FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1994-04-20** | Period of Report: **1994-01-29**
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FILER

JACOBSON STORES INC

CIK:**53025**| IRS No.: **380686330** | State of Incorp.:**MI** | Fiscal Year End: **0131**
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SIC: **5311** Department stores

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JACKSON FL 49201

Business Address
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JACKSON MI 49201
5177646400

FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended JANUARY 29, 1994

Commission File No. 0-6319

JACOBSON STORES INC.

MICHIGAN	38-0686330
(STATE OF INCORPORATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

3333 SARGENT ROAD, JACKSON, MICHIGAN 49201
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

Registrant's telephone number, including area code: 517-764-6400

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities registered pursuant to Section 12(g) of the Act:

COMMON STOCK, $1 PAR VALUE

SERIES A PREFERRED STOCK PURCHASE RIGHTS

6-3/4% CONVERTIBLE SUBORDINATED DEBENTURES DUE 2011

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES [X] NO [ ]

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. [X]

STATE THE AGGREGATE MARKET VALUE OF THE VOTING STOCK HELD BY NON-AFFILIATES OF THE REGISTRANT. THE AGGREGATE MARKET VALUE SHALL BE COMPUTED BY REFERENCE TO THE PRICE AT WHICH THE STOCK WAS SOLD, OR THE AVERAGE BID AND ASKED PRICES OF SUCH STOCK, AS OF A SPECIFIED DATE WITHIN 60 DAYS PRIOR TO THE DATE OF FILING.

$45,813,000 AS OF MARCH 1, 1994

(THE PERSONS CONSIDERED AFFILIATES FOR THE PURPOSE OF THE FOREGOING COMPUTATION ARE IDENTIFIED ON PAGE 18 OF THIS REPORT.)

INDICATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE REGISTRANT'S CLASSES OF COMMON STOCK, AS OF THE LATEST PRACTICABLE DATE.

COMMON STOCK $1 PAR VALUE: 5,779,021-2/3 SHARES OUTSTANDING, EXCLUDING 187,200 SHARES HELD IN TREASURY, AS OF MARCH 1, 1994

DOCUMENTS INCORPORATED BY REFERENCE

LIST HEREUNDER THE FOLLOWING DOCUMENTS IF INCORPORATED BY REFERENCE AND THE PART OF THE FORM 10-K INTO WHICH THE DOCUMENT IS INCORPORATED:

SPECIFIED PORTIONS OF PROXY STATEMENT FOR 1994 ANNUAL MEETING OF SHAREHOLDERS, TO BE HELD MAY 26, 1994: PART III

JACOBSON STORES INC.
FORM 10-K
FISCAL YEAR ENDED JANUARY 29, 1994

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PART I

ITEM 1. BUSINESS.

INTRODUCTION

The registrant, Jacobson Stores Inc., a Michigan corporation, operates specialty department stores catering to discerning customers with preferences for fine merchandise. The Company emphasizes quality merchandise, fully staffed stores, personalized customer service and attractive, comfortable shopping surroundings. Each store features a full line of fashion apparel and accessories for women, men and children, and most offer accessories for the home.

The Company owns a substantial portion of the real property used in its business, primarily through its consolidated, wholly-owned real estate subsidiary, Jacobson Stores Realty Company ("Jacobson Realty"). The Company finances customer receivables through Jacobson Credit Corp. ("Jacobson Credit"), its consolidated, wholly-owned finance subsidiary. As used in this report, the terms "registrant", "Company" and "Jacobson's" refer to Jacobson Stores Inc. and its subsidiaries unless the context indicates otherwise.

Jacobson's operates in two regions, with stores in twenty-five cities in Michigan, Ohio, Indiana and Florida. The Company maintains separate staffs of buyers for each region in order to better respond to customers' lifestyles and merchandise preferences. The principal merchandising and distribution functions are performed through regional distribution facilities. Functions common to all stores, such as management coordination, sales promotion, data processing and accounting, are centralized at the corporate headquarters in Jackson, Michigan.

MERCHANDISE AND MARKETING

Merchandise. Jacobson's directs its primary merchandising and marketing efforts to discerning customers with preferences for fine merchandise. Stores are merchandised with a full line of fashion apparel and accessories for women, men and children, and most offer accessories for the home.

The percentage contribution to sales by major class of merchandise for the last three fiscal years was as follows:

<TABLE>
<CAPTION>

	Year Ended		
	January, 1994	January, 1993	January, 1992
<S>	<C>	<C>	<C>
OWNED DEPARTMENTS:			
Women's apparel and accessories	64.6%	64.3%	63.5%
Men's apparel and accessories	12.5	12.6	12.5
Accessories for the home	9.5	9.3	9.7
Children's apparel and accessories	9.1	9.3	9.7
Miscellaneous	2.4	2.5	2.5
	98.1	98.0	97.9
LEASED DEPARTMENTS:			
Beauty Salons	1.9	2.0	2.1
	100.0%	100.0%	100.0%

</TABLE>

The Company's beauty salons are operated under license agreements which provide for a commission based on sales of the licensee.

PERSONAL SERVICE. Jacobson's stores are fully staffed with knowledgeable salespeople to ensure that customers receive prompt personal attention. Jacobson's salespeople are experienced and well-trained through video presentations, seminars and close working relationships with buyers and merchandise managers. Salespeople maintain personal trade lists of their customers' sizes, colors, fashion preferences, and important dates, and contact customers by telephone or personal note to alert them to the arrival of new merchandise or to remind them of birthdays or anniversaries. Management believes that personal relationships between salespeople and their clientele promote customer loyalty and contribute to the Company's growth. Other special services include free gift wrapping and free parking. All regularly scheduled Jacobson's salespeople are compensated on some form of commission program.

SALES PROMOTION. The Company uses newspaper, radio, television and direct mail advertising, as well as in-store events and billing statement enclosures, to stimulate sales. Advertising generally is institutional and focuses on current fashions and merchandise classifications. The Company's policy is to price merchandise fairly and competitively and to avoid sale events other than end-of-season clearances. Although advertisements usually mention price, Jacobson's refrains from comparative pricing (comparing the advertised price to a higher original price) in its advertising. Management believes that this practice enhances credibility and customer loyalty. Jacobson's in-store events include fashion shows and wardrobing seminars to communicate fashion trends to customers.

STORE DESIGN. Jacobson's stores are designed to project an attractive, comfortable atmosphere similar to the style customers find in their own homes. All aspects of the store interiors and fixturing are coordinated by the Company's store planning personnel, using quality fixtures, carpeting, lighting and displays.

CREDIT POLICY

Jacobson's issues its own credit card as a customer service. The Company offers two credit plans to its cardholders: an option plan requiring a minimum monthly payment of 20% of the outstanding balance, and an extended payment plan available primarily for furs, fine jewelry, and furniture purchases in the Company's stores which carry furniture (see "General Development of Business" on page 6).

Sales under Jacobson's credit plans averaged 50.6% of sales for the last three fiscal years and accounted for 48.4% of the Company's sales in fiscal 1993. In addition, sales under third party credit cards (VISA, MasterCard and American Express) averaged 29.0% of sales for the last three fiscal years and accounted for 31.6% of the Company's sales in fiscal 1993. Credit losses relating to the Company's credit card have averaged 0.52% of credit sales over the last three years (ranging from 0.40% to 0.61%).

The Company maintains purchasing and payment history on its 306,000 active account holders, which permits targeting of direct mail advertising and automatic increases of credit limits.

OPERATIONS

The Company operates in two regions, the Midwest and Florida. The principal merchandising and distribution functions for the Michigan, Ohio and Indiana stores are performed at the Company's central distribution facility in Jackson, Michigan. The principal merchandising and distribution functions for the Florida stores are performed in Winter Park, Florida. Functions common to all stores, such as management coordination, sales promotion, data processing and accounting, are centralized at the corporate headquarters in Jackson, Michigan.

Jacobson's stores in Michigan are located in Birmingham, Dearborn, Grosse Pointe, Livonia and Rochester (all suburbs of Detroit), Ann Arbor, East Grand Rapids, East Lansing, Jackson, Kalamazoo and Saginaw; in Ohio, in Columbus and Toledo; in Indiana, in Indianapolis; and in Florida, in Clearwater, Fort Myers, Jacksonville, Longwood, Naples, North Palm Beach, Osprey, Sarasota, Tampa and Winter Park. In addition, the Company has a clearance center in Troy, Michigan, a suburb of Detroit. Stores in Michigan, Ohio and Indiana range from 101,000 to 210,000 square feet, except for the clearance center, which is 34,000 square feet. The Florida stores range from 23,000 to 90,000 square feet.

In most of its stores, Jacobson's maintains a policy of limited evening hours, except during the holiday season. Stores are generally open a maximum of 59 hours each week, except during the holiday season.

Annual sales, percentage increase in sales, average gross square footage of stores in operation during the fiscal year, and approximate sales per average gross square foot were as follows:

<TABLE>
<CAPTION>

	Year Ended		
	January,	January,	January,

	1994	1993	1992
Net sales, including leased departments (in thousands)	$403,816	$411,631	$395,677
Percentage increase (decrease) in sales:			
All stores	(1.9)%	4.0%	0.4%
Same stores	(4.1)%	2.9%	0.4%
Average gross square footage (in thousands)	2,454	2,433	2,425
Approximate sales per average gross square foot	165	169	163

PURCHASING, CONTROL AND DISTRIBUTION OF INVENTORY

Jacobson's purchases merchandise from several thousand suppliers, no one of which accounted for as much as 3% of the Company's net purchases during fiscal 1993. The Company maintains separate staffs of buyers for its Midwest and Florida stores to better respond to customer lifestyles and merchandise preferences. Merchandising decisions are directed by 3 general merchandise managers, 11 divisional merchandise managers, 76 buyers and 13 assistant buyers. In addition, the Company is a member of Frederick Atkins, Inc., a domestic and foreign buying office serving approximately 30 retailers, which provides merchandising counsel, product information, direct store import capability, and other services.

An on-line computerized merchandise information system provides the Company's buyers with detailed reports of current sales and inventory levels for each store, by department, vendor, class, style, color and size. This system permits the Company's merchandising staff to analyze trends on a daily basis, to identify fast-selling and slow-selling merchandise and to respond to customer buying preferences when making reorder and markdown decisions.

Merchandise is generally shipped directly from vendors to the Company's regional distribution centers in Jackson, Michigan and in Winter Park, Florida, where it is inspected for quality by the Company's buyers, priced and shipped to the stores by Jacobson's fleet of trucks.

Jacobson's adopted the LIFO method of inventory valuation in 1968. At the end of fiscal 1993, LIFO reserves totalled $19,839,000, or approximately 19.7% of pre-LIFO inventory values. Physical inventories are taken at least once each year. Inventory shrinkage at retail over the past three fiscal years has averaged 2.2% to owned retail sales.

EXPANSION

Jacobson's current strategy is to open one new store each year, to the extent feasible, and to renovate one store each year.

In September 1993, the Company relocated its Ann Arbor, Michigan store to a 101,000 square foot building and related parking area in Briarwood Mall. The Company owns its building and related parking area.

The Company has signed a lease for a 161,000 square foot store and related parking area in Oxmoor Center, Louisville, Kentucky, for a November 1994 opening.

The Company intends to continue expanding its operations in its Midwest and Florida regions as desirable opportunities arise and resources permit.

REAL ESTATE POLICY

Jacobson's strategy is to own or obtain long-term leases of the real estate used in the operation of its business. Through Jacobson Realty, the Company owns approximately 72% of the total square footage used in its business. The Company uses cash flow equal to depreciation to maintain a continuing program of property improvements and renewal of existing stores and support facilities. New stores and major expansion projects generally are financed by mortgage loans or comparable financing, or through long-term leases. At January 29, 1994, mortgage loans and related secured financings comprised approximately 47% of consolidated debt.

COMPETITION

The specialty department store business is highly competitive. The Company's stores are in active competition with other department and specialty stores and with regional and national department store chains, some of which are considerably larger than the Company and have substantially greater financial and other resources. Jacobson's competes principally on the basis of availability of fashion merchandise, quality, personalized service and attractive store surroundings, as well as fair pricing and advertising. The Company believes it is a respected retail merchandiser in the communities it serves, and that its merchandising policies and reputation enable it to maintain its competitive position.

EMPLOYEES

Jacobson's believes that its employees are among its key resources. Management stresses development programs for employees and promotion from within. The Company employs approximately 5,200 employees, 4,000 full-time and 1,200 part-time. During the holiday season, the number of employees increases to approximately 5,900.

From February to June 1992, the Company sustained a strike of 225 employees at its Central Distribution Center in Jackson, Michigan. The Company hired 75 permanent replacements. During fiscal 1993, the Company experienced picketing at some of its stores, and has responded to unfair labor practice charges filed by the Teamsters with the National Labor Relations Board.

At the date of filing this report, the terms of a new contract have been agreed on and ratified by the local union members.

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(a) GENERAL DEVELOPMENT OF BUSINESS.

Some of the principal developments in Jacobson's business during fiscal 1993 and the current year to date are summarized on page 5 of this report under the caption "Expansion." To finance this expansion, the Company has a 10-year term loan agreement which provides for borrowings of up to $40 million on an unsecured basis. At January 29, 1994, the Company had borrowed $20 million under this facility. In addition, the Company's wholly-owned finance subsidiary has an unsecured line of credit of $35 million under a 3-year revolving credit agreement.

In August 1993, the Company announced its decision to phase out furniture departments in six stores, in order to provide increased space for fashion apparel, accessories and home decorative departments. Furniture had comprised less than 2% of Company-wide annual sales. The six stores affected were Birmingham, Dearborn, East Lansing, Jackson, Kalamazoo and Livonia, Michigan. The phase-out of furniture operations in these six stores was completed in November 1993.

At fiscal year-end, furniture inventories had been reduced to 25% of July 1993 furniture inventory levels, and were 1.0% of total Company inventory levels. Furniture departments will remain in the Company's Saginaw, Michigan and Sarasota, Florida stores.

(b) INDUSTRY SEGMENTS AND LINES OF BUSINESS.

Jacobson's operates in a single industry, the specialty department store industry.

The percentage contribution to sales by major classes of merchandise for each of the last three fiscal years is set forth on page 2 of this report.

(c) NARRATIVE DESCRIPTION OF BUSINESS.

The nature of Jacobson's business, the categories of merchandise it sells, and the percentage contribution to sales by merchandise categories during the past three fiscal years, are set forth on pages 1-2 of this report.

The specialty department store business is seasonal. The holiday season (from the day after Thanksgiving to January 1) generally accounts for

15-20% of Jacobson's net sales.

By reason of the seasonal nature of the business, Jacobson's and others in the industry experience significant build-up of inventory and accounts receivable at certain times of the year. To support the seasonal requirements, Jacobson Credit has an unsecured line of credit of $35,000,000 under a revolving credit agreement. Further information on this line of credit is set forth in the Notes to the Company's Consolidated Financial Statements for the three fiscal years ended January 1994, filed as part of this report (see "Financing" on page F-9).

Competitive conditions in the specialty department store business are discussed on page 5 of this report.

Information with respect to the Company's employees is provided on pages 5-6 of this report.

(d) FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES.

The registrant has no foreign operations and no material export sales.

ITEM 2. PROPERTIES.

(a) The following table shows the location and approximate size of Jacobson's stores and its offices and principal warehouse and distribution facilities; whether owned by the registrant or leased; and the expiration dates (including renewal options) of principal real estate leases. Most such owned properties are subject to mortgage. In several cities, the store consists of two or more buildings.

Jacobson's management considers that these properties, as well as its furniture, fixtures, machinery and equipment, are well maintained, suitable and adequate for their intended purposes, and in general fully utilized.

<TABLE>
<CAPTION>

Locations	Approximate Total Square Feet of Building(s)	Ownership	Expiration Dates of Principal Leases
<S>	<C>	<C>	<C>
MICHIGAN			
Jackson.	105,000	Partly owned (1)	2006, 2016
Ann Arbor.	101,000	Owned	----
East Lansing.	117,000	Partly owned (2)	2028
Saginaw.	199,000	Partly owned (3)	1994
Grosse Pointe.	151,000	Owned	---
Birmingham.	210,000	Partly owned (4)	2008, 2011
Kalamazoo.	131,000	Leased (5)	1994, 2010
Dearborn.	145,000	Owned	----
East Grand Rapids.	148,000	Owned	----
Rochester.	106,000	Partly owned (6)	2046
Livonia.	150,000	Owned	----
Troy Clearance Center	34,000	Leased	2002
Central Office and Distribution Center (Jackson).	238,000	Owned	----
INDIANA			
Indianapolis	120,000	Leased	2048
OHIO			
Toledo	120,000	Owned	----
Columbus	119,000	Partly owned (7)	2079
FLORIDA			
Sarasota	25,000	Partly owned (7)	2014
Winter Park.	23,000	Leased	2013
Longwood	49,000	Leased	2020

North Palm Beach	90,000	Leased	2022
Osprey	32,000	Leased	2025
Clearwater	52,000	Leased	2039
Fort Myers	51,000	Partly owned (8)	2085
Jacksonville	57,000	Leased	2043
Tampa.	48,000	Leased	2030
Naples	46,000	Leased	2042
Regional Distribution Center (Winter Park)	84,000	Owned	----

</TABLE>

(1) Approximately 28,000 square feet owned; balance leased.
(2) Building is owned; approximately half of land is owned and half leased.
(3) Approximately 29,000 square feet leased from month to month; balance owned.
(4) Birmingham Fashion Apparel Store (98,000 square feet) is owned. The Men's Store and Store for the Home (81,000 square feet) include approximately 64,000 square feet owned; the balance is leased. The Children's Store (31,000 square feet) is leased from an 80%-owned subsidiary of Jacobson Stores Realty Company; see Exhibit 21.

(5) Kalamazoo Apparel Store (83,000 square feet) is leased pursuant to lease purchase contract with The Economic Development Corporation of the City of Kalamazoo. The Store for the Home (48,000 square feet) is leased.
(6) Approximately 71,000 square feet and related parking area are owned. The balance of the shopping center is leased, of which 35,000 square feet are operated as part of Jacobson's store.
(7) Building is owned on leased land.
(8) Building is owned; land and parking area are leased.

(b) Not applicable.

ITEM 3. LEGAL PROCEEDINGS.

No material legal proceedings are pending to which Jacobson Stores Inc. or any of its subsidiaries is a party or to which any of their property is subject, other than ordinary routine litigation incidental to the registrant's business, and no such proceeding is known by the registrant to be contemplated.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT.

The table below sets forth the name and age of each executive officer of the registrant, all positions and offices with Jacobson Stores Inc. and its wholly-owned subsidiaries held by each such person, and the period during which the officer has served in such positions. Each has been elected to hold office until the 1994 Annual Meeting or until a successor is elected and qualified.

<TABLE>
<CAPTION>

Name	Age	Positions and Offices	Held Office Since
<S>	<C>	<C>	<C>
Mark K. Rosenfeld	48	Chairman of the Board and Chief Executive Officer, and Director, Jacobson Stores Inc. and wholly-owned subsidiaries	1993
Paul W. Gilbert	49	Vice Chairman of the Board, and Director, Jacobson Stores Inc. and wholly-owned subsidiaries	1993
James B. Fowler	46	President and Director, Jacobson Stores Inc. and wholly-owned subsidiaries	1993

</TABLE>

<TABLE>
<CAPTION>

Name	Age	Positions and Offices	Held Office Since
Joseph H. Fisher	58	Senior Vice President- General Merchandise Manager, Jacobson Stores Inc.	1991
Nathan Forman*	67	Senior Vice President - General Merchandise Manager, Jacobson Stores Inc.	1984
George P. Kelly	57	Senior Vice President- General Merchandise Manager, Jacobson Stores Inc.	1994
Theodore R. Kolman	53	Senior Vice President- General Merchandise Manager, Jacobson Stores Inc.	1991
Robert L. Moles	52	Senior Vice President-Stores Jacobson Stores Inc.	1986
Timothy J. Spalding	38	Vice President and Controller, Jacobson Stores Inc. and wholly-owned subsidiaries	1991

</TABLE>

*Mr. Forman retired as Senior Vice President- General Merchandise Manager in February 1994.

There is no arrangement or understanding between any of the officers and any other person pursuant to which the officer was selected as an officer.

Each executive officer except Mr. Kelly and Mr. Kolman has held managerial or executive positions with Jacobson's for more than five years.

Before joining Jacobson's as Senior Vice President - General Merchandise Manager in February 1994, Mr. Kelly was Chairman and Chief Executive Officer, Marshall Field & Co., 1978-83, President, Mallard's Enterprises, Inc., 1984-1992, and Chief Operating Officer, Brands of Indiana, 1993-1994.

Before joining Jacobson's in 1990, Mr. Kolman was Senior Vice President and General Merchandise Manager, Robinson's of Florida, Inc., 1982-1987, and Assistant to the Chief Executive Officer, Cohoes Specialty Stores, 1987-1990. He was General Merchandise Manager-Home Furnishings Division, Jacobson Stores Inc., from 1990 to 1991, and has been Senior Vice President-General Merchandise Manager since May 1991.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's Common Stock is traded on the NASDAQ National Market, under the symbol "JCBS."

The quarterly range of high and low price quotations of Jacobson's Common Stock and dividends paid per share are shown in the following schedule:

<TABLE>
<CAPTION>

Year	Quarter	High	Low	Dividends Per Share
<S>	<C>	<C>	<C>	<C>

1993	4th	$14	$11-3/4	$.12-1/2
----	3rd	13	11	.12-1/2
	2nd	14	11-3/4	.12-1/2
	1st	16-1/2	11-3/4	.12-1/2
1992	4th	$17-1/4	$13-3/4	$.12-1/2
----	3rd	17-3/4	14-1/2	.12-1/2
	2nd	18	14-1/2	.12-1/2
	1st	19	15-1/4	.12-1/2
1991	4th	$19	$15-1/2	$.12-1/2
----	3rd	19	16	.12-1/2
	2nd	21-1/8	15-3/4	.12-1/2
	1st	17-1/4	13-1/2	.12-1/2

</TABLE>

The approximate number of shareholders of Jacobson common stock of record as of March 1, 1994 was 1,485.

ITEM 6. SELECTED FINANCIAL DATA.

Selected financial data for fiscal 1989 through 1993 is as follows:

<TABLE>
<CAPTION>

(in thousands except per share data)	1993	1992	1991	1990	1989
<S>	<C>	<C>	<C>	<C>	<C>
Net sales, including leased departments	$403,816	$411,631	$395,677	$394,009	$394,181
Earnings before income taxes	4,610	5,894	6,494	2,862	17,477
Net earnings	3,014	3,910	4,218	2,365	11,801
Total assets	248,818	250,395	239,460	240,764	250,066
Long-term debt, less current portion	108,203	105,270	97,514	103,597	110,158
Per common share:					
Net earnings -					
. Primary	$ 0.52	$ 0.68	$ 0.73	$ 0.41	$ 2.04
. Fully diluted	0.52	0.68	0.73	0.41	1.95
Cash dividends	0.50	0.50	0.50	0.50	0.48-1/2

</TABLE>

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RESULTS OF OPERATIONS

The following table shows the percentage relationship to sales of the items presented for the periods indicated.

<TABLE>
<CAPTION>

	1993	1992	1991
<S>	<C>	<C>	<C>
Net sales, including leased departments	100.0%	100.0%	100.0%
Gross profit	33.9	33.7	34.0
Selling, general and administrative expenses	31.1	30.4	30.3
Interest expense, net	1.9	1.9	2.1
Gain on sale of property	0.2	-	-
Earnings before income taxes	1.1	1.4	1.6
Net earnings	0.7	0.9	1.1

</TABLE>

1993 versus 1992

Sales in 1993 totalled $403,816,000, a decrease of 1.9% from 1992. The 1992 fiscal year included 53 weeks. On an equivalent 52 week basis, 1993 sales increased 0.1% and comparable store sales decreased 2.0%.

Women's apparel and accessories represented 64.6% of the Company's total business in 1993. Other major components were men's 12.5%, home accessories 9.5%, children's 9.1% and miscellaneous 2.4%. Leased department sales amounted to 1.9% of net sales in 1993.

The Company's gross profit percentage increased to 33.9% in 1993 from 33.7% in 1992, reflecting a higher markup percentage and lower markdowns. These improvements were partially offset by occupancy costs associated with a new store opened in November 1992 and higher inventory shortage. The 1993 LIFO benefit (including liquidation of most furniture LIFO reserves, as discussed below) reduced cost of merchandise sold by $181,000. The 1992 LIFO benefit totalled $201,000.

Selling, general and administrative expenses, as a percentage of sales, were 31.1% compared to 30.4% in 1992. This increase is due primarily to the decrease in sales and resulting lack of expense leverage. Selling, general and administrative expense dollars were essentially unchanged from 1992, principally reflecting the impact of one less week in 1993 and a reduction in health care expenses.

Interest expense in 1993 was substantially unchanged from 1992. The first full year impact of interest on $20,000,000 borrowed in November 1992 under the Company's term loan facility was offset by lower interest on real estate debt and interest capitalized on construction projects.

The Company adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes", as of the beginning of the 1993 fiscal year. Adoption had an immaterial impact on net earnings.

1993 net earnings totalled $3,014,000 or 52 cents per common share, compared to 1992 net earnings of $3,910,000 or 68 cents per share. As a percentage of sales, net earnings were 0.7% in 1993 as compared to 0.9% in 1992.

Net earnings in 1993 include an after-tax gain on sale of property of $636,000 or 11 cents per share.

In the Fall 1993, the Company phased out furniture departments in six stores to provide increased space for fashion apparel, accessories and home decorative departments. Furniture comprised less than 2 percent of Company-wide annual sales. Operating results for 1993 include a $1,400,000 reduction in the LIFO provision to reflect liquidation of most furniture LIFO reserves, largely offset by a charge to write down furniture inventories to net realizable value. The impact on net earnings was immaterial.

1992 versus 1991

Sales in 1992 totalled $411,631,000, an increase of 4.0% over 1991. Comparable store sales increased 2.9%. The 1992 fiscal year included 53 weeks. On an equivalent 52 week basis, the total sales gain was 2.4% and comparable store sales increased 1.4%. The 1992 comparable store sales increase reflects a sluggish economy, particularly in Michigan, with moderate price inflation primarily responsible for the reported sales gain.

Women's apparel and accessories represented 64.3% of the Company's total business in 1992. Other major components were men's 12.6%, home accessories 9.3%, children's 9.3%, and miscellaneous 2.5%. Leased department sales amounted to 2.0% of net sales in 1992.

The Company's gross profit percentage was 33.7% in 1992, down from 34.0% in 1991. This change reflects higher markdown levels and inventory shortage, the result of a sluggish economy and the general business activity level in Michigan stores, and of a four-month strike by distribution center employees and truck drivers in the Company's Jackson, Michigan, central distribution facility from February through May. This work stoppage delayed receipt of seasonal merchandise in the Company's Midwestern stores, resulting in significantly higher markdowns throughout the Spring/Summer season and into the early Fall. These additional costs were substantially offset by a LIFO benefit which reduced cost of merchandise sold by $201,000 in 1992 compared to a LIFO charge of $2,076,000 in 1991.

Selling, general and administrative expenses, as a percentage of sales, were 30.4% in 1992 compared to 30.3% in 1991. This change was primarily associated with increased health care expense offset by lower operating payrolls.

Interest expense decreased in 1992 from 1991, resulting from the March 1992 redemption of the Company's $10,000,000 10% Subordinated Debentures, partially offset by interest on $20,000,000 borrowed by the Company in November 1992 under its term loan facility and by lower short-term investment income.

1992 net earnings totalled $3,910,000 or 68 cents per common share, compared to 1991 net earnings of $4,218,000 or 73 cents per common share. As a percentage of sales, net earnings were 0.9% in 1992 as compared to 1.1% in 1991.

INFLATION

The Company cannot determine the precise effects of inflation on its business. Because of inflation, the Company experienced increases in the cost of merchandise and in certain operating expenses. The Company generally has been able to offset the effects of these increased expenses by adjusting prices, by using the LIFO method for valuing all merchandise inventories and by controlling expenses. The Company's ability to adjust prices is limited by competitive pressures in its market areas. The Department Store Inventory Price Indexes, published by the Bureau of Labor Statistics, are used to measure inflation's impact on inventories in the LIFO valuation. The BLS Index increased 1.3% overall in 1993, 0.6% in 1992, and 2.3% in 1991.

LIQUIDITY AND CAPITAL RESOURCES

At January 29, 1994, the Company's current ratio was 3.13 to 1 and working capital totalled $93,348,000, including $5,899,000 of cash and cash equivalents. At January 30, 1993, the current ratio was 3.07 to 1 and working capital totalled $100,779,000, including $8,301,000 of cash and cash equivalents. At January 25, 1992, the current ratio was 2.96 to 1 and working capital approximated $92,215,000, including $5,111,000 of cash and cash equivalents.

The Company utilizes cash flows from operations and short-term borrowings to fund its seasonal working capital needs. To support its seasonal requirements, the Company maintains a $35,000,000 unsecured revolving credit line through its consolidated, wholly-owned finance subsidiary, Jacobson Credit Corp. This facility provides for either or both of two interest rate alternatives. At January 29, 1994, no borrowings were outstanding under this facility. The Company also maintains a 10-year term loan facility which provides for borrowings of up to $40,000,000 on an unsecured basis at market rates in effect at the time of such borrowings. At January 29, 1994, the Company had borrowed $20,000,000 under this facility. These facilities provide sufficient capacity to fund present and anticipated working capital requirements.

A part of the Company's financial strategy is to own, or obtain long-term leases of its properties. Capital expenditures to modernize and refixture existing stores and support facilities generally are financed with internally-generated funds. New stores and major expansion projects generally are financed by first mortgages or comparable financing through the Company's consolidated, wholly-owned real estate subsidiary, Jacobson Stores Realty Company, or through long-term leases. Future expansion is expected to be financed in a similar manner.

CASH FLOWS

Cash and cash equivalents decreased $2,402,000 in 1993, increased $3,190,000 in 1992 and decreased $1,415,000 in 1991. Cash flows are impacted by operating, investing and financing activities. In 1993, operating activities provided $16,303,000 of cash, up from $7,684,000 in 1992 and $14,623,000 in 1991. The increase in 1993 versus 1992 reflects principally reductions in inventory levels, including discontinuance of most furniture departments. The reduction in 1992 versus 1991 reflects primarily start-up working capital requirements for a new store opened in late 1992.

Investing activities used cash of $18,263,000, $8,381,000 and $5,092,000 in 1993, 1992 and 1991, respectively. Investing activities included capital expenditures for the acquisition and fixturing of new stores, and expansion, modernization and refixturing of existing stores and support facilities totalling $17,519,000, $6,034,000 and $3,619,000 in 1993, 1992, and 1991, respectively. In addition, the Company incurred capital lease obligations (not included in cash investing activities above) primarily for computer hardware and related software totalling $1,085,000, $1,257,000 and $2,143,000 in 1993, 1992 and 1991, respectively.

Financing activities used cash of $442,000 in 1993, provided cash of $3,887,000 in 1992 and used cash of $10,946,000 in 1991. In 1993, the Company obtained $8,000,000 first mortgage financing, and used $5,552,000 of cash to service current maturities of long-term debt and to retire the mortgage debt on its former downtown store facility in Ann Arbor. The Company borrowed $20,000,000 in 1992 at a fixed rate of 7.73% under its term loan facility, and used $13,224,000 of cash to redeem its $10,000,000 10% Subordinated Debentures due April 1993 and to service current maturities of long-term debt. In 1991, the Company retired a $5,000,000 unsecured Term Loan at maturity and used $3,056,000 of cash to service current maturities of long-term debt. The Company paid common stock dividends of $2,890,000 in each of 1993, 1992 and 1991.

The Company believes its cash flows from operations, along with its borrowing capacity and access to financial markets are adequate to fund its operations, debt maturities and strategies for future growth.

CORPORATE DEVELOPMENT

The Company's strategy is to achieve consistent, long-term growth both by maintaining and improving market share in its existing communities and by entering new markets.

In 1992, the Company completed a 37,000 square foot expansion of its Florida regional distribution center using internally generated funds and opened a 46,000 square foot leased store in a new shopping center, Waterside Shops at Pelican Bay, Naples, Florida.

In January 1993, the Company purchased a 101,000 square foot building and related parking in Briarwood Mall, Ann Arbor, Michigan, and relocated its store operations to that location in September 1993. The Company obtained mortgage financing to fund the purchase and renovation of the Briarwood store. The Company sold its interest in its former downtown store facility.

In March 1994, the Company signed a lease for a 161,000 square foot building and related parking in the Oxmoor Center, Louisville, Kentucky. The Company is currently renovating the building and plans to open the store in November 1994.

An Equal Employment Opportunity Commissioner's Charge was filed against the Company in June 1984, alleging discriminatory recruiting and hiring practices in three of the Company's stores. In September 1992, the Commission issued its determination that there was reasonable cause to believe that the Company had engaged in certain unlawful employment practices at those three locations in violation of Title VII of the Civil Rights Act of 1964. In June 1993, the Company and the Commission executed a Conciliation Agreement to settle the Charge. The settlement did not have a material effect on the Company's operating results and financial condition.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The following financial statements and supplementary financial information are filed as part of this report on pages F-1 through F-17 and S-1 through S-5:

Consolidated Statements of Earnings, Three Fiscal Years Ended January 29, 1994.

Consolidated Statements of Cash Flows, Three Fiscal Years Ended January 29, 1994.

Consolidated Balance Sheets, January 29, 1994, January 30, 1993, and January 25, 1992.

Consolidated Statements of Shareholders' Equity, Three Fiscal Years Ended January 29, 1994.

Notes to Consolidated Financial Statements.

Summary of Significant Accounting Policies.

Report of Independent Public Accountants.

Quarterly Information (Unaudited).

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

ITEM 11. EXECUTIVE COMPENSATION.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information called for by Part III is incorporated by reference from those portions of the registrant's definitive proxy statement for its 1994 Annual Meeting of Shareholders to be held May 26, 1994, filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Form 10-K, appearing under the following captions:

"Voting Securities and Principal Holders Thereof" (pages 1-3, inclusive, of the proxy statement).

"Election of Directors" (pages 3-7, inclusive, thereof).

"Executive Compensation" (pages 8-11, inclusive, thereof); but excluding from this incorporation by reference everything appearing under the captions "Organization and Compensation Committee Report on Executive Compensation" and "Performance Graph" (pages 11-13, inclusive, thereof).

For the purpose of stating the aggregate market value of voting stock held by non-affiliates, on the cover of this report, the registrant considers that the directors of the registrant, the executive officers listed on pages 9-10 of this report, Marjorie L. Rosenfeld, David A. Rosenfeld, the Jacobson's Retirement Savings and Profit Sharing Plan, the Jacobson Pension Plan, and The Jacobson Stores Foundation are affiliates, and that all other shareholders are non-affiliates. This statement is without prejudice to the classification of any shareholder at other times or for other purposes.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) The following financial statements, financial statement schedules, and exhibits are filed as part of this report:

<TABLE>
<CAPTION>

(1)	FINANCIAL STATEMENTS:	Page No.
<S>	<C>	<C>
	Consolidated Statements of Earnings, Three Fiscal Years Ended January 29, 1994	F-1
	Consolidated Statements of Cash Flows, Three Fiscal Years Ended January 29, 1994	F-2
	Consolidated Balance Sheets, January 29, 1994, January 30, 1993, and January 25, 1992	F-3

	Consolidated Statements of Shareholders' Equity, Three Fiscal Years Ended January 29, 1994	F-4
	Notes to Consolidated Financial Statements	F-5/ F-13
	Summary of Significant Accounting Policies	F-14
	Report of Independent Public Accountants	F-15
	Quarterly Information (Unaudited)	F-16/ F-17
(2)	FINANCIAL STATEMENT SCHEDULES:	
	Report of Independent Public Accountants	S-1
	Schedule V - Property and Equipment, Three Fiscal Years Ended January 29, 1994	S-2
	Schedule VI - Accumulated Depreciation and Amortization of Property and Equipment, Three Fiscal Years Ended January 29, 1994	S-3
	Schedule VIII - Valuation and Qualifying Accounts and Reserves, Three Fiscal Years Ended January 29, 1994	S-4
	Schedule X - Supplemental Income Statement Information, Three Fiscal Years Ended January 29, 1994	S-5

</TABLE>

All schedules, except those set forth above, have been omitted since the information required to be submitted has been included in the consolidated financial statements or notes thereto or has been omitted as not applicable or not required.

<TABLE>
<CAPTION>

(3) EXHIBITS:

<S>	<C>
3(a)	By-laws, Jacobson Stores Inc., as amended March 17, 1994
10(a)	Employment Agreement dated March 23, 1994 between Jacobson Stores Inc. and Mark K. Rosenfeld
10(b)	Employment Agreement dated March 23, 1994 between Jacobson Stores Inc. and Paul W. Gilbert
10(c)	Employment Agreement dated March 23, 1994 between Jacobson Stores Inc. and James B. Fowler
10(d)	Executive Employment Agreement dated March 26, 1994 between Jacobson Stores Inc. and Robert L. Moles
10(e)	1994 Management Incentive Plan
11	Computation of Earnings per Share
21	Schedule of subsidiaries
23	Consent of Arthur Andersen & Co.

</TABLE>

In addition, the previously-filed exhibits listed below are incorporated herein by reference. (All references are to Securities and Exchange Commission File #0-6319 unless otherwise noted.)

<TABLE>
<CAPTION>

Current   Identification of

Exhibit	Description of Exhibit	Prior Filing
3(b)	Restated Articles of Incorporation, Jacobson Stores Inc., as amended and restated May 25, 1989	Exhibit 19(a) to Form 10-Q, Quarter Ended April 29, 1989
3(c)	Certificate of Designation, Preferences and Rights of Preferred Stock of Jacobson Stores Inc.	Exhibit 3(a) to Form 10-Q, Quarter Ended October 29, 1988
4(a)	Election under Section 780, Michigan Business Corporation Act	Exhibit 28 to Form 10-Q, Quarter Ended October 27, 1984

Current Exhibit	Description of Exhibit	Identification of Prior Filing
4(b)	Indenture dated as of December 15, 1986 between Jacobson Stores Inc. and National Bank of Detroit, as Trustee	File #33-10532: Exhibit 4(a) to Form S-2 (Amendment No. 1), filed December 12, 1986
4(c)	Rights Agreement dated as of October 4, 1988 between Jacobson Stores Inc. and Manufacturers National Bank of Detroit, as Rights Agent; Change of Rights Agent, Effective June 1, 1989	Exhibit I to Form 8-A and Exhibit 4 to Form 8-K, October 7, 1988; Exhibit 1 to Amendment No. 1 to Form 8-A, May 16, 1989
4(d)	Jacobson Credit Corp. $35,000,000 Amended and Restated Revolving Credit Agreement, dated as of November 20, 1992	Exhibit 4(a) to Form 10-Q, Quarter Ended October 24, 1992
4(e)	Jacobson Stores Inc. $40,000,000 Term Loan Agreement, dated as of November 20, 1992	Exhibit 4(b) to Form 10-Q, Quarter Ended October 24, 1992
9	Voting and Transfer Restriction Agreement, effective December 31, 1990	Exhibit 9 to Form 10-K, Year Ended January 26, 1991
10(f)	Restated Executive Employment Agreement dated March 23, 1993 between Jacobson Stores Inc. and Nathan Forman	Exhibit 10(a) to Form 10-K, Year Ended January 30, 1993
10(g)	Employment Agreement dated August 25, 1992 between Jacobson Stores Inc. and John R. Fowler	Exhibit 10(a) to Form 10-Q, Quarter Ended July 25, 1992
10(h)	Jacobson Stores Inc. Deferred Compensation Plan	Exhibit 10(c) to Form 10-K, Year Ended January 26, 1991

With the exception of Exhibits 4(b), 4(d) and 4(e), instruments defining the rights of holders of long-term debt of the registrant and its subsidiaries have been omitted. The amount of debt authorized under each such instrument is less than 10% of the total assets of the registrant and its subsidiaries on a consolidated basis. The registrant agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.

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In addition to Exhibits 10(a) to 10(d), inclusive, and 10(f), the registrant has employment agreements with four other executive officers, which are not considered material in amount or significance.

(b) The registrant did not file any report on Form 8-K during the last quarter of the period covered by this report.

(c) See Item 14(a) (3).

(d) See Item 14(a) (2).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATE: April 14, 1994 JACOBSON STORES INC.

By: /s/ Mark K. Rosenfeld
Mark K. Rosenfeld, Chairman of the Board and Chief Executive Officer

By: /s/ Paul W. Gilbert
Paul W. Gilbert, Vice Chairman of the Board (Principal Financial Officer)

By: /s/ Timothy J. Spalding
Timothy J. Spalding, Vice President and Controller (Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

JACOBSON STORES INC.	Date
By: /s/ Mark K. Rosenfeld Mark K. Rosenfeld, Chairman of the Board and Chief Executive Officer, and Director	April 14, 1994
By: /s/ Paul W. Gilbert Paul W. Gilbert, Vice Chairman of the Board, and Director	April 14, 1994
By: /s/ James B. Fowler James B. Fowler, President and Director	April 14, 1994

JACOBSON STORES INC. Date

By: /s/ Herbert S. Amster April 14, 1994

Herbert S. Amster, Director

By: /s/ Frank Couzens, Jr. April 14, 1994

Frank Couzens, Jr., Director

By: /s/ J. R. Fowler April 14, 1994

J. R. Fowler, Director

By: /s/ Herman S. Kohlmeyer, Jr. April 14, 1994

Herman S. Kohlmeyer, Jr., Director

By: /s/ Kathleen McCree Lewis April 14, 1994

Kathleen McCree Lewis, Director

By: April 14, 1994

Patricia Shontz Longe, Director

By: /s/ Michael T. Monahan April 14, 1994

Michael T. Monahan, Director

By: /s/ Philip H. Power April 14, 1994

Philip H. Power, Director

By: /s/ Richard Z. Rosenfeld April 14, 1994

Richard Z. Rosenfeld, Director

By: /s/ Robert L. Rosenfeld April 14, 1994

Robert L. Rosenfeld, Director

By: /s/ James L. Wolohan April 14, 1994

James L. Wolohan, Director

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

<TABLE>
<CAPTION>

	Year Ended		
(in thousands except per share data)	January 29, 1994	January 30, 1993 (1)	January 25, 1992
<S>	<C>	<C>	<C>
NET SALES, including leased departments	$403,816	$411,631	$395,677
COSTS AND EXPENSES:			
Cost of merchandise sold, buying and occupancy expenses	266,882	272,962	260,867
Selling, general and administrative expenses	125,759	125,218	119,934
Interest expense, net	7,544	7,557	8,382
Gain on sale of property	(979)	--	--

Total costs and expenses	399,206	405,737	389,183
EARNINGS BEFORE INCOME TAXES	4,610	5,894	6,494
PROVISION FOR INCOME TAXES	1,596	1,984	2,276
NET EARNINGS	$ 3,014	$ 3,910	$ 4,218
EARNINGS PER COMMON SHARE:			
Primary and Fully Diluted	$0.52	$0.68	$0.73

(1) 53 week year.

</TABLE>

The accompanying notes (pages F-5 through F-13) and summary of significant accounting policies (page F-14) are an integral part of these statements.

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

(in thousands)	Year Ended January 29, 1994	January 30, 1993 (1)	January 25, 1992
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 3,014	$ 3,910	$ 4,218
Gain on sale of property, net of income tax	(636)	--	--
Adjustments to reconcile net earnings to cash provided by operating activities:			
Depreciation and amortization	9,404	8,865	8,877
Deferred taxes	164	1,047	589
Other liabilities	(14)	53	121
Change in:			
Receivables from customers, net	3,791	2,325	1,331
Merchandise inventories	4,854	(8,537)	(3,485)
Prepaid expenses and other assets	1,052	(1,300)	405
Accounts payable and accrued expenses	(6,021)	2,038	3,137
Accrued income taxes	695	(717)	(570)
Net cash provided by operating activities	16,303	7,684	14,623
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, net of income tax	2,096	--	--
Additions to property and equipment	(17,519)	(6,034)	(3,619)
Other non-current assets	(2,840)	(2,347)	(1,473)
Net cash used in investing activities	(18,263)	(8,381)	(5,092)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Additions to long-term debt	8,000	20,000	--
Reduction of long-term debt	(5,552)	(13,224)	(8,056)
Cash dividends paid	(2,890)	(2,890)	(2,890)
Proceeds from exercise of stock options	--	1	--
Net cash provided by (used in) financing activities	(442)	3,887	(10,946)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,402)	3,190	(1,415)
Cash and cash equivalents, beginning of year	8,301	5,111	6,526
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,899	$ 8,301	$ 5,111

(1) 53 week year.

</TABLE>

SUPPLEMENTARY CASH FLOW INFORMATION

The Company considers all short-term investments with a maturity at date of purchase of three months or less to be cash equivalents.

Investing and financing activities not reported in the Consolidated Statements of Cash Flows, because they do not involve cash, include equipment acquired through capital lease obligations of $1,085,000 in 1993, $1,257,000 in 1992 and $2,143,000 in 1991.

Interest paid (net of interest capitalized) was $7,165,000 in 1993, $7,218,000 in 1992 and $7,995,000 in 1991. Income tax payments were $753,000 in 1993, $1,670,000 in 1992 and $2,235,000 in 1991.

The accompanying notes (pages F-5 through F-13) and summary of significant accounting policies (page F-14) are an integral part of these statements.

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

(in thousands)	Year Ended January 29, 1994	January 30, 1993	January 25, 1992
<S>	<C>	<C>	<C>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 5,899	$ 8,301	$ 5,111
Receivables from customers, net	45,668	49,459	51,784
Merchandise inventories	80,768	85,622	77,085
Prepaid expenses and other assets	1,920	2,972	1,672
Deferred taxes	2,969	3,027	3,567
Total current assets	137,224	149,381	139,219
PROPERTY AND EQUIPMENT, NET	96,526	88,786	90,360
OTHER ASSETS	15,068	12,228	9,881
	$248,818	$250,395	$239,460
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt	$ 3,971	$ 3,371	$ 3,094
Accounts payable	25,247	30,255	28,372
Accrued expenses	13,734	14,747	14,592
Accrued income taxes	924	229	946
Total current liabilities	43,876	48,602	47,004
LONG-TERM DEBT	108,203	105,270	97,514
DEFERRED TAXES	7,722	7,616	7,109
OTHER LIABILITIES	1,503	1,517	1,464
SHAREHOLDERS' EQUITY:			
Common stock	5,966	5,966	5,966
Paid-in surplus	7,109	7,109	7,108
Retained earnings	74,838	74,714	73,694
Treasury stock	(399)	(399)	(399)
	87,514	87,390	86,369

	$248,818	$250,395	$239,460

</TABLE>

The accompanying notes (pages F-5 through F-13) and summary of significant accounting policies (page F-14) are an integral part of these statements.

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

(in thousands except number of shares)	Common Stock	Paid-in Surplus	Retained Earnings	Treasury Stock
<S>	<C>	<C>	<C>	<C>
BALANCE, January 26, 1991	$5,966	$7,108	$72,366	$(399)
FIFTY-TWO WEEKS ENDED January 25, 1992:				
Net earnings			4,218	
Dividends paid, 50 cents per share			(2,890)	
BALANCE, January 25, 1992	5,966	7,108	73,694	(399)
FIFTY-THREE WEEKS ENDED January 30, 1993:				
Net earnings			3,910	
Dividends paid, 50 cents per share			(2,890)	
Exercise of stock options		1		
BALANCE, January 30, 1993	5,966	7,109	74,714	(399)
FIFTY-TWO WEEKS ENDED January 29, 1994:				
Net earnings			3,014	
Dividends paid, 50 cents per share			(2,890)	
BALANCE, January 29, 1994	$5,966	$7,109	$74,838	$(399)

</TABLE>

PREFERRED STOCK
Authorized 1,000,000 shares, $1 par value; no shares outstanding at January 25, 1992, January 30, 1993 and January 29, 1994.

COMMON STOCK
Authorized 15,000,000 shares, $1 par value; 5,966,141 shares issued at January 25, 1992, and 5,966,221 shares issued at January 30, 1993 and January 29, 1994. Shares issued include 187,200 shares in treasury at January 25, 1992, January 30, 1993 and January 29, 1994.

The accompanying notes (pages F-5 through F-13) and summary of significant accounting policies (page F-14) are an integral part of these statements.

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<TABLE>
<CAPTION>

TAXES

The provisions for income taxes consisted of:

(in thousands)	1993	1992	1991
Currently payable	$1,432	$ 937	$1,687
Current deferred:			
Alternative minimum tax	314	120	(107)
Expenses deductible for tax purposes only at time of payment	(256)	420	103
Non-current deferred:			
Accelerated depreciation	(574)	(247)	(212)
Additional pension cost deductible for tax purposes	692	835	846
Other timing differences, net	(12)	(81)	(41)
	$1,596	$1,984	$2,276

</TABLE>
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Income taxes as a percent of earnings before income taxes differed from the statutory Federal income tax rate as follows:

(percent of earnings before income taxes)	1993	1992	1991
Statutory Federal income tax rate	34.0%	34.0%	34.0%
State income tax	0.1	(0.6)	1.0
Other	0.5	0.3	--
	34.6%	33.7%	35.0%

</TABLE>
<TABLE>
<CAPTION>

Deferred income taxes represent temporary differences in the recognition of certain items for income tax and financial reporting purposes. The components of the net deferred income tax liability at January 29, 1994 and January 31, 1993 (the first day of the 1993 fiscal year) were as follows:

(in thousands)	January 1994	January 1993
Deferred Tax Liabilities:		
Accelerated depreciation	$4,475	$4,472
Additional pension cost deductible for tax purposes	3,930	3,248
Other	455	923
	8,860	8,643
Deferred Tax Assets:		
Accrued vacation pay	1,144	1,106
Additional inventory capitalized for tax purposes	1,044	930
Alternative minimum tax credit carry forward	277	590
Other	1,642	1,449
	4,107	4,075
	$4,753	$4,568

</TABLE>
<TABLE>
<CAPTION>

Taxes, other than income taxes, were as follows:

(in thousands)	1993	1992	1991
Payroll taxes	$ 7,167	$ 7,454	$ 7,481
Real estate and personal property taxes	4,134	4,389	4,442
Other taxes	1,116	1,349	1,433
	$12,417	$13,192	$13,356

</TABLE>

INTEREST EXPENSE

<TABLE>
<CAPTION>

Components of net interest expense are summarized below:

(in thousands)	1993	1992	1991
<S>	<C>	<C>	<C>
Short-term borrowings	$ 167	$ 291	$ 209
Real estate obligations	3,380	3,986	4,303
Long-term debt	3,908	2,751	3,570
Capital lease obligations	487	587	583
	7,942	7,615	8,665
Less interest earned on short-term investments	66	58	283
Less interest capitalized on properties under development	332	--	--
	$7,544	$7,557	$8,382

</TABLE>

CUSTOMER CREDIT AND RECEIVABLES

Credit sales under Jacobson credit plans were 48.4% of total sales in 1993, 50.7% in 1992 and 52.8% 1991. Credit plans consist of option and extended payment accounts.

<TABLE>
<CAPTION>

Revenues and direct costs associated with the Company's credit program are summarized below:

(in thousands)	1993	1992	1991
<S>	<C>	<C>	<C>
Finance charge revenues	$5,660	$5,968	$6,290
Cost of credit operations:			
Credit and collection administration	1,389	1,646	2,108
Allocated interest expense	1,813	2,015	3,214
Provision for doubtful accounts, net of recoveries	720	1,116	1,064
Provision (credit) for income taxes	591	405	(33)
	4,513	5,182	6,353
Net income from (cost of) credit program	$1,147	$ 786	$ (63)
As a percent of credit sales	0.6%	0.4%	- %

</TABLE>

The finance charge rate assessed under the Company's credit plans has remained unchanged for 1993, 1992 and 1991. Allocated interest expense is computed at the average rate of interest incurred by Jacobson Credit Corp. (the Company's consolidated, wholly-owned finance subsidiary) applied to the average total receivables from customers. The average rate was 3.8% in 1993, 4.0% in 1992 and 6.3% in 1991.

<TABLE>
<CAPTION>

Receivables from customers at year-end were as follows:

(in thousands)	January 1994	January 1993	January 1992
<S>	<C>	<C>	<C>
Receivables from customers	$46,498	$50,360	$52,684
Less reserve for doubtful accounts	830	901	900
	$45,668	$49,459	$51,784

</TABLE>

Accounts written off, net of recoveries, were $791,000 in 1993, $1,115,000 in 1992 and $1,272,000 in 1991 (0.40%, 0.53% and 0.61%, respectively, of credit sales).

MERCHANDISE INVENTORIES

<TABLE>
<CAPTION>

All merchandise inventories are valued at cost, which is lower than market, as determined by the retail last-in, first-out (LIFO) method. At year-end, merchandise inventories were as follows:

(in thousands)	January 1994	January 1993	January 1992
<S>	<C>	<C>	<C>
Inventories at first-in, first-out (FIFO) cost	$100,607	$105,642	$97,306
Less LIFO reserves	19,839	20,020	20,221
	$ 80,768	$ 85,622	$77,085

</TABLE>

The change in LIFO reserves from January 1993 to January 1994 includes a $1,400,000 liquidation of most furniture LIFO reserves as a result of the Company's phase-out of furniture departments in six stores in 1993.

PROPERTY AND EQUIPMENT

<TABLE>
<CAPTION>

Property and equipment year-end are set forth below:

(in thousands)	January 1994	January 1993	January 1992
<S>	<C>	<C>	<C>
Land and improvements	$ 9,329	$ 9,299	$ 9,221
Buildings and improvements	89,608	82,398	81,765
Furniture, fixtures and equipment	38,870	31,621	30,673
Leasehold improvements	9,211	9,627	9,377
Construction in progress	1,089	2,405	92
Capital leases	10,403	11,321	11,688
	158,510	146,671	142,816
Less accumulated depreciation and amortization	61,984	57,885	52,456
	$96,526	$88,786	$90,360

</TABLE>

Depreciation and amortization amounted to $9,404,000 in 1993, $8,865,000 in 1992 and $8,877,000 in 1991.

CAPITAL AND MAINTENANCE EXPENDITURES

<TABLE>
<CAPTION>

Capital expenditures, including amounts under capital leases, for the past three years are summarized below:

(in thousands)	Stores and Store Modernization	Support Facilities and Equipment	Total
<S>	<C>	<C>	<C>
1993	$15,503	$3,101	$18,604
1992	4,350	2,941	7,291
1991	3,187	2,575	5,762

</TABLE>

Stores and store modernization expenditures include those made for the acquisition of land, buildings and improvements, and related fixtures and equipment for new stores and expansion and re-fixturing of existing stores. Support facilities and equipment expenditures relate to corporate office and distribution centers and other non-store expenditures.

Repairs and maintenance expense totalled $1,737,000 in 1993, $1,630,000 in 1992 and $1,621,000 in 1991.

LONG-TERM LEASES

At January 29, 1994, the Company was obligated under non-cancellable long-term leases for certain stores or portions of stores, and for certain fixtures and equipment. Many of the leases contain renewal options. Most require payment of taxes, insurance, and other costs applicable to the property, and some require additional rentals based on percentages of sales.

<TABLE>
<CAPTION>

Future minimum rental commitments (net of rental income) as of January 29, 1994, for all non-cancellable leases which had a remaining term of more than one year were as follows:

(in thousands)	Operating Leases	Capital Leases
<S>	<C>	<C>
1994	$ 4,601	$2,159
1995	4,430	1,889
1996	4,270	893
1997	4,305	560
1998	4,176	225
Thereafter	60,047	272
Total minimum lease payments	$81,829	5,998
Less imputed interest		863
Capital lease obligations, including current maturities of $1,779		$5,135

</TABLE>

Capital leases provide the Company with the economic benefits and risks of ownership. These leases are capitalized and treated as installment purchases of depreciable property. Capital leases are included in the balance sheets as property and equipment while the related lease obligations are included in current portion of long-term debt. Interest based on these obligations and amortization based on the lease terms are charged to current operations in lieu of rental expense.

All other leases are considered operating leases. Operating leases are accounted for by recording rental expense over the terms of the leases. Additional rentals based on percentages of sales are recorded as rental for both capital and operating leases.

<TABLE>
<CAPTION>

Rental expense (net of rental income) was as follows:

(in thousands)	1993	1992	1991
<S>	<C>	<C>	<C>
Buildings and improvements:			
Operating leases:			
Minimum rent	$3,914	$3,496	$2,723
Percentage rent	1,013	1,418	1,359
Capital leases:			
Percentage rent	356	295	315
	$5,283	$5,209	$4,397
Fixtures and equipment:			
Operating leases	$ 947	$ 922	$ 840

</TABLE>

FINANCING

Jacobson Credit Corp. has available an unsecured line of credit of $35,000,000 under a three year Revolving Credit Agreement with two banks. The Agreement provides for either or both of two interest rate alternatives, at the Company's option, which historically are below the prime rate of interest of the lending banks. Borrowings under this Agreement mature on June 30, 1996. On each June 30, this maturity date extends one year unless terminated by written notice. The Agreement requires a facility fee equal to 1/4 of 1% of the line per annum. Compensating balances are not required. There were no borrowings outstanding under the Agreement at January 29, 1994.

<TABLE>
<CAPTION>

Short-term borrowings and interest rates for the past three years were as follows:

(in thousands)	1993	1992	1991
<S>	<C>	<C>	<C>
Maximum amount outstanding	$16,500	$30,700	$20,500
Daily weighted average amount outstanding	$ 4,393	$ 7,215	$ 3,735
Daily weighted average interest rate	3.8%	4.0%	5.6%

</TABLE>

<TABLE>
<CAPTION>

At year end, long-term debt, less current maturities, consisted of the following:

(in thousands)	January 1994	January 1993	January 1992
<S>	<C>	<C>	<C>
6-3/4% Convertible Subordinated Debentures due 2011	$ 34,500	$ 34,500	$34,500
Mortgage notes and collateral trust bonds due through 2005, at rates from 6.44% to 9.5%	40,482	36,039	37,157
7.73% unsecured term loan due 2002	20,000	20,000	--
Industrial development revenue bond obligations, due through 2015, at variable rates below prime	9,865	10,509	11,288
10% Subordinated Debentures, net of original issue discount	--	--	10,000
	104,847	101,048	92,945
Capital lease obligations	3,356	4,222	4,569
	$108,203	$105,270	$97,514

</TABLE>

The 6-3/4% Convertible Subordinated Debentures are convertible to shares of the Company's common stock at any time prior to maturity, unless previously redeemed, at $32.67 per share, subject to adjustment in certain events. The debentures are redeemable, in whole or in part, at the option of the Company at declining premiums to December 15, 1996, and thereafter at par. Mandatory annual sinking fund payments of $1,725,000 are required beginning December 15, 1996. At January 29, 1994, 1,056,000 shares of authorized common stock were reserved for conversion.

The Company has a ten-year Term Loan Agreement with two banks which provides for borrowings of up to $40,000,000 on an unsecured basis at market rates in effect at the time of such borrowings. The Term Loan Agreement provides for payments of interest only through December 31, 1995, with quarterly principal repayments commencing March 31, 1996. The Company has $20,000,000 outstanding under this facility at January 29, 1994 at a fixed rate of 7.73%.

Loan agreements include, among other things, covenants requiring minimum working capital, minimum net worth and minimum cash flow and restricting capital stock redemptions and dividend payments. Under the most restrictive net worth covenant, at January 29, 1994, $9,051,000 was available for capital stock redemptions and dividend payments.

<TABLE>
<CAPTION>

Aggregate maturities of long-term debt for the next five years are as follows:

(in thousands)	Long-Term Debt	Capital Lease Obligations (1)	Total
<S>	<C>	<C>	<C>
1994	$2,192	$1,779	$3,971
1995	1,911	1,684	3,595
1996	5,768	790	6,558
1997	6,028	509	6,537
1998	6,329	203	6,532

(1) Excluding imputed interest.

</TABLE>

Based on the quoted market price of the 6-3/4% Convertible Subordinated Debentures due 2011 and on the current rates offered to the Company for other long-term debt of similar remaining maturities, the estimated fair value of total long-term debt, excluding capital lease obligations, was less than the carrying value by approximately $5,700,000 at January 29, 1994 and $3,300,000 at January 30, 1993.

ACCRUED EXPENSES

<TABLE>
<CAPTION>

Accrued expenses at year-end were as follows:

(in thousands)	January 1994	January 1993	January 1992
<S>	<C>	<C>	<C>
Wages and vacation pay	$ 6,272	$ 6,541	$ 5,682
Pension	1,100	1,621	2,333
Taxes other than income taxes	2,310	2,583	2,849
Interest	801	867	1,048
Other	3,251	3,135	2,680
	$13,734	$14,747	$14,592

</TABLE>

GAIN ON SALE OF PROPERTY

In 1993, the Company relocated its Ann Arbor, Michigan, store operations to the Briarwood Mall and sold its interest in its downtown store facility at an after-tax gain of $636,000.

STOCK OPTIONS

At January 29, 1994, 153,160 shares of Jacobson Stores Inc. common stock were reserved for issuance under a stock option plan adopted in 1983. The option price is not less than the fair market value at the date of grant. After December 4, 1993, no more options may be granted under this plan. The Company's shareholders will be asked to approve a proposed new stock option plan at the 1994 Annual Meeting of Shareholders.

<TABLE>
<CAPTION>

Option activity for the past three years was as follows:

	Number of Shares	Option Price Per Share
<S>	<C>	<C>
Options outstanding at January 26, 1991	144,980	$14.00 - 25.58

Activity during 1991:		
Granted	53,555	16.50 - 19.80
Exercised	35	14.00
Expired	59,075	14.00 - 25.58
Options outstanding at January 25, 1992	139,425	14.00 - 25.03
Activity during 1992:		
Granted	95,000	13.75 - 16.00
Exercised	80	14.00
Expired	38,020	14.00 - 25.03
Options outstanding at January 30, 1993	196,325	13.75 - 21.75
Activity during 1993:		
Granted	7,000	12.25 - 14.00
Expired	50,165	13.75 - 21.75
Options outstanding at January 29, 1994	153,160	$12.25 - 21.75

</TABLE>

PREFERRED STOCK PURCHASE RIGHTS

The Company has a Preferred Stock Purchase Rights Plan, under which a Right is attached to each share of the Company's Common Stock. Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Series A Preferred Stock at an exercise price of $100, subject to adjustment. The Company has reserved 100,000 shares of Series A Preferred Stock for issuance on exercise of the Rights. The Rights trade with the Company's Common Stock and will become exercisable 10 days after any person or group acquires 25% or more of the Company's Common Stock, or commences or announces an offer for 30% or more of the Company's Common Stock. After the Rights become exercisable, if the Company is acquired in a merger or other business combination or if 50% or more of its assets or earning power are sold, each Right will entitle the holder to purchase, at the then current exercise price of the Right, shares of common stock of the acquiring company having a market value of twice the exercise price of the Right. Alternatively, if a 25% shareholder acquires the Company by means of a reverse merger in which the Company and its stock survive, or if such shareholder engages in self-dealing transactions with the Company or acquires beneficial ownership of 40% or more of the Company's Common Stock other than by means of a fair offer to buy all shares, each Right (except those of the acquiring person or group) will entitle its holder to purchase, on exercise, shares of the Company's Common Stock having a market value of twice the current exercise price of each Right. The Rights may be redeemed by the Company for one cent per Right until 30 days after a person or group acquires 25% or more of the Company's Common Stock, and will expire on October 25, 1998.

RETIREMENT PLANS

The Company has a trusteed non-contributory defined benefit pension plan covering substantially all of its employees. Benefits under the plan are based on a career average pay formula. Service cost and the projected benefit obligation under the projected unit credit actuarial method reflect the impact of estimated increases in compensation on future pension benefits. Unrecognized pension costs and credits, including actuarial gains and losses, are amortized over the average remaining service period of those employees expected to receive pension benefits. The Company has no unrecognized prior service cost. Pension expense was $1,160,000 in 1993, $1,083,000 in 1992 and $729,000 in 1991. The Company's funding policy satisfies the minimum funding requirements of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986. Pension plan assets are held and managed by an independent trustee.

<TABLE>
<CAPTION>

Net periodic pension expense, the funded status of the plan, and the related actuarial assumptions for the past three years are as follows:

Components of Net Pension Expense (in thousands)	1993	1992	1991
Service cost for benefits earned during the year	$1,799	$1,639	$1,290
Interest cost on projected benefit obligation	2,602	2,394	2,138
Actual return on assets	(1,365)	(2,337)	(6,288)
Net amortization and deferral	(1,876)	(613)	3,589
Net pension expense	$1,160	$1,083	$ 729

<CAPTION>

Funded Status (in thousands)	December 31, 1993	1992	1991
Actuarial present value of accumulated plan benefits:			
Vested	$33,697	$29,083	$25,257
Non-vested	1,626	1,569	1,543
Accumulated benefit obligation	$35,323	$30,652	$26,800
Projected benefit obligation	$40,957	$35,098	$30,622
Fair market value of assets	39,872	36,970	33,321
Plan assets in excess of (less than) projected benefit obligation	(1,085)	1,872	2,699
Unrecognized net assets at transition	(1,129)	(1,454)	(1,779)
Unrecognized net loss	11,330	6,284	3,406
Net prepaid pension cost	$ 9,116	$ 6,702	$ 4,326

<CAPTION>

Actuarial Assumptions	1993	1992	1991
Discount rate:			
Beginning of year	7.5%	8.0%	8.5%
End of year	7.0	7.5	8.0
Expected return on plan assets	9.0	9.0	9.0
Rate of increase in compensation	5.0	5.0	5.0

</TABLE>

The Company contributed and charged to expense $339,000 in 1993, $171,000 in 1992 and $405,000 in 1991 for multi-employer pension plans. These contributions were determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of hours worked. Under the provisions of the Multi-Employer Pension Plan Amendments Act of 1980, if the Company should substantially or totally withdraw from a multi-employer pension fund, it would be required to continue contributions to such plan to the extent of its portion of the plan's unfunded vested liability. Management has no plans to terminate operations that would subject the Company to such liability.

CONDENSED BALANCE SHEETS

<TABLE>
<CAPTION>

Condensed balance sheets of Jacobson Stores Realty Company, Jacobson Credit Corp. and merchandising operations are shown below:

(in thousands)	January 1994	January 1993	January 1992
JACOBSON STORES REALTY COMPANY			

<S> <C> <C> <C>

Current assets	$ 159	$ 338	$ 48
Advances to Jacobson Stores Inc.	17,764	19,323	16,310
Property and equipment, net	63,186	56,498	60,038
Investments and other assets	1,146	793	889
Assets	$ 82,255	$ 76,952	$ 77,285
Current liabilities	$ 3,655	$ 3,187	$ 2,951
Long-term debt	50,089	46,324	48,018
Other liabilities	2,841	3,445	3,661
Equity of Jacobson Stores Inc.	25,670	23,996	22,655
Liabilities and Equity	$ 82,255	$ 76,952	$ 77,285

</TABLE>

<TABLE>
<CAPTION>

JACOBSON CREDIT CORP.

<S> <C> <C> <C>

Cash	$ 245	$ 212	$ 71
Advances to Jacobson Stores Inc.	7,993	7,962	7,965
Assets	$ 8,238	$ 8,174	$ 8,036
Current liabilities	$ 53	$ 85	$ 84
Equity of Jacobson Stores Inc.	8,185	8,089	7,952
Liabilities and Equity	$ 8,238	$ 8,174	$ 8,036

</TABLE>

<TABLE>
<CAPTION>

JACOBSON STORES INC. (merchandising operations)

<S> <C> <C> <C>

Current assets	$136,887	$148,908	$139,177
Property and equipment, net	33,340	32,288	30,322
Investments and other assets	17,442	15,022	12,656
Assets	$187,669	$196,218	$182,155
Current liabilities	$ 40,235	$ 45,407	$ 44,046
Long-term debt	58,114	58,946	49,496
Other liabilities	7,801	7,175	6,476
Advances from subsidiaries	25,757	27,285	24,275
Shareholders' equity	55,762	57,405	57,862
Liabilities and Equity	$187,669	$196,218	$182,155

</TABLE>

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CHANGE IN ACCOUNTING POLICY. Effective January 31, 1993 (the first day of the fiscal year), the Company adopted the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Adoption had an immaterial impact on net earnings.

BASIS OF REPORTING. Jacobson Stores Inc. operates specialty department stores in 25 cities in Michigan, Ohio, Indiana and Florida. The consolidated financial statements include the accounts of the Company and two wholly-owned subsidiaries, Jacobson Stores Realty Company and Jacobson Credit Corp. All significant inter-company transactions and balances have been eliminated.

FISCAL YEAR. The Company's fiscal year ends on the last Saturday in January.

Fiscal years 1993 and 1991 consisted of 52 weeks and ended January 29, 1994 and January 25, 1992, respectively. Fiscal 1992 consisted of 53 weeks and ended January 30, 1993.

SALES. Sales are net of returns and include sales by leased departments. Restaurant and alteration revenues are reflected as a reduction of cost of merchandise sold. Finance charge revenues are recorded as income when earned and are reflected as a reduction of selling, general and administrative expenses.

RECEIVABLES FROM CUSTOMERS. An account is reviewed for write-off if payment of 20% (one full monthly payment) has not been received during the previous four month period or if it is otherwise determined that the account is uncollectible.

MERCHANDISE INVENTORIES. All merchandise inventories are valued at cost, which is lower than market, as determined by the retail last-in, first-out (LIFO) method.

PROPERTY AND EQUIPMENT. Property and equipment are recorded at cost. Major replacements and improvements are charged to the property and equipment accounts. Maintenance, repairs and minor replacements are charged to expense as incurred. When assets are sold, retired, or fully depreciated, their cost and related accumulated depreciation and amortization are removed from the property and equipment accounts, and any gain or loss is reflected in the statements of earnings.

DEPRECIATION AND AMORTIZATION. Depreciation and amortization are provided on the straight-line basis over the estimated useful lives of the property and equipment, or over the respective lease terms, if such periods are shorter.

CAPITALIZATION OF INTEREST. Interest expense incurred on properties under development is capitalized to reflect properly the costs of properties up to the time they produce revenues. The amounts capitalized are then amortized over the respective lives of the depreciable assets.

PRE-OPENING EXPENSES. Expenditures of a non-capital nature associated with opening a new store are charged to expense using the straight-line method in the twelve months immediately following the opening.

INCOME TAXES. Deferred income taxes result from differences between the tax basis of an asset or liability and its reported amount in the financial statements (temporary differences) and are adjusted for changes in tax laws and rates.

EARNINGS PER SHARE. Primary earnings per share are computed by dividing net earnings by the weighted average shares of common stock and common stock equivalents outstanding during the year. Weighted average shares outstanding, excluding treasury shares, were 5,779,117 in 1993, 5,785,187 in 1992 and 5,786,190 in 1991. Fully diluted earnings per share are computed based on the additional assumption that the Company's 6-3/4% Convertible Subordinated Debentures due 2011 were converted to common stock at the date of issuance with a corresponding increase in net earnings to reflect reduction in related interest expense, net of income taxes. Weighted average shares outstanding used in the computation of fully diluted earnings per share were 6,835,132 in 1993, 6,841,188 in 1992 and 6,846,379 in 1991.

FINANCIAL INSTRUMENTS. With the exception of long-term debt and shareholders' equity, the Company records all financial instruments, including cash equivalents, receivables from customers and accounts payable, at or in amounts approximating market value.

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Jacobson Stores Inc.:

We have audited the accompanying consolidated balance sheets of JACOBSON STORES INC. (a Michigan corporation) and subsidiaries as of January 29, 1994, January 30, 1993, and January 25, 1992 and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the three fiscal years in the period ended January 29, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jacobson Stores Inc. and subsidiaries as of January 29, 1994, January 30, 1993, and January 25, 1992 and the results of their operations and their cash flows for each of the three fiscal years in the period ended January 29, 1994, in conformity with generally accepted accounting principles.

As explained in the Notes to Consolidated Financial Statements, effective January 31, 1993, the Company changed its method of accounting for income taxes in accordance with SFAS No. 109, "Accounting For Income Taxes."

Detroit, Michigan
March 4, 1994.

/s/ ARTHUR ANDERSEN & CO.

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

QUARTERLY INFORMATION (unaudited)

OPERATING RESULTS

The unaudited quarterly operating results shown below were prepared using the same accounting policies that are applied to the annual data.

<TABLE>
<CAPTION>

(in thousands, except per share data)	Quarter First	Second	Third	Fourth
<S>	<C>	<C>	<C>	<C>
1993				
Net sales	$96,063	$88,049	$90,436	$129,268
Cost of merchandise sold, buying and occupancy expenses	62,187	62,856	56,351	85,488
Selling, general and administrative expenses	31,276	29,726	31,355	33,402
Interest expense, net	1,945	1,875	1,885	1,839
Gain on sale of property	--	--	(979)	--
Earnings (loss) before income taxes	655	(6,408)	1,824	8,539
Net earnings (loss)	426	(4,166)	1,186	5,568
Earnings (loss) per share:				
Primary	$ .07	$(.72)	$.21	$.96
Fully diluted	.07	(.72)	.21	.87
1992 (1)				
Net sales	$91,574	$89,643	$88,012	$142,402
Cost of merchandise sold, buying and occupancy expenses	58,635	64,724	55,540	94,063
Selling, general and administrative expenses	29,048	28,165	30,478	37,527
Interest expense, net	1,869	1,746	1,763	2,179
Earnings (loss) before income taxes	2,022	(4,992)	231	8,633
Net earnings (loss)	1,314	(3,244)	150	5,690
Earnings (loss) per share:				
Primary	$.23	$(.56)	$.03	$.98
Fully diluted	.23	(.56)	.03	.89
1991				
Net sales	$90,831	$87,933	$87,820	$129,093
Cost of merchandise sold, buying and occupancy expenses	58,070	61,732	54,221	86,844
Selling, general and administrative expenses	28,679	27,300	29,792	34,163

Interest expense, net	2,125	2,041	2,029	2,187
Earnings (loss) before income taxes	1,957	(3,140)	1,778	5,899
Net earnings (loss)	1,272	(2,041)	1,156	3,831
Earnings (loss) per share:				
Primary	$.22	$(.35)	$.20	$.66
Fully diluted	.22	(.35)	.20	.61

(1) 53 week year

</TABLE>

The Company's business is seasonal in nature. Traditionally, a higher proportion of sales and net earnings is generated in the fourth quarter (which includes the Christmas season). The anticipated effective annual tax rate is used to compute income taxes on a quarterly basis. The gross margins used in calculating cost of goods sold for interim periods include an allocation of the estimated annual LIFO provision. This charge cannot be determined precisely until the year-end inventory value is known and the Bureau of Labor Statistics Department Store Index is published in late February.

The impact of LIFO on earnings per share as it was reported and as it would have been had the actual charge (benefit) been known when the quarterly allocations were made is shown below.

<TABLE>
<CAPTION>

	As Reported			As Reallocated		
Quarter	1993	1992	1991	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1st	$ .08	$ .07	$.07	$ .03	$(.01)	$.06
2nd	(.09)	.07	.07	(.12)	-	.05
3rd	.07	.07	.07	.03	-	.05
4th	(.08)	(.23)	.03	.04	(.01)	.08
	$(.02)	$(.02)	$.24	$(.02)	$(.02)	$.24

</TABLE>

ARTHUR ANDERSEN & CO.

Report of Independent Public Accountants

To Jacobson Stores Inc.:

We have audited, in accordance with generally accepted auditing standards, the consolidated financial statements of Jacobson Stores Inc. included in this Form 10-K as pages F-1 through F-14 and have issued our report thereon dated March 4, 1994. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedules listed in Item 14(a)(2) are the responsibility of the Company's management and are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ ARTHUR ANDERSEN & CO.

Detroit, Michigan
March 4, 1994.

S-1

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SCHEDULE V

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

SCHEDULE V - PROPERTY AND EQUIPMENT

FOR THE THREE FISCAL YEARS ENDED JANUARY 29, 1994
(in thousands)

<TABLE>
<CAPTION>

Column A Description	Column B Balance Beginning of Period	Column C Additions at Cost	Column D Sales and Retirements	Column E Transfers	Column F Balance End of Period
<S>	<C>	<C>	<C>	<C>	<C>
52 WEEKS ENDED JANUARY 25, 1992:					
Land and improvements	$ 9,214	$ 22	$ (15)	$ --	$ 9,221
Buildings and improvements	81,285	885	(602)	197	81,765
Furniture, fixtures and equipment	29,864	1,884	(1,706)	631	30,673
Leasehold improvements	9,652	111	(386)	--	9,377
Construction in progress	39	881	--	(828)	92
Capital leases -					
Buildings and improvements	3,136	--	(139)	--	2,997
Furniture, fixtures and equipment	7,243	2,142	(694)	--	8,691
	$140,433	$ 5,925	$(3,542)	$ --	$142,816
53 WEEKS ENDED JANUARY 30, 1993:					
Land and improvements	$ 9,221	$ 78	$ --	$ --	$ 9,299
Buildings and improvements	81,765	1,141	(512)	4	82,398
Furniture, fixtures and equipment	30,673	1,463	(1,297)	782	31,621
Leasehold improvements	9,377	241	(3)	12	9,627
Construction in progress	92	3,111	--	(798)	2,405
Capital leases -					
Buildings and improvements	2,997	--	(416)	--	2,581
Furniture, fixtures and equipment	8,691	1,257	(1,208)	--	8,740
	$142,816	$ 7,291	$(3,436)	$ --	$146,671
52 WEEKS ENDED JANUARY 29, 1994:					
Land and improvements	$ 9,299	$ 12	$ (222)	$ 240	$ 9,329
Buildings and improvements	82,398	459	(1,781)	8,532	89,608
Furniture, fixtures and equipment	31,621	2,520	(1,896)	6,625	38,870
Leasehold improvements	9,627	241	(863)	206	9,211
Construction in progress	2,405	14,287	--	(15,603)	1,089
Capital leases -					
Buildings and improvements	2,581	--	(533)	--	2,048
Furniture, fixtures and equipment	8,740	1,085	(1,470)	--	8,355
	$146,671	$18,604	$(6,765)	$ --	$158,510

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SCHEDULE VI

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

SCHEDULE VI - DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT

FOR THE THREE FISCAL YEARS ENDED JANUARY 29, 1994
(in thousands)

<TABLE>
<CAPTION>

Column A	Column B	Column C	Column D	Column E	Column F
Description	Balance Beginning of Period	Additions Charged to Costs and Expenses	Sales and Retirements	Transfers	Balance End of Period
<S>	<C>	<C>	<C>	<C>	<C>
52 WEEKS ENDED JANUARY 25, 1992:					
Land and improvements	$ 861	$ 197	$ (15)	$ --	$ 1,043
Buildings and improvements	24,869	3,196	(602)	--	27,463
Furniture, fixtures and equipment	12,219	3,401	(1,706)	--	13,914
Leasehold improvements	3,005	504	(386)	--	3,123
Capital leases -					
Buildings and improvements	2,400	122	(139)	--	2,383
Furniture, fixtures and equipment	3,604	1,457	(531)	--	4,530
	$46,958	$8,877	$(3,379)	$ --	$52,456
53 WEEKS ENDED JANUARY 30, 1993:					
Land and improvements	$ 1,043	$ 199	$ --	$ --	$ 1,242
Buildings and improvements	27,463	3,233	(512)	--	30,184
Furniture, fixtures and equipment	13,914	3,424	(1,297)	--	16,041
Leasehold improvements	3,123	510	(3)	--	3,630
Capital leases -					
Buildings and improvements	2,383	119	(416)	--	2,086
Furniture, fixtures and equipment	4,530	1,380	(1,208)	--	4,702
	$52,456	$8,865	$(3,436)	$ --	$57,885
52 WEEKS ENDED JANUARY 29, 1994:					
Land and improvements	$ 1,242	$ 205	$ --	$ --	$ 1,447
Buildings and improvements	30,184	3,382	(1,243)	--	32,323
Furniture, fixtures and equipment	16,041	3,813	(1,754)	--	18,100
Leasehold improvements	3,630	490	(407)	--	3,713
Capital leases -					
Buildings and improvements	2,086	93	(507)	--	1,672
Furniture, fixtures and equipment	4,702	1,421	(1,394)	--	4,729
	$57,885	$9,404	$(5,305)	$ --	$61,984

</TABLE>

SCHEDULE VIII

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

FOR THE THREE FISCAL YEARS ENDED JANUARY 29, 1994
(in thousands)

<TABLE>
<CAPTION>

Column A	Column B	Column C	Column D	Column E
Description	Balance Beginning of Period	Additions Charged to Costs and Expenses	Deductions For Bad Debts Written Off	Balance End of Period
<S>	<C>	<C>	<C>	<C>
52 WEEKS ENDED JANUARY 25, 1992:				

Receivables from customers - Reserve for doubtful accounts	$1,108	$1,480	$(1,688)	$ 900
53 WEEKS ENDED JANUARY 30, 1993:				
Receivables from customers - Reserve for doubtful accounts	$ 900	$1,116	$(1,115)	$ 901
52 WEEKS ENDED JANUARY 29, 1994:				
Receivables from customers - Reserve for doubtful accounts	$ 901	$ 720	$ (791)	$ 830

</TABLE>

SCHEDULE X

JACOBSON STORES INC. AND CONSOLIDATED SUBSIDIARIES

SCHEDULE X - SUPPLEMENTAL INCOME STATEMENT INFORMATION

FOR THE THREE FISCAL YEARS ENDED JANUARY 29, 1994
(in thousands)

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Column A Item	Column B Charged to Costs and Expenses
52 WEEKS ENDED JANUARY 25, 1992:	
Maintenance and repairs	$ 1,621
Depreciation and amortization	8,877
Taxes, other than income taxes:	
Payroll	7,481
Property	4,442
Other	1,433
Rental of real property, fixtures and equipment	5,237
Advertising costs	10,582
53 WEEKS ENDED JANUARY 30, 1993:	
Maintenance and repairs	$ 1,630
Depreciation and amortization	8,865
Taxes, other than income taxes:	
Payroll	7,454
Property	4,389
Other	1,349
Rental of real property, fixtures and equipment	6,131
Advertising costs	10,702
52 WEEKS ENDED JANUARY 29, 1994:	
Maintenance and repairs	$ 1,737
Depreciation and amortization	9,404
Taxes, other than income taxes:	
Payroll	7,167
Property	4,134
Other	1,116
Rental of real property, fixtures and equipment	6,230

Advertising costs	11,331

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Exhibit	
3(a)	By-laws, Jacobson Stores Inc., as amended March 17, 1994
10(a)	Employment Agreement dated March 23, 1994 between Jacobson Stores Inc. and Mark K. Rosenfeld
10(b)	Employment Agreement dated March 23, 1994 between Jacobson Stores Inc. and Paul W. Gilbert
10(c)	Employment Agreement dated March 23, 1994 between Jacobson Stores Inc. and James B. Fowler
10(d)	Executive Employment Agreement dated March 26, 1994 between Jacobson Stores Inc. and Robert L. Moles
10(e)	1994 Management Incentive Plan
11	Computation of Earnings per Share
21	Schedule of subsidiaries
23	Consent of Arthur Andersen & Co.

In addition, the previously-filed exhibits listed below are incorporated herein by reference. (All references are to Securities and Exchange Commission File #0-6319 unless otherwise noted.)

<TABLE>
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Current Exhibit	Description of Exhibit	Identification of Prior Filing
<S>	<C>	<C>
3(b)	Restated Articles of Incorporation, Jacobson Stores Inc., as amended and restated May 25, 1989	Exhibit 19(a) to Form 10-Q, Quarter Ended April 29, 1989
3(c)	Certificate of Designation, Preferences and Rights of Preferred Stock of Jacobson Stores Inc.	Exhibit 3(a) to Form 10-Q, Quarter Ended October 29, 1988
4(a)	Election under Section 780, Michigan Business Corporation Act	Exhibit 28 to Form 10-Q, Quarter Ended October 27, 1984
4(b)	Indenture dated as of December 15, 1986 between Jacobson Stores Inc. and National Bank of Detroit, as Trustee	File #33-10532: Exhibit 4(a) to Form S-2 (Amendment No. 1), filed December 12, 1986

</TABLE>

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<CAPTION>

Current Exhibit	Description of Exhibit	Identification of Prior Filing
<S>	<C>	<C>
4(c)	Rights Agreement dated as of October 4, 1988 between Jacobson Stores Inc. and Manufacturers National Bank of Detroit, as Rights Agent; Change of Rights Agent, Effective June 1, 1989	Exhibit I to Form 8-A and Exhibit 4 to Form 8-K, October 7, 1988; Exhibit 1 to Amendment No. 1 to Form 8-A, May 16, 1989
4(d)	Jacobson Credit Corp. $35,000,000	Exhibit 4(a) to Form

	Amended and Restated Revolving Credit Agreement, dated as of November 20, 1992	10-Q, Quarter Ended October 24, 1992
4(e)	Jacobson Stores Inc. $40,000,000 Term Loan Agreement, dated as of November 20, 1992	Exhibit 4(b) to Form 10-Q, Quarter Ended October 24, 1992
9	Voting and Transfer Restriction Agreement, effective December 31, 1990	Exhibit 9 to Form 10-K, Year Ended January 26, 1991
10(f)	Restated Executive Employment Agreement dated March 23, 1993 between Jacobson Stores Inc. and Nathan Forman	Exhibit 10(a) to Form 10-K, Year Ended January 30, 1993
10(g)	Employment Agreement dated August 25, 1992 between Jacobson Stores Inc. and John R. Fowler	Exhibit 10(a) to Form 10-Q, Quarter Ended July 25, 1992
10(h)	Jacobson Stores Inc. Deferred Compensation Plan	Exhibit 10(c) to Form 10-K, Year Ended January 26, 1991

</TABLE>

With the exception of Exhibits 4(b), 4(d) and 4(e), instruments defining the rights of holders of long-term debt of the registrant and its subsidiaries have been omitted. The amount of debt authorized under each such instrument is less than 10% of the total assets of the registrant and its subsidiaries on a consolidated basis. The registrant agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.

In addition to Exhibits 10(a) to 10(d), inclusive, and 10(f), the registrant has employment agreements with four other executive officers, which are not considered material in amount or significance.

EXHIBIT 3(a)

JACOBSON STORES INC.
(A MICHIGAN CORPORATION)

BYLAWS
(As amended March 17, 1994)

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BYLAWS

OF

JACOBSON STORES INC.

(As amended March 17, 1994)

ARTICLE I

OFFICES

The corporation may have offices at such places, both within and without the State of Michigan, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

SECTION 1. TIME AND PLACES OF MEETINGS. All meetings of the shareholders shall be held, except as otherwise provided by statute or these Bylaws, at such time and place as may be fixed from time to time by the Board of Directors. Meetings of shareholders may be held within or without the State of Michigan as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

SECTION 2. ANNUAL MEETINGS. Annual meetings of the shareholders shall be held on the fourth Thursday of May if not a legal holiday, and if a legal holiday, then on the next secular day following, at such hour as shall be stated in the notice of the meeting, at which they shall elect by a plurality vote the successors of the class of directors whose term expires at the meeting, together with directors to fill vacancies or newly created directorships, and transact such other business as may properly be brought before the meeting.

SECTION 3. NOTICE OF ANNUAL MEETING. Written notice of the annual meeting shall be given personally or by mail to each shareholder entitled to vote thereat at least ten (10) and not more than sixty (60) days before the date of the meeting. Attendance of a shareholder at a meeting shall constitute a waiver of notice, except when the shareholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to transaction of any business because the meeting is not lawfully called or convened.

SECTION 4. SHAREHOLDER LIST. The officer or agent who has charge of the stock ledger of the corporation shall prepare and make before every meeting of shareholders, a complete list of the

shareholders entitled to vote at the meeting, arranged by class or series in alphabetical order, showing the address of and the number of shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting, during the whole time thereof, and may be inspected by any shareholder who is present.

SECTION 5. ADJOURNMENT OF ANNUAL MEETING. If a quorum be not present at the annual meeting, the shareholders present in person or by proxy may adjourn to such future time as shall be agreed upon by them, and notice of such adjournment shall be mailed, postage prepaid, to each shareholder at least five (5) days before such adjourned meeting; but if a quorum be present, they may adjourn from day to day as they see fit and no notice of such adjournment need be given.

SECTION 6. DELAYED ANNUAL MEETING. If for any reason other than those enumerated in Section 5 of this Article, the annual meeting of the shareholders shall not be held on the day hereinbefore designated, such meeting may be called and held as a special meeting and the same proceedings may be had thereat as at an annual meeting, PROVIDED, HOWEVER, that the notice of such meeting shall be mailed to the shareholders at least fifteen (15) days prior to the date fixed for such delayed annual meeting.

SECTION 7. SPECIAL MEETINGS. Except as otherwise required by law and subject to the rights of the holders of Preferred Stock, special meetings of shareholders of the corporation may be called only by (i) the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors, (ii) any committee of the Board of Directors designated by a resolution approved by a majority of the entire Board of Directors, (iii) the Chief Executive Officer of the corporation, or (iv) any other officer or officers designated by the Board of Directors by resolution approved by a majority of the entire Board of Directors.

SECTION 8. NOTICE OF SPECIAL MEETINGS. Written notice of a special meeting of shareholders, stating the time, place and object thereof, shall be given personally or by mail to each shareholder entitled to vote thereat, at least ten (10) and not more than sixty (60) days before the date fixed for the meeting.

SECTION 9. QUORUM. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the shareholders, except as otherwise provided by statute or by the Articles of Incorporation. The shareholders present in person or by proxy at such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. Whether or not a quorum is present, the meeting may be adjourned by a vote of the shares present.

Except when the holders of a class or series of shares are entitled to vote separately on an item of business, shares of all classes and series entitled to vote shall be combined as a single class and series for the purpose of determining a quorum. When the holders of a class or series of shares are entitled to vote separately on an item of business, shares of that class or series entitled to cast a majority of the votes of that class or series at a meeting constitute a quorum of that class or series at that meeting, unless a greater or lesser quorum is provided by statute or the Articles of Incorporation.

SECTION 10. VOTE REQUIRED. When an action, other than the election of directors, is to be taken by a vote of the shareholders, it shall be authorized by a majority of the votes cast by the holders of shares entitled to vote thereon, unless a greater vote is required by the Articles of Incorporation of this corporation or by the laws of the State of Michigan. Except as otherwise provided by the Articles of Incorporation, directors shall be elected by a plurality of the votes cast at any election.

SECTION 11. VOTING RIGHTS. Except as otherwise provided by the Articles of Incorporation or the resolution or resolutions of the Board of Directors creating any class of stock, each shareholder shall at every meeting of shareholders be entitled to one (1) vote in person or by proxy for each share of the capital stock having voting power held by such shareholder. A proxy shall be valid only with respect to the particular meeting, or any adjournment or adjournments thereof, to which it specifically pertains.

SECTION 12. CONDUCT OF MEETINGS. Meetings of shareholders generally shall be governed by the following rules:

(a) The chairman of the meeting shall have absolute authority over matters of procedure, and there shall be no appeal from the ruling of the chairman.

(b) If disorder should arise which prevents the continuation of the legitimate business of the meeting, the chairman may quit the chair and announce the adjournment of the meeting; and upon his so doing, the meeting is immediately adjourned.

(c) The chairman may ask or require that anyone not a bona fide shareholder or proxy leave the meeting.

(d) A resolution or motion shall be considered for vote only if proposed by a shareholder or a duly authorized proxy and seconded by an individual who is a shareholder or a duly authorized proxy other than the individual who proposed the resolution or motion.

SECTION 13. INSPECTORS OF ELECTION. The Board of Directors or, if they shall not have so acted, the Chief Executive Officer may appoint, at or prior to any meeting of shareholders, one or more persons (who may be employees of the corporation) to serve as inspectors of election. The inspectors so appointed shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes or ballots, hear and determine challenges and questions arising in connection with the right to vote, count and tabulate votes or ballots, determine the result, and do such other acts as are proper to conduct the election or vote with fairness to all shareholders.

ARTICLE III

DIRECTORS

SECTION 1. NUMBER AND TERM OF DIRECTORS. The number of directors which shall constitute the whole Board shall be not less than three and shall be determined from time to time by resolution of the Board of Directors as set forth in the Articles of Incorporation, as the same may be amended. The directors, other than those who may be elected by the holders of any class or series of stock having a preference over Common Stock as to dividends or upon liquidation, shall be divided into three classes, as nearly equal in number as possible, with the term of office of one class expiring each year. At each annual meeting of the shareholders, the successors of the class of directors whose term expires at that meeting shall be elected and hold office for a term expiring at the annual meeting of shareholders held in the third year following the year of their election. Directors need not be shareholders.

SECTION 2. POWERS. The business of the corporation shall be managed by its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not, by statute or by the Articles of Incorporation or these Bylaws, directed or required to be exercised or done by the shareholders.

SECTION 3. VACANCIES. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled as provided in the Articles of Incorporation.

SECTION 4. RESIGNATION AND REMOVAL. Any director may resign at any time and such resignation shall take effect upon receipt of written notice thereof by the corporation, or at such subsequent time as set forth in the notice of resignation. Any or all of the directors may be removed, but only for cause, as provided in the Articles of Incorporation.

SECTION 5. NOMINATIONS. Nominations of candidates for election as directors of the corporation at any meeting of shareholders called for election of directors may be made by the Board of Directors, the Chairman of the Board, or a nominating committee appointed by the Board of Directors, or by any shareholder entitled to vote in the election of directors generally as set forth in the Articles of Incorporation.

SECTION 6. COMPENSATION OF DIRECTORS. Each director who is not a salaried officer of or legal counsel to the corporation may receive as compensation for his or her services in that capacity such sums and such benefits as shall from time to time be determined by the Board of Directors, plus traveling expenses and other expenses necessary for attendance at regular or special meetings of the Board of Directors and committees of the Board. Members of special or standing committees may be allowed like compensation for attending committee meetings. Nothing herein shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

SECTION 7. PLACE OF MEETINGS. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Michigan.

SECTION 8. ANNUAL ORGANIZATIONAL MEETING. The annual organizational meeting of the Board of Directors may be held before or after the annual meeting of shareholders, for the purpose of electing officers and such other purposes as may come before the meeting. No notice of such meeting shall be necessary in order legally to constitute the meeting, provided a quorum of directors then in office shall be present. If such meeting is not held on the same date and in the same place as the annual meeting of shareholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

SECTION 9. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board.

SECTION 10. SPECIAL MEETINGS. Subject to the provisions of Section 15 of this Article III, special meetings of the Board of Directors may be called by the Chairman of the Board, President, or Secretary or by any two (2) Continuing Directors (as defined in the Articles of Incorporation) on two (2) days' notice to each director.

SECTION 11. PURPOSE NEED NOT BE STATED. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.

SECTION 12. QUORUM. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the acts of a majority of the directors present at any meeting at which there is a quorum shall be acts of the Board of Directors except as may be otherwise specifically provided by statute or by the Articles of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 13. ACTION WITHOUT A MEETING. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if, before or after the action, all members of the Board or of such committee, as the case may be, consent thereto in writing and such written consent is filed with the minutes or proceedings of the Board or committee.

SECTION 14. MEETING BY TELEPHONE OR SIMILAR EQUIPMENT. The Board of Directors or any committee designated by the Board of Directors may participate in a meeting of such Board or committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

SECTION 15. WRITTEN NOTICE. Notices to directors shall be in writing and delivered personally or mailed to the directors at their addresses appearing on the books of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed. Notice to directors may also be given by telegram. Notwithstanding the foregoing, notice shall be given by telegram if the date of the meeting to which such notice relates is within three (3) days of the date that such notice is given.

SECTION 16. WAIVER OF NOTICE. Whenever any notice is required to be given under the provision of the statutes or of the Articles of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting has not been lawfully called or convened.

ARTICLE IV

COMMITTEES OF DIRECTORS

SECTION 1. EXECUTIVE COMMITTEE. The Board of Directors may appoint an Executive Committee composed of three or more Directors. The Executive Committee shall have and may exercise the following authority of the Board of Directors:

(a) The Executive Committee shall have the authority of the Board of Directors, between meetings of the Board, to take such actions and adopt such resolutions as may be necessary, appropriate or convenient in the ordinary course of business of the corporation; including (without limitation) the authorization of leases of real or personal property, seasonal borrowings, bank depository resolutions, and regular quarterly dividends on Preferred Stock of the corporation.

(b) Whenever and as often as the Board of Directors designates, the Executive Committee shall have such further authority as the Board of Directors designates, subject to prohibitions set forth in the Business Corporation Act of Michigan; including the full powers and authorities of the Board of Directors, between meetings of the Board, to take any and all actions and adopt any and all resolutions that may be necessary, appropriate or convenient with respect to any matters designated by the Board of Directors.

The Executive Committee may meet with or without prior notice on call of any member; provided, that when the Executive Committee consists of three members, it shall be necessary for all three members to participate and concur in decisions of the Committee, and when the Committee consists of more than three members, it shall be necessary for at least three members or a majority of the members of the Committee (whichever is greater) to participate and concur in decisions of the Committee. Such participation may be attendance at a meeting, by telephone, by written consent, or otherwise.

SECTION 2. AUDIT COMMITTEE. The Board of Directors may appoint an Audit Committee composed of five or more directors. No director who is then an officer of the corporation or any subsidiary of the corporation shall be eligible to serve on the Audit Committee. The Audit Committee shall confer with the independent certified public accountants employed by the corporation, and with the corporation's internal auditors; review the scope of the audit and other matters relating to the independent accountants' services; review internal accounting controls; review recommendations of the independent accountants; and perform such other functions as the Board of Directors may from time to time specifically confer on the Committee.

SECTION 3. ORGANIZATION AND COMPENSATION COMMITTEE. The Board of Directors may appoint an Organization and Compensation Committee, consisting of five or more Directors. The Organization and Compensation Committee shall review the development of corporate management and succession, review salaries and bonuses of officers and other key managerial employees, review the corporation's employee benefit plans and policies, and perform such other functions as the Board of Directors may from time to time specifically confer on the Committee.

SECTION 4. NOMINATING COMMITTEE. The Board of Directors may appoint a Nominating Committee, consisting of three or more Directors, to consider nominees for directorship in the corporation.

SECTION 5. OTHER COMMITTEES. The Board of Directors may establish and appoint such other committees of the Board of Directors, consisting of such directors and having such powers and duties, as the Board determines.

SECTION 6. MEMBERSHIP AND VACANCIES ON COMMITTEES. The Board of Directors may remove members from or add members to any committee of the Board, and fill vacancies on such committee.

SECTION 7. REPORTING ON COMMITTEE ACTIONS. All actions taken by any committee of the Board shall be reported to the Board of Directors at the next meeting of the Board. However, no delay in reporting any action of any committee shall affect the validity of such action, or of any actions taken in the name and on behalf of the corporation pursuant thereto.

ARTICLE V

OFFICERS

SECTION 1. ELECTION OF OFFICERS. All officers of the corporation shall be elected by the Board of Directors.

SECTION 2. CHAIRMAN OF THE BOARD. The Chairman of the Board shall preside at all meetings of the shareholders, and at all meetings of the Board of Directors, and shall have such other duties and powers as may be imposed or given by the Board of Directors. He shall be a non-voting member of the Organization and Compensation Committee, and shall be a voting member of all other standing committees of the Board of Directors, except that he shall not be a member of the Audit Committee. In case of the absence or inability to act of the President or Chief Executive Officer, the Chairman of the Board shall exercise all of the duties and responsibilities of such officer until the Board of Directors shall otherwise direct.

SECTION 3. VICE CHAIRMAN OF THE BOARD. The Vice Chairman of the Board, if any, shall be elected from the membership of the Board of Directors; and in the absence or disability of the Chairman of the Board, shall have such other duties and powers as may be imposed or given by the Board of Directors. In case of the absence or inability to act of the Chairman of the Board, the Vice Chairman of the Board shall exercise all of the duties and responsibilities of such officer until the Board of Directors shall otherwise direct. In the absence or disability of the Chairman of the Board, he shall be a non-voting member of the Organization and Compensation Committee, and shall be a voting member of all other standing committees of the Board of Directors, except that he shall not be a member of the Audit Committee.

SECTION 4. PRESIDENT. The President shall, subject to the direction of the Board of Directors or the Chief Executive Officer, if any, see that all orders and resolutions of the Board of Directors are carried into effect, and shall perform all other duties necessary or appropriate to the office, subject, however, to the right of the Chief Executive Officer and of the directors to delegate any specific powers to any other officer or officers of the corporation. In case of the absence or inability to act of both the Chairman of the Board and the Vice Chairman of the Board, or the Chief Executive Officer, the President shall exercise all of the duties and responsibilities of such officer until the Board of Directors shall otherwise direct. In the absence or disability of the Chairman and Vice Chairman of the Board, the President shall be a non-voting member of the Organization and Compensation Committee, and a voting member of all other standing committees of the Board of Directors, except that he shall not be a member of the Audit Committee.

SECTION 5. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer, in addition to the duties as Chairman or Vice Chairman of the Board or

President, as the case may be, shall have final authority, subject to the control of the Board of Directors, over the general policy and business of the corporation and shall have the general control and management of the business and affairs of the corporation. The Chief Executive Officer shall have the power, subject to the control of the Board of Directors, to appoint, suspend, or discharge and to prescribe the duties and to fix the compensation of such agents and employees of the corporation, other than the officers appointed by the Board, as the Chief Executive officer may deem necessary.

SECTION 6. CHIEF OPERATING OFFICER. There may be elected a Chief Operating Officer who shall, if elected, have general charge, control and supervision over the administration and operations of the corporation and shall have such other duties and powers as may be imposed or given by the Board of Directors. If no Chief Operating Officer is elected, the duties and powers of the Chief

Operating Officer shall be performed by the Chief Executive Officer.

SECTION 7. VICE PRESIDENTS. Any Executive Vice President, any Senior Vice President, and each Vice President shall have such authority and responsibilities as designated by the Board of Directors, the Executive Committee, the Chairman or Vice Chairman of the Board, or the President.

SECTION 8. SECRETARY. The Secretary shall attend all meetings of the shareholders and of the Board of Directors, and of the Executive Committee, and shall preserve in books of the corporation true minutes of the proceedings of all such meetings; shall keep the seal of the corporation and shall have authority to affix the same to all instruments where its use is required; shall give all notices required by statute, bylaw or resolution; and shall perform such other duties as may be delegated by the Board of Directors, the Executive Committee, the Chairman or Vice Chairman of the Board, or the President.

SECTION 9. TREASURER. The Treasurer shall have custody of all corporate funds and securities and shall keep in books belonging to the corporation full and accurate accounts of all receipts and disbursements; shall deposit all monies, securities and other valuable effects in the name of the corporation in such depositaries as may be designated for that purpose by the Board of Directors; shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Board of Directors, Chairman and Vice Chairman of the Board, and President, at the regular meetings of the Board, and whenever requested by them, an account of all transactions as Treasurer and of the financial condition of the corporation; shall deliver to the Chairman and Vice Chairman of the Board and the President, and shall keep in force, a bond in form, amount and with a surety or sureties satisfactory to the Board, conditioned for faithful performance of the duties of office, by the Treasurer and any Assistant Treasurers and for restoration to the corporation in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and property of whatever kind belonging to the corporation; and shall in addition perform such other duties as may be delegated by the Board of Directors, the Executive Committee, the Chairman or Vice Chairman of the Board, or the President.

SECTION 10. CONTROLLER. The Controller shall be responsible for establishment and maintenance of internal accounting and other control systems for this corporation and its wholly-owned subsidiaries; liaison with independent auditors; and such other duties as may be designated by the Board of Directors, the Executive Committee, the Chairman or Vice Chairman of the Board, or the President.

SECTION 11. ASSISTANT SECRETARY AND ASSISTANT TREASURER. Any Assistant Secretary, in the absence of the Secretary, shall perform the duties and exercise the powers of the Secretary. Any Assistant Treasurer, in the absence of or disability of the Treasurer, shall perform the duties and exercise the power of the Treasurer. If there is more than one Assistant Secretary and/or Assistant Treasurer, their respective duties and responsibilities shall be as designated by the Board of Directors, the Executive Committee, the Chairman or Vice Chairman of the Board, or the President.

SECTION 12. DELEGATION OF POWERS. For any reason deemed sufficient by the Board of Directors, whether occasioned by absence or otherwise, the Board may delegate all or any of the powers and duties of any officer to any other officer or Director, but no officer or Director shall execute, acknowledge or verify any instrument in more than one capacity.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

SECTION 1. OBLIGATION TO INDEMNIFY AND RIGHT TO INDEMNIFICATION. This corporation shall indemnify each of its directors and officers, and each person who hereafter becomes a director and/or officer of the corporation, and each such person shall be entitled to such indemnification without further action on his or her part, against all expense, liability and loss, arising in any manner by reason of the fact that such person is or was a director and/or officer of the corporation, or by reason of any acts of such person, or omissions of such person to act, as a director and/or officer of the corporation, to the fullest extent permitted by any present or future provision of law, including without limitation the indemnification and advancement of expenses provided for in Section 2-12, inclusive, of this Article VI.

SECTION 2. THIRD PARTY ACTIONS. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the corporation, by reason of the fact that he or she is or was a director and/or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, if the person

acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interest of the corporation or its shareholders, and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

SECTION 3. ACTIONS BY OR IN THE RIGHT OF THE CORPORATION. The corporation shall indemnify any person who was or is a party to or is threatened to be made a party to a threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director and/or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and its shareholders. However, indemnification shall not be made for a claim, issue, or matter in which the person has been found liable to the corporation unless and only to the extent that the court in which the action or suit was brought has determinated upon application that, despite the adjudication of liability but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

SECTION 4. SUCCESSFUL DEFENSE. To the extent that a director or officer of the corporation has been successful on the merits or otherwise in defense of an action, suit, or proceeding referred to in Section 2 or 3 of this Article VI, or in defense of a claim, issue, or matter in the action, suit, or proceeding, he or she shall be indemnified against expenses, including actual and reasonable attorneys' fees, incurred by him or her in connection with the action, suit, or proceeding brought to enforce the mandatory indemnification provided for in this section.

SECTION 5. DETERMINATION OF CONDUCT. Subject to any rights under any contract between the corporation and any director or officer, any indemnification under Section 2 or 3 of this Article VI, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that

indemnification of the director or officer is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 2 and 3. This determination shall be made in any of the following ways:

(a) By a majority vote of a quorum of the Board consisting of directors who were not parties to the action, suit or proceeding.

(b) If the quorum described in subdivision (a) is not obtainable, then by a majority vote of a committee of directors who are not parties to the action. The committee shall consist of not less than two (2) disinterested directors.

(c) By independent legal counsel in a written opinion.

(d) By the shareholders.

SECTION 6. PARTIAL INDEMNIFICATION. If a person is entitled to indemnification under Section 2 or 3 of this Article VI for a portion of the expenses, including attorneys' fees, judgment, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the corporation shall indemnify the person for the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

SECTION 7. PAYMENT OF EXPENSES IN ADVANCE. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Section 2 of 3 of this Article VI shall be paid by the corporation in advance of the final disposition of the action, suit, or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the expenses if it is ultimately determined that the person is not entitled to be indemnified by the corporation. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

SECTION 8. INDEMNIFICATION NOT EXCLUSIVE. The indemnification and advancement of expenses provided for in Sections 2-7, inclusive, of this Article VI are not exclusive of other rights to which a person seeking indemnification and advancement of expenses may be entitled under the Restated Articles of Incorporation, Bylaws, or a contractual agreement. However, the total amount of expenses advanced and indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

SECTION 9. CONTRACT RIGHT. The right to indemnification conferred in this Article VI shall be a contract right between the corporation and each director and officer of the corporation, or

individual who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, who serves in such capacity at any time while this Article VI is in effect. No amendment or repeal of all or any part of this Article VI, nor the adoption of any provision inconsistent with this Article VI, shall apply to any acts or omissions occurring prior to such amendment or repeal, or give rise to or increase any liability of any director or officer with respect to any acts or omissions occurring prior to such amendment or repeal.

SECTION 10. INSURANCE. The corporation may maintain insurance, at its expense, to protect itself and any directors, officers, employees or agents of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the corporation would have the power to indemnify such persons against such expense, liability or loss under any applicable provision of law.

SECTION 11. CONTINUATION. The indemnification and advancement of expenses provided for in this Article VI shall continue as to a person who ceases to be a director or officer, and shall inure to the benefit of the heirs, executors, and administrators of the person.

SECTION 12. DEFINITIONS. For purposes of this Article VI:

(a) References to the "corporation" include all constituent corporations absorbed in a consolidation or merger and the resulting or surviving corporation, so that a person who is or was a director, officer, employee or agent of the constituent corporation or is or was serving at the request of the constituent corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise whether for profit or not shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as the person would if he or she had served the resulting or surviving corporation in the same capacity.

(b) References to "other enterprises" include employee benefit plans; references to "fines" include excise taxes assessed with respect to any employee benefit plan; and references to "serving at the request of the corporation" include any service which imposes duties on, or involves services by, such director or officer with respect to any employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article VI.

SECTION 13. SAVINGS CLAUSE. If any provision of this Article VI shall be invalidated on any ground by any court, the corporation shall nevertheless indemnify each of its directors and offices against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement with respect to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, including third party actions and actions by or in the right of the corporation, to the fullest extent permitted by any applicable law.

SECTION 14. OTHER EMPLOYEES AND AGENTS. The corporation may, pursuant to authorization of the Board of Directors, provide indemnification and advancement of expenses to employees and agents of the corporation other than directors and officers, to the same extent as provided for directors and officers, or otherwise as the Board of Directors determines.

ARTICLE VII

SUBSIDIARIES

SECTION 1. SUBSIDIARIES. The Board of Directors, the Chairman of the Board, President, or any other executive officer designated by the Board of Directors may vote the shares of stock owned by this corporation in any subsidiary, whether wholly or partly owned by this corporation, in such manner as they may deem in the best interests of this corporation, including, without limitation, for the election of directors of any subsidiary corporation, or for any amendments to the charter or bylaws of any such subsidiary corporation, or for the liquidation, merger, or sale of assets of any such subsidiary corporation. The Board of Directors, the Chairman of the Board, President, or any other executive officer designated by the Board of Directors may cause to be elected to the Board of Directors of any such subsidiary corporation such persons as they shall designate, any of whom may, but need not be, directors, executive officers, or other employees or agents of this corporation. The Board of Directors, the Chairman of the Board, President, or any other executive officer designated by the Board of Directors may instruct the directors of any such subsidiary corporation as to the manner in which they are to vote upon any issue properly coming before them as the directors of such subsidiary corporation, and such directors shall have no liability to this corporation as the result of any action taken in accordance with such instructions.

SECTION 2. SUBSIDIARY OFFICERS NOT EXECUTIVE OFFICERS. The officers of any subsidiary corporation shall not, by virtue of holding such title and position, be deemed to be executive officers

of this corporation, nor shall any such officer of a subsidiary corporation, unless he or she shall also be a director or executive officer of this corporation, be entitled to have access to any files, records or other information relating or pertaining to this corporation, its business and finances, or to attend or receive the minutes of any meetings of the Board of Directors or any committee of this corporation, except as and to the extent expressly authorized and permitted by the Board of Directors, the Chairman of the Board, or President of this corporation.

ARTICLE VIII

CERTIFICATES OF STOCK

SECTION 1. FORM. Every holder of stock in the corporation shall be entitled to have a certificate in the name of the corporation, signed by the

Chairman of the Board or the President or a Vice President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the corporation, certifying the number of shares of stock in the corporation owned by such person.

SECTION 2. FACSIMILE SIGNATURE. When a certificate is signed (1) by a transfer agent or an assistant transfer agent, or (2) by a transfer clerk acting on behalf of the corporation, and/or by a registrar, the signature of any such Chairman, President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be a facsimile. In case any officer, transfer agent, or registrar who has signed, or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

SECTION 3. LOST CERTIFICATES. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or the owner's legal representative, to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

SECTION 4. TRANSFERS OF STOCK. Upon surrender to the corporation or the transfer agent of the corporation of a

certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

SECTION 5. FIXING OF RECORD DATE BY BOARD. For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or to express consent to or dissent from any corporate action in writing without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the distribution or allotment of any rights or evidences of interest arising out of any change, conversion or exchange of capital stock, or for the purpose of any other action, the Board of Directors may fix, in advance, a date as the record date for any such determination of shareholders. Such date shall be at least ten (10) and not more than sixty (60) days before the date of any such meeting, and not more than sixty (60) days before any other action. Only shareholders of record on a record date so fixed shall be entitled to notice of, and to vote at, such meeting or to receive payment of any dividend or the distribution or allotment of any rights or evidences of interest arising out of any change, conversion or exchange of capital stock.

SECTION 6. PROVISION FOR RECORD DATE IN THE ABSENCE OF BOARD ACTION. If a record date is not fixed by the Board of Directors: (a) the record date for determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be the close of business on the day next preceding the day on which notice is given, or, if no notice is given, the day next preceding the date on which the meeting is held; and (b) the record date for determining shareholders entitled to express consent to corporate action in writing, without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is expressed; and (c) the record date for determining shareholders for any other purpose shall be the close of business on the day on which the resolution of the Board relating thereto is adopted.

SECTION 7. ADJOURNMENTS. When a determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders has been made as provided in this Article, the determination applies to any adjournment of the meeting, unless the Board fixes a new record date for the adjourned meeting.

SECTION 8. REGISTERED SHAREHOLDERS. The corporation shall be entitled to recognize the exclusive rights of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express

or other notice thereof, except as otherwise provided by the laws of Michigan.

ARTICLE IX

GENERAL PROVISIONS

SECTION 1. DIVIDENDS. Dividends upon the capital stock of the corporation, subject to the provisions of the Articles of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting pursuant to law. Dividends may be paid in cash, in property, or in shares of capital stock, subject to the provisions of the Articles of Incorporation.

SECTION 2. CHECKS. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

SECTION 3. FISCAL YEAR. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

SECTION 4. SEAL. The corporate seal shall have inscribed thereon the name of the corporation. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE X

CONTROL SHARE ACQUISITIONS

The provisions of Chapter 7B of the Michigan Business Corporation Act (Sections 450.790 - 450.799, inclusive, Michigan Compiled Laws, being Sections 21.200(790) - 21.200(799), inclusive, Michigan Statutes Annotated), as the same exist or may hereafter be amended, shall not apply to control share acquisitions of shares of stock of this corporation.

ARTICLE XI

AMENDMENTS

These Bylaws may be altered or repealed at any regular meeting of the shareholders or of the Board of Directors or at any special meeting of the shareholders or of the Board of Directors.

EXHIBIT 10(a)

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into on March 23, 1994, between JACOBSON STORES INC., a Michigan corporation, of Jackson, Michigan (the "Company"), and MARK K. ROSENFELD, of Jackson, Michigan ("Rosenfeld").

THE PARTIES HEREBY AGREE that the Employment Agreement between them, dated June 3, 1993, is restated, effective February 1, 1994, as follows:

1. EMPLOYMENT AND TERM. The Company employs Rosenfeld as Chairman of the Board and Chief Executive Officer, and Rosenfeld agrees to serve in those capacities and/or in such other capacity or capacities as the Board of Directors of the Company deems advisable, for a term of five years commencing February 1, 1994 and continuing through January 31, 1999, unless terminated sooner pursuant to the provisions of paragraph 5, for the compensation and on the terms set forth herein.

2. COMPENSATION. Subject to the provisions of paragraph 5, Rosenfeld's salary shall be Three Hundred Ten Thousand Dollars ($310,000.00) per year.

3. DEFERRED COMPENSATION. The Board of Directors may determine that payment of any part of Rosenfeld's salary for any year shall be deferred on the terms set forth herein. For the purposes hereof, each year of employment shall commence on February 1 of one calendar year and continue through January 31 of the following year. If any part of Rosenfeld's salary for a year is deferred, one-twelfth of such amount shall be deferred each month during the year. Interest shall accrue on deferred compensation from the last day of the month for which the compensation is deferred, at the interest rate as determined from time to time pursuant to the Company's Deferred Compensation Plan, compounded annually. The deferred compensation, with interest thereon, shall be paid as specified in paragraph 6. Neither Rosenfeld, his estate, his wife, nor any beneficiary shall have any power to assign or encumber the right to receive deferred compensation, and any attempted assignment or encumbrance thereof shall be null and void.

4. DUTIES. Rosenfeld agrees, as long as his employment by the Company continues, to devote his entire time and best efforts to furthering the interests of the Company; to comply with all regulations and policies of the Company; and to perform the duties requested by the Board of Directors of the Company.

5. DEATH, INCAPACITY AND OTHER EVENTS. The following events during the term of this Agreement shall have the following respective effects on the obligations of the Company pursuant hereto:

(a) DEATH. If employment is terminated due to Rosenfeld's death, the Company shall pay an amount equal to Rosenfeld's salary, at the annual rate of his salary in effect immediately prior to his death, from the date of his death until January 31, 1997, and after January 31, 1997 at one-half such annual rate, for the balance of the term of this Agreement or one year, whichever is greater. In addition, $100,000 principal amount of split dollar life insurance maintained by the Company, less the total premium payments made by the Company, shall be paid to beneficiaries designated by Rosenfeld.

(b) PERMANENT INCAPACITY. If employment is terminated due to Rosenfeld's permanent incapacity (established to the reasonable satisfaction of the Board of Directors of the Company), the Company shall continue to pay Rosenfeld's salary, at the annual rate in effect immediately prior to his incapacity, from the date of his incapacity until January 31, 1997, and after January 31, 1997 at one-half such annual rate, for the balance of the term of this Agreement or one year, whichever is greater. In addition to payments pursuant to this paragraph 5(b), disability benefits will be paid if available under any insurance maintained by the Company; and the Company will continue to maintain medical and hospitalization insurance with the same coverage (including any dependent coverage) and in the same amounts as the insurance maintained by the Company immediately prior to his incapacity, for the balance of the term of this Agreement or one year, whichever is greater.

(c) TERMINATION FOR GOOD CAUSE. If employment is terminated for good cause (as determined in good faith by the Board of Directors of the Company), or if Rosenfeld resigns before the expiration of the term of this Agreement, the Company shall have no obligation to pay any salary or any other amount in lieu thereof for any period after the date of termination of employment.

(d) TERMINATION WITHOUT GOOD CAUSE. Except as provided in paragraph 5(e), if the Company terminates Rosenfeld's employment without good cause before the expiration of the term of this Agreement, the Company shall continue to pay an amount equal to Rosenfeld's salary, at the annual rate in effect immediately prior to such termination of employment, and shall continue to provide medical and hospitalization insurance with the same coverage (including any dependent coverage) and in the same amounts as the insurance maintained by the Company immediately prior to such termination of employment, for the balance of the term of this Agreement or one year, whichever is greater. In such event, Rosenfeld shall use reasonable efforts to find new employment.

Commencing one year after termination, the Company's continuing payment obligation, if any, shall be reduced by the amount of any other salary, consulting fees, or other compensation or remuneration for services, however designated, received by Rosenfeld with respect to any remaining part of the period covered by the Company's obligation, and its continuing medical and hospitalization insurance obligation shall be reduced by the amount of any other medical and hospitalization insurance provided to Rosenfeld with respect to any remaining part of such period.

(e) CHANGE IN CONTROL. If there is a change in the ownership or effective control of the Company or in the ownership of substantially all of the assets of the Company during the term of this Agreement, and within two years after such change the Company either (i) terminates Rosenfeld's employment, (ii) substantially changes his responsibilities without his consent, or (iii) requires him to relocate without his consent, the Company shall continue to pay an amount equal to Rosenfeld's salary, at the annual rate in effect immediately prior to such change in ownership or effective control, and shall continue to provide medical and hospitalization insurance with the same coverage (including any dependent coverage) and in the same amounts as the insurance maintained by the Company immediately prior to such change in ownership or effective control, for the balance of the term of this Agreement or two years, whichever is greater.

(f) SPLIT DOLLAR LIFE INSURANCE. If Rosenfeld's employment by the Company is terminated for any reason except Rosenfeld's death, the split dollar life insurance policy referred to in paragraph 5(a) shall be disposed of in accordance with the terms of a certain Split Dollar Agreement dated December 20, 1977 between the parties, as the same may be amended from time to time.

(g) NO OTHER EMPLOYMENT BENEFITS. Except for the payments and benefits expressly provided for in this paragraph 5, Rosenfeld shall not be entitled to any salary, bonus, or any other employment benefits, however designated, after his termination of employment with the Company.

6. PAYMENT. Salary other than deferred compensation, as well as death benefits pursuant to paragraph 5(a), and amounts equal to salary paid pursuant to paragraphs 5(d) and (e), shall be paid in monthly or other regular periodic installments. Deferred compensation, with interest thereon, shall be paid within sixty days after Rosenfeld's death, permanent incapacity, termination of employment, retirement, or resignation, as applicable; or, at the option of the Company, it may be paid in equal monthly or other regular intervals over a period of not more than ten years commencing sixty days after such event. All such payments shall be made to Rosenfeld while he is living; and in the event of his death, the payments shall be made to Rosenfeld's wife,

if she is then living, or to his estate or any beneficiary or beneficiaries he designates in writing during his lifetime.

7. MISCELLANEOUS PROVISIONS. This Agreement supersedes all previous employment agreements between the parties. It shall be construed according to the laws of Michigan, and shall be binding on and enforceable by the parties and their successors in interest. In addition to all other remedies available at law, it shall be specifically enforceable by any court having jurisdiction. Paragraph headings are for convenience only and shall not affect the construction of any provision. The rights and obligations hereunder, particularly but without limitation including paragraph 5(e), shall survive the expiration of the term of this Agreement.

IN THE PRESENCE OF:	JACOBSON STORES INC.
/s/ Madeleine V. Haines	By: /s/ Paul W. Gilbert ---------------------------- Paul W. Gilbert, Vice Chairman of the Board
/s/ Dawn M. Rhoades	By: /s/ Richard Z. Rosenfeld ---------------------------- Richard Z. Rosenfeld, Secretary
/s/ Madeleine V. Haines	/s/ Mark K. Rosenfeld ---------------------------- Mark K. Rosenfeld

EXHIBIT 10(b)

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into on March 23, 1994, between JACOBSON STORES INC., a Michigan corporation, of Jackson, Michigan (the "Company"), and PAUL W. GILBERT, of Jackson, Michigan ("Gilbert").

THE PARTIES HEREBY AGREE that the Employment Agreement between them, dated June 3, 1993, is restated, effective February 1, 1994, as follows:

1. EMPLOYMENT AND TERM. The Company employs Gilbert as Vice Chairman of the Board, and Gilbert agrees to serve in that capacity and/or in such other capacity or capacities as the Board of Directors of the Company deems advisable, for a term of three years commencing February 1, 1994 and continuing through January 31, 1997, unless terminated sooner pursuant to the provisions of paragraph 5, for the compensation and on the terms set forth herein.

2. COMPENSATION. Subject to the provisions of paragraph 5, Gilbert's salary shall be Two Hundred Ten Thousand Dollars ($210,000.00) per year.

3. DEFERRED COMPENSATION. The Board of Directors may determine that payment of any part of Gilbert's salary for any year shall be deferred on the terms set forth herein. For the purposes hereof, each year of employment shall commence on February 1 of one calendar year and continue through January 31 of the following year. If any part of Gilbert's salary for a year is deferred, one- twelfth of such amount shall be deferred each month during the year. Interest shall accrue on deferred compensation from the last day of the month for which the compensation is deferred, at the interest rate as determined from time to time pursuant to the Company's Deferred Compensation Plan, compounded annually. The deferred compensation, with interest thereon, shall be paid as specified in paragraph 6. Neither Gilbert, his estate, his wife, nor any beneficiary shall have any power to assign or encumber the right to receive deferred compensation, and any attempted assignment or encumbrance thereof shall be null and void.

4. DUTIES. Gilbert agrees, as long as his employment by the Company continues, to devote his entire time and best efforts to furthering the interests of the Company; to comply with all regulations and policies of the Company; and to perform the duties requested by the Chief Executive Officer or the Board of Directors of the Company.

5. DEATH, INCAPACITY AND OTHER EVENTS. The following events during the term of this Agreement shall have the following respective effects on the obligations of the Company pursuant hereto:

(a) DEATH. If employment is terminated due to Gilbert's death, the Company shall have no obligation to pay any salary for the period after the date of death. The Company shall maintain $300,000 principal amount of split dollar life insurance, which amount, less the total premium payments made by the Company, shall be payable to beneficiaries designated by Gilbert.

(b) PERMANENT INCAPACITY. If employment is terminated due to Gilbert's permanent incapacity (established to the reasonable satisfaction of the Board of Directors of the Company), the Company shall continue to pay Gilbert's salary, at the annual rate in effect immediately prior to his incapacity, from the date of his incapacity until January 31, 1995, and after January 31, 1995 at one-half such annual rate, for the balance of the term of this Agreement. In addition to payments pursuant to this paragraph 5(b), disability benefits will be paid if available under any insurance maintained by the Company; and the Company will continue to maintain medical and hospitalization insurance with the same coverage (including any dependent coverage) and in the same amounts as the insurance maintained by the Company immediately prior to his incapacity, for the balance of the term of this Agreement.

(c) TERMINATION FOR GOOD CAUSE. If employment is terminated for good cause (as determined in good faith by the Board of Directors of the Company), or if Gilbert resigns before the expiration of the term of this Agreement, the Company shall have no obligation to pay any salary or any other amount in lieu thereof for any period after the date of termination of employment.

(d) TERMINATION WITHOUT GOOD CAUSE. Except as provided in paragraph 5(e), if the Company terminates Gilbert's employment without good cause before the expiration of the term of this Agreement, the Company shall continue to pay an amount equal to Gilbert's salary, at the annual rate in effect immediately prior to such termination of employment, and shall continue to provide medical and hospitalization insurance with the same coverage (including any dependent coverage) and in the same amounts as the insurance maintained by the Company immediately prior to such termination of employment, for the balance of the term of this Agreement or one year, whichever is greater. In such event, Gilbert shall use reasonable efforts to find new employment.

Commencing one year after termination, the Company's continuing payment obligation, if any, shall be reduced by the amount of any other salary, consulting fees, or other compensation or remuneration for services, however designated, received by Gilbert with respect to any remaining part of the period covered by the Company's obligation, and its continuing medical and hospitalization insurance obligation shall be reduced by the amount of any other medical and hospitalization insurance provided to Gilbert with respect to any remaining part of such period.

(e) CHANGE IN CONTROL. If there is a change in the ownership or effective control of the Company or in the ownership of substantially all of the assets of the Company during the term of this Agreement, and within two years after such change the Company either (i) terminates Gilbert's employment, (ii) substantially changes his responsibilities without his consent, or (iii) requires him to relocate without his consent, the Company shall continue to pay an amount equal to Gilbert's salary, at the annual rate in effect immediately prior to such change in ownership or effective control, and shall continue to provide medical and hospitalization insurance with the same coverage (including any dependent coverage) and in the same amounts as the insurance maintained by the Company immediately prior to such change in ownership or effective control, for the balance of the term of this Agreement or two years, whichever is greater.

(f) SPLIT DOLLAR LIFE INSURANCE. If Gilbert's employment by the Company is terminated for any reason except Gilbert's death, the split dollar life insurance policy referred to in paragraph 5(a) shall be disposed of in accordance with the terms of a certain Split Dollar Agreement dated January 31, 1992 between the parties, as the same may be amended from time to time.

(g) NO OTHER EMPLOYMENT BENEFITS. Except for the payments and benefits expressly provided for in this paragraph 5, Gilbert shall not be entitled to any salary, bonus, or any other employment benefits, however designated, after his termination of employment with the Company.

6. PAYMENT. Salary other than deferred compensation, and amounts equal to salary paid pursuant to paragraphs 5(d) and (e), shall be paid in monthly or other regular periodic installments. Deferred compensation, with interest thereon, shall be paid within sixty days after Gilbert's death, permanent incapacity, termination of employment, retirement, or resignation, as applicable; or, at the option of the Company, it may be paid in equal monthly or other regular intervals over a period of not more than ten years commencing sixty days after such event. All such payments shall be made to Gilbert while he is living; and in the event of his death, the payments shall be made to Gilbert's wife, if she is then living, or to his estate or any beneficiary or beneficiaries he designates in writing during his lifetime.

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7. MISCELLANEOUS PROVISIONS. This Agreement supersedes all previous employment agreements between the parties. It shall be construed according to the laws of Michigan, and shall be binding on and enforceable by the parties and their successors in interest. In addition to all other remedies available at law, it shall be specifically enforceable by any court having jurisdiction. Paragraph headings are for convenience only and shall not affect the construction of any provision. The rights and obligations hereunder, particularly but without limitation including paragraph 5(e), shall survive the expiration of the term of this Agreement.

IN THE PRESENCE OF: JACOBSON STORES INC.

/s/ Madeleine V. Haines

By: /s/ Mark K. Rosenfeld

Mark K. Rosenfeld,
Chairman of the Board and
Chief Executive Officer

/s/ Dawn M. Rhoades

By: /s/ Richard Z. Rosenfeld

Richard Z. Rosenfeld,
Secretary

/s/ Madeleine V. Haines

/s/ Paul W. Gilbert

Paul W. Gilbert

EXHIBIT 10(c)

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into on March 23, 1994, between JACOBSON STORES INC., a Michigan corporation, of Jackson, Michigan (the "Company"), and JAMES B. FOWLER, of Jackson, Michigan ("Fowler").

THE PARTIES HEREBY AGREE that the Employment Agreement between them, dated June 3, 1993, is restated, effective February 1, 1994, as follows:

1. EMPLOYMENT AND TERM. The Company employs Fowler as President, and Fowler agrees to serve in that capacity and/or in such other capacity or capacities as the Board of Directors of the Company deems advisable, for a term of three years commencing February 1, 1994 and continuing through January 31, 1997, unless terminated sooner pursuant to the provisions of paragraph 5, for the compensation and on the terms set forth herein.

2. COMPENSATION. Subject to the provisions of paragraph 5, Fowler's salary shall be Two Hundred Ten Thousand Dollars ($210,000.00) per year.

3. DEFERRED COMPENSATION. The Board of Directors may determine that payment of any part of Fowler's salary for any year shall be deferred on the terms set forth herein. For the purposes hereof, each year of employment shall commence on February 1 of one calendar year and continue through January 31 of the following year. If any part of Fowler's salary for a year is deferred, one-twelfth of such amount shall be deferred each month during the year. Interest shall accrue on deferred compensation from the last day of the month for which the compensation is deferred, at the interest rate as determined from time to time pursuant to the Company's Deferred Compensation Plan, compounded annually. The deferred compensation, with interest thereon, shall be paid as specified in paragraph 6. Neither Fowler, his estate, his wife, nor any beneficiary shall have any power to assign or encumber the right to receive deferred compensation, and any attempted assignment or encumbrance thereof shall be null and void.

4. DUTIES. Fowler agrees, as long as his employment by the Company continues, to devote his entire time and best efforts to furthering the interests of the Company; to comply with all regulations and policies of the Company; and to perform the duties requested by the Chief Executive Officer or the Board of Directors of the Company.

5. DEATH, INCAPACITY AND OTHER EVENTS. The following events during the term of this Agreement shall have the following respective effects on the obligations of the Company pursuant hereto:

(a) DEATH. If employment is terminated due to Fowler's death, the Company shall have no obligation to pay any salary for the period after the date of death. The Company shall maintain $300,000 principal amount of split dollar life insurance, which amount, less the total premium payments made by the Company, shall be payable to beneficiaries designated by Fowler.

(b) PERMANENT INCAPACITY. If employment is terminated due to Fowler's permanent incapacity (established to the reasonable satisfaction of the Board of Directors of the Company), the Company shall continue to pay Fowler's salary, at the annual rate in effect immediately prior to his incapacity, from the date of his incapacity until January 31, 1995, and after January 31, 1995 at one-half such annual rate, for the balance of the term of this Agreement. In addition to payments pursuant to this paragraph 5(b), disability benefits will be paid if available under any insurance maintained by the Company; and the Company will continue to maintain medical and hospitalization insurance with the same coverage (including any dependent coverage) and in the same amounts as the insurance maintained by the Company immediately prior to his incapacity, for the balance of the term of this Agreement.

(c) TERMINATION FOR GOOD CAUSE. If employment is terminated for good cause (as determined in good faith by the Board of Directors of the Company), or if Fowler resigns before the expiration of the term of this Agreement, the Company shall have no obligation to pay any salary or any other amount in lieu thereof for any period after the date of termination of employment.

(d) TERMINATION WITHOUT GOOD CAUSE. Except as provided in paragraph 5(e), if the Company terminates Fowler's employment without good cause before the expiration of the term of this Agreement, the Company shall continue to pay an amount equal to Fowler's salary, at the annual rate in effect immediately prior to such termination of employment, and shall continue to provide medical and hospitalization insurance with the same coverage (including any dependent coverage) and in the same amounts as the insurance maintained by the Company immediately prior to such termination of employment, for the balance of the term of this Agreement or one year, whichever is greater. In such event, Fowler shall use reasonable efforts to find new employment. Commencing one year after termination, the Company's continuing payment obligation, if any, shall be reduced by the amount of any other salary, consulting fees, or other compensation or remuneration for services, however designated, received by Fowler with respect to any remaining part of the period covered by the Company's obligation, and its continuing medical and hospitalization insurance obligation shall be reduced by the amount of any other medical and hospitalization insurance provided to Fowler with respect to any remaining part of such period.

(e) CHANGE IN CONTROL. If there is a change in the ownership or effective control of the Company or in the ownership of substantially all of the assets of the Company during the term of this Agreement, and within two years after such change the Company either (i) terminates Fowler's employment, (ii) substantially changes his responsibilities without his consent, or (iii) requires him to relocate without his consent, the Company shall continue to pay an amount equal to Fowler's salary, at the annual rate in effect immediately prior to such change in ownership or effective control, and shall continue to provide medical and hospitalization insurance with the same coverage (including any dependent coverage) and in the same amounts as the insurance maintained by the Company immediately prior to such change in ownership or effective control, for the balance of the term of this Agreement or two years, whichever is greater.

(f) SPLIT DOLLAR LIFE INSURANCE. If Fowler's employment by the Company is terminated for any reason except Fowler's death, the split dollar life insurance policy referred to in paragraph 5(a) shall be disposed of in accordance with the terms of a certain Split Dollar Agreement dated January 31, 1992 between the parties, as the same may be amended from time to time.

(g) NO OTHER EMPLOYMENT BENEFITS. Except for the payments and benefits expressly provided for in this paragraph 5, Fowler shall not be entitled to any salary, bonus, or any other employment benefits, however designated, after his termination of employment with the Company.

6. PAYMENT. Salary other than deferred compensation, and amounts equal to salary paid pursuant to paragraphs 5(d) and (e), shall be paid in monthly or other regular periodic installments. Deferred compensation, with interest thereon, shall be paid within sixty days after Fowler's death, permanent incapacity, termination of employment, retirement, or resignation, as applicable; or, at the option of the Company, it may be paid in equal monthly or other regular intervals over a period of not more than ten years commencing sixty days after such event. All such payments shall be made to Fowler while he is living; and in the event of his death, the payments shall be made to Fowler's wife, if she is then living, or to his estate or any beneficiary or beneficiaries he designates in writing during his lifetime.

7. MISCELLANEOUS PROVISIONS. This Agreement supersedes all previous employment agreements between the parties. It shall be construed according to the laws of Michigan, and shall be binding on and enforceable by the parties and their successors in interest. In addition to all other remedies available at law, it shall be specifically enforceable by any court having jurisdiction. Paragraph headings are for convenience only and shall not affect the construction of any provision. The rights and obligations hereunder, particularly but without limitation including paragraph 5(e), shall survive the expiration of the term of this Agreement.

IN THE PRESENCE OF: JACOBSON STORES INC.

/s/ Madeleine V. Haines

By: /s/ Mark K. Rosenfeld

Mark K. Rosenfeld,
Chairman of the Board and
Chief Executive Officer

/s/ Dawn M. Rhoades

By: /s/ Richard Z. Rosenfeld

Richard Z. Rosenfeld,
Secretary

/s/ Madeleine V. Haines

/s/ James B. Fowler

James B. Fowler

EXHIBIT 10(d)

EXECUTIVE EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into March 26, 1994 between JACOBSON STORES INC., a Michigan corporation of Jackson, Michigan (the "Company"), and ROBERT L. MOLES (the "Employee").

THE PARTIES AGREE AS FOLLOWS:

1. EMPLOYMENT AND TERMS. The Company employs Employee as Senior Vice President-Stores, and Employee agrees to serve in that capacity commencing January 29, 1994, and continuing through January 28, 1995, for the salary and on the terms set forth herein.

2. COMPENSATION. The Company agrees to pay Employee salary at an annual rate of $126,000, in bi-weekly or other regular intervals.

3. DUTIES. Employee agrees, as long as employment by the Company continues, to devote Employee's entire time and best efforts to furthering the interests of the Company; to comply with all regulations and policies of the Company; and to perform the duties requested by any officers and executives of the Company to whom the Employee is directed to report.

4. TERMINATION.

(a) If employment is terminated due to Employee's death, permanent incapacity or retirement, the Company shall have no obligation to pay any salary for the period after the date of termination of employment; but benefits may continue to the extent provided in any generally-applicable wage continuation program, insurance, or other employee benefit plans maintained by the Company.

(b) If employment is terminated by the Company, or if Employee resigns before or at the expiration of the term, the Company shall have no obligation to pay any salary or other employment benefits for any period after the date of termination of employment.

(c) If there is a change in the ownership or effective control of the Company or in the ownership of substantially all of the assets of the Company during the term and the Company terminates Employee's employment within two years after such change, the Company shall continue to pay salary (but no other employment benefits) at a bi-weekly rate equal to the amount paid bi-weekly pursuant to paragraph 2, for a period of 24 months. This paragraph 4(c) shall survive the expiration of the term.

(d) Unless this Agreement is terminated by either party or superseded by another, it shall remain in effect from month-to- month after the expiration of the term.

5. PREVIOUS AGREEMENTS SUPERSEDED. This Agreement supersedes all previous employment agreements between the parties.

6. MISCELLANEOUS PROVISIONS. This Agreement may be amended only by written agreement signed by either the Chairman or the President of the Company. It shall be construed according to the laws of Michigan, and shall be binding on and enforceable by the parties and their successors in interest.

IN THE PRESENCE OF:	JACOBSON STORES INC.
/s/ Paul W. Gilbert	By: /s/ Mark K. Rosenfeld ------------------------- Its Chairman & CEO COMPANY
/s/ Paul W. Gilbert	By: /s/ Robert L. Moles ------------------------- EMPLOYEE

EXHIBIT 10(e)

JACOBSON STORES INC.

1994 Management Incentive Plan

Senior management incentives are based on accomplishing the key goals of our business plan. Incentives are structured to strive for excellence.

The management incentive plan is designed to:

- foster an awareness of the Company's objective of consistent, profitable operation.
- motivate managers to meet the shorter term needs of shareholders without sacrificing long-term profitability.
- encourage managers to "stretch" for higher levels of performance in the future.
- establish target incentives for each participant so that each person is aware of what payout percentages can be expected with various levels of accomplishment.
- encourage long-term retention of key employees.

The principal features of the plan include:

- participation in the plan is limited to salaried officers of the Company.
- the potential payout as a percent of the base salary of each participant is as follows:

<TABLE>
<CAPTION>

	Threshold	Target	Maximum
% of target	80%	100%	125%
% of target award	0%	100%	150%
<S>	<C>	<C>	<C>
Chairman and CEO	17.5%	35%	50%
Vice Chairman	15	30	45
President	15	30	45
SVP - Stores	12.5	25	37.5
SVP - GMM	12.5	25	37.5
VP - Store Group Manager	10	20	30
VP - DMM	10	20	30
VP - Staff Positions	10	20	30

</TABLE>

- specific performance criteria and weights are established at the beginning of the year for each participant. At the most senior level, primary emphasis is placed on corporate goal achievement (to emphasize the importance of cooperation and the team approach); at the VP-Staff level, primary emphasis is placed on individual goal achievement.

EXHIBIT 11

COMPUTATION OF EARNINGS PER SHARE

Primary earnings per common share, as set forth in the consolidated statements of earnings, are computed by dividing net earnings by the weighted average number of shares of common stock and common stock equivalents outstanding during the year. Fully diluted earnings per share are computed based on the additional assumption that the Company's 6-3/4% Convertible Subordinated Debentures due 2011 were converted to common stock at the date of issuance with a corresponding increase in net earnings to reflect reduction in related interest expense, net of income taxes, except if anti-dilutive.

These computations are set forth below (in thousands except per share data).

<TABLE>
<CAPTION>

	52 Weeks Ended January 29, 1994	53 Weeks Ended January 30, 1993	52 Weeks Ended January 25, 1992
<S>	<C>	<C>	<C>
EARNINGS PER COMMON SHARE AND COMMON EQUIVALENT SHARE:			
Weighted average number of shares of common stock and common stock equivalents outstanding -			
Primary	5,779	5,785	5,786
Fully diluted	6,835	6,841	6,846
NET EARNINGS	$3,014	$3,910	$4,218
NET EARNINGS, adjusted to reflect reduction in interest expense attributable to convertible debentures, net of income tax	$4,551	$5,447	$5,755
NET EARNINGS PER SHARE:			
Primary	$ 0.52	$ 0.68	$ 0.73
Fully diluted	0.52	0.68	0.73

</TABLE>

EXHIBIT 21

SCHEDULE OF SUBSIDIARIES

<TABLE>
<CAPTION>

Name	State of Incorporation	Percent of Voting Securities Owned
Jacobson Stores Realty Company	Michigan	100%
Jacobson Credit Corp.	Michigan	100%
275 North Woodward Corp. (1)	Michigan	80%

</TABLE>

(1) 80% of the voting securities of 275 North Woodward Corp. are owned by Jacobson Stores Realty Company. The remaining 20% are owned by parties who are not affiliates of Jacobson's. 275 North Woodward Corp. is not a significant subsidiary.

Each subsidiary does business under its own corporate name.

EXHIBIT 23

ARTHUR ANDERSEN & CO.

Consent of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation of our reports included or incorporated by reference in this Form 10-K, into the Company's previously filed Form S-8 Registration Statement, File No. 2-88295.

/s/ ARTHUR ANDERSEN & CO.

Detroit, Michigan
April 13, 1994