

Spruced-up TreeHouse

Keebler veteran Sam Reed envisions "premium" private-label brands as the seeds of foodmaker's future growth. **2**

Dueling for Denver

Southwest steps up flights from Chicago, forcing a weakened United to slug it out on key route. **3**

Mixed up

Fortune Brands finds that booze isn't recession-proof after all, leading investors to question more than ever the value of its three-part cocktail of products. **3**

FOCUS



Enterprising Women

They have changed entrepreneurship—and vice versa. **23**

BUSINESS OF LIFE



Mega no more

More buyers find a house can be spacious and livable without being downright enormous. **35**



Slapstick

Elaine Leavenworth co-hosts the Goodman Theatre's gala opening of "Animal Crackers." **35**

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CRAIN'S

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GREG HINZ

Sitting it out

Is government so messed up that smart pols know they can't fix it?

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PEELING BACK THE COVERAGE

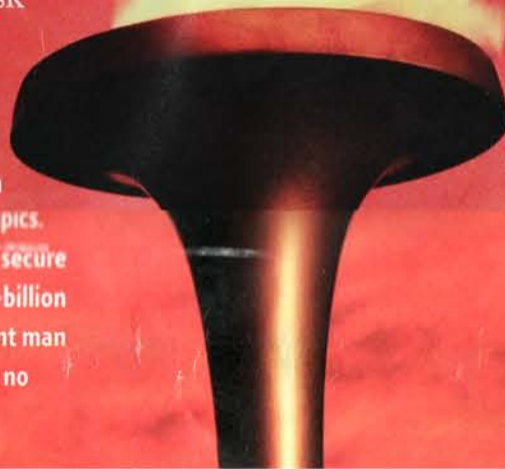
Daley's Olympics insurance leaves city exposed to billions in risk

BY JOHN PLETZ

Mayor Richard M. Daley and Patrick Ryan assure Chicago taxpayers that a safety net of insurance would insulate them from the financial risks of hosting the 2016 Olympics.

But the insurance policies Mr. Ryan says he'll secure would cover only about \$1.1 billion of the \$3.8-billion operating budget that the mayor's Olympic point man has drawn up for the games. In many key areas, no

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WHAT'S COVERED

\$1 billion
in construction surety bonds

\$1 billion
in liability and cancellation risk

\$250 million
if Olympic Village funding falls through

\$100 million
against venue-cost overruns and delays

\$100 million
against corporate sponsorship defaults

WHAT'S NOT COVERED

\$1.8 billion
in sponsorship sales

\$1 billion
for the Olympic Village if no developer is found

\$705 million
in ticket sales

\$246 million
in private donations

Cost overruns exceeding 10%

GETTY IMAGES

Griffin goes back on the attack

With fund crisis over, Citadel revs up its push into Wall St. stronghold

BY ANN SAPHIR

A little less than a year after he was forced to call a press conference to reassure investors that his Citadel Investment Group Inc. wasn't about to go under, Ken Griffin is gunning for growth again.

With its core funds up more than 50% this year and December's ban on investor withdrawals about to be lifted, Citadel has begun moving aggressively into investment banking—a key step toward turning Chicago's biggest hedge fund into the broad-based financial institution Mr. Griffin long has envisioned.

The company has landed its first



CEO Ken Griffin

investment banking gig—a \$3.5-billion debt-restructuring job for hotelier Fontainebleau Resorts LLC—and has won hundreds of clients for a new institutional sales and trading division.

"We are back on offense," Chief Operating Officer Gerald Beeson says.

A year ago, Citadel was playing defense, fending off rumors that federal officials were close to shutting it down and scrambling to reassure lenders that it had enough cash to make good on its borrowings. With panicky in-

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Toll workers get ultimate I-Pass

Agency sniffs for fraud in 22% absentee rate

BY PAUL MERRION

On any given day, more than one in five Illinois State Toll Highway Authority workers calls in sick or takes some type of leave.

Such unusually high absenteeism is raising suspicions of fraud, and tollway officials are now looking to hire private investigators to sniff out goldbricking employees.

"This is a blatant management problem that should have been wrestled under control by senior staff long ago," says Assistant Illinois Senate Majority Leader Jeff Schoenberg, D-Evanston, a longtime tollway critic who re-

cently launched hearings on procurement and management problems at the agency.

The tollway published a request for bids from private investigation firms last week. It's seeking bids by Oct. 14 and aims to hire up to three firms for two

"THIS IS A BLATANT MANAGEMENT PROBLEM..."

[State Sen. Jeff Schoenberg, D-Evanston]

years, starting Dec. 1.

The get-tough approach has been in the works for some time, predating Gov. Patrick Quinn's move last month to appoint civic leader Paula Wolff as the toll-

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Our online newscast goes deeper, and smarter, on the biggest stories in Chicago business.



New house in Highland Park won't aim for the fences

An environmentalist and financial conservative, Mayur Patel believes that small and green is the new cool in housing. It's like buying a Prius instead of a Hummer.

"Space doesn't necessarily enhance your life," he says. "Isn't it a good idea to leave our planet in better condition for the next generation?"

Mr. Patel, 44, a partner in Integrated Clinical Solutions Inc., which provides strategies and business planning services for the medical industry, is buying a half-acre near the lake in Highland Park, where he plans to build a \$1-million home of no more than 2,500 square feet, though by law he could max out at 5,800.

"It goes against the grain of what typically is built on the North Shore," he says. "They are tearing down older homes and putting up McMansions."

Instead, Mr. Patel plans to spend money on quality finishes, furnishings and green features. He dreams of gradually going "off the grid" in perhaps five years, "once technologies are better developed and more cost-effective."

He paid off his current home, an Evanston Victorian, in six years and plans to burn through his mortgage on the new house as soon as possible.

"I don't need to spend \$400 to \$500 a month on gas bills," says Mr. Patel, who is single and travels extensively.



STEPHEN J. SERIO



"SPACE DOESN'T NECESSARILY ENHANCE YOUR LIFE. ISN'T IT A GOOD IDEA TO LEAVE OUR PLANET IN BETTER CONDITION FOR THE NEXT GENERATION?" [Mayur Patel]

Growing up in the western suburbs, Mr. Patel says he learned to dislike huge houses.

"My parents aspired to it for me; I never did," he says.

In his new quarters, he'll forgo traditional living and dining rooms and trendy amenities such as a wine room and media room. Borrowing from modern, Australian beach houses, he wants an open

floor plan in three zones: living, sleeping and utility (office, laundry and storage), for which he has consulted with LEED-accredited architect Lisa Elkins, founder of 2 Point Perspective Inc. in Chicago.

Homeowners are becoming more interested in smaller homes, she says, saving money for family vacations or to allow a parent to stay home with the kids.

"It's a conscious choice to improve quality of life," not mandated by financial constraints, she says.

As for Mr. Patel, his home will be one of the smallest in east Highland Park, by design.

"I want to live large in a modest home," he says.

Laura Bianchi