

MMMMMM DOUGHNUTS

MAY 2004

We keep hearing how obese Americans are. However, Krispy Kreme Doughnuts just stated that the low-carb diet trend has hurt sales. Because Krispy is coming up short in its expectations, a wonderful law firm in Pennsylvania is suing them because they should have known better. The complaint names members of Krispy Kreme's senior management as defendants. The law firm feels that they disregarded signs that the company had expanded too quickly, that its wholesale business undermined sales at its retail stores, and it faced stiff competition from Dunkin Donuts. Since the initial lawsuit was filed, other law firms filed three other copycat lawsuits.

**Was it a slow month for accidents?
Have the tobacco suits all dried up?
Are there no more doctors to sue?**

Law firms have officially declared open season on corporate America. This is absolutely mind-boggling! Krispy Kreme is being taken to court because they undertook a bold expansion plan and because Americans are not as obese as the same law firms are claiming in other cases. Quite frankly, I thought Krispy was growing too fast as well and I saw a valuation problem in the stock. So I sold the stock. It was simple, it was easy, it is also not my fault nor the company's that you were willing to buy the stock at \$50 a share.

Investing and business are all about failures and successes. Such is life! Imagine what will happen if these idiot commie law firms win? Business will be sued for every mistake they make. What incentive will a company have to expand, to develop a new drug, to build a more fuel efficient car, a faster computer, a better tasting pizza, or a better mousetrap?

If we don't wake up we are going to lose this country to the law firms that neither build nor create, they just sue. I find it incredible that law firms can sue a company like Krispy Kreme because people eat too many doughnuts and get fat and at the same time sue if Krispy Kreme doesn't sell enough donuts. If we don't find a cure for this anti-American virus we are in trouble.



**HOMER SIMPSON
INITIATES
COVERAGE OF
KRISPE KREME
STOCK WITH A
STRONG BUY**