

*Sport or Contest?
License or Larceny?
Political Birthrights?
The Man from U.N.C.L.E.?
Third Degree Business Burns?*



The world is getting more scrambled with each revolution around the sun. Evil is in overdrive throughout the planet. Cartoon characters are now in command of armies of brain dead zombies muttering about their causes. Forget the tech stock bubble; there is a bursting mental bubble. For each person's desire to get fifteen minutes of fame, they must out horrify our collective mind. Even in the escapist pleasures of entertainment or sport, the liars lie directly in the cameras and smile a cruel and wicked smile. All media should be scrambled for those with common sense decoders. This publication included. Understanding would be the message and not the medium. Over easy.

THIRD DEGREE BUSINESS BURNS

One has to revisit history to find perspective. As Illinois was on the verge of statehood in 1818, one of the significant problems of the times was the means of exchange. No national centralized currency was accepted. Local banks, whether public chartered or private, issued bank notes at a discount as a medium of exchange. It could be redeemed at the bank for other cash or species, gold or silver.

Depending on how solvent the bank was, the more acceptable the risk of exchanging something for that printed paper. In the Midwest, banking was as frontier as the prairie. It is interesting to note one of the first criminal codes included counterfeiting as a serious crime.

People did not necessary know what notes eastern banks were issuing. However, if it was acceptable, forgers began copying them and flooding the market with bogus bills. Creating paper to snooker the masses is not a new invention.

Fast forward to the IPO stock market balloon. People were creating billion dollar companies with no assets or no business plan on the back of napkins. And people accepted the stock certificates with glee at a premium not realizing the risk or the game of snooker that was being played out before their eyes.

Pause the remote on any news channel to hear the latest

on the Enron or Global Crossing scandals. Nothing new here, either.

Business schools must be churning out paper pushers faster than enforcers in the boiler room days of the Great Depression. Companies that used to make products, like soap, cars, appliances, don't make money from their core business. They are financial companies. They make more money moving paper (whether credit card balances, notes or off balance sheet investments). Or we thought they made more money.

When JDS Uniphase wrote off \$60 billion in net worth last year, the analysts did not blink. The company never made that much money in its history, and probably never will. When telco companies were booking sales to pump up quarterly earnings, they forgot to tell investors that they loaned 100% to the customer to buy the product. Instead of booking a contingent payment, they doubled the balance sheet by also including the note as an asset in addition to the paper payment.

Corporate CEOs have no understanding of their company's business. They talk in financial doublespeak. They only want to pump up their stock price even if it leverages the company into bankruptcy.

Not much has changed since the early 19th century.

EDITOR & PUBLISHER
SKI

EUROPEAN DESK &
SWISS HOT TUB REPORTER

PHIL SAVOIE

WESTERN BUREAU CHIEF
CRAG ANTLER

DOG FOOD ALCHEMIST
MR. HASH

WAR CORRESPONDENT
(EDUCATION FRONT)
HERR HEPNER

OLYMPIC SKATING JUDGE
BLIND MELON

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FRED BAUER

NOMAD
JERRY PRZ...

REBEL NEWS REPORTER
RUSH ROGSTAD

PAPER CUT MEDIC &
MISANTHROPIST
BRIAN NIELSEN

It is like the Global Double Crossing story. Transoceanic fiber optic cable had the sexy appeal to Wall Street high techno circles. Tons of money was floated by the brokers and swallowed whole by the public and pension-institutional investors. As the money poured in, the elite executives invested the proceeds more in their own compensation plans than in a workable business plan.

It is bizarre that in these high profile bankruptcies, the chief executives have the gall to petition the court for millions in retention

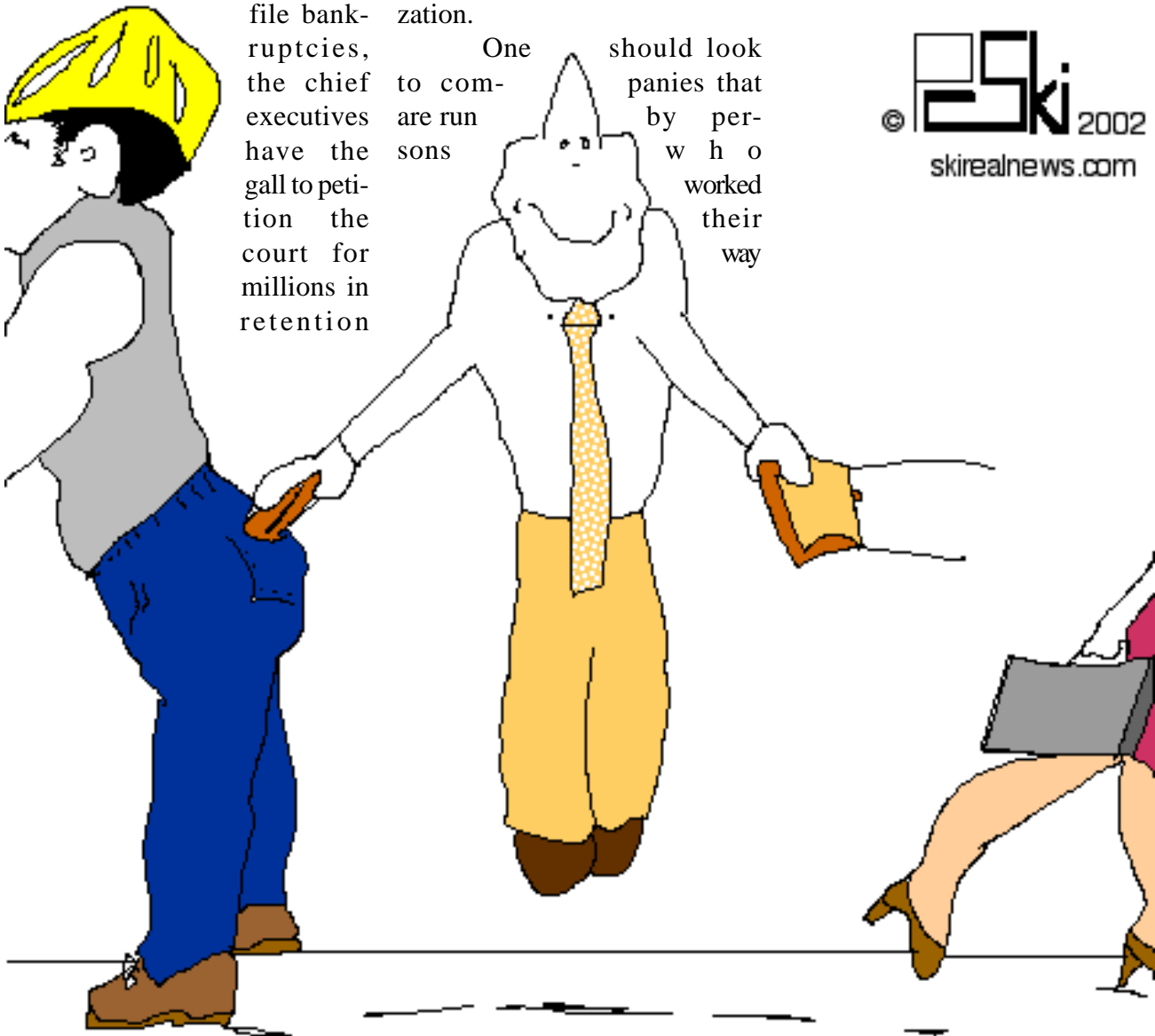
bonuses for running the company into ground in the first place!

A large scale bankruptcy with litigation is a money sausage grinder. The employees who funneled their life savings in company stock are in the last in line to get anything. And they won't get a penny after the administrative expenses, accountant, attorney and trustee fees are approved. There is no prospect that they will even have a paycheck as the company spirals down the money pit or reorganization.

One should look to companies that are run by persons who worked their way

up the company ranks to the top instead of the media hogs who say they know everything about business. Each business is different. Each business is its own speciality. High profile CEOs think a business is a low maintenance horse that they can whip at their pleasure. The Enron disaster is only the kindling for the Big Bonfire to come.

In an investment environment of no savings rates, the stock market mistrust will keep us in recession for a long time.



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BEAR DOWN AND ASSUME THE PSL POSITION

The Chicago Bears announced the cost of a private seat license for the new Soldier Field. Season ticket holders are being asked to pay in advance between \$900 to \$10,000 per seat for the privilege of spending at least \$64/game to watch the McCaskeys get rich at the public expense.

Third generation season ticket holders, families that have supported this entertainment sports franchise through the dark and lean days of Papa Bear George Halas, are stunned by the news. They are basically blue collar people in a second decade Rust Belt economy. The last city steel mill has closed; there is no industrial redevelopment boom. People are just making ends meet week to week.

A family with ten season tickets on the 50 yard line are now being asked (or extorted according to them) for \$110,000.00 to continue Sunday afternoons on the lakefront. Payable two years in advance of the opener for the new seats. With no guarantee that they will have the same view as they had last season.

But the PSL has value, says the creators. Well, the average person does not have \$8500 in disposable savings to pay for the right to see the Bears decay back to a 4-12 club in the next few years.

At least Chicagoans are not being lead like sheep to the

slaughter. They are angry. They are on the radio bitching. A recent poll shows that 75% of the fans would pay ZERO for a Bear PSL.

If they hold the line, the Bears will be stuck paying their own alleged fair share for the new stadium. They were not too clever in disguising the fact that the owners share of the new stadium (\$60 million) covered by a loan from the league, would be paid back by the PSL proceeds. The rest of the construction cost is borne by the park district, city and taxpayers. If no one buys the PSL, then the Bears should have to pay from their own net worth.

Chicagoans are also not giving up on finding out what sweetheart deal the Bears are getting for the new stadium. Mayor Daley and his park clan have refused to release the details of contract, lease and revenue distribution. It must be a windfall to the Bears. There are actually 7000 less seats than the old field, but the new "club" seats will cost more, in the skybox range.



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Driving down Lake Shore Drive is one of the best urban landscapes, especially when you hit the science campus and the grand columns of Soldier Field. But after the last Game, every inch of the stadium is gone except the western facade. It looks like a huge tombstone for the McCormick Place cemetery.

The use of public funds and resources for private gain is a big source of litigation and new precedent is forthcoming. Public dollars should be used for public purposes, not for private business operations or padding profit margins. If you can't make it on your own resources, close or move. Where would the Bears relocate to? Decatur? Maybe they hope the downstate hicks will be addicted to next seasons' Champaign games so they will buy all the PSLs. That's greedy.

THE NATIONAL PASTIME IS OLD FASHION GREED

There is nothing more screwed up than Major League Baseball. There are so many off season conflicts it would make the Black Sox Scandal pale by comparison.

First, it was contraction. Not in the giving Life sense. The elimination of at least two teams (target: Expos and Twins). The Expos have no fan base and lose money. The Twins have a fan base and make money. There was little logic in those choices.

Then MLB labor counsel indicated before Congress recently that the original list of contraction prospects numbered 18. 18!!! Who could it be? We have to speculate on that outrageous claim.

Here are the teams that are untouchable, by money generators, ownership and media connections:

New York Yankees (big \$); Boston Red Sox (new big \$ and Friends of Bud); Milwaukee Brewers (Bud); LA Dodgers (big media); Chicago Cubs (big media); Atlanta Braves (big media); St. Louis Cardinals (big advertising).

So 18 of the next 23 have a reason to executed by Commish Bug Sealegs:

1. Montreal. AAA team.
2. Minnesota. No owner revenue rich stadium, too close to Milwaukee.
3. Florida. No attendance.

4. Tampa Bay. No attendance, bad stadium.

5. Arizona. Bankrupt. Had to borrow millions from league to cover payroll.

6. Oakland A's. Small market club.

7. KC Royals. AAA, small market team

8. Pittsburgh. Weak franchise.

9. San Diego. Weak franchise in weak market.

10. Anaheim Angels. For sale.

11. Philadelphia. Bad venue; overshadowed by NYC.

12. Texas. Overspending owners need to be punished.

13. Houston. Enron.

14. Detroit. New facility, same bad AAA club.

15. Denver. Only one Brewer allowed in Bud's club.

16. Toronto Blue Jays. High cost Canucks.

17. Cleveland. Dolan's brother ran up the cost of Red Sox buyers.

18. San Fran. Owner spent own money on ball field to irk of other owners seeking public financing.

This would lead the following clubs on the bubble and why they wouldn't be contracted:

1. Chicago White Sox. Reinsdorf anti labor and friend of Bud.
2. NY Mets. Doubleday, media center and Friend of Bud.
3. Seattle. Foreign



money and pipeline for new Japan players.

4. Baltimore. Owners don't like lawyer owner D'Angelo, but he has clout to hurt them in court; don't want to mess with him.

5. Cincinnati. No more Marge; beholden to Bud.

The real solution would be to merge clubs than contract: how about rooting for those "EX-WINS!"

MLB did a complete reversal after contraction talk blocked by courts; it had musical chairs of ownership by Bud's buds, with the League now owning and operating the Expos. Talk about conflict of interest! The exemption myth was that professional baseball was an association of independent clubs and business operations.

The only reason is that there are at least two ownership groups willing to spend \$800 million for a team. If the current owners own bad clubs, they will flip it for profits of \$600 million.

Talk about running a ponzi scheme and hawking teams for new money to pay off the old interests.

POLITICAL BIRTHRIGHT DEMANDS ARE MADDENING

I have decided to cash in a certificate of deposit, fly to Russia and open a Whine and Moan Training Center.

As the Olympics “whine” to a close, the Russians are protesting everything including that Salt Lake is cold in the Winter. The rationale is that since the country used to win all the golds, judges are biased against them when they suck. They want their gold. Now! Or else we will leave and pout. Gimme gimme gimme. Its worse than a three-year old on a sugar overload.

But that spoiled, bratty, irrational behavior is not confined to sports. Politics is a breeding ground, literally, a breeding ground for these demands. Sons and daughters of career politicians believe it is

their birthright to hold public office like their parents. Even if they are unqualified or unprepared to administer a huge patronage army. It does not matter; they know politics. Politics is their family business.

If it sounds familiar, it is the same tune from a few preceding pages about chief executives thinking they know everything, and should be paid ungodly sums for thinking so. A recent survey of college seniors found that they overvalue their value in the real work world by two times, and underestimate their debts and obligations by two times. No wonder people are depressed when they find out they are only making half of what they thought the degree would get them, with double the amount of debt.

The concept that kids should be making more than their parents right off the bat, and buy a home bigger than their parents right off the bat, and retiring before their parents reach 65 shows the collective scrambled brain cells of the go-go 1990s.

THE MAN CRIES UNCLE

I am the Man from U.N.C.L.E.

Unattached. Near. Chosen. Long-term. Entertainer.

Children under the age of seven do not have the capacity reason in the legal sense. That is why all my nieces and nephew asks for me by name when their parents want to take a break for their child care duties.

I have only one Prime Directive when baby-sitting kin. Each of the little tykes is well aware of Uncle Paul’s Rule Number One. They quote it on cue. “No hospitals.”

Once established, it all becomes a strength of wills of which side will tire and collapse on the sofa. You have to get down to their level; interact on the floor, and give them choices to occupy their own time. Treat them like little adults than rug rats and they respond to direction. Well, some of the time.

