



Chicago Tribune

Chicago
Sports Final
50c NEWSSTAND

Friday, March 26, 1999

Number of the day

1.9%

Drop in export shipments from Illinois in 1998, to \$32.2 billion. The value of non-manufactured export goods fell 21 percent.

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Chicago Tribune

Business

FRIDAY, MARCH 26, 1999

↑ +169.55	Gainers	1,908	↑ +21.40	S&P 500	1289.99	↑ +8.59	Russell 2000	392.99	↑ +69.52	Nasdaq	2434.80	↑ +30.95	Nikkei	16,016.99	↑ +0.05	30-yr. T-bond	5.58%
Dow Jones	Same	599	9836.39	Losers	1,059												



Fill 'er up and plug 'er in
Former GM chairman envisions cars powered by batteries and gas.
Jim Mateja, Page 2

On the Internet

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Sara Lee says it can withstand Listeria litigation and impact

By Jon Bigness

TRIBUNE STAFF WRITER

Legal troubles continue to mount for Sara Lee Corp., but the company says it has been able to weather the storm since it recalled millions of pounds of hot dogs and deli meats produced at its Bil Mar Foods plant in Michigan.

Another lawsuit was filed against Sara Lee this week—the sixth such suit against the Chicago-based packaged-goods company. And more suits may be on the way, as class-action lawyers in Seattle and Minneapolis have been soliciting clients through newspaper ads.

In addition, a federal grand jury in Grand Rapids, Mich., started an investigation of Bil Mar about two weeks ago in cooperation with the U.S. Agriculture Department's Office of Inspector General.

All these problems could take a severe toll on Sara Lee, said Michael Mostow, a lawyer at Holleb & Coff in Chicago who has worked with food firms on recalls and insurance matters.

"There's the short-term loss of whatever the company ends up paying as a result of these lawsuits, both the cost to defend the lawsuit and if there are any settlements or judgments rendered against them," Mostow said. "Then there's the long-term loss,

which generally goes to reputation. Will anybody eat Bil Mar meat again? And will anybody eat Ball Park franks again?"

Sara Lee spokeswoman Theresa Herlevsen said the answer is a resounding yes. The company says sales of Ball Park products have actually increased "nicely" in January and February over year-earlier sales.

Although the Zeeland, Mich., plant stopped making Ball Park franks after the recall, other Sara Lee plants continued selling between 75 and 80 percent of all Ball Park products with amazing results, she said.

"We think it speaks to the strength of the brand and the confidence consumers have in the company," Herlevsen said.

Still, the lawsuits hang over Sara Lee like a dark cloud, and the deaths linked to company products won't be forgotten soon.

An Arizona couple is the latest to file suit, alleging the company "knew or should have known" that meats produced by Bil Mar were contaminated with a deadly bacteria.

It's the third suit filed in Arizona, where state health officials have confirmed the death of a 43-year-old Tucson man, a miscarriage and eight illnesses due to *Listeria monocytogenes* poisoning.

In the first lawsuit, the Arizona attorneys allege 43-year-old Mickey Vest died after eating meat tainted with *Listeria*. In addition to Sara Lee and Bil Mar Foods, the suit names as defendants other meat processors that have recalled products possibly contaminated with *Listeria* — Thorn Apple Valley Inc. and Philip Morris Cos.' Oscar Mayer Foods unit.

The second case was filed against Sara Lee on behalf of a Tucson couple who lost their unborn child allegedly because of *Listeria*.

Nationwide, there have been 15 adult deaths, six miscarriages and about 100 illnesses in 22 states, according to the federal Centers for Disease Control and Prevention. The CDC has previously traced two strains of *Listeria* to the Bil Mar meat-processing plant. The agency continues to investigate the source of the outbreak.

Chicago lawyer Kenneth Moll filed the first case against Sara Lee in December, one week after the company announced the recall.

Moll is seeking class-action status for the suit, filed in the Cook County Circuit Court and amended in February to include claims of death, miscarriage, listeriosis and meningitis from alleged victims in Illinois and six other states.