

NATIONAL BRIEFS

Ex-UnitedHealth CEO to pay \$30M

MINNEAPOLIS — Former UnitedHealth Group Chief Executive William McGuire will pay \$30 million and return more than 3 million shares of unexercised stock options to settle a class-action lawsuit.

The litigation was led by the California Public Employee Retirement System, also known as CalPERS, and the parties involved had been preparing for a trial later this month in U.S. District Court in Minnesota.

A statement from McGuire on Wednesday says the former CEO will pay the money to a fund for the benefit of the class, and he'll return 3.7 million shares to UnitedHealth.

— The Associated Press

Bank of America settles probe

CHARLOTTE, N.C. — Bank of America Corp. said Wednesday it will buy back about \$4.5 billion worth of auction-rate securities as part of a settlement agreement with Massachusetts regulators.

The auction-rate securities market involved investors buying and selling instruments that resembled corporate debt, except the interest rates were reset at regular auctions, some as frequently as once a week.

The market for the securities collapsed in February.

— The Associated Press

Further realty price drop expected

NEW YORK — Commercial real estate prices in major U.S. cities haven't fallen far enough and will continue to decline as the market contends with the lack of financing, Vornado Realty Trust President Michael Fascitelli said at a conference Wednesday.

"I'm pretty amazed at how little prices have really come down, especially in the markets we concentrate on," said Fascitelli, speaking at the RealShare Investment and Finance Summit in midtown Manhattan. Vornado is based in Paramus. "Almost nothing has traded without in-place debt. It's early, I think it's slow, and I think prices will come down further, to adjust for the new reality."

Vornado, which owns office buildings mainly in Manhattan and Washington, D.C., and shopping centers around the U.S., is the second biggest U.S. real estate investment trust by market value.

— Bloomberg News

FedEx raises earnings estimates

MEMPHIS, Tenn. — FedEx Corp. expects first-quarter earnings to exceed guidance announced at the end of the previous financial period.

But the package delivery company left its annual outlook for 2009 unchanged Wednesday and announced cuts in capital spending for the year.

FedEx said it expects earnings of \$1.23 a share in the quarter ended Aug. 31, up from earlier guidance of 80

cents to \$1 a share. Analysts surveyed by Thomson Reuters expect a profit of 95 cents per share.

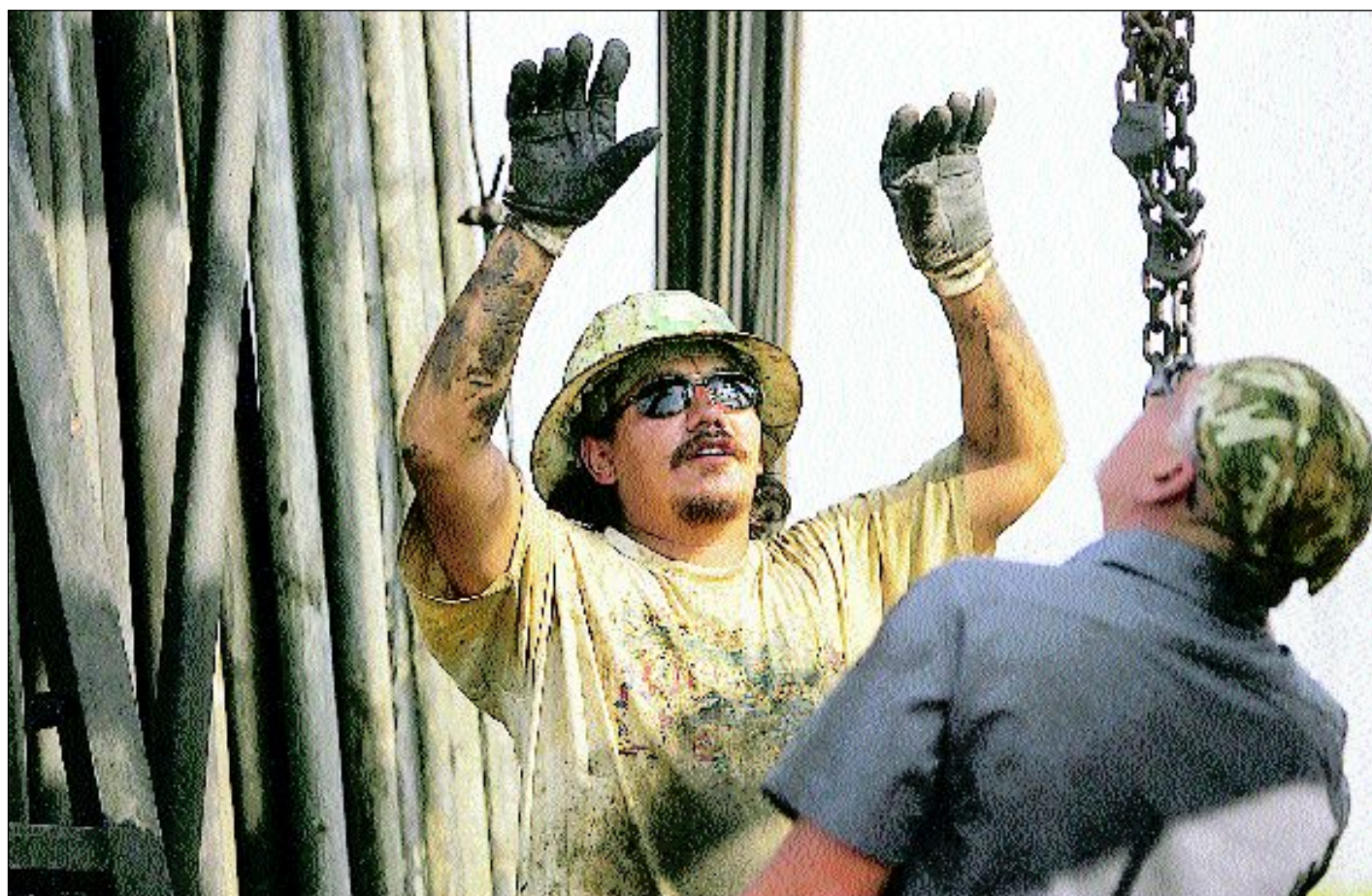
FedEx credited lower-than-expected fuel costs late in the quarter and "stringent" cost-cutting for the new guidance. FedEx reaffirmed its annual outlook of \$4.75 to \$5.25 a share.

— The Associated Press

Also ...

JetBlue Airways Corp., once among the fastest-growing U.S. carriers, doesn't plan to increase seating capacity in 2009 for the first time in its history. ... **Biotechnology company ImClone Systems Inc.** said it is considering a buyout offer worth \$70 per share from an unidentified large pharmaceutical company, and rejected a \$60-per-share bid from Bristol-Myers Squibb Co. ... **Interstate Bakeries Inc.**, the bankrupt maker of Twinkies, asked a judge for permission to increase its borrowing limit to \$329 million from \$250 million while it tries to negotiate a new reorganization plan.

MORE DEATHS AS U.S. DRILLING INCREASES



ASSOCIATED PRESS

An oil well worker reaches up to guide a pipe into a well in Talpa, Texas. Deaths in American oil and gas fields have been rising rapidly.

The rising price for oil

By BETSY BLANEY
THE ASSOCIATED PRESS

SNYDER, Texas

Less than two months into the job in the oilfields of West Texas, Brandon Garrett was sliced in half by a motorized spool of steel cable as he and other rough-necks struggled to get a drilling rig up and running.

Garrett's grisly end illustrates yet another soaring cost of America's unquenchable thirst for energy: Deaths among those working the nation's oil and gas fields have risen at an alarming rate.

At least 598 workers died on the job between 2002 and 2007, according to the U.S. Bureau of Labor Statistics. During that period, the number of deaths per year rose by around 70 percent, from 72 victims in 2002 to 125 in 2006 and a preliminary count of

120 in 2007.

The number of people laboring in the nation's oil and gas fields has been soaring as part of a drilling boom that began in 2000-01, but that alone does not appear to explain the rising death toll, since the fatality rate also climbed during the first half of the decade.

Experts blame several factors for pushing the toll ever higher in an industry long considered one of the most dangerous in the nation. Among them:

■ A dramatic increase in drilling, spurred by record-breaking oil and natural gas prices. The number of workers in oil and gas jobs shot up from 290,000 in 2002 to 428,000 in 2007. In July 2002, 740 land-based oil and gas rigs were operating in the United States; today, there are about 2,000.

■ An influx of new workers hired to operate those rigs. Many newcomers are young, inexperienced and speak little English.

■ A high-pressure environment where workplace safety lapses are common. Government agencies responsible for enforcing the rules rarely dole out tough penalties.

Workers at drilling sites are surrounded by heavy machinery that can kill or maim in an instant. About half the workers who die are struck by equipment or are killed in motor vehicle accidents. Others fall from catwalks, are crushed by falling loads, burned in explosions or become tangled in chains and cables.

The fatality rate for oil and gas workers in the U.S. between 2002 and 2007 was more than 29 deaths per 100,000 workers, or about seven times the average for all occupations, according to the Centers for Disease Control and Prevention.

During that period, the rate climbed from about 25 deaths per 100,000 workers in 2002, peaking at more than 32 in 2006 before falling back to about 28 in 2007.

Toys 'R' Us earnings buoyed by video game sales

Profit rises 6.3%
in second quarter

By HEATHER BURKE
BLOOMBERG NEWS

Wayne-based Toys "R" Us Inc., the largest U.S. toy-store chain, said Wednesday that it posted a second-quarter profit this year.

The company reported net income was \$13 million, compared with a loss of \$42 million a year

earlier. Revenue for the three months ended Aug. 2 rose 6.3 percent to \$2.77 billion, Toys said in a filing with the Securities and Exchange Commission. The second-quarter report further bolsters claims by Toys executives that their turnaround plans are succeeding.

Chief Executive Officer Gerald Storch boosted same-store sales at U.S. toy shops by stocking up on Nintendo Co.'s Wii game console, electronics and other popular items. Storch has been able to fend

off competition from Wal-Mart Stores Inc., the world's largest retailer. Sales increased at all three of the company's divisions.

Sales at U.S. toy stores open at least 56 weeks increased 2.3 percent in the first half of the year, Toys "R" Us said in a Sept. 4 regulatory filing. In the first quarter, comparable-store sales at the unit declined 0.4 percent.

Storch, 51, a former Target Corp. executive, was hired in February 2006. He closed unprofitable

stores, spruced up locations and offered exclusive products to win back market share.

Toys was purchased in July 2005 by Bain Capital LLC, Kohlberg Kravis Roberts & Co. and Paramus-based Vornado Realty Trust for \$6.6 billion after losing U.S. toy market share to Wal-Mart and Target.

The retailer, with about 1,500 stores, reports financial details because its debt is registered with the SEC.