

Wednesday
September 26, 2007
DAILY BRIEFING

Association of Defense Trial Counsel schedules October meeting

The Association of Defense Trial Counsel (ADTC) will host its October 2007 Membership Meeting on Tuesday, October 9, at Pasquale's, 31555 Woodward Avenue in Royal Oak. Cocktails will be served at 5:30 p.m., and the program will begin at 6:30 p.m. Dinner will be served at 7 p.m. The featured speaker at the meeting will be Oakland County Circuit Court Judge Denise Langford Morris, who will provide "A View from the Bench." Legal Copy Services, Incorporated of Grand Rapids is the meeting sponsor. Cost for the meeting is \$25 for ADTC members and \$30 for non-members, payable at the door. Cost includes open bar and a buffet-style dinner. Reservations must be made by noon on Thursday, October 4. For additional information and to confirm attendance, send an e-mail to execdir-adtc@comcast.net.

Detroit Economic Club plans two October events

The Detroit Economic Club (DEC) will present John Hammergren, chairman, president, & CEO of McKesson Corporation, on Tuesday, October 2, from 11:30 a.m. to 1:30 p.m. at the Troy Marriott. Cost for the event is \$40 for DEC members, \$50 for guests of members, and \$75 for non-members. On Wednesday, October 3, the DEC will also present James Mulva, chairman & CEO of ConocoPhillips, from 11:30 a.m. to 1:30 p.m. at Burton Manor in Livonia. He will speak on the topic of "Our Shared Energy Future." Cost for the event is \$40 for DEC members, \$50 for guests of members, and \$75 for non-members. Reserve tickets at www.econclub.org call the Detroit Economic Club at (313) 963-8547.

Notices of courts and public places

The employees of the Clerk's Office of the United States Bankruptcy Court will be attending mandatory off-site training on Friday, September 28. This training necessitates the closing of all offices of the Bankruptcy Court for the Eastern District of Michigan. The court's Electronic Case Files System (ECF) will be available for all filers and users to file documents electronically. The Office of the U.S. Trustee will be conducting meetings of creditors on Friday, September 28. **KATHERINE B. GULLO**
Clerk of Court

Tigers repay city for missing Stadium items

DETROIT (AP) — The Detroit Tigers reimbursed the city of Detroit \$3,600 because seats, turnstiles and other items are missing from Tiger Stadium. The Tigers, the city and Detroit police have been working together since Sept. 12, when the team said it became aware of allegations about unauthorized access and possible larceny from the shuttered ballpark. The club repaid the city last Friday. The team, which provides security for the city-owned venue, said it suspended a security officer assigned to Tiger Stadium based upon an internal investigation. An online auction of a 680-item collection of Tiger Stadium memorabilia, including World Series banners and the home dugout urinal, is scheduled to run through mid-October. Tiger Stadium has been empty since the team moved Comerica Park in 2000. Retired Hall of Fame broadcaster Ernie Harwell is backing a plan that would save Tiger Stadium's playing field and about 3,000 seats. The Old Tiger Stadium Conservancy, a nonprofit group, is pushing the plan. The city has said it plans to use proceeds from the auction to defray the costs of demolishing most of the stadium, and is holding on to some stadium items for historical purposes.

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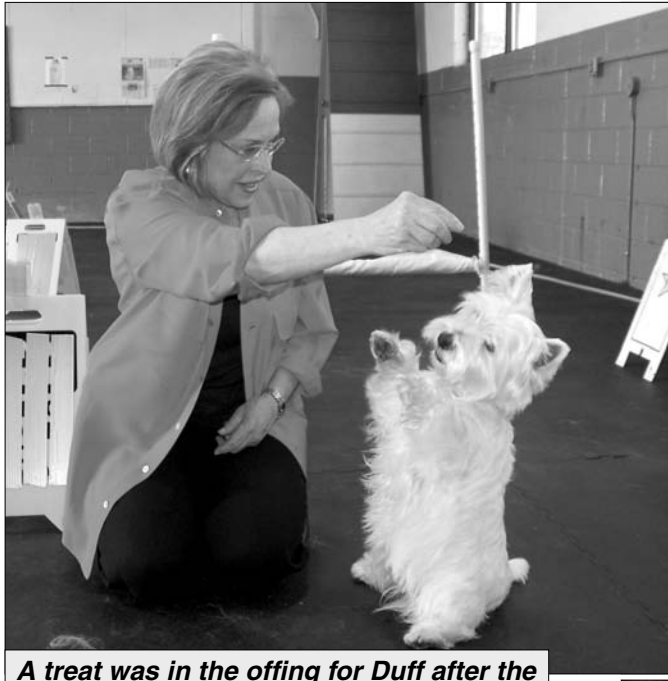
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A treat was in the offing for Duff after the West Highland White Terrier successfully completed a rally obstacle course at Play and Stay Pet Care Center in Troy. The dog belonging to Kelly is 3 years old and saw its first competition in May 2005. Photo by Tom Kirvan



Outside legal circles, Michigan Supreme Court Justice Marilyn Kelly has won "judicial" favor with her dog Duff, who completed his conformation championship at the show last December in Cleveland. Photo courtesy of J.C. Photo by Klein

SHOW SQUALITY

Supreme Court justice in the 'winner's circle'

By TOM KIRVAN
Legal News

Marilyn Kelly has made a habit of winning. Convincingly, at times. Three years ago this November, she rolled to an impressive win for an 8-year term on the Michigan Supreme Court, garnering more than 2.1 million votes in her re-election bid, outpolling her nearest judicial challenger by nearly 500,000 tallies. The statewide election victory for the Detroit native followed a 1996 win in her first race for the state's highest court. Only two years earlier, she wore the look of a winner in a race for the Michigan Court of Appeals, the second time the Mackenzie High School product had captured a seat on the appellate court. Her judicial victory in 1988 came 24 years after she first tasted election success in a 1964 campaign for the Michigan State Board of Education, eventually becoming president of the eight-member panel. In recent years, however, Kelly is vying for first place honors in a different arena, where the law of reason isn't easily defined. "This is an altogether different challenge for me," said Kelly of a mid-life passion that has consumed many of her nights and weekends over the past two years. "It started out rather simply and now has taken on a life of its own." Her after-hours avocation has become more than a mere hobby for the veteran state jurist whose range of interests is as long as the list of honors and awards she has received during a distinguished public service career. But her trips to the winner's circle, outside of the confines

of the judicial profession, are not journeys she takes alone. She has company-of the four-legged variety. In particular, she is accompanied by Ch. Briarcliff Conan McDuff, RA, a name befitting a dog with such supreme stature. A West Highland White Terrier, "Duff" is making the proverbial name for himself in dog showing circles around Michigan and neighboring states, much to the delight of his proud owner and handler. "This dog has no lack of self-confidence," said Kelly of the prize-winning pet that made his competitive debut in May 2005. "Duff has won his share of honors over the past two years and seems to really enjoy the competition. The beauty of this sport is that it requires practice and patience by both parties. Conformation and obedience trials require a team effort in the truest sense of the term." Kelly, who obtained her bachelor's degree from Eastern Michigan University and a master's in French language and literature from Middlebury College in Vermont, said her interest in dog showing was spawned out of the simplest of desires for most pet owners. "Initially, I wanted more than anything for my dog to obey—to behave in certain situations, especially when other people were around," said Kelly. "Once we had the basics pretty well mastered, we began to take 'obedience' to another level, competing at shows against other dogs of every breed and size. We also competed in conformation trials against other Westies." The West Highland breed, Westies, would seem particularly well suited for the tests, according to experts with the American Kennel Club. The West Highland, according to the AKC Web site, is "all terrier—a large amount of Scotch spunk, determination, and devotion crammed into a small body. Outdoors they are truly sporty, good hunters, speedy, and cunning, with

great intelligence. In the house, they are all that can be desired of a pet: faithful, understanding, and devoted, yet gay and light-hearted." Just the kind of match for a Supreme Court justice with a lifelong "love for challenge" and an almost unquenchable thirst for learning. "It's probably the teacher in me, but I love to learn and to explore new subjects," said Kelly of her growing interest in the sport of dog showing. "And, of course, when you begin to enjoy some success, it tends to fuel your interest even more." She and Duff periodically team up for shows, traveling about Michigan and to Chicago, Cleveland, and Pennsylvania for all-breed obedience and specialty conformation competitions. Last December, the Kelly-Duff combination earned Duff's conformation championship, capturing the "Best of Winners" award at a Cleveland show sponsored by the Western Reserve Kennel Club. At each show, dogs and their handlers are put through their paces by judges who grade the canine contestants. "We're gradually moving up the competitive ranks. Duff now has two obedience titles," explained Kelly of their progression in the sport. "Each step up, of course, brings with it a different set of challenges for the dog and the handler, but that is part of the fun of it all." Her competitive spirit arose at an early age when she had a desire to enter the Soap Box Derby but was thwarted by a simple case of gender. "At the time, I wanted more than anything to compete in the Soap Box Derby but I couldn't because I was a girl," she lamented. "It was very upsetting to run into a roadblock there, but I wasn't the type to settle for a consolation prize." (See KELLY, Page Two)

Prison likely to close after appeals ruling

By DAVID EGGERT
Associated Press Writer

LANSING (AP) — The state's plan to close a 1,400-bed prison in Jackson took a big step closer to reality after a federal appeals court declined Monday to rule whether a proposal to move prisoners elsewhere is adequate. The 6th U.S. Circuit Court of Appeals in Cincinnati instead voted 3-0 to send various issues concerning the future of the Southern Michigan Correctional Facility back to U.S. District Judge Robert Jonker in Grand Rapids. Jonker earlier this month had approved a state Department of Corrections plan to transfer 700 remaining sick inmates to other facilities and effectively close the prison, pending appeal.

Monday's ruling means Jonker's order likely will take effect, allowing the prison to shut down within 45 days. Inmates' lawyers may appeal again, however. Gov. Jennifer Granholm's administration wants to close the Jackson prison to save \$35 million as part of the state's effort to balance its budget. Inmates' lawyers who sued to block the prison's closure have said the state wants it closed to escape long-standing and costly federal oversight of the health care system at the Jackson prison complex. "I can assure you we are going to raise every possible issue that will protect the health and safety of these prisoners," said Patricia Streeter, an attorney for the inmates.

Jonker recently took over the class-action case after U.S. District Judge Richard Enslin in Kalamazoo asked that it be transferred. While Enslin had blocked the plan to close the prison and ordered the department to revise it, citing concerns over moving sick prisoners, Jonker said the transfer proposal was OK. The Corrections Department has been under a federal consent decree in the case, known as Hadix, since 1985 to improve medical care and other conditions at the state prisons in Jackson. The case has struck a nerve as lawmakers and Granholm continue grappling with major budget problems, including how to slow spending in the prison system that costs \$2 billion a year to run.

New trial granted in death of professor

LANSING (AP) — A man convicted of raping and killing a professor at Lansing Community College will get a new trial. In its ruling Monday, the Michigan Court of Appeals threw out Claude McCollum's murder conviction and returned the case to Ingham County Circuit Court. County Prosecutor Stuart Dunning III and Peter Ellenson, the attorney who has handled McCollum's appeal, filed a joint motion last Friday asking for a new trial. According to the motion, new evidence, including a videotape that shows McCollum was not at the crime scene when Carolyn Kronenberg was killed, could prove he is not guilty, The Lansing State Journal and the Detroit Free Press reported. McCollum had been serving a life sentence. The 30-year-old drifter was taking classes at the college when Kronenberg, 60, was killed in a classroom in 2005. A jury found McCollum guilty last year. It was not known when a new trial will be scheduled. A forensic scientist testified at McCollum's trial that DNA found underneath Kronenberg's fingernails did not match McCollum's, but instead came from an unknown male.

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Appaloosa's Offer

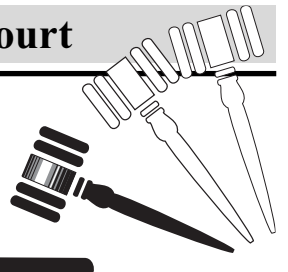
Dana says creditor's panel received offer from hedge fund Appaloosa. Page Two

On the Docket

Dean Mark C. Gordon discusses new beginnings in the fall. Page Three

Military Religion Suit

Soldier sues Defense Department over religious freedom. Back Page



Dana says creditors panel received offer from hedge fund Appaloosa

WASHINGTON (Dow Jones/AP) — Dana Corp. said Monday that its creditors' committee has received an offer from Appaloosa Management LP, the hedge fund that has been vying to take part in moving the troubled auto parts maker out of Chapter 11.

According to a filing with the Securities and Exchange Commission, Appaloosa is expected to detail its offer in a later SEC filing. Dana didn't say when Appaloosa will file the document, but said it will consider the offer this week.

In late August, Toledo, Ohio-based Dana filed a reorganization plan that calls for an investment of up to \$750 million from a group of investors led by private equity firm Centerbridge Capital Partners LP. The reorganization plan is subject to court approval.

Appaloosa, run by former Goldman Sachs executive David Tepper, had floated its own investment proposal to fund Dana's exit from bankruptcy and asked the court to turn down the Centerbridge-led package. The hedge fund had until Sept. 21 to submit a competing offer.

Appaloosa is also the lead investor in a plan to invest as much as \$2.55 billion in Troy, Mich.-based Delphi Corp., another auto parts supplier that is trying to emerge from bankruptcy.

Also in Monday's SEC filing, Dana said it closed the sale of certain parts of its North American fluid routing products business to Coupled Products LLC last Friday. Dana expects to record an after-tax loss of \$44 million in the third quarter from the sale.

Dana manufactures axles, drive shafts and service parts for major automakers such as General Motors Corp. and Ford Motor Co. The company has been in bankruptcy since March 2006.

Borders agrees to sell United Kingdom, Ireland subsidiaries

ANN ARBOR (AP) — Borders Group Inc. last Friday said it has agreed to sell its United Kingdom and Ireland subsidiaries, including 42 Borders superstores, to private equity firm Risk Capital Partners for up to about \$40 million.

The nation's second-largest bookseller said the purchase price includes a cash payment of about \$20 million plus a payment of up to about \$20 million that is contingent on the future performance of the business.

"The sale of our U.K. and Ireland subsidiaries is a major step forward in our previously announced strategic plan to drive a turnaround of Borders," George Jones, Borders' chief executive, said in a statement.

"This sale allows us to focus investment and resources on our core business, which is the U.S. superstore segment."

Borders shares fell 12 cents to \$14.19 last Friday.

London-based Risk Capital Partners has set up a subsidiary called Bookshop Acquisitions Ltd. for the purchase. The Borders U.K. and Ireland management team will continue to be led by David Roche, who will serve as CEO of the new company. Under the deal, Borders will receive an equity interest of about 17 percent

in Bookshop Acquisitions.

"We intend to build on the strength of the business and this well-respected brand as one of the U.K.'s largest book retailers," said Luke Johnson, chairman of Risk Capital Partners. "Our strategy will focus on improving sales and optimizing the store base while improving margins and inventory management."

The sale includes all 41 Borders superstores in the U.K. and a Borders superstore in Ireland, as well as all 28 Books etc. stores in the U.K. The sale doesn't include the Paperchase business, which Borders is keeping.

Also not included in the sale is Borders Asia Pacific, which includes 20 Borders superstores in Australia and four superstores in New Zealand that are in the midst of a previously announced strategic alternatives review.

Borders said it will incur a non-cash, after-tax loss for the sale of about \$115 million. The loss will be recorded in the third quarter.

In March, Ann Arbor-based Borders said it was exploring strategic alternatives for most of its international operations, including those in the U.K. and Ireland operations. Strategic alternatives often can include a sale of assets.

KELLY: Michigan justice's hobby lands her in 'winner's circle'

(Continued from page 1)

Instead, she turned even more of her attention to school, developing interests in language and the liberal arts. She was an honors student at Mackenzie High School in Detroit, EMU, and Middlebury College, also pursuing graduate studies at La Sorbonne, the University of Paris. One of three siblings, she then taught French in Grosse Pointe Schools, later serving as a language instructor at Albion College and EMU. Her decision to attend law school at Wayne State University may have been fed by "spirited discussions" she frequently enjoyed with her father while growing up.

"We used to love to argue about politics at the dinner table," said Kelly about her father, Ralph, who worked as a stationary engineer for the Detroit Board of Education. "It made for some wonderful dinner conversations."

Her mother, Evelyn Cogan, recently celebrated a major milestone—her 100th birthday.

"My mother is an amazing woman and still is as sharp as can be," said Kelly of the woman who grew up in Suttons Bay on the Leelanau Peninsula. "She loves to play bridge and she stays abreast of what's going on in the world. She has outlived her mother and father, 11 siblings, two husbands, and two children."

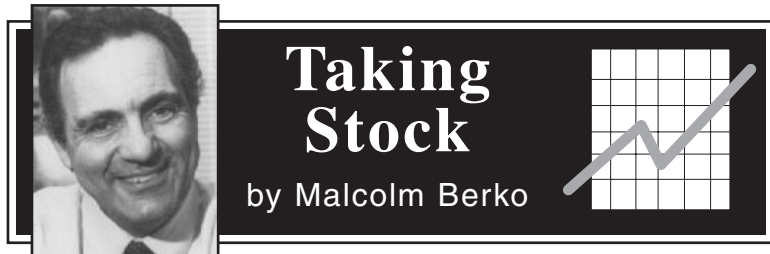
Kelly began her law career as an associate attorney with Dykema, Gossett, Spencer, Goodnow

& Trigg in Detroit, later becoming a partner with the firm of Dudley, Patterson, Maxwell, Smith & Kelly in Bloomfield Hills. Before her election to the state Court of Appeals in 1988, she headed her own firm in Bloomfield Hills.

Kelly has served as president of the Oakland County Women's Bar Association and the Women Lawyers' Association of Michigan, and spent 12 years on the State Board of Education, the last two as president. She is proud of her involvement over the years with a host of charitable and educational concerns, including Channel 56 in Detroit, the Women's Survival Center in Pontiac, the Detroit Institute of Technology, the Detroit Public Schools, Wayne County Community College, and Oakland County Community College.

She and her first husband, Richard Stout, were married for 28 years before he passed away. She remarried in 2000, exchanging vows with Don Newman, a Southfield physician. Together they enjoy gardening, scuba diving, sailing, and downhill skiing.

And dog showing. "Don has been very supportive of me as I've pursued this," Kelly said while training Duff during a recent Saturday morning session at Play and Stay Pet Care Center in Troy. "We've enjoyed traveling to the shows together and meeting new people. Some couples have golf, while we have dog shows. To each their own."



Portfolio haunts ghostwriter

Dear Mr. Berko:

I'll be 52 shortly and have allowed a new broker to manage my portfolio after losing a lot of money with my old broker in the tech bubble a few years ago. Well it looks like I've made another mistake. I've enclosed my portfolio for your much-needed help. Please tell me exactly what I should do because I need this money to pay my living expenses when I run out of ink and collect Social Security. I'm divorced, self-employed and have three children who have good job security with the government. I'm a ghostwriter and have authored several books for well-known people. It pays well but I may not work for a year between assignments. I know nothing about the market and would like a portfolio that doesn't need a money manager and doesn't need someone to watch it. I have over 125 stocks and it's driving me to drink trying to figure out why my broker, who is a friend, put them in my account. I've been reading your work for six years and believe I can trust your good judgment.

T.E., Durham, N.C.

Dear T.E.:

Your portfolio composition makes zero sense. While your \$646,000 portfolio is substantial (you probably began with \$1 million) there's no reason on this green earth to own 131 different issues. I'm familiar with 35 of the 131 issues and I can tell you that seven of those stocks may not have long to live. Methinks your broker should go back to torturing cats or whatever he did for a living before he became a broker.

You need to can him now or sooner. Sell each of the 131 stocks in that mishmash portfolio and put all the proceeds into money market accounts. When all the trades have settled (there are some issues that may take much longer than normal) collect your check and open an account with Charles Schwab & Co., which has several offices in Durham.

Now at 52, you still have some 15 years before you collect Social Security. However, it may not be around when you become "age eligible" because your assets might exceed proposed federal guidelines. Therefore, this money must be invested as if your future depended on it; it does. So here's what I recommend.

Invest \$25,000 in Bank of America Corp. (BAC-\$49.55) that pays a 5.2 percent dividend. Reinvest all those dividends till you're 67. BAC has increased its dividend for 25 straight years. Invest \$25,000 in General Electric Co. (GE-\$38.28). The \$1.12 dividend yields 2.9 percent and GE has increased its dividend for 25 consecutive years. Invest \$25,000 in Pfizer Inc. (PFE-\$24.07) whose

4.9 percent dividend has increased in each of the last 25 years, then \$25,000 in Rhom and Hass Co. (ROH-\$53.06) whose 2.8 percent dividend has grown each year in since 1982.

Then purchase \$25,000 of PPG Industries (PPG-\$73.13) yielding 2.9 percent; \$25,000 of Kimberly Clark Corp. (KMB-\$69.44) yielding 3.1 percent; \$25,000 of Leggett & Platt Inc. (LEG-\$19.11) yielding 3.7 percent; \$25,000 of Altria Group Inc. (MO-\$67.27) yielding 4.4 percent; \$25,000 of Chubb Corp. (CB-\$50) yielding 2.3 percent; and \$25,000 of Comerica Inc. (CMA-\$53.17) that yields 4.7 percent.

Each of these 10 issues has increased its dividends for at least 25 consecutive years. Then tell Charles Schwab that you want to reinvest every quarterly dividend when it is paid.

This 10-issue portfolio yields just under 4 percent and in 15 years I would guesstimate that the dividends will at least double and provide you with a comfortable 8 percent current yield plus modest capital gains of perhaps 75 percent to 125 percent.

Now I'd like you to invest \$250,000 in the following five mutual funds, each of which has a 10-year average annual return that exceeds 13 percent.

So invest \$50,000 in Third Avenue Value Fund (TAVFX-\$62.69), which is a mid-cap blend and yields 5.14 percent. Put \$50,000 in Stratton Funds Small-Cap Value (STSCX-\$48.88), which is a small-cap blend but pays no dividend. Then place \$50,000 in Mairs & Powers Growth Fund Inc. (MPGFX-\$82.05), a large-cap blend yielding 1.3 percent. Invest \$50,000 in the Weitz Funds Partners Value Fund (WPVLX-\$22.36) a large-cap blend yielding 0.5 percent and \$50,000 in the Bruce Fund Inc. (BRUFY-\$402.99) a small-cap fund that yields 2.41 percent. Each of these mutual funds is no-load and you must reinvest all dividends and capital gains.

Invest the remaining \$150,000 as follows: \$75,000 in Met Life Variable Annuity with a 6 percent guarantee and \$75,000 in the Equitable Variable Annuity with a 6.5 percent guarantee. And don't touch these VAs until you're 67 at which time the value should at least double.

This is a hands-free, carefree, no-brainer portfolio that should make you quite comfortable (without Social Security) when you run out of ink.

Please address your financial questions to Malcolm Berko, P.O. Box 1416, Boca Raton, FL 33429 or e-mail him at malber@adelphia.net. Visit Copley News Service at www.copleynews.com.

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Dollar's slump can't be overlooked, even if U.S. officials stay mostly mum

By Rachel Beck
AP Business Writer

NEW YORK (AP) — The markets and Washington may be nonchalant about the tumbling dollar, but the rest of us can't afford to be.

The dollar has been declining for a while. In recent weeks, things have deteriorated, however, as the greenback has plunged to record lows against the euro and reached parity with the Canadian dollar for the first time since 1976.

There is a lot more to this story than just vacations abroad getting pricier. A plunging dollar comes with widespread economic risk, which could mean everything from higher costs for gas at the pump to mortgage rates rising.

The U.S. currency weakened sharply on the back of last week's decision by the U.S. Federal Reserve to cut its benchmark interest rate by a bigger-than-expected half point to 4.75 percent.

The central bank's rate move was intended to stem the economic fallout caused by recent financial turbulence.

It ended up creating another worry by spurring investors to sell dollars as they looked to put their money into markets where interest rates are rising and economies have better growth prospects than the United States.

That has sent the dollar tumbling to new lows against the euro, which rose as high as \$1.4130 on Monday to its highest level since the 13-nation euro debuted in 1999. So far this year, the dollar is down 8 percent against a weighted basket of major currencies, according to the Federal Reserve.

Even with all this going on, U.S. officials haven't talked much about the dollar's fall. Instead, they've been out in force discussing the credit-market turmoil and the housing collapse.

U.S. Treasury Secretary Henry Paulson has only reshaped the Bush administration's party line that says it wants the dollar to be strong, but isn't going to do anything about getting it there. "We believe that currency values should be set in a competitive marketplace based on underlying economic fundamentals," he said on Friday.

There are certainly reasons for the administration to like the dollar where it is right now. A weak greenback makes American goods cheaper and more competitive abroad. It also juices up the profits of U.S.-based companies doing a good portion of their business overseas.

But the dollar's steep fall also has downsides that can't be overlooked.

The Fed took a gamble by lowering interest rates when inflation was already a concern. Now that the

dollar's value has collapsed even further, there are worries about increasing pricing pressures.

A weak dollar raises import prices, so goods manufactured abroad and sold in the United States cost more.

The weak dollar also boosts the price of oil and other commodities that are traded internationally in dollar contracts.

That is certainly clear by the record-setting move in oil prices, which have shot above \$80 a barrel since the Fed cut rates and the dollar tumbled. American consumers can count on that soon showing up in higher prices at the gas pump.

The slumping dollar also makes it less attractive for foreign investors to own dollars. In recent months, they've already shown some willingness to move out of the U.S. currency, and the recent decline in the greenback threatens to exaggerate that.

Even before the recent market turmoil began, foreign buying of U.S. financial assets had slowed. A Treasury Department report showed foreign holdings of long-term securities such as equities, notes and bonds increased by a net \$19.2 billion in July, the slowest pace in seven months and well below the \$97.3 billion tallied in June.

Worries about foreigners wanting to diversify out of dollars rose last week after Saudi Arabia decided for the first time not to cut interest rates in lock step with the U.S. Fed, leading to some speculation that it would soon end its currency's peg to the dollar.

Also last week, an investment arm of the government of Abu Dhabi bought a 7.5 percent stake in the management operations of the Carlyle Group, a U.S. private-equity firm.

In addition, the Nasdaq Stock Market announced it intended to sell a nearly 20 percent stake to Borse Dubai, and Borse Dubai and a group from Qatar also moved to become the largest stakeholders in the London Stock Exchange.

If foreigners' buying habits change, that could have a broad impact on financial markets — and U.S. consumers, too. For instance, if they sell their U.S. Treasury holdings, or don't buy new government bonds or notes, then Treasury prices will go down and yields will go up. That will likely send mortgage rates higher since they are pegged to the 10-year Treasury note.

That could unravel any good that has come from the Fed's rate-cutting action and put the economy in a precarious spot. It makes you wonder why this administration isn't doing more — or anything — to help the dollar.

Rachel Beck is the national business columnist for The Associated Press. Write to her at rbeck@ap.org

Consumers should consider life insurance to provide financial security for loved ones

By Eileen Alt Powell
AP Business Writer

NEW YORK (AP) — Millions of Americans have no life insurance or are seriously underinsured and that could translate to big financial problems for their loved ones if they die unexpectedly.

"Nobody wants to think about dying," said David F. Woods, president of the LIFE Foundation in Arlington, Va. "People know they need life insurance, but they figure they'll get to getting it someday — just not today. It's something they put off."

But putting off investing in life insurance can trigger a financial catastrophe for the survivors of a family's breadwinner or its primary caregiver. The odds are they'll be hard-pressed trying to continue rent or mortgage payments, cover child-care and eldercare costs, or fund college savings plans.

"The test is, will somebody suffer financially at your death? If answer is yes, you need life insurance," Woods said.

The insurance industry estimates that more than 60 million adult Americans go without life insurance or have too little coverage, and it has designated September as "life insurance awareness month" to try to draw attention to the problem.

The first step people need to take is to calculate the financial needs of their families should something happen to them.

The LIFE Foundation, formally known as the Life and Health Insurance Foundation for Education, a nonprofit organization funded by the insurance industry,

has a calculator on its site at www.lifehappens.org that consumers can use to determine their insurance needs.

It looks not only at what a family might require in the short term, including medical costs, funeral expenses and estate settlement fees, but also what it might need in the long term, including repayment of outstanding credit card debt as well as mortgages and college tuition.

That means a single person might need very little insurance, perhaps enough to cover burial costs and leave a small legacy to friends, siblings or charity. But a working mother might need a lot more, and couples who have financial responsibilities for both children and their aging parents might need more yet.

The major types of insurance are "term" and "permanent."

Term insurance provides protection for a specific period of time, often 10 years or 20 years, and pays a benefit only if the insured person dies during that time frame. It's generally the cheapest alternative.

Permanent insurance pays a death benefit whenever the policyholder dies; it's sold under a variety of names, including whole life and universal life and variable life.

Many of the permanent life policies have a cash value as an alternative to the death benefit.

Chris Blunt, senior vice president and chief operating officer for life and annuity operations at New York Life Insurance Co., said he believes many people underestimate how much it costs to sustain a family.

"Say you have a \$100,000 term policy," he said. "That sounds like a lot of money, but it won't provide the income to support a family for very long."

In fact, he said, the average coverage people have "would replace just four years of salary." That probably would give survivors time to adjust, but it also would force them to significantly change their lifestyles to cover expenses after that.

Blunt also believes too many people have bought term insurance when permanent life would have been a better way to accumulate wealth.

"A lot of financial advisers told people, 'buy term and invest the difference,'" he said. "There are two fallacies there: Most people don't hang on to their coverage. And instead of investing, they spend the difference."

He also argues that people often need insurance beyond the traditional 10 years or 20 years of term coverage.

"The theory is that 20 years from now, my house is paid off. But in reality, most people don't pay off their mortgages — and even take out bigger mortgages when they retire," Blunt said.

"After 20 years, the kids are supposed to be gone. But a lot more back home. Then there's that other, forgotten piece, which is care for elderly parents."

Certainly, term insurance holders can try to replace their term policies later, but health issues could make that difficult and rates could be much higher for older consumers than younger ones.

Both Blunt and Woods urged consumers to sit down with insurance professionals and look at options.

"Some of our agents are passionate about this because they've seen first-hand what happens when a breadwinner dies and there was no coverage — or there was coverage," he said.

Added Woods: "We want people to take action, and I worry that many won't until a qualified professional sits down with them."

<p>Michigan Judgment Interest Rate</p> <p>5.741%</p>	<p>Federal Judgment Interest Rate updated weekly at:</p> <p>www.uscourts.gov</p>
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