

Wall  
Street  
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A midyear  
assessment of the  
jobs outlook. D3



# Business

Contact the Editor

Dennis Larison, 291-8753  
dlarison@lnpnews.com

www.lancasteronline.com

MICHELLE SINGLETARY



THE COLOR OF MONEY

## Bankruptcy puts big dent in GM stock

Here we go again. Another major corporate bankruptcy and a once-stellar stock worth less than four rolls of one-ply toilet paper.

There's much concern for GM employees, dealers and customers — and for good reason. But what happens to GM stockholders? Well, let me tell you what's happened to GM stock so far.

On Tuesday, the New York Stock Exchange suspended trading of GM's common stock, saying the delisting was due to the "uncertainty as to the timing and outcome of the bankruptcy process."

The Dow Jones industrial average announced it was eliminating GM as one of its tracked stocks. The stock will be dropped from the Dow effective June 8. It will be replaced by Cisco Systems Inc.

Getting kicked to the curb ends GM's 83-year position in the Dow. GM was added to the industrial average twice, first in 1915 — staying on for about a year and a half — and then again in 1925. The only present company with a longer history in the Dow is General Electric.

Of course, none of this probably matters to the investors still holding GM common shares. As of Tuesday, the 52-week high for the stock had been \$18.18. The stock traded at a high of 81 cents that day, then closed at 61 cents with a trading volume of more than 207 million shares.

When companies can't meet the listing requirements to trade on the NYSE or Nasdaq, they are delisted. But shares may still be traded on either the Over the Counter Bulletin Board, otherwise known as OTCBB, or the Pink Sheets, the electronic quotation system for stocks sold over the counter.

GM stock is listed on the Pink Sheets under the ticker symbol "GMGMQ." The letter "Q" indicates a company is under bankruptcy protection.

If you go to the Pink Sheets Web site (<http://www.pinksheets.com>), and look for GM stock information, you'll see a box with the word "Warning" in red with a link to the Securities and Exchange Commission's Web site with information on bankruptcy. It's a caution that all such stock contains.

The SEC's warning reads, in part: "Although a company may emerge from bankruptcy as a viable entity, generally, the creditors and the bondholders become the new owners of the shares. In most instances, the company's plan of reorganization will cancel the existing equity shares."

This is the downside of being a shareholder. The bankruptcy code is clear in how it treats stockholders. They're last in line for any claim and may not receive anything if the secured and unsecured creditors' claims are not fully repaid.

There are some people who are selling GM stock to perhaps lock in their losses for tax-deduction purposes. But others are just gambling.

I'm giving you fair warning. If you load up on GM stock now thinking you may still profit if the company emerges from bankruptcy, you'll end up with the shareholders' equivalent of a lemon.

Michelle Singletary is a columnist at The Washington Post and commentator on National Public Radio. She can be reached at [singletary@washpost.com](mailto:singletary@washpost.com) or c/o The Washington Post, 1150 15th St. N.W., Washington, DC 20071.

Lancaster County Timber Frames draws on the heritage of Pennsylvania barn building and takes it up a couple of notches.



Blaine T. Shahan/SUNDAY NEWS

A tree growing through a timber frame structure will provide a Sherwood Forest feel to the new outdoor dining pavilion at the Heritage Hotel.

## A business built on heavy timbers

Company's fame keeps its artisans working

BY DENNIS LARISON  
Sunday News Business Editor  
dlarison@lnpnews.com

The timbers supporting the upper deck of the outdoor dining pavilion at the Heritage Hotel converge like wheel spokes on a living tree growing through the project.

The timbers extend past the hand-made mortise and tenon joints that hold the structure together to point at the tree. At the other end of the pavilion, a large post fashioned from a whole tree trunk echoes the motif by rising two stories through the center of the structure to support both deck and roof timbers.

The work for the hotel at Centerville Road and Route 30 is just one of the current projects at Lancaster County Timber Frames, which employs about 18 people at shops near East Prospect in York County and a design office in Lititz.

"If I didn't read newspapers or watch television, I wouldn't be aware that the economy is in as bad a shape as it is," company President Tony Zaya said.

Lancaster County Timber Frames has done work on numerous local homes and businesses during the past couple of decades.

But it's the widespread fame the company has gained for its craftsmanship that is keeping it busy.

That craftsmanship can be seen in homes it has built in such upscale communities as Nantucket, Mass., and the Hamptons on Long Island, N.Y., as

well as in high-profile commercial projects, such as the new Gettysburg National Battlefield Museum and a seasonlong series on HGTV's "Dream House" featuring the company's work on Notaviva Vineyards' visitors center in Purcellville, Va.

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PHOTO COURTESY LANCASTER COUNTY TIMBER FRAMES

The company's timbers feature hand-chiseled mortise and tenon joints.

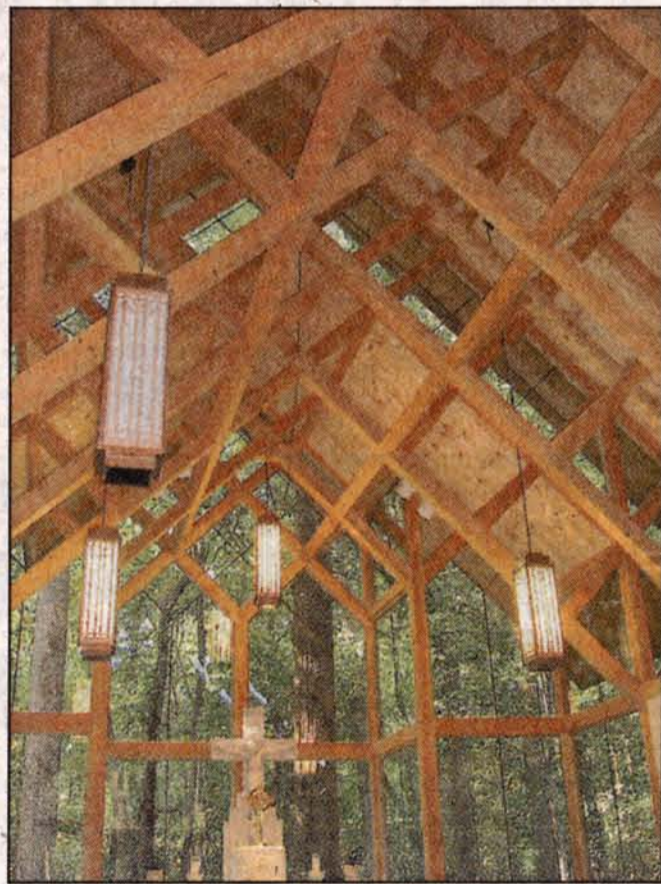


PHOTO COURTESY LANCASTER COUNTY TIMBER FRAMES

A chapel the company built for Belmont Abbey College, near Charlotte, N.C., retains the feel of being in the forest.

## Home heating system cuts electric bills

Freewatt features engine that runs on natural gas, propane

BY JON RUTTER  
Sunday News Staff Writer  
jrutter@lnpnews.com

Mike Feo has just the thing for a carbon-glutted, energy-strapped world. Freewatt.

It's a new residential heating system that produces electricity as it warms your home. Feo's company, Ameri-Tec Mechanical, 2330 Dairy Road, was recently named exclusive distributor for Freewatt in Lancaster, York, Dauphin, Lebanon, Berks and Chester counties.

Feo was talking up the design last month at Alden Place, a 100-home retirement community in Cornwall.

The Freewatt vendor, ECR International, Utica, N.Y., had dispatched a show-and-tell van to the site.

James Graybill, the general manager for

the property, said he expects some 300 more homes to be constructed at Alden Place.

Buyers will be offered Freewatt options from here on out, he said.

"Alden wants to be part of this," Graybill added.

The spring sun beamed strongly outside the development's office. Optimism flowed.

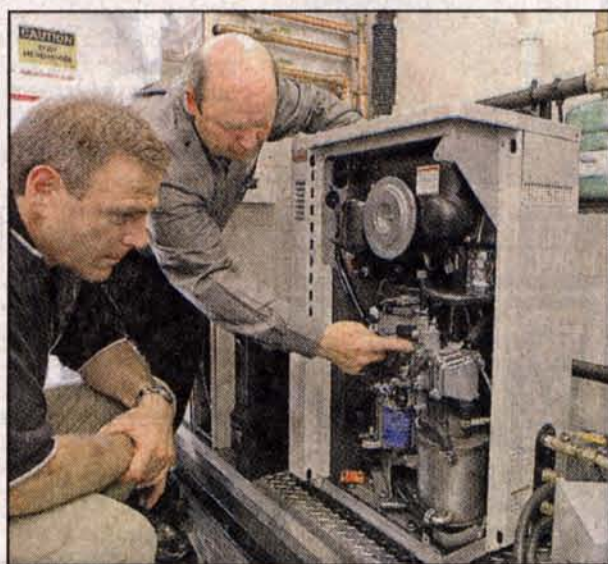
"This is going to be one of the hottest pieces of equipment out there," predicted Feo, Ameri-Tec's president and CEO.

And not just because Freewatt hybrid technology promises to reduce dependence on the grid and slash electric bills.

Freewatt, based on a single-cylinder, internal-combustion Honda engine powered by natural gas or propane, also has the potential to shrink the nation's carbon footprint, Feo said.

Such home cogeneration systems are

Please see FREEWATT, page D2



Jeff Ruppenthal/SUNDAY NEWS

Freewatt vendor Bob Welch shows James Graybill, general manager of Alden Place, the Freewatt system.

# Timbers: Ancient craft calls for highly skilled employees

Continued from D1

It's a particular kind of clientele that favors this labor-intensive construction. "[Timber framing] is sort of like a form of wood sculpture that supports your house," Zaya said. "Most of the people who go for this type of construction have the financial wherewithal to do it."

They include such clients as golfer Arnold Palmer, former Phillies manager Dallas Green and former NBC president Bob Wright.

But Zaya credits his and his workers' love of wood rather than any pursuit of wealth for the company's success.

## In the beginning

Originally from Rhode Island, Zaya came to Lancaster County to earn bachelor and master's degrees in industrial arts at Millersville University, and stayed to teach architectural drawing and wood shop at area high schools for 20 years.

It was a freelance architectural design project for a timber frame building while he was still teaching that gave Zaya his passion for this ancient construction technique. "As I started researching it, it pulled me in deeper and deeper," he said.

At that time, there weren't as many reference books or articles on timber framing as there are now, so he began studying old barns.

"Timber framing in this country reached its highest marks in New England in homes, and in this area of Pennsylvania in barns," Zaya said. "The Pennsylvania barn has been an influence all over."

For the first two or three years, Zaya recalled, he did his timber joinery on the driveway of his home. Then he built a shop in Quarryville and kept growing, adding de-



Blaine T. Shahan/SUNDAY NEWS PHOTOS  
**Tony Zaya points out the roof Lancaster County Timber Frames is doing for a 7,000-square-foot stone mansion close to Baltimore. The other drawings show Maryland's new I-70 welcome centers.**

signers and engineers along the way.

Revenues now run about \$2.5 million a year, Zaya said, and some of the reference works on the craft, such as the book "Timber Frame Hybrids" and articles in several magazines, have been written by Zaya himself.

He has had an equal partner in the business from the beginning, Joe McCarthy, who is in charge of erecting the company's projects.

"He makes sure what I bring in goes up," Zaya said.

The company moved its shop to its current location about 12 years ago, at first renting just a portion of the complex and then purchasing it about five years ago.

The larger of the two shop areas is 60 feet wide by 100 feet long, big enough to preassemble all the timbers for a 10,000-square-foot house.

The company uses a lot of recycled wood from old factories and barns along with local oak, pine and hemlock, Zaya said, but it has also worked with mahogany — for a large addition to Prosser Mellon's 45,000-square-foot home near Pittsburgh — and frequently uses high-grade Douglas fir from the West Coast.

## In progress

The frame for the outdoor dining pavilion at the Heritage Hotel is made of Douglas fir, as are the 900 timbers going into the twin welcome centers the company is framing for the federal government and state of Maryland to replace the old welcome centers along Interstate 70.

"Wood is the only renewable structural material we have," Zaya said. "The trees we use are older trees almost at the end of their life spans. It's an incredibly green product, and we're building projects that will last for hundreds of years."

The wood alone for the \$650,000 contract to construct and erect the frames for the I-70 welcome centers cost \$200,000, Zaya said.

Instead of the hand-carved mortise and tenon joints that lie at the heart of the company's craftsmanship, the joinery for the welcome center uses metal brackets, adding another \$80,000 for the steel.

The dining pavilion is far more typical of most of the company's work.

"This is a fairly simple project for us," Zaya said. "I think the architect [Calabrese Good Architects, Leola] did a good job creating something unique, particularly having it surround a tree."

That level of craftsmanship takes a great deal of skill. "We try to find people with talent and hang on to them," he said.

One way Zaya and McCarthy are trying to retain that talent is by giving workers shares in the company so they can take over when the two retire.

The artisans who design and fabricate the frames are not the usual construction carpenters. One of them once owned his own construction company. Another speaks 12 languages. Some have multiple college degrees.

"One designer was an engineer. Another was a glass artist. Another has his degree in finance, but he just liked making things," Zaya said.

Designers spend half a day a week either working in the shop or helping erect the frames so they have an in-depth understanding of the intricacies of the craft.

There is no separation between designers and craftsmen, Zaya said. "It's an incredible mix of people who all get along."

The one thing they have in common, he said, is a passion for wood.

## Hand vs. machine

There are 100-foot-long computer-controlled machines some companies use to manufacture timber frames, and Zaya said he was impressed by them when a manufacturer invited him to Germany in 1995 to inspect one of the first models.

"I love machines, and I think they're great with homogenous materials like plastic ... but a machine doesn't look at the wood and put the best face out," he said.

"We've avoided machines, but a lot of timber frame companies have bought machines," he said. "They've become mass producers."

Lancaster County Timber Frames does have hand-held machinery it can use to start the joints, but most of the work is with chisels.



**Brian Shoff places hardware on a timber bridge truss the company is building for the breezeway of one of Maryland's new I-70 welcome centers.**

"A machine will take out the bulk of the wood, but when you want something to fit really tight like wood growing out of wood ... it has to be the chisel," Zaya said.

That limits the company to about 30 to 35 projects a year to retain the quality of its craftsmanship, compared with the 100 projects a year a company that relies on computer-controlled machines can do, he said.

But it's that craftsmanship that may be keeping Lancaster County Timber Frames going during the economic downturn.

Zaya said he has a sense there are some clients, particularly for home construction,

who can still afford the work but have not been pushing for it the past few months as they wait to see what happens with the economy.

"What we have found is we have enough work to keep us going, but we're not turning work away as much as before," he said.

Two years ago, he said, the company could have been doing 60 to 70 projects a year if it had been willing to take on all the work people were requesting.

But finding enough work is not what most worries Zaya.

"My biggest fear is getting bored," he said. "But a couple times a year, a project comes across my desk that gets my blood pressure going. Some are big. Some are small."

One of those projects, he said, was a chapel the company built for Belmont Abbey College, a small Benedictine school just west of Charlotte, N.C.

"They wanted to build a chapel in the forest that disappeared in the forest," he said. "And when you were in the chapel, they wanted you to feel like you were in the forest."

The resulting structure is nearly all wooden frame and glass.

"I come from a large family of Italian Catholics," Zaya said. "I was the first born, and my mom never forgave me for not becoming a priest."

The chapel, he said, was a way of making amends for disappointing his mother.

Walking through the Heritage Hotel dining pavilion with Zaya, one gets the impression that he takes similar delight in the conjunction of living and structural trees in that project.

"What they're trying to do here is a Sherwood Forest feel, outdoor dining in an outdoor atmosphere," he said.

It's that kind of objective that keeps Zaya going.

"It's like a bunch of guys building a tree house. It's way too much fun," he said. "I pretend to my wife that it's a lot of work, but it's not." ■

## PRODUCT RECALLS

The following products have been recalled by the manufacturer in cooperation with the U.S. Consumer Product Safety Commission:

- Children's loungewear made in China and the United States and distributed by Warm Biscuit Bedding, New York, N.Y.
- 2005 Novara Trionfo bicycles

made in Taiwan and distributed by Recreational Equipment Inc., or REI, Kent, Wash.

Bugaboo Bee strollers made in Taiwan by Bugaboo Design & Sales, Netherlands, and distributed by Bugaboo North America, Hermosa Beach, Calif.

For more information about these and other recalls, see [www.LancasterOnline.com](http://www.LancasterOnline.com).

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The regular variable rate will be based on an index (the Wall Street Journal Prime rate as of the 15th day of the preceding month) plus 0.75%, currently 4.00% APR and may vary monthly. Disclosed regular rate is for a line amount of \$50,000 or greater, requires a credit score greater than or equal to 700 and includes a 0.25% discount for automatic deduction from a Susquehanna account. Higher rates apply for lower credit scores. Standard underwriting criteria apply. Lines are for family and personal use only. Minimum regular variable rate is 4.00%. The maximum APR is 18% [Maryland 24%, New Jersey 16%]. Maximum LTV is 85%. This offer and the disclosed rates are effective beginning April 13, 2009 and are for a limited time only and can be rescinded by the bank at any time. Property insurance is required. Property must be your primary residence to qualify for the Lender-paid closing costs.

\*\*Title Insurance is not included in the Lender-paid closing costs for loans over \$250,000. For properties located in the state of Maryland, if the line is terminated within the first 30 months, all Lender paid closing costs estimated between \$440.00 and \$1,200.00 (estimate for \$50,000 Line, varies by county) must be reimbursed to the Lender.