

Next Meeting:
April 23rd
Hyatt Regency Los Angeles
Downtown

 **HFTP**

LOS ANGELES

**Hospitality Financial and
Technology Professionals**

APRIL 1998 ISSUE

President's Message

As we move into another Spring schedule of HFTP meetings and events, I would like to welcome all those who have recently joined our organization. I would like to extend an invitation to you, as well as those, who have been wondering what HFTP is, to come and join us at our next meeting at the Hyatt Regency Los Angeles and find out! If you haven't attended a meeting recently, you may wish to put HFTP on your calendar! Remember, networking is an important part of your job, whether for purposes of career advancement or just to improve your ability to answer those nagging El Nino finance puzzles!

As we discussed last month at our joint, Orange County / Los Angeles HFTP dinner at the Hyatt Alicante, networking is the key to career advancement and career success in the '90s. With the infusion of impersonal technology into every part of our lives, the human touch is a special ingredient which makes you stand out in the crowd. Think of it this way: Is it easier to communicate on the telephone or via e-mail with someone who you met before? Of course it is!

Remember also, that over 80% of you will find your next position through your network of associates and people who know you. It therefore stands to reason that the more people you know, and who know you, the more opportunity you stand to experience.

So give yourself the gift of opportunity ... come meet someone new at our next HFTP meeting on the 23rd!

Eden Slegr

Taking Steps to Improve Your Business's Cash Flow...

Do seasonal fluctuations in your business impact your company's cash flow situation? If so, you may use investment and tax strategies to even out your business cash flow throughout the year and maximize the earning potential of your current cash holdings. There are a variety of short-term and tax-advantaged investments that could make your business' income flow more predictable.

Put Idle Cash to Work

Every day that your dollars earn little or no interest in a checking account costs you money. Large corporations solve this problem by investing their cash, even if only for two days. Small and mid-sized companies can take a similar approach by investing in cash equivalents, such as those highlighted below.

* **Short - and intermediate-term certificates of deposit (CDs)** offer FDIC insurance, a variety of maturities (from three months to ten years), and can be purchased in low minimums (as little as \$1,000). If you purchase a CD through a brokerage firm, you can generally receive very competitive rates. Plus, brokered CDs can be sold in a secondary market prior to maturity without early withdrawal fees or penalties. Of course, the price received prior to maturity may be more or less than the original investment amount, depending on market conditions at the time of sale.

* **U.S. Treasury and Federal Agency securities** are short-, intermediate- and long-term

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Hyatt Regency Los Angeles

711 South Hope Street
Downtown

(213) 683-1234

**Thursday, April 23rd
Doors open at 6:00 PM!
Cocktails 6:00 - 6:45 PM
Speaker 7:00 PM
Dinner 8:00 PM**

We will be featuring a speaker who will focus on:

The Deregulation of the Electric Industry and how it will affect us

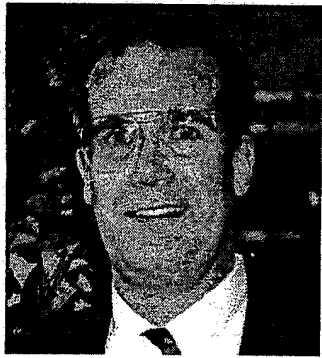
The price for all members and first-time guests
\$35.00 per person.
All others pay \$45.00
Please make checks payable to "HFTP"

("No Shows" will be billed)

*

Call (626) 836-1222 for reservations or fax the enclosed RSVP form by Monday, April 20th

MEMBER SPOTLIGHT



Don St. Hilaire

Don St. Hilaire has been on the faculty of the School of Hotel and Restaurant Management at California State Polytechnic University, Pomona since 1991. He has taught a variety of courses including: F & B Cost Controls and Hotel & Restaurant Managerial Accounting. In the past, Don has made presentations to the California Hotel & Motel Association, California Restaurant Association, and the Asian American Hotel Owners Association. He's also served as the faculty advisor to the Cal Poly Hotel Association student organization.

Prior to joining the faculty at the School of Hotel and Restaurant Management at California Polytechnic at Pomona, Don held management positions at a commercial real estate company that owned lodging and senior housing facilities, a national hospitality consulting firm, a hospitality point-of-sale company, and a national independent management company.

When Don is not at the university, you will find him relaxing with his wife, Pearl. They both enjoy reading, going for walks along the beach, and attending the newest professional sports team in the Los Angeles-Long Beach area, the Long Beach Stingrays - a professional women's basketball team. Don and Pearl also love to spend time with their nieces and nephews.

Improve Your Business's Cash Flow

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investments whose principal and interest are guaranteed by the U.S. Treasury or Federal Agencies. These securities are available for a minimum of between \$1,000 and \$10,000, and are issued in a wide variety of maturities.

* **Commercial paper** is a short-term money market instrument issued by many well-known and highly rated corporations. Commercial paper has maturities ranging from overnight to 270 days and is available in amounts starting at \$100,000 (although it is most often purchased by institutions in \$1 million denominations).

* **Money market funds** enable you to participate in many of the high-yielding securities described above. Money market funds provide daily liquidity, diversification and professional money management.

* **Central assets accounts** offered by major brokerage firms can boost your cash flow in a number of ways. Every dollar that comes into your account from your business, dividends, interest, securities sales and other income sources is automatically invested daily in the money market fund of your choice. Check writing privileges and debit (or credit) cards give you easy access to your money.

Increase Your Net Income by Minimizing Your Taxes

By investing your company's available cash in investments that provide tax-exempt or tax-deferred income, you may be able to increase your after-tax yield. Consider these investments:

* **Medium- and long-term municipal bonds** offer relatively high after-tax yields compared to taxable investments; this can translate into more income carried to your bottom line.

* **Preferred stocks** can be attractive because of the "Dividends Received Deduction" allowed under the federal tax law. Corporations, with the exception of "S" corporations, may be entitled to substantial reductions in their federal income tax dividends, provided the corporations buy and hold individual stocks of domestic corporations for at least 46 days (including the record date). Similar benefits apply to common stocks, adjustable-rate preferred stocks and corporate preferred stocks trusts but not "hybrid" preferred securities.

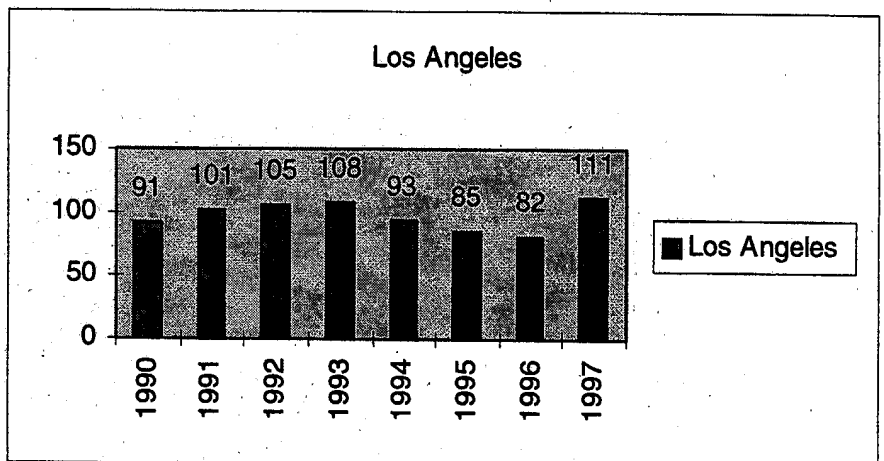
Corporate Margin Accounts

If your company owns marketable securities, including restricted and control shares, it may be able to borrow money against these securities

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"The man who does not read good books has no advantage over the man who cannot read them." - Mark Twain

HFTP Los Angeles Membership



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Improve Your Business's Cash Flow

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on an as-needed basis - simply by writing a check - through a corporate margin account. If the value of the margined securities rises, extra funds would be available for you to borrow to meet cash flow or other needs. In addition, when your company borrows from this type of account, you avoid the paperwork that a typical bank loan entails, and you don't lose any time waiting for your loan to be processed.

The risks of a margin account should also be weighed. If the value of your securities declines, additional funds or securities would have to be deposited to meet the minimum legal requirements. If you fail to make such a deposit, your brokerage firm may liquidate securities to keep the account within legal limits. The use of margin entails certain risks and suitability should be carefully explored with a financial services professional before proceeding with the use of margin.

This article does not constitute tax advice. Before selecting investments and utilizing tax strategies that can help steady your cash flow, contact a financial services professional and consult your tax adviser. If you would like additional information, please write, in care of Dean Witter - 601 S. Figueroa St. 28th floor Los Angeles, CA 90017 Attention: Deborah Jacquelle Account Executive. Information and data obtained in this report were obtained from sources considered reliable. Their accuracy or completeness is not guaranteed and the giving of the same is not to be deemed a solicitation on Dean Witter's part with respect to the purchase or sale of securities or commodities.

JUST A REMINDER!

Have you renewed your HFTP Membership?



Questions?
Call Emily at (626) 836-1222

MARK YOUR CALENDER...



CHAPTER EVENTS:

Thursday, April 23rd
Hyatt Regency - Los Angeles
"The Deregulation of the Electric Industry"

May 21st
Luncheon Program and Speaker
to be announced

June 17th
Wizardz - Universal CityWalk
Social Evening during HITEC
with members of visiting
HFTP chapters

NATIONAL EVENTS:

April 19 -20, 1998
HFTP Club Controllers
Conference
Riviera Hotel & Casino
Las Vegas, Nevada

June 16 - 18, 1998
HFTP's HITEC
L.A. Convention Center

August 6 - 8, 1998
HFTP Florida Regional Conference

September 22 - 23, 1998
Leadership Academy
Hyatt Regency Crystal City
Washington, D.C.

Address Correction Requested

Next Meeting:
Thursday, April 23rd
Hyatt Regency
Los Angeles-Downtown

Hospitality Financial and Technology Professionals
Los Angeles Chapter
Global Hospitality Network
3579 E. Foothill Boulevard, #229
Pasadena, CA 91107

"Outstanding leaders go out of their way to boost the self-esteem of their personnel. If people believe in themselves, it's amazing what they can accomplish."
- Sam Walton

"It is not necessary to change. Survival is not mandatory." - W. Edwards Deming

HFTP Information at Your Fingertips
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