massage, rent a cabana and dine and drink until late into the night.

Nelson is furnishing the resort just like the one in the Dells, but with a keener eye.

"The first time we bought everything. Now we're after the unique," the 44-year-old businessman says, ripping open crates of African merchandise for the new resort.

For this buying trip, Kalahari's development director, Steve Pine, combed the countryside in a truck, buying from roadside craftsmen, small production centers and arts dealers he has befriended over the years.

SEE WATER | C3

## Drivers rally for fuel economy

### Saratoga-bound contest aims to spotlight more-efficient vehicles

CHRISTOPHER JENSEN  
Plain Dealer Auto Editor

It could be called the charge of the light-foot brigade: a national rally to see who can get the best fuel economy on a long-distance drive.

Starting later this month, teams from 15 starting points around the country — including Parma Heights — will see who can get to Saratoga Springs, N.Y., just north of Albany, with the least gas.

The goal is to increase the demand for fuel-efficient vehicles, reducing the dependence on foreign oil and helping the environment, according to the Northeast Sustainable Energy Association.

A \$5,000 prize is offered to any vehicle getting more than 100 miles per gallon over 500 miles, although the organizers acknowledge that the only vehicles capa-

ble of achieving that would be specially modified hybrids.

Competitors will get a free tank of fuel at the starting point and then have the gas cap sealed. Additional fuel is available only at special stations along the route, to make sure that no extra fuel gets into the tank.

Competitors can choose any route to the finish, which is about 470 miles from Cleveland. One rule, unusual in motorsports, is that the entrants may not go too slowly, which is defined as driving more than 10 mph below the speed limit.

The contest has 10 categories, and most are for hybrids. Hybrids use electric motors to boost or temporarily replace gasoline or diesel engines, and they include the Honda Insight, Toyota Prius, Honda Civic and Honda Accord. A special category is set up for sport utility

vehicles, such as the Ford Escape Hybrid, Toyota Highlander and Lexus RX 400h.

Other categories include modified factory hybrids, custom-built hybrids and diesels that must use B-20 fuel — biodiesel. That means it contains a significant amount of nonpetroleum substance, usually cooking oil or soybeans.

About 15 vehicles are entered, said Nancy Hazard, executive director of the association, which is based in Greenfield, Mass., and describes itself as a "regional education and advocacy" group for energy efficiency and conservation.

So far, carrying the environmental banner for Ohio is a lonely job. The only Ohioan entered is Andy Fiffick of Hinckley, who will be driving a Ford Escape Hybrid.

SEE RALLY | C5

## Merck's CEO of 10 years resigns

### Drug maker chooses insider as replacement

ALEX BERENSON  
New York Times

Raymond Gilmartin resigned Thursday as chairman and chief executive of Merck, ending a troubled decade-long term during which Merck lost its place as the world's pre-eminent drug maker and was forced into a drug recall that has clouded its future.

Merck, the third-largest American drug maker, named Richard Clark, 59, its head of manufacturing, as the new chief executive. Merck said the chairman's position would remain vacant for at least a year.

After a six-month search, Merck's inability to find someone to assume both of Gilmartin's titles highlights the deep problems it faces in his wake, including a dearth of new drugs and thousands of lawsuits over Vioxx, the painkiller that Merck stopped selling last year after studies linked the drug to heart attacks. The search was undertaken because Gilmartin originally planned to retire next March, when he will turn 65.

Despite Merck's proud history and reputation for scientific excellence, several executives outside the company reportedly turned down the chance to run it, including Kevin Sharer, chief executive of Amgen.

Lawrence Bossidy, a longtime Merck director who headed the search committee, declined to say Thursday whether Clark had been the company's first choice.

In place of a corporate chairman, Bossidy will act as chairman at board meetings and head a three-person executive committee that will advise Clark. Bossidy, a former chairman of Honeywell, is a forceful executive, and some analysts said they thought he had effectively taken control of Merck.

SEE MERCK | C3

## Outmoded postal center in Akron to close in '06

KAYE SPECTOR AND  
KAREN FARKAS  
Plain Dealer Reporters

AKRON — A U.S. Postal Service center is scheduled to close early next year, putting 165 full-time workers' future in limbo and eliminating jobs for 225 seasonal and part-time employees, postal officials said Thursday.

Nine managers and nine maintenance workers also will be out of work when the Remote Encoding Center on Exeter Road is shuttered Feb. 3, said Ralph Moden, the Postal Service's senior vice president of government relations, in a letter to four local congressmen.

The full-time workers, who are represented by unions, will be eligible for other jobs within the Postal Service. Others will get help to find new jobs.

The Postal Service will provide outplacement services, resumé assistance and job counseling to the Akron center employees.

The Remote Encoding Center opened as a temporary operation in June 1994 to handle mail with difficult-to-read addresses, Moden said. Improved computer software has rendered the work obsolete, he said in the letter.

The upgrades have increased readability rates from 40 percent to more than 90 percent.

The Akron center was supposed to be open for just five years. In April 2001, the General Accounting Office said the center was likely to be closed.

The center "has operated beyond its planned lifespan," Moden said in his letter.

Only 17 of the original 55 encoding centers nationwide remain, and most will close in the next several years.

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