

## Klamath First reports third quarter profits

Klamath First Bancorp Inc. reported net earnings for the third fiscal quarter that ended June 30 were \$1.1 million, or 16-cents per diluted share, a 15 percent increase over \$962,000, or 15-cents per diluted share in the second fiscal quarter.

For the third quarter of the last fiscal year, net earnings were \$1.9 million, or 30-cents per diluted share.

For the nine-month period net earnings were \$4 million, or 60-cents per diluted share, compared to \$4.4 million, or 68-cents per diluted share, in the first nine months of fiscal 2002.

On July 15, Klamath and Sterling Financial Corp. jointly announced a definitive agreement for the merger of Klamath First into Sterling Financial.

Under the terms of the agreement, each share of Klamath common stock will be converted into 0.77 shares of Sterling common stock subject to certain conditions. Based upon Sterling's closing price on July 14, this is equivalent to approximately \$20.44 per share of Klamath stock.

The transaction, valued at approximately \$147 million, is expected to close in the first quarter of 2004, pending shareholder and regulatory approval.



**THEN AND NOW** - It was Feb. 1, 1950 (top) when the current Lorna Byrne Middle School was dedicated as Illinois Valley High School. Much of the original middle school, in use since 1978, has been destroyed to make room for new construction (bottom). The project is funded through voter-approved bonds for Three Rivers School District. The new and improved middle school is to be ready in time for classes on Sept. 2, the day following the I.V. Lions Club three-day Labor Day Festival. (Top photo courtesy of Glenn Morrison American Legion Post 70)



## In service to the USA

**Blanche M. Phlaum**

U.S. Navy Petty Officer 3rd Class Blanche M. Phlaum, granddaughter of Ronald Phlaum of Kerby, recently made a port visit to Singapore while assigned to the aircraft carrier USS "Carl Vinson," home ported in Bremerton, Wash.

Phlaum is one of more than 6,000 Pacific Fleet Sailors and Marines aboard the USS Carl Vinson Battle Group ships maintaining peace and stability in the Western Pacific region, the Navy said.

## Passage of bill will help state collect debts

House Majority Leader Tim Knopp (R-Bend) announced the passage of House Bill 3023 which will help the state collect money from delinquent accounts.

Currently, state agencies only turn over delinquent accounts after a year of non-payment.

House Bill 3023 will force state agencies to turn over accounts after they are delinquent for 90 days and would give the Dept. of Revenue six months to collect payment.

Currently, the Dept. of Revenue would continue to try to collect on delinquent accounts.

House Bill 3023 would allow them to use collection agencies in the pursuit of delinquent accounts, giving the department a better way to collect on past due accounts.

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