

BANKING/FINANCE

Nissan Downgraded on Weak Profit Outlook After Ghosn Arrest



SHUTTERSTOCK

S&P Global Ratings lowered Nissan's rating for the first time in a decade on concerns of slowing sales and a preoccupation with cleaning up after the scandal involving Carlos Ghosn, above.

by Kevin Buckland and Ma Jie

Nissan Motor Co. took another hit as the automaker's debt rating was cut on concerns the next two years will be marked by slowing sales and a preoccupation with cleaning up after the scandal involving Carlos Ghosn.

The company's rating was lowered for the first time in a decade by S&P Global Ratings to A- from A. The outlook on the long-term debt score is stable, the rating firm said. The company's A2 grade at Moody's Investors Service also was placed on review for a downgrade.

Nissan reduced its full-year earnings forecast after third-quarter profit missed analysts' estimates, adding to the headwinds for a carmaker struggling with the fallout from the arrest of former chairman Ghosn. Sales in the U.S. plunged 19 percent in January amid an industrywide slump, intensifying the pressure on Chief Executive Officer Hiroto Saikawa as he tries to ease tensions with partner and shareholder Renault SA. Nissan is cutting as many as 700 workers at a Mississippi factory because of slowing truck and van sales.

"Given severe business circumstances in the automotive business, we believe the company will find it difficult to restore its weakened profitability over the next one to two years," S&P said. "It will take time to stabilize its management."

The company declined to comment.

Nissan Motor Co. A- Toyota Motor Corp. AA- Honda Motor Co. A Mitsubishi Motors Corp. BB+ Renault SA BBB Tesla Inc. B- Daimler AG A BMW AG A+ Volkswagen AG BBB+

Before the downgrade, Nissan already was getting the cold shoulder in the bond market, after Ghosn's incarceration exposed new lapses in corporate governance, according to market participants.

"It's bad timing because automakers all need financing for investment in new technologies," said Seiji Sugiura, an analyst at Tokai Tokyo Research Center.

"It sends a negative message to shareholders because it increases the chance for them to cut their dividend."

The last time Nissan tapped the bond market was April 2016, when it raised \$1.1 billion in a sale of five-, seven- and 10-year notes. The spread on the 10-year security's yield has widened to about 60 basis points above equivalent Japanese government bonds this year, from 40 basis points at the time they were issued.

Nissan and its French partner have spent the last three months coping with a major reputational hit from Ghosn's arrest, indictments by Tokyo prosecutors over alleged financial improprieties and an unflattering spotlight on both companies' corporate governance controls.

Then there's the sluggish sales in China and the U.S., Britain's potentially jarring exit from the European Union and huge investments in electric and autonomous vehicles hovering over the entire auto industry.

Taken together, these negatives could leave the alliance partners falling behind competitors such as Volkswagen AG and Toyota Motor Corp. in the race to adapt to the changing terrain. The risks may be greater for Nissan since the lion's share of allegations against Ghosn reflect his tenure there, and its business challenges are tougher than Renault's.

Ghosn remains in a Tokyo jail, accused of aggravated breach of trust and filing false statements to regulators regarding \$80 million in deferred income looms. He was arrested Nov. 19 and faces as many as 10 years in prison if convicted. He denies all charges.

Nissan this month took a \$83 million charge over Ghosn's deferred compensation for the eight years ending in 2017. In doing so, the carmaker is trying to end any debate over whether Ghosn hid millions of dollars in income deferred until his retirement from his fellow executives and board members.

Kevin Buckland and Ma Jie report for Bloomberg News.



CITY OF DORAL NOTICE OF PUBLIC HEARING

All residents, property owners and other interested parties are hereby notified of a **Council Meeting** on **Wednesday, March 13, 2019, beginning at 6:00 PM** to extend for an additional one-year the established moratorium on Medical Marijuana Treatment Center in the City of Doral. The City Council will consider this item for **FIRST READING**. This meeting will be held at the **City of Doral, Government Center, Council Chambers located at 8401 NW 53rd Terrace, Doral, Florida 33166**.

The City of Doral proposes to adopt the following Ordinance:

ORDINANCE No. 2019-08

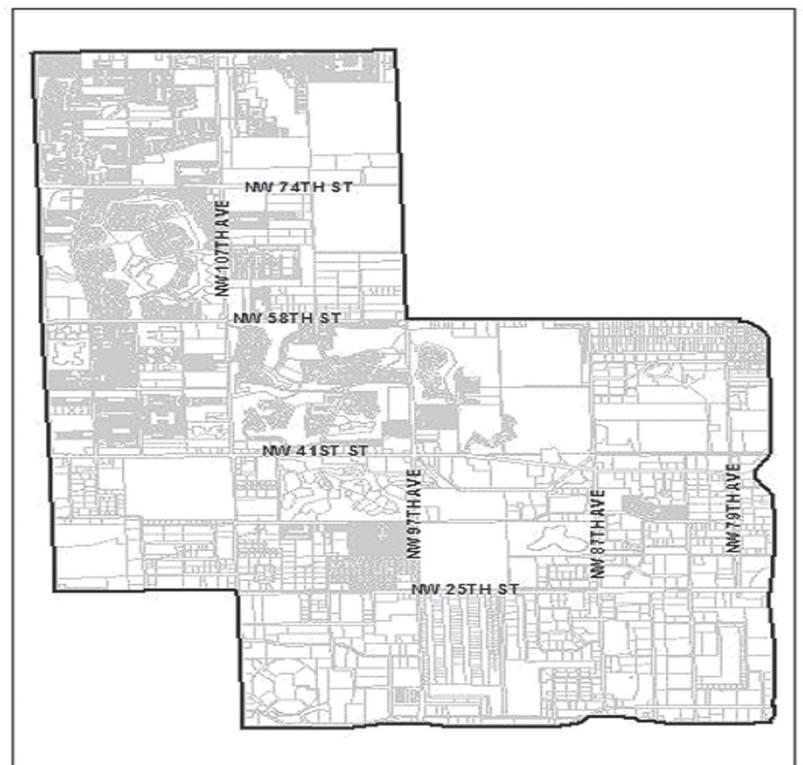
AN ORDINANCE OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF DORAL, FLORIDA, EXTENDING THE ESTABLISHED MORATORIUM FOR A PERIOD OF ONE-YEAR FROM THE EFFECTIVE DATE OF THIS ORDINANCE ON THE ACCEPTANCE, REVIEW, APPROVAL OR ISSUANCE OF ANY LAND DEVELOPMENT PERMITS AS THE TERM IS DEFINED IN FLORIDA STATUTES SECTION 163.3164(16), BUSINESS TAX RECEIPTS OR ANY OTHER LICENSE OR PERMIT FOR THE ESTABLISHMENT OR OPERATION OF A MEDICAL MARIJUANA TREATMENT CENTER WITHIN ALL ZONING DISTRICTS IN THE CITY OF DORAL, IN ORDER TO PROVIDE THE CITY WITH AN OPPORTUNITY TO REVIEW THE REGULATIONS ADOPTED BY THE STATE OF FLORIDA GOVERNING THE ESTABLISHMENT AND OPERATION OF MEDICAL MARIJUANA TREATMENT CENTERS; PROVIDING FOR VESTED RIGHTS; REQUIRING EXHAUSTION OF ADMINISTRATIVE REMEDIES; PROVIDING FOR PENALTIES; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS AND PROVIDING FOR AN EFFECTIVE DATE

HEARING NO.: 19-03-DOR-01

APPLICANT: City of Doral

REQUEST: The City of Doral (The "Applicant") is requesting Mayor and City Council approval to extend for an additional one (1) year the established moratorium on Medical Marijuana Treatment Center in the City of Doral.

Map



Information relating to this request is on file and may be examined in the City of Doral, Planning and Zoning Department located at **8401 NW 53rd Terrace, Doral, FL 33166**. All persons are invited to appear at this meeting or be represented by an agent, or to express their views in writing addressed to the City Clerk, **8401 NW 53rd Terrace, Doral, FL 33166**. Maps and other data pertaining to these applications are available for public inspection during normal business hours in City Hall. Any persons wishing to speak at a public hearing should register with the City Clerk prior to that item being heard. Inquiries regarding the item may be directed to the Planning and Zoning Department at 305-59-DORAL.

Pursuant to Section 286.0105, Florida Statutes If a person decides to appeal any decisions made by the City Council with respect to any matter considered at such meeting or hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. This notice does not constitute consent by the City for introduction or admission of otherwise inadmissible or irrelevant evidence, nor does it authorize challenges or appeals not otherwise allowed by law. In accordance with the Americans with Disabilities Act, all persons who are disabled and who need special accommodations to participate in this meeting because of that disability should contact the Planning and Zoning Department at 305-59-DORAL no later than three (3) business days prior to the proceeding.

NOTE: If you are not able to communicate, or are not comfortable expressing yourself, in the English language, it is your responsibility to bring with you an English-speaking interpreter when conducting business at the City of Doral during the zoning application process up to, and including, appearance at a hearing. This person may be a friend, relative or someone else. A minor cannot serve as a valid interpreter. The City of Doral DOES NOT provide translation services during the zoning application process or during any quasi-judicial proceeding.

NOTA: Si usted no está en capacidad de comunicarse, o no se siente cómodo al expresarse en inglés, es de su responsabilidad traer un intérprete del idioma inglés cuando trate asuntos públicos o de negocios con la Ciudad de Doral durante el proceso de solicitudes de zonificación, incluyendo su comparecencia a una audiencia. Esta persona puede ser un amigo, familiar o alguien que le haga la traducción durante su comparecencia a la audiencia. Un menor de edad no puede ser intérprete. La Ciudad de Doral NO suministra servicio de traducción durante ningún procedimiento o durante el proceso de solicitudes de zonificación.

Connie Diaz, MMC
City Clerk
City of Doral