

CliniCorp Falls to New Lows

AMERICAN STOCK EXCHANGE HALTS TRADING OF CLINICORP STOCK

Editorial Staff

On August 30, 1994, CliniCorp announced that the American Stock Exchange (AMEX) had halted trading on CliniCorp stock until the company files its annual report with the Securities and Exchange Commission (SEC), and until the report is reviewed by the AMEX. CliniCorp expects to file their annual report on September 12, 1994, two weeks after the August 29 due date.

CliniCorp announced that it "expects to report a net loss of approximately \$34 million" for the fiscal year ended May 31, 1994. This is approximately three times the \$11.4 million loss reported for the year ended May 31, 1993.

The company is taking several steps to improve its precarious financial situation:

- reducing the number of chiropractic clinics from approximately 75 down to 35-40
- selling CliniCorp Managed Health Care, Inc., a preferred provider organization with over three million subscribers for a proposed \$1.25 million
- approving a reverse stock split which gives current investors one share of new CliniCorp stock (at a par value of one cent) for 20 old shares of stock
- receiving an initial payment of \$607,000 from a settlement arbitration with Community Medical Plan Inc., with potential additional payments of up to \$1,150,000

With the stock price falling to under 50 cents a share and the revenue losses piling up, it is difficult to see how CliniCorp will be able to extricate itself. Certainly, this is not in line with the CliniCorp "credo" which states in part:

"We must make a sound profit."

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