

There Is Still Merger Activity!

But it's very slow going.

Billions of dollars of deals have taken place so far this year – some of them huge. Mars spent \$21.9 billion to acquire Wrigley, the gum maker. Takeda Pharmaceuticals acquired Millenium for \$8.1 billion. Liberty Mutual paid \$6.1 billion to acquire Safeco.

Overall US merger and acquisition activity, however, continued to slow. Over the last 12 months, deal flow is down by well over 10%.

Taking the Pulse of a Poor Economy

Looking for signs of expansion?

This past Spring saw the loss of about 14% of the airline seats serving the state of Hawaii, primarily due to the failures of both Aloha and ATA airlines. A portion of the gap was filled by an expanding Hawaiian Airlines. How the rest will be made up remains to be seen.

Nationally, the stock markets have been the victim of a public afraid to buy, mostly due to lingering fears of more financial losses and the threat of high, fuel-price-driven inflation. Recent P/E ratios for the S&P 500 have ranged between 16 to 17, the average range for decades, indicating, for the moment, a lack of both panic and enthusiasm.

Convicted Hedge Fund Manager Faked Suicide?

Others take the 'perp' walk.

A convicted hedge fund manager's SUV was discovered, minutes prior to the time he was to report to jail, parked on the Tappan Zee bridge with 'suicide is painless' scrawled on the dusty side of the vehicle. N.Y. Authorities strongly suspect, after reviewing a surveillance camera's tape of the scene, the indicated suicide was bogus. And, as we write this letter, a U.S. Attorney has indicted and arrested the two managers of the Bear Stearns-related hedge funds that went belly up last summer, triggering the ultimate demise of that once prestigious bank last March.

About CTS's People

Kimo Todd, CPA/ABV, JD was qualified as an expert in business valuation when he recently testified in a divorce trial involving the values of several businesses. Kimo is the Firm's Director of Valuation Services.

Duane Seabolt, CPA, CFE, JD was qualified as an expert in forensic accounting when he recently testified in a jury trial involving alleged fraud. Duane is the Firm's Director of Forensic Accounting Services.

Who We Are Candon Todd & Seabolt is an independent consulting firm, dedicated to providing the highest quality of independent, objective and confidential service to our clients. CTS has provided financial and operational consulting services to clients in Hawaii and elsewhere for over 15 years. CTS's professionals specialize in business valuation, lost profits and earnings calculation, asset management, acquisition advice, profit improvement, forensic accounting, corporate recovery services, and fraud investigation.

CTS's professionals have extraordinary backgrounds and bring a wealth of business and personal experience to our assignments. We are dedicated to providing the highest quality of independent, objective and confidential service to our clients.

Our Clients Our clients are located throughout Hawaii and include many of Hawaii's largest businesses and law firms. We have also consulted with clients located in the U.S. Mainland, Japan, China, and Taiwan.

Talk to us.... We hope this has been helpful to you. If you would like a friend to get a copy, just let us know. If something in this newsletter caught your interest or you have a question, feel free to call at 808 533 1270 or email us from our website at www.candontoddseabolt.com

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