The Des Moines Register

BUSINESS

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MARKETS

DOW	BONDS
30 Industrials	10-yr. Treasuries
10,569.89	4.22%
+10.66	+0.01

NASDAQ	S&P
Composite	500
2,141.41	1,221.73
+5.85	+2.02

Allied Mutual lawsuit settled

Policyholders who claimed asset losses to get $100 million-plus

By S.P. DINNEN
REGISTER BUSINESS WRITER

Nationwide Mutual Insurance Co. will pay as much as $163 million to settle an eight-year-old lawsuit over challenged financial transactions at Des Moines-based subsidiary Allied Insurance.

Policyholders of Allied Mutual Insurance sued some of its directors and executives in late 1997, alleging that they had improperly transferred assets of the property-and-casualty company to a publicly held subsidiary, Allied Group.

By doing so, the plaintiffs alleged, Allied Mutual, which was owned by customers who had bought the policies, lowered the value of the mutual insurer and increased the value of the publicly held side of the company.

Nationwide Mutual, of Columbus, Ohio, bought Allied Group in 1998. In one of the biggest business deals ever for an Iowa company, Nationwide paid Allied Group stockholders $1.57 billion. Allied Mutual policyholders received $110 million.

Nationwide spokesman Joe Case said Monday that after years of legal wrangling, "we think it's in

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Details of the Allied Mutual settlement:

AMOUNT: Minimum of $100 million; maximum of $135 million. Amount per client depends on amount and duration of an individual policy, plus the num of policyholders who file claims.

WHO QUALIFIES: Customers of Allied Mutual who had policies in effect on Feb. 18, 1993.

TO REQUEST A REFUND: File a claim by calling (800) 589-7679, or log on t **alliedmutualsettlement.com.**

FILING DEADLINE: Jan. 10, 2006.

TO OPT OUT AND SEEK PRIVATE REDRESS: Do not file a claim with attorne this action. Any recovery will be left to the individual.

WHAT'S NEXT: A court hearing to finalize the lawsuit at 9 a.m. Oct. 7 in Poll County District Court.

NEWS OF NOTE

Firms hold cash; amount highest since 1988

U.S. companies, which have been reluctant to part with their mountain of cash, may start spending more of it — and spur the economy in the process.

Flush from three years of soaring profits, the top U.S. corporations hold $634 billion in cash, the biggest hoard relative to their market value in 17 years, according to Standard & Poor's. Companies including Exxon Mobil Corp., Dell Inc. and Pfizer Inc. are hearing from investors who say it's time to either spend more to expand their businesses, or pay higher dividends.

Merck worked to cut Vioxx ris in 1998

The pharmaceutica was trying to fix problems before the drug hit the market

By THERESA AGOVINC
ASSOCIATED PRESS

New York, N.Y. — M & Co. sought patent prote for a way to reduce ca vascular problems in C inhibitors, the class of d that includes Vioxx, as e as 1998 — a year before popular pain killer was ir duced, newly disclosed d ments show.

The application sugg Merck was attempting

Nationwide Mutual OKs settlement

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the best interest of everyone to move on."

Nationwide did not admit any guilt in settling the lawsuit, which was granted class-action status during its lengthy run in Polk County District Court.

David Schiff, publisher of Schiff's Insurance Observer and a longtime critic of Allied, said Monday that the tentative deal was only a partial victory for Allied Mutual policyholders.

"A total victory would be for a court to say what (the defendants) did was despicable and pay $1.5 billion in damages," said Schiff.

Among the defendants was John Evans, who was chairman and chief executive officer of Allied Group. He could not be reached for comment on the settlement.

Nationwide said the proposed settlement for Allied, which employs 3,200 people in the Des Moines area, must still be approved. A hearing on its fairness will be held at 9 a.m. Oct. 7 in Polk County District Court.

Case said Nationwide has agreed to pay at least $100 million and possibly as much as $135 million. Law firms on the case have asked for $28 million in fees.

Schiff said he thought that about 300,000 policyholders could be eligible to participate in the settlement. To qualify, they would have had to own an Allied Mutual policy as of Feb. 18, 1993.

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BUSINESS BRIEFCASE

From the Register's staff and news services

AROUND IOWA

Deere credit union approves name change

The John Deere Community Credit Union membership has approved a new name, Veridian Credit Union.

The name has now been forwarded to the Iowa Credit Union Division for final approval.

ON WALL STREET

Wall Street seesaws before finishing higher

Wall Street wobbled through an indecisive session Monday, rallying late in the day and squeezing out a modest gain after the price of oil fell back from $66 a barrel. News of acquisitions carried some stocks higher.

The Dow Jones industrial average closed up 10.66 at 10,569.89. Broader stock indicators also ended slightly higher.

H.J. Heinz Co.'s first-quarter profit fell 19 percent as higher expenses offset sales growth. The company's earnings declined to $157.3 million, or 45 cents per share, from a year earlier. Sales rose 5 percent from last year to $2.11 billion.

Lawsuit: Two former executives of Bristol-Myers Squibb Co., were sued Monday by federal regulators who accused them of civil fraud in orchestrating a $1.5 billion scheme to deceive investors about the company's performance. The Securities and Exchange Commission said the lawsuit names Frederick Schiff, former chief financial officer, and Richard Lane, former executive vice president.

AROUND THE MIDWEST

Beef shipped to U.S. recalled after audit

Beef banned under mad cow disease rules was shipped from Canada to wholesalers in the United States and is being recalled by a Wisconsin beef plant.

Iowa wasn't among the six states. Canadian inspectors determined the cow was eligible for shipment to the United States. But a Canadian audit later said the cow was too old to be allowed inside the United States.

AROUND THE NATION

Apple offers free repairs for computers

Apple Computer Inc. is offering free repairs for iMac G5 computers after reports of power and video failure.

Computers sold between September 2004 and June 2005 may be affected by the component failure, Apple said. The repair program covers first-generation iMac G5 computers for two years from the purchase date.

Treasury bills: The Treasury Department auctioned $18 billion in three-month bills at a discount rate of 3.460 percent, down from 3.470 percent last week. Another $16 billion in six-month bills was auctioned at a discount rate of 3.690 percent, down from 3.705 percent last week. Separately, the Federal Reserve said the average yield for one-year Treasury bills, an index for making changes in adjustable-rate mortgages, dipped to 3.89 percent last week.

CENTRAL IOWA

Country elevator bids in are Moines:

Corn (No. 2 yellow) — $1.62-1.

Soybeans (No. 2 yellow) — $5.

Grain prices are subject to var ferent sections of the state due to t handling and storage costs.

IOWA REGIONAL

Iowa elevator bids on corn a compiled by the Federal-State Grain in Des Moines:

Corn prices were 2 to 5 cents hi bean prices were 9 to 12 cents high

Region	No. 2 Yellow Corn
Northwest	$1.56-$1.69
North Central	$1.60-$1.76
Northeast	$1.66-$1.92
Southwest	$1.52-$1.65
South Central	$1.62-$1.91
Southeast	$1.78-$1.94

KANSAS CITY

Wheat 280,476 bushels: 4½ cents cents higher; No. 2 hard 3.60-3.6 3.49-3.67½n; No. 2 red wheat 3.75-4 3.64-4.02½n.

Corn 27,612 bushels: unch to 2½ No. 2 white 1.85-1.87n; No. 2 yel 1.88½; No. 3 1.76¾-1.87½n.

No. 2 milo 3.39-3.51n.

Soybeans 4,338 bushels: 1½ cent cents higher; No. 1 soybeans 5.83-6.

Hoppers 40.00-45.00.

CATTLE Chicago futures

$80.25 -$0.23

HOG Chicago fu

$62.42 +$0.2

SLAUGHTER

	Cattle	Hogs
Today	117,000	387,000
Week ago	119,000	385,000
Year ago	108,000	391,000

FUTURES

Futures trading on the Chicago M Exchange on Monday:

CATTLE: 40,000 lbs.; cents per lb.

	Open	High	Low	Setti
Aug	80.35	80.65	80.02	80.2
Oct	82.15	82.20	81.40	81.8
Dec	85.15	85.20	84.35	84.6
Feb	86.95	87.05	86.32	86.7
Apr	84.95	85.00	84.45	84.9
Jun	79.65	80.00	79.60	79.6
Aug	79.42	79.70	79.35	79.6

Est. sales 12,112. Friday's sales 25,1

Friday's open int 134,136

FEEDER CATTLE: 50,000 lbs.; cents pe

	Open	High	Low	Setti
Aug	110.20	110.75	110.37	110.6
Sep	108.50	108.80	108.00	108.3
Oct	108.30	108.60	107.75	107.9
Nov	106.95	107.00	106.30	106.6
Jan	103.15	103.35	102.90	103.1
Mar	99.80	99.80	99.70	99.7

Northwest strike signals turbulence ahead for industry

NORTHWEST, from Page 8C

The trouble is that weak airlines don't make a habit of going away quickly or quietly.

A year ago, most experts had written off US Airways, based in Arlington, Va., as it continued to [illegible] in the [illegible] years. [illegible] analysts [illegible] where there's truly to seat sur- [illegible] airlines that [illegible] [illegible] alliances means [illegible] [illegible] [illegible]