# BUSINESS

# Ex-WorldCom officials got huge IPO shares, thanks to Salomon

Former top WorldCom Inc WCOEQ. PK executives bought hundreds of thousands of shares in many initial public offerings, including rival telecom players' offerings, thanks to Salomon Smith Barney and its predecessor companies, records released Tuesday showed.

Those who purchased shares included former Chief Executive Officer Bernard Ebbers, former Chief Financial Officer Scott Sullivan, current WorldCom Chairman Bert Roberts, and current board director Stiles Kellett, among others, according to documents given to the US House Financial Services Committee.

They bought shares in offerings ranging from now-bankrupt Rhythms NetConnections, Williams Communications Group WCGR.OB and rival long-distance telephone carrier Qwest Communications International Inc Q. N to other industries like United

Foods KFT.N, the records showed.

Ebbers was the biggest buyer, paying about \$17 million for some 869,000 shares in 21 IPOs between June 1996 and August 2000, including 205,000 shares of Qwest, the records showed.

Ebbers was ousted as chairman of WorldCom in April as a result of pressure from the company's huge debt as well as about \$400 million in personal loans that the company made to him. His lawyer was not immediately available for comment.

"It's hard to avoid the conclusion that IPOs were offered in order to leverage investment banking business." said committee spokeswoman Peggy Peterson. "There are large policy questions here about IPO allocations and I think our members are going to be very interested in this issue

The US House Financial Services Committee subpoenaed the information as part of its probe into the bankruptcy of WorldCom, and if the firm's former star telecommunications analyst, Jack Grubman, was involved in the process to win investment banking

Grubman left the firm earlier this month and under investigation for possible conflicts of interest. He has been widely criticized for his positive ratings on communications companies even as they were imploding.

WorldCom admitted in June and July to a whopping \$7.6 billion in accounting errors dating back to 1999 and the No 2 US longdistance telephone and Internet data mover was forced to file for bankruptcy protection in July.

The data turned over by Salomon's parent, Citigroup Inc. CN. did not include information of when, if ever, the shares were sold and for how much, a top question likely to come from lawmakers.

In the late 1990s through early 2000, technology IPOs were almost

market, meaning investors who got in at their offering prices would likely reap risk-free gains.

Rhythms soared more than 200 per cent in its April 6, 1999, debut offered at \$21, and rose as high as \$64 that day. The company has since filed for bankruptcy. UPS jumped 30 per cent, to \$65, from its pricing of \$50.

"This raises additional questions about whether there may have been spinning involved and what the timing of the allocations was,' Peterson said, referring to the practice of selling the shares once trading begins, often at a higher

Salomon, which won hundreds of millions in fees from telecom deals over the years, has defended the practice of offering IPO shares to top corporate executives though admitted Salomon was considering new measures to improve the



Picture shows Managing Director of Dhaka Bank Limited Md Mokhlesur Rahman, Senior Vice-President Shamshad Begum, faculty members and participants at the valedictory session of the bank's "Foundation Course for Bankers" held recently in the city.



Muhammad Sajid-ul Hag, managing director of United Commercial Bank Ltd. speaks as chief guest at the certificate awarding ceremony of a course on branch management for would-be managers at the UCBL Training Institute on Tuesday. Hamidul Huq, additional managing director, A H M Nurul Islam Chouhduri, principal of the Institute, and M M Rafiqur Rahman, vicepresident (Admn), are also seen in the picture.

#### **CURRENCY**

Following is yesterday's foreign exchange rate statement by <b>Standard Chartered Bank</b> .						
Selling		Currency	Buying			
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer	
58.5500	58.5800	USD	57.8050	57.6352	57.5662	
58.4212	58.4511	EUR	55.8859	55.7217	55.6550	
90.6588	90.7053	GBP	87.7422	87.4845	87.3798	
32.8231	32.8399	AUD	31.4517	31.3593	31.3218	
0.4975	0.4977	JPY	0.4847	0.4833	0.4827	
39.6117	39.6329	CHF	38.3424	38.2298	38.1840	
6.3469	6.3501	SEK	6.1646	6.1464	6.1391	
37.8915	37.9110	CAD	36.9905	36.8818	36.8377	
7.5140	7.5179	HKD	7.4041	7.3823	7.3735	
33.6262	33.6435	SGD	32.9148	32.8181	32.7789	
16.0697	16.0779	AED	15.6124	15.5666	15.5479	
15.7354	5.7435	SAR	15.2923	15.2474	15.2292	
Evchange rates of some currencies against US dollar						

 Indian rupee
 Pak rupee
 Lankan rupee
 Thai baht
 Nor kroner
 NZ dollar
 AUD

 48.48
 60.15
 96.305
 42.185
 7.5208
 0.4712
 0.55235

Local Interbank FX Trading:

The local interbank foreign exchange market was active Wednesday. Deman for dollar continued to remain high, which weakened the BDT further against the dollar and was guoted at 58.28/30 for the day. Demand rose as traders sought greenback primarily for vehicle imports. Local Money Market: steady against the dollar. Sterling gained marginally against the euro but remained

Market experienced steady demand for overnight borrowing. Improved liquidity conditions in the private banks eased the cal money rate further and the rate ranged between 3 and 4 per cent for the day.

Dollar regained some balance after the downward surge in Tuesday following the sharp fall in US consumer confidence index. The index fell to 93.5 against the forecast of 97.0 The fall in Wall Street also contributed to the slide of dollar. German business sentiment fe

in August as expected but euro remained

International Market:

ngebound against the greenback. At 1530 hours, euro was traded at .9804/08, yen at 118.37/41 and GBP at 1.5349/51 agains

### **SHIPPING**

Chittagong port Berth position and performance of vessels as on 28.8.2002.							
Berth Berth No.	Name of vessels	nance of vess Cargo	L Port	28.8.2002. Local agent	Date of arrival	Lea- ving	Import
J/1	Asteriks	GI (Peas)	Vanc	Mutual	6/8	30/8	2618
J/2	A A Venture	GI (Log)	Yang	CLA	27/8	3/9	523
J/4	Bi Ryu Gang	Rice (P)	Kaki	Litmond	14/8	30/8	1064
J/5	Pacific Emerald	GI (Copra)	Sing	Allseas	24/7	29/8	192
J/6	Gangga Nagra	GI (St C)	Mapt	Rainboq	23/8	28/8	2599
J/7	Xuan	Rice (P)	Visa	BSL	18/8	2/9	870
J/8	Jin Cheng (Liner)	GI	P Kel	Bdship	24/08	31/8	1482
J/9	Apj Sushma	C Clink	Indo	NWSL	14/08	28/8	1955
J/11	Jaya Mars	Cont	P Kel	RSL	24/8	28/8	185/41
J/12	Banga Bijoy	Cont	Sing	BDShip	24/8	28/8	100/26
J/13	Banglar Moni	Cont	Sing	BSC	24/8	29/8	73/X
CCT/1	QC Teat	Cont	P Kel	QCSL	24/8	28/8	208/29
CCT/2	Kota Singa	Cont	Sing	Pil (bd)	21/8	28/8	298/56
CCT/3	Mardios	Cont	P Kel	ŔSĹ	25/8	30/8	224/27
RM/14	Banglar Mookh	Repair	-	BSC	R/A	30/8	-
DOJ	Eagle Sagitta	HSD	Mina	ECSL	24/8	28/8	-
RM/9	Banglagr Jyoti	Repair	-	BSC	R/A	4/9	-
RM/10	Al Muztuba	Repair	Kaki	CLA	8/8	28/8	-
SM/10	Dredger Gemini		Chand	Karna	-	-	-
Vessels due at outer anchorage							
	f vessels	Date of	L Port	Local		Cargo	Loading
						-	, ,

Name of vessels	Date of	L Port	Local	Cargo	Loadin
	arrival	call	agent		ро
Paragon Pescadores (Liner)	28/8	Yang	H &SL	GI(Hr Coil)	
Banglar Gourab	28/8	Yang	Royal	GI	
Dia-P	27/8	Krabi	Litmond	C Clink	
Banga Birol (Cont) 11/8	28/8	Col	Baridhi	Cont	C
Walter	28/8	Sing	OTBL	Demolition	
Kuo Hung No 808	28/8	Sing	OTBL	Demolitions	
Shun An (Liner)	29/8	P Kel	Rml	GI	
Banglar Shikha (Cont)19/8	29/8	Sing	Bsc	Cont	Sin
Asimont (Cont)18/8	29/8	P Kel	Seaborns	Cont	Sin
Consistence (Cont) 17/8	30/8	Viza	PSSL	Cont	Mon
Win Grand (Liner)	30/8	Yang	Everett	GI (ST.C)	
Pac Princess	30/8	Mumb	Litmond	GI (Y Peas)	
Zaks Diklo	30/8	Hald	JF	Scraping	
Banga Barta (Cont) 18/8	30/8	-	Baridhi	Cont	C
Jaami (Cont) 24/8	31/8	-	Everebest	Cont	C
QC Honour (Cont) 21/8	30/8	P Kel	QCSL	Cont	Sin
Shun Cheng (Liner)	31/8	Yang	Everett	GI (St C)	
Kota Berjaya (Cont) 20/.8	1/9	Sing	Pil (BD)	Cont	Sin
Zeno	31/8	-	Ancient	Wheat	
Banga Borat (Cont) 20/8	1/9	-	BDShip	Cont	Sin
Orient Freedom (Cont) 24/8	1/9	-	PSSL	Cont	Sin
Ulla	1/9	Sing	Aeka	GI (Copra)	
Amanat Shah	2/9	Tuti	CLA	Sugar(P)	
QC Dignity (Cont) 22/8	2/9	P Kel	QCSL	Cont	PK
Banga Biraj (Cont) 24/8	2/9	-	BDShip	Cont	Sin
Estrella Eterna (Roro/24 25/8	2/9	Sing	Everett	Vehi	
Vessels at Kutubdia					

vessels at Kutubula							
Dea Captain	-			R/A (18/8))			
Vessels at Outer AnchorageReady On							
Banglar Shourab	C Oil	K Dia	BSC	R/A			
Banga Lanka (Cont)	Cont	Mong	Baridhi	26/8			
Banga Bonik	Cont	P. Kel	BDShip	27/8			
Kuo Hsiung (Cont)	Cont	P. Kel	QCLS	27/8			
Bitumen Glory	Liq. P. Bit	Sing	Sealift	28/8			
Vessels Awaiting Instruction							
Banglar Doot	-	-	BSC	R/A(25/8))			

ment of vessels for 29.08.2002

J/13 B. Shikha RM/10 Al-Muztuba To DD B. Gourab RM/14 B. Mookh to RM/9 RM/6 B. Jyoti to RM/10 Dai Long

Shifting

RM/4 P. Dwtittia The above are yesterday's shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

## Enron investors secure \$40m settlement from Andersen Worldwide

settlement.

Investors in the failed energy group Enron Corp. said Tuesday they had secured a 40-million-dollar settlement from Andersen Worldwide.

The deal was announced by University of California, the lead plaintiff in a class action suit against the accountant, which audited Enron's flawed books

Andersen Worldwide is the Swiss-based coordinating entity of the Andersen accounting firms. Arthur Andersen, the US company that actually examined Enron's accounts, is not covered by the

"This substantial settlement is a favorable result for the class in light of the limited role of the non-US Andersen entities," University of California general counsel James Holst said

It was one of the biggest recoveries from an accounting firm, he said in a statement.

"We regard this settlement as only a first step in obtaining recovery for the class, and will continue to pursue damages from the remaining defendants, most of whom had far deeper involvement in the Enron debacle than the overseas Andersen firms," Holst said.

Andersen Worldwide did not admit liability or wrongdoing, the university said. The settlement was subject to court approval.

The division of the Andersen Worldwide settlement between shareholders and pension holders had vet to be determined.

shattered by a slew of accounting The settlement, worked out over

Enron filed for bankruptcy in

December last year, its reputation

the past few weeks, included 15 million dollars to finance costs -- but not attorney's fees -- of the continuing litigation.

"This first settlement recovers millions of dollars for the class and demonstrates that even relatively minor actors may face substantial liability to Enron's investors," said William Lerach, a partner in the Enron lead counsel firm Milberg Weiss Bershad Hynes and Lerach.

The University of California said

total losses experienced by all Enron shareholders were estimated at more than 25 billion dollars. Arthur Andersen, the US

accounting firm, was convicted in June of obstruction of justice for destroying tonnes of documents related to its former client Enron.

The verdict effectively ended the audit business for Andersen, which had been one of the Big Five global

Prosecutors only now are narrowing in on Enron.

Last week, a former Enron executive, 37-year-old Michael Kopper, pleaded guilty in a court in Houston. Texas, to conspiracy to commit wire fraud and money laundering.

Prosecutors said it was a milestone in their efforts to build a criminal case against the energy trader's former management. Kopper also agreed to cooperate

with authorities in their probe into the company's collapse and to forfeit 12 million dollars. The collapse of Enron -- which

had close ties to the administrations of President George W. Bush and his predecessor, Bill Clinton -- was the first in a series of financial scandals that roiled US financial markets and led to tougher regulation of financial reporting.

