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ST. LOUIS Business Journal

DESCO

Mark Schnuck forms commercial division

8A

MAY 29-JUNE 4, 2000 \$150

Post-Dispatch circulation falls under 300,000

BY CHRISTINE HAWKINS

Daily average circulation for the St. Louis Post-Dispatch recently dropped below 300,000.

Circulation at the Post-Dispatch hasn't dipped below 300,000 since 1985. That was the last in a string of years, dating back to at least 1982 when the paper's average circulation dipped below 300,000. At that time, there were two daily newspapers in St. Louis.

For the five weeks ended April 30 this year, the newspaper had average circulation of 294,187 daily and 490,854 on Sundays. During the same period in 1999, average circulation was 301,970 daily and 508,372 on Sundays.

Publisher Terrance C.Z. Egger said he and other newspaper leaders are not pleased with any loss in circulation, but "we are excited about two specific things planned to improve performance. One is our investments in the circulation department to increase our customer service, and the second is the opportunity to appoint a new editor to lead our talented newsroom."

Former Editor Cole Campbell left the Post in April to accept a job with the Poynter Institute for Media Studies, a journalism think tank in St. Petersburg, Fla. Egger, who is lead-

See POST, Page 72A

Battle brews in Brentwood

Tichacek-Musick plan \$134 million complex; Sansone \$56 million

BY LINDA TUCCI

Real estate veteran Edward Tichacek and construction magnate Don Musick Sr. are vying with The Sansone Group Inc. to redevelop a prime corner in Brentwood.

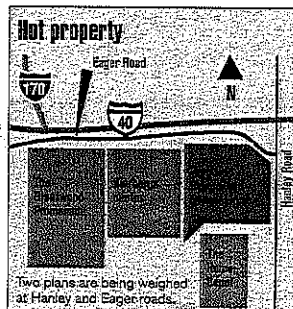
The competitors have come up with different visions and price tags for the nearly 14-acre site at Eager and Hanley roads, overlooking Highway 40.

The two plans were submitted to Brentwood May 19, in response to the city's request for proposals in April.

DCM Management Co., a commercial real estate firm headed by Tichacek and Musick, has proposed a \$134 million office, retail and hotel park. DCM is located in the redevelopment area.

DCM's two-phase project, dubbed

See BRENTWOOD, Page 69A



MEGHAN O'NEILL



BRIAN CASSIDY

Paul Kalsbeek had been one of Commerce Bank's top performers.

Wells Fargo nabs Kalsbeek

BY MARGIE MANNING

Wells Fargo & Co. is stepping up its presence in the St. Louis area, raiding Commerce Bank of one of its brightest stars, Paul Kalsbeek.

Kalsbeek, Commerce's top commercial lender, will estab-

lish a regional commercial banking office for Wells Fargo that will compete with Firststar Corp., Bank of America and LaSalle National Bank for the business of area mid-size companies.

See WELLS FARGO, Page 70A



Michael J. Rallo said he and his brother, Charles N. Rallo, are "no longer affiliated" with CMR.

Rallo brothers ousted from CMR

BY CHRISTINE HAWKINS

Two Rallo brothers, who left their family's general contracting firm to launch CMR Construction, have been ousted by the new owners.

"There are two new people that have taken over at CMR," said Michael J. "Mike" Rallo, the former president and chief operating officer. "My brother and I are no longer affiliated with the company."

Rallo declined to say whether the decision by CMR's new owners, Paul Boghosian and David Campbell, caught him by surprise. He said the decision was mutual.

Rallo said he does not have a new job but likely will look for one in the construction industry. "It's what I know, so probably yes," he said. "I'm just analyzing things right now."

See RALLO, Page 71A

Circulation
figures of some
of the country's
largest daily
newspapers.
For the six
months ended
March 31, 2000.

St. Petersburg Times
400,000

San Antonio Express-News
250,000

Chicago Tribune
250,000

St. Louis Post-Dispatch
294,187

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Audit Bureau of
Circulations. Web
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ST. LOUIS
Business Journal

WELLS FARGO: Will build on relationships with Graybar Electric and Enterprise

FROM PAGE 1A

Kalsbeek, 43, said he was willing to bet his future on Wells Fargo because the bank, the sixth-largest in the United States, has even bigger plans for this area.

"Part of the ultimate objective is to own banks here," Kalsbeek said. "I'm pulling together and expanding the resources that are here and helping to lay the groundwork for the franchise to grow and become a market leader."

Kalsbeek said it was undetermined whether Wells Fargo would start a new bank or buy an existing one to get into the market.

Tim Willi, an analyst at A.G. Edwards & Sons, said Kalsbeek was "a pretty visible guy with a substantial role at Commerce... (Wells Fargo) would see him as presenting a lot of opportunity to generate business."

Wells Fargo is a San Francisco-based bank that was purchased by Minneapolis-based Norwest Corp. in 1998. The new bank, with \$218 billion in assets, kept the Wells Fargo name and headquarters and its stagecoach logo.

Campbell Chaney, an analyst at Sutro & Co. in San Francisco, said Wells Fargo has been on an acquisition streak, with recent bank deals in Nebraska, Michigan and Alaska.

Industry observers said Norwest had tried unsuccessfully to acquire Mark Twain Bancshares. Mark Twain was bought by Mercantile Bancorporation, now part of Firststar.

"When you look at the map where Wells Fargo operates, there are only three states west of the Mississippi it is not in: Arkansas, Kansas and Missouri," Kalsbeek said.

He resigned May 15 as executive vice president for corporate banking at Commerce. He had worked there for seven years, after a stint in corporate banking at Continental Bank in Chicago and New York.

At Commerce, Kalsbeek oversaw commercial banking operations in the St. Louis region, including treasury management, international banking services, commercial lending and leasing.

The bank's annual report for 1999 said it achieved double-digit growth in commercial loans in the last three years in St. Louis.

Commerce Bank is in the process of looking for a new executive vice president for corporate banking, said Charles Erker, a spokesman.

The new Wells Fargo commercial banking office will target area firms

with sales generally between \$20 million and \$500 million. Kalsbeek said the local office will have the authority to make loans ranging from about \$1 million to \$20 million.

He also hopes to partner on some deals with community banks, such as Enterprise Bank and Southwest Bank of St. Louis.

Kalsbeek doesn't start work at Wells Fargo until June 1, but he already has hired two people to staff the local office: Relationship Manager Keith Anderson, a recent graduate of Wells Fargo's training program who's been working in the Los Angeles office; and Correspondent Banker Doug Gallun, who previously worked for Firststar in Milwaukee.

Kalsbeek expects to hire three additional relationship managers, likely from within the St. Louis market, as well as a customer service manager and an administrative assistant.

The commercial banking office initially will share space with other Wells Fargo operations at 100 S. Brentwood Blvd. in Clayton. But Kalsbeek said he's in final negotiations for larger offices at two other Clayton buildings.

He expects to build on the relationships Wells Fargo has established in the St. Louis market with companies such as Enterprise Rent-A-Car and Graybar Electric Co.

While it doesn't have a retail bank or branch offices in the area, Wells Fargo already has a significant presence, with about 175 employees.

Existing operations at the 100 S. Brentwood office are Wells Fargo Foreign Exchange, headed by Regional Manager Larry Kirschner; Wells Fargo Business Credit, an asset based lending business headed locally by Patricia Lodholtz; Wells Fargo Equipment Finance headed by Gordon Weir; Norwest Financial Leasing's medical division headed by Jenny Wickenhauser; and Small Business Administration lending headed by Richard Hargadine.

Larry Kirschner

At a nearby Clayton office, Wells Fargo Home Mortgage Capital Markets manages interest rate risk for the company's mortgage operations nationwide.

Executive Vice President Tom Neary heads that 50-person office. In Earth City, Interim Director Debra Haan oversees a 100-person processing operation for the mortgage company.

Contact Margie Manning at mmanning@amcity.com

Kalsbeek
said
Wells Fargo
could start
a new bank or
buy one.



Patricia Lodholtz