

## Business at a glance

### Apple cuts prices, demos new system

Apple Inc. introduced MacBook Pro laptops with faster chips, longer battery life and lower prices.

A new 15-inch MacBook Pro will start at \$1,699, while a 17-inch model will cost \$2,499. Apple also introduced a 13-inch MacBook Pro that starts at \$1,199.

Apple also said it has sold more than 40 million iPhones and iPod Touch media players.

The company cut the price of its ultra-thin MacBook Air to \$1,499. Apple also demonstrated a new Mac operating system called Snow Leopard.

Calvin Huang, an analyst at Daiwa Securities Group, said Apple will ship a laptop computer with a 10-inch touch screen by the end of this year.

Unlike Hewlett-Packard Co. and Dell Inc., Apple doesn't offer a low-cost, small-screen netbook model, a category set expected to become the fastest-growing in the industry this year.

### GE Oil & Gas gets Brazil contract

General Electric Co.'s oil and gas division won a three-year contract valued at more than \$250 million to supply wellhead systems to Brazil's Petroleo Brasileiro SA.

The agreement to supply is the largest contract in the drilling and production industry, Fairfield-based GE said. GE will provide 250 subsea-systems tailored to high pressure, deepwater drilling and production. GE Oil & Gas more than doubled revenue from 2005 to \$7.42 billion last year.

### AIIG sells shares to repay bailout loan

American International Group Inc. said underwriters have bought an additional 3.9 million shares of reinsurer Transatlantic Holdings Inc.

AIIG is raising about \$1.14 billion in the offering of the reinsurer's stock. It will own 14 percent of Transatlantic, compared with its 59 percent stake before the share sale.

The company is seeking to repay loans within a government bailout valued at \$182.5 billion.

### International Lease may cancel order

Airbus SAS is facing the first cancellation of an order for A380 superjumbo jets, WirtschaftsWoche magazine reported, citing an interview with Steven Udvar-Hazy, chief executive officer of the leasing company International Lease Finance Corp.

"We're examining whether we will take our 10 planes," the magazine cited Udvar-Hazy as saying in an interview appearing in its next edition.

### Sempra to buy Qatar natural gas

Sempra Energy, owner of the largest U.S. natural gas distributor, agreed with an affiliate of Ras Laffan Liquefied Natural Gas Co. to bring liquefied natural gas from Qatar to a U.S. Gulf Coast terminal. The agreement is for as many as 50 cargoes, with each containing as much as 4.8 billion cubic feet of natural gas.

### Top court upholds Kozlowski conviction

The U.S. Supreme Court rejected an appeal from former Tyco International Ltd. Chief Executive Officer L. Dennis Kozlowski, leaving intact his conviction.

The nation's highest court let stand without comment a New York state court ruling that said Kozlowski and former Chief Financial Officer Mark Swartz weren't entitled to review interview notes taken during an internal company investigation. The men have paid \$105 million in fines and \$134 million in restitution and are serving prison sentences of as long as 25 years.

# White-collar fugitives tripped up by planning

By Laurence Viele Davidson  
BLOOMBERG NEWS

White-collar fugitives such as Bayou hedge-fund scammer Sam Israel and Marcus Schrenker often fail to escape the law because of what prosecutors and bounty hunters say is a lack of preparation for the rigors of life on the lam.

Israel, 49, convicted of running a \$400 million Ponzi scheme at Stamford hedge fund firm Bayou Group LLC, and Schrenker, 38, accused of fraud as president of Heritage Wealth Management Inc., were captured within a month of fleeing. White-collar fugitives often run out of money or lack the mental sturdiness to elude police, said Duane Chapman, star of the television program "Dog the Bounty Hunter."

"There are different qualities in white-collar guys than street thugs," Chapman said.

"A criminal's life has nothing but ups and downs, whereas a white-collar criminal has never seen the dark side, so when he enters that realm, he is lost."

Schrenker, who faced trial this week on charges related to his flight, including allowing his plane to crash after he jumped out of it, pleaded guilty in Pensacola, Fla., last week, according to court records. Israel is to be sentenced July 15 for bail-jumping. He is serving a 20-year sentence for the underlying fraud.

U.S. law enforcement agencies captured 110,000 fugitives last year, according to David Turner, a spokesman for the U.S. Marshals Service. Some 3,300 warrants are outstanding for white-collar crimes, according to William Sorukas, chief inspector for domestic investigations for the service.

Once someone has fled, a

supply of cash is important to having a fighting chance of staying free, said Michael Seigel, a former federal prosecutor who teaches law at the University of Florida in Gainesville. The hunters' priorities can also determine whether someone is caught, he said.

"A lot of whether they are captured depends on the continued interest of law enforcement," Seigel said. "If leads dry up, it may be back-burnered."

White-collar criminals are generally narcissistic and begin to believe their mythology, said Donald Davidoff, a Harvard University neuropsychologist.

When someone whose personality is tied to wealth and power is disgraced, the experience produces dissolution of their personality, Davidoff said. They run not because of the threat of arrest but a loss of self.



BLOOMBERG NEWS FILE PHOTO  
Samuel Israel III, co-founder of the bankrupt Stamford-based hedge fund company Bayou Group LLC, is escorted last year by law enforcement officers outside federal court in Springfield, Mass. Israel, the fugitive hedge-fund firm founder convicted of directing a \$400 million fraud at Bayou, surrendered to authorities because he was poorly prepared for a life on the lam.

Swindlers who are found out often panic and flee when the crime is revealed or about to become public, Davidoff said. Later, when the suspect

realizes life on the run will strip him of a sense of who he is, tremendous remorse and surrender may follow, he said.

## Penwest

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the company, are attempting to take control of the board with the goal of winding Penwest down.

In turn, the financial backers have filed a lawsuit against Penwest claiming it wants to reduce shareholder representation on its board.

On May 22, a Superior Court judge in Washington state denied a preliminary injunction request by Tang Capital Management of San Diego and Perceptive Life Sciences Master Fund Ltd. of New York City that would have blocked the company's decision to reduce the size of its board from nine directors to eight.

Kevin Tang, Tang Capital founder and manager, said he also supports a revised bylaw amendment that would

provide for "super majority" votes for certain significant board decisions.

"It is unfortunate that Penwest's board has chosen to engage in deceptive and unfair tactics in order to further entrench itself," said Tang, who is seeking a position on the board at Wednesday's meeting. "We have no interest in protracted or costly litigation. That is why it is important to note that the lawsuit could have been avoided had Penwest's board simply been honest and transparent..."

He said that Penwest management has not produced value for shareholders.

"We have one goal in mind — to increase the value of the stock," Tang said, adding that Penwest should focus on Opama ER. "It's a great asset.

It's why we own the stock."

The A0001 coenzyme is not commercially viable, said Tang, whose firm specializes in investments in life science companies.

Penwest has entered clinical trials for its A0001 compound.

Penwest plans to proceed with the annual meeting, which will include a vote on the election of two directors and a vote on Tang Capital and Perceptive Life's supermajority proposal, according to Jennifer Good, Penwest president and chief executive officer, who has spent much of the past few weeks visiting shareholders and asking them to back her and the board.

She asserted that Tang has gained a reputation for seeking control of boards of

directors.

"Penwest's board remains committed to taking a balanced, reasonable approach to ensuring that the dissidents' views are represented in its decision making," she said. "We believe this is reflected in our recommendation that Penwest's shareholders' vote to elect as a director Joseph Edelman, a member of the dissident slate, and to re-elect W. James Shea, a highly qualified member of our board."

Last month, Penwest reported first-quarter revenue of \$5.3 million, compared with \$739,000 for the same period last year. It recorded a net loss of \$962,000 for the quarter, compared with a \$10.3 million net loss for the first quarter of 2008.

## Home

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tenant) see it on a Friday, they can occupy it on Monday. The build-out will be very compressed."

Ivy Equities' decision to spend more than \$5 million to buy and retrofit the property shows its confidence in the Greenwich commercial market, Banker said.

"You have a commitment to rebuilding a first-class office facility in a difficult environment. It attests to the fact that in Greenwich there's always been a need for quality space in a first-class location," he said. "It's been a soft campaign from a marketing standpoint. We wanted to get the building market-ready. We have a list of prospects to take through the building. It's turning into a jewel-box building."

## Deloitte

Continued from B1  
he used to collect bottles from his neighbors and then turn them in for the deposit.

"I was happy," he said. "I went around once a week. I should have hired other kids and extended my market share."

He admitted he was joking about this missed opportunity. But when it comes to building and expanding businesses, he said there are a lot of incentives available, especially if you do it in Bridgeport. He went through pages of tax incentives and breaks available to small businesses, many of them provided specifically for businesses that start up in urban centers.

UB Business School Dean Paul Lerman said the program came together nicely and he hopes to create a stronger relationship with Deloitte that can lead to more events and internships for students.

## Catapult

Criteria for awards must be considered when ascertaining their value, according to Kevin McEvoy, marketing professor at the Stamford branch of the University of Connecticut.

"They must do it in a way that's statistically defensible," McEvoy said. "(Awards) create buzz... In the selection of an agency, it doesn't really mean much, but Catapult will use it in their sales pitch. It gives them something newsworthy to discuss."

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