

HD **Crying Time; Foundation has the blues and no rhythm; sex offenders and real estate.**

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LP Despite much press and a heavyweight board, the Rhythm & Blues Foundation, set up in 1988 to support aging, ailing recording talent from decades past, hands out a mere \$225,000 yearly, half the grants funded in the late 1990s. The nonprofit's last tax filing, for the year ended May 2005, also shows a \$91,000 deficit and just \$129,000 in incoming gifts--down from \$2.6 million three years earlier. A "long-term strategic partnership" announced in 2003 with vodka seller Millennium Import LLC--not the best symbolism for these beneficiaries--has yielded little green. Nor, despite past broadcast potential, has the group's Pioneer Awards event, held last month in the foundation's new headquarters city of Philadelphia after a three-year gap. Executive Director Kayte Connelly, herself fresh to the job, acknowledges recent "difficult times" but says things are now on the upswing. Board members include record industry executives, singer Bonnie Raitt and CBS newsman Ed Bradley.

TD Ray Charles is listed on the official Web site as a "found- ing director emeritus" despite his apparent death in 2004.--William P. Barrett

Shell Game

At a recent \$29, up 29% this year, Biocoral, a French outfit traded over-the-counter here that sells bone substitutes derived from coral, has a \$329 million market cap. That's 1,042 times its 2005 revenue of just \$316,000 and comes atop \$20 million of accumulated losses over the years that have produced a \$3 million negative net worth. Cutting-edge stuff? While claiming 165 patents, the firm acknowledges that much of its core biotechnology comes from a 1995 acquisition based on French government research dating to the 1970s. Biocoral also faces such better-heeled competitors as Biomet (2005 revenues, \$1.9 billion)--whose wherewithal to buy a small rival actually might be a factor in Biocoral's recent stock rise. "We don't control the markets," shrugs Biocoral boss Nasser Nassiri. The Levallois-Perret, France company has all of nine full-time employees, plus executives like Nassiri who, filings say, "devote as much time as they believe necessary."--Matthew Rand

Charity Starts at Home

Midland, Tex. oil exploration partners Jack E. Brown and Cyril Wagner Jr., who graced 14 Forbes 400 lists through 1995, have sued to challenge Internal Revenue Service claims totaling \$147 million in extra taxes and penalties concerning huge asset transfers to trusts benefiting their descendants. The feds say in moving \$383 million, Brown, 81, and Wagner, 72, and their wives, valued \$217 million of taxable gifts at only \$45 million, partly by using a ploy involving charitable donations that the IRS calls "contrary to public policy." Their lawyer, John Porter, defends the reported values as correct and lawful.--Janet Novack

Who Would Have Thought?

A new academic study says that a home's value falls 4% when a registered sex offender moves in within a 0.1 mile radius. Columbia University economists Leigh Linden and **Jonah Rockoff** write that homes beyond that distance--a little less than two football fields--show no decline. They looked at a decade of data through 2004 for 170,239 house sales around Charlotte, N.C., home to 518 persons listed on Megan's Law Web sites. Conclusion: "Individuals have a significant distaste for living in close proximity to a known sex offender."--Mary Ellen Egan

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