Institutional Investor

Jumpin' Jefferies

By Jenny Anderson

Most of Wall Street is taking a hatchet to its business. At Jefferies, Richard Handler and John Shaw are building rapidly. Are they crazy?

At 8:00 a.m. each day, Richard Handler, the chairman and CEO of Jefferies Group, joins in on the traders' morning calls. From 9:30 until noon he sits on the high-yield desk, buying and selling junk bonds for the $850 million Jefferies Opportunity Funds — the in-house hedge funds he runs. After a sandwich on the desk, he accompanies bankers to pitches or continues trading. At 3:00 it's on to management issues.

An unusual day for a CEO? Not at Jefferies.

"Everyone on the executive committee is on the desk," says Handler, 41. "We (members of Jefferies Excecutive Committee) feel bad if we don't write a trade ticket during the day."

A minnow in a business of whales, not to say sharks,

CEO Handler: "We (members of Jefferies' Executive Committee) feel bad if we don't write a trade ticket during the day"

Photos by Michael A. Nemeth

Jefferies is writing lots of tickets these days, a decided contrast to most of its bigger rivals on Wall Street. Earnings last year rose 5.2 percent to $62.6 million on flat revenues. But Jefferies' investment banking revenues increased 12.7 percent in 2002, to $139.8 million from $124.1 million; trading revenues eased off just 0.6 percent, to $504.4 million — impressive results in a year when most firms were down sharply in both businesses.

Moreover, Jefferies is posting these numbers as it pursues a defiantly contrarian strategy. In the midst of an underwriting drought, it is resolutely building a corporate finance business, targeting middle-market-size companies orphaned by Wall Street's retrenching behemoths and hiring freely while many firms continue to swing the ax; Merrill Lynch & Co. alone has laid off one quarter of its 70,000 employees since 2000. Jefferies, by contrast, has grown by nearly 35 percent, to 1,380 employees, including 162 bankers, up from 96, in the past two years. Other full-service boutiques are jumping on the same bandwagon: First Albany Corp. and Leerink Swann & Co. are also taking advantage of the down market to build their businesses. But among major firms, only UBS Warburg is staffing up.

"We want to be the most successful, entrepreneurial investment bank serving midcap issuers and investors, with the strongest capital markets, trading and execution capabilities in the industry," says Handler.

To get there, Jefferies is recruiting its own roster of big names to drum up deals. Raymond Minella, the Merrill Lynch banker who advised Kohlberg Kravis Roberts & Co. on its 1989 purchase of RJR Nabisco, joined Jefferies last year. So did Robert Lessin, the former head of investment banking at Salomon Smith Barney and chairman of Wit SoundView Group, now SoundView Technology Group. And in September 2002 Jefferies also hired 21 bankers and research analysts from now-defunct Robertson Stephens. In its urge to grow — and quickly — Jefferies has held discussions to merge, buy or do a joint venture with, respectively, Keefe, Bruyette & Woods, SoundView Technology, and Charles Schwab & Co. Last December Jefferies bought Quarterdeck Investment Partners, a mergers boutique specializing in the aerospace and defense industries. Quarterdeck advised Boeing Co. on the sale of its Ordnance Systems unit to Alliant Techsystems in 2002 and aided Northrop Grumman Corp. on a pair of divestitures.

"We can be a great consolidator in the middle market," says Handler. "That can mean people or firms."

Jefferies' focus on companies with market caps under $2 billion is, he believes, a natural extension of the firm's trading prowess in junk bonds and in equities, where it wins plaudits for its coverage of such companies. The formerly Los Angeles–based Jefferies executes about 13 percent of the average daily volume of the New York Stock Exchange. Low-risk agency equity trading generates about 50 percent of the firm's revenues and more than half of its profits. Jefferies is a top trader in small-cap execution and block and portfolio list trading. "They are as good as any of the major brokerage firms," says Jolene Mirenna, head of equity trading for Oppenheimer Capital.

Says vice chairman Lessin, whose clients include major financial sponsors looking for opportunities in the distressed and high-yield arenas: "They trade every part of the capital structure. There is a lot of opportunity in that."

Opportunity, yes, but how sound are the firm's aggressive growth plans when just about everyone else is scaling back?

Jefferies' officials say the company is minimizing the risks through tight cost controls. The lousy markets have also given the firm the chance to cherry-pick top talent, says Handler: "We've been trying every year since 1990 to get rainmakers. The markets have come our way."

Handler is far from profligate, refusing to hand out multiyear, multimillion-dollar guarantees. "This is a place where you have to earn it," says president and COO John Shaw Jr., who also heads the equities desk. "We don't guarantee it." In 2002 compensation and net benefits fell to $385.6 million from $400.2 million in 2001, even as head count grew 13 percent. "Jefferies' cost structure and trading platform makes the company competitive with virtually anyone, big or small," wrote former Citigroup analyst Guy Moszkowski (now at Merrill Lynch) in a research report. "Despite the tough market, Jefferies has continued to expand its business and increase head count with no negative impact on margins while growing revenues."

As for opportunity, Jefferies, traditionally strong in the distressed, energy and gaming and leisure sectors, wants to fill what it sees as a gaping chasm left by the absorption of such prominent — and once profitable — firms as Alex. Brown & Sons; Donaldson, Lufkin & Jenrette; Hambrecht & Quist; Montgomery Securities; and Robertson Stephens. All were swallowed up by big banks at the height of the late '90s technology and telecommunications-fueled bubble. Their specialty — catering to middle-market companies with their higher-margin business — has been one of the chief casualties. "Jefferies is truly focused on the middle market, which is very underserved. They have the potential to be the next DLJ," says Peter Nolan, managing partner at Los Angeles–based private equity shop Leonard Green & Partners and a former co-head of investment banking at DLJ.

Still, the path to full-service banking in a depressed industry is littered with obstacles. To begin with, outside the high-pressure world of trading, few people have heard of Jefferies. "People don't know what Jefferies is," concedes Handler. "The perception is that we are a third-market firm, cowboys from the West Coast with a late '80s mentality. It couldn't be further from the truth."

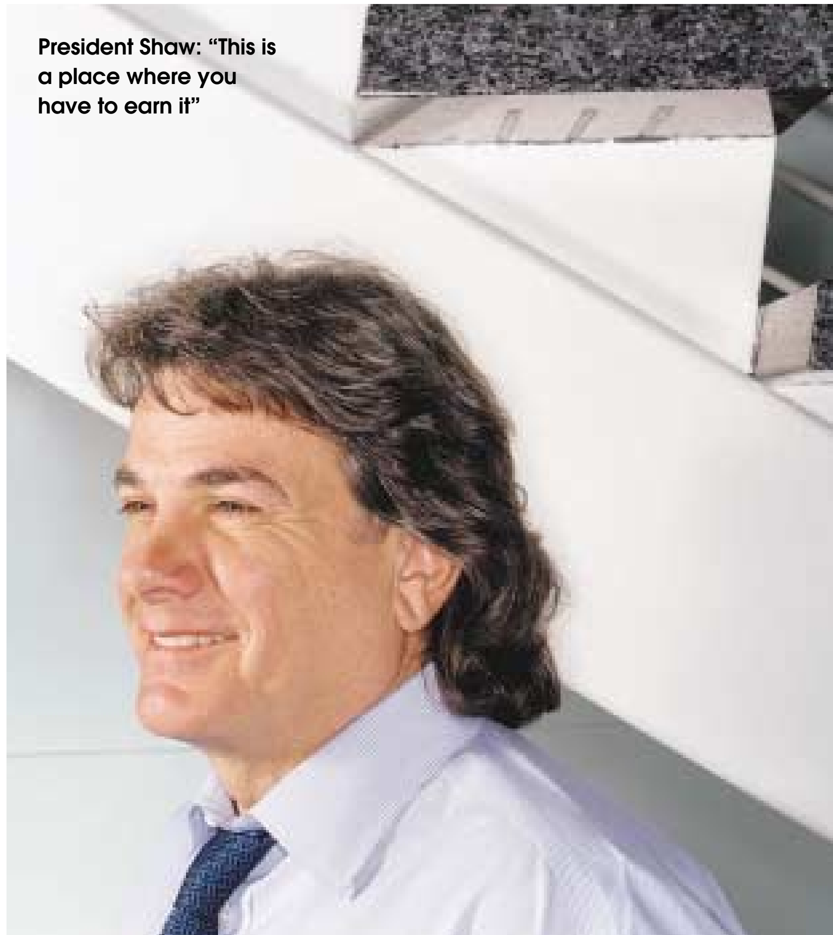
Jefferies also lacks one of the most powerful weapons on Wall Street today: capital. Even firms like Goldman Sachs Group, which dwarfs Jefferies, have cottoned to the need for bigger balance sheets to compete with banks like Citi. In mid-January Goldman announced it would invest about $1.3 billion in Sumitomo Mitsui Financial Group, which in turn would provide Goldman with up to $1 billion to protect against credit losses suffered by Goldman's top clients — a nod to the necessity of credit.

When ranked according to the capital allocated to their broker-dealer operations, bulge-bracket giants such as Merrill Lynch, Morgan Stanley and Credit Suisse First Boston Corp. dominate the industry. Merrill, with $81.9 billion in total consolidated capital at

the end of 2002, leads this magazine's rankings for the 15th consecutive year (see table). The firm's capital grew by 6.7 percent from 2001. Rounding out the top five — as they did in 2002 — are Morgan Stanley; CSFB; Goldman, Sachs & Co.; and Lehman Brothers Holdings.

Because of differences in the way firms measure capital in their brokerage operations, the rankings often underestimate the true resources that diversified financial institutions — "supermarkets" like J.P. Morgan Chase & Co. and Citigroup — can bring to bear when competing for corporate clients. J.P. Morgan, for instance, says that it has $4.6 billion allocated to its securities unit, placing it 12th in the rankings. But the firm boasts overall equity capital of $41.4 billion, giving it a huge advantage over even the largest monoline securities firms, such as Goldman and Morgan Stanley.

With only $1.1 billion in total capital, Jefferies, ranked 29th, is at a disadvantage. The firm can draw support from its special opportunities funds (distressed, high yield and special situations), which have $1 billion (with leverage) in assets. It also runs $600 million in private equity funds. It is raising a mezzanine fund and plans to start a bank debt fund, but those don't compare to the balance sheets of megabanks like Citigroup, which have used their capital to buy their way up the league tables in high-margin areas like M&A and equities.



President Shaw: "This is a place where you have to earn it"

Jefferies' push into corporate finance isn't just opportunistic; it needs to diversify to grow. Trading generated 74.8 percent of revenues in 2002, down from 75.8 percent in 2001. The company's trading is profitable and relatively low risk, but pressures — from decimalization to a higher concentration of trading volume from program traders — are intense and growing. And it's not just equities that is feeling the strain: Revenues from high-yield trading, one of Jefferies' core strengths, dropped 40 percent in 2002, to $34.1 million.

CEO Handler and president Shaw acknowledge the obstacles but focus on the opportunity, which is the upside of growth in corporate finance. "We're lucky. We have a great trading desk that makes money every day," Handler says. "But our stock trades at 1.5 times book, and that's not a long-term strategy."

Since its founding in Los Angeles in 1962 as an equity-trading specialist, Jefferies has courted aggressive traders as clients, winning a reputation for trading illiquid and lesser-known stocks; it has invested heavily in electronic trading, international trading and derivatives. In 1983 the firm went public.

It ran into trouble in 1987, when founder Boyd Jefferies admitted to parking stock for corporate raider Ivan Boesky. In a plea bargain, Boyd Jefferies was barred from the securities industry until 1992 and sentenced to five years' probation. In return, the government agreed not to bring charges against the firm.

That news came to Frank Baxter, then Jefferies' CEO, on his 50th birthday. As a marathon runner and a student of transcendental meditation, Baxter had learned patience and focus, and he needed both to save the firm, steering it through the Boyd Jefferies crisis, the 1987 stock market crash and the 1990 collapse of another Los Angeles–based trading shop serving aggressive arbitrageurs and raiders — Drexel Burnham Lambert.

Baxter decided his firm needed to diversify in what it traded; about 80 percent of revenues came from equity block trades. "We were a one-trick pony," he says. Jefferies began trading convertibles and international stocks, and in 1990 Baxter decided to bring in some of the defunct Drexel's talent to build high yield and corporate finance. Among his hires was Handler.

During the 1990s the diversification effort hit the skids more than once. In 1993 Baxter hired analysts and bankers from Howard Weil, a well-respected oil and gas specialty boutique in Texas. The group flourished until the price of oil plunged, taking with it Jefferies' earnings. "It was a very painful process," says Handler. Jefferies tried, with equally

mixed results, to build businesses in telecom and health care. "There's a short sense of denial at Jefferies," says Baxter. "That makes it very adaptable."

Problems began to come to a head in 1999, when the firm spun off ITG, an anonymous automated equity trading system developed within Jefferies with Barra research in 1986. Jefferies owned 80.5 percent of it. Valued for its technology, ITG soared in the late 1990s, reaching a market cap of almost $2 billion at one point. Both companies' managements recognized that ITG's value would increase dramatically if it was separated from Jefferies — giving it currency for acquisitions and compensation. But without ITG, Jefferies' trading engine no longer looked so dominant, and Handler and Shaw worried about the firm's value as a stand-alone institutional brokerage house and two-bit investment bank.

Before the spin-off closed in mid-1999, Handler, then 38, approached Shaw, the head of equity sales and trading, with a complaint: "This firm isn't growing, and it's our fault."

Morale was a big concern. Salaries at bulge-bracket firms were soaring, and the tech boom raged, but Jefferies was on the sidelines. Annual employee turnover hit 19 percent, according to Shaw. The firm was fragmented. "To have a convertible desk that doesn't talk to the high-yield desk that doesn't talk to the equity desk — that's a stupid business model," says Handler.

So Handler and Shaw wrote a new business plan, and in January 2000 they took it to the board. They proposed to fire people who didn't produce, give equity to every employee and diversify the firm's revenue streams with asset management, a more aggressive buildup of corporate finance and merchant banking. The board okayed the strategy.

The presentation ended Baxter's leadership of the firm. He stepped down as president in January 2000 and as CEO in October. In January 2001 Handler became CEO and Shaw became sole president and COO. "The job of CEO and president is to create shareholder value. We planned to create value," recalls Shaw. Baxter, now 65, owns 1.4 percent of Jefferies' stock.

"Frank and I were very different people with different philosophies," concedes Handler. "I learned from him. He gave me the best opportunity I've ever had." Baxter has only kind words for Handler: "He's very committed. He will always do the right thing."

Handler and Shaw set out to build a fully integrated investment bank and to develop a merchant bank. In 2001 they hired Roy Furman, co-founder of Furman Selz, as vice chairman of investment banking. Months later Brian Friedman, former president of Furman Selz, joined Jefferies with his 12-person private equity team to head what would become Jefferies Capital Partners. "The shift to asset management changed our emphasis from agent to principal," says Baxter. But with investors' capital, not the firm's own. Since Jefferies Capital Partners would be the fiduciary of the funds, the firm will be less likely to throw the money at risky loans, unlike a giant commercial bank with a huge balance sheet.

"We've seen that when you throw capital at trying to win business, it causes a lot of problems," says Christopher Allen, an analyst at Putnam Lovell NBF Securities. "Jefferies is not putting a lot of capital at risk."

"The perception is we are a third-market firm, cowboys from the West Coast with a late '80s mentality. It couldn't be further from the truth."

Progress has been slow but steady. Jefferies remains a bit player in the league tables, but it is gaining ground. In U.S.-registered IPOs for companies with market caps of $2 billion or less, Jefferies ranked 12th in 2002, up from 16th the year before. A big score last year was its February lead management role with Quarterdeck on the $132 million IPO of ManTech International Corp., an information technology company that services the defense industry. Jefferies served as a co-manager on a $491.8 million IPO for Wynn Resorts, and in high yield it led a $135 million issue for Orbital Sciences Corp.

Ironically, the firm's historical weakness in corporate finance has been a blessing in disguise. Because it did little underwriting in the boom years, it can participate in more restructuring deals; a firm cannot be retained in a restructuring if it underwrote any securities for the client in the past three years. In February 2001 Jefferies acted as lead restructuring adviser to Globalstar Telecommunications, a mobile satellite telecom company, and Adelphia Business Solutions, a unit of now bankrupt Adelphia Communications Corp.

Jefferies' success ultimately depends upon the simple logic of its business proposition: Pay people only what they earn, and service clients that big firms are inclined to ignore in good times. "You worry about building in a bull market," says chairman emeritus Baxter. "It's prudent to build in a bear market." ii

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JEFFERIES

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THE INSTITUTIONAL INVESTOR CAPITAL POSITION RANKING

Rank 2003	Rank 2002	Firm	Total consolidated capital ($ millions)	Equity capital ($ millions)	Long-term debt ($ millions)	"Excess" net capital ($ millions)	Total assets ($ millions)
1	1	Merrill Lynch & Co.[1]	$81,945.0	$25,533.0	$56,412.0	$2,366.0	$447,928.0
2	2	Morgan Stanley[2]	65,936.0	21,885.0	44,051.0	5,647.0	529,499.0
3	3	Credit Suisse First Boston Corp.	60,806.0	14,237.0	46,569.0	2,930.0	446,471.0
4	4	Goldman, Sachs & Co.[3]	57,714.0	19,003.0	38,711.0	4,100.0	355,574.0
5	5	Lehman Brothers Holdings	48,329.0	9,652.0	38,677.0	NA	260,336.0
6	6	Salomon Smith Barney Holdings	44,860.0	12,558.0	32,302.0	3,444.0	291,991.0
7	7	Bear Stearns Cos.[2]	30,626.0	6,945.0	23,681.0	1,740.0[4]	185,223.0[5]
8	8	UBS[6]	12,076.0	5,301.0	6,775.0	3,413.0	368,824.0
9	9	Deutsche Bank Securities	5,497.0	4,504.0	993.0	984.0	150,069.0
10	12	Banc of America Securities	5,369.0	2,586.0	2,783.0	1,028.0	72,873.0
11	10	Charles Schwab & Co.	4,653.0	4,011.0	642.0	1,100.0	39,705.0
12	11	J.P. Morgan Securities	4,573.0	2,423.0	2,150.0	1,191.4	129,196.0
13	13	TD Waterhouse Group	2,639.0	2,639.0	—	560.0	14,091.0
14	19[7]	Wachovia Securities	2,317.6	1,774.1	543.5	575.8	17,403.1
15	14	Prudential Securities	2,116.0	921.0	1,195.0	488.0	18,869.0
16	17	Legg Mason Wood Walker	1,994.0	1,209.0	785.0	307.0	6,215.0
17	16	ABN Amro	1,751.0	1,471.0	280.0	1,129.0	35,786.0
18	15	Shelby Cullom Davis & Co.	1,721.0	1,721.0	—	1,383.0[8]	2,453.0
19	20	A.G. Edwards & Sons	1,668.0	1,668.0	—	553.0	4,378.0
20	24	RBS Greenwich Capital Markets	1,641.0	1,386.0	255.0	787.0	76,728.0
21	18	CIBC World Markets[9]	1,584.0	538.0	1,046.0	842.0	7,899.0
22	22	Quick & Reilly/Fleet Securities	1,391.3	741.3	650.0	804.0	7,411.3
23	26	LaBranche & Co.	1,372.9	989.7	383.2	467.4	1,912.8
24	21	SG Cowen Securities Corp.	1,368.5	728.5	640.0	716.1	11,457.1
25	31	Interactive Brokers Group	1,268.6	1,263.4	5.2	544.8	7,561.6
26	28	TD Securities (USA)	1,248.0	163.0	1,085.0	647.8	5,290.0
27	44	Ameritrade Holding Corp.	1,169.6	1,123.3	46.3	170.0	9,961.6
28	33	Edward Jones	1,139.0	710.0	429.0	598.9	3,225.0
29	35	Jefferies Group	1,081.1	628.5	452.6	276.2	6,898.7
30	23	Instinet Group	1,022.0	1,022.0	—	274.3	2,278.0
31	30	Raymond James Financial	991.0	844.0	147.0	323.0	6,040.0
32	29	National Financial Services	989.0	989.0	—	738.3	27,810.0
33	25	Nomura Holding America	958.6	666.6	292.0	456.6	62,608.7
34	32	U.S. Bancorp Piper Jaffray	824.0	609.0	215.0	191.5	2,668.0
35	34	Knight Securities	756.0	756.0	—	142.0	3,172.0
36	38	Nuveen Investments	694.0	389.0	305.0	17.0	841.0
37	37	Barclays Capital	609.0	322.0	287.0	288.0[8]	138,005.0
38	41	E*Trade Brokerage Holdings	557.0	557.0	—	150.0	5,941.0
39	40	Neuberger Berman	549.0	369.0	180.0	241.0	4,096.0
40	42	BNP Paribas Securities Corp.	493.0	256.0	237.0	392.0	51,622.0
41	—	Cantor Fitzgerald Securities	475.5	475.5	—	64.4[10]	12,660.0
42	46	Fidelity Brokerage Services	448.1	418.1	30.0	72.8	517.3
43	47	Bernard L. Madoff Investment Securities	440.0	440.0	—	389.0	681.0
44	48	Robert W. Baird & Co.	428.0	377.0	51.0	179.5	832.0
45	36	HSBC Securities (USA)	415.0	110.0	305.0	315.0	13,458.0
46	53	KBC Financial Products USA	398.6	398.6	—	83.3	6,761.3
47	51	Commerzbank Capital Markets Corp.	393.0	178.0	215.0	309.0	7,657.0
48	56	Morgan Keegan & Co.	388.0	388.0	—	162.0	1,980.0
49	54	SunTrust Capital Markets	377.9	217.9	160.0	214.4	NA
50	60	Investment Technology Group	357.0	357.0	—	122.0	594.0
51	61	Fiserv Securities	347.0	215.0	132.0	38.0[8]	2,914.0
52	57	Advest	339.0	329.0	10.0	47.0	992.0

Rank 2003	Rank 2002	Firm	Total consolidated capital ($ millions)	Equity capital ($ millions)	Long-term debt ($ millions)	"Excess" net capital ($ millions)	Total assets ($ millions)
53	49	**Dresdner Kleinwort Wasserstein Securities**	**$337.0**	$137.0	$200.0	$242.0	$22,354.0
54	—	**Fimat USA**	**297.0**	47.0	250.0	129.3	4,350.0
55	65	**BNY Brokerage**	**296.0**	246.0	50.0	92.0	458.0
56	52	**McDonald Investments**	**293.0**	293.0	—	139.7	1,315.0
57	64	**Janney Montgomery Scott**	**277.0**	255.0	22.0	152.0	2,373.0
58	63	**Southwest Securities**	**255.0**	248.0	7.0	71.2	3,527.0
59	71	**Friedman, Billings, Ramsey & Co.**	**251.0**	245.0	6.0	42.6	406.0
60	82	**Garban**	**249.0**	152.0	97.0	63.5[11]	249.0
60	66	**J.J.B.Hilliard, W.L. Lyons**	**249.0**	14.0	235.0	61.4[8]	519.0
62	67	**Fahnestock & Co.**	**241.0**	228.0	13.0	147.0[8]	1,023.0
63	72	**Glickenhaus & Co.**	**221.9**	221.9	—	112.6	2,901.9
64	50	**SoundView Technology Group**	**211.0**	211.0	—	98.4[12]	270.8
65	73	**Citicorp Investment Services**	**187.0**	187.0	—	157.0	234.0
66	70	**Sanford C. Bernstein & Co.**	**179.4**	179.4	—	138.7	2,376.7
67	75	**Scott & Stringfellow**	**162.0**	132.0	30.0	28.0	930.0
68	69	**Fred Alger & Co.**	**156.1**	156.1	—	112.3	165.1
69	78	**BMO Nesbitt Burns Corp.**	**153.7**	78.7	75.0	93.7	5,759.5
70	57[13]	**Natexis Bleichroeder**	**151.0**	151.0	—	103.0	3,094.0
71	62	**Daiwa America Corp.**[14]	**150.0**	150.0	—	227.0	13,205.0
72	—	**Keefe, Bruyette & Woods**	**149.7**	149.0	0.7	39.1	291.0
73	74	**Crowell, Weedon & Co.**	**136.0**	122.0	14.0	44.0[8]	175.0
74	81	**Wedbush Morgan Securities**	**132.0**	132.0	—	75.0	1,101.0
75	76	**Weiss, Peck & Greer**	**128.6**	63.6	65.0	62.9	3,284.0
76	84	**Stephens**	**126.0**	126.0	—	43.0	366.0
77	83	**Lazard Freres & Co.**	**125.0**	125.0	—	73.0	776.0
78	85	**William Blair & Co.**	**120.0**	120.0	—	51.7	354.0
79	—	**CDC Derivatives**	**116.0**	26.0	90.0	73.8	279.1
80	59	**Credit Lyonnais Securities (USA)**	**110.3**	85.3	25.0	86.7	1,701.0
81	86	**Santander Central Hispano Investment Securities**	**96.0**	96.0	—	91.0	142.0
82	88	**Ferris Baker Watts**	**92.0**	92.0	—	29.0	310.5
83	—	**CDC Securities**	**78.4**	3.4	75.0	76.5	1,926.4
84	89	**D.A. Davidson & Co.**	**72.0**	72.0	—	35.0	172.0
85	91	**Swiss American Securities**	**71.3**	71.3	—	66.0	11,812.6
86	90	**BNP Paribas Brokerage Services**	**67.0**	32.0	35.0	10.0	2,381.0
87	98	**Ryan, Beck & Co.**	**66.0**	61.0	5.0	6.5	143.0
88	92	**First Albany Corp.**	**62.0**	56.0	6.0	16.0	408.0
89	—	**Comerica Securities**	**59.2**	59.2	—	45.4	NA
90	94	**Needham & Co.**	**49.7**	49.7	—	23.7[8]	74.7
91	95	**William R. Hough & Co.**	**47.7**	42.4	5.3	26.8	204.1
92	93	**McMahan Securities Co.**	**45.0**	45.0	—	13.0	115.0
93	39	**Allen & Co.**	**42.0**	42.0	—	38.0	101.0
94	79	**NatCity Investments**	**34.0**	34.0	—	13.0	73.0
95	96	**B.C. Ziegler & Co.**	**30.0**	30.0	—	7.0	73.0
96	—	**Folger Nolan Fleming Douglas**	**26.5**	26.5	—	21.7	38.4
97	96	**Doft & Co.**	**24.5**	24.5	—	NA	NA
98	99	**Duncan-Williams**	**21.3**	21.3	—	12.0	52.3
99	—	**George K. Baum & Co.**	**19.6**	18.0	1.6	12.0	51.1
100	—	**Putnam Lovell NBF Securities**	**18.3**	18.3	—	NA	35.3

Note: All figures as of 12/31/02, unless otherwise stated.

1 As of 12/27/02.
2 As of 11/30/02.
3 As of 11/29/02.
4 Excess net capital at 5.5 percent.
5 Assets as of 8/31/02.
6 Includes UBS Warburg and UBS PaineWebber.
7 2002 rank: 19 First Union Securites, 45 Wachovia Securities.
8 Excess net capital at 5 percent.
9 As of 10/31/02.
10 Excess liquid capital based on 120 percent of aggregate total haircuts.
11 Based on liquid capital after haircuts.
12 Based on minimum capital requirement of $250,000.
13 2002 rank: 57 Arnhold & S. Bleichroeder.
14 As of 3/31/02.

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