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Midday Business Report: KC area gains New Orleans college

By **DIANE STAFFORD**
The Kansas City Star

One New Orleans area employment loss — because of Hurricane Katrina — was Kansas City's jobs gain: Today is the ribbon cutting ceremony for the relocated offices of **Grantham University**.

Grantham, a 100 percent online "distance learning" institution targeted at working adults, relocated about 60 employees from the New Orleans area within days after the hurricane destroyed its facilities in Slidell, La.

About 40 of the relocated workers chose to remain in the Kansas City metro area, and the school has since hired about 160 more employees. Additional hiring is expected by the end of the year.

The new "campus," which has no students or dormitories or classroom buildings, consists of 30,000 square feet of offices in the **Zona Rosa** shopping center in the Northland.

Immediately after relocating its staff, Grantham set up temporary shop in offices at 2300 Main St., near the **Union Station**. The new facilities house the online university's administrative, human resource, information technology, curriculum and financial aid personnel.

Grantham specializes in offering undergraduate and graduate degree classes via the Internet. About 9,500 students are enrolled. Classes, which are taught by educators around the country, include criminal justice, business administration, general studies, computer science and other technology degrees.

The university dates to 1951 when it began offering classes in a residential campus setting in Southern California. It subsequently opened other campuses around the country. In 1991, it consolidated all campus facilities in Slidell, and then became an exclusively online educator by the end of the decade.

To reach Diane Stafford, business writer at The Star, call (816) 234-4359 or send e-mail to stafford@kcstar.com



STAR BUSINESS ROUNDUP

Sprint to buy affiliate for \$1.3 billion

Sprint Nextel Corp. this morning moved to settle another affiliate dispute with its plans to purchase **UbiquiTel Inc.** for about \$1.3 billion.

Based in Pennsylvania, UbiquiTel sells Sprint-branded wireless service to about 452,000 direct subscribers and 151,000 wholesale subscribers in the West and Midwest. The company had 2005 sales of about \$422.7 million and employs 425 workers.

As Sprint joined with **Nextel Communications Inc.** last year, legal disputes emerged among affiliate carriers questioning how they would be treated once the two companies were combined.

Through the second half of 2005 and so far this year, Sprint had purchased five affiliate carriers, including **US Unwired** for \$968 million and **Alamosa Holdings Inc.** for \$3.4 billion.

UbiquiTel was one of the largest remaining affiliate carriers that Sprint had yet to purchase.

Executives for Sprint and UbiquiTel have agreed to set aside a pending lawsuit in Delaware.

The agreement announced today calls for Sprint Nextel to pay \$10.35 each for all of UbiquiTel's outstanding common shares in an all-cash merger.

The deal, which will require the approval of UbiquiTel shareholders and regulators, is expected to be completed during the second quarter.

At midday, Sprint Nextel shares were down 13 cents at \$25.42. Shares have traded in a 52-week range of \$21.57 to \$27.20.

To reach Jason Gertzen, call (816) 234-4899 or send e-mail to jgertzen@kcstar.com

GM shares up as automaker cuts loss by \$1 billion

General Motors Corp. today reported a first-quarter loss of \$323 million, the sixth consecutive quarterly loss for the world's largest automaker.

The loss of 57 cents a share for the January-March period was narrower than a loss of \$1.3 billion, or \$2.22, in the first quarter of 2005.

In pre-market trading today, GM shares rose 82 cents, or 3.99 percent, to \$21.39 after closing at \$20.57 on Wednesday. At midday, GM shares were up \$1.96, or 9.53 percent, at \$22.53.

GM said revenues were up 14 percent to a record \$52.2 billion from \$45.8 billion a year ago, thanks in part to strong sales in Asia and Latin America and improvements in North America, including better pricing.

"The first quarter represented an important milestone in GM and GM North America's turnaround," GM Chairman and Chief Executive Rick Wagoner said in a statement.

The automaker, which lost \$10.6 billion in 2005, is in the midst of a major restructuring that calls for cutting 30,000 jobs by 2008. The **Fairfax** assembly plant in Kansas City, Kan., which makes the Chevrolet Malibu, has largely escaped recent job cuts. GM has about 3,000 hourly workers at Fairfax.

Included in the first-quarter results was a one-time pretax charge of \$1 billion in for expenses related to a recent settlement that requires hourly retirees to pay more for their health care. GM must contribute \$3 billion to a fund for retiree health care by 2011.

GM's struggling North American division reported a loss of \$946 million, compared with a loss of \$1.5 billion a year ago. GM Chief Financial Officer Fritz Henderson said cost savings from the health care agreement and from employee buyouts will largely be seen after July 1, but the automaker is optimistic about its results.

"It's a quarter of good, solid progress," he said. "Obviously, the job's not done."

GM's financial arm, **General Motors Acceptance Corp.**, earned \$605 million for the quarter, down from \$728 million a year ago because of lower mortgage earnings. GM recently completed an agreement to sell 51 percent of GMAC to an investor group for \$14 billion.

Block proposes \$39 million settlement of refund loan case

H&R Block Inc. has agreed to settle a long-standing class-action lawsuit over its refund anticipation loans for \$39 million.

In an announcement released late Wednesday, the Kansas City-based tax preparer said the settlement would cover 1.7 million class members who bought 2 million loans between April 8, 1994, and Dec. 31, 1996.

Beneficial National Bank, which provided the loans through H&R Block, would pay half the settlement, H&R Block said, adding that roughly \$30 million would go to the class members.

Under the loans, customers due a tax refund can receive most the money in two or three business days by paying a fee to file the return electronically and a loan processing fee. Critics claim the loans take advantage of financially unsophisticated taxpayers who aren't adequately told about the high interest rates.

Plaintiffs sued H&R Block in federal court in Chicago in 1998, claiming that its marketing of the loans was illegal and sought to include 17 million customers who had received loans over a 13-year period.

Court rulings since have whittled down the number of class members and thrown out most of the claims. The remaining claims of federal racketeering were scheduled to go to trial next month.

U.S. District Judge Elaine Bucklo still must approve the settlement. She has rejected two previous offers, including a \$360 million proposal covering 28 million customers last year.

H&R Block agreed in December to settle more than two dozen class-action lawsuits over the refund loans for \$62.5 million. That settlement covered 8 million customers.

The company still faces a lawsuit filed in February by California Attorney General Bill Lockyer on behalf of 1.5 million state residents who have taken out refund loans since 2001.

H&R Block shares, which have traded in a 52-week range of \$19.80 to \$30, were up 1 cent to \$22.26 at midday on the **New York Stock Exchange**.

Cerner to provide IT services for Victoria, Australia

The **Victorian Department of Human Services** in Melbourne, Australia, has selected **Cerner Corp.** to provide clinical information systems for its public hospitals and clinics.

The agreement announced today is a part of Victoria's HealthSMART program, and it will bring North Kansas City-based Cerner's Millennium solutions into hospitals across Victoria, a state with 5 million people, or about 25 percent of Australia's population.

No financial terms were disclosed.

HealthSMART aims to improve patient care and reduce the administrative burden on health-care professionals with a standardized approach to information technology.

"The state of Victoria is taking a leadership role in the global drive to improve patient safety and reduce medical error, and we are proud to dedicate our resources to be a part of that effort," Trace Devanny, Cerner president, said in a statement. "With Cerner as the IT provider for all public hospitals and clinics, Victoria will reach its goal to improve the delivery of safe, efficient care."

At midday, Cerner shares were down 20 cents at \$46.55. Shares have traded in a 52-week range of \$27.91 to \$49.38.

After markets close today, Cerner plans to release its earnings report for the first quarter. Company executives will discuss the results in a conference call starting at 3:30 p.m.

The call will be available online at www.cerner.com under the "About Cerner" section (click Investors, then Presentations and Web casts.) The dial-in number for the call is 1-617-597-5324 and the pass code is Cerner.

OP payday loan company adds board member

QC Holdings Inc. today said that Kevin A. Richardson II has been elected to its board of directors.

Richardson is a founding member of **Prides Capital LLC** and **Prides Capital Partners LLC**. The investment firms are based in Boston and San Francisco.

QC Holdings, a payday loan company based in Overland Park, said Richardson's appointment expands the board to seven directors.

Richardson, 37, expands the QC board to seven directors.

The company also said Prides Capital has increased ownership of QC Holdings' shares to about 12 percent through the acquisition of about 500,000 shares in private transactions with QC Chairman and Chief Executive Officer Don Early. In conjunction with the sales to Prides Capital, QC said Early has terminated his Rule 10b5-1 stock selling program.

At midday, QC Holdings shares were down 1 cent at \$14.06. Shares have traded in a 52-week range of \$10.91 to \$17.10.

Crude oil briefly hits record high of \$72.49 a barrel

Oil prices briefly rose to a record high above \$72 a barrel today, then declined as traders locked in profits from recent rallies and **Royal Dutch Shell** said an oil platform damaged by Hurricane Katrina would resume producing 140,000 barrels of crude by the end of June.

Oil prices settled at a record high for the third consecutive day on Wednesday after weekly government data showed a drop in U.S. gasoline stocks, raising worries that refiners don't have an adequate inventory cushion ahead of the peak summer season.

Traders also are anxious that U.S.-led efforts to stop Iran, **OPEC's** second-largest member, from pursuing a suspected nuclear weapons program could lead to a disruption in Persian Gulf oil supplies.

Oil futures contracts through November 2009 are now trading above \$70 a barrel, indicating traders believe high prices could be here to stay.

Light, sweet crude for May delivery on the **New York Mercantile Exchange** rose as high as \$72.49 a barrel in

electronic trading in Asia, surpassing the previous record of \$72.40 set during Wednesday's trading. The price slipped back to \$71.10, down \$1.07 from Wednesday's record closing price.

Royal Dutch Shell Plc said its Mars platform — the largest oil platform in the Gulf of Mexico damaged by Hurricane Katrina — would be producing at pre-Katrina levels by the end of June. Mars accounts for about 5 percent of total Gulf of Mexico production.

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Financial reports of interest



■ **Altria Group Inc.**, owner of the world's largest cigarette business and controlling shareholder of **Kraft Foods**, said first-quarter profit rose to \$3.48 billion, or \$1.65 a share, from \$2.6 billion, or \$1.25, a year ago. Revenue increased to \$24.36 billion from \$23.62 billion.

■ **Bank of America Corp.** said revenue from its acquisition of credit card company **MBNA Corp.** boosted first-quarter net income to \$4.99 billion, or \$1.07 a share, from \$4.39 billion, or \$1.07, a year ago.

■ **BellSouth Corp.** said first-quarter net income dropped to \$784 million, or 43 cents a share, from \$1.06 billion, or 58 cents, a year ago. Revenue grew to \$5.17 billion from the \$5.09 billion.

■ **Belo Corp.**, publisher of the *Dallas Morning News*, said first-quarter net income fell to \$17.3 million, or 16 cents a share, from \$23.7 million, or 20 cents, a year earlier. Revenue increased to \$371.7 million from \$349.2 million.

■ Data warehouse **ChoicePoint Inc.** said first-quarter profit dropped to \$30.61 million, or 34 cents a share, from \$36.97 million, or 40 cents, a year ago. Revenue grew to \$269.87 million from \$259.28 million. In January, ChoicePoint agreed to pay \$15 million to settle **Federal Trade Commission** charges related to allegations the company's security and record-handling procedures violated consumers' privacy rights when thieves infiltrated its massive database.

■ **Continental Airlines Inc.** said its first-quarter loss narrowed to \$66 million, or 76 cents a share, from a loss of \$186 million, or \$2.79 last year. Revenue rose to \$2.95 billion from \$2.51 billion.

■ **The Hershey Co.** said first-quarter profit grew to \$121 million, or 50 cents a share, from \$113 million, or 45 cents, a year earlier. Sales rose slightly to just over \$1.13 billion.

■ Newspaper publisher **Lee Enterprises Inc.** reported second-quarter profit fell partly due to costs related to its purchase of **Pulitzer Inc.** of St. Louis last June. Earnings were \$14.4 million, or 32 cents a share, down from

\$18.1 million, or 40 cents, a year ago. Revenue rose to \$275.8 million from \$168.7 million.

■ Pharmaceutical maker **Eli Lilly and Co.** said first-quarter net income rose to \$834.8 million, or 77 cents a share, from \$736.6 million, or 68 cents, a year earlier. Sales grew to \$3.72 billion from \$3.5 billion.

■ Drugmaker **Merck & Co.** reported first-quarter profit grew to \$1.52 billion, or 69 cents a share, from \$1.37 billion, or 62 cents, a year earlier. Revenue edged up to \$5.41 billion from \$5.36 billion. Meanwhile, the number of lawsuits filed over its withdrawn painkiller Vioxx has climbed past 11,000.

■ Cell phone maker **Nokia Corp.** reported first-quarter net sales grew nearly 30 percent to 9.5 billion euros (\$11.73 billion), while net profit was 1.05 billion euros (\$1.3 billion), up 21 percent.

■ **Nucor Corp.**, a steelmaker and scrap-metal recycler, said first-quarter earnings rose 7 percent to \$379.2 million on a double-digit drop in scrap costs and higher production. Sales increased to \$3.55 billion from \$3.32 billion.

■ German software maker **SAP AG** said first-quarter profit rose to 282 million euros (\$348.1 million) from 254 million euros a year-ago. Revenue rose 18 percent to 2.04 billion euros (\$2.5 billion).

■ **Schering-Plough Corp.** said its profit more than tripled in the first quarter to \$350 million, or 24 cents a share, from \$105 million, or 7 cents a share, a year ago. Sales rose to \$2.55 billion from \$2.37 billion.

■ **Union Pacific Corp.**, the nation's largest railroad, reported record first-quarter of \$311 million, or \$1.15 a share, up from \$128 million, or 48 cents, a year ago. Revenue increased to \$3.71 billion from \$3.15 billion.

■ **United Parcel Service Inc.**, the world's largest package delivery company, said first-quarter profit jumped to \$975 million, or 89 cents a share, from \$882 million, or 78 cents, a year ago. Revenue grew to \$11.52 billion from \$9.89 billion.

MediaNews offers McClatchy up to \$1 billion for 4 newspapers

MediaNews Group Inc. has offered to buy three **Knight Ridder Inc.** newspapers in California and one in Minnesota for as much as \$1 billion, according to a published report today.

Completing a deal with McClatchy Co., which is in the process of buying all of Knight Ridder, including *The Kansas City Star*, would give MediaNews a controlling interest in California's *San Jose Mercury News*, the *Contra Costa Times* and *The Monterey County Herald*, as well as the *St. Paul Pioneer Press* in Minnesota, according to the *Los Angeles Times*, which cited people familiar with the talks.

A spokeswoman for McClatchy declined to comment, and a call to MediaNews for comment wasn't immediately returned.

McClatchy rejected an offer from MediaNews to buy *The Philadelphia Inquirer* and its sister paper, the *Philadelphia Daily News*, in the expectation of getting a higher bid from one of several interested parties, according to the Times.

McClatchy intends to unload 12 papers that it is acquiring in its pending purchase of Knight Ridder, while retaining 20 Knight Ridder papers to become the second-largest U.S. newspaper chain behind **Gannett Co.** McClatchy is retaining *The Star*.

Boston Scientific-Guidant deal gets FTC clearance

Boston Scientific Corp. today won antitrust clearance from the **Federal Trade Commission** to acquire medical devices maker **Guidant Corp.**, a \$27 billion deal the companies hope to conclude Friday, three weeks later than they initially expected.

The FTC voted 4-0, with one member recusing herself, to consent to conditions imposed on the deal by the commission staff in an agreement announced April 6. The approval also clears the way for a related third-party deal involving **Abbott Laboratories Inc.**

Boston Scientific has said the FTC's conditions did not require substantial changes to the deal the Natick-based company reached in January to end a nearly two-month bidding war for Guidant with **Johnson & Johnson**.

The combined company is expected to surpass Fridley, Minn.-based **Medtronic Inc.** as the world's largest maker of cardiovascular devices.

To satisfy concerns that the combined company could command too great a share of the market for heart stents, Boston Scientific agreed before the regulatory reviews to sell a piece of Guidant's business, including its drug-coated stents, to Abbott Labs. The North Chicago, Ill.-based company will pay \$4.1 billion in cash, provide a \$900 million loan to Boston Scientific and acquire \$1.4 billion in Boston Scientific stock — a stake it is required to sell within 30 months.



MONEYWISE CONSUMER NEWS

FCC steps up investigation into radio payola

The **Federal Communications Commission** is stepping up its investigation into alleged payola practices at four of the nation's largest radio corporations after attempts to reach a settlement stalled.

An FCC official with direct knowledge of the investigation confirmed the agency had requested documents this week from **Clear Channel Communications Inc.**, **CBS Radio Inc.**, **Entercom Communications Corp.** and **Citadel Broadcasting Corp.**

The agency wants to learn more about accusations that radio programmers received gifts, cash and other items in exchange for playing certain songs at radio stations without publicly disclosing the deals.

The FCC requests, known formally as "letters of inquiry," are the next step in investigations that could result in sanctions ranging from financial penalties to the revocation of stations' licenses.

"The commission takes seriously any alleged violations," said FCC spokesman David Fiske. "Chairman Martin directed the enforcement bureau to conduct an active and ongoing investigation a number of months ago."

The four companies have been negotiating with the FCC for weeks but the talks stalled last month over how much the broadcasters should pay, said the FCC official, who spoke on condition of anonymity because the investigation is ongoing.

Radio executives have said that company policies prohibit accepting gifts for airplay and that internal probes have not revealed widespread wrongdoing.

Federal regulations require that radio listeners be informed anytime there is an exchange of items of value for airplay of specific songs.

David Lee Roth to go off the air

No surprise: David Lee Roth's run as morning radio host is about done. Big surprise: It appears raunchy satellite radio stars Opie and Anthony will replace him on seven **CBS Radio** stations.

A deal was in the works to dump the ex-Van Halen singer's ratings-deprived program with shock jocks Greg "Opie" Hughes and Anthony Cumia, according to two people with knowledge of the deal. They spoke today on condition of anonymity pending an official announcement of the agreement next week.

Opie and Anthony were banished from terrestrial radio in 2002 — oddly enough by their new boss, CBS Radio — after airing a live account of listeners having sex in St. Patrick's Cathedral. CBS Radio, a unit of **CBS Corp.**, was then known as **Infinity Broadcasting**.

Opie and Anthony resurfaced on **XM** in October 2004. The satellite radio provider has more than 6.5 million subscribers, with the Opie and Anthony show one of the most popular programs on its 170 channels.

XM will now syndicate the program to the stations in New York and six other markets, with three hours of the program airing on the CBS Radio stations, the people familiar with the deal said. XM will simultaneously broadcast that portion of the show, along with another two hours of exclusive O&A, they said.

A spokeswoman at CBS Radio declined to comment on the report, as did a spokesman for XM.

Roth's radio career began in January, when he replaced Howard Stern on the CBS stations.

British Airways slashes European fares by up to 50 percent

British Airways PLC announced a direct challenge to European low-cost carriers today, slashing several short-haul fares by as much as 50 percent as it tries to win back passengers.

BA, which has struggled to maintain its market share against price undercutting by budget airlines such as **Ryanair Holdings PLC** and **easyJet PLC**, said it would offer greatly reduced one-way tickets to 65 destinations.

The airline said the price cuts were part of an overhaul of the airline's fare structure, rather than a one-off promotion.

"This is not a short-term gimmick, but a long-term commitment to our millions of customers to offer low fares every day of the year," commercial director Martin George said.

The ticket sale came just days after BA announced a further increase in the fuel surcharge on its long-haul flights because of soaring crude oil prices.

BA said it would continue to provide full service to customers booking inexpensive tickets.

Unlike the low-cost airlines, BA will not charge extra for food and drink onboard or for checked-in luggage. Ryanair introduced charges last month for passengers wanting to check in bags.

The new BA fares include all taxes and fuel surcharges, but there is a charge for passengers who do not book online.

Airfares across Europe have been driven down in recent years with the introduction of "no frills" airlines.

BA's best price on a one-way flight from London to Naples, Italy, is now 39 pounds (\$70) — a big drop from the 286 pounds the airline charged in 1996. Similarly, a flight from London to Bordeaux, France, has fallen to 29 pounds (\$52) from 206 pounds.



ECONOMIC NEWS

Bush, Hu meet on trade, military, human rights issues

President Bush greeted Chinese President Hu Jintao at the White House today with direct appeals for more help on easing nuclear standoffs with Iran and North Korea and for reducing trade imbalances. Hu promised to work for closer U.S. ties on a host of issues, particularly economic problems.

The South Lawn welcoming ceremony for Hu's first visit as Chinese leader was briefly marred by the screams of a woman critical of Hu. And hundreds of demonstrators massed outside to protest Beijing's human-rights policies.

Reciting a specific list of U.S. concerns, Bush emphasized "the importance of human rights," said that China should do more to make its currency more flexible, and urged those on both sides of the Taiwan Strait "to avoid confrontational or provocative acts."

Hu responded to Bush's litany of concerns with a pledge to help in working diplomatically to ease nuclear tensions with both North Korea and Iran. And he vowed in general terms to work to promote human rights.

"We should respect each other as equals and promote closer exchanges and cooperation," Hu said, speaking through a translator. Hu said that closer U.S.-Chinese ties would "bring more benefits to our two people and to the people of the world."

A woman standing in a section where photographers were taking pictures appealed to Bush to stop the Chinese president from "persecuting the Falun Gong."

The talks with Bush were not expected to produce substantive gains in the trade dispute, nor any breakthrough on another major irritant — China's tightly controlled currency.

Bush was quick to serve notice on the Chinese leader that he would continue to press for China to move "toward a flexible market exchange rate for its currency." Hu stood stiffly, as if at attention, as Bush spoke.

After two days spent wooing American business leaders in Washington state, Hu was spending a half day at the White House for what were expected to be frank discussions about America's \$202 billion trade deficit with China, the biggest ever recorded with a single country.

Jobless claims fall sharply last week

The number of new people signing up for jobless benefits last week fell sharply, a fresh sign that employers are feeling better about the business climate.

The **Labor Department** reported that new applications filed for unemployment insurance dropped by 10,000 to 303,000, the best showing since the beginning of April. The level of new jobless-benefit filings suggest that the labor market is maintaining decent momentum.

Last week's decline was steeper than analysts were expecting. Before the report was released, they were forecasting claims to fall to 308,000.

Another economic report, however, offered a less positive signal about the economy.

The **Conference Board** reported that its closely watched gauge of future economic activity dipped 0.1 percent in March, suggesting economic activity could weaken later in the year.

The private research group said its Index of Leading Economic Indicators dropped to 138.4 in March from 138.5 in February. The index is closely watched because it predicts economic activity three months to six months into the future.

The index reading for March was slightly below analysts' projections; they had expected the index to show no change in March from February.

On the layoff front, the more stable, four-week moving average of new jobless claims, which smooths out week-to-week fluctuations, fell by 2,250 last week to 305,250. That marked the lowest level since late February.

Today's report also said the number of people continuing to collect unemployment benefits increased by 18,000 to 2.439 million for the week ending April 8, the most recent period for which that information is available.

Even with the increase, this figure still showed an improvement from last year, when the number of people continuing to draw jobless benefits stood at 2.639 million.



MARKET NEWS

Stocks mixed on fears of inflation

Stocks were mixed today after earnings reports from **General Motors Corp.** and **Merck Co. Inc.** pushed the **Dow Jones** industrial average higher while the **Nasdaq** composite sagged along with **eBay Inc.**

Dow component General Motors' stock gained 9.53 percent after the automaker reported its sixth straight quarterly loss but record revenues. Drugmaker Merck & Co., also a Dow component, reported an 11 percent jump in first-quarter profit.

In economic news, new applications for unemployment benefits dropped by 10,000 to 303,000, according to the **Labor Department**. The figure was the best showing since the beginning of April, suggesting the labor market is maintaining decent momentum, but reviving the fear of wage inflation.

Oil futures retreated from record highs. A barrel of light crude hit a record high of \$72.49 in trading on the **New York Mercantile Exchange** before falling to \$71.10, down \$1.07 from Wednesday's record closing price.

"The message this week is pretty simple: People are looking for an excuse to buy stocks rather than sell stocks," said Ryan Larson, equity trader at **Voyageur Asset Management**, a subsidiary of **RBC Dain Rauscher**. "A year ago, \$70 oil would have been the death of us; today, the market is able to digest it and look for positives."

In midday trading, the Dow Jones industrial average rose 72.36, or 0.64 percent, to 11,351.13. The **Standard & Poor's 500** index rose 1.55, or 0.12 percent, to 1,311.48, and the **Nasdaq** composite index fell 10.26, or 0.43 percent, to 2,360.62.

Bonds were flat, with the yield on the 10-year Treasury note at 5.03 percent. The U.S. dollar was higher against other major currencies. Gold prices were lower, retreating from 25-year highs.

Economic data continued to point to moderating growth. **The Conference Board**, a private research group, said its Index of Leading Economic Indicators dropped to 138.4 in March from 138.5 the previous month. The declines in the index, a closely watched gauge of future economic activity, followed four consecutive months of rising readings.

In company news, Merck's profits rose despite flat sales, buoyed by higher interest income and revenues from its cholesterol-drug joint venture. Merck rose 69 cents to \$35.09.

General Motors rose \$1.96 to \$22.5e after it reported a first-quarter loss of \$323 million. While this was the company's sixth straight quarterly loss, the company did say its revenues rose 14 percent to a record \$52.2 billion, up from \$45.8 billion a year ago.

Chip maker **Intel Corp.** rose 8 cents to \$19.64 after it reported a 38 percent decline in first-quarter profit as PC sales slowed. The company slashed its revenue forecast for 2006, citing rising inventories of its products held by PC makers and market share losses. But its \$1 billion in planned spending cuts cheered investors.

Online auctioneer **eBay** fell \$3.33, or 8.2 percent, to \$37.02 after it hit analysts' earnings target for the first quarter and reiterated its outlook for the remainder of the year. Investors had hoped for bigger things from the e-commerce bellwether.

Apple Computer Inc. gained \$2.21 to \$67.86 after its second-quarter profit rose 41 percent, beating Wall Street estimates.

■ For the quickest, most complete local afternoon report on the financial markets, check out **The Closing Bell** report on www.kansascity.com.



Coming from The Star

■ Tomorrow in Business: Among Kansas City area companies reporting earnings later today are **Cerner Corp.**, **Leggett & Platt** and **SCS Transportation**.

■ Sunday in MoneyWise: So many choices...so much confusion. When it comes to shopping, many consumers become paralyzed because they have too many choices to sort through.

*The Midday Business Report is compiled from staff and wire service reports by Rick Babson. Call him at **(816) 234-4880** or send e-mail to rbabson@kstar.com. For a complete report of the day's events, check out the Business section of The Kansas City Star.*