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University of San Diego

News Media Coverage
October 2008
**University of San Diego Print Media Coverage**  
**October 2008**

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- Jacksonville Knocks off San Diego 30-29 *(Washingtonpost.com)*
- Derricks, USD Aim to Avoid Trap Game *(San Diego Union Tribune)*
- Toreros Report *(North County Times)*
- USD Football *(San Diego Union Tribune)*
- USD Makes it 28 Straight at Home *(San Diego Union Tribune)*
- Early MSU Turnovers Propel San Diego *(msueagles.com)*
- FBC Morehead St San Diego *(Associated Press)*
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- USD Extends Long Home Streak *(North County Times)*
- Trujillo Throws 3 TD Passes *(Herald Tribune)*
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- Socal Weekly Roundup *(bleacherreport.com)*

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- Maintaining a business across generations of relatives no easy feat *(reviewjournal.com)*
- Changing the way of Commuters *(San Diego Union Tribune)*
- AIR Banquet *(Jacobs)* *(Indian Voices)*
- Zipcar expands World’s largest on-campus car sharing program *(marketwatch.com)*
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*Note: The text above is a summary of news articles and events related to various topics including education, business, sports, and community events.*
Alumni Game Announced (cstv.com)
A Look at Local College Golf Teams (San Diego Union Tribune)
Women's Tennis (San Diego Union Tribune)
College Golf (San Diego Union Tribune)
Walker Hat Trick Lifts... (San Diego Union Tribune)
USD Coach to Celebrate Victory Over Leukemia (San Diego Union Tribune)
Local Colleges Aztecs Staying Alive (San Diego Union Tribune)
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USD Shuts out Fatigued LBSU (presstelegram.com)
USD Wakes Up to Wipe out Valpo (North County Times)
USD Teams Have Raised Expectations (San Diego Union Tribune)
USD Basketball picked 3rd in WCC (North County Times)
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AP basketball poll released (Washington Times)
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College basketball preview: west coast conference (faniq.com)
Preseason hoops countdown: No. 39 San Diego (Sporting News)
Mailbag: Who's ranked too high early? (collegebasketball.com)
At large hopefuls angle for a bid (Andy Katz Blog)
WCC notes: League hopes to find home in Vegas (collegebasketball.com)
West Coast Conference looks to take next step (collegebasketball.com)
San Diego Tee-off and Tip-off for charity partnering (Navy Dispatch)
College Basketball (San Diego Union Tribune)
Matador Williamson to turn into a Torero (San Diego Union Tribune)
Rego Graduates to Shooting Hoops in Germany (Beach and bay press)
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San Diego Schools Await UCSB (dailynexus.com)
Soccer (North County Times)
Toreros Men's Soccer Team Finally able to Grab First Win... (San Diego Union Tribune)
College Soccer (San Diego Union Tribune)
Women's Soccer Ties with Broncos, Falls to Toreros (smccollegian.com)
USD Shut's Fatigued LBSU (presstelegram.com)
LBSU Takes on San Diego (presstelegram.com)
49ers Fall at Home to No. 18 San Diego, 1-0 (daily49er.com)
UCSD Teams Race to Top 3 Finishes (San Diego Union Tribune)
San Diego 3, Pepperdine 2 (dailynews.com)
Apgar Leads L.B. State; SDSU Women Sets PR (San Diego Union Tribune)
No. 15 USD Upset in Volleyball (San Diego Union Tribune)
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10/7 Debate Preview; KUSI “Morning News,” Drinan
10/7 Students Watch Debate; KUSI and San Diego 6, Domínguez
10/13 Violence in Tijuana; San Diego 6, Edmonds-Poli
10/14 Weak Economy; KPBS Radio’s “These Days,” Gin
10/16 Student Food Drive; Fox 5
10/23 State Education Superintendent at USD; Telemundo, KUSI
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10/27 Lower gas prices boost economy; Gin, San Diego 6
10/28 Auto Sales Slump; Gin, NBC 7/39
10/30-31 USD Awarded $3M grant to study perinatal depression; KPBS Radio, NBC 7/39
College of Arts & Sciences
Tijuana Drug War Enters Tourist Zone

Reported by: Antonio Castelan

Last Update: 12:17 am

An aerial deadly attack takes out three men at a tourist seafood restaurant Sunday night in Tijuana. An innocent photographer, framing up two men at their table, gets caught in the crossfire. It's the latest drug cartel rampage tearing up the city.

Emily Emmonds-Poli teaches Latin American studies at the University of San Diego. She's following the "TJ War". It's a fight between two cartels: the Arrelano-Felix and Sinaloa cartels. Emmonds-Poli stresses this is all about drug supremacy and its routes.

Emmonds-Poli talks about what the Mexican government is doing to restore order in the city. She says, "The plan has been to re-enforce the military presence with more federal troops in the hopes of gaining an upperhand."

Tijuana city leaders are waiting for those Mexican soldiers. They're needed to show force against brazen drug traffickers. The Mexican federal government claims the troops are on the way.

Emmonds-Poli sees this as a start in ending the drug war.

"If the government gains the upper hand and kills or apprehends the drug people in the first place, this will help," Emmonds-Poli tells San Diego 6 News.

Related Reports:

- TJ Violence & Innocent Bystanders 10/10/08
  Innocent bystanders get caught in the crossfire of warring drug dealers in Tijuana.

- Drug War Gun Battles in TJ 10/4/08
  Several drug war shoot-outs erupted Saturday night. Earlier nine more bodies were found in TJ.

- Bodies Found 9/29/08
  Tijuana is reeling from a bloody drug war. Sixteen bodies turned up beaten and shot, some dumped near an elementary school. Antonio Castelan shows us...
Local religious leaders debate same-sex marriage at council forum

Gay panelist says God created him the way he is

BY PETER FETTERER, INTRAM
Published Thursday, 22-Oct-08 revise 12th

Religious opponents of same-sex marriage questioned its validity and its effect on the family structure during a forum on Proposition 8, the November ballot initiative that, if passed, will define marriage as a union between a man and woman.

Hosted by the Ecumenical Council of San Diego County, the forum—the second in a series of four—aimed to increase dialogue about same-sex marriage among religious voters.

Attorney Stanwood Johnson, who called himself the only conservative evangelical panelist, said the Supreme Court over-extended itself in May when it reversed a California law banning same-sex marriage. Same-sex couples began marrying in June.

“Same-sex marriage is not recognized by God, the vast majority of other states and the vast majority of other countries, [therefore] it doesn’t exist,” Stanwood said.

Stanwood’s claim echoes that of many opponents to same-sex marriage, who say the high court’s ruling was “judicial activism.”

Voters, including thousands from different religious backgrounds, have lined up on either side of Proposition 8 debate, which has provoked fervent fund-raising and activism by supporters and opponents. More than 100,000 religious proponents of Proposition 8 are expected to show up at the forum three days before the Nov. 4 election to rally for the initiative, and some local churches have become involved in the nationwide effort to ban same-sex marriage.

Rev. James Mulhine of the Episcopal Diocese of San Diego moderated the forum and encouraged all participants to stay open-minded and “accept this places of ambiguity as places for God’s presence and voice.”

Terry McGoldrick, a moral theologian at the University of San Diego, pointed out the deep connection between marriage and procreation.

“Children have always been a part of the idea of sexuality,” McGoldrick said. “To separate that does violence to both.”

McGoldrick referenced the Roman Catholic Church’s long-standing belief that a union between a man and woman is grounded in “natural law,” which, the church says, is the basis for all law.

Rev. Scott Lands of the Mission Hills United Church of Christ said sexuality, however, is also innate.

“God has created me the way I am,” said Lands, who is gay.

Johnson said, regardless whether sexuality is innate, religious people have to strive against it.

“I may have the desire to be greedy or be a vengeful person, but we still have to overcome that,” Johnson said.

Rev. Glenda Espeseth, who opposes Proposition 8, said not all principles in the Bible are appropriate ground to frame public policy.

In her opening statements, Espeseth—of the Gethsamane Lutheran Church in San Diego—compared religious voters who are divided over same-sex marriage to early Christians, who disagreed whether to allow non-Jews to join the church.

Espeseth also mentioned Bible passages others use to condemn homosexuality, and said extensive research on the verses on both sides has ended, essentially, in a “stalemate.”

During the question and answer session that followed the forum, an audience member asked whether churches would be forced to perform same-sex marriages if Proposition 8 fails.

Johnson said the Supreme Court noted specifically churches would not be required to perform the marriages, though, he said, it was added as a footnote to the ruling and may resurface in the future.

Espeseth countered Johnson’s response, saying clergy occasionally refuse to marry opposite-sex couples, and that the right to refuse is not applicable only to same-sex marriage.

“By denying to marry someone, I am not denying their right to marry,” Espeseth said. “I am exercising my responsibility.”

Another audience member asked Johnson how same-sex marriage threatens marriage as an institution.

“Does it have to be a threat if it goes against God’s will?” Johnson replied.

Prompted by an audience question, the panelists also addressed whether it is a sin to engage in homosexual activity. Espeseth said every relationship, same- or opposite-sex, will experience sin.

Johnson said, regardless whether sexuality is innate, religious opponents of same-sex marriage, churches in many states have banded together in support of Proposition 8, which would amend the state constitution to define marriage as a union between a man and a woman.

There will be people who say that a Civil Union as opposed to Marriage is not enough, that equality for same-sex couples would be to achieve the legal rights offered to heterosexual couples. True, some of those rights are available through a Domestic Partnership, but not all. By the accurate use of semantics and legal terminology, we should be able to clearly define what is what.

For more information on upcoming forums hosted by the Ecumenical Council, visit gaylesbiantimes.com links.

Comments

sdclocalboy60 says:

Your article show cased several differing opinions from local clergy, as well as highlighting their particular church doctrine concerning same sex marriages. Their positions are a mixed bag at best. Let's take a look at the real issue here, away from the religious overtones of "marriage."

At its core, marriage is a civil issue, not a religious issue, and is the purview of the state. It is the state which issues the marriage license and determines the general norms by which people are to be joined together. There is no legal requirement that any religious body participate in the blessing of or approve of any union licensed by a state. After all, at the closing of most religious ceremonies, the minister invokes the "power of the state" prior to the pronouncement of the couple's union together. The state legitimizes the union, the church simply blesses it. End of story.

I quite agree with most people. A "marriage" is between a man and a woman. No right-thinking individual can disagree with that. I believe that the term "marriage" should be reserved by Civil Union. I would hope the aim of same sex couples would be to achieve the legal rights offered to heterosexual couples. True, some of those rights are available through a Domestic Partnership, but not all. By the accurate use of semantics and legal terminology, we should be able to clearly define what is what.

There will be people who say that a Civil Union as opposed to Marriage is not enough, that equality for

http://www.gaylesbiantimes.com/?id=13164

10/3/2008
Local religious leaders debate same-sex marriage at council forum

Gay panelist says God created him the way he is

By Peter Fayser

Religious opponents of same-sex marriage questioned its validity and its effect on the family structure Sunday during a forum on Proposition 8, the November ballot initiative that, if passed, will define marriage as a union between a man and woman.

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"Same-sex marriage is not recognized by God, the vast majority of other states and the vast majority of other countries, [therefore] it doesn't exist," Stanwood said.

Stanwood also said the voters, including thousands from different religious backgrounds, have lined up on either side of the Proposition 8 debate, which has provoked fervent fund-raising and activism by supporters and opponents.

More than 100,000 religious opponents of Proposition 8 are expected to gather at Qualcomm Stadium three days before the Nov. 4 election to rally to pass the initiative, and some local churches have become involved in the nationwide effort to ban same-sex marriage in California (see story, page 16).

Rev. James Mathes of the Episcopal Dioceses of San Diego moderated Sunday’s forum and encouraged all participants to stay focused and “accept thin places, ambiguity as places for God’s presence and voice.”

Skyline Church members Jeff Thomas, left, and Edy Johnson, center, hand out literature urging to vote no on Proposition 8 on Sunday, Sept. 29, 2008 in San Diego. Alarmed by a California Supreme Court decision to legalize same-sex marriage, churches of many faiths have banded together in support of Proposition 8, which would amend the state constitution to define marriage as a union between a man and a woman.

Rev. Gloria Espeseth, who opposes Proposition 8, said not all principles in the Bible are appropriate ground to frame public policy.

In her opening statements, Espeseth — the Cohostronite Lutheran Church in San Diego — compared religious voters who are divided over same-sex marriage to early Christians, who disagreed whether to allow non-Jews to join the church.

Espeseth also mentioned Bible passages others use to condemn homosexuality, and said extensive research of the verses on both sides has ended, essentially, in a “stalemate.”

During the question and answer session that followed the forum, an audience member asked whether churches would be forced to perform same-sex marriages if Proposition 8 fails.

Johnson said the Supreme Court noted specifically churches would not be required to perform the marriages, though, he said, it was added as a footnote to the ruling and may reappear in the future.

Espeseth countered Johnson’s response, saying clergy occasionally refuse to marry opposite-sex couples, and that the right to refuse is not applicable only to same-sex marriage.

“By denying to marry someone, I am not denying their right to marry,” Espeseth said. “I am exercising my responsibility.”

Another audience member asked Johnson how same-sex marriage threatens marriage as an institution.

“Does it have to be a threat if it goes against God’s will?” Johnson replied.

Prompted by an audience question, the panelists also addressed whether it is sin to engage in homosexual activity.

Espeseth said every relationship, same- or opposite-sex, will experience sin. In medieval times, she said, the Catholic Church posted manuals in confessionals describing which specific sex acts were classified as appropriate — “though, that’s a complicated way to go about it,” she quipped.

Darwin Mann of Carmel Valley, one of the forum’s attendees, said the panelists’ conversation and the ensuing question and answer helped others see people with different views “as having legitimacy.”

Les Deashmutt of Hillcrest said he’s seen an evolution in the way people approach same-sex marriage.

“As more people get to know other persuasions and opinions, they have to confront themselves and the people they deal with,” he said.

For more information on upcoming forums hosted by the Ecumenical Council, visit gaylesbiantimes.com.
The value of parental involvement

How do we improve our local schools? This question echoes throughout North County's school board elections. Everyone has an opinion on what needs to be done. Some recommendations become so political that it is hard to see the ocean through the fog.

A list of educational issues that local school board candidates have identified would certainly include the following:

Some candidates are concerned with low test scores. They vow to make teachers and administrators more accountable for the performance of local schools. Some lay the blame for unprepared students on teachers, principals. They vow to challenge the power of these beleaguered organizations.

Other candidates challenge educational priorities and propose to focus on raising literacy rates. Still others identify the problems as high dropout rates, large classes, inadequate student preparation for college, low graduation rates, and the elimination of music and art from the curriculum.

One thing we do not hear from many candidates is the need to improve parental involvement in our local schools.

There are exceptions, including the Ramona school board races, where some candidates are promising to make parents a more integral part of the academic programs. The issue of parental involvement is not, however, high on the list of most candidates for North County school boards.

This is not the case in some parts of the country. Minnesota has an official week that is designated as "Minnesota Parent Involvement Week: Parent Involvement Matters."

Its purpose: "Minnesota schools and districts can support parent involvement and raise awareness about the importance of parent involvement in children's academic success." It promotes the idea that "Minnesota parents can support academic success when they take an active interest in what children are learning."

The program encourages parental involvement, while simultaneously honoring parents who make significant contributions to their children's schools. The program also promotes various parent/student activities.

These activities include visiting the library and signing up a child for a library card; reading a book with a child; reading the newspaper with a child and discussing an article; comparing a book and movie of the same story; helping a child make his or her own book; setting aside reading time each day, providing a comfortable, quiet space for a child to read; building a fun collection of words by theme, size and meaning; making up stories to explain an event; and playing word games such as Boggle, Scrabble or Upwords.

I know from personal experience that it is not easy for parents to find time to engage in these activities with their children. Time is limited. With the economic uncertainty surrounding all of us, it is even more difficult for many parents to be deeply involved in their children's education.

Perhaps a Minnesota Parent Involvement Week is not possible to the same extent in North County, but judging by its merits, it's worth a try. At the very least, it would be nice to hear more area school board candidates advocating parental involvement as a major issue in improving local schools.

Escondido resident Dennis M. Clausen is a freelance columnist and a professor of American studies at the University of San Diego.

DENNIS M. CLAUSEN

CLAUSEN
CLASSICAL

Faculty Recital Guitarist Colin McAllister performs in French Parlor of Founders Hall, 619-260-4171. University of San Diego (5998 Alcala Park), 12:15 p.m., Thursday, October 30. (LINDA VISTA)

Faculty Recital Pianist Kay Etheridge joined by pianist Dana Burnett in concert, 619-260-4171. Shiley Theatre at University of San Diego (5998 Alcala Park), 2 p.m., Sunday, November 2. (LINDA VISTA)
Night Terrors: Ghosts, Ghouls, and Tales of the Supernatural
Professional storyteller Alton Chung — whose "true passion is telling ghost stories" — entertains for Storytellers of San Diego in Manchester Conference Center. Suitable for adults, children over 12. 619-298-6363. Saturday, October 25, 7:30 p.m.; $10. Ages 12 and up. University of San Diego, 5998 Alcalá Park. (LINDA VISTA)

Chamber Music Recital Trio Licenza presents piano trios by Johann Nepomuk Hummel in French Parlor of Founders Hall. Ensemble includes Alyze Dreiling (violin), Angela Yeung (cello), and Linda Scott (piano). 619-260-4171. University of San Diego (5998 Alcalá Park), 2 p.m., Sunday, October 26. (LINDA VISTA)

University of San Diego: 5998 Alcalá Park, USD, 619-260-4600. Thursday, 6 p.m. — Alabaster. Punk/Pop/Rock.
North County Showcase — University of San Diego's music ensembles, faculty and alumni perform a program of classical works including Bruckner's "Te Deum"; 4 p.m.; San Rafael Parish, 17252 Bernardo Center Drive, Rancho Bernardo; freewill donations; (858) 487-4314.
Concert: Sanctuary of San Rafael Catholic Church will host "North County Showcase" presented by USD Orchestra 4 p.m. Oct. 19. Donations accepted. The church is 17252 Bernardo Center Drive, Rancho Bernardo. Information: (858) 487-4314.
Concert. Sanctuary of San Rafael Catholic Church will host "North County Showcase," presented by the USD Orchestra, at 4 p.m. tomorrow. Donations accepted. The church is at 17252 Bernardo Center Drive, Rancho Bernardo. Information: (858) 487-4314.
The fourth annual USD Orchestra North County Showcase is at 4 p.m. Sunday, Oct. 19 in the sanctuary of San Rafael Catholic Church, 17252 Bernardo Center Drive, Rancho Bernardo. The orchestra will be joined by members of the Choir of Immaculata Catholic Church at USD and San Rafael’s Festival Choir performing “Te Deum.” A free-will offering will be taken. Call 858-487-4314 for details.
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Carol and Robert Curoe, authors of "Are There Closets in Heaven?" - A Catholic Father and Lesbian Daughter Share Their Story," will be at Open Door Books, 4761 Cass St., Pacific Beach, from 9 a.m. to noon Saturday. The authors will discuss their book followed by a question-and-answer period and book signing. Continental breakfast will be served. Free. Information: (858) 270-8642.

History of the Heights, a celebration at Trolley Barn Park from 2 to 5 p.m. Sunday, will celebrate the 120th birthday of University Heights. Free entertainment, cake and ice cream and educational displays about the history of University Heights and the Uptown area. Information: (619) 297-3166.

Take a guided walk in a Medicinal Tree Grove on Saturday at the Herbal Information Fair. Learn about using your garden herbs in foods and crafts and for home health, watch a demonstration of the ancient craft of tincture-making, connect with the San Diego herbalist community and get your herbal questions answered. From 10 a.m. to 4 p.m. in the West Mesa of Balboa Park, just northeast of Quince Street and Sixth Avenue. Presented by the San Diego Herb Club and the American Herbalist Guild. Information: followingseasons.com.

The San Diego Public Library will present a poetry writing workshop taught by Minerva, the pen name for poet and writer Gail Hawkins. From 2 to 4 p.m. Saturday in the second-floor meeting room of the Central Library, 820 E St., downtown. Pre-registration required: (619) 236-5847. Please bring paper and pencil. The workshop will cover the fundamentals of basic poetry writing. The event is supported by Poets & Writers Inc. through a grant from the James Irvine Foundation.

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Fourth annual Wake Up to Women's Empowerment Breakfast, 7:30 to 9 a.m. tomorrow at Handlery Hotel and Resort, 950 Hotel Circle North. Features Liz Goodgold, branding expert, author and senior media correspondent. $20. All proceeds will go to Fresh Start Surgical Gift's medical program to help provide free surgery to disadvantaged children with physical deformities. Information: (760) 448-2029 or freshstart.org.

The Cropper Writers Series presents a reading by poet Jean Valentine, a National Book Award winner and current state poet of New York, 7 p.m. tomorrow at the Joan B. Kroc Institute for Peace & Justice at the University of San Diego. Free and open to the public. Information: (619) 260-4783.

The Emergen-C PINK Tour will be stopping in La Jolla to celebrate the opening of the Breast Health and Wellness Center, which combines innovative, FDA-approved breast imaging technology for breast risk assessment with targeted health programs to reduce the level of risk. Joined by the Keep A Breast Foundation, Roxy and Emergen-C, and with live music from JJ Brown and Tim Wray. From 2 to 7 p.m. tomorrow at Girard Avenue and Prospect Street. Information: emergencpinktour.com.

The San Diego Blood Bank will accept donations from 10 a.m. to 4 p.m. Saturday at Souplantation, 9158 Fletcher Parkway, La Mesa. The bloodmobile will be in the parking lot. All donors will be awarded a meal pass voucher courtesy of Souplantation. Participants will also have the opportunity to join the San Diego Blood Bank's new Donor Difference program, which includes access to an online store for donors and the ability to track cholesterol, pulse and blood pressure after each donation. Anyone who is at least 17 years old, in good health and weighs at least 110 pounds may be eligible to give blood. A meal is recommended before donating. Information: (800) 4MY-SDBB or sandiegobloodbank.org.
POETRY &
SPOKEN WORD

*THREE FOR $300 POETRY SLAM at San Diego Art Institute, Museum of the Living Artist, Balboa Park. Local writers, artists and performers are invited to compete in this "combination slam," with the winner taking home $300. See website for entry details. At 6 p.m. Wednesday, Oct. 15. 619-231-0111, www.sandiego-art.org. $5.
School of Business Administration
USD Hosts Global Investor
GIC Real Estate president provides international perspective

BY MANDY JACKSON
GRC/Staff Writer

Local real estate executives in San Diego were treated to a global real estate perspective recently courtesy of the Burnham-Moores Center for Real Estate at the University of San Diego.

The Burnham-Moores Center hosted Sook Ng Be Hau, president of GIC Real Estate, the real estate investment arm of the $160 billion Government of Singapore Investment Corp., or GIC, on Sept. 15 at the university's Krueck Institute for Peace and Justice.

GIC invests Singapore's government reserves, most of which come from budget surpluses. The company has three self-contained subsidiaries focused on public bonds, private equities, and real estate with a mandate to invest anywhere in the world, except for Singapore.

GIC Real Estate has been a separate entity since 1999. Its first office outside of the Singapore headquarters was in New York, followed by an office in San Francisco, then London, Tokyo, Seoul, Shanghai and India.

Initially, Sook said GIC's real estate investment activities focused on the United States, which was seen as the deepest and most liquid foreign market. Now, GIC Real Estate owns 350 assets in 30 countries, including debt.

"We've been investing a lot in private real estate debt in the last few years, including the last few months," Sook said.

GIC underwrites real estate debt as it the corporation might someday own the properties.

"We're willing to own it if the debt goes bad," Sook said.

GIC is being careful about the kind of real estate debt it will buy. It will consider only private loans by banks, not public debt financed by commercial mortgage-backed securities. The corporation is getting a 5 percent to 10 percent discount on performing commercial real estate loans by buying them from banks in need of cash.

GIC adjusts its preferred rate of return based on the country where it is looking to buy real estate. In the United States, the corporation is looking for a 10 percent return, while assets in China have a risk premium of 300 to 400 basis points above returns expected from U.S. investments.

Real estate dollars are allocated to each country based on the percentage of the world economy that they represent. Therefore, the U.S. economy is about one-third of GIC's real estate portfolio.

"But we don't invest as much in places like China because it's not a big market," Sook said. "We Invest only in urban real estate.

GIC is just getting into India, where the economy is booming because of growing technology sector there. The market has demand for office space that hasn't been built yet. GIC is partnering with local developers to build projects.

"In India, you have to get into development," Sook said. "If you're scared of development, don't invest in emerging countries. If you want to buy something you have to build it."

Investors looking to place capital in India will probably soon learn the lessons GIC remembers from China in the 1990s. There was a lot of pent-up demand in the 1990s and funds were put together to build office properties at a rigorous pace. By the 1990s, the market was oversupplied and a lot of investors lost money. Sook said that was when GIC learned to never be the minority investor in a development project again.

The corporation now is capitalizing on opportunities in China, where investors not only got into real estate, but also into technology and manufacturing. The market has

When the Chinese commercial real estate market was hurting in the late '60s with 30 percent to 40 percent vacancy, GIC began to buy new office buildings that were built poorly with plans to fix them up and rent them out. The corporation is now constructing new buildings ahead of schedule and under budget before the market is oversupplied again.

"We are very much a direct investor," Sook said. "We want to own something 100 percent or even 51 percent to control it."

GIC is beginning to buy more assets through strategic partnerships and acquire value-added opportunities, such as mall shopping centers.

Sook said the corporation began investing in Mexico and Brazil last—about three or four years ago. Brazil's economy seems less affected by the turmoil in the United States, but Mexico is much more closely linked.

GIC sensed that something was not right in the U.S. financial markets early last year and began moving more of the company's assets to cash in May 2007. The corporation is focusing more attention on buying debt as well as companies that need recapitalization.

"There is some declination happening, we're seeing things slowing down around the world," Sook said. I describe this time as a slow-moving tsunami rippling out from its epicenter in New York."

—Mandy Jackson, DailyJournal.com
Economic data indicate gloomy outlook for S.D. County

Unemployment claims hit 5-year high in Sept.

Sean Calbrath | WRITER

Elevating unemployment and dropping stock prices dimmed San Diego County's economic outlook last month, according to an index of leading economic indicators released yesterday by the University of San Diego.

Economist Alan Gin, who compiles the index for the San Diego Association of Governments' Center for Real Estate, said the only thing that could turn the local and national economies around is stability in the housing market.

"It is a bottom in the housing market that is not likely to be reached until the latter part of 2009, and home prices are not expected to increase until 2010 at the earliest," Gin said.

Gin said falling home prices and a jump in foreclosures have hurt the labor market and the financial markets and institutions.

Gin's index has declined for 19 of the past 20 months. In September, five of the six indicators that the index uses to gauge the local economy were negative:

- Unemployment: Initial claims for unemployment insurance reached a 5-year high in September. The county's unemployment rate was 6.4 percent in September, the third month in a row that it was above 6 percent.
- Housing permits: September broke a four-month positive streak for residential building permits. For the first three quarters of the year, permits for residential buildings were down 24 percent from the same period of 2007, including a decline of 16 percent for single-family units and 14 percent for multifamily units.
- Consumer prices: Stock prices in most publicly traded companies in San Diego took a dive in September. It was the worst month since the terrorist attacks of 2001 for the tech-heavy Nasdaq index.
- Foreclosures: Foreclosures, according to data released by the San Diego Association of Governments, increased 31 percent in October and 29 percent in 2008, the county lost 5,100 jobs.
- Labor market: The county's average weekly initial claims for unemployment insurance were up 15 percent in October, according to numbers released by the California Employment Development Department.
- Housing starts: The county's unemployment rate was 6.4 percent in September, the third month in a row that it was above 6 percent.
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No more tiptoeing around the ‘R’ word, but local economy faring better than rest of California

By PADMA NAGAPPAN

Local consumer confidence is only half what it was a year ago and the index of leading economic indicators has fallen 3 out of the last 29 months, San Diego is still doing better than Los Angeles, San Francisco or New York, local economists said. Following this regulation, banks built their business on individuals. Then these banks packaged the mortgages as so-called income communities. Unfortunately, it was sort of a cycle and we had a lot of loans that were not good. Cox, explaining that the norms established for investment banks were more liberal than for traditional banking institutions.

Under the fractional reserve system, which stipulates the amount of capital a bank has to retain in order to cover its debt, traditional banks were rated 10 to 1, where as investment banks could leverage themselves far more with ratios of 20 to 1.

Limited effect on local banks

Economists do not expect local San Diego banks to be badly affected by the crisis, since they had limited exposure. However, the impact will be felt in terms of slowing sales, with fewer loans being made, which in turn will translate into lower revenues compared to previous quarters.

The four factors he uses to gauge the economy are consumer confidence, unemployment rates, help wanted advertisements and the national economy. Once the most recent bad news is digested, he expects these factors to be worse for next month.

Jobless rate will signal rise, fall of recession

"The unemployment rate is at 6.6 percent and it’s been at this level for three straight months," Cox said. "We’re still below the state average of 7.5 percent, but we are above the national average of 6.1 percent. I expect it to approach 7 percent by the end of this year or early 2009." With the rise in foreclosures, Cox considers the situation to be fairly serious. He predicts we will not see the bottom of this downturn until the second half of 2008, after which he expects it will stay flat for a while.

"I don’t see a turnaround until 2010. It’s a tough call right now to predict a turnaround," he said. "A rough rule of thumb is that the economy is turning around when the unemployment rate drops significantly, by about one percentage point."

Economy

Continued from Page 1

in so-called “red line areas” — lines drawn around specific areas of the map, circling low-income communities.

Following this regulation, banks such as Washington Mutual built their business on giving loans to low-income individuals. Then these banks packaged the mortgages as so-called income communities.

"Unfortunately, it was sort of the greedy deal is someone else’s deal," said Cox, explaining that the norms established for investment banks were more liberal than for traditional banking institutions.

Under the fractional reserve system, which stipulates the amount of capital a bank has to retain in order to cover its debt, traditional banks were rated 10 to 1, where as investment banks could leverage themselves far more with ratios of 20 to 1.

Limited effect on local banks

Economists do not expect local San Diego banks to be badly affected by the crisis, since they had limited exposure. However, the impact will be felt in terms of slowing sales, with fewer loans being made, which in turn will translate into lower revenues compared to previous quarters.

With the recent mergers and acquisitions, there will be a reduction in the number of branches in order to avoid having acquired banks competing for the same business.

"Where we’ll lose is in the real estate areas related to finance," Cox said. "Also, most people anticipate 3 to 5 percent declines in the rate of growth compared to last year, since they can’t match last year’s growth. Others may have financial losses to contend with."

David Ely, a finance professor at San Diego State University, expects local banks will experience a fallout from the general deterioration of the market. "There will be more competition for deposits, and with big banks offering higher rates for CDAs, small banks will have to compete in order to attract deposits," Ely said.

Slow recovery

Ely added one other factor as a key indicator in signaling a turnaround in the economy. "Any recovery here will also depend on the recovery of home prices," he said. "I think we are looking at a longer turnaround than expected just three months ago, well into 2009."

Banks are raising in lending, even to each other, which will affect local businesses that need loans to grow, he added. "It’s a vicious cycle and it is going to be a while before the effects are felt in the economy." Cox expects the first milestones will be year-end events that will determine if the bailout was sufficient and if the downturn is arrested.

While there were slight variations in predicting when exactly the economy will recover — from the third quarter of 2009 to early 2010, everyone agreed it is going to take a lot longer than previously expected.

Nagappan is a San Diego-based freelance business writer.

Source Code: 20081030ord

Manny Cox, chief economist at the San Diego Association of Governments (SANDAG) and a 15-year veteran of the agency who focuses on long range forecasting, financing and infrastructure, also expects unemployment rates to peak around 7 percent by December.

He said the recession began in the third quarter of that year and would be over only when this rate drops to slightly below 6 percent. He thinks that people have been hesitant to use the “R” word because while unemployment is one of the indicators, excess capacity figures were not alarming until the end of 2007.

"One of the things being talked about now is the Christmas season. The retail sector is a major employer. If it’s a poor season, then there will be fewer opportunities for jobs, which will lead to higher unemployment rates," Cox said.

Up until July, San Diego’s impact was contained to two areas, construction and real estate-related finance, according to Cox. After the Bear Stearns news, which took people by surprise, the impact began to spread, affecting the transportation and retail sectors, he said.

"Government is the only sector that still has jobs left to fill. School districts are responsible for 40 to 50 percent of all government jobs, and they haven’t experienced the same job losses," Cox said.

He considers 2004 to have been the last major recession San Diego experienced, and said the current situation is comparable to that period.

How the financial crisis began

Cox traces the root of the current banking crisis back to the Community Deregulation Act enacted in the 1970s, which required banks to do business

See Economy on 3
We’re in a recession, area economist says

CHRIS BAGLEY
STAFF WRITER

A “full-fledged” recession could last through most of 2009 because of lighter growth and increasing job losses of recent months, regional economist Alan Gin said Wednesday.

Job losses in most sectors during the last year are a clear sign that San Diego County is in a recession, and not merely a mild “San Diego-style” downturn, which appeared to be the case a few months ago. The region’s cluster of military contractors and its large tourism industry helped to dull the effect of downturns in 2001 and in the early summer.

Military contracts depend on government spending, which tends not to vary with economic cycles. San Diego tourism varies with economic conditions in other places, but a weakening dollar earlier this year probably helped to attract foreign tourists and convince American vacationers to stay closer to home.

But a cascading downturn in real estate, construction and retail markets has overwhelmed defense and tourism-related employment, said Gin, an economics professor at the University of San Diego.

“Real estate has been hard-hit and now it’s starting to bleed over,” Gin said. “We’re probably in a full-blown recession, however you define it.”

The region’s unemployment rate had remained a full percentage point below the national rate for most of the last decade, but has shot up to 6.4 percent since early summer, compared with 6.1 percent in the nation as a whole. The rate in San Diego almost certainly will rise above 7 percent in coming months, Gin said.

Contact staff writer Chris Bagley at (760) 740-5444 or cbagley@nctimes.com.
San Diego Region's Economic Outlook

Last Update: 10/30 1:38 pm

SAN DIEGO - Weighed down by instability in the housing market, the outlook for the San Diego region's flagging economy remains negative through at least the first part of next year, a University of San Diego economist reported Thursday.

The Index of Leading Economic Indicators for San Diego County fell .8 percent in September, led by a surge in the number of initial claims for unemployment insurance, according to Alan Gin, who compiles the index for USD's Burnham-Moores Center for Real Estate.

The number of building permits, local stock prices and consumer confidence were all down considerably last month, while help-wanted advertising suffered a more modest decline, according to Gin.

The only positive component of Gin's index was the outlook for the national economy, which was up moderately.

It was the 29th time in 30 months that the USD index has dropped.

Gin said the outlook for the local economy remains negative through the first half of next year.

"What is needed to turn the economy around both locally and nationally is stability in the housing market," he wrote. "Falling prices and a jump in foreclosures have hurt both the labor market and the financial markets and institutions."

According to Gin, a recent increase in home resales is a positive sign, but the housing market is not expected to bottom out until the end of 2009, and home prices are not likely to increase until 2010 at the earliest.
N. County’s population drop tied to bad economy
Poor job market leads to fewer newcomers

ZACH FOX • Staff Writer

North County’s population dropped last year — a development that economists said was both a symptom of the region’s sluggish economy and an indication of an impending recession.

Data released last week by the U.S. Census Bureau showed that the biggest reason for the drop was a drop in the number of new residents. North County’s population fell by 17 percent, from 152,000 in 2007 to 126,000 in 2008.

“The unemployment rate locally started to rise in June 2007, so I think that was when the economy officially started weakening,” said Alan Gin, an economic professor at the University of San Diego. “With fewer employment prospects and prices still relatively high, you would expect fewer people to move here.”

> POPULATION, A5
Fewer people mean fewer home buyers, which could further depress real estate prices that have already declined by 30 percent from a 2005 peak, according to Standard & Poor's Case-Shiller Home Price Index.

Fewer consumers could further hurt retail sales, meaning less opportunity for businesses and more job losses, analysts said.

"That's definitely the worry right now — that the weak economy is just going to reinforce itself through even fewer economic activity," Gin said.

Of North County cities, Encinitas posted the biggest drop in new residents. In 2007, about 18,000 residents moved into the city, down 39 percent from the number of new residents in 2006, according to the Census Bureau.

One of the causes was a drop-off in immigrants, down 91 percent from 2006. But while it represented the largest percentage drop, immigration represented a small portion of the decline in new residents.

For fewer people moved to Carlsbad from San Diego. In total, 12,000 fewer residents moved to Carlsbad in 2007 than 2006, the number of residents relocating to the city from within the county dropped by 7,659. The number of residents moving to Escondido from another county fell by about 1,300.

All five North County cities that the Census surveyed — Carlsbad, Encinitas, Oceanside, San Marcos and Vista — reported fewer migrants. But only Escondido and San Marcos saw their overall populations decline as the other cities posted significant growth. The number of residents who have lived there for one year or longer, still, other cities posted minimal growth and the losses were large enough to pull North County's population down 1.5 percent from 2006 to 2007.

Carlsbad's population was the most stable, posting just a 2 percent drop in new residents and a 0.5 percent increase in its overall population. That makes sense, said economists, because foreclosures in Carlsbad have been rare while proliferating in lower housing cost areas such as Escondido and San Marcos, forcing residents to search for cheaper housing outside of North County.

"If you lose your job, it's a heck of a lot more expensive to live here than elsewhere," Cox said. "Things like your unemployment benefits, your savings can take you a lot further elsewhere than it would in Carlsbad."
Fewer people move to North San Diego County

North County Times (Escondido, CA) Oct. 19—North County’s population dropped last year, a development that economists said last week was both a symptom of the region’s economy and a potential cause for severe regional resecession.

Data released last month by the U.S. Census Bureau showed that the biggest reason for the decline was a drop in newcomers. Fewer people moved into North County last year—down from 113,000 in 2006 to 105,000 in 2007.

"The unemployment rate locally started rising in June 2006, so I think that was when the economy officially started weakening," said Alan Gin, an economics professor with the University of San Diego. "With fewer economic opportunities, people were less likely to move to North County."

Through 2008 statistics are not yet available, lower migration numbers probably continued throughout 2008, economists said. That conclusion was supported by a report released last week by Mayflower, the national moving company, which showed that of its moves, 1,162 people moved out of the county, 35 percent higher than the 863 families who moved in through August of this year.

However, U-Haul reported that it moved slightly more people in than out. Gin said the discrepancy is probably a matter of distance—people tend to use U-Haul for shorter trips and Mayflower for longer ones. North County’s job market has fared better than the state of California but worse than the national average.

Employment numbers have worsened since 2007; on Friday, the state’s Employment Development Department reported that San Diego County lost jobs in September for the fifth straight month.

"We haven't seen the peak of it. Most of the pain is in front of us, not behind us," said Marty Cox, economist for the San Diego Association of Governments. Economists said weak job reports mean the region’s population might have decreased even more this year. Further, another reason people leave cities—that is, december in North County during 2008 from a year ago, according to data from ForeclosureRadar, a Cox, economist for the San Diego Association of Governments.

"That’s definitely the worry right now—that the weak economy is just going to reinforce itself through even lower economic activity," Gin said.

One of the causes was a drop-off in immigrants, down 91 percent from 2006. But while it represented the largest percentage drop, immigration represented a small portion of the decline in newcomers.

Far fewer people moved to Escondido in 2007 than 2006. The number of residents relocating to the city from within the county dropped by 1,400. The number of residents moving to Escondido from another county fell by about 1,500.

All five North County cities that the Census surveyed—Carlsbad, Escondido, Ocean Beach, San Marcos and Vista—reported fewer migrants.

Carlsbad’s population was the most stable, posting just a 2 percent drop in new residents and a 0.5 percent increase in its overall population. Fewer people moved to Carlsbad, Escondido, Oceanside, San Marcos and Vista—reported fewer migrants.
That makes sense, said economists, because foreclosures in Carlsbad have been rare while proliferating in lower housing cost areas such as Escondido and San Marcos, forcing residents to search for cheaper housing outside of North County.

"If you lose your job, it's a heckuva lot more expensive to live here than elsewhere," Cox said. "Things like your unemployment benefits, your savings can take you a lot further elsewhere than it would in San Diego."

Cost of living was a factor in Melanie Powell's decision to move from Oceanside to Billings, Mont. She packed up her things Friday.

Though she had a stable job as an accountant with no employment lined up in Montana, she was confident in finding work and wanted to relocate to be closer to her family and find a house she could afford.

"I love it in San Diego," Powell said. "Just the thought of ever being able to afford a place by myself, it just doesn't seem like that is going to be possible in the near future, if ever."

To see more of the North County Times, or to subscribe to the newspaper, go to http://www.nctimes.com.
Fewer People Move to North San Diego County

Sunday, October 19, 2008 4:55 PM

(Source: North County Times) By Zach Fox, North County Times, Escondido, Calif.

Oct. 19--North County's population dropped last year -- a development that economists said last week was both a symptom of the region's sluggish economy and a potential cause for severe regional recession.

Data released last month by the U.S. Census Bureau showed that the biggest reason for the decline was a drop in newcomers: 28,000 fewer people moved into North County last year -- down from 113,000 in 2006 to 95,000 in 2007.

"The unemployment rate really started surging in June 2007, so I think that was when the economy officially started weakening," said Alan Gin, an economics professor with the University of San Diego. "With fewer employment prospects and prices still relatively high, you would expect to see fewer people moving into North County."

Though 2008 statistics are not yet available, lower migration numbers probably continued through 2008, economists said. That conclusion was supported by a report released last week by Mayflower, the national moving company, which showed that of its moves 1,162 people moved out of the county, 35 percent higher than the 863 families who moved in through August of this year.

However, U-Haul reported that it moved slightly more people in than out. Gin said the discrepancy is probably a matter of distance -- people tend to use U-Haul for shorter trips and Mayflower for longer ones. San Diego County's job market has fared better than the state of California but worse than the national average.

Employment numbers have worsened since 2007; on Friday, the state's Employment Development Department reported that San Diego County lost jobs in September for the fifth straight month.

What's more, consumer spending has been falling, leading some analysts to forecast further job losses and economic deterioration.

"We haven't seen the peak of it. Most of the pain is in front of us, not behind us," said Marney Cox, economist for the San Diego Association of Governments.

Economists said weak jobs reports mean the region's population might have decreased even more this year. Further, another reason people leave cities -- foreclosure -- has doubled in North County during 2008 from a year ago, according to data from ForeclosureRadar, a Contra Costa County research firm.

If the one-year drop becomes a trend, a falling population could heighten the risk of a painful economic spiral, economists said.

--Cities across the region already have started to feel the most direct effect of a depressed population -- less sales tax revenue, according to government reports.
Gas at $2.59 a Gallon in Chula Vista--Will That Translate Elsewhere in Economy?

Reported by: Elex Michaelson
Last Update: 12:57 am

What goes up, must come down, right?

Gas is down, way down.

San Diego county has seen prices fall for 42 straight days. After falling 2 cents day, the county-wide average for regular unleaded is $3.09 a gallon.

That price is 7.9 cents a gallon less than this same time last year.

55 cents lower than last month.

And $1.54 lower than the record high of $4.63 a gallon on June 19.

In Chula Vista--located on the intersection of Broadway and E Streets--prices hit $2.59 a gallon, and $2.57 for cash!

"Right, wow! Let me get in on this!," said Chula Vista resident Barbara Harris.

Harris, who describes herself as "poor, middle class," said the past couple months have been rough. "Now I can fill my car up, I can buy things that I need to buy, things I was holding off buying...[Before] I couldn't buy all the groceries that I needed. I had to make sure money and gas was off."

Harris and his wife Georgina filled up his car's tank in disbelief. "We stopped here and said, wow what a difference!"

Harris said the extra savings is, "going to give us a little more out to dinner or Sunday brunch, it is going to help us out there."

Economist Alan Gin, a professor at the University of San Diego, said that part of the price hike earlier in the year was cyclical.

"Every year around the spring there is a surge in gas prices because the gas companies move to a summer formulation of gasoline that is less polluting, and as a result there is a shortage of that stuff...which causes prices to rise."

Gin said the peak usually occurs during the spring, but this year it happened later in the summer.

But unlike this year, he said, there was a lot more speculators on the price of oil. He believes this is because the housing market burst and investors were looking for the "next place to put their money...so they chose oil."

When the economy started to falter, Gin said those speculators had to take out their money from oil and the price plummeted.

Gin said the rest of the economy will start to see the effects of lower gas prices.

One of the first places--he suggests--will be at airline ticket counters. Gin argued that because airlines are so reliant on fuel, the slumping cost will inevitably be passed on to consumers, especially in the bad economy.

"They're going to have seats to fill and eventually it is going to force airline tickets down," he said.

Gin cautions not to look for those same savings at the grocery store aisle.

He said high gas prices led to the increasing production of corn-based ethanol--taking corn away from food production.

"The price of corn for feed got boosted up because there wasn't enough corn to use for feed and as a result, the price of eggs, the price of milk, the price of meat all surged because you had to pay more now."

He continued, "With the shift from corn growing to wheat growing, that boosted the price of wheat and boosted the price of flour and that caused the price of bread and other products made with flour to rise as well."

Gin said those production techniques are so institutionalized now, it could be awhile before food prices drop.

But Gin is hopeful for our San Diego tourism industry and how it will affect our county's economy.

"We'll get people coming down from longer distances to San Diego, and if airfares come down as well, it will help in terms of bringing more tourists."

And, he argued, it will bring more savings for everyone. "For every ten cents the price of a gallon of gas goes down that gives another seven million dollars a month in spending money for consumers in San Diego county."
Kelly Cunningham, a senior fellow and economist for the San Diego Institute for Policy Research, said people may not spend that money right away.

"People are cutting back, not going out shopping as much, not going out to entertainment... When you see unemployment rising, you see your neighbors start losing their jobs, you start getting conservative and not spending as much money"

Cunningham said retail spending is down 5-6 percent from this time last year—the first time spending has dropped that much since the recession of the early 90's.

He also noted that a recent study by the San Diego Union Tribune showed that traffic is actually down 6.6 percent over this time last year, despite the falling gas prices.

He's hopeful that because San Diego was one of the counties first hit by the housing crisis, we will be one of the first ones to recover from it. He also believes that because we are so reliant on business investment and not consumer production, as soon as the economy begins to turn around, money will begin to pour into the county.

Regardless, Barbara Harris is still playing it safe. "I'm still going to cut down, I still believe the economy is not where it should be, I'm a little nervous about it, so I will still cut back."
Gas Relief May Soon Come to San Diegans

The sharp drop in gas prices will likely give San Diego a temporary boost.

By Christopher Chan

Updated 4:48 PM PDT, Fri, Oct 24, 2008


A look at San Diego gas prices

The recent drop in gas prices will likely give San Diegans a temporary boost. Many gas stations around the county are selling regular unleaded gas for less than $3 per gallon. Preston and others say these price swings are unprecedented and the price of oil and gas could jump back to their record highs by the end of this year or next.

Find this article at:

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BY NED RANDOLPH

Hot Santa Ana winds are blowing again. Humidity has dropped and the unmistakable dryness has returned to San Diego.

It's been one year since the region was under siege that prompted the largest fire evacuation in U.S. history. The 20-plus wildfires consumed more than 1,600 homes and 13 percent the county's landmass.

Only a tiny percentage of homes had been rebuilt by August and less than half were in the permitting pipeline, according to a recent San Diego Foundation Community Needs Assessment Update.

Some homeowners are waiting for insurance payouts. "We may be in foreclosure, " one reported.

And it has been little boost to the ailing construction industry.

"If it didn't blow up, it would be hard to pick up at this point," said University of San Diego economist Alan Gloger. "And construction employment is down considerably compared to a year ago."

At the height of the 2007 disaster, there were seven separate fires burning in the county with projected damages exceeding $2 billion.

Lots For Sale

Real estate broker Jeffrey Smith, who lives in Rancho Bernardo, said 39 homes in his neighborhood were destroyed. Many such as his are under construction, but some of the charred lots are for sale.

It took him more than eight months to break ground - to settle with his insurer, submit plans to the city and receive permits.

"We thought we were behind the eight ball starting in July when in reality we were the middle of June," he said.

Smith said he's lucky because his insurer paid out everything owed to him by April.

"We negotiated our own deal. Our insurance company was small. They didn't have huge losses and were very fair," he said.

After the 2003 fires, it took three years for homeowners to complete rebuilding, according to the foundation report.

"I would love a contract to investigate that topic," says Jim Bliemer, director of the San Diego City-County Reinvestment Task Force, who sits on the foundation's board. "There are people still from the first fire trying to uncontract insurance. There's a dramatic need for local government to investigate the local insurance companies' response."

In short, policies don't cover all rebuilding costs - which include structural replacement, furniture replacement, landscaping and fire code upgrades. All of this amplified when property has lost equity after a decline in value.

"A lot of these poor people lost a home and when they re-evaluate the piece of property, they don't get enough money to rebuild," said Steve Conboy, founder of Conboy Group, which plans fire retardant coating on lumber used by contractors. "Their insurance policy does not pay enough to replace what they had."

He added, "We're talking to all the different groups dealing with these fire victims. A lot of the victims are stuck."

Renters Impacted, Too

The foundation, which dispatched recovery teams countywide, found that renters - many uninsured - lived in 30 percent of the destroyed homes.

"Part of the job of being on the board is to go out and do field surveys," said Bliemer. "We took a trip to San Pasqual Indian reservation. There were 100 mobile homes parked on the reservation for farm worker housing. Fire went through and burned them all."

Fire also swept La Terraza Apartments in Rancho Bernardo, destroying nine buildings in the 402-unit complex.

"Some tenants lost everything here," said Wayne Green, the managing partner of Alliance One, which owns the complex.

Green said insurance didn't cover the rebuilding costs, such as mandated sprinkler systems or $200,000 in landscaping costs.

"We're still in the process of doing that battle. Hopefully insurance covered most of it. Obviously, you can't wait," he said.

The development expects to reopen most of the 63 damaged units in the next month or two.

The contractor restoring La Terraza said the city's expedited permitting process helped get the project up and running fairly quickly.

"This one was permitted in 60 to 90 days," said Jeff Bunker, president of Wemers Group. "We think the city did a good service to most of those folks out there."

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Lending Practices That Prompted Foreclosures at Heart of Recession

BY MIKE ALLEN

The causes for the worst economic crisis since the 1930s are many, but at the core of the problem was a worrisome relaxation of underwriting standards by lenders, fostered by a climate of excess capital, escalating housing values, and readily available profits from the making and selling of home loans.

Not only were lenders approving mortgages without proof of income, borrowers could get loans without down payments, as reduced and sometimes zero interest rates, with the ability to defer monthly payments.

At the forefront of the mortgage lending system were brokers such as Dan Williams, who helped borrowers find the best terms for their loans.

“Everyone was happy as long as housing prices continued going up,” said Williams, who now heads his own firm, San Diego Lending Solutions in Mission Valley. “As long as the gravy train kept flowing, there were a lot of people that were doing less of things that weren’t right.”

Williams said while he was working at another mortgage brokerage firm about four years ago, the standard practice was to ask borrowers to provide documentation, including paycheck stubs, to determine how much they could borrow and their ability to repay the loan.

Yet lenders and the ultimate buyers of the loans, quasi-government agencies such as Fannie Mae and Freddie Mac, would dispense with documentation if a borrower’s credit score was high enough, Williams said.

“Back then (2004), if you had a FICO score of 640 to 680, maybe even 620, they would not be required to show the documentation,” he said. “If you didn’t look like you were blatantly lying, you got a loan.”

Uncertainty

Ross Staar, an economics professor at UC San Diego, said the mortgage-backed securities aren’t like stocks or bonds where an active market exists and values are set daily. Nor are the institutions that are holding such securities obligated to disclose how these are performing.

“It’s not transparent who owns what,” he said. “The result is that many lenders, particularly those in secondary markets, have a weak asset position, and may go broke.”

As uncertainty over asset quality renewed this year, more lenders, particularly larger banks, began holding cash, and were reluctant to lend to each other even on overnight loans. Since the securities were owned by international banks and other entities, the problems expanded on a global scale.

“Global financial markets and economies are more intertwined than they ever were,” said Staar.

Exacerbating the situation is an even less transparent market involving credit default swaps, or insurance policies on the mortgage-backed securities. Essentially, the swaps insulate the bonds and are used by buyers to hedge their risk should the bonds default or pay off early.

But what sounds like a reasonable thing has gotten away of control because there’s no requirement to retain the underlying assets the swaps insure, or even own the bonds, Davidson said.

The global market for the swaps, recently estimated at $62 trillion, is largely unregulated and so complex that few understand it, she said.

Stabilizing The Markets

Bankers and other financial industry observers applaud coordinated moves by the world’s largest governments to stabilize markets by injecting vast sums of cash into their largest banks to maintain liquidity and encourage the trust recently undermined.

“It’s all about trust all the way around,” said David Ely, a finance professor at San Diego State University.

But a main part of the governments’ plan to address the crisis is infusing the banks with new capital by buying stock in them, thereby strengthening their capital positions, a key measurement of a bank’s safety.

“A lot depends on what banks do with this capital. The hope is that they’ll lend the money out,” Ely said. “If the banks are still cautious and sit on the capital…then the strategy won’t be effective.”
San Diego Home Prices Continue Slide
By KELLY BENNETT

Wednesday, Oct. 1, 2008 | Home prices in San Diego County logged a 25 percent drop from July 2007 to July 2008, according to the latest Standard & Poor's/Case-Shiller index, released Tuesday.

That 25 percent year-over-year drop was the steepest on record. The decline returns home prices in the county to a level not seen since late summer 2003. At the time, housing prices were in the midst of a period of extreme appreciation, a rapid rise that saw prices increase by 150 percent over six years to reach a peak in November 2005, according to Case-Shiller historical data.

Since that peak, prices have fallen 31 percent. July's index shows housing prices are still 74 percent higher in the county than they were at the start of the decade.

But for many people who bought or refinanced homes in the last five years, the declines have erased down payments, caused hundreds of thousands of dollars of equity to vanish, made it impossible to refinance out of skyrocketing mortgages now that their homes are worth less than they owe, and left an unprecedented number facing foreclosure or with their homes already repossessed.

The impact on the regional economy has been marked by significant job losses in construction, finance and real estate. The San Diego economy has been destabilized by the housing market -- including that job loss, falling housing prices and foreclosures, leading to another monthly drop in the University of San Diego Index of Leading Economic Indicators, also released Tuesday.

"Right now there's just so much out there in terms of inventory and foreclosures and so on that it's going to take a while before all of this stuff is chewed up," said Alan Gin, USD economics professor.

Regional officials worry about the stability of some of the neighborhoods hardest hit by foreclosure, citing the blight that can come when homes are abandoned and left for vandals or squatters. The federal government allocated $17 million in grants to the region to assist with the efforts to combat that blight, officials announced this week.
Mayor Jerry Sanders announced San Diego’s piece of that allocation at a press conference Monday morning outside of a foreclosed home in Encanto, one of the city of San Diego’s hardest hit neighborhoods.

In that neighborhood, ZIP code 92114, the number of houses repossessed by banks in July increased 270 percent from July 2007, according to MDA DataQuick, reaching a rate of five houses foreclosed for every 1,000 homes in the community. That doesn’t count homes listed for sale at a loss or homes that have received notices of default, the first stage in foreclosure.

In the Case-Shiller index, the price declines show up strongest among houses priced below $354,157. In that category, the lowest of the index’s three tiers, prices have fallen 34 percent year-over-year and 41 percent from that tier’s peak in June 2006.

The middle tier -- homes priced between $354,157 and $518,796 -- saw a 24 percent drop from July 2007 and a 32 percent drop from its peak in November 2005.

And the highest tier, homes priced higher than $518,796, slumped 17 percent year-over-year and 21 percent from that tier’s peak in June 2006.

San Diego’s 25 percent drop from July 2007 to July 2008 ranks fifth-deepest among the 20 metro areas counted in the Case-Shiller index. Ahead of San Diego were Las Vegas, Phoenix, Miami and Los Angeles, with annual declines between 26 percent and 30 percent each.

The Case-Shiller index takes the most recent sales of detached houses and compares them with the last time that same house sold, tracking the changes in price in the index. It does not measure price changes in condos or new houses.

The effects of the declines in those neighborhoods where foreclosures reign and where prices have fallen by close to half since the peak are of greatest concerns to officials studying ways to fight blight. Plans for a private-public-philanthropic partnership to form a land bank have gained traction, with aims of purchasing repossessed homes in bulk from lending institutions and rehabbing them for sale or rent.

The federal government gave San Diego $94 million in federal grants to help with neighborhood stabilization efforts, Sanders announced Monday. That combines with $5 million for the county and $2.8 million for the city of Chula Vista for the same purposes. The agencies must submit plans by Dec. 1 for how they would use the money. Options include fixing up or repairing homes that have been repossessed and abandoned, expanding code enforcement, demolishing or removing abandoned properties, and buying or rehabbing homes to sell, rent or redevelop.

Sanders said the city would prefer to bolster homebuyer assistance programs with the money and clean up blighted properties, rather than purchase homes with the funds.

Liz Pursell, spokeswoman for the city of Chula Vista, said city staff in that city had expected a much smaller sum from the federal government.

“They were pleasantly surprised,” she said. “Now they’re just going to sit down and figure out how to spend the money. We need to establish our priorities and take them to the community and the policy makers.”

Chula Vista has been especially whacked by foreclosure. Three of the county’s top six ZIP codes with the highest rate of foreclosures are in the city, the county’s second-largest city.

Please contact Kelly Bennett directly at kelly.bennett@voiceofsandiego.org with your thoughts, ideas, personal stories or tips. Or set the tone of the debate with a letter to the editor.
County economic outlook drops more, index says

By Dean Calbreath
STAFF WRITER

Plummeting consumer confidence and rising unemployment pushed San Diego County's economic outlook lower in August, according to an index of leading economic indicators released yesterday.

The index, compiled by the Burnham-Moores Center for Real Estate at the University of San Diego, projected that the economy will likely remain in a slump beyond next summer.

That was based on data gathered before all the economic news of September, including the collapses and near-collapses of Merrill Lynch, Lehman Brothers, AIG, Washington Mutual and Wachovia; the rise and fall of the Bush administration's $700 billion bailout plan; and the largest one-day point drop ever in the Dow Jones industrial average.

"More bad news came out in September than any month I can remember," said USD economist Alan Gin, who compiled the index. "We've never had anything like this. So I see County, C4"
Consumer Confidence, Jobless Claims Drag USD Index Lower
By San Diego Business Journal Staff

San Diego's economy continued a downward spiral in August, according to an economic index released Sept. 30 that registered its 10th consecutive drop.

The University of San Diego Index of Leading Economic Indicators, which measures six separate components, fell by six-tenths of a percent in August, the smallest decline since May 2007. The index has dropped in 28 of the last 29 months.

Alan Gin, the USD economics professor who compiles the index, said the latest drop was driven mainly by decreased consumer confidence and an increase in the number of unemployment insurance claims.

Two components were up — building permits and local stock prices — but not enough to offset the losses in four other parts of the index.

The outlook for the future is negative, with weakness expected through the first half of 2009 and likely beyond, Gin said.

The credit crisis was already having an impact in August, and the employment picture remains bleak with the national economy shedding jobs in each of the first eight months, and the nation's unemployment rate topping 6 percent.

Locally it was 6.4 percent, compared to August of 2007 when it was 4.8 percent.

— Mike Allen
Tom Fudge: Americans, and the rest of the economic world, have been riding a financial rollercoaster. Yesterday, our coaster cars hit the bottom curve and sent us upward nearly 1,000 points, according to the Dow Jones Industrials. So far today, trading has been mixed, following announcements that the U.S. Government will buy stock in private banks. None of this makes up for the enormous percentage loss the American markets have seen over the past year, or over the past week.

Here at These Days we've tried to bring you some voices who can give you an idea of how this financial crisis is affecting you, and affecting San Diego. Today, our guest is economist Alan Gin.
Economic Indicators Drift Lower
San Diego Business Journal Staff

An index measuring the health of San Diego's economy dropped again in September, the 29th time it has done so in the last 30 months, according to a report released Oct. 30.

The University of San Diego's Index of Leading Economic Indicators for the county declined 0.8 percent for September, propelled mainly by a big uptick in the number of unemployment insurance claims.

Only one of the six components used to determine the index, the outlook for the national economy, was in positive territory. Besides unemployment claims, the remaining components that declined were building permits issued, local stock prices, consumer confidence and the amount of help wanted ads.

Alan Gin, the USD professor who compiles the index, didn't change his negative forecast through the first half of 2009.

"What is needed to turn the economy around both locally and nationally is stability in the housing market," Gin said. "It is very likely that a recession will be declared for the national economy. In fact, we may be there already."

— Mike Allen
The USD Index of Leading Economic Indicators for the county fell 0.8 percent in September. Leading the way to the downside was a surge in initial claims for unemployment insurance, which is a negative for the Index. Also down considerably were building permits, local stock prices and consumer confidence, while there was a more modest loss in help wanted advertising. The only positive component was the outlook for the national economy, which was up moderately. September’s drop marked the 29th time in 30 months that the USD Index has dropped.

There is no change in the previously reported negative outlook for the local economy through the first half of 2009. Professor Alan Gin, author of the Index, says what is needed to turn the economy around both locally and nationally is stability in the housing market. Falling prices and a jump in foreclosures have hurt both the labor market and the financial markets and institutions. The recent increase in home resales is a positive sign, but a bottom in the housing market in not likely to be reached until the latter part of 2009, and home prices are not expected to increase until 2010 at the earliest. September’s decrease puts the USD Index for the county at 115.4, down from August’s revised reading of 116.3.
A Depressing Shot of Gin

The local economy sunk deeper in September and will stay negative through the first half of next year, reported University of San Diego economist Alan Gin in his September index today.
Economic indicators index fell .8% in Sept.

Weighed down by instability in the housing market, the outlook for the San Diego region's flagging economy remains negative through at least the first part of next year, a University of San Diego economist reported Thursday.

The Index of Leading Economic Indicators for San Diego County fell 0.8 percent in September, led by a surge in the number of initial claims for unemployment insurance, according to Alan Gin, who compiles the index for USD's Burnham-Moores Center for Real Estate.

The number of building permits, local stock prices and consumer confidence were all down considerably last month, while help-wanted advertising suffered a more modest decline, according to Gin.

The only positive component of Gin's index was the outlook for the national economy, which was up moderately.

It was the 29th time in 30 months that the USD index has dropped.

According to Gin, a recent increase in home resales is a positive sign, but the housing market is not expected to bottom out until the end of 2009, and home prices are not likely to increase until 2010 at the earliest. Source Code: 20081030czn
Economic Forecast Remains Negative

(San Diego, CA) – The economy outlook for the San Diego region remains negative through at least the first half of next year. That's according to a University of San Diego economist. He says stability in the housing market is needed to turn things around.

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Leading economic indicators down in August

The University of San Diego's Index of Leading Economic Indicators for San Diego County fell 0.6 percent in August.

According to USD economics professor Alan Gin, who compiles the index monthly, said that for the 10th straight month, local consumer confidence was the most negative component. Also down considerably were initial claims for unemployment insurance, help-wanted advertising, and the outlook for the national economy. These were offset somewhat by large gains in building permits and local stock prices. Although August's drop was the 28th in 29 months for the USD Index, it was the smallest monthly decline since May 2007. Despite the slump in the housing market, residential units authorized by building permits were up for the third month in a row in August.

A surge in multi-family units authorized the last five months is largely responsible for the rise.

There was no relief on either side of the labor market. Initial claims for unemployment insurance and help wanted advertising were negative for the fifth and 24th consecutive months, respectively. The net result was that the local unemployment rate remained at 6.4 percent in August.

Once again, the raw data on local consumer confidence was positive, but the moving average trend continues downward.

Gin said in his report that the outlook for the local economy remains negative, with weakness expected through the first half of 2009 and likely beyond. He indicated that the big question mark at this point is the impact on the local economy of the national financial crisis. Due to the slump in real estate, employment among the lenders in San Diego County through August was already down more than 2,500 compared to the same period in 2007.

August's decrease puts the USD Index of Leading Economic Indicators for San Diego County at 116.5, down from July's revised reading of 117.2. Source Code: 20080930czg
Tuesday, Sept. 30

Economic Indicators Decline: San Diego's economy continued a downward spiral in August, according to an economic index that registered its 10th consecutive drop.

The University of San Diego Index of Leading Economic Indicators, which measures six components, fell by six-tenths of a percent in August, the smallest decline since May 2007. The index has dropped in 28 of the last 29 months.

Alan Gin, the USD economics professor who compiles the index, said the latest drop was driven mainly by decreased consumer confidence and an increase in the number of unemployment insurance claims.

Two components were up — building permits and local stock prices — but not enough to offset the losses in four other parts of the index.

— Mike Allen
County economic indicators fall

San Diego County's leading economic indicators fell in August in yet another indicator that the county has entered a recession, according to a report released Tuesday by the University of San Diego.

The report suggested that economic weakness could be "expected through the first half of 2009 and likely beyond." The index that measures a variety of indicators fell 0.6 percent in August from the month before and was down 13.4 percent from a year ago.

University of San Diego's economic index measures everything from consumer confidence to help-wanted advertisements. One of the few positives in August's report was building permits, which increased mainly because of a boom in multifamily units, which can include apartment or condominium complexes.

— Staff reports
County economic outlook drops more, index says

(San Diego Union-Tribune, The Via Acquire Media News Service Oct. 1.)—Plummeting consumer confidence and rising unemployment pushed San Diego County’s economic outlook even lower in August, according to an index of leading economic indicators released yesterday.

The index, compiled by the Burnham-Moores Center for Real Estate at the University of San Diego, projected that the economy will likely remain in a slump beyond next summer.

That was based on data gathered before all the economic news of September, including the collapses and near-collapses of Merrill Lynch, Lehman Brothers, AIG, Washington Mutual and Wachovia; the rise and fall of the Bush administration’s $700 billion bailout plan; and the largest one-day point drop ever in the Dow Jones industrial average.

"More bad news came out in September than any month I can remember," said USD economist Alan Gin, who compiled the index. "We’ve never had anything like this. So I imagine that when the index comes out for September, things will look even worse."

The USD index has been on the decline for 28 of the past 29 months. Four of the measures that Gin uses to assess the economy were negative in August: consumer confidence, the jobless rate, help-wanted advertising and the national economy.

Stock prices were up in August, but they have since fallen sharply. Residential building permits also rose sharply, signifying growing strength in the hard-hit construction sector. In August, 672 residential permits were issued — mostly for multifamily units — compared with 451 in August last year.

"The last five months have shown solid growth in multifamily units," Gin said. "One explanation could be that with a lot of people losing their homes, that has put some pressure on the rental sector, so some developers are seeing an opportunity to build."

Gin said the credit crunch — with major banks tightening their lending standards — could put a crimp on construction plans.

In the meantime, the employment outlook continues to dim. Gin noted that help wanted ads have declined 24 months in a row and initial filings for unemployment have risen steadily since April. As a result, the jobless rate in San Diego County hit 6.5 percent in July and 6.4 percent in August — its highest level since 1995.

Gin said the financial sector has been hit particularly hard by the decline in employment, with 2,500 jobs cut in the county since August 2007.

"It remains to be seen whether the recent mergers of institutions such as Merrill Lynch and Washington Mutual will result in more job losses in the financial sector," he said.

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Industry Briefs

Award to Karras

The University of San Diego's Burnham-Moores Center for Real Estate has named Stath Karras, executive managing director of Cushman & Wakefield's San Diego area, as the recipient of this year's distinguished Daniel F. Mulvihill Leadership Award.

Created in 2002, the award recognizes those who have demonstrated long-lasting support and leadership of the Burnham-Moores Center's efforts; Karras is a member of the Center's Policy Advisory Board Executive Committee.

The award was named for fellow executive committee member Dan Mulvihill, chairman of Pacific Southwest Realty Services and the head of the fundraising committee that launched the real estate program at USD.

Riedy presented Karras with the Mulvihill Award at a recent dinner of executive committee members.

Riedy told those in attendance that Karras had earned the honor for giving "extraordinarily of his time, treasure and talent."

In particular, Riedy cited Karras' instrumental role in helping to secure the $5 million gift that endowed the Burnham-Moores Center in 2004, as well as his ample and helpful guidance on a wide variety of Center initiatives, spanning many years.

Previous recipients of the award include: John M. Robbins Jr., special counsel at Vertice; Keith Johnson, vice chairman of Fieldstone Communities Inc.; Herb Tasker, chairman and CEO of Mason-McDuffie Mortgage Corp.; Malin Burnham, vice chairman of Cushman & Wakefield; Roger Haughton, former chairman and CEO of PMI (NYSE: PMI); and Dan Mulvihill himself, who was the first recipient.

Founded in 1993, the USD's Burnham-Moores Center is committed to delivering outstanding education, industry outreach, career and research services to advance socially responsible leadership in the real estate profession.

As part of the University's School of Business Administration, the Center offers a Master of Science in Real Estate degree, an undergraduate minor in real estate, a Certificate in Real Estate Finance, Investments and Development, a Certificate in Land Use and Sustainable Community Development, and several major industry conferences throughout the year.
University of San Diego's Burnham-Moores Center for Real Estate welcomes three new committee chairs to its policy advisory board. The board is comprised of more than 100 real estate executives who sit on four committees.

Sherm Harmer, president of Urban Housing Partners Inc., joins the board as chair of the Executive Committee. Principal at Finest City Realty Advisors, Charlie Abdi will be chair of the Commercial Real Estate Committee. Joseph Anfuso, president of Florsheim Homes, joins the board as chair of the Residential Real Estate Committee.

Louis Masotti, professor emeritus at Northwestern University, will remain in his position as chair of the center's Curriculum and Research Committee.
USD's Burnham-Moores Center for Real Estate has added three new committee chairs to its policy advisory board, which is comprised of more than 100 real estate executives who sit on four committees.

Sherm Harmer, president of Urban Housing Partners Inc., will be chair of the executive committee. He succeeds John M. Robbins Jr., managing director and special counsel at Wachovia Securities.

Charlie Abdi, principal at Finest City Realty Advisors, will be chair of the commercial real estate committee. He succeeds Chris Pascale, senior v.p. at CB Richard Ellis Inc. Joseph Anfuso, president of Florsheim Homes, will be chair of the residential real estate committee, succeeding Bill Ostrem, president and CEO of the EastLake Co.

Louis Masotti, professor emeritus at Northwestern University, remains chair of the center's curriculum and research committee.
EDUCATION

The University of San Diego's Burnham-Moores Center for Real Estate welcomes Sherm Harmer, Charlie Abdi and Joseph Anfuso to its Policy Advisory Board. Harmer, president of Urban Housing Partners, will serve as chairman of the Executive Committee. Abdi is a principal at Finest City Realty Advisors and will be chairman of the Commercial Real Estate Committee. Anfuso, president of Florsheim Homes, will serve as chairman of the Residential Real Estate Committee.
Mitchell named managing partner at CresaPartners

Oct 20, 2008

On the Move
By Thor Kambar Blumen

Ken Mitchell has joined CresaPartners as a managing principal.

Mitchell was most recently a first vice president at CB Richard Ellis (NYSE: CRE) where he handled such projects as the 450,000-square-foot Liberty Station Office District on the former Naval Training Center property in Point Loma.

Hollingfoot Liberty Station Sanbeects as the chair posts at where a first managing director and new executive committee chairperson represented numerous tenants, primarily a landlord broker whose climate included property Station developer The McMillan Cos.

Steve Rowland and Michael Roberts have joined Cushman & Wakefield as office and industrial investment sales specialists.

Rowland brings more than 32 years of commercial real estate experience as he rejoins Cushman & Wakefield where he spent eight years of his professional career at Burnham Real Estate (1992 to 2000).

Roberts has more than five years of commercial real estate experience and has advised over $550 million in investment transactions.

Thomas van Betten has joined Grubb & Ellis/CRE Commercial as a sales and leasing specialist within the firm’s office specialty division.

Van Betten has more than 16 years of experience in the commercial real estate industry and most recently served a director for Cushman & Wakefield Brokerage Services.

Van Betten will be based in Grubb & Ellis/CRE Commercial’s UTC office and he will focus on institutional landlord marketing assignments, tenant representations and investment sales.

Brian Schmitt has been named project manager at San Diego-based RJC Architects.

In his new position, Schmitt will oversee construction documents from conceptual design through completion on the new $54 million parking structure at California State University at San Marcos.

Prior to joining RJC Architects, Schmitt served as a senior associate and project manager for several prominent architecture firms working on classrooms, housing and administrative buildings for university campuses and community colleges, including University of California at Riverside, California State University at San Marcos, Southwestern Community College District and Grossmont/Cuyamaca Community College District.

Thuan Ton has rejoined Domus Studio Architects as a designer/CAD drafter.

In 2002 Ton worked at the firm, previously known as Dominy Associates, as a job captain.

Working in architecture firms since 2000, Ton’s past project involvement includes churches, libraries and interior design.

Mary Wensler has joined the Ceres Group of Cos. as a regional vice president.

Wensler brings more than 25 years of real estate experience to the company.

Previously, she was employed as a vice president for Simpson Housing, ADECO, PPI and most recently, OneWest/Riverstone.
MBA grads to brave tough job market

By REBECCA GO
The Daily Transcript

SAN DIEGO — Robin Dannon doesn’t mince words when advising graduating MBA students — those pursuing a master’s degree in business administration — at the University of California, San Diego.

“I told them, it’s a grim, difficult economy,” said Dannon, the director of MBA Career Connections at UCSD’s Rady School of Management.

Tightening company budgets and a changing, battered finance sector has complicated the job search for fresh MBA graduates. The competition has become tougher: Older hands cut from merged or dissolved companies are trickling down to compete for the same positions.

The economy is “no doubt going to have a fairly negative impact on job prospects,” said David Ely, professor of finance and director of graduate business programs at San Diego State University. “In this sort of environment, it’s hard to imagine a lot of companies are out there trying to hire.”

In the past, most MBAs headed for the finance sector after graduation. The industry accounts for nearly 40 percent of MBA job offers, with 33 percent of the class of 2007 taking positions in financial services, said Tom Kozicki, executive director of MBA career services at University of California, Irvine, and president emeritus of the MBA Career Services Council.

These statistics will likely change, agreed Kozicki, going hand in hand with a changed landscape. The five largest U.S. investment banks have all but disappeared, and commercial banks are consolidating and unlikely to hire on more staff.

Kozicki holds a positive outlook, however, noting that the consulting and financial services sectors suffered in the 2001 recession but bounced back quickly.

Other professors and career advisers remain encouraging as well. Students are urged to start early in their job search, to think broadly when applying and to focus on getting a foot in the door rather than securing a dream job.

Grads “don’t have to shoot for the stars at this point,” said Reyna Brook Sund, MBA career services manager at the University of San Diego. “They can take steps.”

For those still interested in investment banking, David Pyke — dean of USD’s School of Business Administration — reminds them the need for that skill set has not disappeared.

“Companies still need someone to underwrite stock and float bonds,” Pyke said.

The USD School of Business Administration recently hosted a panel on careers in investment banking. Alumni told students to consider regional investment banks, private equity firms or research.

In two to three years, Ely said, those investment banking jobs will be back — they might just take on a different shape.

“Those types of jobs will be available at those huge financial institutions rather than those investment banks,” he said. “Those jobs will be around again.”

See Job market on 4A
Debate Over Fannie Mae and Freddie Mac is Already Under Way

SPECIAL REPORT

New Congress and President will determine what lies ahead for the government-sponsored entities after conservatorship

BY MANDY JACKSON

When the U.S. Treasury took control of Fannie Mae and Freddie Mac, it revealed the debates about what role the government-sponsored enterprises should continue to have in the mortgage market.

The new congress will have to decide whether to continue to have the enterprises operate in the financial system, to sell or spin off the enterprises, or to allow the entities to return to their normal operations.

Fannie Mae and Freddie Mac have been under conservatorship since 2008, when the GSEs were placed into receivership due to their failure to operate in a manner that was safe and sound.

This has never happened before, said Cardwell. There’s an infinite number of options, but the Treasury will decide what happens. We will be prepared when the time is right.

Mark Reddy, executive director of the Franklin Coal Mining Center for Real Estate at the University of New Hampshire, said he expects the GSEs to be in a similar situation for another 20 years.

I think there’s been a lot of opportunity to look at how the GSEs and Fannie Mae and Freddie Mac and others prioritize them. I think the Treasury is going to do a lot over a number of years, Reddy said.

The government will work with Fannie Mae and Freddie Mac to see how to break all the pieces and put them together.

What is certain is whether private companies can maintain the same level of financing housing adequately while providing their returns to investors. Also, one or two of the GSEs could be able to buy Fannie Mae or Freddie Mac, but there is some concern that they would be so big that it would be difficult for other lenders to compete.

We created institutions that are too big for any reasonable execution, Reddy said. I don’t think we’ll be able to keep them and manage them for two years and let them go on a merry-go-round.

Leonard Rushfield, a financial professor at the University of Pennsylvania, said the control Fannie Mae and Freddie Mac also would have an impact on the financial markets and how companies can compete with their large size.

Rushfield said a Democratic president and Congress would most likely want Fannie Mae and Freddie Mac to operate in a more efficient manner, while the GSEs need to be focused on serving the needs of the marketplace.

The GSEs have been criticized for their inability to operate in a more efficient manner.

I think the conservative business will be part of the debate because the agencies have played such a big role in making housing stable in the capital markets for multifamily at a time when the single-family homes were being hit with all of the other issues.

The GSEs have been criticized for their inability to operate in a more efficient manner.

There are many people who believe that parts of Fannie Mae and Freddie Mac should be reigned in and that some parts should be absorbed by the federal government.

I think personally my position is that there has to be a balance. When it comes to the GSEs, Rushfield said, we need to look at some of the big pieces of government and what government does and doesn’t control.

Rushfield said that the GSEs need to have a hand in getting the financial markets moving again.

You’ve got to have a fundamental time, some of the 30s in order to automate some of the big pieces of government and what government does and doesn’t control.

The Competitive Enterprise Institute, a nonprofit public policy organization dedicated to advocating the principles of free enterprise and limited government, is advocating for the elimination of Fannie Mae and Freddie Mac’s credit risk.

We’re not going to make them a lot smaller, if not nonexistent, said John Berlin, director of the Center for Entrepreneurship at the Competitive Enterprise Institute.

“The question is, do they need to be there on a smaller scale?” Berlin said. “Arguably, why couldn’t Bank of America or Citibank run programs like that?”

But the GSEs are already doing programs that provide a solution for those who want to buy a home in their communities.

If Fannie Mae and Freddie Mac can’t run programs like that, he said, there’s no reason to change laws and conditions that made it difficult to well capital and Freddie Mac and Freddie Mac will fail to do it.

There is no longer a need to do it.

See Debate, page 28
For insensitivity, Wachovia refuses to be outdone

As alluring Wachovia Corp. waits to see whether it will be acquired by Wells Fargo & Co. or Citigroup Inc. -- possibly with taxpayers paying the tab for hundreds of billions of dollars in bad loans -- some of the company's top brokers are preparing to depart Saturday for an all-expenses-paid cruise of the Greek Isles.

The weeklong trip for up to 75 employees of brokerage A.G. Edwards, which Wachovia acquired last year for nearly $7 billion, will also include spouses and significant others, said Teresa Dougherty, a Wachovia spokeswoman.

"This is one way that we recognize our top financial advisors," she said.

Word of the Wachovia junket follows reports that senior executives of troubled insurance giant AIG attended a $440,000 company retreat last month at Southern California's swanky St. Regis Resort in Monarch Beach just days after being bailed out with $85 billion in taxpayer funds.

A White House spokeswoman Wednesday called the AIG outing "despicable." Yet even as the Bush administration was wagging its finger at AIG, the Federal Reserve was announcing $37.8 billion in additional loans for the company.

Moreover, a spokesman for American International Group said the company was going ahead with plans to host a three-day confab for about 150 insurance brokers at the Ritz-Carlton Resort in Half Moon Bay next week. About 50 AIG employees also will attend.

"This is an annual affair," said AIG's Joe Norton. "It's a key meeting."

Such five-star shindigs have long been a standard practice for the U.S. financial industry. They serve as incentives and rewards for top producers, as regular get-togethers for senior execs.

But the gatherings raise ethical questions at a time when many institutions are turning to taxpayers to cover their bad mortgage bets and millions of Americans are tightening their belts.

"It's clear that these executives don't get it," said Stephen Conroy, an associate professor of economics at the University of San Diego who focuses on business ethics. "These are the same excesses that got them where they are today."

Conroy acknowledged that companies still need to recognize their biggest money-makers during hard times, and that such events are typically scheduled months in advance. But he said the only prudent thing to do when a company faces troubles like AIG or Wachovia does is to behave with some humility.

"Some expenses are clearly valid," he said. "But things like the Ritz-Carlton are hard to justify."

As I reported Wednesday, AIG spent more than $440,000 wining and dining salespeople and company managers at the St. Regis. The bill included nearly $200,000 for rooms, $150,000 for meals, $23,000 in spa charges and almost $7,000 for golf outings.

Responding to outrage over the wingding, AIG said the company's CEO, Edward Liddy, sent a letter to Treasury Secretary Henry M. Paulson explaining the nature of the event. Liddy was quoted as saying that AIG was "reevaluating the costs of all aspects of our operations in light of the new circumstances in which we are all operating."

Be that as it may, AIG's Norton said next week's Ritz-Carlton retreat would proceed as planned. He said the event would introduce new insurance products to salespeople who specialize in wealthy clients.

Norton declined to provide a price tag for the event. A Ritz-Carlton spokeswoman also declined to comment.

The hotel's website describes the facility as "an elite golf and spa resort" where guests can "enjoy soothing coastal breezes and captivating ocean views," and "estate-style accommodations."

Rates vary from $399 a night for a run-of-the-mill room to more than $1,000 for a suite. In other words, just the place to bask in what's now more than $100 billion in taxpayer cash pouring down on AIG.

In Wachovia's case, the company declined to say what cruise line the Edwards workers would be taking or what islands they would be visiting.

Dougherty called the cruise a "recognition trip" and said such things "are common practices around brokerage firms."

Wachovia agreed last week to be purchased by Citi for about $2 billion. Under terms of the deal, Citi said it would assume the first $42 billion in losses related to Wachovia's stinkiest mortgages, and the Federal Deposit Insurance Corp. would shoulder all losses above that amount -- possibly as much as $70 billion.

Days later, though, Wells Fargo stepped in with a
AIG's $440,000 company retreat last month at Southern California's swanky St. Regis Resort isn't the only recent example of questionable spending by a key player in the economic meltdown.

Some of Wachovia Corp.'s top brokers departed Saturday for an all-expenses-paid cruise of the Greek Isles.

The weeklong trip for up to 75 employees of brokerage A.G. Edwards, which Wachovia acquired last year for nearly $7 billion, included spouses and significant others, said Teresa Dougherty, a Wachovia spokeswoman.

"This is one way that we recognize our top financial advisers," she said.

Moreover, the AIG getaway to St. Regis Resort wasn't that company's only high-brow retreat. A spokesman for American International Group said the company was going ahead with plans to host a three-day confab for about 150 insurance brokers at the Ritz-Carlton Resort in Half Moon Bay this week. About 50 AIG employees also will attend.

"This is an annual affair," said AIG's Joe Norton, of the company's sales management division.

Such five-star shindigs have long been a standard practice for the U.S. financial industry. They serve as incentives and rewards for top performers.

But the gatherings raise ethical questions at a time when many executives are turning to taxpayers to cover their bad mortgage bets, and when millions of Americans are tightening their belts.

"It's clear that these executives don't get it," said Stephen Conroy, an associate professor of economics at the University of San Diego who focuses on business ethics. "These are the same excesses that got them where they are today."

Conroy acknowledged that companies still need to recognize their biggest moneymakers during hard times, and that such events are typically scheduled months in advance. But he said the only prudent thing to do when a company faces troubles such as AIG or Wachovia does is to behave with some humility.

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David Lazarus writes for the Los Angeles Times. He can be reached at david.lazarus@latimes.com.
AIG Spend Taxpayers' Funds On Second Retreat

By: Xue Li, Singapore
Published: 7 hours ago

US - Senior executives of troubled insurance giant AIG are off to another five-star resort, shortly after it came under fire for spending $564,000 on a spa retreat for employees.

Despite the controversy, AIG spokesperson Joe Norton said the company would still be hosting a three-day conference for around 150 insurance brokers and 50 of its own employees at the Ritz-Carlton Resort in California next week. "This is an annual affair. It's a key meeting."

This comes after the company was slammed for spending $646,000 on its top salespeople and company managers at St. Regis, a posh California retreat, just as it was being bailed out with $125 billion in taxpayer funds. The bill included nearly $294,000 for rooms, $220,000 for meals, $34,000 in spa charges and almost $10,000 for golf outings.

While such get-togethers serve as standard incentive and reward practices for senior executives in the US financial industry, it has enraged the taxpayers who are paying for its bailout.

"I mean that these executives don't get it. These are the same excesses that got them where they are today," said Professor of Economics at the University of San Diego who focuses on business ethics, Stephen Conroy.

"Even if such events are typically scheduled months in advance, Conroy said a company facing trouble like AIG should behave with some humility. "Some expenses are clearly valid. But things like the Ritz-Carlton are hard to justify."

Companies featured:

- AIG
Loan workouts easier, but might not be helpful

ZACH FOX
STAFF WRITER

It's getting easier to save families from entering foreclosure, community activists said Friday.

But some economists said the loan modifications, which often reduce mortgage payments, might not stop North County's real estate crisis from deepening.

Countrywide, one of the nation's largest lenders, announced a plan last month that aimed to speed the modification process to keep borrowers from defaulting. One mortgage broker, Sheldon Ruckens of Carlsbad, said one of his clients received a Countrywide modification the first time he called the lender — a stark contrast to previous accounts of long, frustrating modifications.

And Community HousingWorks, a nonprofit that serves as one of the county's leading advisers in modifications, reported that lower mortgage payments have become easier to secure by the week.

But many of the modifications by all lenders were interest rate adjustments, not principal write-downs that reduce the amount owed, analysts said.

As a result, said Christopher Thornberg, an economist with Beacon Economics, many modifications will not help North County's real estate crisis.

"It just extends the misery, that's all," Thornberg said. "This doesn't sound like a bank helping a person, this sounds like a bank trying to help itself."

One such modification went to Oceanside resident Diane Goodwin. During a housing boom four years ago, Goodwin turned from homeowner into real estate investor. By 2006, she owned four rental properties in addition to her own house.

All five homes carried mortgages known as "negative amortization," products that allow borrowers to pay less than interest — meaning the mortgage balance grows each month.

This year, Goodwin faced two mortgages readjusting to full amortization status, meaning all the interest would be paid in addition to part of the principal — a jump in cost of about 50 percent. But her lender, GMAC, agreed to a loan modification that fixes the interest rate at 2 percent for five years while paying some principal. The result: a similar payment to her previous loan.

"I feel very much relieved," she said. "In five years, we would have paid off some of the principal and hopefully some of these properties will come back."

Her loan modification did not carry a principal write-down.

But Goodwin said she expects the real estate market to improve within five years, allowing her to refinance the loan or sell the house.

Thornberg said that's not likely.

WORKOUTS

Continued from D-1

Real estate prices will not return to 2006 levels for another decade, at least, he said.

Though one of his clients benefited from a modification, Ruckens said he agrees with Thornberg.

"It's far from over. They can save a few people here and there, but it doesn't mean people can afford it," he said. "It's only a temporary slowdown until a complete collapse to affordable houses."

Only structural write-downs will be effective, Thornberg said. Any of the modifications, he said, came with the help of Community HousingWorks, "the vast majority" are interest rate adjustments, not write-downs, said Gabe Del Rio, vice president of homeownership for Community HousingWorks.

But if programs like Countrywide's become widespread among lenders, it could help prevent price declines in many communities, he said.

"It would certainly curb foreclosures and it would help us in stabilizing the market," Del Rio said.

Del Rio and Thornberg did agree on one aspect of North County's foreclosure crisis: the recession x-factor. The county has lost jobs for five straight months, with several economists expecting steeper job losses in the near future.

Without a job, workouts are virtually impossible, analysts said.

"That's why I can't say we're past the halfway point of foreclosures — because we're not past the halfway point in the recession," said Norm Miller, a real estate professor with the University of San Diego's Burnham Moores Real Estate Center.

And what does the modifications mean for housing prices, which are 30 percent off 2005 levels in San Diego County?

Del Rio said it could reduce the pain. But Thornberg said house prices need to reach 40 percent below peak pricing to become affordable and that real estate cycles typically overshoot, meaning prices dip below historical norms because of psychological factors.

"The question is, if they're modifying loans are they going to prevent some of that overshooting? Maybe," he said. "But that's like saying, 'If I turn on this fan in the hurricane, am I going to feel the drafts?'"

Contact staff writer Zach Fox at (760) 740-5412 or zfox@nctimes.com. Read his blog, "On the RealSide," at nctimes.com/blogs/minding_your_business.
Bailout could put government behind mortgages

(North County Times (Escondido, CA) Via Acquire Media NewsEdge)

Oct. 13--Under terms of a $700 billion bailout, the government might be put in the position of deciding what happens to local homeowners late on their mortgage payments.

The bailout gives Treasury Secretary Henry Paulson a wide range of options, though Paulson said recently that the government would focus on injecting cash into troubled lenders.

However, the bailout originally centered on the government's purchasing troubled assets, known as mortgage-backed securities. It also provides latitude for the government to purchase mortgages wholesale.

If Paulson decided to focus on purchasing mortgages and securities, it would put the government in a position to determine whether to track down fraud among the portfolio or simply attempt to collect payments.

Financial executives sliced mortgages to create these securities, which have recently dragged down the balance sheets of lenders and created a freezing of the flow of credit to local businesses.

For example, a lender might gather 100 mortgages from across the nation and split up the payments into different pools of securities. Then, when a mortgage defaults, losses are applied to the highest-risk pool first, which yielded a higher interest rate if all mortgages were paid on time.

The safest pools were supposed to be paid first and never suffer from defaults because they had been limited by spreading the mortgage portfolio across the nation.

But unexpectedly highspacerates in all states have eliminated the value of the safest pools. And because of complex structures that pull payments from several mortgages or redistribute interest rates among different pools, it has become increasingly difficult to figure out who owns what.

Tracking down fraud among these securities might be worthwhile if the servicer, the lender who processes mortgage payments, has the wherewithal to do so, said Norm Miller, a real estate professor at the University of San Diego.

"If you have a squeaky-clean portfolio and you're looking for lemons, that might make sense," he said. "But that's a luxury, so that's kind of shocking to go after somebody who is not in default."

And it is probably a luxury the government will not be able to afford if the bailout bill goes through.

Because the legislation proposes to buy the most toxic mortgage-backed securities, the government probably will have to focus on how to keep borrowers paying, not root out fraudulent borrowers.

"The smart strategy is to go after the worst stuff that's in trouble and try to reprice it and see what they could collect," Miller said.

To see more of the North County Times, or to subscribe to the newspaper, go to http://www.nctimes.com.

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S.D. Housing Market Remains 5th-Weakest; Price Index Plummets

Wednesday, October 01, 2008 1:56 PM

Symbols: AMD

(Source: The San Diego Union-Tribune) By Roger Shawley, The San Diego Union-Tribune

Oct. 1--There's no sign of a housing turnaround in San Diego County and most other major markets, according to a closely watched index released yesterday.

The Standard & Poor's/Case-Shiller 20-city home price index dropped a record 16.3 percent in July from year-ago levels, with San Diego down a record 25 percent over that period and remaining the fifth-weakest housing market.

The index, which is based on changing prices paid for the same single-family homes over time, fell in San Diego to 172.2, the lowest since August 2003 and 31.2 percent off the peak of 250.3 in November 2005. The index for all cities was set at 100 in January 2000, meaning that San Diego's prices more than doubled before falling back to their present levels.

Las Vegas fell the most in July, down 29.9 percent, followed closely by Phoenix, Miami, Los Angeles and San Diego. All 20 cities were down from July 2007 levels but six were up from June.

"There are signs of a slowdown in the rate of decline across the metro areas," said David M. Blitzer, chairman of S&P's index committee, "but no evidence of a bottom."

While some cities fell less in July than June, San Diego's prices dropped 1.8 percent in July, compared with 1.5 percent in June. The year-over-year slide of 25 percent, compared with a 24.2 percent 12-month drop in June.

The new figures showed the same pattern as numbers released earlier by AMD DataQuick, which uses different methodology. DataQuick showed the regional median sales price down 25.6 percent in July from a year earlier to $364,000, followed by a drop to $350,000 in August.

Norm Miller, an economist at the University of San Diego, said the trends are exacerbated by the large number of low-priced foreclosed and short-sale properties that dominate the market. He estimated that nondistressed properties are off perhaps 12 percent from year-ago levels.

But Miller said the future is clouded by the prospects for the overall economy and whether or not Congress passes the $700 billion bailout bill that failed in the House Representatives on Monday but may get a second chance later this week.

"If they don't pass the rescue bill, my forecast would be much more pessimistic," he said, possibly including a longer and deeper recession. "We'll not be as much concerned about the housing market coming back -- it'll be jobs and people on food stamps and just getting by."

If Congress approves a rescue plan and restores confidence, Miller said housing should bottom out in mid-2009 and begin a slow recovery.
Developers Form Coalition To Counter Tighter Lending Policies

Emmett Pierce
The San Diego Union-Tribune
September 28, 2008

Relations between lenders and builders have become increasingly strained in recent months, as banks around the country have pulled the plug on distressed housing developments.

Just like the thousands of homeowners who face foreclosure, builders have been caught up in the national credit crunch that began last summer. In response, a group of them formed the Homebuilders Coalition for Responsible Bank Behavior recently with the idea of pressuring banks to modify distressed loans rather than simply calling them in.

Most of the roughly 80 member companies are located in California, but the group includes builders from Oregon, Missouri and Washington, D.C. In part, the organization aims to change lending practices by lobbying Congress for new regulations.

Some analysts say that lenders have no choice but to act when developers fall behind on payments or when falling property values undermine equity credit lines. But the builders say that makes it difficult for them to operate.

"I can't say they are doing anything illegal, but they are pushing the ethical and moral boundaries," said coalition member Greg La Marca of GS Enterprises. "It is difficult for us to guarantee the economy when we start a project, and that is what we feel we are being asked to do. We are unable to get any type of cooperation with workouts with the majority of our lenders."

Disturbing to builders is the fact that some banks are enforcing personal guarantees that make them personally liable for repaying the debt. Michael Hackard, a Sacramento-based attorney working with the coalition, says he expects many builders forced them into insolvency by not acting in good faith.

Ivy Zellman, a real estate market researcher based in Cleveland, says such builders have little chance of success.

Recent events such as the federal takeover of mortgage giants Fannie Mae and Freddie Mac have created a climate of lending reform. Zellman said banks are being urged by financial regulators to quickly put their financial houses in order.

"I think it is really hard for (builders) to try to fight back and sue banks for pulling financing," Zellman said. "The reality is the love affair is over. The banks have to do what they have to do. They have capital requirements and regulatory pressure."

Despite that pressure, longtime San Diego mortgage banker Daniel J. Auld said builders are correct to complain. Cutting off funding on unfinished housing developments "is bad faith lending on the bank's part," he said. "I think they have an obligation to finish up. This is something that needs to be addressed."

Many distressed homeowners in California have complained that lenders have been slow to respond to requests for loan modifications. Builders with distressed loans are in the same situation, said coalition organizer Michael D. Pattinson, president of Carlsbad-based Barratt American.

"We aim to help builders understand what is being done to them and put them in touch with qualified professional advisers, such as lawyers and workout specialists," Pattinson said of the coalition. "We are taking the stories of bad bank behavior to regulatory bodies and legislators in Washington, D.C., and individual states. We are focusing on ways to help builders address acute problems such as personal guarantees."

One of the goals of the coalition is to enact regulations that require lenders to remain in development and construction loans for the life of the projects they fund. Pattinson said his own firm recently was forced to stop construction on several projects when its $125 million line of credit was frozen by Bank of America. The bank said it was forced to take action when the company missed payments.

Although banks face their own financial difficulties, Pattinson says they should consider the long-term effect of alienating builders, who gave them billions of dollars worth of business when the U.S. housing market was soaring.

In San Diego County, many properties doubled in value between 2000 and 2005. Lending practices loosened and made it easier for some lenders, home buyers, builders and Wall Street investors rushed to take part in the housing boom. Many buyers were allowed to pay far above appraised values, taking out variable-rate loans based on low-interest teaser rates. When many of those loans failed, credit contracted.

Norm Miller, a professor at the University of San Diego's Burnham-Moores Center for Real Estate, says lenders should carefully weigh their options before cutting off builder credit.

Some banks "are going to have a hard time regaining business-as-usual relationships when this is all over and they need to think long term," Miller said.

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A plan to save the neighborhood

The City Heights Foundation will host a symposium Thursday to discuss how the dramatic increase in home foreclosures has affected San Diego County.

The symposium is titled "Developing a Regional Plan for Neighborhood Stabilization: Focus on San Diego County." The event will bring together more than 100 local representatives from financial institutions, government agencies, nonprofit organizations and business sectors, said Enrique Gandarilla, executive director of the City Heights Business Association.

"The federal government right now is trying to figure out what to do about the mortgage market meltdown, he said. "What we want to do is provide them with a set of strategies that we think will work best in San Diego County."

Participants will be divided into breakout sessions to discuss foreclosure prevention, reclaiming bank-owned properties, and home buyer financing. Norm Miller, a professor at the University of San Diego's Burnham-Moores Center for Real Estate, will discuss "The Neighborhood Impact of Subprime Lending, Predatory Lending and Foreclosure."

The event is being held in collaboration with the Federal Deposit Insurance Corp., the Federal Reserve Bank of San Francisco, and the Office of the Comptroller of the Currency. It will take place from 8 a.m. to 4 p.m. at the Joan B. Kroc Institute for Peace & Justice at the University of San Diego. Seating is limited to those who have preregistered, Gandarilla said. More information is available by calling (619) 516-2252.

- EMMET PIERCE
FORECLOSURE MEETING

The City Heights Foundation in collaboration with the FDIC, the Federal Reserve Bank of San Francisco, the Office of the Comptroller of the Currency and a local agency task force will host an Oct. 30 symposium titled "Developing a Regional Plan for Neighborhood Stabilization: Focus on San Diego County" that will address foreclosures in San Diego County. The invitation only event will take place from 7 a.m. to 4 p.m. at the Joan B. Kroc Institute for Peace & Justice at USD. The symposium will bring together more than 100 local representatives from financial institutions, government agencies, non-profit organizations, philanthropy and business sectors to discuss and agree on a series of strategies for San Diego County that will help minimize the negative impact of foreclosures. The recommended strategies will be used to help guide federal, state, and local initiatives.

One of the presentations will be on the Housing and Economic Recovery Act by a senior representative from the Department of Housing and Urban Development. A second presentation will be on the prevalence of foreclosures in San Diego County by a representative from the Federal Reserve Bank of San Francisco. Professor Norm Miller of USD will talk on "The Neighborhood Impact of Subprime Lending, Predatory Lending and Foreclosure."
Real Estate Pros Assess Career Status in Downturn

Uncertainty leads to employment cuts with few prospects for growth as employees prepare for difficult market conditions

BY MANLEY JACKSON

CALIFORNIA REAL ESTATE JOURNAL
October 27, 2008

Newbottom's rise to his current job at Colliers International in 2001 was carpe diem, when he left a long-standing career as a lawyer in New York City. "I had a sense of what was going on in the market and knew I could do it," Newbottom said, "so I went for it.

In a career that has spanned more than 20 years, Newbottom has seen the real estate market rise and fall, and he has learned to adapt to the changing conditions. "There's a lot of talent out there," he said. "But the market is very competitive, and you have to be willing to work hard and be flexible."

Newbottom has held a variety of positions in real estate, including broker, consultant, and chief executive officer. He has also been involved in a number of industry organizations, including the National Association of Realtors and the California Real Estate Association.

Newbottom said that the real estate market is going through a lot of change these days, and that people need to be ready to adapt. "It's not a time to be sitting on the sidelines," he said. "You have to be prepared to take risks and try new things."
Artin Panossian, a student in USD's master's of science in real estate program, has been awarded a $10,000 scholarship from the Majestic Realty Co./Society of Industrial and Office Realtors educational scholarship program. Panossian is one of six students awarded the scholarship, which is given to students studying real estate at the graduate level in California, Colorado, Florida, Georgia, Nevada, Pennsylvania and/or Texas. Panossian is the only scholarship winner from a California-based university. He will travel to Minneapolis in November to accept his scholarship at the 2008 SIOR Fall World Conference, which is expected to be attended by more than 900 real estate professionals.
Santa Ana-based First American Corp., the country's largest title insurer, saw a $42 million profit in its second quarter after cutting salary and personnel costs by 24 percent, closing 94 offices and laying off 700 employees.

LoPinto said property management and investment are two areas of commercial real estate that do not appear to be making cutbacks. Good asset managers will be in increasing demand to maximize revenue at properties and to handle the assets acquired by the federal government in its $700 billion bailout plan, which is structured to acquire bad debt held by troubled financial institutions.

"Individuals with workout experience will be in high demand," LoPinto said. "The last time this happened was in the early '90s and most individuals who have entered the business since then have experienced nothing but growth. Of all the segments in the industry, asset management is one of the areas where you'll see demand."

On the investment side, private equity groups are either raising capital and planning to make real estate investments or they're having a hard time putting together new funds.

Major private equity firms continue to receive capital from pension funds, endowments and other institutions, including Washington, D.C.-based private equity giant The Carlyle Group, which has California offices in Los Angeles, Menlo Park and San Francisco, and Los Angeles-based Colony Capital LLC. Those without long and successful track records are unable to pool significant funds.

"Strong funds over the last few years have actually raised a lot of capital and built up their bench [of people]," LoPinto said. "I don't think there will be a lot of hiring, but I don't see a lot of cutbacks either."

Lee said there are a lot of professionals from outside the industry - people coming from hedge funds, investment banks and related markets - looking for jobs in real estate. They could unseat current employees or beat out real estate professionals for job openings because they have master's degrees and the Wall Street experience that may be needed to restructure bad commercial real estate debt.

Back to School

California universities with real estate programs have seen new interest from professionals looking to bolster their résumés.

The University of San Diego enrolled its largest class to date this fall in the university's master of science real estate program, with 21 full-time and six part-time students.

John Ferber, commercial real estate director at USD's Burnham-Moores Center for Real Estate, said those numbers show that people still hold the industry in high esteem, despite the real estate slowdown.

"In the late '80s and early '90s, we lost a whole generation of students," Ferber said, referring to the last major economic and real estate recession.

The master of real estate program is in its fifth year at USD. It is recommended that students have at least two years of experience in the industry, but many students have much more experience than that. Students this year range from 24 to 46 years old.

"That's not too untypical of our previous classes," Ferber said. "We have people coming back maybe because they just want to enhance their knowledge in some areas they haven't known about before. Many do have jobs. Some have internships."

There have been some exceptions where students enrolled in USD's master in real estate program as soon as they earned their bachelor's degrees.

"Some have done it this year, primarily because the job market just wasn't enticing," Ferber said.

Many students who have been working in real estate for one to five years in the residential market for homebuilders, mortgage companies and others are likely to be unemployed now or are looking for different jobs.

"Certainly there has been a lot of displacement," Ferber said. "Then there's the uncertainty, where some are calling me and saying, 'I think I'm going to be laid off.' Some are getting through the first round of layoffs, but they don't think they'll make it through the second round of layoffs."

The master of real estate development program at the University of Southern California in Los Angeles also requires that students have a few years of professional experience.

Sonia Savoulian, managing director of USC's Lusk Center for Real Estate, said there have been large audiences this year at admissions seminars for the master of real estate development program with classes starting in June. The current 2008-09 class with 15 part-time students and 45 full-time students is larger than the previous class.

Potential new students see a slowdown happening in the industry and they think graduate school may offer a good opportunity to take time off, learn more about real estate, get some training to help them advance in their careers and look at where the industry will be when they graduate. Students graduating...
in May are paying attention to activity in the market and they're trying to see where they might fit in.

"We're trying to help them learn from past cycles and our alumni who came out of the program in the early '90s are talking to them about where they stepped into the industry," Savoulian said. "They entered the workforce in the early 2000s so they haven't seen the real estate world go through this before. It's all new to them."

Lee said it's not that common for experienced professionals to go back to school and earn a higher degree when the real estate market slows.

It is wise, however, to earn a professional designation from a trade association, he said, such as the certified property manager designation from the Building Owners and Managers Association or LEED accreditation from the U.S. Green Building Council's Leadership in Energy and Environmental Design program.

"That's where you can add some value," Lee said. "This is the time to get certification, to polish up your resume, to write articles, to do ancillary research, to branch out in the community and develop your career as challenges to limit your career are glorified."

Learning to Survive

Mike Tingus, president and managing principal of brokerage Lee & Associates' Los Angeles North and Ventura operations, began working for Colliers right out of college in 1988 as a runner until 1989.

Working on his own in 1990, Tingus had a good year. From 1991 to 1995, he had to work much harder to establish a roster of clients that helped him make it through the rough times then and the market's ups and downs ever since.

"Some of the people in the company who are not shareholders yet, my two- to five-year brokers who aspire to be shareholders, are some of my biggest producers this year," Tingus said. "I had an associate last week talking to my shareholders on how to do effective cold-calling."

Twenty years into the business, Tingus still goes out on cold calls with his young brokers to remember what it feels like to work in a slow market.

"My expectation is that this cycle, as with all previous cycles, will require a change in an agent's business plan and his approach to how he conducts his business," said Ed Indvik, chairman of the advisory board for Lee & Associates.

In his experience, about 20 percent of the brokers in any market will get out of the business as a result of a downturn, including new and veteran brokers.

Since July 2007, Lee & Associates has been talking to its brokers about how the real estate market is changing and how it affects the national firm's business plan and the message it delivers to its clients.

"We view this as an opportunity to establish a new level of relationship with our clients and an opportunity to grow," Indvik said. "The sooner you analyze what the opportunities are, the better off you'll be in the long run."

- E-mail Mandy_Jackson@DailyJournal.com

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Biotech looks to conference to 'unleash the dragon'
By REBECCA GO, The Daily Transcript

Another biotechnology conference comes to San Diego this week, this time to highlight a more global perspective. The Sino-American Biomedical and Pharmaceutical Professionals Association hosts "Unleash the Dragon," during which discussion will focus on partnerships with the Pacific Rim.

Also, construction industry members have a number of workshops to choose from this week, in contracts, requirements and other areas of study.

The Engineering and General Contractors Association and the city of San Diego offers a course Monday on storm water pollution prevention. To reserve a spot in the 7:30 a.m. to 4:30 p.m. program, call (619) 692-0760.

The University of San Diego launches a new core course on Tuesday for its Certificate in Land Use and Sustainable Community Development. "Implementing Sustainability Through Environmental Regulations" consists of four classes throughout the month, once a week, but professionals can take one or take them all. For more information, visit sandiego.edu/landuse.

The Pacific Safety Council reviews the "basics" of Cal/OSHA requirements Wednesday from 8-11 a.m. for interested members of the construction industry. To reserve a seat, call (858) 621-2313 or visit safetycouncilonline.com.

Little Italy restaurants open their doors Wednesday from 5-9 p.m. for Taste of Little Italy, an evening opportunity to sample appetizers, desserts and specialty beverages. To purchase tickets, visit tasteoflittleitalysd.com.

The Faculty Club at the University of California, San Diego, hosts a talk on "Understanding Oil Prices" on Wednesday at 5:30 p.m. UCSD professor James Hamilton, an expert on time series and energy economics, will offer his thoughts on recent developments in world oil markets. For more information, visit facclub.ucsd.edu.

The National Association of Industrial and Office Properties brings in a panel of industry experts Thursday to lend perspective to capital markets for its Market Snapshot series. For more information for the 7:30-9:15 a.m. event, visit naiopsd.org and click on "Calendar of Events."

The American Society of Training and Development features its annual "Your Turn to Learn" conference starting Thursday and continuing into Friday. Attendees will enjoy a full day of professional development and networking. For more information, e-mail conference director Kathy Rippy at krippy@miglioreconsulting.com.

Caltrans comes to Old Town on Thursday to conduct a mock contract workshop from 8 a.m. to noon for small business owners in construction. The event will cover how to find and secure projects and working with Caltrans. To reserve a spot, call the Small Business Development Center at (760) 795-8740.

The San Diego Regional Chamber of Commerce hosts "Straight Talk from Sacramento" forum on Thursday from 11:30 a.m. to 1:30 p.m., facilitating conversation between chamber members and elected officials serving in the state capital. To register, visit sdchamber.org.

The Associated Builders and Contractors' San Diego chapter has some fun at its ABC General Contractors' Council Bash on Thursday from 4:30-7 p.m. Attendees will have the opportunity to meet executives from San Diego's premier firms. For more information, visit abcsd.org.
Every major race that BIA supported in the Primary Election either won outright on June 3, or finished first in a runoff for the November General Election. That is not a statement many organizations can claim. It is also not something to take for granted. That is why BIA will not rest on its laurels. With your help once again leading up to November 4, BIA will advance its candidates and causes through Campaign '08—the industry’s grassroots mobilization effort.

"Historically our industry has done an admirable job of fund raising for the candidates and propositions we believe in, but we have never put boots on the ground the way our opponents have and Campaign '08 is here to change all that," said Campaign '08 Chairman Eric Koehn, of Cornerstone Communities.

Campaign '08 is an evolution of the association’s existing employee outreach and mobilization program. BIA has spent years educating and cultivating our workforce to achieve greater involvement in political matters. Our specific goal is to provide volunteers who can connect with voters in person on behalf of BIA-endorsed campaigns.

Continued on page 26
Through Campaign '08, the industry provided hundreds of volunteer hours leading up to the June primary. BIA members took time on the weekend to meet the candidates, with precincts and drop literature. Some turned it into a bonding experience with their children. Others brought friends or coworkers. Together, we made a lasting difference.

With that huge success behind us, we have turned our attention to the General Election. And, because we have limited resources and we want to achieve meaningful results, we have limited our efforts to include the following priority areas:

- Goldsmith v. Aguirre (City Attorney)
- Billy v. Emanuel (District 7 - city of San Diego)
- Thalheim v. Lightner (District 1 - city of San Diego)
- Gloria v. Whitesides (District 3 - city of San Diego)
- The Mayor's race in the city of Chula Vista

Defining the San Marais No-Growth Initiative

To ensure a well-managed effort, Campaign '08 committee members were asked to oversee the volunteer effort for specific races. Each committee liaison will coordinate their activities with BIA and are specifically responsible for recruiting precinct walkers, coordinating signage and identifying phone-bank locations, as well as facilitating candidate appearances at select BIA events.

**SPECIFIC ACTIVITIES**

**Adopt a Saturday**

Campaign '08 will expand this highly successful approach that achieved strong results in the primary. In addition, member company recruitment efforts, Crusader® registrants will be directly asked to "adopt" one of the Saturdays before the November 4 election. By adopting that day, they commit to show up and to bring others to vote precincts. Crusader® helps BIA to easily match members to candidate districts by zip code, thereby producing groups of volunteers with a personal, vested interest in that candidate's success. In addition, every BIA member company will be asked to generate some volunteers. This is in addition to our board of directors and those companies that participated in the Primary Election efforts.

**Signage and Phone Banks**

Crusader® and the BIA Information Ambassador network, will be used to identify individuals and companies that agree to place a campaign sign in a yard or business location, and to secure locations for phone banks for our chosen candidates.

**BIA San Diego and Campaign '08 encourage and welcome your involvement this election year. Please contact BIA today to get started. Great things are historically achieved when people work together toward a common cause. Will you be part of your industry's political history?**

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**WHAT IS GRASSROOTS?**

Grassroots is a term that was first used in 1912 by Indiana Senator Albert Jeremiah Beveridge, who declared the Progressive Party:

"This party has come from the grass roots. It has grown from the soil of people's hard necessities.

- "Eugen's Political & Historical Quotations (2005)
- Grassroots is a democratic mechanism utilized to promote social change
- Grassroots educates ordinary people to work toward a common goal
- Grassroots applies a number of methods to achieve its objectives

**THE IMPORTANCE OF GRASSROOTS CAMPAIGNS**

- Educates the Public on Important Issues
- Educates and Influences Legislators
- Promotes Social Change
- Promotes Community Awareness
- Promotes Interest in Voting

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**THANK YOU!**

Thank you to those who have already invested personal time to make a positive difference this political season.

**ADOPT-A-SATURDAY LEADERS**

- Campaign '08 Chairman/CEO Ken Novak, of Communique Communications
- American Property Enterprises
- Barrett American
- BIA Y-Gen group
- CityMarket Development
- Calligh Construction
- The Cindy Millahe Company
- Davidon Company
- Design Line Interiors
- MarketPlace Realty
- The Gray Ranch Company
- Shea Homes
- Southern Poverty Law Center
- USD MBA group (Volunteers)
- Urban Housing Partners

**CAMPAIGN 08 COMMITTEE MEMBERS**

- John LaRosa (Barrett), Adam Smith (Adam Smith Realty Advisors), Russ Velez (MarketPointe Realty Advisors), Ross Murphy (CityMark), Craig Bredlau (Bredlau PLL), and Paul Tyrone, Matt Adams and Donna Mendenhall from BIA
More speakers have been confirmed for the sixth annual Real Estate Trends Conference Nov. 11 sponsored by the Urban Land Institute's San Diego/Tijuana chapter. The conference title is "Land Use Opportunities in Changing Times." Discussions will focus on how to find job opportunities in the midst of frozen capital, rising foreclosures and mounting job losses.

The conference will be from 7:30 to 11:30 a.m. at the Joe and Vi Jacobs Market Creek Event Center, 404 Euclid Ave., in San Diego. The cost is $95. Reservations can be made by calling (800) 321-5011 or by visiting ulisd.org. Two back-to-back sessions on finance and development will wrap up with an appearance by Gabriel Wisdom, CEO of American Money Management.

Confirmed speakers include: Mayor Jerry Sanders; Rand Sperry, Sperry Van Ness; Alan Gin, University of San Diego; Dean Schwanke, Urban Land Institute; George Chamberlin, San Diego Daily Transcript; Anne Wilson, Community Housing Works; Tom Murphy, ULI fellow and former mayor of Pittsburgh; Councilman Jim Madaffer; Sunne McPeak, president and CEO of CA Emerging Technology Fund; and Jennifer Vanica, president and CEO of the Jacobs Center for Neighborhood Innovation.
UP CLOSE WITH JAMES J. SCHMID OF CHELSEA INVESTMENT CORPORATION (CIC)

James J. Schmid grew up in Minneapolis, Minnesota and received his bachelor's and law degrees from the University of Minnesota. Schmid also received his master's degree in law in taxation from Boston University Law School. He has been married to his wife Lynn for the last 27 years and they have eight children.

Schmid is CEO of Chelsea Investments Corporation, an apartment development company, specializing in affordable housing. Most recently, his company has become involved in economic development finance. Chelsea Investments was also named one of the top 20 affordable housing developers in the U.S. in 2007. It was also recognized on the Inc. Magazine list of 500 fastest growing privately held companies.

In addition to his hard work at Chelsea Investment Corporation, Schmid serves on BIA's board of directors, and has been a member of the BIA Presidents' Council since 2003.

His community involvement includes serving as chairman of the board at Landmark National Bank as well as an Adjunct Professor at the University of San Diego in the Masters Real Estate Program. He is president of The Escondido Soccer League, a member of the California and Arizona Bar Associations and a member of Lambda Alpha International.

Name something you don't believe in.

The growth of government/regulation.

If you could devote your life to a cause, which would it be?

Reforming the American judicial system. It should be much more difficult to start and much easier to finish a lawsuit.

If you could spend a day with anyone in history, who would it be?

Winston Churchill.

(Continues on page 68)
SAN DIEGO, Oct. 22, 2008 (BUSINESS WIRE) -- On October 30, 2008, the City Heights Foundation in collaboration with the FDIC, the Federal Reserve Bank of San Francisco, the Office of the Comptroller of the Currency, and a local agency task force will be hosting a symposium titled, "Developing a Regional Plan for Neighborhood Stabilization: Focus on San Diego County" that will be addressing the foreclosure crisis in San Diego County. The invitation only event will take place from 7 a.m. to 4 p.m. at the Joan B. Kroc Institute for Peace & Justice at the University of San Diego. The symposium will bring together over 100 local representatives from financial institutions, government agencies, nonprofit organizations, philanthropy, and business sectors to discuss and agree on a series of strategies for San Diego County that will help minimize the negative impact of foreclosures. The recommended strategies will be used to help guide federal, state, and local initiatives.

The event will start with a welcome from Congressman Bob Filner and two presentations: the first one will be on the Housing and Economic Recovery Act by a senior representative from the Department of Housing and Urban Development. The second on the prevalence of foreclosures in San Diego County by a representative from the Federal Reserve Bank of San Francisco. For the rest of the morning, participants will be divided into three interactive breakout sessions that will discuss and agree on specific strategies to address their respective topic areas: foreclosure prevention, reclaiming REO properties, and homebuyer financing.

During lunch there will be a presentation by Professor Norm Miller of the University of San Diego on "The Neighborhood Impact of Subprime Lending, Predatory Lending and Foreclosure." Professor Norm Miller is Director of Real Estate Academic Programs at the University of San Diego, School of Business Administration.

After lunch representatives from the breakout sessions will present their recommended strategies to all of the participants. The strategies will later be compiled into a report that will be used by local agencies to help guide federal, state and local initiatives in San Diego County.
Countywide Symposium to Focus on Foreclosure Crisis

SAN DIEGO-(Business Wire)-October 22, 2008 - On October 30, 2008, the City Heights Foundation in collaboration with the FDIC, the Federal Reserve Bank of San Francisco, the Office of the Comptroller of the Currency, and a local agency task force will be hosting a symposium titled "Developing a Regional Plan for Neighborhood Stabilization: Focus on San Diego County" that will be addressing the foreclosure crisis in San Diego County.

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For the rest of the morning, participants will be divided into three interactive breakout sessions that will discuss and agree on specific strategies to address their respective topic areas: foreclosure prevention, reclaiming REO properties, and first-time buyer financing.

During lunch there will be a presentation by Professor Norm Miller of the University of San Diego on "The Neighborhood Impact of Subprime Lending, Predatory Lending and Foreclosure." Professor Norm Miller is Director of Real Estate Academic Programs at the University of San Diego, School of Business Administration.

After lunch representatives from the breakout sessions will present their recommended strategies to all of the participants. The strategies will later be compiled into a report that will be used by local agencies to help guide federal, state and local initiatives in San Diego County.

OTHER EVENTS

MONDAY, OCT 27 - CLASSES
SHORT SALES
This class will cover everything you need to know about short sales, including what is in your client's best interest, the pros and cons of hiring negotiators, making counteroffers and more. Organization: San Diego Association of REALTORS Information: (858) 715-8000, Fax (858) 715-8088 www.sdar.com Cost: $15.00-$20.00 When: Hours: 9:00 AM - 11:00 AM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-8000

TUESDAY, OCT 28 - CLASSES
UNDERSTANDING THE REAL ESTATE TITLE
Get the latest information about land use and sustainable community development as well as tips that will save you time and money as you navigate a complex system with multiple stakeholders. Organization: Burnham Moores Center for Real Estate (USD) Information: Jodi Waterhouse (619)260-4231 jodlw@sandiego.edu Cost: $450.00 Where: USD - Douglas F. Manchester Conference Center, 5998 Alcala Park, San Diego

WEDNESDAY, OCT 29 - CLASSES
CERTIFIED NEGOTIATION EXPERT
In this new designation course, students will learn about professional negotiators, competitive bargaining, collaborative negotiating, persuading and influencing others and more. Organization: San Diego Association of REALTORS Information: (858) 715-8000, Fax (858) 715-8088 www.sdar.com Site: $185.00 When: Hours: 9:00 AM - 4:30 PM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-8000

WEDNESDAY, OCT 29 - SPECIAL EVENTS
SDAR 2ND ANNUAL CHILI COOK-OFF
The air is getting cool but the competition is heating up for this year's chili cook-off! In addition to these fiery dishes, there will be line dancing lessons and raffle prizes throughout the evening! Organization: San Diego Association of REALTORS (SDAR) Information: (619) 715-8000 webmaster@sdar.com Cost: No Details Available When: Hours: 4:00 PM - 7:00 PM Where: SDAR Offices, 4845 Ronson Court, San Diego, 92111

SATURDAY, NOV 1 - PRESENTATION
STRATEGIES AND OPPORTUNITIES IN A VOLATILE MARKET
Come join us and learn insurance trends and strategies to protect your wealth, the current real estate status and the benefits to real estate purchase, and the market outlook as it affects your retirement. Organization: Merrill Lynch Information: (619) 699-3700 Investor_Relations@ml.com Cost: No Cost When: Hours: 11:00 AM - 1:00 PM Where: Merrill Lynch, 1000 Aviara Parkway Ste 200, Carlsbad

TUESDAY, NOV 11 - CONFERENCES
5TH ANNUAL TRENDS CONFERENCE
Mark your calendars for the fifth annual ULI San Diego/Tijuana District Real Estate Trends Conference - "Land Use Opportunities In Changing Times." Organization: Urban Land Institute San Diego/Tijuana Information: (800)321-6011 Cost: $55.00-$95.00 When: Hours: 7:30 AM - 11:30 AM Where: Market Creek Event Center, 404 Euclid Ave., San Diego

SATURDAY, NOV 15 - BENEFIT
5K WALK
This event will raise money to assist San Diego police officers to buy homes in the communities they serve. Organization: San Diego Association of Realtors (SDAR) Information: (858) 614-4735 www.sdar.com Cost: No Details Available When: Starts: 8:00 AM Where: Liberty Station, NTC Park, Point Loma
OTHER EVENTS

THURSDAY, OCT 23 - SPECIAL EVENTS
CREW WINE TASTING
During the wine tasting, attendees will enjoy selections of white and red wines, champagnes and hors d'oeuvres. Organization: Commercial Real Estate Women (CREW) Information: Tamara Lachimia 619.507.0176 crewsd@crewnetwork.org Cost: $60.00-$95.00 When: 6:00 PM-9:00 PM Where: Marriott Del Mar, 11966 El Camino Real, San Diego, 92130

THURSDAY, OCT 23 - PANEL DISCUSSION
FRESH & EASY IN SAN DIEGO
Come learn more about Fresh & Easy’s plans for San Diego from its Southern California real estate representatives. Organization: International Council of Shopping Centers Information: www.icsc.org Cost: $50.00-$75.00 When: Hours: 5:00 PM - 7:00 PM Where: Georges at the Cove, 1250 Prospect St., La Jolla

THURSDAY, OCT 23 - CLASSES
JUMP START & THE PATH TO SUCCESS
In these two must-attend classes, you will learn the tools of the trade to capture the buyer's interest, how to overcome uncertainties about title and escrow, how to eliminate “Limiting Beliefs” and more. Organization: San Diego Association of REALTORS Information: (858) 715-8000, Fax (868) 715-8088 www.sdar.com Cost: $16.00-$35.00 When: Hours: 9:00 AM - 4:00 PM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-8000

MONDAY, OCT 27 - CLASSES
SHORT SALES
This class will cover everything you need to know about short sales, including what is in your client's best interest, the pros and cons of hiring negotiators, making counteroffers and more. Organization: San Diego Association of REALTORS Information: (868) 715-8000, Fax (868) 715-8088 www.sdar.com Cost: $15.00-$20.00 When: Hours: 9:00 AM - 11:00 AM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-8000

TUESDAY, OCT 28 - CLASSES
UNDERSTANDING THE REAL ESTATE TITLE
Get the latest information about land use and sustainable community development as well as tips that will save you time and money as you navigate a complex system with multiple stakeholders. Organization: Burnham Moores Center for Real Estate (USD) Information: Jodi Waterhouse (619)260-4231 jodiw@sandiego.edu Cost: $450.00 Where: USD- Douglas F. Manchester Conference Center, 5998 Alcala Park, San Diego

WEDNESDAY, OCT 29 - CLASSES
CERTIFIED NEGOTIATION EXPERT
In this new designation course, students will learn about professional negotiators, competitive bargaining, collaborative negotiating, persuading and influencing others and more. Organization: San Diego Association of REALTORS Information: (868) 715-8000, Fax (868) 715-8088 www.sdar.com Cost: $159.00-$169.00 When: Hours: 9:00 AM - 4:30 PM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-8000
OTHER EVENTS

FRIDAY, OCT 17 - CONFERENCES
CHALLENGES, CHANGES & OPPORTUNITIES
Come to the 17th annual San Diego Affordable Housing and Community Development conference. Organization: San Diego Housing Federation
Information: Tom Scott (619) 239-6993
http://www.housingsandiego.org
Cost: No Details Available
When: Hours: 8:00 AM - 3:45 PM
Where: Point Loma Nazarene University,
4007 Camino del Rio South, San Diego, 92108

TUESDAY, OCT 21 - CLASSES
UNDERSTANDING THE REAL ESTATE TITLE
Get the latest information about land use and sustainable community development as well as tips that will save you time and money as you navigate a complex system with multiple stakeholders. Organization: Burnham Moores Center for Real Estate (USC)
Information: Jodi Waterhouse (619) 260-4231
www.sdmar.edu
Cost: $450.00
Where: USD - Douglas F. Manchester Conference Center, 5998 Alcala Park, San Diego

THURSDAY, OCT 23 - CLASSES
JUMP START & THE PATH TO SUCCESS
In these two must-attend classes, you will learn the tools of the trade to capture the buyer's interest, how to overcome uncertainties about title and escrow, how to eliminate "Limiting Beliefs" and more. Organization: San Diego Association of REALTORS
Information: (858) 715-8000
www.sdar.com
Cost: $15.00 - $35.00
When: Hours: 9:00 AM - 4:00 PM
Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (655) 715-8000

SATURDAY, OCT 25 - TOUR
REO FIELDTRIP
Improve Your Real Estate IQ. Bank owned property buying for Dummies-Come and learn about all aspects of the home buying process when buying from the bank and how buying a home is still the best investment. Take a look behind the scenes how experienced real estate professionals do it. Must RSVP. Organization: Homefront Realty
Information: (858) 717-0314
www.LenskeHomes.com
Cost: No Cost
When: Hours: 1:00 PM - 4:00 PM
Where: Call for location, meeting place to be determined, Chula Vista, Venue Phone - (858) 717-0314

MONDAY, OCT 27 - CLASSES
SHORT SALES
This class will cover everything you need to know about short sales, including what is in your client's best interest, the pros and cons of hiring negotiators, making counteroffers and more. Organization: San Diego Association of REALTORS
Information: (858) 715-8000
Fax (858) 715-8088
www.sdar.com
Cost: $15.00 - $20.00
When: Hours: 9:00 AM - 11:00 AM
Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-8000

WEDNESDAY, OCT 29 - CLASSES
CERTIFIED NEGOTIATION EXPERT
In this new designation course, students will learn about professional negotiators, competitive bargaining, collaborative negotiating, persuading and influencing others and more. Organization: San Diego Association of REALTORS
Information: (858) 715-8000
Fax (858) 715-8088
www.sdar.com
Cost: $155.00 - $165.00
When: Hours: 9:00 AM - 4:30 PM
Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-8000

TUESDAY, NOV 11 - CONFERENCES
6TH ANNUAL TRENDS CONFERENCE
Information: (800)321-5011
Cost: $55.00 - $95.00
When: Hours: 7:30 AM - 11:30 AM
Where: Market Creek Event Center, 404 Euclid Ave., San Diego
OTHER EVENTS

FRIDAY, OCT 17 - CONFERENCES

CHALLENGES, CHANGES & OPPORTUNITIES

Come to the 17th annual San Diego Affordable Housing and Community Development conference. Organization: San Diego Housing Federation Information: Tom Scott (619) 234-6683 http://www.housingandsd.org Cost: No Details Available When: Hours: 8:00 AM - 3:45 PM Where: Point Loma Nazarene University, 4007 Camino del Rio South, San Diego, 92108

TUESDAY, OCT 21 - SEMINAR

THE ART OF THE DEAL

Douglas Wilson, of Douglas Wilson Companies, will discuss the art of the deal based on his experiences in the real estate industry. hear how he has remained successful despite down cycles. Organization: Association for Corporate Growth San Diego Information: (619) 741-7247 www.acgva.com/acgsd Cost: $50.00 When: Hours: 7:00 AM - 9:00 AM Where: Doubletree Hotel (Mission Valley), 4500 Hazard Center Drive, San Diego, 92108

TUESDAY, OCT 21 - CLASSES

UNDERSTANDING THE REAL ESTATE TITLE

Get the latest information about land use and sustainable community development as well as tips that will save you time and money as you navigate a complex system with multiple stakeholders. Organization: Burnham Moores Center for Real Estate (USD) Information: Jodi Waterhouse (619)260-4231 jodiv@sandiego.edu Cost: $450.00 Where: USD - Douglas F. Manchester Conference Center, 5998 Alcala Park, San Diego

THURSDAY, OCT 23 - PANEL DISCUSSION

FRESH & EASY IN SAN DIEGO

Come learn more about Fresh & Easy's plans for San Diego from its Southern California real estate representatives. Organization: International Council of Shopping Centers Information: www.icsc.org Cost: $50.00 - $75.00 Where: Hours: 5:00 PM - 7:00 PM Where: Georges at the Cove, 1250 Prospect St., La Jolla

THURSDAY, OCT 23 - SPECIAL EVENTS

CREW WINE TASTING

During the wine tasting, attendees will enjoy selections of white and red wines, champagnes and hors d'oeuvres. Organization: Commercial Real Estate Women (CREW) Information: Tamara LaChimia 619.507.0176 crewwsd@crewnetwork.org Cost: $50.00 - $85.00 When: Hours: 6:00 PM - 9:00 PM Where: Marriott Del Mar, 11966 El Camino Real, San Diego, 92130

THURSDAY, OCT 23 - CLASSES

JUMP START & THE PATH TO SUCCESS

In these two must-attend classes, you will learn the tools of the trade to capture the buyer's interest, how to overcome uncertainties about title and escrow, how to eliminate "Limiting Beliefs" and more. Organization: San Diego Association of REALTORS Information: (858) 715-8000, Fax (858) 715-8088 www.sdar.com Cost: $15.00 - $35.00 When: Hours: 9:00 AM - 4:00 PM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-8000

MONDAY, OCT 27 - CLASSES

SHORT SALES

This class will cover everything you need to know about short sales, including what is in your client's best interest, the pros and cons of hiring negotiators, making counteroffers and more. Organization: San Diego Association of REALTORS Information: (858) 715-8000, Fax (858) 715-8088 www.sdar.com Cost: $15.00 - $20.00 When: Hours: 9:00 AM - 11:00 AM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-8000
OTHER EVENTS

FRIDAY, OCT 17 - CONFERENCES
CHALLENGES, CHANGES & OPPORTUNITIES

TUESDAY, OCT 21 - CLASSES
UNDERSTANDING THE REAL ESTATE TITLE
Get the latest information about land use and sustainable community development as well as tips that will save you time and money as you navigate a complex system with multiple stakeholders. Organization: Burnham Moores Center for Real Estate (US). Information: Jodi Waterhouse (619)260-4231. jodiw@sandiego.edu. Cost: $450.00. Where: USO - Douglas F. Manchester Conference Center, 5998 Alcala Park, San Diego.

TUESDAY, OCT 21 - SEMINAR
THE ART OF THE DEAL
Douglas Wilson, of Douglas Wilson Companies, will discuss the art of the deal based on his experiences in the real estate industry; hear how he has remained successful despite down cycles. Organization: Association for Corporate Growth San Diego. Information: (ACGSD) (619) 741-7247. www.acteva.com/go/acgsd. Cost: $50.00. When: Hours: 7:00 AM - 9:00 AM. Where: Doubletree Hotel (Mission Valley), 7450 Hazard Center Drive, San Diego, 92108.

THURSDAY, OCT 23 - PANEL DISCUSSION
FRESH & EASY IN SAN DIEGO
Come learn more about Fresh & Easy's plans for San Diego from its Southern California real estate representatives. Organization: International Council of Shopping Centers. Information: www.icsc.org. Cost: $50.00- $75.00. When: Hours: 5:00 PM - 7:00 PM. Where: Georges at the Cove, 1250 Prospect St., La Jolla.
OTHER EVENTS

TUESDAY, OCT 14 - PANEL DISCUSSION
REAL ESTATE CAPITAL MARKETS
Hear a skilled analysis from our real estate expert panelists of the turmoil gripping the financial industry and find out how it will affect real estate debt and equity nationwide. Organization: Urban Land Institute San Diego/Tijuana Information: (800)321-6011 Cost: $25.00- $50.00 Where: Starts: 7:30 AM Where: University Club, 760 B St., Ste. 3400, San Diego, 92101

TUESDAY, OCT 14 - CLASSES
UNDERSTANDING THE REAL ESTATE TITLE
Get the latest information about land use and sustainable community development as well as tips that will save you time and money as you navigate a complex system with multiple stakeholders. Organization: Burnham Moores Center for Real Estate (USD) Information: Jodi Waterhouse (619)260-4231 jodiw@sandiego.edu Cost: $450.00 Where: USD - Douglas F. Manchester Conference Center; 5998 Alcala Park, San Diego
OTHER EVENTS

TUESDAY, OCT 14 - PANEL DISCUSSION
REAL ESTATE CAPITAL MARKETS
Hear a skilled analysis from our real estate expert panelists of the turmoil gripping the financial industry and find out how it will affect real estate debt and equity nationwide. Organization: Urban Land Institute San Diego/Tijuana Information: (800)321-5011 Cost: $25.00-$50.00 When: Starts: 7:30 AM Where: University Club, 750 B St., Ste. 3400, San Diego, 92101

TUESDAY, OCT 14 - CLASSES
UNDERSTANDING THE REAL ESTATE TITLE
Get the latest information about land use and sustainable community development as well as tips that will save you time and money as you navigate a complex system with multiple stakeholders. Organization: Burnham Moores Center for Real Estate (USD) Information: Jodi Waterhouse (619)260-4231 jodiw@sandiego.edu Cost: $450.00 Where: USD - Douglas F. Manchester Conference Center, 5993 Alcala Park.,San Diego

FRIDAY, OCT 17 - CONFERENCES
CHALLENGES, CHANGES & OPPORTUNITIES
Come to the 17th annual San Diego Affordable Housing and Community Development conference. Organization: San Diego Housing Federation Information: Tom Scott (619) 239-6993 http://www.housingsandiego.org Cost: No Details Available When: Hours: 8:00 AM - 3:45 PM Where: Point Loma Nazarene University, 4007 Camino del Rio South, San Diego, 92106

TUESDAY, OCT 17 - SEMINAR
THE ART OF THE DEAL
Douglas Wilson, of Douglas Wilson Companies, will discuss the art of the deal based on his experiences in the real estate industry; hear how he has remained successful despite down cycles. Organization: Association for Corporate Growth San Diego Information: (ACGSD) (619) 741-7247 www.acteva.com/go/acgsd Cost: $50.00 When: Hours: 7:00 AM - 9:00 AM Where: Doubletree Hotel (Mission Valley), 7450 Hazard Center Drive, San Diego, 92108

THURSDAY, OCT 23 - CLASSES
JUMP START & THE PATH TO SUCCESS
In these two must-attend classes, you will learn the tools of the trade to capture the buyer's interest, how to overcome uncertainties about title and escrow, how to eliminate "Limiting Beliefs" and more. Organization: San Diego Association of REALTORS Information: (858) 715-8000, Fax (858) 716-6088 www.sdar.com Cost: $15.00- $35.00 When: Hours: 9:00 AM - 4:00 PM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-8000
OTHER EVENTS

TUESDAY, OCT 14 - PANEL DISCUSSION
REAL ESTATE CAPITAL MARKETS
Hear a skilled analysis from our real estate expert panelists of the turmoil gripping the financial industry and find out how it will effect real estate debt and equity nationwide. Organization: Urban Land Institute San Diego/Tijuana Information: (800)321-5011 Cost: $25.00- $50.00 When: Starts: 7:30 AM Where: University Club, 750 B St., Ste. 3400, San Diego, 92101

TUESDAY, OCT 14 - CLASSES
UNDERSTANDING THE REAL ESTATE TITLE
Get the latest information about land use and sustainable community development as well as tips that will save you time and money as you navigate a complex system with multiple stakeholders. Organization: Burnham Moores Center for Real Estate (USC) Information: Jodi Waterhouse (619)260-4231 jodiw@sandiego.edu Cost: $450.00 Where: USO- Douglas F. Manchester Conference Center, 5998 Alcala Park, San Diego

FRIDAY, OCT 17 - CONFERENCES
CHALLENGES, CHANGES & OPPORTUNITIES
Come to the 17th annual San Diego Affordable Housing and Community Development conference. Organization: San Diego Housing Federation Information: Tom Scott (619) 239-6693 http://www.housingsandiego.org Cost: No Details Available When: Hours: 8:00 AM - 3:46 PM Where: Point Loma Nazarene University, 4007 Camino del Rio South, San Diego, 92108

TUESDAY, OCT 21 - SEMINAR
THE ART OF THE DEAL
Douglas Wilson, of Douglas Wilson Companies, will discuss the art of the deal based on his experiences in the real estate industry; hear how he has remained successful despite down cycles. Organization: Association for Corporate Growth San Diego Information: (ACGSD) (619) 741-7247 www.activeva.com/vlg/acgssd Cost: $50.00 When: Hours: 7:00 AM - 9:00 AM Where: Doubletree Hotel (Mission Valley), 7450 Hazard Center Drive, San Diego, 92108

THURSDAY, OCT 23 - CLASSES
JUMP START & THE PATH TO SUCCESS
In these two must-attend classes, you will learn the tools of the trade to capture the buyer's interest, how to overcome uncertainties about title and escrow, how to eliminate "Limiting Beliefs" and more. Organization: San Diego Association of REALTORS Information: (858) 715-6000, Fax (858) 715-6088 www.sdar.com Cost: $15.00- $20.00 When: Hours: 9:00 AM - 11:00 AM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-6000

THURSDAY, OCT 23 - SPECIAL EVENTS
CREW WINE TASTING
During the wine tasting, attendees will enjoy selections of white and red wines, champagnes and hors d'oeuvres. Organization: Commercial Real Estate Women (CREW) Information: Tamsra Lachimia 819.607.0176 crewsd@crewnetwork.org Cost: $60.00- $95.00 When: Hours: 6:00 PM - 9:00 PM Where: Marriott Del Mar, 11966 El Camino Real, San Diego, 92150

THURSDAY, OCT 23 - PANEL DISCUSSION
FRESH & EASY IN SAN DIEGO
Come learn more about Fresh & Easy's plans for San Diego from its Southern California market representatives. Organization: International Council of Shopping Centers Information: www.icsc.org Cost: $50.00- $75.00 When: Hours: 7:00 PM - 7:00 PM Where: Georges at the Cove, 1250 Prospect St., La Jolla

MARCH 27 - CLASSES
WHOLESALING
This class will cover everything you need to know about short sales, including what is in your client's best interest, the pros and cons of hiring negotiators, making counteroffers and more. Organization: San Diego Association of REALTORS Information: (858) 715-6000, Fax (858) 715-6088 www.sdar.com Cost: $15.00- $20.00 When: Hours: 9:00 AM - 11:00 AM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (858) 715-6000
OTHER EVENTS

TUESDAY, OCT 7 - CLASSES
UNDERSTANDING THE REAL ESTATE TITLE

Get the latest information about land use and sustainable community development as well as tips that will save you time and money as you navigate a complex system with multiple stakeholders. Organization: Burnham Moores Center for Real Estate (USD) Information: Jodi Waterhouse (619)260-4231 jodiw@sandiego.edu Cost: $450.00 Where: USD - Douglas F. Manchester Conference Center, 5998 Alcala Park, San Diego

WEDNESDAY, OCT 8 - LUNCHEON
LEGISLATIVE UPDATE WITH REX HIME

Rex Hime, President and CFO of the California Business Properties Association, will address the legislative session update, which bills made it through, the Governor’s reaction and more. Organization: Institute of Real Estate Management (IREM) Information: (619) 209-2997, (858) 715-4747 info@iremsd.org Cost: $55.00- $65.00 When: Hours: 11:30 AM - 1:30 PM Where: Joan B. Kroc Institute of Peace and Justice, USD, 5998 Alcala Park, San Diego, 92110

TUESDAY, OCT 14 - PANEL DISCUSSION
REAL ESTATE CAPITAL MARKETS

Hear a skilled analysis from our real estate expert panelists of the turmoil gripping the financial industry and find out how it will affect real estate debt and equity nationwide. Organization: Urban Land Institute San Diego/Tijuana Information: (800)221-5011 Cost: $25.00- $50.00 When: Starts: 7:30 AM Where: University Club, 750 B St., Sta., 8420, San Diego, 92101

FRIDAY, OCT 17 - CONFERENCES
CHALLENGES, CHANGES & OPPORTUNITIES

Come to the 17th annual San Diego Affordable Housing and Community Development conference. Organization: San Diego Housing Federation Information: Tom Scott (619) 239-8693 http://www.housingsandiego.org Cost: No Details Available When: Hours: 8:00 AM - 3:45 PM Where: Point Loma Nazarene University, 4007 Camino del Rio South, San Diego, 92169

THURSDAY, OCT 23 - CLASSES
JUMP START & THE PATH TO SUCCESS

In these two must-attend classes, you will learn the tools of the trade to capture the buyer's interest, how to overcome uncertainties about title and escrow, how to eliminate "Limiting Beliefs" and more. Organization: San Diego Association of REALTORS Information: (619) 715-8000, Fax (619) 715-8088 www.sdar.com Cost: $15.00- $35.00 When: Hours: 9:00 AM - 4:00 PM Where: San Diego Assn. of Realtors, 4845 Ronson Court, San Diego, 92111, Venue Phone - (619) 715-8000
INTERNET START-UP SEMINARS

Have you ever wondered what it would take to turn your ideas or experience into a successful Internet business? Come to this one-day seminar bootcamp to learn how. Organization: WebEdge LLC
Information: www.webedgellc.com Cost: $25.00 When: Hours: 10:00 AM - 4:00 PM Where: USD's Douglas F. Manchester Conference Center, 5998 Alcala Park, San Diego, 92110
ASIA
September 19, 2008

SAN DIEGO SEPT-OCT CALENDAR OF EVENTS

19 Friday
During the next two weeks, try authentic Korean cuisine and special Bosingak drumming at 7:30 p.m. at San Diego Korean Food Week. For a list of restaurants, visit www.sandiegokoreanfoodweek.com.

“Alf’s Wall That Ends Wall,” a cinematic comedy of love, drama, and love, is screening in a 3D presentation at Levine Evans Festival Theatre from now until Sept. 26. The movie screening is also playing until Sept. 27. Call 619-232-2704 for times and ticket information.

20 Saturday
Center Stage Concerts — Ultimate Broadway performed by the San Diego Chamber Orchestra opens at 4 p.m. at the California Center for the Arts, 1300 Park Blvd. Civic Youth. Your genes from the movie version of “The Sound of Music,” “The King and I,” and “ Oklahoma,” “South Pacific,” “The Phantom of the Opera,” “Evita,” “Barnet Broadway” and more. Visit www.centerstageconcerts.com for tickets.

21 Sunday
Center check out the sights, sounds and happenings of China at the Chinese Movie Festival at the House of China in the International Cottages in Balboa Park. This is a 6-week series of events that takes place from June 13 to August 26. China is the birthplace of the first film, and this festival celebrates its rich history and culture. Call 619-232-2704 for more information.

25 Thursday
The San Diego Speed Networking event is hosting a networking event at S&Y Restaurant and Lounge in the Gaslamp District from 5:30 p.m. to 7:45 p.m. Make business introductions with other professionals and create a business network. Info: tickets are $50. Visit www.sandiesn.com for more information.

26 Friday
San Diego Opera opens its 33rd anniversary season with a new production of Bizet’s “Carmen” at North Park Theater at 7:30 p.m. There will be various shows throughout the season opening. Visit www.sandiegoopera.org for more information. Tickets range from $10-50, with group rates and subscriptions available. Visit www.sandiegoopera.org for more information.

30 Tuesday
Asia will host its first annual event “Taste of Asia: Generosity is Definitive” at the International Cottages at Balboa Park. The annual event will be held at the International Cottages at Balboa Park. All proceeds will go to participating fundraisers, primarily the American Chinese Culture and Education Foundation, which building schools in China and supports earthquake-relief activities. The Multicultural Arts Professionals and several other local nonprofit organizations are partied with this event to raise needed awareness and funds. Call 619-232-2704 for more information.

4 October
Singer-songwriter Lindsey Yang is kicking off her CD release with an album event at Lumen’s in Normal Heights at 9 p.m. Join in on her birthday as she performs music from her new album. For details, visit www.lindseyyang.com for details.

5 Saturday

10 Friday
The United Nations of Pops Asian Communities is honoring China in their S40th Annual Gala Dinner at the International Cottages at Balboa Park. All proceeds will go to charitable charities, primarily the American Chinese Culture and Education Foundation, which building schools in China and supports earthquake-relief activities. For more information, visit www.sandiegoart.org for more information.

Call an event, contact Asian or sacasiancentre.com
619-232-2704

81
Leading economic indicators

The monthly changes in leading indicators (initial claims for unemployment insurance, local stock prices, outlook for the national economy, consumer confidence, building permits and help wanted advertising) of the San Diego economy as tracked by Alan Gin, an urban economics professor at the University of San Diego. The highest monthly rate is 134.6 in August 2007.
The monthly changes in leading indicators (initial claims for unemployment insurance, local stock prices, outlook for the national economy, consumer confidence, building permits and help wanted advertising) of the San Diego economy as tracked by Alan Gin, an urban economics professor at the University of San Diego. The highest monthly rate is 134.6 in August 2007.
The monthly changes in leading indicators (initial claims for unemployment insurance, local stock prices, outlook for the national economy, consumer confidence, building permits and help wanted advertising) of the San Diego economy as tracked by Alan Gin, an urban economics professor at the University of San Diego. The highest monthly rate is 137.3 in July 2007.
The monthly changes in leading indicators (initial claims for unemployment insurance, local stock prices, outlook for the national economy, consumer confidence, building permits and help wanted advertising) of the San Diego economy as tracked by Alan Gin, an urban economics professor at the University of San Diego. The highest monthly rate is 137.3 in July 2007.
School of Peace
Captured in a hail of bullets, drug lord who left trail of severed heads

He didn’t look much like a doctor, the scruffy, grey-haired man bundled by armed police off a flight to Mexico City, but then he didn’t really resemble one of central America’s most powerful criminal masterminds, either.

Eduardo Arellano Felix, one of seven brothers who founded the notorious Arellano Felix drug cartel in the 1980s, was arrested in his unwashed jeans and tracksuit after a weekend gunfight in Fraccionamiento Pedregal, a hillside suburb of Tijuana, the Mexican border city where his empire was built.

It marked a suitably dramatic end to the career of a man known locally as El Doctor, thanks both to his previous life as a medical student and the famously clinical manner in which he despatched anyone unfortunate enough to land on the wrong side of his massive cocaine smuggling network.

The arrest of Felix, 52, is a fresh setback for the Arellano Felix organisation, which, for more than two decades, has controlled the cross-border flow of narcotics into the southern US states. Five of its seven founding brothers have been killed or jailed in recent years.

Shortly after 5pm on Saturday, more than 100 armed police stormed the gated luxury home where Felix was hiding under an alias. Although dozens of shots were fired, he surrendered prematurely to protect his 11-year-old daughter, who was in danger of being caught in the crossfire.

"This is a significant blow to what is left of the organisation," said a police spokesman. Felix faces extradition to the US, where he was accused in 2003 of being responsible for racketeering, drug trafficking, money laundering and several killings. His arrest comes against the backdrop of a turf war struggle within the fracturing Arellano Felix empire, which has brought fear to Tijuana and been blamed for 150 deaths in the city in the past month alone.

Most killings are attributed to a dispute between Felix’s nephew Fernando Sanchez Arellano – now the cartel’s unofficial leader – and Eduardo Garcia Simonel, a gangster known as El Teo. The bodies of some of their victims were dissolved in acid. Others were left with their tongues cut out, and thrown in to the rival faction carved in their flesh. In one incident, several severed heads were placed on top of torces.

The level of bloodshed has sparked public outrage (many innocent bystanders have been killed or injured) and placed huge pressure on Mexican law enforcement officials and President Felipe Calderon, who have been accused of ignoring the battle against organised crime. Felix’s arrest marked a propaganda victory for both parties. But although he is a symbolic figurehead of the cartel, experts warned that, for most of the past decade, he took a back-seat role in its day-to-day running.

"It is another very significant blow to the Arellano Felix organisation but we do know they are not completely destroyed," said David Shirk of the University of San Diego’s TransBorder Institute. "What is clear to me is that things have become much more fragmented and, therefore, much more difficult to interpret."

Eduardo Felix is one of seven brothers from Sinaloa state who rose to prominence in the 1980s as Colombian drug barons, shut out from their traditional smuggling routes across the Caribbean, began teaming up with Mexican associates. Although little is known of their childhood, the family shared a ruthlessness that helped them take control of Tijuana, the biggest cocaine route into the US, which is in turn the world’s biggest market for the drug. By the 1990s, they were taking several tonnes across the border each month, killing or torturing anyone who came in their way, including hundreds of police and judges.

In recent years, however, the cartel has faced increasing problems. Rival gangs moved in on their patch and law enforcement officials caught up with all of the original founders, with the exception of Carlos and Lula, who no longer have significant roles. In 2002, Benjamin, the gang’s planning chief, was arrested and its enforcer, Ramon, was killed. Francisco, the eldest brother, was extradited to the US in 2006. In the same year, the then leader Francisco Javier, known as El Tigrillo (The Little Tiger), was caught on a fishing boat off the coast of Baja California.

Eduardo has always been considered the most secretive and elusive of the seven. His low profile within the cartel stemmed partly from his alleged role in the 1993 killing of Juan Jesus Posadas Osorio, the Archbishop of Guadalajara. "That was a pivotal moment in how the Arellanos were perceived in Tijuana and in Mexico in general," said John Kirby, a former US federal prosecutor who co-wrote the original indictment against him. "All of a sudden, everybody was their enemy."

Even before his arrest, Eduardo Felix had a turbulent private life. In 1988, he was badly burned in a propane gas stove explosion that killed his infant son. Soon afterwards, his estranged wife Sonia – the mother of his 11-year-old daughter – was killed by Arellano gunmen who suspected her of operating with US officials. Photographs released yesterday show he has aged significantly from the dark-haired figure on two decades of "wanted" posters (the US had for years placed a $5m bounty on his head).

Burn scars on his arms and chest, the result of the stove accident, helped Mexican officials confirm his identity.

Cocaine capital: Mexico’s drug trade

* Ninety per cent of all cocaine bound for the US comes through Mexico.
* According to latest figures from the White House, $13.9bn of heroin, amphetamines, cocaine and marijuana from Mexico are sold to American users every year.
* More than 3,000 lives have been lost in connection with drugs-related violence already this year in Mexico. In 2006, in the state of Michoacan, five severed heads were thrown by gunmen on to a nightclub floor.
* On average, there are three to four kidnappings in Mexico every day, a higher rate than in Iraq.

In May, Mexico’s federal police chief – the most public figure in the country’s fight against drugs – was assassinated outside his house. Edgar Millan Gomez was shot nine times, with many suspecting that the attack was the work of a prominent drugs smuggling organisation.
Captured: drug lord who left trail of severed heads

He didn't look much like a doctor, the scruffy, grey-haired man bundled by armed police off a flight to Mexico City, but then he didn't really resemble one of central America's most powerful criminal masterminds, either.

Eduardo Arellano Felix, one of seven brothers who founded the notorious Arellano Felix drug cartel in the 1980s, was arrested in his unwashed jeans and tracksuit after a weekend gunfire in Fraccionamiento Pedregal, a hillside suburb of Tijuana, the Mexican border city where his empire was built.

It marked a suitably dramatic end to the career of a man known locally as El Doctor, thanks both to his previous life as a medical student and the famously clinical manner in which he dispatched anyone unfortunate enough to land on the wrong side of his massive cocaine smuggling network.

The arrest of Felix, 52, is a fresh setback for the Arellano Felix organisation, which, for more than two decades, has controlled the cross-border flow of narcotics into the southern US states. Five of its seven founding brothers have been killed or jailed in recent years.

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"This is a significant blow to what is left of the organisation," said a police spokesman. Felix faces extradition to the US, where he was accused in 2003 of being responsible for racketeering, drug trafficking, money laundering and several killings. He becomes the backdrop of a bloody power struggle within the fracturing Arellano Felix empire, which has brought fear to Tijuana and been blamed for 150 deaths in the city in the past month alone.

Most killings are attributed to a dispute between Felix's nephew Fernando Sanchez Arellano - now the cartel's official leader - and Eduardo Garcia Simental, a gangster known as El Teo. The bodies of some of their victims were dissolved in acid. Others were left with their tongues cut out, and warnings to the rival faction carved in their flesh. In one incident, several severed heads were placed on top of torsos.

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In recent years, however, the cartel has faced increasing problems. Rival gangs moved in on their patch and law enforcement officials caught up with all of the original founders, with the exception of Carlos and Luis, who no longer have significant roles. In 2002, Benjamin, the gang's planning chief, was arrested and its enforcer, Ramon, was killed. Francisco, the eldest brother, was extradited to the US in 2006. In the same year, the then leader Francisco Javier, known as El Tigrillo (The Little Tiger), was caught on a fishing boat off the coast of Baja California.

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Even before his arrest, Eduardo Felix had a turbulent private life. In 1998, he was badly burned in a propane gas stove explosion that killed his infant son. Soon afterwards, his estranged wife Sonia - the mother of his 11-year-old daughter - was killed by Arellano gunmen who suspected her of co-operating with US officials. Photographs released yesterday show he has aged significantly from the dark-haired figure on two decades of "wanted" posters (the US had for years placed a $5m bounty on his head).

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Major Mexican drug trafficker captured

By Sandra Dibble
San Diego Union-Tribune

Tijuana — Mexican authorities say they have dealt a severe blow to the Arellano Félix drug cartel with the weekend detention of Eduardo Arellano Félix, a suspected trafficker and the last in a band of five brothers to be captured or killed.

Arellano, 52, opened fire on soldiers and federal agents shortly after 5 p.m. Saturday as they raided a residence in a quiet, well-to-do enclave known as Preciomiento Pedregal on a hillside overlooking Tijuana. Arellano’s daughter, described by military officials as being about 11 years old, was with him.

Authorities quickly flew Arellano to Mexico City for questioning by federal organized-crime investigators.

Hours after gunfire sounded through the neighborhood, the streets were hushed and empty Saturday night, largely dark save for the occasional entrance light or Halloween decoration.

"He is pretty much the last major player of what was once the powerful Arellano Félix organization," said Eileen Zeider, San Diego spokeswoman for the U.S. Drug Enforcement Administration.

U.S. and Mexican officials praised the arrest. They said their ability to share information was vital to the operation’s success. It comes as President Felipe Calderón’s war on organized crime has spawned unprecedented violence along the northern border and elsewhere in Mexico as criminal groups battle each other and law enforcement organizations.

The U.S. State Department offered $5 million for information leading to Arellano’s arrest. He was one of several cartel leaders charged with racketeering and conspiracy and named in a federal indictment unsealed in San Diego in 2003.

Eduardo Arellano Félix, who was described yesterday that it was unclear what effect Arellano’s arrest will have either on the recent surge in Tijuana because of cartel infighting or on the flow of illicit drugs across the border.

"It’s a very significant blow to the Arellano Félix organization, but we do know that they’re not completely destroyed," said David Shirk, director of the Trans-Border Institute at the University of San Diego. "What’s clear to me is that things have become much more fragmented, and therefore much more difficult to interpret.

The past month has been especially violent, with nearly 150 lives lost in Tijuana alone. U.S. and Mexican officials attribute much of the bloodshed to a fight between Fernando Sánchez Arellano, the cartel’s leader who is Eddie Arellano’s nephew, and challenger Eduardo García Simental, known as El Teo.

"The bodies of some victims have been dissolved in acid; other victims were left with their tongues cut out, many with signs bearing warnings to the rival faction. Investigators say the great majority of the victims are members of organized crime, but bystanders have been killed or wounded in the crossfire.

A long series of major arrests in recent years has left the cartel weakened and without strong leadership.

Besides internal rivalries, the Arellanos also have faced challenges by other cartels eager to take control of the lucrative Tijuana smuggling corridor.

Thus, even if the organization falls, "it’s not clear that taking down one cartel necessarily means we’ll see a reduction in trafficking," Shirk said.

Law enforcement officials say Eduardo Arellano is one of five brothers from Sinaloa state who built the Tijuana-based cartel into a dynasty dedicated to smuggling cocaine and marijuana into the United States. In recent years, its members have expanded into other activities, including kidnapping.

Eduardo Arellano had been the only brother to evade capture. His arrest leaves behind a sister, Enedina, who also has played an important role in the organization and is the mother of its current leader.

Eduardo, nicknamed El Doctor, is known as the most secretive and elusive of the Arellano brothers. He suffered the loss of his infant son after a propane stove explosion in 1998 in Tijuana that also left him badly burned. His common-law wife, Sonja, from whom he was estranged, was subsequently killed by Arellano gunmen who suspected she was cooperating with U.S. law enforcement authorities.

Eduardo Arellano took over the cartel’s day-to-day operations after the arrest in 2006 of his younger brother, Francisco Javier, known as El Tigre. He was an important member of Mexico’s Public Security Secretariat, which spoke with reporters yesterday in Mexico City.

More recently, Arellano had been acting as a mentor and adviser to his nephew, Rosas said. Until his arrest, Eduardo Arellano "remained a historic and moral figure within the organization," Rosas said.

Photographs distributed yesterday by the Mexican government after Arellano’s detention show him gray-haired and drawn, in sharp contrast to the youthful, dark-haired portrait displayed on DEA wanted posters. Burn scars on his arms and chest — the result of the 1998 stove accident — helped Mexican officials confirm his identity. He had identified himself as Samuel Bacacarenes.

In a separate arrest Saturday, the Mexican military captured another member of the Arellano Félix cartel. He was identified as Luis Ramirez Vasquez, known as El Guero Campayo, or The Blond Shrimp. Supported by masked soldiers, Ramirez wore a cast as he was presented to reporters at the Moncloa military base above downtown Mexico City.
Tijuana killings may signal fall of Arellano Felix cartel

With dozens of bodies found in the last week, some in law enforcement see 'the tail end' of the organization. But others warn that elements of the ruthless cartel remain very much alive.

By Richard Marosi
Los Angeles Times Staff Writer

October 6, 2008

TIJUANA — The birthplace of one of Mexico's most infamous drug cartels looks more and more like its graveyard. Gunmen and associates of the Arellano Felix cartel, rulers of the city's criminal underworld for two decades, are being massacred by the score.

Their mangled bodies turn up in garbage-strewn lots, a dozen at a time. Killers cut out their tongues, slice off heads, and leave behind taunting messages. Two barrels of industrial acid left on a sidewalk last week are believed to contain liquefied human remains.

In all, at least 57 suspected organized crime members, a majority of them believed to be part of the Arellano Felix organization, were killed in the last week, including 12 dumped in front of an elementary school Sept. 29 and eight tossed in an industrial yard Thursday.

The carnage may be a sign that the cartel named for the Arellano Felix brothers is fractured and vulnerable to contenders, inside and outside the organization, who are looking to get control of lucrative trafficking routes into the United States, according to law enforcement sources.

Several forces have converged on the trafficking organization. The U.S. government has dedicated tens of millions of dollars over two decades to combating trafficking across the border with Baja California. The Mexican government also has intensified its efforts aimed at the cartel, which has splintered. Rival cartels have attacked, announcing their arrival with the savage killings and banners unfurled across busy intersections.

"El Mayo and El Chapo are the ones trying to enter Tijuana," read one banner, referring to alleged trafficker Ismael Zambada, and Mexico's most-wanted man, Joaquin "El Chapo" Guzman, leader of the Sinaloa cartel.

"We are now seeing the tail end" of the Arellano Felix organization, said John Kirby, a former federal prosecutor in San Diego who co-wrote indictments against several members of the organization. "They're losing what was left of their grip on Baja California."

Elements survive

Not so fast, others warn. Elements of the organization, which earned its ruthless reputation by turning back all challengers, remain very much alive. Some of its deadliest assassins still roam the region. Its reputed leader, Fernando Sanchez Arellano, nicknamed El Inge'ero, a nephew of the group's founders, is believed to have a large war chest. The organization retains strong ties to law enforcement. And a contender for control has emerged from within the Arellano Felix organization.

"Old cartels don't seem to go away; they just seem to morph into new variants over time," said David Shirk, director of the Trans-Border Institute at the University of San Diego. "There's strong continuity for these organizations, dating back multiple generations of smugglers."

The cartel came to power in the 1980s when Colombian cocaine barons, shut out of traditional trafficking routes across the Caribbean Sea into Florida, began partnering with Mexican crime groups.

The Arellano Felix brothers -- Benjamin, Ramon, Javier -- moved in from Sinaloa and provided the perfect springboard. From their Tijuana stronghold, they controlled trafficking routes into California, the biggest drug market in a country that is the biggest consumer of cocaine in the world.

By the 1990s, the brothers were smuggling tons of cocaine into the U.S., mostly through the crossing at Mexicali, and killing anyone in their way. Authorities believe they killed hundreds, including prosecutors, police and judges.

The cartel suffered its biggest blows in 2002, when Ramon was gunned down by police in Mazatlan. With the feared enforcer out...
of the way, Mexican authorities weeks later arrested his brother Benjamin, the reputed brains of the organization.

Javier, often likened by authorities to the inept Fredo Corleone of "The Godfather" film clan, managed to keep the cartel together with the help of brutal and loyal lieutenants.

But after his 2006 arrest on a boat off Baja California, one associate after another began to fall. Gustavo Rivera, an alleged top lieutenant, was arrested outside a hot dog stand in Cabo San Lucas in March. Days later, Saul Montes, identified by authorities as an enforcer, was pulled out of his car by police at the Baja 250 off-road race. In August, another reputed enforcer, Ruben Rios Estrada, nicknamed El Pit, was dragged away from the bingo tables at a local casino by federal agents.

The cartel's leadership is said to have passed to Sanchez Arellano, the son of an Arellano Felix sister. Not much is known about Sanchez Arellano and it's unclear whether Mexican authorities even know what he looks like. They have not released a photo, as they commonly do for drug suspects.

Sanchez Arellano's attempts at reviving the family legacy have been blocked by his chief rival, Teodoro Garcia Simental, nicknamed El Teo, a former cartel lieutenant who broke off earlier this year, according to law enforcement authorities.

Garcia is often blamed for the spate of abductions over the last few years, which have turned the city into one of the kidnapping capitals of the world. By April, the medical community, led by physicians who had been held for ransom, was threatening to stop treating patients in Tijuana.

Sanchez Arellano demanded a halt or cutback in the kidnappings because they were bringing down too much heat on the organization, according to Mexican media reports confirmed by Mexican law enforcement authorities.

Garcia allegedly refused, leading to an April gun battle between the rival groups that left 15 gunmen dead. Garcia fled to Sinaloa after the shooting. Tijuana enjoyed a relatively peaceful early summer.

Then in late August, four decapitated bodies were found in an empty lot. Their heads, charred from gasoline burns, were left at their feet, along with a message, "We are people of the weakened Engineer," referring to Sanchez Arellano.

**Killing field**

Since then, Tijuana has turned into a killing field of burned, decapitated and mangled bodies, many bearing similar messages.

"I think Teo's back, with a vengeance," said one U.S. federal anti-drug official who spoke on condition of anonymity because he is not authorized to speak with the media.

Garcia's fierce offensive suggests that he has formed alliances with outside organized crime groups, possibly the Sinaloa cartel. The powerful Gulf cartel also could be operating in the city, said Martin Rubio, the Mexican federal attorney general's top official in Baja California, who said the beheadings were telltale signatures of the Texas-based organization.

The main battle for now appears to be between the cartel leader and the renegade lieutenant. Sanchez Arellano is said to control the coastal area; Garcia, the sprawling eastern part of the city. Each leader has an army of about 100 gunmen who roam in convoys of SUVs, according to the U.S. anti-drug official.

If Sanchez Arellano claims the intimidating pedigree, Garcia boasts the fiercer reputation. One of his top enforcers, Raydel Rosalio Lopez, is nicknamed Crutches because he has left so many of his victims disabled.

They're apparently the lucky ones.

Police found eight more bodies Friday. Two had been decapitated, their tongues cut out and their heads placed atop their torsos. The killers left behind another message, according to the Baja California attorney general's office.

"Here you go Engineer," wrote the killers.

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The slayings of 57 gang members in Tijuana, Mexico, in recent weeks is a sign of the breakup of the city's Arellano Felix drug organization, authorities say.

The Tijuana cartel, named for the Arellano Felix brothers, has ruled the city's lucrative drug trafficking business for two decades, but is now fractured and facing deadly attacks from other contenders, The Los Angeles Times reported Monday.

"We are now seeing the tail end of the Arellano Felix organization," John Kirby, an acting federal prosecutor in San Diego, told the newspaper. "They're losing what was left of their grip on Baja California.

Law enforcement observers said the gang is under siege from alleged trafficker Ismael Zambada, known as Mexico's most-wanted man, Joaquin "El Chapo" Guzman, leader of the Sinaloa cartel.

Others however, told the Times that elements of the Arellano Felix organization remain very much intact, with some of its most active hit men still roaming Mexico and the United States.

"Old cartels don't seem to go away; they just seem to morph into new variants over time," said David Shirk, director of the Trans-Border Institute at the University of San Diego. (c) UPI
Mexico drug slayings show cartel's woes

Published: Oct. 6, 2008 at 3:07 PM

TIJUANA, Mexico, Oct. 6 (UPI) -- The slaying of 57 gang members in Tijuana, Mexico, in recent weeks is a sign of the breakup of the city's Arellano Felix drug organization, authorities say.

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Mexican Drug cartels and Hezbollah operating in Mexico and U.S.

by Michael Webster, Investigative Reporter
October 26, 2008

Mexican drug cartels, Hezbollah (Party of God) and other Islamic terrorist groups are joining forces in Mexico. Hezbollah is synonymous with terror, suicide bombings, kidnappings and beheadings. No wonder the criminal organizations in Mexico seem to have adopted many Middle Eastern terrorist tactics with kidnappings and beheadings happening throughout Mexico.

According to authorities global Islamic terrorist have moved into Mexico and other Latin American countries to open the door for Mexican cartels to have access to Afghanistan cocaine at bargain basement prices, those profits from those sales are being passed on to Hezbollah and other terrorist organizations worldwide to attack the states from within.

Hezbollah is known to be raising money for their cause in the U.S and some Americans say they have brought suite case dirty booms into the U.S. and are waiting for further instructions. Hezbollah is currently training Mexican drug cartel enforcement gang members. They are teaching them their gorilla terror tactics that they use in the Middle East. One high ranking Mexican Army officer who will at his request remain anonymous says Hezbollah is now believed to be training Mexican drug cartel enforcers the art of bomb making. It is now feared that there will soon be car and truck bombings of Mexican soldiers at the many road blocks that they have set up throughout Mexico, their barracks, police stations and even government buildings are at risk. The training is designed to combat the Mexican Army and police, American Special Forces and DEA agents now operating in Mexico.

According to Mexican officials Hezbollah is training the opposition to the Mexican Army and is starting to be seen throughout the country. There are new reports of late, of hit and run tactics against Mexican military set up road blocks where both attackers and Mexican soldiers have been killed.

Homeland Security has said that there are Hezbollah members operating in the U.S. and it is reasonable to believe they are in contact with other Hezbollah in Mexico and around the world. In addition to other terrorist attacks, Hezbollah has been tied to the 1983 Marine barracks bombing in Beirut that left 241 U.S. personnel dead, and the 1996 Khobar Towers attack in Saudi Arabia that left 19 U.S. servicemen dead.

One U.S. law enforcement official, speaking on condition of anonymity, says there is considerable forensic evidence tying Hezbollah bomb experts to roadside explosions in Iraq.

Dennis Lormel, who founded the counterterrorist financing program at the FBI, says the United States has been a cash cow for Hezbollah.

"They raise funds through business fronts, through criminal activity, use of shell companies and through fundraising mechanisms," he says.

Before September 11, 2001, Hezbollah was responsible for more American deaths than any other terrorist organization. Hassan Nasrallah, the group's secretary-general, recently proclaimed, "Death to America was, is, and will stay our slogan."
In spite of all that, the terror and violence in Mexico, Mexican officials are encouraging Americans to visit Mexico in a new tourist campaign. But with more than 1,200 people having been killed this year alone in Ciudad Juárez that is not happening. Juárez has a population of 1.5 million people many depending on American tourist dollars. But many El Pasons who live in El Paso a bordering city of about 350,000 say they are just too frighten to risk going into Mexico.

Mexico's violence of terror along with the world banking and financial crises that are happening today are forcing drastic changes in the rate of tourism to Mexico, especially border regions from the Gulf of Mexico to the Pacific Ocean. Mexico has been heavily dependent on tourism and American investors and both are drying up. Oil and drugs are now Mexico's official and respectively unofficial main stay for what economy they have.

From Brownsville Texas to San Diego California the drug-related dangers and violence is so staggering that the country has been declared off-limits to all U.S. Military. Residents on the American side of the border have told the Laguna Journal that they are afraid to cross over to visit family, shop or conduct business anywhere along the border.

Violent spillover from crime-ridden Mexican border cities are a growing concern for Americans. With cartel-related killings in Chihuahua alone now topping over 1200 for the year, officials in the states are increasingly concerned about "spillover" of crime from neighboring border cities. In El Paso, real effects are being felt at the city's hospital, where officials report dozens of cases of individuals wounded over the border in the Mexican state of Chihuahua being treated at their facility.

Just last week the State of Morelos Deputy A.G. for Organized Crime Affairs and two escorts were killed by what appeared to be a well organized paramilitary unit in a car-to-car gunfire assault. The killers then fled in two military style vehicles.

Another significant issue is that now Mexico's toll of deaths linked to organized crime has reached four thousand so far this year, a historic record. That is more violent related deaths than Iraq and Afghanistan combined. Mexico is reported to be on track to near 5,000 before the end of 2008, another record. The last one thousand deaths have taken place in 48 days. The first one thousand deaths of the year took place in 114 days, the next one thousand in 72. But seventy days later, it reached 3 thousand.

Iran, Hezbollah's longtime sponsor, and donations from the Lebanese Diaspora are two sources for a multimillion-dollar budget that pays for the militia's armed and political wings and for social projects such as money, food and hospitals in Beirut. But investigations around the world have shown that Hezbollah also funds itself through drug dealing, arms trafficking, contraband smuggling and other rackets in the Americas, Africa Europe and elsewhere.

The L.A. Times is reporting U.S. and Colombian investigators have dismantled an international cocaine smuggling and money laundering ring in Bogota, Colombia and Madrid Spain, that allegedly used part of its profits to finance Hezbollah, the Lebanon-based Shiite militia, officials said.

Hezbollah presence in Venezuela is also feared

A couple of armed men arrived at a funeral home in Juárez and opened fire on persons at a service for a man who himself had been the victim of a homicide. Three persons were wounded before the thugs left.

"Worse than Iraq: 38 executed"
During the last 24 hours 38 persons have died in different events caused by members of organized crime; the number has reached 4,052 in 2008 in this country (Mexico), surpassing by more than three times the number of dead in Iraq this year, where they total 1,167.

Just recently, ten gunmen lost their lives after a shootout with state agents in Nogales, Sonora. The police were attacked with fragmentation grenades; three police and three civilians were wounded.

The body of a gagged man was found in Cabo San Lucas a known and popular American tourist spot. His fingers had been chopped off. Eight persons have died in Baja California Norte in the last 24 hours, the product of a spiral of violence. (Note: the Baja California Peninsula is divided into two states with the same name; each is differentiated by "Norte" and "Sur") In the morning the bodies of two men were found, both shot to death out of different events.

Just recently two Rosarito police officers were assassinated while on patrol. Twenty kilometers away three other persons were murdered. This is an area where Americans murdered bodies have been found. A related account in "El Universal" (Mexico City) states that violence in Rosarito has cost the lives of seven police and at least a dozen other persons in less than thirty days; it adds that there have been mass resignations of police there because of fear of being murdered. (Note: just some years back Rosarito Beach was a laid back American tourist attraction, peaceful ocean beach town not far from Tijuana and San Diego.

According to Mexico City daily newspaper Reforma’s running tally of cartel-related killings, or Ejecuciones, (executions/assassinations) Chihuahua’s weekly rate of killings remained higher than it was before over two thousand soldiers and federal police were deployed there in mid-March. Seven other crimes took place in Chihuahua; two men were found dead in Hermosillo, Sonora, two in Culiacan and some others in Guanajuato, Guerrero, the Distrito Federal and Taxco.

From Aug. 9 to Aug. 15, Chihuahua had an unprecedented 79 ejecuciones, including the gangland-style killing of 13 partypoers in the town of Creel in the Sierra Tarahumara Mountains, a key transit point for drugs en route to the U.S.-Mexico border. Among the dead were several teenagers, a university professor, and a 1-year-old baby.

The previous week, eight were shot and killed during a prayer session at a drug and alcohol rehabilitation center in Cuidad Juarez. These attacks challenge a common perception that Mexico’s escalating death toll is reducible to cartel members killing other cartel members, and have driven local and state officials to publicly question the efficacy of the current campaign against the cartels. In a televised address, Chihuahua Gov. José Reyes Baeza Terrazas said that the massacre in Creel among other similar, recent events throughout the state show that "the strategy and actions for guaranteeing the security of people in [Chihuahua] need to be radically modified."

Research group Consulta Mitofsky’s annual survey Encuesta Nacional en Viviendas revealed strong public will for drastically strengthening enforcement measures to combat organized crime in the country.

Police say six people were lined up and gunned down outside a business in this violent border city Juarez. City police spokesman Alejandro Pariente says a written statement "for all rats" was found among the bodies and declared that the killings "will continue."

Pariente says investigators found more than 100 bullet shells at the scene. He says no arrests have been made.
Again in Tijuana this past week, at least five people are dead following a clash between soldiers and gunmen protecting a safe house near a junior high school in a residential area of the city. Concern about recent violence led a medical group to urge a voluntary curfew Wednesday through the end of November, calling for residents to avoid going out after 9 p.m.

This is real terror and it’s happening right in our own front yard and is expected to escalate and U.S. law enforcement fear it’s just a matter of time and we’ll be dealing with it right here at home. There already have been reported suspected attacks by these Mexican terrorist in Phoenix Arizona, Las Vegas Nevada, Atlanta Georgia, Dallas Texas and Birmingham Alabama.

U.S. drug czar John Walters said Friday that Mexico’s drug cartels are crossing the border to kidnap and kill inside the United States.

Walters, director of the White House Office of National Drug Control Policy, was in Mexico for two days to discuss efforts with local officials to stem killings, weapons trafficking and money laundering by Mexican cartels and their U.S. associates.

"Some of these groups not only engage in crime and violence not only in Mexico and along the border, but they come across and kidnap, murder and carry out assassinations," Walters told reporters. "These groups do not respect the border..."

Walters praised Mexican President Felipe Calderón for mounting a police and army offensive against the cartels, which he called "terrorist criminals."

For related articles visit www.lagunajournal.com

Sources:

Justice in Mexico Project of the Trans-Border Institute at the University of San Diego.

El Universal Mexican Newspaper

The National Association of Former Border Patrol Officers (NAFBPO)

San Diego UNION-TRIBUNE

L.A. Times

SignOnSanDiego
Hazzibollah and Mexican Drug cartels operating in Mexico and U.S.

Hazzibollah is known to be raising money for their cause in the U.S. and some Americans say they have brought 2008 suite case dirty booms into the U.S. and are waiting for further instructions. Hazzibollah is currently training Mexican drug enforcement gang members. They are teaching them their guerrilla tactic and the use of Middle East.

One high ranking Mexican army officer who will at his request remain anonymous says Hazzibollah is now believed to be training Mexican drug cartels to undertake the art of bombing. It is now feared that there will soon be car and truck bombings of Mexican soldiers at the many road blocks that they have set up throughout Mexico, their barracks, police stations and even government buildings are at risk. The design is to derail the Mexican army and the police. American Special Forces and DEA agents now operating in Mexico. According to authorities global Islamic terrorist have moved into Mexico and other Latin American countries to open the door for Mexican cartels to have excess to Afghanistan cocaine at bargain basement prices, those profits from those sales are being passed onto Hazzibollah and other terrorist organizations worldwide to attack the states from within.

Hazzibollah is believed to be training Mexican drug cartels for road side bombings for intelligence gathering. They are in the Middle East and they are training the soldiers to bomb with American Army. According to Mexican officials Hazzibollah is training the opposition to the Mexican army and is starting to be seen throughout the country. There are now reports of cells, hit and run tactics against Mexican military set up road blocks where both attackers and Mexican soldiers have been killed. Homeland Security has said that there are Hazzibollah members operating in the U.S. and it is reasonable to be in contact with other Hazzibollah in Mexico and around the world. In addition to other terrorist attacks, Hazzibollah has been tied to the 1993 Marine barracks bombing in Beirut that left 241 U.S. personnel dead, and the 1996 Khobar Towers attack in Saudi Arabia that left 19 U.S. servicemen dead.

One U.S. law enforcement official, speaking on condition of anonymity, says there is considerable forensic evidence tying Hazzibollah bomb experts to roadside explosions in Iraq. Dennis Lormel, who founded the anti-terrorist group for Investors Abroad Consulting, said there is "considerable evidence that Hazzibollah has a bomb-making capability and is using it in Iraq." He said his group has "confirmed that Hazzibollah has a bomb-making capability and is using it in Iraq."

In spite of all that, the terror and violence in Mexico, Mexican officials are encouraging Americans to visit the country in a new tourist campaign. But with more than 1,200 people having been killed this year alone in Ciudad Juarez and Mexico City, that is not happening. Juarez has a population of 1.5 million people many depending on tourism and American visitors and both are drying up. Oil and drugs are now Mexico's official and unofficial mainstay for what economy they have. From Brownsville Texas to San Diego California the drug-related dangers and violence is so staggering that the country has been declared off limits to all U.S. military. Residents on the American side of the border have told the Los Angeles Times that they are afraid to cross over to visit family, shop or conduct business anywhere along the border. Violent spilled over into Mexican border city of Ciudad Juarez where drug traffickers have adopted many Middle Eastern terrorist tactics with kidnappings, car gunfire assaults and hit and run tactics against Mexican military set up road blocks where both attackers and Mexican soldiers have been killed. Homeland Security has said that there are Hazzibollah members operating in the U.S. and it is reasonable to be in contact with other Hazzibollah in Mexico and around the world. In addition to other terrorist attacks, Hazzibollah has been tied to the 1993 Marine barracks bombing in Beirut that left 241 U.S. personnel dead, and the 1996 Khobar Towers attack in Saudi Arabia that left 19 U.S. servicemen dead.

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members of organized crime; the number has reached 4,052 in 2008 in this country (Mexico), surpassing by more than three times the number of dead in Iraq this year, where they total 1,167.

Just recently, ten gunmen kill two on a shoot out with state agents in Nogales, Sonora. The police were attacked with fragmentation grenades; three police and three civilians were wounded.

The body of a gagged man was found in Cabo San Lucas a known and popular American tourist spot. His fingers had been chopped off. Eight persons have died in Baja California Norte in the last 24 hours, the product of a spirit of violence. (Note: the Baja California Peninsula is divided into two states with the same name, each is differentiated by "Norte" and "Sur") in the morning the bodies of two men were found, both shot to death out of different events.

Just recently two Rosarito police officers were assassinated while on patrol. Twenty kilometers away three other persons were murdered. This is an area where Mexican authorities have bodies of murdered people. A related account in "El Universal" (Mexico City) states that violence in Rosarito has cost the lives of seven police and at least a dozen other persons in less than thirty days, it adds that there have been mass resignations of police there because of fear of being murdered. (Note: just some years back Rosarito Beach was a laid back American tourist attraction, peaceful ocean beach town not far from Tijuana and San Diego. According to Mexico City daily newspaper Reforma's running tally of cartel-related killings, or Ejecuciones, executions/assassinations Chihuahua's weekly rate of killings remained higher than it was before over two thousand soldiers and federal police were deployed there in mid-March.

Seven other crimes took place in Chihuahua; two men were found dead in Hermosillo, Sonora, two in Culiacan and some others in Guanajuato, Guanajuato, the Distrito Federal and Tuxtepec.

From Aug. 9 to Aug. 15, Chihuahua has had an unprecedented 79 executions, including the gangland-style killing of 13 teenagers in the town of Creel in the Sierra Tarahumara Mountains, a key transit point for drugs on route to the U.S.-Mexico border. Among the dead were several teenagers, a university professor, and a 1-year-old baby. The previous week, eight were shot and killed during a prayer session at a drug and alcohol rehabilitation center in Ciudad Juarez. These attacks challenge a common perception that Mexico's escalating death toll is reducible to cartel members killing each other, and have driven local and state officials to publicly question the efficacy of the current campaign against cartels. In a televised address, Chihuahua Gov. José Reyes Baeza Terrazas said that the massacre in Creel among other similar, recent events "shows that the strategy and actions for guaranteeing the security of people in [Chihuahua] need to be radically modified." Research group Consulta M子ck's annual survey Encuesta Nacional de Viviendas revealed strong public sentiment for drastically strengthening enforcement measures to combat organized crime in the country. Police say six people were lined up and gunned down outside a business in this violent border city Juarez. City police spokesman Alejandro Pariente says a written statement "for all rats" was found among the bodies and declared that the killings "will continue." Pariente says investigators found more than eight thousand soldiers and federal police were deployed there in mid-March. Seven other crimes took place in Chihuahua; two men were found dead in Hermosillo, Sonora, two in Culiacan and some others in Guanajuato, Guanajuato, the Distrito Federal and Tuxtepec.

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Afghan Women and Children Making Progress

There is little good news coming out of Afghanistan these days, but one local organization that supports education of boys and girls in that war-torn country reports that the ratio of girls enrolling in classes at two children's centers has grown from 31% last year to 48% this year. Voices of Women (VOW) will present an eye-opening event on October 14th supporting the work of the Afghan Women's Educational Center (AWEC), which funds literacy programs for women in Mazar-al-Sharif, and two children's centers for working school children in Kabul.

Two notable speakers will present their stories on the needs of women and children in Afghanistan and the progress that has been made. US Navy Captain Margaret Kibben, who served as Command Chaplain in 2006 with the Combined Forces Command in Afghanistan will discuss her work with building schools. Kabul native, Nazi Etemadi, has lived in the US since 1979 and has been working with several relief organizations, as well as USAID and UNESCO to raise awareness of the plight of women and children in Afghanistan.

The FREE event is Tuesday, October 14th, 2008, at 7:00 PM at the Joan B. Kroc Institute for Peace and Justice located at 5998 Alcalá Park, on the University of San Diego campus. Space is limited; RSVP now to rsvpclarke@cox.net
Vuelan palomas blancas

Día Internacional de la Paz, en la Universidad de San Diego

Horacio Rentería
El Latino

SAN DIEGO.- Decenas de palomas blancas cubrieron el escenario del Joan B. Kroc School for Peace and Justice Institute, de la Universidad de San Diego y se levantaron al cielo produciendo un bello contraste con el amplio azul del cielo.

Frente a las aves en vuelo se encontraba el Padre William Headley, Dean de la Escuela de Paz y Justicia de la Universidad, de orientación católica, ubicada a un costado de Linda Vista Road, en la comunidad del mismo nombre.

Este inusual espectáculo se dio en el marco de la celebración de Día Internacional de Paz, decretado hace dos décadas por la Organización de Naciones Unidas (ONU) y que se celebra cada año el 21 de septiembre.

Diane Kutlew, una de las promotoras del significativo evento efectuado en la explanada consideró que es importante que esta fecha se divulgue y se le de mayor relevancia ante la opinión pública, pues muchas personas desconocen su significado.

"Que bonito sería que todos los países del mundo compartieran no sólo este día de hermandad sino todos los días, aunque hasta ahora sea un anhelo", indicó.

Su pensamiento había sido previamente compartido por Ruth Hernández, de ascendencia hispana, estudiante del tercer año de la Universidad, quien dijo que está convencida que la paz y la justicia social pueden darse.

¿Tal vez por mi juventud sigo soñando y no sé de conflicto ni de intereses políticos, yo creo todavía en la humanidad", respon­dió sonriente.

La Asamblea General de la ONU pro­clamó esta fecha "para conmemorar y fortalecer los ideales de paz de cada nación", (figurando como un día) de este del fuego, de no violencia y realizando ac­tividades educativas y de sensibilización de la opinión pública", se sostiene en la página web de la organización pacifista mundial.

Día internacional de la Paz

Lugar: Joan B. Kroc School for Peace and Justice Institute de la Universidad de San Diego.

Ubicación: Linda Vista Road en la Comunidad de Linda Vista

hrenteria@ellatino.net
Linda Vista

On Sept. 19, the message of peace and hope around the world set the tone for the International Day of Peace celebration at the Joan B. Kroc Institute for Peace & Justice (KIPJI) "Garden of the Sky" on the University of San Diego campus. The Joan B. Kroc School of Peace Studies and the Joan B. Kroc Institute hosted the event for Peace & Justice commemorating the United Nations' daylong celebration. Established by the U.N. in 1982, "Peace Day" includes millions of people around the globe who take part in a variety of events. "Peace Day" is considered a global holiday where the highlight is to end conflict and promote peace. More than 40 exhibits from peace and social justice organizations were featured during the San Diego event including a film showing of "Reversing the Ripples of War," tours of the Joan B. Kroc School of Peace Studies, and an opportunity to view the international human rights photography exhibit "China's Olympian Human Rights Challenges."
Víctimas de violencia

Mujeres pacifistas visitan la Universidad de San Diego

SAN DIEGO.- Cuatro mujeres que han sido víctimas de violencia política y dominicana en sus países de origen estuvieron en San Diego para contar y compartir sus experiencias. El evento, que se realizó en la Universidad de San Diego, está organizado por el Programa de Violencia de Mujeres de la PAX.

Shinjira Alam, de Bangladés, Sylvia Muhindo, de República Democrática del Congo, Zaida Pino-Pérez de Guatemala y Olinda Ochoa, de Perú, hablaron de sus historias y cómo han perdido a seres queridos a las adversidades.

En un encuentro con la prensa, la Universidad de San Diego que han tenido sesiones informales con el programa anual que les permiten documentar sus historias con el apoyo de escritores profesionales y por medio de video. En reitera a la repetición de las mismas historias de violencia, salto y pobreza de sus comunidades, el lugar en el Joan B. Kroc Institute for Peace and Justice (Instituto para la Paz y Justicia).

"Este tiempo permitió a los estudiantes compartir, documentar y conservar historias de pacificación única, y en una oportunidad que no siempre es posible se presentó para que mujeres que se encuentran en el frente de batalla y aplastado sus esfuerzos para proteger a las víctimas", se indicó en un comunicado emitido por la Universidad de San Diego.

Se espera que durante su residencia, ellas hablen a estudiantes y creando condiciones de diálogo en las que plantean reconocimientos.

Sigue condenando Derechos con Seguridad: ONU

Louise Arbour, una corresponsal de la ONU, estuvo en conferencia principal el Instituto para la Paz y la Justicia de la Universidad de San Diego.

Al cumplirse el 60 aniversario de la Declaración Universal de los Derechos Humanos, Arbour fue presentada por la directora ejecutiva de la PAX, la Dra. Marisa Olmeda, como "una de las más grandes impulsoras de los derechos humanos de nuestro tiempo".

En su ponencia intitulada "Integrating Security, Development and Human Rights" (Integrando Seguridad, Desarrollo y Derechos Humanos), Arbour dijo que siempre sigue una espiral de violencia cuando se habla sobre derechos humanos y seguridad.

"Los derechos fundamentales no son contradictorios, siempre son interconectados... la violación del uno es la violación del otro. Por ejemplo, la violación es un asunto directo a la seguridad", dijo.

Arbour se refirió al esfuerzo de la ONU, de la ONU, Kofi Annan, en el que se cita su plática con representantes de los países del mundo, y dijo que "la violencia se lleva a cabo en las fronteras y los muros".

"No obs…

(Se cortan las palabras)
"Inspiring Social Change Through Education" Annual social issues conference continues. "We Are the Ones: Student Strategies for Community Organizing," an interactive workshop addressing issues facing students, starts at 10:45 a.m. on Thursday. At the same time, a panel entitled "In Our Own Voice: The Chicano/Latino Struggle for the Education of La Raza" convenes.

Tony Campolo, founder of Evangelical Association for the Promotion of Education, speaks at noon on Thursday in Hahn University Center Forum. He is author of 35 books including Red Letter Christians, A Citizen's Guide to Faith and Politics. "On Both Sides: A Borderless Night of Artistic Activism" promises a band of musicians, a photographer, a painter, and an actor collaborating in an event combining words, music, images on Friday in Hahn University Center Forum.

"Reflections on Justice for Immigrants" is presented on Monday by Cardinal Theodore E. McCarrick. McCarrick was the fifth Cardinal Archbishop of the Washington, D.C. Diocese from 2001-2006. 619-260-4206. Thursday, October 9, 10:45 a.m. and noon; Friday, October 10, 6 p.m.; Monday, October 13, 7 p.m.; Joan B. Kroc Institute for Peace and Justice, University of San Diego, 5998 Alcala Park. (Linda Vista)

"Women PeaceMakers" Activist, mediator, peace educator, regional interfaith dialogue forum creator Shinjita Alam of Bangladesh focuses on "Empowering Empowerment: Women in Marginalized Communities" and shares her story in Peace and Justice Theatre on Thursday.

"Fighting Against Rampant Sexual Violence Against Women" provides topic for conversation with Sylvie Mbanga Musenga from Democratic Republic of the Congo on Tuesday. Musenga is a lawyer, counselor, radio correspondent, advocate for victims of sexual violence. 619-260-7509. Thursday, October 9, 12:30 p.m.; Tuesday, October 14, 12:30 p.m.; Joan B. Kroc Institute for Peace and Justice, University of San Diego, 5998 Alcala Park. (Linda Vista)

Clopper Writers Series Renowned poet Jean Valentine — a National Book Award winner and current state poet of New York — reads from her work for series. 619-260-4783. Friday, October 10, 7 p.m.; Joan B. Kroc Institute for Peace and Justice, University of San Diego, 5998 Alcala Park. (Linda Vista)
"Uniting Communities Torn Apart by Political Violence"
Conversation with "woman peacemaker" and youth advocate, counselor Zandile Nhlengetwa from South Africa. A creator of peacebuilding strategies for communities affected by high levels of violence, Nhlengetwa will share her story. 619-260-7509. Thursday, October 2, 12:30 p.m.; Joan B. Kroc Institute for Peace and Justice, University of San Diego, 5998 Alcala Park. (LINDA WILTON)

LECTURES

"Advocating Justice, Building Peace" Women PeaceMakers panel discussion by Shinjita Alam from Bangladesh, Sylvie Mtanga Maunga from Democratic Republic of the Congo, Zandile Nhlengetwa from South Africa, Oleuela Celcua from Peru. 619-260-7509. Tuesday, October 21, 7 p.m.; Joan B. Kroc Institute for Peace and Justice, University of San Diego, 5998 Alcalá Park, (ENCINITAS)

North County Showcase USD music program presents selections including Bruckner's "Te Deum," with other presentations by USD music ensembles, faculty, alumni. 858-487-4314. San Rafael Catholic Church (17252 Bernardo Center Drive), 4 p.m., Sunday, October 19. (RANCHO BERNARDO)
OTHER EVENTS

FRIDAY, OCT 17 - EXHIBIT
ACTUAL PORTRAITS OF THE AMERICAN WEST
John Shalton, author of the classic Geology Illustrated, will have a
selection of his magnificent works on display. This exhibition marks
the first time these images have been shown to the public.
Organization: San Diego Natural History Museum
Information: (619) 235-0100 www.sdnhm.org Cost: $4.00 - $6.00
When: Hours: 10:00 AM - 5:00 PM Where: San Diego Natural History Museum, 1788 El Prado, San Diego, 92101, Venue Phone - (619) 232-3021

FRIDAY, OCT 17 - THEATER
BACK BACK BACK
This funny, insightful new work centers on three major players
making their way in the world of professional baseball—a world that
is competitive to rely only on raw skill. Times vary, see website.
Organization: Old Globe Review Information: 619-231-1044 Cost: $42.00 - $58.00
When: Old Globe Theatre, 1363 Old Globe Way, Balboa Park, 92101, Venue Phone - (619) 231-1044

FRIDAY, OCT 17 - FUND-RAISER
CANCER FOR COLLEGE GOLF CLASSIC
Local philanthropist Greg Powell of San Marcos will once again
back this charity golf classic as he stages the 13th annual Cancer for College Golf Classic and Live Auction, toped by Will Ferrell.
Organization: Rancho Bernardo Inn Information: 855-770-7329 www.ranchobernardoinn.com Cost: $150.00 - $250.00
Where: Rancho Bernardo Inn Golf Course, 17600 Bernardo Oak Dr., San Diego, 92128

FRIDAY, OCT 17 - EXHIBIT
ELIZABETH ANNE: HISTORICAL TAXES
This exhibition is the first to collect the works of Artist Elizabeth
Anne's recent series of large-scale tableau photographs based on
Great and roman history and mythology together. Organization: San
Diego Museum of Art Information: Jil Black (619) 795-3461 jblack@sdmoa.org Cost: $6.00 - $10.00
When: Hours: 10:00 AM - 9:00 PM Where: San Diego Museum of Art, 1450 El Prado, Balboa Park, San Diego, 92101, Venue Phone - (619) 232-1515

FRIDAY, OCT 17 - EXHIBIT
ACTIVE DUTY
Armed Owen Murphy, once a photographer in the Navy, uses his per-
sional experiences to look at the transformation of generations of
men through military Basic Training to create this new body of work.
Organization: California Center for the Arts Information: 760-757-4253 www.artcenter.org Cost: $3.00 - $5.00
When: Hours: 10:00 AM - 4:00 PM Where: California Center for the Arts, 150 N. Escondido, Escondido, 92025, Venue Phone - (760) 758-4130

FRIDAY, OCT 17 - EXHIBIT
THE FILIPINO AMERICAN PHOTOGRAPHERS OF JULIO CENCICIO
AMERICA
This collection of over 60 photographs offers a glimpse into the
emergence of the Filipino-American community in the United States.
When: Hours: 11:00 AM - 5:00 PM Where: New Americans Museum, 2625 Park Blvd, San Diego, 92102

FRIDAY, OCT 17 - EXHIBIT
CHINA'S OLYMPIC HUMAN RIGHTS CHALLENGES
This unique collection of print photos from China examines some
of the human rights issues spotlighted by the Olympics. Along
with photographs of human rights issues from the world,
Organization: John B. Kroc Institute of Peace and Justice Information: (619) 260-4238 http://www.sandiego.edu/events Cancellation Details Available When: Hours: 10:00 AM - 3:00 PM Where: John B. Kroc Institute of Peace and Justice, 9860 Alcala Park, San Diego, 92110

FRIDAY, OCT 17 - SPECIAL EVENT
A FASHION CONCERTA
This event includes a silent auction and fashion boutique shopping.
Kinds With A Song, a performing group from the San Diego Center
for Children, will be our entertainment. Organization: San Diego Center
for Children Information: 619-850-3148 www.sdcfc.org Cost: $75.00 - $125.00
When: Hours: 10:00 AM - 3:00 PM Where: US Grant Hotel, 505 Broadway, San Diego, 92101

106
Third Sunday of each Month
10 a.m. to 5 p.m.

The San Diego Blood Bank Bloodmobile will be on site to accept blood donations. Be sure to show your ID. Call the Blood Bank at (800) 233-3800 or visit sandiego-blood.org.

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Joan B. Kroc Institute for Peace and Justice Fine Art Gallery — "China's Ethnographic Human Rights Challenges," a Human Rights Watch photography exhibit, runs through Nov. 8; University of San Diego, 5998 Alcala Park, San Diego; hours, noon to 4 p.m., Wednesdays, Fridays and Saturdays; noon to 8 p.m., Thursdays; (619) 260-4000.
OTHER EVENTS

FRIDAY, OCT 10 - DANCE/PERFORMING ARTS

DISNEY ON ICE
Come celebrate 100 Years of Magic with us! Our show will feature 18 beloved Disney tales with 65 unforgettable characters! Performance times vary; please see website for more details. Organization: Disney on Ice
Information: Sara Wacker
858-794-6974
Cost: $12.00 - $52.50
Where: San Diego Sports Arena, 3500 Sports Arena Blvd., San Diego, 92110, Venue Phone: (619) 226-9813

FRIDAY, OCT 10 - THEATER
BACK BACK BACK
This funny, insightful new work centers on three major players making their way in the world of professional baseball—a world too competitive to rely on raw talent. Times vary, see website.
Organization: Old Globe Theatre
Information: (619) 231-1941
Cost: $42.00 - $59.00
Where: Old Globe Theatre, 1363 Old Globe Way, Balboa Park, 92101, Venue Phone: (619) 231-1941

FRIDAY, OCT 10 - EXHIBIT
AERIAL PORTRAYS OF THE AMERICAN WEST
John Shelton, author of the classic Geology Illustrated, will have a selection of his magnificent works on display. This exhibition marks the first time these images have been shown to the public.
Organization: San Diego Natural History Museum
Information: (619) 255-0195
Cost: $4.00 - $9.00
When: Hours: 10:00 AM - 5:00 PM
Where: San Diego Natural History Museum, 1788 El Prado, San Diego, 92101, Venue Phone: (619) 232-3821

FRIDAY, OCT 10 - EXHIBIT
CHINA'S OLYMPIC HUMAN RIGHTS CHALLENGES
This bold collection of recent photos from China illustrates some of the human rights issues spotlighted by the Olympic games in Beijing, along with photographs of human rights issues around the world over.
Organization: Joan B. Kroc Institute of Peace and Justice
Information: (619) 260-4235
http://peace.sandiego.edu/events
Cost: No Details Available
When: Hours: 10:00 AM - 3:00 PM
Where: Joan B. Kroc Institute, Peace and Justice, 8998 Alcala Park, San Diego, 92110

FRIDAY, OCT 10 - SPECIAL EVENT
SDMA FAÇADE REVEALING
Please join us this morning as we reveal the San Diego Museum of Art's newly-restored historic façade and the museum appears in its original handsome form once again.
Organization: San Diego Museum of Art
Information: (619) 696-1946
www.sdmart.org
Cost: No Details Available
When: Starts: 10:30 AM
Joan B. Kroc Institute for Peace and Justice this fall以色

"Olympic Human Rights Challenges," a Human Rights Watch photography exhibit, runs through Nov. 6; University of San Diego, 5998 Alcala Park, San Diego; hours: noon to 4 p.m. Wednesdays, Fridays and Saturdays; noon to 6 p.m. Thursdays; (619) 260-4659.
OTHER EVENTS

FRIDAY, OCT 31 - EXHIBIT
PERSPECTIVAs/PERSPECTIVES
This exhibit will focus on art from Latin America, with work by contemporary living artists showcased alongside that of artists who helped to define the modern era of Latin American art. Organization: Noel-Baza Fine Art Information: 619-876-4160 noel-baza@cox.net Cost: No Details Available When: Hours: 11:00 AM - 6:00 PM Where: Noel-Baza Fine Art, 2165 India St., San Diego

FRIDAY, OCT 31 - EXHIBIT
CHINA'S OLYMPIC HUMAN RIGHTS CHALLENGES
This bold collection of recent photos from China illustrates some of the human rights issues spotlighted by the Olympic games in Beijing, along with photographs of human rights issues the world over. Organization: Joan B. Kroc Institute of Peace and Justice Information: (619) 260-4236 http://peace.sandiego.edu/events Cost: No Details Available When: Hours: 10:00 AM - 3:00 PM Where: Joan B. Kroc Institute, Peace and Justice, 5995 Alcala park, San Diego, 92110

FRIDAY, OCT 31 - EXHIBIT
THE FILIPINO AMERICAN PHOTOGRAPHS OF RICARDO ORCETO ALVAREZ

FRIDAY, OCT 31 - EXHIBIT
ACTIVE DUTY
Artist Owen Mundy, once a photographer in the Navy, uses his personal experiences to look at the transformation of generations of men through military Basic Training to create this new body of work. Organization: California Center for the Arts Information: (800) 988-4253 www.artcenter.org Cost: $3.00 - $5.00 When: Hours: 10:00 AM - 4:00 PM Where: California Center for the Arts, 340 N. Escondido, Escondido, 92025, Venue Phone - (619) 739-4138
El Trans-Border Institute tendrá una conferencia titulada *Políticas inmigratorias actuales de la Unión Europea* con la presencia del investigador Francisco Oda, de la Universidad Rey Juan Carlos de Madrid, el lunes 20 de octubre a las 4 p.m. en el edificio Joan B. Kroc, Salón 253, de la Universidad de San Diego, 5998 Alcalá Park, San Diego. Gratis. Informes: 619.260.4148 o sandiego.edu/tbl.
El pizarrón

Novedades y actividades en la comunidad

Conferencia de inmigración
El Trans-Border Institute tendrá una conferencia titulada *Políticas inmigratorias actuales de la Unión Europea* con la presencia del investigador Francisco Oda, de la Universidad Rey Juan Carlos de Madrid, el lunes 20 de octubre a las 4 p.m. en el edificio Joan B. Kroc, Salón 253, de la Universidad de San Diego, 5998 Alcala Park, San Diego. Informes: 619.260.4148 o sandiego.edu/utbi.
GUA MEA PROJECT. Elena McCollim of the Joan B. Kroc Institute of Justice at the University of San Diego discusses the institute's Guatemala Project at a meeting of the World Affairs Council at 10 a.m. at the Remington Club II, 16916 Hierba Drive, Rancho Bernardo. No reservations required.
GUATEMALA PROJECT: Elena McCollum of the Joan B. Kroc Institute of Justice at the University of San Diego discusses the institute's Guatemala Project at a meeting of the World Affairs Council at 10 a.m. at the Remington Club II, 16916 Hierba Drive, Rancho Bernardo. No reservations required.

The fourth annual USD Orchestra North County Showcase is at 4 p.m. Sunday, Oct. 19 in the sanctuary of San Rafael Catholic Church, 17252 Bernardo Center Drive, Rancho Bernardo. The orchestra will be joined by members of the Choir of Immaculata Catholic Church at USD and San Rafael's Festival Choir performing "Te Deum." A free-will offering will be taken. Call 858-487-4314 for details.
School of Law
USD appoints first joint professor of law, peace studies

Michael Perry, one of the nation's foremost authorities on international human rights law and theory, has been appointed to a three-year term at the University of San Diego as University Distinguished Visiting Professor in Law and Peace Studies. Perry is the first faculty member to have a joint appointment in the law and peace schools at USD.

Perry will be in residence at USD in the fall semesters in 2009 through 2011. He will teach a course in international human rights open both to law students and to students in the newly founded Joan B. Kroc School of Peace Studies. He will also teach a second class for law students.

"We are delighted to welcome Professor Perry to our community," said Julie Sullivan, provost. "He is a scholar of the highest order and is committed both to helping to build our new School of Peace Studies and to contributing to the longstanding success of our law school. His enthusiasm and his broad base of knowledge will be an inspiration to our students."

In addition to his expertise in international human rights, Perry is a widely published scholar in American constitutional law and theory and in the area of law, morality and religion. He holds a Robert W. Woodruff Chair at Emory University, where he teaches in the law school. A Woodruff Chair is the highest honor Emory can bestow on a faculty member.

"I am delighted and honored to be joining the USD community," Perry said. "USD's law faculty is outstanding, and the new Kroc School of Peace Studies gives me a wonderful opportunity to work with other committed professionals on the very issues and problems that were foremost in my mind when I began my law studies in the 1970s."

'60 Minutes' Blames Crisis on Credit Swaps, Ignores Subprime Defaults

CBS's Kroft attacks traders, misses how overleveraging was real cause of financial turmoil.

By Jeff Poor
Business & Media Institute
10/6/2008 3:35:11 PM

The collapse of several financial institutions has sparked a media blame game that continued on CBS's "60 Minutes" Oct. 5.

Correspondent Steve Kroft attacked credit default swaps - sales designed to transfer credit exposure, in this case mortgage-backed securities, between parties. Kroft said a "huge shadow market" coupled with "greed and incompetence" ultimately caused the financial crisis.

"The result is a huge shadow market that may control our financial destiny, and yet the details of these private insurance contracts are hidden from the public, from stockholders and from federal regulators," Kroft said. "No one knows what they cover, who owns them or whether or not they have the money to pay them off."

Kroft detailed how the economic crisis was set into motion - as even admitted it was sparked by homeowners who defaulted on their mortgages, causing two fragile investment banks to go out of business.

"When homeowners began defaulting on their mortgages and Wall Street's high-risk mortgage-backed securities began to fall, the big investment houses and insurance companies who sold the credit default swaps hadn't set aside the money they needed to pay off all the insurance claims they'd written," Kroft said. "Bear Stearns was the first to go under, selling itself to "JPM" for pennies on the dollar. Then Lehman Brothers declared bankruptcy, and when AIG, the nation's largest insurer, couldn't cover its bad debts, the government stepped in with an $85 billion rescue."

Kroft interviewed Frank Partnoy, a professor at the University of San Diego School of Law and author of two books assailing "greed" on Wall Street. He said credit default swaps were the heart of the financial crisis.

"They were the centerpiece, really," Partnoy said to "60 Minutes." "That's why the banks lost all the money. They lost all the money based on those side bets, based on mortgages."

However, Gary Kaminsky, former managing director of Neuberger Berman, said on CNBC's Oct. 6 "Squawk Box." that the tool of credit default swaps aren't to blame. The smoking guns of the financial crisis, he said, were simply bad business decisions.

"I guess, I'm guilty of the fact that for 20 years in the investment business, I have always from day one believed that short sellers - going back to when I started with Mark Howard, who is one of the best short sellers ever - short sellers cannot put a company out of business," Kaminsky said. "Only a bad business model, only bad management can do it."

CNBC "Squawk Box" reported that the federal government is negotiating with IntercontinentalExchange (NYSE:ICE) and the Chicago Mercantile Exchange (NASDAQ:CME) to create a market for the "shadow market" of credit default swaps. As Kaminsky pointed out, that may have stemmed the tide of financial crisis, but the failed financial institutions' overleveraging was still the root cause - not short selling credit default swaps.

"Now certainly they [short sellers] can help the velocity - so I think everybody agrees that having a transparency for CDS can help. It will not save financial firms who take on 30-to-1 leverage, make bad bets and don't basically unwind. That's not going to change."
A Look At Wall Street's Shadow Market
Oct. 5, 2008

(CBS) On Friday Congress finally passed - and President Bush signed into law - a financial rescue package in which the taxpayers will buy up Wall Street's bad investments.

The numbers are staggering, but they don't begin to explain the greed and incompetence that created this mess.

It began with a terrible bet that was magnified by reckless borrowing, complex securities, and a vast, unregulated shadow market worth nearly $60 trillion that hid the risks until it was too late to do anything about them.

And as correspondent Steve Kroft reports, it's far from being over.

It started out 16 months ago as a mortgage crisis, and then slowly evolved into a credit crisis. Now it's something entirely different and much more serious.

What kind of crisis it is today?

"This is a full-blown financial storm and one that comes around perhaps once every 50 or 100 years. This is the real thing," says Jim Grant, the editor of "Grant's Interest Rate Observer."

Grant is one of the country's foremost experts on credit markets. He says it didn't have to happen, that this disaster was created entirely by Wall Street itself, during a time of relative prosperity. And they did it by placing a trillion dollar bet, with mostly borrowed money, that the riskiest mortgages in the country could be turned into gold-plated investments.

"If you look at how this started with the subprime crisis, it doesn't seem to be a good bet to put your money behind the idea that people with the lowest income and the poorest credit ratings are gonna be able to pay off their mortgages," Kroft points out.

"The idea that you could lend money to someone who couldn't pay it back is not an inherently attractiv right. However, it seemed to fly with people who were making $10 million a year," Grant says.

With its clients clamoring for safe investments with above average return, the big Wall Street investment houses bought up millions of the least dependable mortgages, chopped them up into tiny bits and pieces, and repackaged them as exotic investment securities that hardly anyone could understand.

60 Minutes looked at one of the selling documents of such a security with Frank Partnoy, a former derivatives broker and corporate securities attorney, who now teaches law at the University of San Diego.

"It's hundreds and hundreds of pages of very small print, a lot of detail here," Partnoy explains.

Asked if he thinks anyone ever reads all this fine-print, Partnoy says, "I doubt many people read it."

These complex financial instruments were actually designed by mathematicians and physicists, who used algorithms and computer models to reconstitute the unreliable loans in a way that was supposed to eliminate most of the risk.

"Obviously they turned out to be wrong," Partnoy says.

Asked why, he says, "Because you can't model human behavior with math."

"How much of this catastrophe had to do with the instruments that Wall Street created and chose to buy...and sell?" Kroft asks Jim Grant.

"The instruments themselves are at the heart of this mess," Grant says. "They are complex, in effect, mortgage science projects devised by these Nobel-track physicists who came to work on Wall Street for the very purpose of creating complex instruments with all manner of detailed protocols, and who gets paid when and how much. And the complexity of the structures is at the very center of the crisis of credit today."

"People don't know what they're made up of, how they're gonna behave," Kroft remarks.
"Right," Grant replies.

But it didn’t stop ratings agencies, like Standard & Poor’s and Moody’s, from certifying the dodgy securities investment grade, and it didn’t stop Wall Street from making billions of dollars selling them to banks, pension funds, and other institutional investors all over the world. But that was just the beginning of the crisis.

What most people outside of Wall Street and Washington don’t know is that a lot of people who bought these risky mortgage securities also went out and bought even more arcane investments that Wall Street was peddling called “credit default swaps.” And they have turned out to be a much bigger problem.

They are private and largely undisclosed contracts that mortgage investors entered into to protect themselves against losses if the investments went bad. And they are part of a huge unregulated market that has already helped bring down three of the largest firms on Wall Street, and still threaten the ones that are left.

Before your eyes glaze over, Michael Greenberger, a law professor at the University of Maryland and a former director of trading and markets for the Commodities Futures Trading Commission, says they are much simpler than they sound. "A credit default swap is a contract between two people, one of whom is giving insurance to the other that he will be paid in the event that a financial institution, or a financial instrument, fails," he explains.

"It is an insurance contract, but they’ve been very careful not to call it that because if it were insurance, it would be regulated. So they use a magic substitute word called a ‘swap,’ which by virtue of federal law is deregulated," Greenberger adds.

"So anybody who was nervous about buying these mortgage-backed securities, these CDOs, they would be sold a credit default swap as sort of an insurance policy?" Kroft asks.

"A credit default swap was available to them, marketed to them as a risk-saving device for buying a risky financial instrument," Greenberger says.

But he says there was a big problem. "The problem was that if it were insurance, or called what it really is, the person who sold the policy would have to have capital reserves to be able to pay in the case the insurance was called upon or triggered. But because it was a swap, and not insurance, there was no requirement that adequate capital reserves be put to the side."

"Now, who was selling these credit default swaps?" Kroft asks.

"Bear Stearns was selling them, Lehman Brothers was selling them, AIG was selling them. You know, the names we hear that are in trouble, Citigroup was selling them," Greenberger says.

"These investment banks were not only selling the securities that turned out to be terrible investments, they were selling insurance on them?" Kroft asks.

"Well, it made it easier to sell the terrible investments if you could convince the buyer that not only were they gonna get the investment, but insurance," Greenberger explains.

But when homeowners began defaulting on their mortgages, and Wall Street’s high-risk mortgage backed securities also began to fail, the big investment houses and insurance companies who sold the credit default swaps hadn’t set aside the money they needed to pay off their obligation.

Bear Stearns was the first to go under, selling itself to J.P. Morgan for pennies on the dollar. Then, Lehman Brothers declared bankruptcy. And when AIG, the nation’s largest insurer, couldn’t cover its bad debts, the government stepped in with an $85 billion rescue.

Asked what role the credit default swaps play in this financial disaster, Frank Partnoy tells Kroft, "They were the centerpiece, really. That’s why the banks lost all the money. They lost all the money based on those side bets, based on the mortgages."

How big is the market for credit default swaps?

Says Partnoy, "Well, we really don’t know. There’s this voluntary survey that claims that the market is in the range of 50 to 60 or so trillion dollars. It’s sort of alarming that, in a market that big, we don’t even know how big it is to within, say, $10 trillion."

"Sixty trillion dollars. I know it seems incredible. It’s four times the size of the U.S. debt. But that’s the size of the market according to these voluntary reports," says Partnoy.

He says this market is almost entirely unregulated.

The result is a huge shadow market that may control our financial destiny, and yet the details of these private insurance contracts are hidden from the public, from stockholders and federal regulators. No one knows what they cover, who owns them, and whether or not they have the money to pay them off.
One of the few sources of information is the International Swaps and Derivatives Association (ISDA), a trade organization made up of the largest financial institutions in the world. Many of them are the very same companies that created the vast shadow market, lobbied to keep it unregulated, and are now drowning because of unanticipated risks.

ISDA's CEO, Robert Pickel, says there is nothing wrong with credit default swaps, and that the problem was with underlying mortgage securities.

"Well, there's clearly something wrong with the system if all of these leveraged bets, hidden leveraged bets, caused a collapse in the financial system," Kroft remarks.

"It is something that we all need to look at and learn lessons from. And we all need to work together to understand that and design a structure in the future that works more effectively," Pickel says.

"My point is, the people that made these mistakes are the people you represent in your organization. And many of them sit on the board. I mean, if they didn't get it right, who would?" Kroft asks.

"These people understand the nature of these products. They understand the risks," Pickel replies.

"Well...they didn't or they wouldn't have bought them. They wouldn't have used them," Kroft says.

"These are very useful transactions. And the people do understand the nature of the risk that they're entering into...but I'm not sure that...", Pickel says.

"Useful?" Kroft interrupts. "How come they brought down the financial system?"

"Because, perhaps they didn't understand the underlying risk, and nobody really saw the effects that were going to flow through from the subprime lending situation," Pickel says.

That chapter is not over, and there is much suspense and fear on Wall Street that there are other big losses out there that have yet to be disclosed.

They already dwarf what has been lost on those original risky mortgages. As bad as the mortgage crisis has been, 94 percent of all Americans are still paying off their loans. The problem is Wall Street placed its huge bets and side bets with all of those fancy securities on the 6 percent who are not.

"We wouldn't be in any of this trouble right now if we had just had underlying investments in mortgages. We wouldn't be in any trouble right now," says Partnoy.

He says it's the side bets.

"You got Wall Street firms, Bear Stearns, Lehman Brothers. You got insurance companies like AIG. Merrill lost a ton of money on this," Kroft says. "Everybody's lost a ton of money. They're supposed to be the smartest investors in the world. And they did it themselves."

"They did it all on their own," Partnoy agrees. "That's the most incredible thing about this crisis is that they pushed the button themselves. They blew themselves up."

Asked how much of this was incompetence on the part of Wall Street and the people who ran it, Jim Grant tells Kroft, "The truth is that on Wall Street, a lot of people just weren't very good at their jobs. It's as simple as that."

"These people were being paid $50 to $100 million a year. Some of them, the guys that were running the places," Kroft remarks.

"There is no defending," Grant replies. "A trainee making 45,000 a year would have had the common sense not to bet the firm on mortgage contraptions that no one in the firm actually understood. That is not a deep point to comprehend. Somehow, through, I will call it a criminal neglect and incompetence, the people at the top of these firms chose to look away, to take more risk, to enrich themselves and to put the shareholders and, indeed, the country, itself, ultimately, the country's economy at risk. And it is truly not only a shame, it's a crime."

60 Minutes requested interviews with top executives at Bear Stearns, Lehman Brothers, Merrill Lynch, Morgan Stanley, Goldman Sachs, and AIG. They all declined.

Produced by L. Franklin Devine
The Bet That Blew Up Wall Street
Oct. 26, 2008

(CBS) The world's financial system teetered on the edge again last week, and anyone with more than a passing interest in their shrinking 401(k) knows it's because of a global credit crisis. It began with the collapse of the U.S. housing market and has been magnified worldwide by what Warren Buffet once called "financial weapons of mass destruction."

They are called credit derivatives or credit default swaps, and 60 Minutes did a story on the multi-trillion dollar market three weeks ago, but there's a lot more to tell.

As Steve Kroft reports, essentially they are side bets on the performance of the U.S. mortgage markets and the solvency on some of the biggest financial institutions in the world. It's a form of legalized gambling that allows you to wager on financial outcomes without ever having to actually buy the stocks and bonds and mortgages.

It would have been illegal during most of the 20th century, but eight years ago Congress gave Wall Street an exemption and it has turned out to be a very bad idea.

While Congress and the rest of the country scratched their heads trying to figure out how we got into this mess, 60 Minutes decided to go to Frank Partnoy, a law professor at the University of San Diego, who has written a couple of books on the subject.

Ask to explain what a derivative is, Partnoy says, "A derivative is a financial instrument whose value is based on something else. It's basically a side bet."

Think of it for a moment as a football game. Every week, the New York Giants take the field with hopes of getting back to the Super Bowl. If they do, they will get more money and glory for the team and its owners. They have a direct investment in the game. But the people in the stands may also have a financial stake in the outcome, in the form of a bet with a friend or a bookie.

"We could call that a derivative. It's a side bet. We don't own the teams. But we have a bet based on the outcome. And a lot of derivatives are bets based on the outcome of games of a sort. Not football games, but games in the markets," Partnoy explains.

Partnoy says the bet was whether interest rates were going to go up or down. "And the new bet that arose over the last several years is a bet based on whether people will default on their mortgages."

And that was the bet that blew up Wall Street. The TNT was the collapse of the housing market and the failure of complicated mortgage securities that the big investment houses created and sold around the world.

But the rocket fuel was the trillions of dollars in side bets on those mortgage securities, called "credit default swaps." They were essentially private insurance contracts that paid off if the investment went bad, but you didn't have to actually own the investment to collect on the insurance.

"If I thought certain mortgage securities were gonna fail, I could go out and buy insurance on them without actually owning them?" Kroft asks Eric Dinallo, the insurance superintendent for the state of New York.

"Yeah," Dinallo says. "The irony is, though, you're not really buying insurance at that point. You're just placing the bet."

Dinallo says credit default swaps were totally unregulated and that the big banks and investment houses that sold them didn't have to set aside any money to cover their potential losses and pay off their bets.

"As the market began to seize up and as the marketplace for the underlying obligations began to perform poorly, everybody wanted to get paid, had a right to get paid on those credit default swaps. And there was no 'there' there. There was no money behind the commitments. And people came up short. And so that's to a large extent what happened to Bear Stearns, Lehman Brothers, and the holding company of AIG," he explains.

In other words, three of the nation's largest financial institutions had made more bad bets than they could afford to pay off. Bear Stearns was sold to J.P. Morgan for pennies on the dollar, Lehman Brothers was allowed to go belly up, and AIG, considered too big to let fail, is on life support thanks to a $123 billion investment by U.S. taxpayers.
"It's legalized gambling. It was illegal gambling...with absolutely no regulatory controls. Zero, as far as I can tell," Dinallo says.

"I mean it sounds a little like a bookie operation," Kroft comments.

"Yes, and it used to be illegal. It was very illegal 100 years ago," Dinallo says.

In the early part of the 20th century, the streets of New York and other large cities were lined with gaming establishments called "bucket shops," where people could place wagers on whether the price of stocks would go up or down without actually buying them. This unfettered speculation contributed to the panic and stock market crash of 1907, and state laws all over the country were enacted to ban them.

"Big headlines, huge type. This is the front page of the New York Times," Dinallo explains, holding up a headline that reads "No bucket shops for new law to hit."

"So they'd already closed up 'cause the law was coming. Here's a picture of one of them. And they were like parlors. See," Dinallo says. "Betting parlors. It was a felony. Well, it was a felony when a law came into effect because it had brought down the market in 1907. And they said, 'We're not gonna let this happen again.' And then 100 years later in 2000, we rolled them all back."

The vehicle for doing this was an obscure but critical piece of federal legislation called the Commodity Futures Modernization Act of 2000. And the bill was a big favorite of the financial industry it would eventually help destroy.

It not only removed derivatives and credit default swaps from the purview of federal oversight, on page 262 of the legislation, Congress pre-empted the states from enforcing existing gambling and bucket shop laws against Wall Street.

"It makes it sound like they knew it was illegal," Kroft remarks.

"I would agree," Dinallo says. "They did know it was illegal. Or at least prosecutable."

In retrospect, giving Wall Street immunity from state gambling laws and legalizing activity that had been banned for most of the 20th century should have given lawmakers pause, but on the last day and the last vote of the lame duck 106th Congress, Wall Street got what it wanted when the Senate passed the bill unanimously.

"There was an awful lot of, 'Trust us. Leave it alone. We can do it better than government,' without any realistic understanding of the dangers involved," says Harvey Goldschmid, a Columbia University law professor and a former commissioner and general counsel of the Securities and Exchange Commission.

He says the bill was passed at the height of Wall Street and Washington's love affair with deregulation, an infatuation that was endorsed by President Clinton at the White House and encouraged by Federal Reserve Chairman Alan Greenspan.

"That was the wildest and silliest period in many ways. Now, again, that's with hindsight because the argument at the time was these are grownups. They're institutions with a great deal of money. Government will only get in the way. Fears it will be taken overseas. Leave it alone. But it was a wrong-headed argument. And turned out to be, of course, extraordinarily unwise," Goldschmid says.

Asked what role Greenspan played in all of this, Professor Goldschmid says, "Well, he made clear in his public speeches and book that a Libertarian drive was part of the way he looked at the world. He's a very talented man. But that didn't take us where we had to be."

"Alan was the most powerful man in Washington in a real sense. Certainly a rival to the president and had enormous influence on Capitol Hill," Goldschmid says,

"And he was at the height of his power," Kroft adds.

Within eight years, unregulated derivatives and swaps helped produce the largest financial services economy the United States has ever had. Estimates of the market for credit default swaps grew from $100 billion to more than $50 trillion, and you could bet on anything from the solvency of communities to the fate of General Motors.

It also produced a huge transfer of private wealth to Wall Street traders and investment bankers, who collected billions of dollars in bonuses. A lot of the money was made financing what seemed to be a never-ending housing boom, selling mortgage securities they thought were safe and credit default swaps that would never have to be paid off.

"The credit default swaps was the key of what went wrong and what's created these enormous losses," Goldschmid says.

"Is it your impression that people at the big Wall Street investment houses knew what was going on and knew the kind of risks that they were exposed to?" Kroft asks.

"No. My impression is to the contrary, that even at senior levels they only vaguely understood the risks. They only vaguely followed what was going on," Goldschmid says. "And when it tumbled, there was some genuine surprise not only at the board level where there wasn't enough oversight but at senior management level.”

They didn’t know what was going on in part because credit default swaps were totally unregulated. No one knew how many there were or who owned them. There was no central exchange or clearing house to keep track of all the bets and to hold the money to make sure they got paid off. Eventually, savvy investors figured out that the cheapest, most effective way to bet against the entire housing market was to buy credit defaults swaps, in effect taking out inexpensive insurance policies that would pay off big when other people’s mortgage investments went south.

"I know people personally who have taken away more than $1 billion from having been on the right side of these transactions," says Jim Grant, publisher of Grant’s Interest Rate Observer and one of the country’s foremost experts on credit markets.

"If you can and you could lay down cents on the dollar to place a bet on the solvency of Wall Street, for example, as some did, when Wall Street became evidently insolvent, that cents on the dollar bet went up 30, 40, and 50 fold. Not everyone who did that wants to get his name in the paper. But there are some spectacularly rich people who came out of this," Grant says.

"Who got richer," Kroft remarks.

"Who got richer, who became, you know, fantastically richer," Grant says.

A lot of them were hedge fund managers. John Paulson’s Credit Opportunities Fund returned almost 600 percent last year, with Paulson pocketing a reported $3.7 billion.

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Congress now seems shocked and outraged by the consequences of its decision eight years ago to effectively deregulate swaps and derivatives. Various members of the House and Senate have hauled in the usual suspects to accept or share the blame.


"Credit default swaps, I think, have some serious problems with them," Greenspan replied.

It appears to be the first step in a long process of restoring at least some of the regulations and safeguards that might have prevented, or at least mitigated this disaster after the damage has already been done.

Where do we go from here?

"We need the most dramatic rethinking of the regulatory scheme for financial markets since the New Deal. If anything has demonstrated that imperative, it’s the economy right now and the tragic circumstances we’re in," Goldschmid says.

Asked how much danger he thinks is still out there, Goldschmid says, "We don’t know. Part of the problem of the lack of transparency in these - in these markets has been we don’t really know.”
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Produced by L. Franklin Devine and Jennifer MacDonald
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Dinallo on Credit Default Swaps: "There Was No 'There' There"

Posted by Dan Slater

Last night's 60 Minutes feature on the credit derivatives market was plastered with lawyers Frank Parroty, a law professor at the University of San Francisco, and Harvey Goldschmid, a Columbia law professor and the former commissioner of the SEC, and Law Blog regular Eric Dinallo, the insurance superintendent for New York.

As expected, these three bright legal minds helped shine some light on the confusing CDS market and how it contributed to Wall Street's meltdown. Here are some highlights from the show:

They're essentially side bets: "A derivative is a financial instrument whose value is based on something else," explained Parroty. "It's basically a side bet." Parroty said you can liken a derivative to a sports bet: "We don't own the teams," he said.

No 'there' there: Dinallo said that credit default swaps — essentially private insurance contracts that paid off if the underlying investment went bad — were usually unregulated, meaning that the banks and investment houses that sold them didn't have to post any money to cover potential losses. "As the market began to seize up and the market for the underlying obligations began to perform poorly, everybody wanted to get paid, had a right to get paid on those credit default swaps," he said. "And there was no 'there' there. There was no money behind the commitments.

It was legalized gambling: 100 years ago it was illegal gambling, explained Dinallo. And then Congress made it legal gambling with the Commodity Futures Modernization Act of 2000, which removed derivatives and credit default swaps from federal oversight and prevented the states from enforcing existing gambling and lottery shop laws against Wall Street.

A vague understanding: When Steve Kroft asked Goldschmid whether Wall Street honchos understood the risks, he said: "No. My impression is to the contrary.

Comment by 3rd grader - October 27, 2008 at 10:57 am

Comment by Other side to this story - October 27, 2008
Caught in 'a once in a century credit tsunami'

Manias, panics, crashes and depressions have jolted the global financial system for centuries, so the present credit market crisis that has swept around the world during the past year is not unusual but it does differ from other recent upheavals in its sheer ferocity.

Former Federal Reserve chairman Alan Greenspan has described the current financial crisis as a "once in a century credit tsunami" which will have a severe impact across the globe.

Between 1970 and 2007, there were 124 systemic banking crises worldwide, according to the International Monetary Fund, the Washington-based organisation of 185 member countries that was established after the Second World War to promote international monetary co-operation, exchange stability and economic growth.

Thirteen of them occurred in 1995 alone. Within the last 15 years or so, the economies of Mexico, Thailand, South Korea, Indonesia, Russia and Argentina have been rocked by severe turbulence, much of it involving upheavals in their currency markets.

Apart from the crash of dot.com companies in 2001-03, the UK and most of the industrialised countries of the West have enjoyed relative calm since the end of the Second World War, but this long period of serenity is over.

The present crisis first became apparent on August 9, 2007, when investors lost confidence in the value of US securitised mortgages, prompting a substantial injection of capital into financial markets by the Federal Reserve and the European Central Bank.

It has rumbled on for more than a year and finally morphed into a terrifying global financial storm in September with the collapse of Lehman Brothers Holdings, the Wall Street investment bank, and the US government rescue of AIG, the huge insurance firm that is best known in the UK as the sponsor of Manchester United.

Since then, Belgium and the Netherlands have been forced to rescue the Fortis banking group; Ireland and Greece have issued blanket guarantees to bank depositors; others like Denmark have done something similar; Iceland nationalised its three main banks in a move to stave off financial collapse.

Most dramatically, Prime Minister Gordon Brown's government has nationalised some of its leading banks in a desperate bid to smash the ice of a protracted credit freeze. Even solid, conservative Germany, which has the largest economy in Europe, has had to take action to protect bank deposits.

So how does the present debacle stack up on the Richter Scale of financial crises? The short answer is pretty high.

Dominique Strauss-Kahn, the managing director of the IMF and an intelligent French socialist not prone to histrionics or hyperbole, has warned that the world's financial system is on the verge of a meltdown.

Prominent European economists, organised by the VoxEU.org website, have likened the present crisis to the dark years of the Great Depression of 1930s.

"It is not an exaggeration to say that it could happen again if governments fail to act," they warned.

Brown said last week the UK economy is likely to fall into recession for the first time in 16 years, dragged down by the global crisis. The Prime Minister, who for a decade promised an end to "boom and bust," echoed comments made by Bank of England Governor Mervyn King.

"Having taken action on the banking system, we must now take action on the global financial recession," Brown told Parliament. "(It) is likely to cause recession in America, France, Italy, Germany, Japan and - because no country can insulate itself from it - Britain too."

Official figures released on Friday showed the UK's economy shrank in the third quarter as the global credit squeeze took its toll, confirming that the country is on the brink of its first recession since 1991.

The contraction in growth in the July-to-September quarter had been widely expected but the 0.5% dip was greater than anticipated, sending share prices and the pound spinning downward.

Two things mark out this crisis as different from those that have come before. It is evident that governments and central banks have had no
previous experience of coping with the severe shocks and stresses that we have seen during the past year. The central banks are struggling to cope with two major problems at once - jammable credit markets and the threat of a global recession. Their co-ordinated action on October 8 to cut interest rates in the US, Britain, Canada and the eurozone was the first sign that they are on top of the problem. More rate reductions are needed, and quickly.

The second difference is one of geography. For the first time, the epicentre of the earthquake that has shaken the global economy has been in the US. Viewed from Washington, London or Paris, financial crises used to be things that happened somewhere else - mainly in the developing economies of the Third World. This time the crisis started on Wall Street, sparked by the steep fall in US house prices and reckless lending by the US banking industry.

Although America's housing collapse was the main cause of the crisis, the US and British financial systems were vulnerable to shocks because many financial institutions were using intricate financial contracts known as credit derivatives - Credit Default Swaps or CDS - which insure debt holders against default.

They are created privately and traded over the counter beyond the sight of regulators. Major banks and securities firms on both sides of the Atlantic have billions of dollars tied up in derivatives and have resisted any curbs on trading them. For more than a decade, Greenspan has fiercely objected whenever derivatives have come under scrutiny in Congress or on Wall Street.

"What we have found over the years in the marketplace is that derivatives have been an extraordinarily useful vehicle to transfer risk from those who shouldn't be taking it to those who are willing to and are capable of doing so," Greenspan told the Senate Banking Committee in 2003. "We think it would be a mistake" to more deeply regulate the contracts, he added.

Today, with the world caught in an economic tempest that Greenspan recently described as "the type of wrenching financial crisis that comes along only once in a century," his faith in derivatives remains unshaken.

Some of the world's most astute investors take a different view, seeing derivatives as dangerous financial instruments.

George Soros, who made a fortune from driving sterling out of the European Exchange Rate Mechanism in the early 1990s, avoids using derivatives "because we don't really understand how they work".

Felix Rohatyn, the investment banker who saved New York from financial catastrophe in the 1970s, has described derivatives as potential "hydrogen bombs." And Warren Buffett presciently observed five years ago that derivatives were "financial weapons of mass destruction, carrying dangers that, while now latent, are potentially lethal".

Frank Partnoy, a law professor at the University of San Diego in California and an expert on financial regulation, said Greenspan must shoulder some of blame for the present turbulence.

"Clearly, derivatives are a centerpiece of the crisis, and he (Greenspan) was the leading proponent of the deregulation of derivatives," Partnoy told The New York Times.

Controlling the trade in derivatives must be part of the global fire-fighting strategy that the UK and other governments want to put into place.

New international rules on capital movements are also needed to prevent a repeat of the global financial meltdown. Brown has taken the lead on this matter by proposing a new Bretton Woods system - the global financial architecture established at the end of the Second World War. The Prime Minister correctly sees the present crisis as an opportunity to push through delayed reforms.

The IMF, which was established by the original Bretton Woods pact, should be reformed to become a global central bank closely monitoring the international economy and financial system. There should also be global rules to prevent conflicts of interest and to boost transparency in the financial system.

Whatever happens in the financial markets in the coming weeks, one thing is certain: the global order will be remade. For more than 200 years, the United States and Europe have exercised an effortless economic, political and cultural hegemony. That era is about to end.

By DOUGLAS HAMILTON
Who pays when the revolution comes?

Determining who is responsible for the most frightening financial meltdown since the Great Depression requires some clarification of the facts. The first is that blaming America’s housing collapse for the crisis is simplistic and deceptive. The Economist reports that by 2006 the total value of sub-prime mortgages amounted to $400-billion. This total had probably increased to nearer $1-trillion by 2008, an incalculably huge number that would take you 10,000 years to count if you attempted to feed it slowly (True. Look up the proof in previous post “Can You Count to a Trillion?”). However a bailout of say $700-billion, 70% of the full value of sub-prime mortgages, should sent things down nicely, right? Sure, provided that the crisis is a sub-prime mortgage crisis. It’s not. The prevailing guarantee is the unacceptable one.

The truth is that the US financial system was extremely vulnerable to credit risk not because of sub-prime mortgages but because of complex financial contracts known as credit derivatives. In the first panel of the current trilogy I pointed out that credit derivatives are traded by taking highly leveraged positions. In other words for a relatively small amount of capital down you become eligible for contracts known to yield what are potentially huge rewards to other lenders default risk as well as the lenders potential rewards to other parties in the market.

There is nothing particularly remarkable about investment firms failing. The reason was geniuses, the smartest guys in the room. Secondly, because there was complete absence of regulatory oversight (you’ve read that already, right?) and complexity, the淮安 dangers that, while now closer to home, were unable to be weeded out. Only this time the hedge fund Long Term Capital found itself on the wrong end of derivatives contracts that effectively rendered them bankrupt. These guys counted Nobel Prize winners in their trading. These guys counted Nobel Prize winners in their trading.

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To be fair to credit derivatives represent an elegant innovation that spreads a lenders default risk as well as the lenders potential rewards to other investors. These characteristics could plausibly produce greater stability in markets, and they shamed the previous Chairman of the Federal Reserve, Alan Greenspan. Warren Buffet, however, saw something more sinister. Five years ago the world’s wealthiest investor famously warned that derivatives are “financial weapons of mass destruction, carrying dangers that, while now latent, are potentially lethal.” He wasn’t just guessing either; he had studied.

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derivatives called floating rate notes, plumped $1.6-billion in value. Unfortunately the total losses to the county were estimated at over $5-billion. The county eventually settled a criminal investigation of Merrill Lynch & Co., which had sold them the derivatives contracts, by accepting a $200-million payment.

Frank Portnoy, a professor of law at the University of San Diego, in his book, Revolutionary Priest, describes in detail how the ignorance of Orange County Treasury Malta was exploited to ensure the contract that resulted in the largest bankruptcy of local government in US history. Interestingly a study by Andrew Keene, Hedge and Kitt published in 2004 demonstrates that the Orange County bankruptcy had led to a “contagion in the bond market reaped in significantly negative abnormal returns for many bond funds without direct exposure to Orange County and for the Orange County municipal bonds.” In addition, their findings suggest that the contagion spilled over to the common stocks of investment and commercial banks. Now where have we seen this pattern?

Sub prime mortgages played the same role, and this is how. With the ability afforded by derivatives the debt to income ratios became more reckless. The low grade debt to income ratios, and hence the creditworthiness of the debt, began to erode. The performance of sub prime loans started to deteriorate. Mortgages were no longer being written on a stable approach. TheMHz mortgage market became more reckless.

In 1997 the chairman of the Commodities and Futures Trade Commission (CFTC), Brockley Brown, sensing the threat posed to the financial system by derivatives, began pushing for some regulation and public oversight of these instruments. Her efforts were vehemently opposed by Alan Greenspan and Robert Rubin, Secretary of the Treasury at the time. In 1999 Greenspan actually went so far as to strip the CFTC of regulatory authority over derivatives.

The corporate failures of the 1990s that witnessed the downfall of Enron did prompt a spike in regulatory activity with the introduction of Sarbanes-Oxley for example. Earnings were no longer an annualised spike in a steady trend of derugulation that had been ongoing since the Reagan administration. Alan Greenspan was the constant figure of authority throughout these years, presiding over deregulation and the most ambitious economic experiment next to its creation. In the 1990s Greenspan consistently expressed his faith in the free market to “regulate themselves”. It is apparent that this principle permeated all legislation in the US under Bush 1, including the Environmental Protection Agency and the Consumer Product Safety Commission.

In 2004 the bankruptcy at financial institutions approached the Securities and Exchange Commission (SEC) with a request for exceptions from the regulations that limited the amount of debt they could take on. The SEC agreed and effectively removed oversight to the firms themselves. The SEC’s failure monitoring of derivatives trading nevertheless did raise red flags shortly before the carnage hit. In particular the concentration of mortgage securities, high leverage, shortcomings of risk management in mortgage-backed securities and lack of compliance with the spirit of certain capital standards and Basel II.

As the debt was squared, the distance between borrower and bondholder increased, as did the opacity of the composition and quality of the underlying debt.

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Outsider: Don’t expect the bailout to help you -- you’ll just pay for it

By Matt Johnson, Managing editor

On the precipice of a vast void guaranteed to throw America’s economy into an abyss, Congress and the president took the hideous step to ball out their millionaire and billionaire buddies last week.

The $700 billion bailout won’t help average folks. It was passed with such speed and lack of examination that it only occurred truly by hook and crook. When government actually takes the time to “study” something, it doesn’t get passed from reaction to the president’s signature in a week-and-a-half.

And it was passed in this furious fashion for one reason -- so the American taxpayer can forget about it and it becomes just another part of what is now our $12.5 trillion national debt.

The bailout didn’t aid our local banks. They’ve, to the greater degree, made loans to borrowers who will repay them.

What the bailout does is aid reckless lenders and investment companies which bought “subprime loan swaps.” They get to borrow money from the government to fill the void caused when a loan defaults, or because it already has defaulted. The true grief about the bailout is that the banks aren’t necessarily required to pay back the “loan.”

Sunday night’s edition of 60 Minutes on CBS had an excellent piece by Steve Kroft in which he explained the sub-prime banking market and the eventual “swaps” made of those loans. The banks making the original subprime loan generally sold them off to another lending institution. How’d that happen? The subprime loan as a security was based on financial instruments, which were designed by mathematicians and physicists, who used algorithms and computer models to formulate the unreliable loans in a way that was supposed to eliminate most of the risk, Kroft reported.

They’ve failed because the instruments don’t account for human failure, Frank Partnoy, a former derivatives broker and corporate securities attorney, who now teaches law at the University of San Diego, said.

Partnoy said an industry survey suggests there are $50-60 trillion in credit default swaps unregulated in the banking industry today. It’s too vast to comprehend.

The bailout approved by Congress equates to just 1/60th of the at-risk securities. With Monday morning’s news to spend up to $700 billion buying bad debts from ailing banks is likely to save some institutions that would have otherwise died, but analysts doubt it will be enough to avert a major shakeout."

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The bailout approved by Congress equates to just 1/60th of the at-risk securities. With Monday morning’s news that bank failures will rise in 2009, the only conclusion that can be reached is that the bailout is already a failure.

It’s only intention was to throw money one last time at the stock market, and allow those banking on an international scale to get their affairs in order. This way, they can prepare for the large-scale failure of the economy.

Michael Liedtke’s piece circulated by the Associated Press on Monday surmised, "The government’s commitment to spend up to $700 billion buying bad debts from ailing banks is likely to save some institutions that would have otherwise died, but analysts doubt it will be enough to avert a major shakeout."

There is a distinct difference between our current economic calamity and that of the savings and loan failures of the 1980s and 1990s. America’s international trade agreements, deregulated markets and instruments like NAFTA and GATT have gutted the nation’s best paying Jobs for middle class workers. In other words, there’s little hope that those who are supposed to pay off the $12.5 trillion national debt, while also spending money to lift the economy out of its recession will have the Jobs or money to do it.

The Bureau of Labor Statistics reports that not only are the wages of manufacturing laborers in other countries increasing, but conversely the wages earned by workers in this country are stagnant or decreasing.

The bureau reported that in 2006 workers in Europe were already earning on average $5 more per hour in manufacturing jobs than their counterparts in the United States. Globally, wages manufacturing workers were paid were gaining on the wages of American workers by 3 percent per year. Yes, there are still some horrible wages in Mexico, China and other countries, but with 159,000 jobs lost in America just last month, that gap will continue to close.

It’s depressing, yet it’s necessary to tell this tale, because so few people are willing to acknowledge it. The bailout won’t help the average American, but you can be guaranteed the bailout will be paid for by the Average Joe.
What Wall Street was buying and selling
Securitized asset backed debentures were just the beginning of the speculation.

by Steven Kroft for 60 Minutes

It started out 16 months ago as a mortgage crisis, and then slowly evolved into a credit crisis. How it's something entirely different and much more serious.

What kind of crisis it is today?

"This is a full-blown financial storm and one that comes around perhaps once every 50 or 100 years. This is the real thing," says Jim Grant, the editor of Grant's Interest Rate Observer.

Grant is one of the country's foremost experts on credit markets. He says it didn't have to happen, that this disaster was created entirely by Wall Street itself, during a time of relative prosperity. And they did it by placing a trillion dollar bet, with mostly borrowed money, that the riskiest mortgages in the country could be turned into gold-plated investments.

"If you look at this, sort of the subprime crisis, it didn't seem to be a good bet to put your money behind the idea that people with the lowest income and the poorest credit ratings are gonna be able to pay off their mortgages," Kroft points out.

"The idea that you could lend money to someone who couldn't pay it back is not inherently catastrophic to the layman, right. However, it seemed to fly with people who were making $10 million a year," Grant says.

With its clients demanding safe investments with above average return, the big Wall Street houses bought up millions of the least-debt-able mortgages, chopped them up into tiny bits and pieces, and turned them into exotic investment securities that hardly anyone could understand.

"It's hundreds and hundreds of pages of very small print, a lot of detail here," Partnoy explains.

Asked if he thinks anyone ever reads all this fine-print, Partnoy says, "I doubt many people read it."

These complex financial instruments were actually designed by mathematicians and physicists, who used algorithms and computer models to reconstitute the unreliable loans in a way that was supposed to eliminate most of the risk.

"Obviously they turned out to be wrong," Partnoy says.

Asked why, he says, "Because you can't model human behavior with math."

"How much of this catastrophe had to do with the instruments that Wall Street created and chose to buy... and sell?" Kroft asks Jim Grant.

"The instruments themselves are at the heart of this mess," Grant says. "They are complex, in effect, mortgage science projects devised by these Nobel-tracked physicists who came to work on Wall Street for the very purpose of creating these complex instruments with all manner of detailed protocols, and who gets paid when and how much. And the complexity of the structures is at the very center of the crisis of credit today."*

"People don't know what they're made up of, how they're gonna behave," Kroft remarks.

"Right," Grant replies.

But it didn't stop ratings agencies, like Standard & Poor's and Moody's, from certifying the dodgy securities investment grade, and it didn't stop Wall Street from making billions of dollars selling them to banks, pension funds, and other institutional investors all over the world. But that was just the beginning of the crisis.

What most people outside of Wall Street and Washington don't know is that a lot of people who bought these risky mortgage securities also went out and bought even more arcane investments that Wall Street was peddling called "credit default swaps." And they have turned out to be a much bigger problem... for the whole story, please go to the related site below.

Steve Kroft is an American journalist and a longtime correspondent for 60 Minutes. His investigative reporting has garnered him much acclaim, including three Peabody Awards and nine Emmy awards, one of which was an Emmy for Lifetime Achievement.

Related addresses:

URL 1: www.cbsnews.com/stories/2008/10/05/60minutes/new/4502454.shtml

http://www.straightgoods.ca/ViewNote8.cfm?REF=104

10/8/2008
Crisis gives traction to Greenspan's critics

Former Fed chief's staunch defense of derivatives called into question

By PETER S. GOODMAN
THE NEW YORK TIMES
October 12, 2008 6:00 AM

"Not only have individual financial institutions become less vulnerable to shocks from underlying risk factors, but also the financial system as a whole has become more resilient." — Alan Greenspan, former Federal Reserve chairman, 2004.

George Soros, the prominent financier, avoids using the financial contracts known as derivatives "because we don't really understand how they work." Felix G. Rohatyn, the investment banker who saved New York from financial catastrophe in the 1970s, described derivatives as potential "hydrogen bombs."

And Warren E. Buffett presciently observed five years ago that derivatives were "financial weapons of mass destruction, carrying dangers that, while now latent, are potentially lethal."

One prominent financial figure, however, has long thought otherwise. And his views held the greatest sway in debates about the regulation and use of derivatives — exotic contracts that promised to protect investors from losses, thereby fueling riskier practices that led to the financial meltdown. For more than a decade, Alan Greenspan has fiercely objected whenever derivatives have come under scrutiny in Congress or on Wall Street.

"What we have found over the years in the marketplace is that derivatives have been an extraordinarily useful vehicle to transfer risk from those who shouldn't be taking it to those who are willing to and are capable of doing so," Greenspan told the Senate Banking Committee in 2003. "We think it would be a mistake," to more deeply regulate the contracts, he added.

Today, with the world caught in an economic tempest that Greenspan recently described as "the type of wrenching financial crisis that comes along only once in a century," his faith in derivatives remains unshaken.

The problem is not that the contracts failed, he says. Rather, the people using them got greedy. A lack of integrity spawned the crisis, he argued in a speech a week ago at Georgetown University, intimating that those peddling derivatives were not as reliable as "the pharmacist who fills the prescription ordered by our physician."

But others hold a starkly different view of how global markets unwound, and the role that Greenspan played in setting up this unrest.
"Clearly, derivatives are a centerpiece of the crisis, and he was the leading proponent of the deregulation of derivatives," said Frank Partnoy, a law professor at the University of San Diego and an expert on financial regulation.

The derivatives market is a whopping $531 trillion, up from $11 trillion in 2002 and a relative pittance just two decades ago. Theoretically intended to diversify risk and ward off financial problems, the contracts instead have stoked uncertainty and actually spread risk amid doubts about how companies value them.

If Greenspan had acted differently during his tenure as Federal Reserve chairman from 1987 to 2006, many economists say, the current crisis might have been averted or muted.

Over the years, Greenspan helped enable an ambitious American experiment in letting market forces run free. Now, the nation is confronting the consequences.

Derivatives were created to soften — or in the argot of Wall Street, "hedge" — investment losses. For example, some of the contracts protect debt holders against losses on mortgage securities. (Their name comes from the fact that their value "derives" from underlying assets like stocks, bonds and commodities.) Many individuals own a very common derivative: the insurance contract on their homes.

On a grander scale, such contracts allow financial services firms and corporations to take more complex risks that they might otherwise avoid — for example, issuing more mortgages or corporate debt. And the contracts can be traded, further limiting risk but also increasing the number of parties exposed if problems occur.

Throughout the 1990s, some argued that derivatives had become so vast, intertwined and inscrutable that they required federal oversight to protect the financial system. In meetings with federal officials, rock-star appearances on Capitol Hill and heavily attended speeches, Greenspan banked on the good will of Wall Streeters to self-regulate as he fended off restrictions.

As the long-serving chairman of the Fed, the nation's most powerful economic policy maker, Greenspan preached the transcendent, wealth-creating powers of the market.

A self-identified libertarian, he counted among his formative influences the novelist Ayn Rand, who portrayed collective power as an evil force set against the enlightened self-interest of individuals. In turn, he showed a resolute faith that those participating in financial markets would act responsibly.

Time and again, Greenspan — a revered figure affectionately nicknamed "the oracle" — proclaimed that risks could be handled by the markets themselves.

"Proposals to bring even minimalist regulation were basically rebuffed by Greenspan and various people in the Treasury," recalled Alan S. Blinder, a former Federal Reserve board member. "I think of him as consistently cheerleading on derivatives."
Even as Greenspan began to hear of a housing bubble, he dismissed the threat. Wall Street was using derivatives, he said in a 2004 speech, to share risks with other firms.

The Wall Street debacle that swallowed firms like Bear Stearns and Lehman Brothers has been fueled by the fact that they and their customers were linked to one another by derivatives.

Greenspan's memoir was released in the middle of 2007, as the disaster was unfolding. When the paperback version came out this year, Greenspan wrote an epilogue that offers a rebuttal of sorts.

"Risk management can never achieve perfection," he wrote. The villains, he wrote, were the bankers whose self-interest he had once bet upon.

"They gambled that they could keep adding to their risky positions and still sell them out before the deluge," he wrote. "Most were wrong."
Taking Hard New Look at a Greenspan Legacy

By PETER S. GOODMAN

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And Warren E. Buffett presciently observed five years ago that derivatives were "financial weapons of mass destruction, carrying dangers that, while now latent, are potentially lethal."

One prominent financial figure, however, has long thought otherwise. And his views held the greatest sway in debates about the regulation and use of derivatives — exotic contracts that promised to protect investors from losses, thereby stimulating riskier practices that led to the financial crisis. For more than a decade, the former Federal Reserve Chairman Alan Greenspan has fiercely objected whenever derivatives have come under scrutiny in Congress or on Wall Street. "What we have found over the years in the marketplace is that derivatives have been an extraordinarily useful vehicle to transfer risk from those who shouldn’t be taking it to those who are willing to and are capable of doing so," Mr. Greenspan told the Senate Banking Committee in 2003. "We think it would be a mistake" to more deeply regulate the contracts, he added.

Today, with the world caught in an economic tempest that Mr. Greenspan recently described as "the type of wrenching financial crisis that comes along only once in a century," his faith in derivatives remains unshaken.

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But others hold a starkly different view of how global markets unwound. Greenspan played in setting up this unrest.

"Clearly, derivatives are a centerpiece of the crisis, and he was the architect of the deregulation of derivatives," said Frank Partnoy, a law professor at the University of San Diego and an expert on financial regulation.

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On a grander scale, such contracts allow financial services firms and corporations to take more complex risks that they might otherwise avoid — for example, issuing more mortgages or corporate debt. And the contracts can be traded, further limiting risk but also increasing the number of parties exposed if problems occur.

Throughout the 1990s, some argued that derivatives had become so vast, intertwined and inscrutable that they required federal oversight to protect the financial system. In meetings with federal officials, celebrated appearances on Capitol Hill and heavily attended speeches, Mr. Greenspan banked on the good will of Wall Street to self-regulate as he headed off restrictions.

Ever since housing began to collapse, Mr. Greenspan’s record has been up for revision. Economists from across the ideological spectrum have criticized his decision to let the nation’s real estate market continue to boom with cheap credit, courtesy of low interest rates, rather than snuffing out price increases with higher rates. Others have criticized Mr. Greenspan for not disciplining institutions that lent indiscriminately.

But whatever history ends up saying about those decisions, Mr. Greenspan’s legacy may ultimately rest on a more deeply embedded and much less scrutinized phenomenon: the spectacular boom and calamitous bust in derivatives trading.

Faith in the System
Some analysis say it is unfair to blame Mr. Greenspan because the crisis is so sprawling. "The notion that Greenspan could have generated a totally different outcome is naïve," said Robert E. Hall, an economist at the conservative Hoover Institution, a research group at Stanford.

Mr. Greenspan declined requests for an interview. His spokeswoman referred questions about his record to his memoir, "The Age of Turbulence," in which he outlines his beliefs.

"It seems superfluous to constrain trading in some of the newer derivatives and other innovative financial contracts of the past decade," Mr. Greenspan writes. "The worst have failed; investors no longer fund them and are not likely to do so in the future."

In his Georgetown speech, he entertained no talk of regulation, describing the financial turmoil as the failure of Wall Street to behave honorably.

"In a market system based on trust, reputation has a significant economic value," Mr. Greenspan told the audience. "I am therefore distressed at how far we have let concerns for reputation slip in recent years."

As the long-serving chairman of the Fed, the nation's most powerful economic policy maker, Mr. Greenspan preached the transcendent, wealth-creating powers of the market.

A professed libertarian, he counted among his formative influences the novelist Ayn Rand, who portrayed collective power as an evil force set against the enlightened self-interest of individuals. In turn, he showed a resolute faith that those participating in financial markets would act responsibly.

An examination of more than two decades of Mr. Greenspan's record on financial regulation and derivatives in particular reveals the degree to which he tethered the health of the nation's economy to that faith.

As the nascent derivatives market took hold in the early 1990s, and in subsequent years, critics denounced an absence of rules forcing institutions to disclose their positions and set aside funds as a reserve against bad bets.

Time and again, Mr. Greenspan — a revered figure affectionately nicknamed the Oracle — proclaimed that risks could be handled by the markets themselves.

"Proposals to bring even minimalist regulation were basically rebuffed by Greenspan and various people in the Treasury," recalled Alan S. Blinder, a former Federal Reserve board member and an economist at Princeton University. "I think of him as consistently cheerleading on derivatives."

Arthur Levitt Jr., a former chairman of the Securities and Exchange Commission, says Mr. Greenspan opposes regulating derivatives because of a fundamental disdain for government.

Mr. Levitt said that Mr. Greenspan’s authority and grasp of global finance consistently persuaded less financially sophisticated lawmakers to follow his lead.

"I always felt that the titans of our legislature didn’t want to reveal their own inability to understand some of the concepts that Mr. Greenspan was setting forth," Mr. Levitt said. "I don’t recall anyone ever saying, ‘What do you mean by that, Alan?’"

Still, over a long stretch of time, some did pose questions. In 1992, Edward J. Markey, a Democrat from Massachusetts who led the House subcommittee on telecommunications and finance, asked what was then the General Accounting Office to study derivatives risks.

Two years later, the office released its report, identifying "significant gaps and weaknesses" in the regulatory oversight of derivatives.

"The sudden failure or abrupt withdrawal from trading by any of these large U.S. dealers could cause liquidity problems in the markets and could also pose risks to others, including federally insured banks and the financial system as a whole," Charles A. Bowsher, head of the accounting office, said when he testified before Mr. Markey’s committee in 1994. "In some cases intervention has and could result in a financial bailout paid for or guaranteed by taxpayers."

In his testimony at the time, Mr. Greenspan was reassuring. "Risks in financial markets, including derivatives markets, are being regulated by private parties," he said.

"There is nothing involved in federal regulation per se which makes it superior to market regulation."

Mr. Greenspan warned that derivatives could amplify crises because they tied together the fortunes of many seemingly independent institutions. "The very efficiency that is involved here means that if a crisis were to occur, that that crisis is transmitted at a far faster pace and with some greater virulence," he said.

But he called that possibility "extremely remote," adding that "risk is part of life."

Later that year, Mr. Markey introduced a bill requiring greater derivatives regulation. It never passed.

Resistance to Warnings

In 1997, the Commodity Futures Trading Commission, a federal agency that regulates options and futures trading, began exploring derivatives regulation. The commission, then led by a lawyer named Brooksley E. Born, invited comments about how best to oversee certain derivatives.

Ms. Born was concerned that unfettered, opaque trading could "threatens our regulated markets or, indeed, our economy without any federal agency knowing about it," she said in Congressional testimony. She called for greater disclosure of trades and reserves to cushion against losses.
Ms. Born's views incited fierce opposition from Mr. Greenspan and Robert E. Rubin, the Treasury secretary then. Treasury lawyers concluded that merely discussing new rules threatened the derivatives market. Mr. Greenspan warned that too many rules would damage Wall Street, prompting traders to take their business overseas.

"Greenspan told Brooksley that she essentially didn't know what she was doing and she'd cause a financial crisis," said Michael Greenberger, who was a senior director at the commission. "Brooksley was this woman who was not playing tennis with these guys and not having lunch with these guys. There was a little bit of the feeling that this woman was not of Wall Street."

Ms. Born declined to comment. Mr. Rubin, now a senior executive at the banking giant Citigroup, says that he favored regulating derivatives — particularly increasing potential loss reserves — but that he saw no way of doing so while he was running the Treasury.

"All of the forces in the system were arrayed against it," he said. "The industry certainly didn't want any increase in these requirements. There was no potential for mobilizing public opinion."

Mr. Greenberger asserts that the political climate would have been different had Mr. Rubin called for regulation.

In early 1998, Mr. Rubin's deputy, Lawrence H. Summers, called Ms. Born and chastised her for taking steps he said would lead to a financial crisis, according to Mr. Greenspan. Mr. Summers said he could not recall the conversation but agreed with Mr. Greenspan and Mr. Rubin that Ms. Born's proposal was "highly problematic."

On April 21, 1998, senior federal financial regulators convened in a wood-paneled conference room at the Treasury to discuss Ms. Born's proposal. Mr. Rubin and Mr. Greenspan implored her to reconsider, according to both Mr. Greenberger and Mr. Levitt.

Ms. Born pushed ahead. On June 5, 1998, Mr. Greenspan, Mr. Rubin and Mr. Levitt called on Congress to prevent Ms. Born from acting until more senior regulators developed their own recommendations. Mr. Levitt says he now regrets that decision. Mr. Greenspan and Mr. Rubin were "joined at the hip on this," he said. "They were certainly very fiercely opposed to this and persuaded me that this would cause chaos."

Ms. Born soon gained a potent example. In the fall of 1998, the hedge fund Long Term Capital Management nearly collapsed, dragged down by disastrous bets on, among other things, derivatives. More than a dozen banks pooled $3.6 billion for a private rescue to prevent the fund from slipping into bankruptcy and endangering other firms.

Despite that event, Congress froze the Commodity Futures Trading Commission's regulatory authority for six months. The following year, Ms. Born departed.

In November 1999, senior regulators — including Mr. Greenspan and Mr. Rubin — recommended that Congress permanently strip the C.F.T.C. of regulatory authority over derivatives.

Mr. Greenspan, according to lawmakers, then used his prestige to make sure Congress followed through. "Alan was held in very high regard," said Jim Leach, an Iowa Republican who led the House Banking and Financial Services Committee at the time. "You've got an area of judgment in which members of Congress have nonexistent expertise."

As the stock market roared forward on the heels of a historic bull market, the dominant view was that the good times largely stemmed from Mr. Greenspan's steady hand at the Fed.

"You will go down as the greatest chairman in the history of the Federal Reserve Bank," declared Senator Phil Gramm, the Texas Republican who was chairman of the Senate Banking Committee when Mr. Greenspan appeared there in February 1999.

Mr. Greenspan's credentials and confidence reinforced his reputation — helping him to persuade Congress to repeal Depression-era laws that separated commercial and investment banking in order to reduce overall risk in the financial system.

"He had a way of speaking that made you think he knew exactly what he was talking about at all times," said Senator Tom Harkin, a Democrat from Iowa. "He was able to say things in a way that made people not want to question him on anything, like he knew it all. He was the Oracle, and who were you to question him?"

In 2000, Mr. Harkin asked what might happen if Congress weakened the C.F.T.C.'s authority.

"If you have this exclusion and something unforeseen happens, who does something about it?" he asked Mr. Greenspan in a hearing.

Mr. Greenspan said that Wall Street could be trusted. "There is a very fundamental trade-off of what type of economy you wish to have," he said. "You can have huge amounts of regulation and I will guarantee nothing will go wrong, but nothing will go right either," he said.

Later that year, at a Congressional hearing on the merger boom, he argued that Wall Street had tamed risk.

"Aren't you concerned with such a growing concentration of wealth that if one of these huge institutions fails that it will have a horrendous impact on the national and global economy?" asked Representative Bernard Sanders, an Independent from Vermont.

"No, I'm not," Mr. Greenspan replied. "I believe that the general growth in large institutions have occurred in the context of an underlying structure of markets in which many of the larger risks are dramatically — I should say, fully — hedged."
The House overwhelmingly passed the bill that kept derivatives clear of C.F.T.C. oversight. Senator Gramm attached a rider limiting the C.F.T.C.'s authority to an 11,000-page appropriations bill. The Senate passed it. President Clinton signed it into law.

Pressing Forward

Still, savvy investors like Mr. Buffett continued to raise alarms about derivatives, as he did in 2003, in his annual letter to shareholders of his company, Berkshire Hathaway.

"Large amounts of risk, particularly credit risk, have become concentrated in the hands of relatively few derivatives dealers," he wrote. "The troubles of one could quickly infect the others."

But business continued.

And when Mr. Greenspan began to hear of a housing bubble, he dismissed the threat. Wall Street was using derivatives, he said in a 2004 speech, to share risks with other firms.

Shared risk has since evolved from a source of comfort into a virus. As the housing crisis grew and mortgages went bad, derivatives actually magnified the downturn.

The Wall Street debacle that swallowed firms like Bear Stearns and Lehman Brothers, and imperiled the insurance giant American International Group, has been driven by the fact that they and their customers were linked to one another by derivatives.

In recent months, as the financial crisis has gathered momentum, Mr. Greenspan’s public appearances have become less frequent.

His memoir was released in the middle of 2007, as the disaster was unfolding, and his book tour suddenly became a referendum on his policies. When the paperback version came out this year, Mr. Greenspan wrote an epilogue that offers a rebuttal of sorts.

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"Governments and central banks," he wrote, "could not have altered the course of the boom."
Hard look at legacy

By PETER S. GOODMAN, New York Times
October 9, 2008

"Not only have individual financial institutions become less vulnerable to shocks from underlying risk factors, but also the financial system as a whole has become more resilient." -- Alan Greenspan, then Federal Reserve chairman, 2004

George Soros, the prominent financier, avoids using the financial contracts known as derivatives "because we don't really understand how they work." Felix G. Rohatyn, the investment banker who saved New York from financial catastrophe in the 1970s, described derivatives as potential "hydrogen bombs."

And Warren Buffett presciently observed five years ago that derivatives were "financial weapons of mass destruction, carrying dangers that, while now latent, are potentially lethal."

One prominent financial figure, however, has long thought otherwise. And his views held the greatest sway in debates about the regulation and use of derivatives -- exotic contracts that promised to protect investors from losses, thereby fueling riskier practices that led to the financial meltdown. For more than a decade, Alan Greenspan has fiercely objected whenever derivatives have come under scrutiny in Congress or on Wall Street.

"What we have found over the years in the marketplace is that derivatives have been an extraordinarily useful vehicle to transfer risk from those who shouldn't be taking it to those who are willing to and are capable of doing so," Greenspan told the Senate Banking Committee in 2003. "We think it would be a mistake," to more deeply regulate the contracts, he added.

Today, with the world caught in an economic tempest, Greenspan's faith in derivatives remains unshaken.

The problem is not that the contracts failed, he said. Rather, the people using them got greedy. A lack of integrity spawned the crisis, he argued in a speech a week ago at Georgetown University, intimating that those peddling derivatives were not as reliable as "the pharmacist who fills the prescription ordered by our physician."

But others hold a starkly different view of how global markets unwound, and the role that Greenspan played in setting up this unrest.

"Clearly, derivatives are a centerpiece of the crisis, and he was the leading proponent of the deregulation of derivatives," said Frank Partnoy, a law professor at the University of San Diego and an expert on financial regulation.

The derivatives market is a whopping $531 trillion, up from $106 trillion in 2002 and a relative pittance just two decades ago. Theoretically intended to limit risk and ward off financial problems, the contracts instead have stoked uncertainty and actually spread risk amid doubts about how companies value them.

If Greenspan had acted differently during his tenure as Federal Reserve chairman from 1987 to 2006, many economists say, the current crisis might have been averted or muted.

Derivatives were created to soften or "hedge" investment losses. For example, some of the contracts protect debt holders against losses on mortgage securities. (Their name comes from the fact that their value "derives" from underlying assets like stocks, bonds and commodities.) Many individuals own a common derivative: the insurance contract on their homes.

On a grander scale, such contracts allow financial services firms and corporations to take more complex risks that they might otherwise avoid -- for example, issuing more mortgages or corporate debt. And the contracts can be traded, further limiting risk but

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Taking Hard New Look at a Greenspan Legacy

09.10.2008 - "The Times"

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Today, with the world caught in an economic tempest that Mr. Greenspan recently described as "the type of wrenching financial crisis that comes along only once in a century," his faith in derivatives remains unshaken. The problem is not that the contracts failed, he says. Rather, the people using them failed. A lack of integrity spawned the crisis, he argued in a speech a week ago at Georgetown University, intimating that "if they had recognized that derivatives were not as reliable as 'the pharmacist who fills the prescription ordered by our physician.'"

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Throughout the 1990s, some argued that derivatives had become so vast, intertwined and inscrutable that they required federal oversight to protect the financial system. In meetings with federal officials, celebrated appearances on Capitol Hill and heavily attended speeches, Mr. Greenspan banked on the good will of Wall Street to self-regulate as he fended off restrictions.

Yet even as housing began to collapse, Mr. Greenspan's record has been up for revision. Economists from across the ideological spectrum have criticized his decision to let the nation's real estate market continue to boom with cheap credit, courtesy of low interest rates, rather than snuffing out price increases with higher rates. Others have criticized Mr. Greenspan for not disciplining regulatory practices that led to the financial crisis. For more than a decade, the former Federal Reserve Chairman Alan Greenspan has fiercely opposed whenever derivatives have come under scrutiny in Congress or on Wall Street. "What we have found over the years in the marketplace is that derivatives have been an extraordinarily useful vehicle to transfer risk from those who shouldn't be taking it to those who are willing to and are capable of doing so," Mr. Greenspan told the Senate Banking Committee in 2003. "We think it would be a mistake to more deeply regulate the contracts, he added.

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Faith in the System

Some analysts say it is unfair to blame Mr. Greenspan because the crisis is so sprawling. "The notion that Greenspan could have generated a totally different outcome is naive," said Robert E. Hall, an economist at the conservative Hoover Institution, a research group at Stanford.

Mr. Greenspan declined requests for an interview. His spokeswoman referred questions about his record to his memoir, "The Age of Turbulence," in which he outlines his beliefs.

"It seems superfluous to constrain trading in some of the newer derivatives and other innovative financial contracts of the past decade," Mr. Greenspan writes. "The worst have failed; investors no longer fund them and are not likely to in the future."

In his Georgetown speech, he entertained no talk of regulation, describing the financial turmoil as the failure of Wall Street to behave honorably.
Alan Greenspan and the US financial meltdown

BY PETER S. GOODMAN

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Ever since housing began to collapse, Greenspan's record has been up for revision. Economists from across the ideological spectrum have criticized his decision to let the nation's real estate market continue to boom with cheap credit, courtesy of low interest rates, rather than snuffing out price increases with higher rates. Others have criticized Greenspan for not disciplining institutions that lent indiscriminately.

But whatever history ends up saying about those decisions, Greenspan's legacy may ultimately rest on a more deeply embedded and much less scrutinized phenomenon: the spectacular boom and calamitous bust in derivatives trading.
As the nascent derivatives market took hold in the early 1990s, and in subsequent years, critics decried an absence of rules forcing institutions to disclose their positions and set aside funds as a reserve against bad bets.

"Proposals to bring even minimalist regulation were basically rebuffed by Greenspan and various people in the Treasury," recalled Alan S. Blinder, a former Federal Reserve board member. "I think of him as consistently cheerleading on derivatives."

In 1997, the Commodity Futures Trading Commission, a federal agency that regulates options and futures trading, began exploring derivatives regulation. The commission, then led by a lawyer named Brooksley E. Born, invited comments about how best to oversee certain derivatives.

Born was concerned that unfettered, opaque trading could "threaten our regulated markets or, indeed, our economy without any federal agency knowing about it," she said in congressional testimony. She called for greater disclosure of trades and reserves to cushion against losses.

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No one knows how long “bad assets” will continue to send shock waves through international markets, nor can anyone say just what the specific fallout may be. One thing that is certain is that taxpayers across the globe will increasingly be called upon to support the financial system. This is pretty much a done deal, having already been discussed in IMF position papers and elsewhere. It’s also the elephant in the room, an unpleasant reality that will become increasingly troublesome as time marches on.

Of course, obligatory lip service and mostly illusory assistance will be offered to a select assortment of hapless homeowners, struggling businesses and vociferous taxpayers. But despite the ballyhoo, deal sweeteners and leftover crumbs tossed around by politicians, the bulk of support, financed largely if not wholly by taxpayers, will be directed toward shoring up selected banking institutions and blocks of international bondholders who, through the global casino, have speculated heavily in sophisticated derivatives instruments made up of bundled debt, or “debt on debt.”

Moreover, it is through these types of “assets” that foreign countries and sectors with large blocks of bondholders are able to influence, if not dictate, governmental policies. So it was that “the U.S. government’s decision to take control of foundering mortgage giants Fannie Mae and Freddie Mac was driven not by worries about the fading U.S. housing market, but by concerns that foreign central banks in China, Japan, Europe, the Middle East and Russia might stop buying our bonds.” (Foreign Bondholders -- and Not the U.S. Mortgage Market -- Drove the Fannie/Freddie Bailout, William Patalon III)

History is replete with speculative bubbles so we are not without insight into how they occur, and what the results are -- even if we stubbornly refuse to learn from them. The difference this time is the extent to which these extremely risky, highly profitable, highly leveraged “bad assets” have become embedded in economies around the globe. The current crisis was an accident waiting to happen and we -- or at least our policy makers and financial elite -- were duly warned about the cause, extent and potentially lethal outcome of the problem.

Bad things have been going up everywhere for years. For example, about the time that Warren Buffet laid out his concerns about derivatives in his famous 2002 Berkshire Hathaway report, attorney Frank Partnoy was testifying before Congress that “OTC derivatives markets, which for the most part did not exist 10 (or, in some cases, even 10) years ago, now comprise about 90 percent of the aggregate derivatives market, with trillions of dollars at risk every day. By those measures, OTC derivatives markets are bigger than the markets for U.S. Stocks.” (Testimony of Frank Partnoy, Professor of Law, University of San Diego School of Law, Hearings before the United States Senate Committee on Governmental Affairs, January 24, 2002)

At the time of Mr. Partnoy’s 2002 testimony, the total derivatives market was $100 trillion. Five years later, by June of 2007, it had reached an astonishing $516 trillion, with some $400 trillion of that in the exceptionally risky OTC market. Some estimates of the current derivatives market put the total at the previously uncontemplated sum of one quadrillion dollars. This explosive growth, driven as it is by the insatiable quest for “fast money,” has led many analysts to conclude that derivatives speculation is what is now driving the markets -- and the value of our money. More so today than ever before, it is the speculative phenomenon that has long existed in international markets which prompted former central banker Bernard Lietaer to declare in his book, The Future of Money, that “Your money’s value...
is determined by a global casino of unprecedented proportions."

Too often overlooked is the manner in which the value of our money -- whatever form it may take -- has long been influenced, manipulated and controlled through the global casino. Ominously, the sheer volume of modern day derivatives take this influence to a whole new level and represents yet another step away from the true function of money as a stable medium of exchange.

Money -- as a stable medium of exchange and therefore a stable measure of value -- is of course the best means by which to facilitate a fair and equitable exchange of goods and services within an economy. Whether this money takes the form of gold, paper, seashells or any other form in many ways misses the point as to what the true function of money is, and how that function might best be met. Briefly stated and in order to function properly as a stable medium of exchange, money must be a stable measure of value -- and it must be supplied in amounts commensurate to the needs of the economy and the people.

Neither gold, nor any other single commodity nor small group of commodities is sufficient to meet the true productive capacity of the people. This in fact may have been at least part of the reason that the gold changers in ancient Babylonia first developed an early version of the fractional reserve system when they began to loan out more in gold receipts than the gold they actually had in their vaults.

Other problems with using a commodity such as gold as the basis for money include the fact that commodities are subject to monopoly control. In addition and just as importantly is the fact that the value of commodities -- as we all know -- are subject to the whims of the global and local marketplace, which means they cannot serve as a stable measure of value.

Derivatives can even more seriously undermine the ability of our money to serve as a stable measure of value because not only are they subject to monopoly control, but they carry with them the almost irresistible allure of "fast money" for those select few who are both willing and able to accept heavy risk. Thus derivatives can and do result in wild windfall profits or stupendous overnight losses through highly leveraged bets made on the potential for future profits or fluctuations in the value of a commodity such as gold, housing, or any other type of tangible asset. This fact alone dramatically increases financial instability, as has been made most apparent by recent and still unfolding events. Additionally, nontransparent leveraging provides a way of creating virtually unlimited amounts of "off-balance sheet" money, which further erodes the value of our money and the stability of our money supply.

Last but not least, and inasmuch as they are the domain of a small, select group of traders and dealers, derivatives have become the fast-track method of shifting assets and wealth to the financial markets at the expense of the real economy, which is where the goods and services, including commodities, are actually being produced. It is in this real economy where the global race to the economic bottom is always the most acutely felt.

Unfortunately for you and me, America's real economy has joined the global race to the economic bottom. Seemingly overnight, this real economy has been transformed into a giant fire sale for our "new financial colonial masters" and derivatives have played a crucial role.

Here is how one blogger starkly described the transformation process:

The blowback that I repeatedly warned about from the monetary loosening and crony capitalist interventions has succeeded in transforming the United States into the world's biggest Blue Light Special [BLS]. The crackpot theories that got us here should be spelled out for the record: 1) Lack of transparency (causing total breakdown in trust). 2) Systemic faulty evaluation of credit (the credit rating process). 3) Credit insurance (underwriting with little/no reserves). 4) Tremendous leverage (consumer/business/financial debt). 5) Massive US dependence on foreign capital. 6) Deliberate heavy-handed attempts to manipulate and massage both economic data

and markets . . .

The lethal add-on effects of a trashed currency, Mad Max inflation eCONomics in addition to the housing/credit rout has created a busted United States and left it open for a Blue Light Special liquidation. Meet your new financial colonial masters, America. We should see this BLS primarily conducted by foreign corporate and elitist interests, sovereign wealth funds (SWFs), and private equity firms. The criminals on Wall Street will also play a role accelerating the process, as there are fees and commissions to be collected. These will mostly be cash on the barrelhead purchases paid for with US Dollars, which will be exchanged for American owned economic units and assets. For me it just doesn't hold that USDs will just be continually dumped another 30-50% in a Panic or into non-income producing CUB assets like gold and oil. When prices for American held assets are cheap enough (already happened in many cases), your new masters will convert their moon piles of USDs into economic and financial assets. This is one of the greatest colonial opportunities in centuries. [The U.S.: The World's Biggest Blue Light Special. The Wall Street Examiner, July 20, 2008]

What nearly everyone fails to understand -- or in some cases understand sufficiently well -- is that the real root of the problem lies with our money creation system. Presently, we have bank credit serving as money. It is a money of accounts, rather than a money of exchange. Put another way and as former Senator Robert Owen -- original co-sponsor of the 1913 Federal Reserve Act -- later complained, some last minute backdoor tweaking of the Fed Act gave us a currency with debt-creating power instead of a currency with debt-paying power.

As a result, our money is essentially being created by the Federal Reserve and other banks through the making of loans or providing of credit. Up until now, this has been done primarily through the fractional reserve system, which allows the banking system, as a whole, to create many times more "money" as loans than what the initial reserves amount to. In point of fact, the initial reserves are not themselves "money" but actually loans -- or perhaps more accurately, credit -- provided by the privately owned Federal Reserve to our government.

Thus, it is the privately owned banking system that controls our money supply because it is through this system that our money gets created. Today, a shadow banking system is also creating our money through the highly leveraged "off-balance sheet" activities of the derivatives market.

Some refer to this type of money as false money or substitute money because money is in effect created when banks make loans to a borrower. These loans always have interest attached and yet no money is created to pay the interest charges due on this debt. The only way to pay these interest charges is by creating more debt as "money" and this then serves to increase the "money" supply.

Again, accumulating interest charges are in effect unpayable, unless more debt is incurred, due to the manner in which our money is created. You can use yourself as a way to understand this concept. If you take out a loan for $1,000 and then spend your newly created "money" (in the form of bank notes or promises to pay back the debt), you will have placed your loan "money" into circulation where others can use it. To keep things simple, let's say no one else is able to secure a loan, so $1,000 is all the "money" in circulation. At the end of the year you owe your lender $1,000 plus interest. Since only $1,000 was created as "money," how can you pay both the principal and interest, even assuming you have been able to earn back all the loan/money you spent? Answer: You must take out an additional loan. OR, you can negotiate to defer payment, which only compounds the interest you owe.

Even worse, and because the exponential function of compounding interest comes into play, unpayable interest charges must accumulate exponentially over time. The phenomenon created by the need to create ever more debt as "money" in order to meet the demands of accumulating, unpayable interest becomes integrated into the value of false money, decreasing its value over time and simultaneously increasing the demand for ever more "money" as credit or debt just to pay growing debt.
This is the real reason why we have an economy built on debt. And because the money supply is never adequate enough to pay accumulating interest, unbridled greed and the attendant pursuit of “fast money” become increasingly difficult to control. Rampant corruption soon follows and must grow ever more problematic as unpayable interest accumulates.

Greed and corruption aside, what this money creation system means for you and me is that the purchasing power of the dollar is eroded over the long term due to the demands of accumulating interest -- and this then increases the cost of doing business and the overall general cost of living. These increasing costs are then reflected in overall, long-term increases of prices for goods and services.

Thus, the same house built 30 years ago has a higher purchase price today largely because your dollars are worth less. In fact, your dollars are on the whole worth increasingly less today than they were 90, 30, and 10 years ago, but what they are able to purchase at a given point for a given item also depends on the market sector and where it is in the business “cycle,” as well as whatever subsidies, tax breaks and the like may be in play.

Essentially, however, inflation within our current debt-based money system is actually due to debt-induced currency devaluation, caused by accumulating, unpayable interest. The problem has grown so huge that some researchers say that some 85 cents (or more) of every dollar are now going to satisfy the needs of this accumulating interest, rather than the real economy.

Bottom line is that the whole system is governed by mathematical law and as it stands now, it is a mathematical impossibility. Once the debt load becomes unsupportable, the system will crash. Meanwhile, and as the debt burden grows ever larger, the economy will go through increasing periods of instability and volatility, despite the best efforts of the Fed to tweak interest rates and the money supply or, for that matter, the government’s willingness to increase the debt ceiling on the backs of taxpayers.

Ours is not the only country facing these issues and so today, in response to the fallout generated by the shadow banking system that arose within the derivatives market, we are in the midst of redesigning the global credit system, according to bond fund king Bill Gross and many others. What we all need to understand is that any redesign of the global credit system will require continually increasing government reliance on taxpayer dollars, so long as we continue with the current money creation system.

Unavoidably, due to the exponential function for calculating compounding interest, taxpayer debt must explode as we are forced to pay ever more interest on outstanding interest. This will continue until the labor and assets of the people can no longer be mortgaged. We are, in other words, essentially being destroyed by the tyranny of unpayable interest, not the tyranny of paper money.

**Next, Part 4: History Repeats as the Off-Balance Sheet Money Supply Explodes**

Geraldine Perry is co-author of *The Two Faces of Money* and is also the creator and manager of the related website: thetwofacesofmoney.com which includes recent reviews. This website also has an abundance of related material and links, along with a free, downloadable slide presentation describing the two forms of money creation and the constitutional solution, which is not the gold-backed dollar as popularly believed. Geri holds a Master’s Degree in Education and is also a Certified Natural Health Consultant. As a means of imparting accurate information on health and nutrition to as broad an audience as possible she developed the website thehealthadvantage.com.

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Email Online Journal Editor
Y Greenspan, ¿era realmente tan bueno como el mundo creía?

"No es sólo que cada institución financiera se haya vuelto menos vulnerable a las sacudidas provocadas por los factores subyacentes de riesgo, sino que, además, el sistema financiero en su conjunto se ha vuelto más resistente", dijo Alan Greenspan en 2004.

George Soros evita el uso de los contratos financieros conocidos por el nombre de derivados. "No entendemos realmente cómo funcionan", sentenció el famoso financiero. Felix G. Rohatyn, el banquero de inversión que salió de Nueva York de la cálida torre financiera en la década de los setenta, calificó a los derivados de "bombas de hidrógeno" en potencia.

Y, como si de un cómic se tratara, Warren E. Buffett comenzó hace cinco años que los derivados eran "armas financieras de destrucción masiva que estrangularon peligros que, aunque ahora están latentes, pueden llegar a ser mortíferos".

No obstante, una figura eminente del mundo de las finanzas pensó lo contrario durante mucho tiempo. Y su opinión dominó los debates sobre la regulación y el uso de los derivados, contratos exóticos que prometían proteger a los inversores de las pérdidas, lo cual estimuló prácticas más amargas que desencadenaron la crisis financiera.

Durante más de una década, el ex presidente de la Reserva Federal Alan Greenspan ha manifestado lujuriosamente su oposición siempre que los derivados se sometían a examen. "Lo que hemos visto a lo largo de los años en el mercado es que los derivados han sido un vehículo extraordinariamente útil para transferir el riesgo de las personas que no deberían asumirlo a aquellos que están dispuestos y son capaces de tolerarlo", afirmó Greenspan ante el Comité de Banca del Senado de Estados Unidos en 2003. "Sería un error [regular estos contratos de una forma más estricta]."

Hoy, con el mundo atrapado en una tormenta económica, el banquero que describió los derivados como "bombas de hidrógeno" en potencia, se mostró resistentemente optimista, según el presidente de El País.

Para él, el problema no es que faltaran los contratos, sino de la forma en que los utilizaban. La falta de integridad ha sido el desgaste de una magnífica maquinaria hace una semana en un discurso en la Universidad de Georgetown. Insistió en que los que utilicen con contratos no eran tan de faltar como "el farmacéutico que prescribe la medicina que nos ha mandado el médico".

Otras personas, sin embargo, tienen una opinión completamente distinta. No se fue a desarrollar, como la sociedad financiera, una cultura del riesgo, y evitar los problemas financieros. En la práctica, se han ampliado el riesgo y han extendido el riesgo de que estén expuestos si surgen problemas.

Un mercado de 390 billones de dólares

El mercado de derivados tiene hoy un volumen de unos 390 billones de dólares, casi cinco veces más que hace seis años. En la práctica, los expertos no estaban destinados a limpiar el riego y evitar los problemas financieros. En la práctica, se han ampliado el riesgo y han extendido el riesgo, además de sembrar dudas en todas las empresas.

Si Greenspan hubiera actuado de forma distinta durante su presidencia de la Reserva Federal (Fed) desde 1997 hasta 2006, la crisis actual se habría evitado o mitigado, en opinión de muchos economistas. A lo largo de los años, él contribuyó a hacer posible un ambiente exuberante que consistía en dar nieras señales a las fuerzas del mercado. Ahora el país se enfrenta a las consecuencias.

Los derivados se crearon para suavizar -en la jerga de Wall Street, "cubrir"- las pérdidas de los inversiones. Por ejemplo, algunos de los contratos protegían a los clientes de deuda frente a pérdidas de valores hipotecarios. Muchos individuos poseen un derivado común: el contrato del seguro de su hogar.

A otra escala más grande, estos contratos proporcionan a las empresas y a las corporaciones financieras la posibilidad de asumir riesgos más complejos que, de lo contrario, podrían evitar, como por ejemplo, emitir más hipotecas o deuda empresarial. Y con los contratos se puede comerciar, lo que limita aún más el riesgo, pero también incrementa el número de partes expuestas si surgen problemas.
A lo largo de los años novena, algunas personas aprobaron que los derivados se habían vuelto tan vastos, interconectados e inescrutables que requerían una supervisión federal para proteger el sistema financiero. En reuniones con responsables federales, y en su libro de memorias más reciente, Greenspan expresaba su confianza en la buena voluntad de Wall Street a la hora de autoregularse cuando esquivaba las restricciones.

Desde que el sector inmobiliario empezara a venirse abajo, el historial de Greenspan se ha visto sometido a una revisión, según El País.

Economistas de todo el espectro ideológico han criticado su decisión de permitir que el mercado inmobiliario del país aguere creando grados al crédito barato, corrió riesgo de las bajas tasas de interés, en lugar de acabar con las subidas de los precios con tipos más altos. Otros han criticado a Greenspan por no hacerla veedora a las instituciones que prestaron dinero de forma tan indiscutida.

Independientemente de lo que la historia acabe diciendo sobre estas decisiones, puede que el legado de Greenspan se base en última instancia en un fenómeno más arraigado y mucho menos examinado: el espectacular boom y el catastrófico descalabro del comercio de derivados.

Algunos analistas aseguran que es injusto culpar a Greenspan de que la crisis se haya extendido tanto. "La idea de que Greenspan podría haber generado un desenlace completamente distinto es ingenua", comenta Robert R. Hall, un economista de la conservadora Hoover Institution, un grupo de investigación de Stanford.

Greenspan rezagó la posibilidad de mantener una entrevista. Su portavoz dirigió las preguntas sobre su historial a su autobiografía, La era de las turbulencias, en la que describió en detalle sus convicciones. "Parece superfluo limitar las transacciones con algunos de los derivados más recientes y otros innovadores contratos financieros de la última década", escribe Greenspan. "Los peores han fracasado; los inventores han dejado de financiarse y no es probable que vayan a hacerlo en el futuro".

En su discurso en Georgetown no quiso mencionar la regulación y describió las turbulencias financieras como una falta de confianza en el comportamiento de Wall Street. "En un sistema de mercado basado en la confianza, la reputación tiene un valor económico significativo", dijo Greenspan al público. "Por consiguiente, me preocupa lo mucho que hemos dejado de preocuparnos por la reputación en los últimos años".

Como presidente de la Reserva Federal durante mucho tiempo, el estratega económico más poderoso del país, Greenspan abogó por el poder colectivo como una fuerza maligna contrapuesta al interés ilustrado de los individuos. Por su parte, el ex presidente de la Fed mostró una fuerte resistencia a firmar los textos en que se demonstrating que se los participaran en los mercados financieros actuarían de forma responsable.

Tras examinar más de dos décadas del historial de Greenspan sobre la regulación financiera y sobre derivados, queda claro hasta qué punto subordinó la salud de la economía del país a una fe. Cuando el mercado racente de derivados se estableció a principios de los años novena, sus detractores denunciaron la ausencia de normas que obligaran a las instituciones a revistar su situación y a apartar fondos como una reserva para protegerse de las maleas apuestas.

Una y otra vez, Greenspan -figura adorada a la que se apodaba El Oráculo- proclamó que los mercados podían manejar los riesgos. "El y vamos responsables del Tesoro rechazaban por sistema las propuestas para imponer una regulación por minimalistas que quería", recuerda Alan S. Blinder, ex miembro del consejo de la Reserva Federal y economista de la Universidad de Princeton. "Mi recuerdo de él es que no hacía más que correr en favor de los derivados".

**Fuentes del contexto actual**

Arthur Levitt Jr., ex presidente de la Comisión de Valores e Intercambios estadounidense, explica que Greenspan se oponía a regular los derivados por su descrédito más rápido hacia el Gobierno. Levitt señala que la autoridad y los conocimientos sobre los sistemas globales de El Oráculo convencieron una y otra vez a los legisladores menos versados en finanzas de que siguieran el camino que marcaba.

"Siempre tuve la sensación de que los títulos de nuestra actividad legislativa no querían revelar su propia incapacidad para comprender algunos de los conceptos que presentaba Greenspan", añade Levitt. "No creo que aquellos preguntas: ¿A qué te refieres con eso, Alan?"

No obstante, algunos sí que hicieron preguntas. En 1992, Edward J. Markey, un demócrata de Massachusetts que dirigió el subcomité de la Cámara de Representantes sobre telecomunicaciones y finanzas, solicitó a su entonces la Oficina General de Contabilidad que estudiaría los riesgos de los derivados. Dos años después, esta oficina publicó su informe, en el que identificaba "lagunas y fallencias" en la supervisión regulatoria de los derivados.

"El fracaso repentino o a la retirada buscan de cualquiera de estos importantes agentes de Estados Unidos podría provocar problemas de liquidez en los mercados y, además, presentar riesgos para otras personas, como bancos asegurados a nivel federal y el sistema financiero, en su conjunto", afirmó Charles A. Bowsher, jefe de la oficina de cuentas, cuando testificó ante el comité de Markey en 1994. "En algunos casos la intervención ha salido y podría tener como consecuencia un rescate financiero pagado o garantizado por los contribuyentes".

En su testimonio de aquella época, Greenspan se mostró tranquilizador: "Los riesgos en los mercados financieros, inclusive los mercados de los derivados, los están regulando las partes privadas". Añadió que los derivados podrían amplificar las crisis porque vinculaban las fortunas de muchas instituciones aparentemente independientes.

"La propia eficacia que eso implica significa que, en el caso de que surjiera una crisis, se transmitiría a un ritmo mucho más rápido y con una virulencia mucho mayor", comentó. Pero calificó dicha posibilidad de "extremadamente remota". Y añadió: "El riesgo es parte de
Ese mismo año, Markay presentó una ley que estipulaba una mayor regulación de los derivados. Nunca se llegó a aprobar.

En 1997, la Comisión de Negociación de Futuros de Materias Primas, una agencia que regula las operaciones bursátiles con opciones y futuros, empezó a explorar la regulación de los derivados. La comisión, que por aquel entonces estaba dirigida por una abogada llamada Brooksley E. Born, quiso que le enviaran comentarios sobre cuál era la mejor forma de supervisar estos derivados.

Born estaba preocupada por el hecho de que las transacciones sin trámites y opacas pudieran "amenazar nuestras reservas reguladas", o, de hecho, nuestra economía. "Sé que ninguna agencia federal supervisa nada al respecto", manifestó en una visita ante el Congreso. Hizo un llamamiento por una mayor transparencia de las operaciones bursátiles y para crear reservas a fin de protegerse frente a las pérdidas.

La opinión de esta letrada suscitó una fuerte oposición por parte de Greenspan y de Robert E. Rubin, el secretario del Tesoro. Los abogados de Treasury concluyeron que el mercado derivado no amenazaba el mercado de valores. Greenspan advirtió de que unas normativas excesivas perjudicarían a Wall Street e inducirían a los agentes de Bolsa a llevarse sus negocios al extranjero.

"El el dijo a Brooksley que básicamente no sabía que estaba haciendo y que iba a provocar una crisis financiera", cuenta Michael Greengraber, que era director jefe de la comisión. "Brooksley era una mujer que no jugaba al tenis con esta gente ni comía con ellos. En parte daba la impresión de que esta mujer no pertenece a Wall Street".

Born no quiso hacer comentarios. Rubin, que ahora es uno de los principales directivos del CIGroup, asegura que estaba en favor de regular los derivados -en esas, incrementarían los sistemas de controles y de pérdidas- pero que no vio la forma de hacerlo hasta el frente del Tesoro. "Todas las fuerzas del sistema estaban alineadas en contra", asegura. "Desde luego, el sector no quería que se incrementaran estos requisitos. No había posibilidades de movilizar a la opinión pública".

Greenspan afirma que el clima político había sido distinto a cuando Rubin hubiera pedido más regulación. A principios de 1998, el segundo de Rubin, Lawrence H. Summers, llamó a Born y le pidió que diera pasos que, según él, iba a desencadenar una crisis financiera, si se alineaba con las afirmaciones de Greengraber. Summers dice que no se acordó de haber mantenido dicha conversación, pero estaba de acuerdo con Greenspan y con Rubin en que la proposición de Born era "muy problemática".

El 21 de abril de 1998, las autoridades financieras federales se reunieron en el Tesoro en una sala de conferencias forjada de madera para debatir la propuesta de Born. Rubin y Greenspan le imploraron que reconsiderara su opinión, según Greengraber y Levitt. Ella siguió adelante.

El 5 de junio de 1998, Greenspan, Rubin y Levitt pidieron al Congreso que evitara que Born acusara antes de que los reguladores más experimentados hubieran presentado sus recomendaciones. Levitt afirmó que aún se arrepentía de la decisión. Greenspan y Rubin estaban "juntos en esto", añade. "No cabe duda de que se oponían a ello y me convencieron de que sembraría la confusa".

Born no tardó en conseguir un ejemplo. En otoño de 1998, el fondo de cobertura Long Term Capital Management estuvo a punto de quebrar arrastrado por apuestas catastróficas con derivados, entre otras cosas. Más de una docena de bancos hicieron un fondo común de unos 2.7 millones de euros para un rescate privado que evitara que el fondo entrara en bancarrota y pusiera en peligro a otras empresas.

A pesar de este triunfo, el Congreso retiró la autoridad regulatoria a la Comisión de Negociación de Futuros de Materias Primas (CFTC, en sus siglas en inglés) durante seis meses. Al año siguiente, Born se marchó. En noviembre de 1999, las autoridades reguladoras, incluidos Greenspan y Rubin, recomendaron que el Congreso retirara a la CFTC de forma permanente su autoridad regulatoria sobre los derivados, según The Wall Street Journal.

Greenspan, según los legisladores, utilizó entonces su prestigio para asegurarse de que el Congreso hiciera lo que él quería. "A Alan le tenían en mucho estima", explica Jim Leach, un republicano de Iowa que dirigía el Comité Bancario y de Servicios Financieros de la Cámara de Representantes por aquel entonces. "Tiene un sentido de prioridad en el que los miembros del Congreso carecen por completo de experiencia".

A medida que el mercado seguía avanzando a toda marcha a lomos de un histórico mercado alcista, la opinión preponderante era que los tiempos de vacas gordas eran obra, en gran parte, de la mano de Greenspan al frente de la Reserva Federal. "Pensaba que la historia del mercado y la que se esperaba de la Reserva Federal",- cuenta el senador Phil Gramm, el republicano de Texas que presidió el Comité Bancario del Senado cuando Greenspan estaba en el edificio de la Reserva Federal en febrero de 1999.

Las credenciales y la confianza del predecesor de Bernanque, actual presidente de la Reserva Federal, alimentaron su reputación. Esto le ayudó a convencer al Congreso para que revoque leyes de la época de la Depresión que separaban la banca comercial y la de inversiones para reducir el riesgo general en el sistema financiero.

"Tenía una forma de hablar que le hacía creer que sabía exactamente de qué estaba hablando en cada momento", asegura Tom Harkin, senador demócrata de Iowa. "Era capaz de decir cosas de una manera que hacía que la gente no quisiera hacer una pregunta, como si lo supiera todo. Él era El Gran Experto y, ¿quién iba a ponerse en duda?".

En 2000, Harkin preguntó qué pasaría si el Congreso declaraba la autoridad de la CFTC. Greenspan aseguró que se podía confiar en Wall Street. "Podemos tener grandes contradicciones de regulación y les garantizo que nada irá mal, pero nada irá bien", explicó.

Ese mismo año, en una visla del Congreso sobre el auge de las fusiones, sostuvo que Wall Street había domado al riesgo. "Con un aumento semejante de la concentración de la vida."

http://ar.news.yahoo.com/s/13102008/44/n-business-greenspan-xbf-realmente... 10/14/2008
Y Greenspan, ¿era realmente tan bueno como el mundo creía? - Yahoo! Noticias

Y Greenspan, ¿no le preocupa que, si una de estas enormes instituciones fracase, esto vaya a tener un impacto tremendo sobre la economía nacional y mundial?", le preguntó Bernard Sanders, representante independiente de Vermont.

Greenspan replicó: "No. Creo que el crecimiento general de las grandes instituciones ha tenido lugar en el contexto de una estructura subyacente de mercados en la que muchos de los riesgos principales están drasticamente, o debería decir completamente, cubiertos".

La Cámara de Representantes aprobó por inmensa mayoría la ley que mantenía los derivados al margen de la supervisión de la CFTC. El senador Gramm insertó una cláusula adicional que limitaba la autoridad de esta comisión a una ley de apropiaciones de 11.000 páginas. El Senado la aprobó, y el presidente Clinton la ratificó.

Aun así, los inversores espabilados como Buffet siguieron haciendo resonar las alarmas sobre los riesgos sobre los derivados, del mismo modo que lo hizo en 2003, en su carta anual a los accionistas de su empresa, Berkshire Hathaway. "Grandes cantidades de riesgo, sobre todo riesgo crediticio, han pasado a estar concentradas en manos de un número relativamente reducido de agentes de derivados. Los problemas de uno podrían infectar rápidamente a otros", escribió.


Desde entonces, el riesgo compartido ha pasado de ser una fuente de comodidad a ser un virus. A medida que la crisis inmobiliaria creció y las hipotecas dejaron de pagararse, los derivados magnificaron la crisis.

El cataclismo en Wall Street que se ha llevado per delante a empresas como Bear Stearns y Lehman Brothers y ha puesto en peligro al gigante asegurador American International Group se ha visto acelerado por el hecho de que tanto ellos como sus clientes estaban vinculados por los derivados. En los últimos meses, a medida que la crisis financiera ha ido tomando impulso, las apariciones públicas de Greenspan se han vuelto cada vez más raras.

Sus memorias se publicaron a mediados de 2007. Empieza a conocerse el desastre, y su gira para promocionar el libro se convirtió en un referendum sobre sus políticas. Cuando apareció este año la edición de bolsillo, Greenspan escribió un epílogo que ofrece una reflexión, si se le puede llamar así.

"La gestión del riesgo nunca puede alcanzar la perfección", escribe. Los malos, cementa, son los banqueros, por cuyo interés individual había apostado en otra época. "Apostaron a que podrían seguir aumentando sus posiciones de riesgo y, aun así, venderlas antes del diluvio", continúa. "La mayoría de ellos estaban equivocados. Los Gobiernos y los bancos centrales no podrían haber atenuado el curso del boom".
Feeling financial pain? First, blame all the scientists

A European super-duper atom-smasher blowing up the world? That's so last month. Now, physicists and mathematicians are taking the rap for blowing up the financial world, not unleashing microscopic black holes. Their crime? Creating rare "black-swan" credit panics to incinerate our retirement accounts.

Check out CBS' Oct. 5 edition of 60 Minutes, in which "mortgage science projects devised by these Nobel-tracked physicists" get the blame for the worldwide financial crisis, roughly $60 trillion worth of dubious debts now choking credit markets from Hong Kong to New York. Or take New York University risk engineering professor Nassim Nicholas Taleb, author of The Black Swan: The Impact of the Highly Improbable—the "hottest thinker in the world," according to The London Times—who says "use of probabilistic methods for the estimation of risks did just blow up the banking system."

So what do mathematicians and physicists have to say for themselves?

"Yeah, we did it," jokes Temple University's John Allen Paulos, author of A Mathematician Plays the Stock Market. "I'm secretly a billionaire. I just keep teaching so I won't blow my cover."

"The idea of blaming any of this stuff on physicists strikes me as entirely daft. It's true that some people trained in physics went into the trade of financial calculations. At that point they were no longer physicists, just smart people," says science historian Spencer Weart of the American Institute of Physics. "Any sensible person would place the main blame upon any fool who took such calculations as a guide to real-world actions."

"My first reaction is this is totally silly," Paulos says. Financiers have managed to create banking crises before, from the Great Depression to the dotcom bust of 2000, without help from mathematicians, he notes. Shoddy lenders, stinky loans and bogus promises to back up those two things are behind the current credit bust, he says, not guys in lab coats.

Fancy math only came into the financial picture after bankers slapped AAA ratings on crummy loans and fed them into their sales pitches, says Paulos. "What does a bad craftsman do? He blames his tools."

Perhaps the blame should go to economists, not physicists or mathematicians. Much of the ire is aimed at the "Black-Scholes" formula, for which Harvard's Robert Merton and Myron Scholes won the 1997 Nobel Prize in economics. The Royal Swedish Academy of Sciences said they "laid the foundation for the rapid growth of markets for derivatives in the last 10 years." Derivatives are contracts that bet on the future prices of assets, such as stocks, bonds or commodities. They're the tools behind the financial mess now exploding before our eyes.

If you really want to worry, take a gander at the Nobel diploma awarded to 2003's economics prize winner Robert Engle, whose "models have become indispensable tools not only for researchers, but also for analysts on financial markets, who use them in asset pricing and in evaluating portfolio risk," according to academy. His Nobel diploma is one of academe's most truly weird art pieces, depicting a phrenology-tattooed Kilroy peering over a tattered banner. No wonder people call economics the dismal science.

Taleb argues that "quants," the quantitative, or number-crunching, analysts on Wall Street look such models to places of extreme risk, where they no longer applied. Further he argues that many of the models failed to incorporate into the models the risk of real-world catastrophe, which he calls Black Swans for their rarity, ensuring they would lead to disaster.

"To some extent, to talk about Black Swans is just branding, to give something a name that we already know," says mathematician Marco Avellaneda of New York University's Financial Mathematics division. "I think it is pure scapegoating to blame the models and mathematicians.
It's like blaming World War II on the German language."

Still, he acknowledges that many financiers only wanted the simplest models. "Time and again, they would say they just need to put a number to back something, so they can turn it around to the market," Avellaneda says. "But to blame that on scientists is a mistake."

And mathematical models undergird the entire financial system of the world, he adds, beyond the world of mortgages and into the heart of business. "We can't walk away from that."

"The central problem with the current use of models has been that the rating agencies, which play a crucial role in the models that did not reflect reality. Modelers at the major banks were able to design products that took advantage of the flaws in the rating agency models," says corporate finance professor Frank Partnoy of the University of California, San Diego law school. "Essentially, they gamed the system by leveraging the flaws in the rating agency models to create overrated securities, instruments that received a AAA rating, but in reality were nothing close to AAA. We need to stop relying so much on the rating agencies."

"Garbage in, garbage out," says Anant Sundaram of Dartmouth's Tuck School of Business in Hanover, N.H. Any models, no matter how resilient, which relied on bogus credit ratings, he says, were in trouble.

At any rate, we'll have to hope that mathematical grounding helps somehow in the finance mess, as Neel Kashkari, the inexplicably-young (only 35), interim head of the Office of Financial Stability was an aerospace engineer prior to heading off to business school and on to the Treasury Department. Oh well. At least he didn't ditch engineering for journalism school, like at least one poor fool did, so we can hope that Kashkari restores the sullied honor of quantitative folks everywhere.

Find this article at:
"You can't model human behavior with math."

-- Frank Partnoy, a former derivatives broker and corporate securities attorney, who now teaches law at the University of San Diego, explaining why investments made up of unreliable mortgage loans failed to estimate the risk inherent in the loans.

A 12-minute clip on 60 Minutes explains the financial mess we're in.

Partnoy sums it up succinctly towards the end of the clip:

"As bad as the mortgage crisis has been, 94 percent of all Americans are still paying off their loans. The problem is Wall Street placed its huge bets and side bets with all of those fancy securities on the 6 percent who are not. 'We wouldn't be in any of this trouble right now if we had just had underlying investments in mortgages. We wouldn't be in any trouble right now,' says Partnoy. 'The problem he says, is the side bets on the mortgages, which were operating in an unregulated environment."

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Greenspan's long-held support for derivatives faces criticism

Former Federal Reserve Chairman Alan Greenspan's long-held enthusiasm for derivatives - and opposition to their regulation - received a new look during an economic crisis that many said was fueled by over-leveraged and difficult-to-analyze securities. "Clearly, derivatives are the center of the crisis, and he was the leading proponent of the deregulation of derivatives," said Frank Partnoy, a law professor at the University of San Diego and an expert on financial regulation. Greenspan said the problem is not that derivatives contracts failed but that the people using them got greedy.

New York Times, The (10/08)

Banks borrow record amounts from Fed's discount window
FRIDAY, SEPTEMBER 12, 2003

Banks could get more capital as Fed loosens rules
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Consumer borrowing sees first fall in more than decade
WEDNESDAY, OCTOBER 8, 2003

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Feeling down about the economy? According to Travis Fox, you're not alone. The waning economy has become the prevailing issue for most Americans. See how the average Joe is faring in Hard Times, a video diary of Fox's travels across the U.S. and his conversations with ordinary Americans.

Who's At Fault?

Greenspan wasn't the only one who faced the Congressional firing squad last week.

At last week's congressional hearings, the heads of three major credit-rating firms were questioned about their involvement in the financial crisis. The credit raters allegedly allowed corporate greed to eclipse their responsibility to perform impartial appraisals of companies for investors.

Confidential documents surfaced showing that these firms knew the risks of their actions. In a memo to the board, Moody's chief executive Raymond W. McDaniel wrote, "We drink the kool-aid...Unchecked, competition on this basis can place the entire financial system at risk."

Read Amit R. Paley's Credit-Rating Firms Grilled Over Conflicts (Oct 23) for more.

The CBS news show 60 Minutes did an amazing job of explaining one of the real culprits in this crisis, credit default swaps, in The Bet That Blew Up Wall Street with host Steve Kroft.

University of San Diego law professor Frank Partnoy explains it this way: "A derivative is a financial instrument whose value is based on something else. It's basically a side bet." It's like when a football team takes the field; the owners and players have a direct investment in how well the game goes. But some of the people in the stands may also have a financial stake in the outcome of the game, like a side bet with a bookie or a friend.

Partnoy says, "the new bet that arose over the last several years is a bet based on whether people will default on their mortgages," reports Kroft. That was the bet that caused the Wall Street turmoil.

Retiring Cents

In last Sunday's column, I discuss the rickety financial conditions of Social Security and the need for an improved system that doesn't include privatization as proposed by the Bush administration.

Many of you had comments. Some of you agreed with me:

Linda Wisher of Boise, Idaho says, "I agree changes need to be made to the social security system but privatization is not the answer. I just retired this April, but I have another two years to go to Social Security. I am one of the lucky ones and have a pension besides 401(k) investments."

Jaime del Pino of Georgia wrote: "I am 71 years old, retired and in poor health. I used to support Bush's [Social Security] privatizing plan but, of course, have changed my mind. I believe the better choice is still government administered Social Security."

Others disagreed:

Mark Beatty in Westford, Mass., says, "It should be seen as a historic mistake, and political cowardice for Congress to have resisted Bush's efforts to address what is obviously a strained and nearly broken system."
USD's Friedman to be honored for 50 years of teaching
By DOUG SHERWIN
Tuesday, September 30, 2008

California Supreme Court Chief Justice Ronald M. George and members of the San Diego legal community will join University of San Diego School of Law faculty, family and friends Oct. 31 to honor C. Hugh Friedman for 50 years of teaching at the USD School of Law.

The celebration honoring Friedman will take place at USD's Joan B. Kroc Institute for Peace & Justice on Oct. 31 from 9 a.m. to 1 p.m. Chief Justice George will give a presentation titled "Challenges Facing the Courts," which will be followed by a panel discussion on what law faculty can do to address the challenges and a luncheon highlighting Friedman's contributions to legal education.

Friedman has taught more than 4,000 students -- nearly one third of all USD alumni -- during his 50 years of teaching in the areas of corporate, business planning and securities law. Nearly 40 former students and colleagues serve on the honorary committee for the 50-year celebration of his teaching career.

Friedman, who received his B.A. from Yale University in 1953 and his J.D. from Stanford University in 1956, began teaching at USD in 1958 when he moved to San Diego to become in-house corporate counsel for a fast-growing corporate conglomerate. He joined the USD School of Law, which became ABA-accredited in 1959, as an adjunct faculty member. In 1977, he became a full-time faculty member at the School of Law and he has been teaching at USD ever since.

Professor Friedman served as president of the San Diego County Bar Association in 1976 while continuing to teach at USD and practicing business law as a senior partner with Friedman, Kahan, Dysart & Frasier. He also is past president of the Legal Aid Society of San Diego and the California State Board of Education.

Details on the celebration to honor Friedman can be found at law.sandiego.edu/hughfriedman50th.
USD's Friedman to be honored for 50 years of teaching

Law Briefs
By Doug Sherwin

California Supreme Court
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Details on the celebration to honor Friedman can be found at law.sandiego.edu/hughfriedman50th. Source Code: 200809300b

Four attorneys and a retired judge are among the models who will show fashions from The Armoire and Ron Stuart Men's Clothing at "Couture for a Cause," a charity fashion show Thursday from 6:30 p.m. at the New Children's Museum in downtown San Diego.

Judge Vincent DiFiglia, who retired from the Superior Court bench in 2003 after 16 years, will be one model. He now has a mediation and arbitration practice.

He'll be joined by attorneys James Tabb, a partner with McKenna Long & Aldridge; Jai Singh, a partner with Lane, Forward, Hamilton & Scripps; Fernando Valero, an attorney with Sempra Energy; and Natalie Prescott, an associate with Latham & Watkins.

Charles (Chuck) Dick Jr., a partner at Baker & McKenzie, will serve as master of ceremonies.

"Couture for a Cause" is being presented jointly by six of San Diego's legal professional organizations, including the San Diego chapter of the Association of Legal Administrators (ALA); the Southern California chapter of the Legal Marketing Association (LMA); the South Asian Bar Association of San Diego; the San Diego Bar Association; the San Diego Legal Secretaries Association; and the Mother Attorney Mentoring Association.

The evening will include a cocktail reception and silent auction in addition to the fashion show, with proceeds benefiting two charities: Voices for Children and Smile Train. Tickets are still available at $100 each and can be purchased by contacting Lynne Holman at holman@sooylaw.com. Source Code: 200809300b
LEGAL

California Supreme Court Chief Justice Ronald M. George will meet with friends, family and fellow faculty member of C. Hugh Friedman on Oct. 31 to celebrate the law professor’s 50 years of teaching at USD School of Law. The celebration will be from 9 a.m. to 1 p.m. at USD’s Joan B. Kroc Institute for Peace & Justice. George will give a presentation titled "Challenges Facing the Courts," which will be followed by a panel discussion on what law faculty can do to address the challenges. A luncheon highlighting Friedman’s contributions to legal education will follow.

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Friedman served as president of the San Diego County Bar Association in 1976 while continuing to teach at USD and practicing business law with Friedman, Kahan, Dysart & Frasier, where he was senior partner. He is a past president of the Legal Aid Society of San Diego and the California State Board of Education. In 1977, he became a full-time faculty member at the School of Law and he has been teaching at USD ever since. Friedman has taught more than 4,000 students -- nearly one third of all USD alumni -- during his 50 years of teaching in the areas of corporate, business planning and securities law. Nearly 40 former students and colleagues serve on the honorary committee for the 50-year celebration of his teaching career.
State chief justice to help honor Friedman

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Friedman has taught more than 4,000 students — nearly one third of all USD alumni — during his 50 years of teaching in the areas of corporate, business planning and securities law.

Details on the celebration to honor Friedman can be found at law.sandiego.edu/hughfriedman50th.
Heller Ehrman Shareholders Await Payment

Law School to Honor Longtime Professor

When Heller Ehrman announced it would dissolve the 118-year law firm last week, its employees were given 60-day employment notices and promptly paid. Its shareholders, however, have not received their part of the draw, according to attorneys with the San Diego firm.

"Shareholders are paid through the profits of the firm and right now those profits are being held as we wind down the business and pay off our vendors and employees," said Steve Halcomb, chief administrative officer of Heller's San Diego office. "There's obviously some concern they would not receive full compensation."

As of Sept. 1, the San Diego office employed 32 lawyers, including 12 shareholders, 19 associates and one special counsel.

Halcomb said it was unclear when those employees would receive their share of the firm's profits.

Heller Ehrman's decision to dissolve the 118-year law firm last week struck a sentimental chord with the San Diego attorneys who had helped build up the firm over the years.

"Heller Ehrman was a great institution and all of us who were part of it were left wondering if we could have done more to save that institution," said Stephen Ferruolo, a former Heller partner who left the firm last year to join Goodwin Procter.

The San Diego law firm, which primarily concentrated on intellectual property law, commercial litigation and corporate securities, plans to close its doors by November.

It gave its employees a 60-day notice and said it would assist in their job searching efforts.

50 Years And Counting: Chief Justice Ron George and members of the San Diego legal community will join University of San Diego Law faculty, family and friends Oct. 3 for a celebration for C. Hugh Friedman for 50 years of service at the law school.

The celebration honoring Friedman will take place at USD's Joan B. Kroc Institute for Peace & Justice from 9 a.m. to 1 p.m.

Chief Justice George will give a presentation titled "Challenges Facing the Courts," which will be followed by a panel discussion about what law faculty can do to address the challenges and a luncheon highlighting Friedman's contributions to legal education.

Friedman has taught more than 4,000 students—nearly one-third of all USD alumni—during his 50 years of teaching in the areas of corporate, business planning and securities law. About 40 former students and colleagues serve on the honorary committee for the 50-year celebration of his teaching career.

Houston Digs: Fish & Richardson, an international law firm that employs 50 attorneys in San Diego, said last week it was opening an office in Houston.

The move marked its 12th office location and its third site in Texas besides Austin and Dallas.

The city's abundant oil and natural gas, biomedical research and aeronautics industry compelled the law firm to open an office there, according to firm President Peter Devlin.

Three prominent patent attorneys are joining the office as principals: David J. Healey, Garland Stephens and Anita Kadala.

Send news about legal services to Heather Chambers, hchambers@sdbj.com.
Diane Bell

Nearly 20,000 Army commendations sent out in error

Air Force veterans Jim Doud isn't the only non-Army veteran who mistakenly received an Army commendation recently for exemplary service.

Since I wrote about Doud on Tuesday, several other local Marine, Navy and Air Force veterans have emailed to say that they, too, were sent envelopes containing a handshake certificate signed by Secretary of the Army Pete Geren and Army Chief of Staff Gen. George W. Casey Jr.

Despite the erroneous mailings, the recognition program is legitimate. It was instituted by the Army in May 2005 to recognize Army veterans, as well as their spouses, parents and employees. However, one of the Army's mailing lists mistakenly included non-Cold War veterans from other military branches.

"It thought it was a joke," said retired Navy Capt. Rob Thomas of Point Loma. Thomas and several Navy veteran friends received the certificates and used them. Eventually, Thomas found the Army program's Freedom Team Salute Web site, freedomteamsalute.com, which has posted an apologetic note and identified the source of the program as a Department of Defense Cold War veterans list that was supposed to include only Army veterans' names. The Web site asks non-Army recipients to keep the commendations.

Col. David M. Griffith, who heads the Department of Defense Freedom Teams Salute program, said yesterday at the Pentagon that mailings using the Department of Defense list were sent in mid-September. Griffith received his first email about an error Sept. 26. The next day he got two more emails around 11 a.m. on the third day. To date, he has received 189.

About 50,000 commendations from the 70,000-song list already had been processed when he learned of the problem. Roughly 30 percent of those, nearly 20,000 by Griffith's estimate, mistakenly went to non-Cold War veterans.

"Veterans of other services are equally deserving of recognition," Army spokesman Paul Boyer said.

On the positive side, the mistake has alerted people to the program, which invites anyone — friend, family member, teacher, etc. — to ask for commendations to be sent to Army veterans and their close supporters, Griffith said.

It also has added a dose of levity.

"My husband is keeping his to show his Marine Corps friends as they can still have a good laugh," said Melissa Wentz, whose husband just returned home from Iraq for the fourth time.

For the record

Should any readers have gotten the wrong impression, Dr. Shaul Masy, said that he did not personally urge late Pope John Paul II to become an organ donor. Rather, Masy was among a group of physicians who met with Pope John Paul II several years ago to ask him to support organ donation, which he did.

Former KPMB-TV news anchor Stan Miller said that he is available for recall registry work for people of all ages, adults as well as youths. He also is doing marketing work for Rancho Santa Fe Insurance.

Around town

Word has it that pro football player Junior Seau will be inducted into the USC Hall of Fame in May. On Tuesday, at Seau's annual Tournament of Champions, his foundation's honoree was San Diego Chargers Quarterback LaDainian Tomlinson for good deeds and off the football field . . .

Over the past 50 years, Gasco Group has taught countless business leaders to more than 4,000 universities of San Diego students — many disciplines of the university's campus. In honor of his half-century mark, the university is holding an Oct. 31 conference and luncheon that will include remarks by state Supreme Court Chief Justice Ren- ald M. George.
Seltzer Caplan’s Abbott picked to serve on city board

**Law Briefs**  
By Doug Sherwin

Daniel Abbott, an associate with **Seltzer Caplan McMahon Vitcek**, was recently appointed by Mayor Jerry Sanders to the city of San Diego’s board of international affairs.

The purpose of the board is to foster and promote friendly relations and better understanding between peoples and communities of the United States and the peoples and community of foreign nations; further economic cooperation and cultural interchange; develop, compile and exchange information; and plan, develop and carry out mutual economic and cultural activities.

Abbott’s practice areas include general business, real estate, and corporate transactions, complex commercial disputes, business litigation, and trust and probate disputes.

Amanda Harris, a shareholder of Seltzer Caplan McMahon Vitcek, was recently sworn in as vice president of the Korean American Bar Association of San Diego.

The organization was established to provide Korean American attorneys and law students in the greater San Diego area the opportunity to network and socialize with each other; offer legal, educational, political, charitable, and other services to the Korean American community; and advance Korean Americans in the legal profession.

Harris, who lives in the Point Loma/Ocean Beach area, is chairperson of the firm’s family law practice group and practices exclusively in the area of family law, with an emphasis on complex, high-asset marital dissolutions.

She received her B.A., cum laude, from the University of California at Davis in 1992 and her law degree from the University of California, Hastings College of Law in 1995.

**McKenna Long & Aldridge** attorneys Robert S. Brewer Jr. and Peter J. Ippolito have been named to the 2009 edition of The Best Lawyers in America.

Best Lawyers compiles lists of outstanding attorneys by conducting comprehensive peer-review surveys in which thousands of leading lawyers confidentially evaluate their professional peers.

"We are pleased Best Lawyers has recognized so many MLA attorneys to be included in their 2009 edition of The Best Lawyers in America," said Jeffrey Haidet, chairman of the firm, referring to the 24 total MLA attorneys named to the list. "It is always nice to be recognized for your hard work, especially by your peers."

Brewer has served as managing partner of the San Diego office since it opened in 1991. He has successfully represented officers, directors and employees in both complex civil litigation cases and as a white-collar criminal defense attorney.

Ippolito has an international practice that touches on all areas of construction law, including architect and engineer malpractice, federal and state construction litigation and federal government and private construction claims. He also handles disputes and hearings before federal and state boards of contract appeal, administrative boards and courts of claim.

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Friedman has taught more than 4,000 students — nearly one third of all USD alumni — during his 50 years of teaching in the areas of corporate, business planning and securities law. Details on the celebration to honor Friedman can be found at law.sandiego.edu/hughfriedman50th. Source Code: 20081014j5d
USD to honor Prof. Friedman

La Jolla resident C. Hugh Friedman will be honored on Oct. 31 at a celebration marking his 50 years of teaching at the University of San Diego School of Law.

The event will be held at the USD Joan B. Krue Institute for Peace & Justice from 9 a.m. to 1 p.m.

California Supreme Court Chief Justice Ronald M. George will give a presentation titled "Challenges Facing the Courts," which will be followed by a panel discussion on what law faculty can do to address the challenges.

A luncheon will follow.

Friedman, who received his B.A. from Yale University in 1953 and his J.D. from Stanford University in 1956, began teaching at USD in 1958 when he moved to San Diego to become in-house corporate counsel for a fast-growing corporate conglomerate. He joined the USD School of Law, which became ABA-accredited in 1959, as an adjunct faculty member and became a full-time faculty member in 1977.

Details on the celebration to honor Friedman can be found at www.law.sandiego.edu/hugh-friedman50th.
USD Law School names visiting professor of taxation

Paul Caron has been appointed to a three-year term as the Herzog Summer Visiting Professor in Taxation.

"Paul's appointment to this position is a wonderful addition to an already strong program," said Kevin Cole, dean of the law school. "In addition to his scholarly attributes, Paul is extremely popular with students."

A leading tax scholar and teacher and the editor of the nation's premier tax blog, Caron is the associate dean of faculty and Charles Hartsock Professor of Law at the University of Cincinnati College of Law.

The Herzog professorship is funded by an endowment from a 1993 estate gift from the Arthur A. Herzog Family Trust.
Most Santa Barbara County workers to face 2-week furlough

Most Santa Barbara County's 4,200 employees will be idled for two weeks starting in December because of a worsening budget crisis, officials said. The alternative would be to eliminate as many as 200 jobs.

Public safety workers such as sheriff's deputies will keep working, said county Chief Executive Michael F. Brown. But, under a unanimous decision this week by county supervisors, most county offices will be shut or staffed only by skeleton crews Dec. 22 through Jan. 4.

"It was the only way we could preserve services and save jobs," he said. "Once they go away, you don't necessarily get them back."

Months ago, officials recognized that foreclosures, falling stock values and increasing pension costs would require cutbacks. Nearly 80% of the county's employees will be affected by the furlough, although their pay will be cut over 40 weeks rather than all at once. Other workers will see scheduled pay increases delayed.

Additional measures may be needed when the county begins its next fiscal year in July 2009, Brown said.
Federal rules may be in play for Powerlink; 2005 law offers path if California regulators reject Sunrise proposal

If state regulators follow through with an administrative law judge's recommendation to reject the Sunrise Powerlink, San Diego Gas & Electric Co. still has other options to get the transmission line it seeks. The California Public Utilities Commission decision may be appealed to the courts, or SDG&E could ask the federal government to override state regulators and authorize the big line. A 2005 law allows utilities and other power-line builders to go to the Federal Energy Regulatory Commission if they want to build a line rejected by state authorities in areas where federal officials believe there isn't enough electric transmission.

If state regulators follow through with an administrative law judge's recommendation to reject the Sunrise Powerlink, San Diego Gas & Electric Co. still has other options to get the transmission line it seeks.

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A 2005 law allows utilities and other power-line builders to go to the Federal Energy Regulatory Commission if they want to build a line rejected by state authorities in areas where federal officials believe there isn't enough electric transmission.

Nobody has used it, FERC spokeswoman Barbara Connors said. "We're new to this," she said, pointing out that her agency has its own process, which calls for public participation and evaluation of such proposals.

The fact that the federal commission has the authority to authorize such lines over the wishes of state regulators "doesn't mean we're going to overturn the state (decision) or that we're going to automatically give it to (the utility)," she said.

SDG&E proposed building the Sunrise Powerlink in 2005. It said the 1,000-megawatt line from the Imperial Valley is needed to bring to San Diego power from renewable sources like solar and wind and will help avoid blackouts.

Friday, an administrative law judge with the PUC recommended that the line be rejected, saying the plan is bad for the environment and doesn't make economic sense.

Commissioner Dian Grueneich, who was assigned to study the project, proposed an alternate decision saying the line could be built but along Interstate 8, not through the Anza-Borrego Desert State Park, and only if SDG&E can prove it will get one-third of its power from renewable sources and uses the new line for that purpose.

SDG&E officials wouldn't say yesterday whether they are willing to comply with the conditions, but said Friday they preferred Grueneich's proposed decision because it would allow the line to go forward.

The full commission will hear arguments on the issue Friday and could vote as early as Dec. 4.

If it rejects the plan, it would create an opening for SDG&E to go to the federal government.

"The FERC authority is something to watch," said Scott Anders, director of the Energy Policy Initiatives Center at the University of San Diego School of Law.

Southern California is in one of two parts of the country the Department of Energy has designated as "National Interest Electric Transmission Corridors." That means the federal government thinks there aren't enough power lines and consumers are suffering as a result.

The California Independent System Operator, which runs the state's electric grid, agrees that Sunrise is needed.

"It's a critical component to greening the grid," spokeswoman Stephanie McCorkle said. "We also need it to maintain reliability."

Under the 2005 Energy Policy Act, California utilities can appeal when state regulators reject power lines. Southern California Edison is challenging the rejection by Arizona regulators of a line it wants for power from an Arizona nuclear plant, said Connors, the Federal Energy Regulatory Commission spokeswoman.

The federal law might even apply if the PUC approves a southern route winding through East County but imposes the renewable-energy conditions Grueneich proposed.

The federal commission has said an approval with conditions that don't reduce congestion or are not economically feasible will be considered a rejection.

It's far from clear whether the proposed conditions would apply.

"Does FERC have jurisdiction at all?" said Michael Shames, executive director the Utility Consumers' Action Network and a Powerlink opponent.

After SDG&E said it preferred the commissioner's proposal that included the conditions, "it's going to be very hard to bring this to FERC and say this is a rejection," Shames said.

Report: Nurses candidates pasts often ignored

By Tracy Weber and Charles Ornstein
Los Angeles Times

Article Launched: 10/04/2008 09:57:02 PM EDT

Dozens of registered nurses convicted of crimes, including sex offenses and attempted murder, have remained fully licensed to practice in California for years before the state nursing board acted against them, a Los Angeles Times investigation found.

The newspaper, in a joint effort with the nonprofit investigative news organization ProPublica, found more than 115 recent cases in which the state didn't seek to pull or restrict licenses until nurses racked up three or more criminal convictions. Twenty-four nurses had at least five.

In some cases, nurses with felony records continue to have spotless licenses -- even while serving time behind bars.

Nurse Haydee Parungao sits in a federal prison in Danbury, Conn., serving a nearly five-year sentence after admitting in 2006 that she bilked Medicare out of more than $3 million.

In her guilty plea, Parungao confessed to billing for hundreds of visits to Southern California patients that she never made, charging for visits while she was out of the country and while she was gambling at Southern California casinos.

Yet according to the state of California, she is a nurse in good standing, free to work in any hospital or medical clinic.

Reporters reviewed stacks of nursing board files and court pleadings, consulted online databases and newspaper clippings and conducted interviews with nurses and experts in several states. The investigation included an analysis of all accusations filed and disciplinary actions taken by the board since 2002 -- more than 2,000 in all.

The offenses included misdemeanors and felonies ranging from petty theft and disorderly conduct to assault, embezzlement and bail jumping. Among the cases in which the board acted belatedly or not at all:

-- An Orange County man continued to renew his nursing license for years even after he was imprisoned for attempted murder.

-- A Redding nurse was convicted 14 separate times from 1996, a year after she was licensed, through 2005 on charges including several instances of driving under the influence, driving with a suspended license and drug possession.

-- A San Pedro man amassed convictions for receiving stolen property, as well as possession of cocaine and burglary tools, before the board placed him on probation. He subsequently was arrested two more times, for possessing cocaine and a pipe to smoke it. In response, the board extended his probation.

-- A Calimesa nurse has a clean record despite a felony conviction for lewd and lascivious acts with a child.

"I'm completely blown away," said Julianne D'Ange Fellmeth, administrative director of the Center for Public Interest Law at the University of San Diego and an expert on professional licensing boards in California.

"Nurses are rendering care to sick people, to
vulnerable people. ... This is a fundamental failure on the part of this board."

California has the largest number of registered nurses in the nation. Hospitals and clinics rely on the Web site of the California Board of Registered Nursing, in part, when checking out job applicants because all accusations and disciplinary actions are posted there for public review.

If the nursing board's Web site says that a convicted nurse has a clean record, D'Angelo Fellmeth said, "It's like fraud. It's consumer fraud."

A top nursing board official says her agency is taking the newspaper's findings seriously but was unable to say why individual cases were missed.

"We're just really putting our arms around the issue," said Heidi Goodman, the board's assistant executive director. "It's important. It's vital. It is what we do. That's our mandate: Public protection."

The newspaper's investigation found the board's screening process to be flawed in two significant ways. First, it allows a large portion of the 343,000 active registered nurses in California to escape scrutiny.

The state began requiring applicants to submit their fingerprints in 1990, so that the board would be flagged by law enforcement agencies whenever a licensed nurse was arrested. But the rule does not apply to nurses licensed before then -- a group that numbers about 146,000.

California misses a second chance at catching errant nurses when they apply to renew their licenses every two years. Unlike many states, California does not ask nurses to disclose criminal convictions that occurred since the last time they applied.

Even California's vocational nursing board, which oversees nurses with a lesser degree of training, requires renewing nurses to report convictions. California's registered nurses are asked only to pay a fee and verify that they have completed continuing education courses.

As a result, Goodman said the board must rely on complaints and anonymous tips to discover convictions among roughly 40 percent of its nurses. She conceded that the system has gaps.

Prompted in part by questions from The Times, the board plans to ask the Legislature for permission to add a question about convictions to its renewal application. Goodman said the board does not believe it has the authority to change the application on its own.

The state Department of Consumer Affairs, which provides support for all state licensing boards, also is considering asking the Legislature for permission to seek fingerprints from nurses and other health licensees who have not provided them.

Goodman said the board is doing what it can with its limited budget and staff. It can't pursue cases it doesn't know about, she said.

"I don't know what I don't know," she said. She added: "I don't view it as a problem. I'm just viewing it as taking a look at opportunities."

At times, the board's slow pace has put patients at risk.

Some nurses with convictions for drug- or alcohol-related crimes later were accused of taking drugs intended for patients.

Before one nurse lost her license, she was twice convicted of drunken driving, failed to complete a...
rehabilitation program and later appeared drunk at three separate nursing jobs, according to the board's complaint against her.

A different nurse convicted in 1994 of smuggling rock cocaine to her jailed husband was not disciplined until nearly 10 years later. 

"The exceedingly serious criminal conduct that is the subject of this matter most certainly would have resulted in a revocation of her license (if the charges had been brought sooner)," an administrative law judge wrote when the case ended. "No explanation is apparent for the significant delay."

As a result, the judge gave the nurse probation.

In another case, an Orange County jury convicted Stephen Menchaca in 1994 of the attempted murder of his wife. A judge later wrote that Menchaca "hit her on the head with a hard object, pushed her to the ground, put towels in her mouth and over her head and struck her head against the floor."

Menchaca was sentenced to life plus three years in prison.

The nursing board didn't act until eight years later — after Menchaca had renewed his license repeatedly while in prison. His license finally was revoked in February 2003.

Goodman recalled the case well. "That was a real strange one," she said, adding that the board acted after an anonymous complaint. Asked how he was able to renew his license, she said, "The address of record we had wasn't in prison, so somebody was able to do something on his behalf unbeknownst to us."

Menchaca did not respond to a request for comment sent to him in state prison in Lancaster, Calif.

Goodman said many hospitals conduct their own criminal background checks. And, she said, one minor crime such as a drunken driving conviction might not indicate that a nurse shouldn't be allowed to practice, a view shared by outside experts. Even so, multiple convictions generally warrant some sort of discipline, Goodman said. "There's obviously a problem. There's obviously a pattern."

The board could have found out about some nurses' criminal histories or accusations against them just as The Times and ProPublica did — by reviewing government databases.

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One of those in the Megan's Law database was Thomas Walker Carson, 52, who was convicted in 1989 of lewd and lascivious conduct with a child under 14 and in 1997 for failure to register as a sex offender.

In an interview outside his home in Calimesa, Carson said he continues to work as a nurse and has not been contacted by the nursing board. "The people I work with know all about me and my office knows all about me," he said. "It's never been a problem."

Carson, a former medic in the Air Force, said his conviction occurred nearly 20 years ago and involved a friend's 13-year-old sister.

Asked why he didn't tell the nursing board about his conviction, Carson said, "I'm not going to
volunteer for more grief. ... They don't ask me anything on my renewals. I just pay for a class and pay a fee."

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Her lawyer, Donald Etra, said there's a distinction between "financial impropriety and medical competence."

"There is no question that Ms. Parungao was a terrific nurse and there was never any question that she was competent and gave great care to the patients entrusted to her," Etra said. "That's what the board should focus on."

Sometimes the board doesn't act upon convictions in California until another state does.

In May 1989, Michael Jay Lutzow was convicted of committing a lewd act on a child in San Diego. Six years later, the California board issued him a nursing license.

In September 2006, Arizona's nursing board rejected Lutzow's application for a license based on his California conviction and other factors.

Nearly a year later, California filed an accusation against Lutzow, citing the Arizona denial.

He did not return calls seeking comment.

In April, the board put him on three years' probation. One of the standard conditions: He must practice as a nurse in California.

Researcher Maloy Moore also contributed to this story.
Criminal past is no bar to nursing in California

Times Investigation finds the state nurse licensing board allowed sex offenders, drug users and convicts to retain and renew their permits.

By Tracy Weber and Charles Ornstein
Special to The Times

October 5, 2008

Dozens of registered nurses convicted of crimes, including sex offenses and attempted murder, have remained fully licensed to practice in California for years before the state nursing board acted against them, a Times investigation found.

The newspaper, in a joint effort with the nonprofit investigative news organization ProPublica, found more than 115 recent cases in which the state didn’t seek to pull or restrict licenses until nurses racked up three or more criminal convictions. Twenty-four nurses had at least five.

In some cases, nurses with felony records continue to have spotless licenses — even while serving time behind bars.

Nurse Haydee Parungao sits in a federal prison in Danbury, Conn., serving a nearly five-year sentence after admitting in 2006 that she bilked Medicare out of more than $3 million.

In her guilty plea, Parungao confessed to billing for hundreds of visits to Southern California patients that she never made, charging for visits while she was out of the country and while she was gambling at Southern California casinos.

Yet according to the state of California, she is a nurse in good standing, free to work in any hospital or medical clinic.

Reporters reviewed stacks of nursing board files and court pleadings, consulted online databases and newspaper clippings and conducted interviews with nurses and experts in several states. The investigation included an analysis of all accusations filed and disciplinary actions taken by the board since 2002 — more than 2,000 in all. The offenses included misdemeanors and felonies ranging from petty theft and disorderly conduct to assault, embezzlement and bail jumping.

Among the cases in which the board acted belatedly or not at all:

* An Orange County man continued to renew his nursing license for years even after he was imprisoned for attempted murder.

* A Redding nurse was convicted 14 separate times from 1996 — a year after she was licensed — through 2006 on charges including several instances of driving under the influence, driving with a suspended license and drug possession.

* A San Pedro man amassed convictions for receiving stolen property, as well as possession of cocaine and burglary tools, before the board placed him on probation. He subsequently was arrested two more times, for possessing cocaine and a pipe to smoke it.

In response, the board extended his probation.

* A Calimesa nurse has a clean record despite a felony conviction for lewd and lascivious acts with a child.

"I'm completely blown away," said Julianne D'Angelo Fellmeth, administrative director of the Center for Public Interest Law at the University of San Diego and an expert on professional licensing boards in California. "Nurses are rendering care to sick people, to vulnerable people.... This is a fundamental failure on the part of this board."

Escaping scrutiny

California has the largest number of registered nurses in the nation. Hospitals and clinics rely on the website of the California Board of Registered Nursing, in part, when checking out job applicants because all accusations and disciplinary actions are posted there for public review.

If the nursing board’s website says that a convicted nurse has a clean record, D’Angelo Fellmeth said, "It's like fraud. It's consumer fraud."

A top nursing board official says her agency is taking the newspaper’s findings seriously but was unable to say why individual cases were missed.
"We're just really putting our arms around the issue," said Heidi Goodman, the board's assistant executive director. "It's important. It's vital. It is what we do. That's our mandate: Public protection."

The newspaper's investigation found the board's screening process to be flawed in two significant ways.

First, it allows a large portion of the 343,000 active registered nurses in California to escape scrutiny. The state began requiring applicants to submit their fingerprints in 1990, so that the board would be flagged by law enforcement agencies whenever a licensed nurse was arrested. But the rule does not apply to nurses licensed before then -- a group that now numbers about 146,000.

California misses a second chance at catching errant nurses when they apply to renew their licenses every two years. Unlike many states, California does not ask nurses to disclose criminal convictions that occurred since the last time they applied.

Even California's vocational nursing board, which oversees nurses with a lesser degree of training, requires renewing nurses to report convictions. California's registered nurses are asked only to pay a fee and verify that they have completed continuing education courses.

As a result, Goodman said the board must rely on complaints and anonymous tips to discover convictions among roughly 40% of its nurses.

She conceded that the system has gaps. Prompted in part by questions from The Times, the board plans to ask the Legislature for permission to add a question about convictions to its renewal application. Goodman said the board does not believe it has the authority to change the application on its own.

The state Department of Consumer Affairs, which provides support for all state licensing boards, also is considering asking the Legislature for permission to seek fingerprints from nurses and other health licensees who have not provided them.

"I don't know what I don't know," she said. She added: "I don't view it as a problem. I'm just viewing it as taking a look at opportunities."

Delayed reaction

At times, the board's slow pace has put patients at risk.

Some nurses with convictions for drug or alcohol-related crimes later were accused of taking drugs intended for patients.

Before one nurse lost her license, she was twice convicted of drunk driving, failed to complete a rehabilitation program and later appeared drunk at three separate nursing jobs, according to the board's complaint against her.

A nurse convicted in 1994 of smuggling rock cocaine to her jailed husband was not disciplined until nearly 10 years later.

"The exceedingly serious criminal conduct that is the subject of this matter most certainly would have resulted in a revocation of her license" if the charges had been brought sooner, an administrative law judge wrote when the case ended. "No explanation is apparent for the significant delay."

As a result, the judge gave the nurse probation.

In another case, an Orange County jury convicted Stephen Menchaca in 1994 of the attempted murder of his wife. A judge later wrote that Menchaca "hit her on the head with a hard object, pushed her to the ground, put towels in her mouth and over her head and struck her head against the floor."

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Researcher Maloy Moore also contributed to this report.

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Report: Convicted nurses kept licenses

By The Associated Press

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California's nursing board failed to yank or restrict the licenses of dozens of nurses who have criminal convictions for years before it acted against them in a state that has the largest number of registered nurses in the nation, it was reported Saturday.

A joint investigation by the Los Angeles Times and ProPublica, a nonprofit news organization, found that about 115 nurses were only flagged by the state agency after they racked up three or more criminal convictions.

In other instances, hospitals and clinics that want to do background checks on possible candidates found that some nurses had a clean record, according to the California Board of Registered Nursing, despite being convicted of a crime.

"I'm completely blown away," said Julianne D'Angelo Fellmeth, administrative director of the Center for Public Interest Law at the University of San Diego and an expert on professional licensing boards in California. "Nurses are rendering care to sick people, to vulnerable people. ... This is a fundamental failure on the part of this board."

A top nursing board official said her agency was unable to say why individual cases were missed.

Among those who skirted the system was a San Pedro man who had various convictions before the board put him on probation.
SAN DIEGO – Attorney Steven R. Liss is once again brought to the attention of the 10News I-Team, after a flood of calls and e-mails from frustrated former clients.

Liss runs a family law practice in La Jolla, and convinces potential clients he's an expert in adoptions and divorces. Former clients have a much less flattering description.

"A person that doesn't have a heart," says Jackie Rowland.

"He's a fraud," adds Lois King.

King and her husband, Robert, hired Liss to try to gain custody of their granddaughter, who was then 3 years old. Liss asked for $10,000 up front. The Kings told him they could only give him $5,000. He accepted, and cashed the check that very day.

They felt confident, and Robert King thought at the time, "He's in La Jolla, he must be a fairly knowledgeable person."

Lois says he seemed to really care.

"He said he had done thousands of adoptions and never lost a case."

This case was very important to them. Their daughter lost custody of their granddaughter due to drug issues. They decided to try and raise the girl themselves.

"She's a very beautiful little girl, she loved to run and play all the time."

But the custody hearings didn't go well for the Kings, and they say Liss didn't do anything to help them.

"I asked him if he filed the paperwork and he said no, he didn't have the time."

The granddaughter wound up with another family. Lois and Robert don't even have visitation rights.

"We don't get to see her, we don't get to call her, we don't get to do anything, and it hurts. It hurts really bad," said Lois.

Rowland is another unsatisfied client of Liss. She hired him to try to get back child support. She paid him $3,500 upfront, although he asked for more.

She says he made big promises, "I'll take your ex to court, you'll get your money, you'll end up with everything, don't worry."

Liss delivered nothing. Rowland called his office several times, and she says he was avoiding her. One night, she received a strange call.

"Other women," Rowland said. "His secretary called, who worked in his office, and said, 'Jackie, he's taking advantage of you and several other women.'"

Both Rowland and the Kings have filed complaints with the State Bar, the agency that regulates attorneys. There is no way to tell how many complaints Liss has against him, that's private.

What's public? The outcomes of previous bar disciplinary action going back 7 years. Liss has been cited for "multiple acts of wrongdoing" ... of "intentionally, recklessly, or repeatedly failing to perform legal services with reasonable competence." Even with this record, he can still solicit new clients.

Bob Fellmeth, Price Professor of Public Interest Law at the University of San Diego, says California's State Bar Court is unique. Independent judges are appointed by the State Supreme Court to oversee trials. That's good. On the other hand, it's other lawyers who decide which lawyers should be prosecuted.

"They select their regulators themselves, by their own number; I think that is a flaw," said Fellmeth.

The I-Team is in contact with law enforcement looking into whether Liss' professional behavior belongs not in the State Bar Court, but the criminal court system.

"That's an easy question for Lois King."

"I think they should take his license away, and lock him up forever," said Lois.

The I-Team sent Steven Liss details of the complaints from his clients and invited him to respond. He did, through his attorney David Cameron Carr.
Foster Parents Sue for Higher Payments

By Rebecca Beyer
Daily Journal Staff Writer

SAN FRANCISCO—When the state increased its monthly payments to foster families by $22 per child last year, Regina Deihl knew it wasn't even enough to cover a tank of gas to drive a child to therapy.

But when Gov. Arnold Schwarzenegger, in the face of a budgetary crisis, threatened to take the increase back, Deihl and others like her fought to keep it.

"It's $22 — that's a pair of shoes for ... " she paused, thinking, "a 4-year-old."

Deihl is an El Granada attorney and a foster parent who ultimately adopted the 3-year-old girl she had been caring for. She is also the director of Legal Advocates for Permanent Parenting, one of three plaintiffs' organizations that sued the California Department of Social Services last October.

Foster parents claim that the periodic and incremental increases — like the $22 increase that Schwarzenegger in the end left intact — are not enough. They have asked a San Francisco federal judge to order California to bring its foster parent reimbursement payments in line with the actual costs of raising a child in accordance with the federal Child Welfare Act.


The California Department of Social Services, following rates set by the state Legislature, pays between $446 and $627 per month per child depending on age. The department does not dispute that California's payments fall below the national average. One study cited in the plaintiffs' court documents showed payments should be at least $340 higher.

Deihl's organization, the California State Foster Parent Association, and the California State Care Providers Association say California receives federal funding for its foster payments, but fails to comply with the conditions required to receive the funding: paying foster families for the costs of food, shelter, clothing, supervision, school supplies, incidentals, insurance and home visits. Instead of determining the actual costs for foster parents and basing rates on that, plaintiffs argue, the department bases its rates on what it actually costs to operate foster homes, plus a 5% administrative fee.

The Department of Social Services argues the Child Welfare Act doesn't require the state to pay the "actual" costs associated with those necessities. Instead, it maintains, the law only requires that the state "subsidize a system for providing whatever funds it has deemed appropriate."

The federal government has never rejected California's plan, it says.

Alsup seemed reluctant to interfere with the legislative process Thursday.

"You all agree that the Legislature is the one that sets the rates," he said at the start of a 25-minute hearing. "[Plaintiffs] want me to go in there and say to the state Legislature that they can't even pass a budget, 'add more money for this'?"

Plaintiffs' attorney Richard S. Ballinger of Morrison & Foerster in Palo Alto said the state needs to meet its obligations under the law, even in times of budgetary woe. He referenced an order by Alsup's colleague, Senior District Judge Thelon E. Henderson, last week in a separate unrelated case. Henderson ordered the state to start complying with an $8 billion plan to build medical facilities for the California prison system.

Alsup told George D. Prince, deputy attorney general, that he knew how the process worked.

"You secretly want such an order [to comply with federal law] so you can go to the Legislature and get ahead of everybody else that needs money," the judge said.

"If only it were that simple," Prince said dryly.

Prince said the Child Welfare Act "does not say make actual payments or full payments" but is "open on the notion of costs."

If Alsup orders the state to increase payments to foster families, "that means it comes out of someone else's pockets," Prince said.

Alsup took the motions for summary judgment under submission.

After the hearing, Prince said Alsup ultimately has the power to interpret the Child Welfare Act. But he said the state is doing what it needs to do.

"The budget process is not pretty — it's messy," he said. "But that's what you get in a democracy."

The plaintiffs, who gathered with their attorneys in the court cafeteria after the hearing, said that's not a valid argument.

Robert C. Fellmeth, executive director of the Children's Advocacy Institute at the University of San Diego School of Law, said the state would ultimately save money if it increased payments to foster families.

Since 2000, he said, the number of children in foster families decreased from 14,000 to 7,000. Instead, more children are placed in institutional settings, which cost more to operate. The state increased its foster parent rates by 20 percent, it would save $82 million over five years because of the resulting reduction in group home placements, Fellmeth said.

Marc D. Peters, another attorney for the plaintiffs from Morrison & Foerster, said the Child Welfare Act was designed to prevent states from "shortchanging" children in times of economic crisis, like the one facing the state and the nation now.

"It says, 'If you promise to cover the costs, we the federal government will pay half of that cost,'" Peters said.

"The federal government is keeping up its end of the bargain, but California is not living up to its end."

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State Must Pay For Raising Foster Kids
Judge Says Agency Wrongly Calculates Reimbursements

Preliminary Order

By Rebecca Beyer
Daily Journal Staff Writer

SAN FRANCISCO — In failing to consider the actual costs of raising foster children when calculating monthly reimbursements to foster parents, the California Department of Social Services violates federal law, a U.S. judge has ruled.

The evidence submitted in a lawsuit filed against the department on behalf of foster parents showed the department does not track child care costs or even participate in the Legislature's rate-setting process, U.S. District Judge William Alsup of San Francisco said in an order issued late Tuesday.

Parent Groups Sued

Alsup's order did not provide any remedy. If he does order any remedy, he would do so when he issues a judgment. Alsup wrote that he would enter a judgment in the case within 10 days unless either party consents him to do otherwise. "In the court's view, this order ends the case," he wrote.

Three foster parent organizations sued the Department of Social Services and its director in October 2007. The plaintiffs claimed the state's foster parent reimbursement rates violated federal law. Under the act, the federal government pays a portion of the costs of providing foster care as long as the state covers the costs of food, clothing, shelter, daily supervision, school supplies, incidentals, visits home and liability insurance.

State Must Pay For Raising Foster Kids

Continued from page 1


California monthly reimbursement rates per child are as much as 40 percent below what they should be, the plaintiffs argued. The Department of Social Services did not dispute that its payments — which range from $446 to $827 depending on age — do not cover the enumerated costs. Instead, it argued that the Child Welfare Act does not provide any method for determining costs or any state could assess the "actual" cost of care.

Alsup's order, in part, the plaintiffs' summary judgment motion, dismissed the argument.

"The act does not set foster care payment rates, and it does not prescribe how states are to cover the listed foster care costs, but it does mandate that states cover those costs," Alsup wrote. "To accept defendants' sweeping claim would be to hold that any state payment greater than zero dollars will satisfy the Act. This order declines to go that far.

"Attorneys for the California State Foster Parent Association, the California State Care Providers Association and Legal Advocates for Permanent Placing said they were pleased with the order. Alsup's final judgment.

"The court has definitively concluded that the state has not kept up with its end of the bargain that it made with the federal government," said Marc D. Peters, a Morrison & Foerster Palo Alto partner.

Morrison & Foerster Palo Alto associate Richard S. Ballinger agreed. Ballinger argued the plaintiffs' summary judgment motion last week.

"Obviously it's a positive order," he said. "We have to wait and see what the final judgment is. We're hopeful that we'll get the relief we asked for."
Proposition 8: Prohibit same-sex marriages

YES

It would restore condition of tolerance

By Steven D. Smith

Many people think the issue of same-sex marriage presents a test of our tolerance of others. But the test is a lot more complicated than many suppose.

Supporters of same-sex marriage point out that legalization provides a choice, not a command. People who oppose same-sex marriage on religious or moral grounds are still free to continue in their beliefs — and, if they choose, to marry only opposite-sex partners. On this view, the tolerant course is to let people marry whom they please. Conversely, those who oppose granting this choice are gratuitously "imposing their values on others." They are being intolerant. It looks pretty simple.

Americans generally want to be tolerant — to "live and let live." So this depiction of the matter makes a powerful case for legalizing same-sex marriage.

But the depiction also oversimplifies the matter, drastically. What it ignores is the existence of Americans — millions of them, most likely — who believe something like this: They acknowledge, or firmly insist, that gays and lesbians are human beings, as fully citizens and as equal in dignity and worth as their straight neighbors. These Americans recognize that gays and lesbians have often been the victims of relentless persecution, discrimination and violence. They readily agree that gays and lesbians are entitled to the same rights enjoyed by non-gay citizens — in a society that equates marriage with happiness; in a society that teaches anything about marriage at all. By forcing this choice upon the gay community, the state acts to compromise the potential future of the children of those citizens.

By the familiar logic that equates opposition to same-sex marriage with opposition to traditional marriage, it is permissible that institutions that adhere to the traditional view would eventually be denied tax-exempt status, as happened with Bob Jones University. Indeed, the financial implications of such institutions billions of dollars for maintaining the traditional view.

In short, "live and let live" is an admirable sentiment. But the fact is that they do teach about marriage, deliberately or casually, and a consequence of legalizing same-sex marriage will almost inevitably be that the schools would teach the full acceptance of such unions. People would still be free to disagree, of course. But children would, in effect, be officially instructed that parents and religious groups who try to teach the traditional view are wrong.

Institutions that adhere to the traditional view would be subjected to legal restrictions, some of them likely quite severe. In Massachusetts, the Catholic adoption agency was recently forced either to transfuse church teachings by placing children with same-sex couples or else to get out of the adoption business. The agency chose to adhere to its beliefs. By forcing this choice upon the agency, the state acted to compromise the potential future of the children of those citizens.

But this is where things get complicated — and where the "live and let live" sentiment obscures more than it illuminates. That is because if same-sex marriage is legalized, and thus officially deemed equivalent to traditional marriage, then the question will converge with powerful anti-discrimination policies and laws that exist in every state and at the national level. The convergence would have legal consequences, and it would work upon culture. And the result would be, inevitably, that the traditional view, and those who hold it, would be disadvantaged in a variety of ways. "Predation is very hard," as Yogi Berra observed, "especially about the future." Nonetheless, experience permits some moderately confident predictions about likely legal and cultural consequences of the convergence of same-sex marriage with anti-discrimination laws and policies.

"Live and let live" is an admirable sentiment; on this issue, unfortunately, there is no way, as Lincoln remarked, to please all of the people all of the time.
Governor Schwarzenegger Announces Appointments

Governor Schwarzenegger has announced a series of appointments to key positions in his administration. The appointments include:

- **Governor Schwarzenegger Appoints:***

1. **Secretary of the Environment:**
   - **Tom O'Meara:** O'Meara has been appointed as Secretary of the Environment. He is a former member of the California Air Resources Board and has a wealth of experience in environmental policy and regulation. O'Meara is expected to focus on issues such as climate change, air quality, and water conservation.

2. **Director of the Department of Food and Agriculture:**
   - **Jeffrey S. Gray:** Gray has been appointed as the Director of the Department of Food and Agriculture. Gray brings a wealth of experience in the agricultural industry, having served as the Deputy Secretary for Agriculture in the Obama administration. His appointment is expected to focus on issues such as food security, agricultural research, and rural development.

These appointments reflect the Governor's commitment to addressing key issues facing the state, including environmental protection and agricultural sustainability.
Imperial Valley News - Governor Schwarzenegger Announces Appointments

and conclude the Heritage Thrift and Loan. She is a member of the Rancho Cucamonga Chamber of Commerce and served as its president and other community avenues for the Valley High School of the California South Coast League. "This position may be occupied by those who have served as delegates to the Republican and Democratic conventions and the unions in the region," Schwarzenegger said.

Linda J. Jahn, 55, of Rancho Cucamonga, was appointed to the Calhoun Law Firm. She is serving as a paralegal at the California Court of Appeal. A former Affairs Commissioner, she has conducted an administrative-capacity position known as ADR. Jahn was an assistant in the California Board of Equalization from 1981 to 1987. She served as an administrative assistant to the Los Angeles County Superior Court Judge, and as the California State Bar, and as a member of the American Bar Association. She earned a J.D. in 1987 from the University of Southern California School of Law and a law degree from the University of Southern California School of Law. She is a Realtor in the Valley. Jahn is a Republican.

[Image of Newsmax article]
Study Proposes 35 Percent Cut in Pleasurecraft Fuel Use

By: Louis Gerfinger | Thursday, October 02, 2008
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University of San Diego reports on possible fuel reduction by 2020.

LOG NEWS SERVICE — Cutting pleasurecraft fuel use by 35 percent is one of 21 strategies to reduce greenhouse gas emissions in San Diego County by 2020 that are outlined in a study released Sept. 18 by the University of San Diego.

The university’s Energy Policy Initiatives Center, which conducted the study, calculated the theoretical emission reductions necessary in each emission category (including transportation, electricity and more) to meet the county’s future emission standards to help meet the state’s goals for fighting global warming.

Nilmini Silva-Sand, co-author of the report, said the amount of greenhouse gas emissions from pleasurecraft represented only 0.5 percent of the total emissions in San Diego County in 2006. That is a small amount when compared to the 46 percent of the total from cars and light-duty trucks.

“No one sector can do it alone, and contributions from every sector — however small — will be necessary to meet these levels,” said Scott Anders, author of the study and director of the center.

“We show that through the combination of 21 strategies from all sectors of the economy, the region could reduce greenhouse gas emissions to 1990 levels by 2020,” Anders said.

The study speculated that two factors will bring about the reduction in the use of fuel by pleasurecraft without the imposition of additional regulations:

Since these boats are primarily dedicated to leisure and personal use and not an essential mode of transportation, an increase in fuel prices will deter people from using their boats as often or traveling as far.

Expected on-road transportation fuel economy improvements driven by federal fuel economy standards will translate or be transferred via new technology to the pleasurecraft industry.


To meet these emission reduction targets (1990 levels by 2020) San Diego County will have to reduce emissions by 33 percent. The study estimates that through a combination of the 21 strategies the region could reduce its emissions by more than the quantity required to reach 1990 levels.

An executive summary and eight supplemental reports are posted on the EPIC Web site at www.sandiego.edu/epic.

This article first appeared in the October 2008 issue of The Log Newspaper. All or parts of the information contained in this article might be outdated.

ARCHIVES
- Carlsbad City Council Sends Boat Club Project Back for Revisions (10/2/2008)
- Orange County Olympian Gets a Hero’s Welcome (10/2/2008)
- SoCal Teen Sailor Makes Stop in Australia (10/2/2008)
- Sea Lion Reunited in Newport Harbor (10/2/2008)
- J World San Diego to Host Grand Opening Oct. 11 (10/2/2008)
- High-Tech Sub to Join S.D. Museum Fleet (10/2/2008)
- New Book Shines Beacon on San Diego Lighthouse History (10/2/2008)
- Avalon Approves $1.7 Million Water Quality Study (10/2/2008)
- Study Proposes 35 Percent Cut in Pleasurecraft Fuel Use (10/2/2008)
Group Monitors San Diego Polls
Ensuring All Votes Are Counted
Nov 03, 2008
Ed Joyce

A team of legal volunteers are monitoring the polls tomorrow in San Diego County. The monitors are there to ensure voters have no problems. KPBS Reporter Ed Joyce has details.

About 75 volunteers - including lawyers from San Diego firms and law students from the University of San Diego School of Law - plan to be at 100 polling places.

The trained volunteers are part of the nonpartisan group Election Protection.

One of those volunteers is San Diego attorney Brian Fogarty, who explains their goal.

Fogarty: Basically is a program to go out and ensure that everybody who wants to vote can vote and everybody who does vote, or as many as possible, that their votes are actually counted.

He says, for example, that provisional ballots are often given out and those votes aren't counted unless there's a need to do a recount.

The volunteers are also available to help poll workers, voters or anyone with voting questions or problems.

The group was created after the 2000 Presidential Election when approximately 4-6 million votes were lost due to voting irregularities and other problems.

Ed Joyce, KPBS News.
USD Hosts ‘Red Mass’

ALCALA PARK - The University of San Diego School of Law and the St. Thomas More Society of San Diego invited all members of the legal community to a Red Mass celebrated Oct. 6 in the university’s Founders Chapel. Judges, attorneys, law school professors and students, and government officials were all invited to take part in the Mass, which was celebrated by Bishop Robert H. Brom with Msgr. Daniel J. Dillabough, Msgr. Mark Campbell and Msgr. Richard Duncanson. The Mass offered prayerful petition and thanksgiving for the legal profession. All faiths were welcome to attend. A reception followed in the Founders Foyer and Patio. The tradition of the Red Mass, a special Mass for members of the bench and bar, originated in Europe in the early 13th century. In the United States, the Red Mass is often celebrated on the first Monday in October, which coincides with the opening of a new session of the U.S. Supreme Court. Pictured: Bishop Brom laughs with members of the local legal community after the Red Mass.

The Southern Cross
George: Courts fighting for resources
By DOUG SHERWIN, The Daily Transcript

California Supreme Court Chief Justice Ronald George was in town Friday to help mark San Diego professor Hugh Friedman's 50 years in the classroom. Friedman joined the University of San Diego School of Law in 1959 as an adjunct faculty member and became a full-time professor in 1977.

He has taught more than 4,000 students -- nearly one third of all USD alumni -- during his career in the areas of corporate, business planning and securities law.

"The legal profession and the administration of justice are far better and richer for professor Friedman's many years of dedication to teaching and legal writing," George told an audience at USD's Joan B. Kroc Institute for Peace & Justice. During his San Diego visit Friday, George also participated in the dedication of a memorial honoring attorneys and judges who made a significant impact on the San Diego County criminal justice system.

The granite memorial, which will hang in the hallway of the county courthouse, spotlights the names of 52 judges, prosecutors and defense attorneys. In his USD address, the chief justice spoke about the lack of sufficient resources being the most immediate and critical challenge facing California's judicial system.

The lack of resources, namely judges he said, causes cases to be delayed indefinitely, severely limiting people's access to the justice system.

Several years ago, a study by the National Center for State Courts concluded that California required more than 350 additional judicial positions.

State leaders focused on the 150 most urgently needed judgeships, George said. The first 50 have been filled and funded, but the state's current budget crisis caused money for the next 50 to be deferred until next July. Meanwhile, the creation of the final 50 has been pushed back further.

But even as it awaits filling those 150 spots, California's Judicial Council already is making plans for an additional 100 "much needed" judgeships, according to George.

"Seeking new positions in a time of fiscal downturn may seem at times like tilting at windmills," George said, "but delays in processing cases both criminal and civil strike at the very heart of society. No one seriously disputes the need for the new positions."

Another area in need of fixing is many of the state's outdated and crumbling courthouses.

In some facilities prisoners are escorted in public hallways, holding cells are inadequate and jurors have to gather outside. Some buildings don't meet current earthquake and disability standard requirements.

George said the long-term costs of replacing or upgrading deficient facilities has been estimated at $9 billion. Just recently, Gov. Schwarzenegger signed a bill that issues $5 billion in bonds to be used for the renovations.
Lawyers and paralegals from DLA Piper and other local law firms and law students from the USD School of Law will come together on Election Day Nov. 4 at voting locations throughout San Diego to help monitor polling places and ensure the voting process works correctly and fairly. The volunteers will be trained in advance and will be concentrating on areas in San Diego that have historically had voter issues or polling place problems in past elections.

For the first time in San Diego, volunteers (who will be divided into 12-15 teams of two to three people each and assigned three shifts throughout the day) will be on site at various polling locations, where they will be available to voters, workers and others in need of assistance with voting questions or problems. Volunteers in the field will be wearing Election Protection t-shirts so that they can be easily identified at the polling locations. Election Protection is a nonpartisan voter protection coalition led by the Lawyers' Committee for Civil Rights Under Law.

The training sessions will be from 10 to 11:30 a.m. on Oct. 31 and Nov. 3 at the DLA Piper command center operating out of DLA Piper's Downtown San Diego office at 401 B Street, Suite 1700. DLA Piper attorneys will man the command center where 10 phone lines will be open at all times to take calls from volunteer teams in the field.
As many of you know, this week is the Third Annual Colloquium on Current Scholarship in Labor and Employment Law. This year's program, which runs from Oct. 23-25, takes place in San Diego, and is co-sponsored by the University of San Diego, Thomas Jefferson, and California Western.

The organizing committee, led by Orly Lobel (San Diego), Ruben Garcia (Cal. Western), and Susan Bisom-Rapp (Thomas Jefferson) have put together an amazing program, featuring all presentations on all aspects of labor and employment law, and featuring some seventy law professor, practitioner, and graduate student presentations.

Here is the program schedule for the Third Annual Colloquium for both those attending and for those who cannot attend (so that the latter group can get an idea of the breadth of the subject matter being covered).

PS

Schedule for Third Annual Colloquium on Current Scholarship in Labor and Employment Law

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- "NALP: Law Firm Diversity Still Slow to Change | Main | Seventh Circuit affirms that a disability attributed to AIDS is not synonymous with a disability attributed being HIV-positive"

October 20, 2008

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Listed below are links to weblogs that reference Schedule for Third Annual Colloquium on Current Scholarship in Labor and Employment Law:

Nonprofits tout message of change and sustainability

On the Agenda

by Rebecca Go

The message of change finds a foothold in the nonprofit sector this week as the association SANDAM hosts its second annual conference at the University of San Diego on Friday.

The event, titled "Managing Change - Changing Our World," focuses on nonprofit leadership, including panel discussions on transition and capacity building. The featured speaker, Robert Egger, has been voted one of the top 50 most powerful and influential nonprofit leaders for the past three years by the NonProfit Times.

Business executives and decision-makers are invited to power through a four-day biotech class series at the Rady School of Management, University of California. From Monday through Thursday, starting at 7:30 a.m., breakfast, attendees will learn about the basic science and technology behind the more than 50 San Diego biotechs. For more information, visit radschool.ucsd.edu and look under "Upcoming Events."

San Diego's Association for Corporate Growth brings in Douglas Wilson of Douglas Wilson Companies on Tuesday to discuss "The Art of the Deal" from 7:45 a.m. Over breakfast, Wilson will share how he has remained successful in down cycles. To register, visit acsdc.com/gs/acgdp.

Sweetwater Union High School District reaches out to general contractors and subcontractors with a free breakfast event on Tuesday from 7:30-9 a.m. The program will discuss Proposition O Bond Program – which provides for school building and equipment updates – and offer networking opportunities and information about current and future projects. Reserve a spot by Monday at BuildingPropO.com or (619) 680-PropO.

The California Center for Sustainable Energy's "How to Protect Both Participants and Pledgers from Unsustainable Risk, Litigation and Economic Slippage" seminar will be on Wednesday from 7:30-9:30 a.m. Speaker will discuss strategies and click on "Events Calendar." To register, visit sdcrexchange.org and click on "Events Calendar."

Wilson Petty Knauss & Turner LLP delve into the latest in California employment law with its Wednesday seminar from 6:30 a.m. to 7:30 p.m. Phyllis Cheng, who leads the California Department of Pensions Employment and Housing, is the keynote speaker. Event includes breakfast and lunch. To register online, visit wepl.com/employmentlaw.

The Metropolitan Water District of Southern California comes to San Diego for its final stakeholder forum Wednesday from 10 a.m. to 2 p.m. attendee input on updates to the Integrated Resources Plan, which allows for long-term water strategies. For more information, visit mwrd.californiawater.org.

The California Center for Sustainable Energy's third free workshop is on Wednesday from 11:30 a.m. to 1 p.m. Discussion will focus on how local jurisdictions may be affected by climate change, including a review of the new environmental laws being enacted under AB 32. Lunch will be served. To register, visit sdcrexchange.org.

The Vista Chamber of Commerce gathers exhibitors and attendees for its fifth annual Business and Technology Expo and Taste of Vista on Wednesday. Visitors can plan on perusing the booths of 175 exhibitors, including 16 restaurants, from 3-7 p.m. at the region's largest chamber expo.

The San Diego Regional Chamber of Commerce presents the top tier of its membership base Wednesday with a Circle of Influential Receptions featuring The Academy of Beauty & Spa. Bronze level members and above are invited to enjoy free cocktails, appetizers and spa treatments from 5:30-7:30 p.m. For more information, visit sdchamber.org.

The Construction Management Association of California kicks off another round of panel and audience discussion Thursday on what working and what's still not working in the world of construction management. Construction managers, contractors and designers — as well as attendees — will have a look at the future. To register, visit cmaco.org.
On the Agenda —

Continued from Page 2

the opportunity to chime in from 8:30-9:30 a.m. Continental breakfast is included. To register, visit cmaa-sd.org.

The San Diego Association of Realtors gives its members a boost with two Thursday workshops: Jump Start for Realtors, from 9 a.m. to 4 p.m., and the Path to Success from 1-4 p.m. Sessions will discuss the tools of the trade and making the most of your skills. For more information, visit sdar.org.

The Associated Builders and Contractors, Inc. San Diego chapter celebrates Thursday with its seventh annual ABC Shotgun Sports Event from 11 a.m. to 4 p.m. Attendees can enjoy shotgun events, a full barbecue and beverages. Proceeds go to Chapter PAC. For further details, visit abcd.org.

The eighth annual GadgetFest challenges Thursday tech companies to bring in their greatest Gadget. The contest is preceded by a technology event, sponsored by Repco from 5-7:30 p.m. For more information, visit cmaa-sd.org.

The International Council of Shopping Centers allows Fresh & Easy to take the stage as its Thursday program and reception from 6-7 p.m. The market chain’s Southern California real estate representatives will speak on Fresh & Easy’s plans for San Diego. For more information or to register online, visit lecorg and click on “Events and Programs.”

The Carlsbad Chamber of Commerce hosts the six City Council candidates on Thursday for a forum from 5:30-7:30 p.m. Prepared questions will focus on redevelopment, construction and business, but the public will have a chance to ask the candidates questions as well. For more information, visit carlsbad.org and click on “2008 City Council Candidate Forum.”

The Construction Specifications Institute’s San Diego chapter examines the San Diego International Airport expansion plan Thursday for design and construction opportunities. The 9:30 a.m. dinner event features San Diego County Regional Airport Authority officials, who will present the latest information. For more information, visit sandiegoairport.com.

The Women’s Global Network San Diego chapter tackles the financial crisis on Thursday from 6-9:30 p.m. with a panel discussion on how to find security in insecure economic times. Event includes an Italian dinner and a raffle. To register, visit wgnglobal.org and click on “Calendar of Events” to get to the event listing.

Commercial Real Estate Women’s San Diego chapter enjoys its annual wine tasting event on Thursday from 6-9 p.m. Register by Tuesday by visiting crewomensd.org and clicking on “Upcoming Events” under “Calendar.”

The Thomas Jefferson School of Law hosts the third annual Colloquium on Current Scholarship in Labor & Employment Law on Thursday from 6-9 p.m. with a reception and keynote address. The three-day conference, with forums and panel discussions on Friday and Saturday, is co-hosted by the Western School of Law and University of San Diego School of Law. For more information, visit jefflaw.edu/third-annual-colloquium.

The Quail Botanical Gardens helps homeowners wanting to bid their thirsty lawns goodbye with a two-part workshop starting Thursday from 7-9 p.m. and continuing on Saturday from 10 a.m. to 12 p.m. Gardening expert Nita Sturman will explore grass removal on Thursday and low-water landscaping on Saturday. To register, call (619) 660-0094 x10.

Cal State San Marcos College of Business Administration and nonprofit Chairmen’s Roundtable bring in keynote speaker Expedia president Paul Brown and a panel of experts on Friday from 7-9:30 a.m. to give advice on how to thrive in today’s economy. A continental breakfast is included. To reserve a spot, e-mail cbs@csusm.edu.

San Diego’s nonprofit sector voice SANDAN holds its second annual conference Friday starting at 7:30 a.m. The keynote speaker, Robert Egger, is the founder and president of DC Central Kitchen, a haven at the city of Chula Vista’s free Home Clinic on Saturday from 10 a.m. to 3 p.m. Attendees, real estate and mortgage industry professionals, housing counseling agencies and fair housing organizations will be on hand at the Civic Center library to advise homeowners struggling with their monthly mortgage payments. Schedule an appointment by e-mailing Homeclinic@HousingCollabo rative.org or calling (619) 285-2250.
EDUCATION

The University of San Diego School of Law has appointed Michael Perry to a three-year term as university distinguished visiting professor in law and peace studies. He is the first faculty member to have a joint appointment in the law and peace schools at USD.

Paul Caron has also received a three-year term at USD as the Herzog summer visiting professor in taxation.
California Supreme Court Chief Justice Ronald M. George will join friends, family and fellow faculty of C. Hugh Friedman on Oct. 31 to celebrate the law professor’s 50 years of teaching at USD School of Law. The celebration will be from 9 a.m. to 1 p.m. at USD’s Joan B. Kroc Institute for Peace & Justice.

George will give a presentation titled “Challenges Facing the Courts,” which will be followed by a panel discussion on what law faculty can do to address the challenges. A luncheon highlighting Friedman’s contributions to legal education will follow.
School of Leadership and Education Sciences
The Center for Education Policy and Law at USD will sponsor a panel discussion on education Thursday from 4 to 5:30 p.m. in Mother Rosalie Hill Hall on campus. The topic is "Education Policy: A Look Ahead." Panelists include Sen. Jack Scott, chairman of the Senate Education Committee; Sen. Mark Wyland, vice chair of the Senate Education Committee; Alan Bersin, member of the state Board of Education; Paul Navarro, deputy secretary of legislative affairs for the Governor's Office; Jeannie Oropeza, education program manager for the state Department of Finance; and Lee Angela Reid, K-12 analyst for the Senate Office of Research. For more information, call (619) 260-7852.
Nonprofits Tighten Belts, Closely Watch Expenses

BY MICHIELE MCWAD

Suffering a drop in donations, local nonprofits are making hiring freezes and taking other measures to survive an economic downturn. Most nonprofit executives are asking themselves how the economy will affect services.

For example, Lyric Opera San Diego is struggling with its $22,500 a month mortgage payment on the Birch North Park Theatre, which underwent a $16.5 million remodel three years ago. The local chapter of the American Cancer Society laid off six employees this month and Lord’s Fitness Community Development Center in Southeast San Diego closed its doors last month after not being able to raise enough money to cover expenses.

There are more than 9,000 nonprofits in San Diego. Nonprofits: (Page 4)

Nonprofits: (Continued from Page 1)

Diego County and according to Illinois-based Giving USA Foundation, a publisher of data and trends on charitable giving, an astounding 42 percent of nonprofit support comes from individual donors with another 12 percent from foundations. Corporate support accounted for 5 percent.

“The statistics show that with every 10 percent drop in the economy, such as in stocks, there is a 4 percent to 8 percent drop in charitable giving,” said Bob Kelly, top executive at the San Diego Foundation.

The foundation, with an endowment valued at $540 million, receives and manages charitable assets for distribution to these programs serving the region.

Kelly said investment returns are lower not just for individual investors but also for businesses and other foundations.

“All foundations, not just here in San Diego but throughout the U.S., are..." I don’t think we are going to see some of the lasting effects of this down economy for another three months or so. People are just starting to tighten their belts because of the down stock market over the past few days.”

Doug Sawyer, top executive at United Way of San Diego County, said the agency ended its fiscal year on June 30 up $82,000, or 1.2 percent, to $21.58 million in revenues over the previous fiscal year.

“Historically, there is not a correlation in a down economy translating into a down United Way campaign,” said Sawyer. “At times of stress in the economy, many United Way chapters nationwide actually see an increase in their campaign.”

However, they’re not out of the woods with more than 9 percent of revenues coming from fundraising efforts.

“Layoffs Hurt Revenues”

The county’s United Way chapter is concerned that layoffs could mean a reduction in revenues. The nonprofits, which set up donations through the payroll department of local companies, lost 500 donors when HSBC Auto Finance’s office in Kearny Mesa laid off 70 employees in May and 400 in August.

Sawyer said United Way has trimmed expenditures by curbing employee training and monitoring travel. In addition, the agency has stepped up fundraising activities.

“We are making sure we get in front of donors at companies and let them know of the additional need in the down economy,” said Sawyer.

Despite the slowing economy, Chris Marez, a spokesman for the San Diego Imperial County American Red Cross chapter, said there is no off-season for the nonprofit, which focuses on emergency preparedness and disaster relief.

The American Red Cross’s revenues are derived largely from donations, with some revenue coming from fundraising, plus the sale of cards such as CPR training, and other products, such as first-aid kits. The agency hasn’t determined if the economy will lead to a drop-off in donations.

“I don’t think we are going to see some of the lasting effects of this down economy for another three months or so,” said Marez. “People are just now starting to tighten their belts because of the down stock market over the past few days.”

The chapter employs 75, not including its Women, Infants and Children program, which is funded through government grants.
Boosting San Diego’s nonprofits

By Nancy Jamison

We are in the epicenter of a “perfect storm” of challenges for San Diego nonprofits and their constituencies. The economic news in dire and financial and corporate losses make headlines daily, leading to a decreased capacity on the part of foundations, corporations and individuals to provide donations from their shrinking assets.

In addition, this year marked the longest delay in an approved budget in California’s history. Without a state budget in place, many social service agencies had to find ways to keep serving children and families without the government revenue they rely on to keep their operations running.

Therefore, just as demand for many nonprofit services is going up, charitable donations are at risk of going down and government support has been constrained. A perfect storm is raging, particularly for the people who have lost their jobs, homes, or are unable to afford food, health care and other basics.

This makes the focused and effective use of philanthropic resources more critical than ever to the health and well-being of our region. Indeed, all San Diegans benefit from local nonprofits.

We learn from museums, go to hospitals when we are ill and take our kids to after-school recreation centers. During emergencies, like last year’s wildfires, we rely heavily on groups such as the Red Cross, Salvation Army and 211 San Diego.

While those are a few of the high-profile names, there are in fact more than 9,000 nonprofits, large and small, working to make our lives better in many different ways — helping foster children, conducting scientific research, developing affordable housing, sponsoring music programs in schools, protecting the environment, along with so many other worthwhile causes.

The charitable foundations and corporations that engage in philanthropy have a vested interest in a strong, healthy San Diego nonprofit sector, we all must pay attention to this recent research on philanthropy — and act on it.

Since we all have a vested interest in a strong, healthy San Diego nonprofit sector, we all must pay attention to this recent research on philanthropy — and act on it.

What is referred to as “organized philanthropy” or “grant-making” are important leaders in supporting our nonprofit sector. To understand the role of this kind of philanthropy in San Diego, San Diego Grantmakers and the University of San Diego’s Casey Family Center for Nonprofit Research recently released the South’s first report on the state of organized philanthropy here — The Grantmaking Report: Foundation and Corporate Giving in the San Diego Region.

One of the things we learned from the research is that while private and community foundation assets have grown over the last few years, the pool of grant-making dollars available locally to support San Diego nonprofits is still small relative to their needs. San Diego’s foundation asset pool is dramatically smaller than in San Francisco or Los Angeles, or even cities of comparable size elsewhere.

Philanthropic growth has been in small family foundations and donor-advised funds located at our community foundations — representing individuals, not large organizations akin to a Ford or Rockefeller Foundation. How can we best support and expand this very personal philanthropy?

More than half of the private foundation grants received in San Diego come from foundations located elsewhere. What can be done to further develop the kind of dynamic, innovative nonprofit sector that would attract even more philanthropic investment from outside — inspiring the “kindness of strangers”?

Some geographic areas of the counties see greater foundation and corporate giving than others. Are there ways to better spread the wealth?

While this study looked at the giving of a number of very generous large corporations, San Diego is mainly home to small and medium-sized companies. How can we encourage smaller businesses, particularly in some of our growth industries, to participate in corporate philanthropy — of dollars, employee volunteerism and products — as an integral part of their culture?

The bottom line is that we must support and inspire philanthropic organizations and individuals to use their money wisely to address the most pressing local needs.

San Diego Grantmakers, in a number of ways, we enable foundations and corporations to benefit both their bottom line and the community at large.

While not the subject of the report, it is also clear that nonprofits themselves must identify ways to do more with less. Doug Sawyer, the president and chief executive officer of United Way, has said it is not enough to bring in more money, we must ensure that those resources are used strategically. In the nonprofit world, strategic alliances, partnerships, back-office consolidations and possibly even mergers should be on the table — just like they are on Wall Street.

Since we all have a vested interest in a strong, healthy San Diego nonprofit sector, we all must pay attention to this recent report on philanthropy — and act on it. In the current economic environment, the stakes are too high to set aside this report and its implications for action on a shelf.

It seems that the words of Nikki Giovanni, a Zulu boy born into dire poverty who died of AIDS at the age of 12, are relevant. “Do all you can with what you have, in the time you have, in the place you are.” This is our time, and San Diego is our place. Let’s do all we can with what we have.
State education leader to talk tomorrow at USD

SAN DIEGO: Jack O’Connell, state superintendent of public instruction, is scheduled to speak at the University of San Diego tomorrow. The speech is free and open to the public.

O’Connell’s topic is “Changing Good Schools Into Great Schools” and will give educators and other audience members the chance to discuss with the superintendent the state’s pressing education issues.

O’Connell’s appearance is sponsored by USD’s School of Leadership and Education Sciences. It’s part of the school’s Educational Leadership Development Academy Spotlight on Education series.

The event will begin at 5 p.m. at Mother Rosalie Hill Hall at USD, 5998 Alcala Park, off Linda Vista Road. –C.M.
State schools chief to speak at USD

State Superintendent of Public Instruction, Jack O'Connell will speak Oct. 23 at the University of San Diego.

O'Connell's speech on educational issues in California, titled "Changing Good Schools into Great Schools," is part of the Educational Leadership Development Academy (ELDA) Spotlight on Education Series hosted by USD's School of Leadership and Education Sciences (SOLES). He will speak at 5 p.m., Oct. 23, in Mother Rosalie Hill Hall on the USD campus.

The series is free and open to the public. Additional information is available at sandiego.edu/soles/spotlight: O'Connell was elected to a second four-year term as State Superintendent of Public Instruction in June 2006. Source Code: 20081021cya
State schools chief Jack O'Connell will speak on "Changing Good Schools into Great Schools" at a Thursday (Oct. 23) appearance at USD. O'Connell will talk at 5 p.m. at Mother Rosalie Hill Hall on campus. His appearance is part of the School of Leadership and Education Sciences' Spotlight on Education series. The event is free and open to the public.

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School of Nursing
Baby Blues?

USD Gets $3M for Depression Study

Updated 2:18 PM PST, Mon, Nov 3, 2008

Related Topics: University of San Diego | Health and Fitness | Mental Health

Women who are pregnant or have recently given birth will be the focus of a five-year study at the University of San Diego.

The university announced it has won a $3 million grant from the National Institute of Mental Health to study perinatal depression.

Dr. Cynthia Connelly, the director of nursing research at USD, said the condition affects more than one out of 10 women who are pregnant or who have a baby under one year of age.

It's the largest research award in the school's history, according to KPBS.org.

Find this article at:

Check the box to include the list of links referenced in the article.
USD Gets 3 Million Dollar Grant to Study Depression in New I

Oct 30, 2008
Kenny Goldberg

The University of San Diego has won a three-million dollar grant to study perinatal (pear-ee-NAY-tal) depression, a condition that affects more than one out of ten women who give birth. The money comes from the National Institute of Mental Health. USD will use the grant to conduct a five-year study into perinatal depression.

Dr. Cynthia Connelly is the director of nursing research at USD. She says the condition affects more than one out of ten women who give birth.

Dr. Cynthia Connelly: People who've had a history of depressive symptomatology may be at greater risk, but actually all women can be at risk of depression. It's a part of the human experience.

The study will involve 4,000 pregnant and new mothers in San Diego. Connelly says the goal is to improve screening and access to mental health care.

Kenny Goldberg, KPBS News.
SAN DIEGO -- The University of San Diego's Hahn School of Nursing and Health Science was awarded a $3.1 million federal grant to study depression in new mothers, it was announced Thursday.

The grant, from the National Institute of Mental Health, will fund a five-year research program to identify and treat depression in women during pregnancy and after birth, according to USD.

It is the largest research award in USD's history.

About 4,000 pregnant women and new mothers will be screened in San Diego as part of the study, according to the university.
The USD Hahn School of Nursing and Health Science will use a $100,000 grant from the Robert Wood Johnson Foundation to increase the number of students enrolled in its accelerated Master’s Entry into Nursing program. The award will provide 10 students from disadvantage and minority groups a $10,000 scholarship.

The grant program by the Robert Wood Johnson Foundation and the American Association of Colleges of Nursing aims to help alleviate the nation’s nursing shortage by dramatically expanding the pipeline of students in accelerated nursing programs. "This program aims to safeguard the health of the nation by helping to ease the nurse and nurse faculty shortage," says Risa Lavizzo-Mourey, president of the foundation. "This new initiative also will advance our strategic goal of promoting leadership in the health professions."

USD’s Accelerated Master’s Entry into Nursing Program is designed for persons with a bachelor’s degree in another field who want to start a second career in nursing and is the only program of its kind in San Diego. The $100,000 scholarship program will assist low-income and minority students who are often not eligible for traditional financial aid programs because they already have a bachelor’s degree.

USD’s nursing school will host a free open house for the master’s entry program on Thursday (Oct. 16). To RSVP or receive more information, e-mail cmm@sandiego.edu or call (619) 260-4163 or go to www.sandiego.edu/academics/nursing.

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Grant To Aid Master's Students At University Of San Diego

The University of San Diego Hahn School of Nursing and Health Science will use its recent $100,000 grant from the Robert Wood Johnson Foundation for master's degree student scholarships, the university announced Oct. 10.

Ten students from underrepresented minority groups and disadvantaged backgrounds will each receive $10,000 for the accelerated master's entry into nursing program. These students are often not eligible for traditional financial aid programs because they already have a bachelor's degree, the university said in a press release.

The grant is part of a recent initiative the foundation started with the American Association of Colleges of Nursing to expand accelerated nursing programs and alleviate the nationwide nurse and nurse faculty shortages.

To comment, e-mail editorCA@nurseweek.com.
Grant To Aid Master's Students
University Of San Diego

The University of San Diego Hahn School of Nursing and Health Science will use its recent $100,000 grant from the Robert Wood Johnson Foundation for master's degree student scholarships, the university announced Oct. 10.

Ten students from underrepresented minority groups and disadvantaged backgrounds will each receive $10,000 for the accelerated master's entry into nursing program. These students are often not eligible for traditional financial aid programs because they already have a bachelor's degree, the university said in a press release.

The grant is part of a recent initiative the foundation started with the American Association of Colleges of Nursing to expand accelerated nursing programs and alleviate the nationwide nurse and nurse faculty shortages.

To comment, e-mail editorCA@nurseweek.com.
Other
Q&A with Jodi Waterhouse

Jodi Waterhouse, manager of corporate and professional education at the University of San Diego, discusses the history of USD and the latest developments in adult education.

As manager of corporate and professional education at the University of San Diego, Jodi Waterhouse is passionate about ensuring that adults incorporate life-long learning into their daily routine. Jodi's expertise is in the area of family business programming, continuing education and community outreach projects both in the US and Mexico.

bizSanDiego: How have you seen USD's rich history evolve or change over the years?

Jodi Waterhouse: Originally, we were a college for women and then we merged with the college for men, so the early history of bringing the two colleges together is still referred to as an important cornerstone of our history. Over the years we have evolved from having some specific well-known programs, to really becoming a competitor nationwide, if not internationally, with certain programs. Each of the schools has their own unique program that gets national or international recognition.

The university has taken a strong approach to its initiatives, such as internationalization. They've done a big push to make USD much more global. Here in Continuing Education, we've created something that we term "USD-South," and that is our cross-border relations with Mexico. For the past four years we have been doing training for large companies down in Mexico, where USD actually goes into the company and becomes their educational arm. Many of our larger clients have specifically said during the large graduation ceremonies that they have made this commitment to engage USD to ensure jobs stay in Mexico.

bizSD: When you go into these companies in Mexico, what types of things do you do, and what are the main types of education that you are giving them?

Waterhouse: I think the reason we've been so attractive to the companies we work with in Mexico is that we allow them to specifically customize a training program, so while we bring
of programs, and we sit down with them and say we can do, say, supply chain, or team building, or communication programs, but let's tweak that so that it specifically has your company's culture built into it. That's what they really appreciate. It's USD's effort to reach across the borders. We're going in arm in arm with the owners of these major companies and saying, together, let's improve your workforce by giving your workers the tools they need so that they stay in Mexico.

bizSD: How do you go in to a specific company and find out what its culture is, and how do you make sure you give them the right program?

Waterhouse: We go in and insist on talking with people internally in the company. Through focus groups and conversations with the HR team, the directors of the company, as well as the employees themselves, we can really pull out the information about what they're maybe lacking, what they do really well, and what they'd like to improve. A lot of universities take a program off the shelf and sort of say this is what we think you should do, take it or leave it. It's an ego thing that I think a lot of universities have, and instead of using that model, we ask the companies what should be modified to fit their needs.

bizSD: For a working adult who wants to seek out education through USD, in what industries are you seeing the most interest?

Waterhouse: For the individual, we have what we call more open programs where the public is invited to attend. Those programs include seminars, forums, or certificate programs. What's always been big locally is the event management program, which really tailors to the hospitality, travel and tourism industry. That program will be celebrating its 10 year anniversary next month. It really fulfills the need for people who are looking to get into the event industry which is really the backbone of San Diego as we are a destination city.

Another popular one, oddly, is the real estate program. We find that when the economy is slowing down, enrollment goes up since people start panicking just a little bit and want to bring their skill set up so they are more marketable when it finally turns around.

Another program that is very well-developed is the Academy for Business Success, which is specifically geared for owners of small to mid-sized businesses. We teach them and their teams how to professionalize their business and work toward moving up the next rung on the ladder to compete with the next level.
MARKETPLACE: ALL IN THE FAMILY

Maintaining a business across generations of relatives no easy feat

By TIM O'REILEY
BUSINESS PRESS

Once the personal shock of Bob Gripentog's death in an ultralight plane crash 16 years ago began to wear off, the shock to the business he built began to take over. Although the Las Vegas Boat Harbor on Lake Mead and its related entities were transferred smoothly to his widow, Betty Gripentog, the family realized it had not prepared for a generational transition.

"We really got an eye-opener about how little we had done in this area when dad passed away," said Bob Gripentog Jr., one of four members of the second generation now running various parts of the business.

Since then, the family has taken steps to pass ownership to the four members of the second generation -- Betty Gripentog is still active as the president at age 78 -- in the orderly way that countless business advisers recommend, although that may not be enough.

"We're still worrying about it," said Bob Gripentog Jr., the general manager who runs the marina. "Anytime the government can take 50 percent of your business in taxes, it's pretty hard to deal with."

As much as family-owned businesses have been romanticized over the years as the backbone of the economy, backed by volumes of research to quantify the impact, issues such as those the Gripentogs faced drive home the fragility of family ownership. According to the magazine Family Business Review, fewer than one-third of family-owned companies survive to the second generation and only 12 percent make it to the founders' grandchildren.

"It is an ugly sort of picture," said Janet Runge, with the Center for Entrepreneurship at the University of Nevada, Las Vegas. "Families do a remarkably poor job of dealing with transition issues."

Several surveys track the growing number of ownership changes expected in the next few years as baby boomer founders retire. Experts in the field tick off a broad spectrum of questions that family owners/managers must answer to keep the business intact, including:

- How to divorce the living room from the boardroom to keep emotions from interfering with profits, and on which side is it most important to maintain harmony.
- How to divide ownership among different family members, whether equally because of blood ties or in differing amounts according to ability and interest in a business.
- How to choose leadership, by seniority or merit.
- When the incumbent generation should step aside and how far away should they distance themselves from decision-making after retirement.
- What type of legal structure makes sense in order to minimize taxes upon transferring ownership.
- How often a succession plan should be revisited.

When you see a succession that doesn't go well, it is quite often due to a general lack of planning," said Jodi Waterhouse, director of the University of San Diego's Family Business Forum.

However, experts stress that taking into account the factors of succession, some of which may conflict with each other, makes off-the-shelf solutions impossible.

"I will sit down with mom and pop, understand what they want and tailor make a plan for each one," said attorney Kenneth Burns of the law firm Kolesar & Leatham. "I become as much a family counselor as legal or business counselor."

From there, estate planners recommend numerous techniques to minimize taxes or pass equal value to children. These can include: trusts for stock, insurance policy trusts to pay for taxes, provisions to fund inheritances, splitting up stock, concentrating voting power in the hands of managers or buy-sell agreements that spread the price for buying out interests over several years.

Adding a potential layer of complication, family businesses tend to grow more slowly and conservatively than other types, so that a business that provided a good income for mom and pop may be stretched thin for three siblings or seven first cousins.

Finally, even carefully crafted plans can crumble without the will or acumen to carry them out.

"This is the sort of stuff that is easy to talk about or go to a seminar and hear about," Runge said. "But it's a lot harder to pull it off."

Against that backdrop, communication comes to the fore, not only for what the incumbent owners want for the future but also the basics of...
how the business operates and what shape it is in.

"You don't want a situation where the next generation has this monster landing in their laps and they are left scrambling to figure out how to run it," Waterhouse said.

For some, transitions have come relatively easily. Broker Frances Cox had been with Golden West Real Estate for more than three decades when her partner died in early 2005. Rather than get entangled with estate issues, she chose to shut the business down and reopen her own USA Real Estate and Property Management Team the same year.

The lack of any retirement fund from Golden West and a desire to set up her daughters financially motivated her actions. She split ownership of USA equally with her oldest daughter, Donna Lombard, and brought her youngest daughter, Trina Stanfield, on board as an employee.

"I'm 62 now, and I plan to stay at the helm for another five years to build up the business, then turn the reins over," Cox said.

In doing so, Lombard will wind up with majority ownership and Stanfield will get an interest. Cox will retain about 25 percent, with the share of income from it effectively becoming her pension.

"We've talked about it, and they are fine with it," she said.

In more classic fashion, John Fish put all of his five children to work in the family jewelry store when it opened in 1955.

"I remember taking apart my first watch when I was 9 years old," said son Stephen Fish. "Of course, I couldn't put it back together."

But the elder Fish did not leave his shop's future to chance. He set up trusts for the children in the 1980s, although controlling interest has remained with his widow, Elaine.

But loose ends remain. Stephen and his brother, John D. Fish (not a junior), have worked full time at the store on East Sahara Avenue, but their one other brother spends most of his time on a computer business. Their two sisters have not participated in store operations since the 1980s.

"We have all cooperated for many years now," Stephen Fish said.

But they would probably have to negotiate a purchase over time if one of the inactive siblings decided to cash out, a frequent occurrence in family businesses.

He can identify three or four of the 27 members of the next generation who he thinks might want to join, although they are all too young to tell for sure. With he and his brother expecting to work at the store for many years, they have not started laying the groundwork for how to incorporate the third generation.

Kalb Construction Co. managed a smooth handoff using a different structure. Rather than waiting to pass the company to his two sons through inheritance, the late company founder George F. Kalb had his two sons take over in 1980 through a buy-sell agreement.

"We did a lot of estate planning and were able to make the transition uneventful," said current President George D. Kalb, now 62.

As part of the process, he and his brother Steven essentially worked apprenticeships in the company until his father felt they knew enough to take the helm. The father then took himself out of the chain of command, thereby avoiding what experts consider a quicksand pit for many family businesses where the older generation tries to continue making decisions and winds up butting heads with the younger generation wanting to plot its own course.

"He just wanted to phase out into the sunset," said the younger George Kalb of his father, who died in 2003.

Last year, he bought out his brother Steven, and brought in a nonfamily employee as a minority shareholder. His son Jeff also has a minority stake, setting up for a third generation of family control, although a succession plan has not been worked out. George Kalb said he will wait a few years to see how the plummeting fortunes of the local real estate market shake out before making long-term decisions.

Generational differences have come into play at Jack Dish Plumbing, started by Dish in Calgary, Alberta, 32 years ago. It was reconstituted in Las Vegas in 2001; he and his two sons split ownership equally.

"We have tried to slowly incorporate the Internet into our advertising and name recognition," said Joey Dish, speaking of him and his youngster brother David. "Dad always wanted just to put an ad in the Yellow Pages."

On the other hand, Joey credits his father with pushing decision-making on him and his brother early and often.

"He realizes he is reaching a certain age where he is slowing down," Joey Dish said. "He has pushed us to make the calls and stick to them."

For a handful of large companies, going public became a vehicle for maintaining family control while diluting family equity. In 1993, Frank Fertitta Jr. stepped aside for sons Frank III and Lorenzo when Station Casinos completed its initial public stock offering.

At Boyd Gaming Corp., three members of the founding Boyd family control 35.8 percent of the stock, mostly through trusts. In addition, Marianne Boyd Johnson, the daughter of Executive Chairman William S. Boyd, now sits as vice chairman and executive vice president, while her brother William R. Boyd, is a vice president and also a board member. The company has not laid out publicly a succession plan for when the elder Boyd, now 76, steps down, but did name a nonfamily member last year to take over his position as CEO.

This story first appeared in the Business Press. Contact reporter Tim O'Reiley at toreiley@lvbusinesspress.com or 702-387-5290.
As UCSD has added programs, it has seen behavior shift and anyone could take it," he said. "Only, sometimes the bikes would end up in a ditch or somewhere in a bike." Newer programs, such as Triton Community College’s Parking Scheme, it has seen behavior shift and anyone could take it," he said. "Only, sometimes the bikes would end up in a ditch or somewhere in a bike." Newer programs, such as Triton Community College’s Parking Scheme, have been implemented to encourage more students to use alternative modes of transportation. Students must show their driver’s license and student ID to check out a free bike at stations around campus. The SDCCD Board of Trustees has approved the purchase of 100 additional bikes for the fall semester, bringing the total number of bikes available to students to 200. The bikes are available at designated stations throughout the campus and are equipped with locks and lights. Additionally, the SDCCD Foundation has provided funding for the purchase of 50 additional bikes. The bikes are available to all students at no cost and are designed to promote active transportation and reduce the demand for parking spaces. The bikes are expected to increase the number of students using active transportation, thereby reducing traffic congestion and improving overall campus sustainability. The addition of the bikes has been met with positive反馈 from students, who have noted the increased convenience and reduced cost associated with using alternative modes of transportation. The success of the program has encouraged other community colleges to explore similar initiatives to promote active transportation and reduce the demand for parking spaces. In conclusion, the addition of the bikes to the campus has been a positive step towards promoting active transportation and reducing the demand for parking spaces. The program is expected to continue to grow and improve in the future, with plans to add additional bikes and enhance the overall user experience.
AIR Banquet 2008

by Ray Cook

The American Indian Recruitment, AIR Program, 14th year Fundraiser and Banquet at the Sycuan Resort, September 25, 08 is a fabulous, superbly attended & successful. Gathered were elegant ladies, polite gentlemen, generous sponsors and Tribal Tables of council members and proud relations. Randy Edmonds and his wife Teresa along with Connie Grayshull and others are at the SCAIR table.

Linda Grayshull makes the even opening welcome for Sycuan Chairman Danny Tucker Event, but at 8pm there is a well-coordinated program of Traditional cultural recognition and significant recognitions and achievements in the academics and Tribal communities.

Additionally there is a moving tribute to a point of light, mentor and part of the AIR program, Crystal Roberts. Janual Indian Village and the Mesa Family Memorial Scholarship are acknowledged with respect and appreciation.

Many attendees have come to expect and appreciate the efforts of the Raffle Queen, Eleanor Miller. Traditional Kirtseyaryo, pet deer baskets, gift baskets along with sports memorabilia and Pendleton blankets encourage many to check their tickets, the many raffles this evening. There are good times and great prizes for all attending!

SOUT Scholarship, mentor award of the year and the community leadership award of the year were announced in between raffles. Seriously, Nadia Orosco introduced Bonnie Buchanan and Devon Lomayesya introduced Brenaya Basey as two recipients of the Student award scholarships for 2008. Dr. Michelle (not from SDU) in Plains regalia introduced the mentor of the year, AEA Cowen Allen.

Finally, Dwight Lomayesya announced the community leadership recipient, Vickie Grayshull.

SOUT Title VII Indian Education. He acknowledged her many years of encouragement and support to the AIR Program. She said, "Ohno, I am a Cherokee from Oklahoma. Both my sons, daughter and granddaughter are here tonight and I am very happy each time my family is together. I have been with the San Diego School District for 32 years and I always appreciate the support and participation of my Title VII Indian parent committee. All our efforts, volunteers and partnerships like AIR and SCAIR are for the future success of our Indian children. Wado, thank you."

We have had a great year with the AIR Program. We have directly served 106 students and over 500 overall participants (students and mentors) within this one-year. Some of our AIR students are from distant reservations over 50 miles away. AIR has served Indian students representing 11 of the 17 Tribal bands in San Diego County. We appreciate our community partners for this last year and look forward to our 15th year of challenge and success for our Indian Students. Rest of all, our Indian Children appreciate your support. Mehan, thank you.
Zipcar Expands World's Largest On-Campus Car Sharing Program - MarketWatch

CAMBRIDGE, Mass., Oct 08, 2008 /PRNewswire via COMTEX/ -- With more than 120 university partners, Zipcar becomes leading choice for students.

Zipcar, the world's largest provider of cars on demand by the hour or day, today announced it will expand its Zipcar for Universities program to more than 120 campus communities. This fall, Zipcars are being added to nearly two dozen new schools, more than doubling the fleet of vehicles on campuses throughout North America.

By bringing the benefits of car sharing to more colleges and universities, Zipcar is effectively introducing a sustainable and money-saving transportation alternative to a younger population, while growing its national brand presence.

Zipcar's new partners include Dartmouth College, Vanderbilt University, Rice University, and University of Miami. In addition, due to tremendous membership growth, Zipcar is adding vehicles and locations at more than a dozen existing partner schools, including Brown University, University of Michigan, University of North Carolina-Chapel Hill, Stanford University, Yale University, and York University (Toronto, Ontario).

Zipcar's industry-leading technology and innovative, self-service model have made it the premier choice for administrators and students. During the past year, Zipcar launched new applications to meet the growing demands of urban residents and student members. Mobile applications, including taxi message options, a mobile reservation site, and a GPS-based widget for the iPhone 3G, have proven to be popular for students' on-the-go lifestyles. When not at a personal computer, students can use these applications to view and reserve Zipcars from their favorite mobile device, giving them on-demand access to campus Zipcars 24/7.

"Zipcar's partnerships with colleges and universities allow us to introduce our service and brand to the next generation of Zipsters," said Scott Griffith, chairman and CEO of Zipcar. "We pioneered the introduction of car sharing on college campuses a few years ago, and have seen a dramatic increase in the size and scope of our university relationships during the past year. As more schools seek to provide sustainable transportation alternatives, Zipcar will become a mainstream amenity at hundreds of additional universities."

Partnerships between Zipcar and universities are a part of Zipcar's expanded focus into new sectors. This year, businesses, government, and transit agencies also turned to Zipcar, with Zipcar for Business topping 8,500 accounts throughout North America and the UK. Government agencies such as New Jersey Transit, the City of Philadelphia, and the US House of Representatives have also come to Zipcar to increase transit ridership, decrease the number of vehicles commuting into cities, and in some cases provide a cost-effective alternative to city fleets.

Complete list of colleges and universities joining Zipcar for Universities this fall:

- Bemidji State University, Bemidji, Minn.
- Bloomsburg University, Bloomsburg, Pa.
- Brandeis University, Waltham, Mass.
- Cal State University, Fullerton, Calif.
- Dartmouth College, Hanover, N.H.
- Endicott College, Beverly, Mass.
- Goucher College, Baltimore, Md.
- Hampden-Sydney College, Clinton, N.Y.
- Massachusetts College of Pharmacy and Health Sciences (MCPHS), Worcester, Mass.
- North Central College, Naperville, Ill.
- Rice University, Houston, Texas
- Syracuse University, Syracuse, N.Y.
- Trinity College, Hartford, Conn.
- University of Miami, Miami, Fla.
- University of New England, Portland, Maine
- University of San Diego, San Diego, Calif.
- Vancouver Community College, Vancouver, British Columbia
Zipcar Expands World's Largest On-Campus Car Sharing Program - MarketWatch

Vanderbilt University, Nashville, Tenn.

College and university administrators looking to learn more about the Zipcar for Universities program, can email Zipcar at universities@zipcar.com.

About Zipcar:

Zipcar is the world's leading car-sharing service with more than 225,000 members and 5,500 vehicles in urban areas and college campuses throughout 28 North American states and provinces as well as in London, England. As a leader in urban transportation, Zipcar offers more than 30 makes and models of self-service vehicles by the hour or day to savvy city residents and businesses looking for an alternative to the high costs and hassles of owning a car in the city.

In November 2007, Zipcar announced a merger with Washington D.C.-based Flexcar, immediately expanding operations to more than 50 cities, and enabling future growth into new markets across the United States, Canada, and Europe.

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SOURCE Zipcar
http://www.zipcar.com

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ParkerWhite

Social Media Release

11.04.2008

ParkerWhite Teams With San Diego Food Bank To Fight Hunger

Quick Pitch
ParkerWhite is working with the San Diego Food Bank to expand community support and marketing efforts.

Full Release

Cardiff-by-the-Sea, Calif. – November 2, 2008 - ParkerWhite, Inc. a strategic branding communications agency, is partnering with the San Diego Food Bank (SDFB) to expand its marketing efforts and raise community awareness of ways to support the organization. The SDFB is looking to increase its services to and expand beyond only collecting and distributing food but also provide support, guidance and education to people in need.

“We are looking for new ways to encourage corporations and everyday people to get involved and make a big impact,” said Cindy White, ParkerWhite president and creative director. "While food and monetary donations are greatly needed, people can support the SDFB through other ways like volunteering at its warehouse.”

ParkerWhite designed the new SDFB logo to reflect its new direction as well as created an image campaign for the “Colleges Rock Hunger” food drive held in conjunction with the Hard Rock Hotel. The food drive, which culminated earlier this month challenged University of California San Diego, University of San Diego, San Diego State University, and California State University San Marcos to raise the most amount of food at each campus.

“The SDFB is very grateful to have the expertise and passion of ParkerWhite on our side,” said Mitch Mitchell, SDFB chairman. “Through this relationship we hope to raise awareness of hunger in our community.”

About ParkerWhite
ParkerWhite is a brand, design and public relations consultancy that is committed to creating positive change for people and companies. We are a collective of strategists, idea makers, designers and writers who team with our clients to create intelligent, relevant communications for sustainable, meaningful growth.

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SCHOLARS WITH A GOAL

From left, Mexican-American Educational Guidance Association scholarship recipients included Eddie Lara, attending SDSU; Karelly Sanchez, at Cal State San Marcos; Veronica Jose, at USD; and Rosa Jimenez, at UC Riverside. MAEGA is one of the recipients of the Encinitas Rotary's annual fundraising event. This year, Rotary gave MAEGA $10,000 toward scholarships for Latino teens who want to continue their higher education. A total of $78,500 was awarded to 73 students for the 2008-2009 school year. The Rotary Club presented another $3,000 to MAEGA's Fran Fenical, scholarship chairwoman. Other MAEGA students receiving scholarships included Andrew Kang, Northwestern; Rosa Jimenez, UC Riverside; Veronica Jose, USD; Rachael Maldanado, Univ. of SF; Kelly Peters, MiraCosta; Holly Fong, Cal State San Marcos; Karelly Sanchez, Cal State San Marcos, Heriberto Lara, SDSU; Marissa Costa, Palomar College and Ashley Kirby, MiraCosta. Courtesy photo
Fork it Over for Kids.
Have a taste of a fun evening with Sam the Cooking Guy!
Includes a cooking demo, appetizers, a team cook-off and items for auction. Oct. 11, 6 pm. $75-$85, includes a copy of Sam's cookbook.
Proceeds go to The Salvation Army Kroc Scholarship Fund.
The Salvation Army Kroc Center, 6845 University Ave., San Diego.
619-269-1408.
An Evening with Jeff Goodby

Come join the Ad Club as our President Greg Joumas interviews yet another creative advertising legend, Jeff Goodby of Goodby Silverstein & Partners. Experience a once in a life time chance to get advice from, as BusinessWeek called him, the “Got Milk Man.” Goodby has worked with a variety of well known brands including Hewlett-Packard, Sprint, Hyundai, and most recently the ever so popular Nintento Wii-Fit. Here's your chance to see him live November 5th at the University of San Diego's state of the art Institute of Peace and Justice Theater, where every seat is a great seat! Reception with hosted appetizers and bar from 5:30-6:30pm Presentation from 6:45pm-8:30pm Please join us for another wonderful evening of learning, networking and fun!

DATE: Wednesday, November 05 2008
TIME: 5:30 PM
LOCATION: USD-Joan Kroc Center for Peace and Justice
PRICE: $50.00 - $65.00
CONTACT: Cindy Saylor
PHONE: (858) 576-9833
EMAIL: cindy@sandiegoadclub.com
URL: http://guest.cvent.com/
IREM-SD LEGISLATIVE UPDATE

Current chief executive officer of the California Business Properties Association and former executive director of the state's Commission for Economic Development Rex Hime is the guest speaker at the San Diego chapter of the Institute of Real Estate Management's networking luncheon. Hime will discuss bills that were signed, the state budget battle and provide a legislative session update.

- 11:30 a.m. to 1:30 p.m.
- University of San Diego, Krock Institute for Peace and Justice,
  5998 Alcala Park, in San Diego
- Cost: $45 members, $55 nonmembers, add $10 after Oct. 3
- Visit www.iremsd.org or call (619) 209-2997
WEDNESDAY, OCTOBER 8
IREM-SD LEGISLATIVE UPDATE

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Rubio’s Board Rejects $5 Share Takeover Bid From Kelly Capital

Nokia to Pay Qualcomm To Settle Royalty Dispute

Rubio’s Restaurants, the San Diego fast food chain started here in 1983 by Ralph Rubio that went public in 1999, isn’t interested in being acquired by Kelly Capital, at least not at $5 per share.

In a terse statement on Oct. 22, Rubio’s board said Kelly’s $5.7 million offer is not in the best interests of stockholders, and said that the best way of enhancing shareholder value is to continue pursuing the company’s strategic plan.

Kelly Capital, a San Diego private equity firm run by brothers Michael and Richard Kelly, offered to purchase outstanding shares of Rubio’s in a Oct. 15 letter which Rubio made public Oct. 17.

The $5 offer was 26 percent above Rubio’s stock price on the day the offer was made.

Traded on Nasdaq under RUBO, shares rose briefly to $4.50, a sign that the market wasn’t convinced the price was fair, said local stock analyst Bud Leedom.

However, the stock closed at $4 a share on Oct. 22.

In a more normal market, a fair offer, said local stock analyst Bud Leedom, "Rubio’s is a cash flow positive and in a good liquidity position so, in my opinion, this offer is rather laughable," he said.

Kelly, developers of the Ivy Hotel in the Gaslamp Quarter and a 6 percent shareholder in Rubio’s, didn’t say why it coveted the fish taco chain, but in a July letter to Rubio, who serves as chair of the company, it said it wasn’t satisfied with the way the company’s stock was performing. Only a few private equity funds and founders Rubio who has about 9 percent, hold more shares.

In his offer letter, Kelly suggested how Rubio’s could improve operations, such as putting a planned expansion on hold until it increases profit margins at its existing 180 outlets and franchising more stores.

Rubio’s said last year it intended to open 18 to 22 new eateries this year.

Rubio’s shares have been in a slow decline for most of this year and hit a 52-week low earlier this month at $3.20. A year ago it was trading about $11. Except for the period right after its initial public offering in 1999 of $15, the stock has not done well.

And Kelly’s done this before. In 2003, it acquired National Service Industries, a New York Stock Exchange traded firm in Atlanta for $112 million.

NSI, which made envelopes and provided mail services to restaurants and hospitals, had about 5,000 employees and more than $500 million in annual revenue when it was acquired.

Kelly invested some of its money and made changes to NSI, then sold the company’s units in separate transactions in 2006. Those transactions essentially doubled the company’s investment, according to Kelly’s Web site.

Rubio’s has been growing at a nice clip, and for the first half of this year has boosted sales to $57.3 million, up 3.9 percent from the first half of 2007. However, it posted a net loss of $410,000 compared to a net profit of $698,000 in the like period of 2007.

Ticker Takes Qualcomm said it is getting an upfront payment of $2.3 billion from Nokia Corp as the result of a settlement of long-term litigation over royalties. But Nokia, the world’s biggest cell phone manufacturer, said the payment is only $2.3 billion. . . . Newtels Wireless asked for a 30-day extension from Nasdaq to file its first quarter results with the SEC that was due Oct. 17. . . . Mad Catz Interactive launched a European online Game Shark store. ... Jack in the Box said it’s selling 61 Quick Stuff locations, which are combined gas stations and convenience stores ... RF Industries said it was recognized as one of the 200 Best Small Companies in America by Forbes Magazine, and ranked No. 142.

Send any news on locally based public companies to Mike Allen via email at mailer@sdfly.com. He can also be reached at 858-277-6219.

October 27, 2008
Latham & Watkins LLP was awarded the La Mancha Award for Distinguished Pro Bono Legal Service from Casa Cornelia Law Center (CCLC) at its 15th anniversary celebration Oct. 23.

San Diego associate Daniel Brunton accepted the award on the firm’s behalf at the event, held at the University of San Diego’s Joan B. Kroc Institute for Peace & Justice.

The firm has donated more than 6,000 attorney hours, representing the efforts of more than 30 attorneys from its San Diego office, to working on asylum cases referred by Casa Cornelia Law Center. Casa Cornelia Law Center is a public interest law firm providing quality legal services to victims of human and civil rights violations.

For more information on the organization and Latham & Watkins’ pro bono work, visit casacornelia.org and lw.com/aboutLatham.aspx?pagename=probono. Source Code: 20081028tjb
FOR THEIR BENEFIT

For Their Benefit is a weekly listing of activities sponsored by nonprofit organizations to raise funds for programs that serve San Diegans.

**Thursday**

Seminar and social mixer, benefiting the Mom Business Associates (MBA) team participating in the Susan G. Komen Race for the Cure. 5:30 p.m. Thursday at Ameriprise Financial, 8970 University Center Lane, Suite 200, San Diego. $10 advance, $15 at the door. mombusinessassociates.com.

**Friday**

A Fashion Cornucopia, benefiting San Diego Center for Children (SDCC). 10:30 a.m. Friday at the US Grant Hotel, 326 Broadway, San Diego. Lunch will be served at 1 p.m. $75-$1,250. (858) 569-2148.

**Saturday**

Art on Chavez, arts and crafts show, benefiting Chavez Middle School's Safe Schools and Student Activities. 10 a.m. to 3 p.m. Saturday at 202 Oleander St., Oceanside. (760) 966-4900.

Annual Treasure Hunt for Kids, benefiting Hannah's House. 6 to 11 p.m. Saturday at 4002 Park Blvd., No. C, San Diego. $50-$125. (619) 294-9852.

Silent auction, benefiting Stella Nova Dance Company. 6 p.m. Saturday at the David and Dorothea Garfield Theatre, 4126 Executive Drive, La Jolla. Following the auction at 8 p.m. Stella Nova Dance Company will perform original modern dance pieces. $20 general; $15 students, seniors and military. (858) 362-1348.

**Oct. 23**

15th anniversary celebration and La Mancha Awards, benefiting Casa Cornell Family Law Center. 6 to 8 p.m. Oct. 23 at the USD Institute for Peace and Justice, 5998 Alcala Park, San Diego. Reservation deadline is Friday. Business attire. $75. (619) 231-7788, ext. 310.

**Oct. 26**

Eighth annual "Friendraiser," wine tasting and art auction, benefiting San Diego Brain Injury Foundation. 1 to 4:30 p.m. Oct. 26 at UCSD campus, Friend Plaza, 9500 Gilman Drive, La Jolla. $50 advance, $60 at the door. (619) 294-6541.

Items for For Their Benefit should be submitted at least three weeks in advance and may be sent by email: fortheirbenefituniontribune.com or by fax to (619) 293-5093.
ENLACE
October 4, 2008

Cine

**Beverly Hills Chihuahua**
En cartelera

**Blindness**
En cartelera
Calificación: R. Drama. Una plaga de ceguera ataca a una ciudad y un grupo de los afectados se une. Actúan Gael García Bernal y Mark Ruffalo. Dirige Fernando Meirelles.

**Nick & Norah’s Infinite Playlist**
En cartelera

Los estrenos de las películas están sujetos a cambios.

A dónde ir

**Feria del Libro**
Viernes 3 y sábado 4
La 37ta Anual San Diego City College International Book Fair contará con la presencia de varios escritores hispanos, como Jimmy Santiago Baca, Saville Theater, San Diego City College, centro de San Diego. Viernes de 7 a 9 p.m. y sábado de 10 a.m. a 4:30 p.m. Gratuito. Ve el programa completo en sdcitybookfair.com.

**Santa Fe Market**
Viernes 3 al domingo 5

**Víctor Villaseñor**
Sábado 4

Trolley Dances
Sábado 4 y domingo 5
Bailarines de la compañía de danza Iris Lyon San Diego Dance Theater hacen una serie de espectáculos en las estaciones del trolley de la línea verde. Empieza en la estación de Hazard Center, 10 a.m. a 3 p.m. Cada concierto dura dos horas. $30, sandiegodancetheater.org.

Disney On Ice
Jueves 3 al domingo 12
El espectáculo 100 Years of Magic estará en la San Diego Sports Arena, 1650 Sports Arena Blvd. Varias funciones. La función en español será el domingo 12 a las 3:30 p.m. $19.99 a $52.99. ticketmaster.com.

**On Both Sides**
Viernes 10
Espectáculo interdisciplinario que incluye a artistas de ambos lados de la frontera. Palomar College Center Forum, Universidad de San Diego. 3500 Most Park. 8 p.m. Gratuito. 619.260.4095 o sandalsmuseums.org.

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FREEBIES

'An Evening of Poetry, An Evening of Thought' Award-winning poet and author Carolyne Wright will be reading from her past and present works. Point Loma Nazarene University, Crill Hall, 3900 Lomaland Drive, Oct. 2. 619-849-2297, pointloma.edu/music.htm. Free.


'Pride and Prejudice' This teen movie event offers a viewing of the movie that is based on the book by Jane Austen about five single sisters. Rancho Peñasquitos Library, 13330 Salmon River Road, Oct. 4. 858-536-6161, sandiegolibrary.org. Free.

The Seinfeld Campus Tour This travelling tour bus holds everything Seinfeld from original costumes, scripts, games and much more. University of San Diego, 5998 Alcala Park, Oct. 2. seinfeld.com. Free.
El pizarrón

Novedades y actividades en la comunidad

Reciclaje
Recyle San Diego organiza un evento gratuito donde recibirá equipo electrónico para reciclar este sábado 4 de octubre de 9 a.m. a 1 p.m. en el Solana Center, 137 N. El Camino Real, Encinitas. Informes: 858-569-1807 o recycleandsd.org.

Educación latina
La Universidad de San Diego tendrá un panel en inglés sobre los latinos y la educación el jueves 9 de octubre a las 10:45 a.m. en el Hahn University Center, Rm. 103 en la Universidad de San Diego, 5998 Alcalá Park. Gratis. Informes: 619.260.4206 o sandiego.edu/csl.

Clases de inglés

Latinas con cáncer
A Women's Wellness Center está ofreciendo servicios gratuitos para latinas de escasos recursos que tengan cáncer de seno. Los servicios incluyen grupos de apoyo, clases de yoga y masajes. Informes: Enérida Abel, 619.425.5927 o awomenswellnesscenter.org.

Programa Empleo
El Consulado General de México en San Diego tiene disponible el Programa Empleo, que proporciona orientación y asesoría jurídica a través de una línea telefónica. El programa consiste en orientar a personas que enfrentan abusos en su empleo, como acoso sexual, salarios no pagados y discriminación. Informes: 877.55AYUDA (877.552.9832).

Neuróticos Anónimos
El grupo Aprendiendo a Vivir ofrece ayuda a personas que sienten ira, celos, ansiedad, preocupación o depresión. Se reúnen los lunes y jueves de 6:30 a 8:30 p.m. en el número 19 de 32nd Street, esquina con Imperial Avenue, en un salón al lado de la iglesia Cristo Rey. La entrada es gratuita.

Para incluir actividades, mandar los datos con dos semanas de anticipación a editorial@enlace.com, o en atención a Pablo Jaime Sáinz.
Athletics
Big rivalry elevates Toreros’ intensity

By Kevin Gemmell
STAFF WRITER

Practice habits change for the USD football team during Dayton Week. Passes are a little crisper. Hits have a little more pop. Coaches scream a little louder and are less forgiving of mental errors.

There is a nervous, excited energy at Alcala Park cresting toward the season’s marquee contest against the Flyers — the rivalry game that will likely decide the Pioneer Football League champion. Kickoff is 6 p.m. tomorrow at Torero Stadium.

But the Toreros, preseason favorites to win the conference, suffered a setback in last week’s 30-29 road loss to Jacksonville and sit third in the PFL standings behind Dayton and Butler.

“There is even more of a sense that this game means a lot after what happened last week,” wide receiver John Matthews said. “We have a chance to make up for everything that happened Saturday. They are our rival. We’ll be ready.”

Along with the loss came a humbling realization.

“We’re not invincible,” Matthews said.

SEE Toreros, D5

TOUGH TOREROS

Beginning with the 2003 season, when USD shared its first Pioneer Football League divisional championship, the Toreros have not lost more than one league game in any season and have dropped more than two overall games only once. A season-by-season look:

<table>
<thead>
<tr>
<th>Year</th>
<th>PFL</th>
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<tr>
<td>2003</td>
<td>3-1</td>
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<td>2004</td>
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<td>7-4</td>
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<td>2008</td>
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**Totals**

27-4 52-11

* Won or shared PFL division or overall championship
USD QB Trujillo says 'focus is sharpened'

Until that point, the Toreros (6-1, 4-1) appeared to be. And while USD coach Ron Caragher credits Jacksonville for the win, his team graciously missed two extra points, a 34-yard field-goal attempt and had a touchdown erased by a penalty.

"We talk about the enemy within," Caragher said. "The enemy isn't the team on the other side of the field. It's in this locker room. More games are lost than won."

Therefore the goal for this week: suppress the enemy within.

Before last week, it was thought tomorrow's game would determine the outright league champ. Now the best the Toreros can hope for is a split of the conference title, which they shared last season with Dayton.

'We still achieve our goals," Caragher said. "Regardless of what happened last weekend, playing Dayton is playing Dayton. Their history of success, the respect for their program, it's a big game regardless.

Dayton (7-1, 4-0) has been the class of the conference since the PFL's inception in 1993, winning or sharing in nine titles. But the Toreros have narrowed the gap recently, splitting the title last year and winning the previous two outright. If there is such a thing as a rivalry in the cross-continent conference that spans eight states, this is it.

The last time the Flyers were in town, USD drew a record 7,323 fans to Torero Stadium. They are hoping a similar crowd will show as the Toreros try to improve on a national-best 28-game home win streak.

The Ohioans have the league's No. 1 defense—including 10 interceptions and 57 tackles for a loss while yielding 256.1 yards per game. They'll butt heads with the Toreros offense, which ranks first in the league, averaging 426.1 yards per game.

"They sure know how to move the ball up and down the field," said Dayton first-year head coach Rick Chamberlin. "They score a lot of points. But we have some veterans on our defense. It should be a fun game."

The pressure will be on the offensive line to leash Dayton's pass rush and allow quarterback Sebastian Trujillo time to let plays develop. With that in mind, Trujillo said the team is feeding off last week's loss.

"It's a blessing in disguise," said Trujillo, the league's top passer. "It sharpens us. Our focus is sharpened and we're looking at it positively. That's going to make us better as a team. We're going to come out with a little attitude and we'll be fired up for it."

Missing from USD's lineup will be defensive ends Julian Strickland and Josh Sutchar, who each suffered a broken leg in the Jacksonville loss. The team also lost starting center Conrad Smith for at least three weeks with a knee injury — putting added pressure on the offensive line. Compounded with the loss of NFL prospects J.T. Rogan (running back) and Mitch Ryan (tight end), some Toreros have taken an us-against-the-world mentality.

"It's just more fuel for us," offensive tackle Deene Kabiling said. "We're playing for all the guys (on crutches) and all the guys who are out here now busting their (butts). Dayton's a great program and we respect them. They are going to make it tough."

Caragher is also hoping the kicking game improves this week. So far, the Toreros are just 5-of-10 on field goals and 31-of-38 on PATs.

Kevin Gemmell: (619) 718-5304; kevin.gemmell@uniontrib.com
UD FOOTBALL

Flyers need big efforts on both sides of the ball at San Diego

Defense has been team's rallying point, but offense has come together recently.

By Doug Harris
Staff Writer
Thursday, October 30, 2008

DAYTON — Steve McDonald and his mates on the University of Dayton defense reveled in how much the team improved on them through the first part of the season, but the group is glad the youthful offense has finally established itself.

Well, sort of.

"The first three or four games, it was defense, defense," said McDonald, a roving safety who leads the team in tackles. "Then the last couple games, the offense has been playing lights out. On defense, we're saying, 'I don't know if we like this.' We all liked that a lot of games, we're saying, 'I don't know if we like this.'

Actually, the Flyers probably will need both units purring when they play Pioneer Football League preseason favorite San Diego on the road Saturday night, Nov. 1. The Toreros (6-1, 4-1 PFL) have won 28 straight home games — the longest streak in all of college football — and lead the league in scoring with an average of 39.4 points per game.

UD and San Diego have combined to win at least a share of 12 of the 15 PFL titles in league history. The Flyers (7-1, 4-0) have a daunting finishing stretch with road games remaining at Butler (6-1, 4-0) and Jacksonville (5-3, 3-1) sandwiched around a home game with Morehead State (3-5, 1-3).

"I feel like if you lose this game, you're not going to win the league," McDonald said.

The Flyers are going into the key clash on a roll, though. Quarterback Rob Florian has completed a combined 42-of-52 passes for 570 yards and three touchdowns with no interceptions in his last two games, and UD leads the PFL in defense, allowing just 13.5 points and 256.1 yards per game.

The Flyers' ability to pressure QBs has been critical to their success on defense. They lead the league with 25 sacks.

"We don't do a lot of different things, as people probably can see," coach Rick Chamberlin said. "We're not big on blitzing or using this defense or that defense. We're pretty vanilla. But our guys know what to do. And when you have confidence in what you're doing, you're going to play well."

Asked to describe the defense, McDonald said, "It's 11 guys swarming to the ball.

But the San Diego offense has been tough for the Flyers to handle in the past, having averaged 45.8 points during a four-game winning streak in the series from 2003-06 before a 35-16 loss at Welcome Stadium last season.

"They just have so much speed — more than anyone in the conference," Chamberlin said. "I talk to guys in California, and they say, 'Rick, you would not believe the talent out here.' Part of that is because of the (large) population. They can go out a short distance and find 10 great football players."

Contact this reporter at (937) 225-2125 or at dharris@DaytonDailyNews.com

Find this article at:
http://www.daytondailynews.com/s/content/oh/story/sports/college/ud/2008/10/30/ddn103008spudfb.html

Contact this reporter at (937) 225-2125 or at dharris@DaytonDailyNews.com
USD falls to Dolphins — painfully

Three key starters lost for rest of season

By Jeff Elliott
SPECIAL TO THE UNION-TRIBUNE

JACKSONVILLE, Fla. — J.T. Rogan is no more to have a lot more company along the sidelines in USD’s final four games of the season.

The Toreros lost more than a 30-29 decision at Jacksonville yesterday. They lost the services of three key starters for the rest of the season, all of whom suffered a broken leg/ankle in a see-saw game that wasn’t decided until Jacksonville’s Donovan Curry connected on a 50-yard field goal with 1:23 left in the game.

By the time Curry connected for the game-winner, USD’s sideline looked like a MASH unit. Starting defensive ends Julian Strickland and Josh Sutchar sat next to Rogan with a pair of crutches alongside all three. A short distance away, starting center Conrad Smith had several team doctors examining his leg and calling for yet another pair of crutches.

It was enough to bring usually upbeat Toreros coach Ron Caragher to despondency.

“I’ve never been around a game where we’ve had two, maybe three broken legs,” Caragher said. “Our two defensive ends are out and now our center will have to have his leg X-rayed, too, and it doesn’t look good.”

A fourth-quarter Toreros collapse didn’t look good either. After trailing at the half 17-3, their first such halftime deficit and the biggest margin they had trailed any team this season, the visitors came out blazing in the third quarter.

Three possessions, three touchdowns — in the span of 12 minutes. USD quarterback Sebastian Trujillo accounted for all three scores with 9- and 51-yard tosses to John Matthews and a 15-yard strike to Ben Hannula. Trujillo’s fourth TD pass of the game came in the fourth quarter when he connected with Godfrey Smith from 4 yards out.

That enabled USD (6-1, 3-1 Pioneer League) to build its lead to 29-20 with a little more than six minutes left. But Jacksonville (5-3, 3-1) rallied behind backup quarterback Erik Stepelton, who had replaced starter Josh McGregor when he went down with cramps late in the third quarter.

Stepelton hit five of eight passes for 65 yards, including a 22-yard TD toss to running back Rudell Small to bring the Dolphins within two points at 29-27.

The Toreros then took possession at the 21-yard line after Taylor Wright’s 17-yard kickoff return. A holding penalty followed by three plays that netted minus-1 yard forced Kyle Negrete’s fifth punt of the game.

He hit his best, a 45-yarder, but JU’s Elliott Finkley returned it 20 yards to give the Dolphins possession at USD’s 37. Three plays later, Curry connected on his career-best for the game winner.

Had USD not missed a pair of extra points, JU would have been forced to go for a touchdown on its last drive. But James Cullen had one PAT blocked, and he pushed his fourth attempt wide to the left.

In another kicking fiasco, Negrete’s first punt of the game from his own 6-yard line went just 14 yards, giving JU possession at the 20; the Dolphins scored three plays later.

“Looking back at it, and I don’t like looking backwards at things, but I think our special teams play was poor today,” Caragher said. “That was the difference in the game. You look at the yardage and first downs and possession and it was all pretty equal, but the special teams play was the difference.”
Jacksonville delivers Toreros first loss of year

ASSOCIATED PRESS

JACKSONVILLE, Fla. — Donovan Curry kicked a 50-yard field goal with 1:23 remaining as Jacksonville defeated the University of San Diego 30-29 on Saturday.

Curry's field goal was set up by Elliott Finkley's 20-yard punt return to the USD 37. Three plays later, Curry's kick gave the Toreros (6-1, 4-1 Pioneer Football League) their first loss of the season.

Rudell Small led the Dolphins (5-3, 3-1) with 104 yards on 17 carries.

USD took a 29-20 lead on Sebastian Trujillo's 4-yard pass to Godfrey Smith with 6:33 remaining in the game, but Jacksonville's Erik Stepelton hit Small on a 22-yard touchdown pass with 4:07 remaining to cut the advantage to 29-27.

Trujillo was 23-of-43 for 278 yards and four touchdowns. His third touchdown pass, a 15-yard completion to Ben Hannula, gave the Toreros a 23-17 lead with 3:15 remaining in the third quarter.

Stepelton was 8-of-15 for 90 yards after replacing injured starter Josh McGregor, who was 11-of-22 for 148 yards and two scores. Finkley had five catches for 82 yards.

Matthews finished with nine catches for 144 yards and two touchdowns.

Curry also kicked field goals of 22 and 26 yards.
Curry's big kick caps comeback win for JU

THE ASSOCIATED PRESS

Published: Sunday, October 26, 2008 at 1:00 a.m.

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FAMU 31, NORFOLK STATE 28
Dolphins make a big statement

By Jeff Elliott, The Times-Union

The game billed as the one that put Jacksonville University football history now can be labeled as the program's most memorable.

The Dolphins overcame a 20-point, third-quarter surge by San Diego to score 10 points in the final 4:03, and Donovan Curry's 20-yard field goal with 1:23 left gave JU a 26-25 victory in front of 1,269 fans at D.B. Milne Field.

The Toreros (6-1, 4-1), the 2005 and 2006 Pioneer Football League championship and 2007 co-champions, had won 24 of their last 25 conference games, including a 62-23 pasting of the Dolphins last year. But even with starting quarterback Josh McGregor on the sideline because of cramps, JU (3-3, 1-1) erased a nine-point deficit in the fourth quarter to win.

"So many guys contributed to this win today," said Dolphins coach Kerwin Bell, still dripping wet from the celebratory water-bucket hit at 0:26 left.

"Added Bell: "I looked at Donovan's eyes, and that told me he had the confidence to kick it. I had played it for a slight hook, and it ended up right down the middle.""

Never was that more important than when McGregor went down with three minutes left in the third quarter. Redshirt sophomore Eric Stephe, who was starting his first game, led the Dolphins after the first half of the season opener, entered the game and led JU on three consecutive fourth-quarter scoring drives, including a picture-perfect, 22-yard touchdown pass to running back Rudell Small with just over four minutes remaining in the game.

After forcing San Diego to punt on its next possession, Elliott Finkley gave the Dolphins good field position with a 20-yard return to the Toreros' 37. Four plays later, Curry connected on his career-best 50-yard field goal at 0:24 left for the one-point victory.

"I was standing right next to coach Bell and told him I could make it from that distance," Curry said. "I knew it was good when I hit it. I had played it for a slight hook, and it ended up right down the middle.""

Added Bell: "I looked at Donovan's eyes, and that told me he had the confidence to go do it, so I went off that instinct.""

The win, also made possible by two failed extra-point tries by San Diego, leaves JU in third place in the Conference with a Nov. 22 home contest against Dayton. Wins in those games could send JU to the Gridiron Classic against the Northeast Conference's regular-season champion.

The win was a huge departure from the Toreros' past two games, which included a loss to Miami in which San Diego allowed a 24-0 halftime lead and 424 yards.

But this JU team has a role, but roles change within the week and within a game, and you've got to be ready to go when your number is called."
Jacksonville knocks off San Diego 30-29

The Associated Press
Saturday, October 25, 2008; 6:01 PM

JACKSONVILLE, Fla. -- Donovan Curry kicked a 50-yard field goal with 1:23 remaining as Jacksonville defeated San Diego 30-29 on Saturday.

Curry's field goal was set up by Elliott Finkley's 20-yard punt return to the San Diego 37. Three plays later, Curry's kick gave the Toreros (6-1, 4-1 Pioneer Football League) its first loss.

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Matthews finished with nine catches for 144 yards and two touchdowns.

Curry also kicked field goals of 22 and 26 yards.
Derricks, USD aim to avoid trap game

By Kevin Gemmell

"Every game is a championship game for us. That's the only way our coaches will let us approach it. We'll worry about next week when it gets here."

It's that cool-headed approach that has allowed the USD (6-0) to be a Big 12 contender. USD leads the conference in pass defense efficiency and has allowed just five passing touchdowns in six games. Quarterbacks are completing an average 43 percent against the Toreros. Derricks is third on the team in tackles (20) and first in pass breakups (4).

But it didn't always come easy for Derricks, who prepped at Oak Park High, northwest of Los Angeles. Though he entered PFL Freshman of the Year honors, he went through the usual growing pains and would get tested by quarterbacks. With freshman AlBlow Adeyemi starting opposite him, he's seen opposing teams go after the youngster.

USD at JACKSONVILLE

When: Today (10 a.m.)
Records: USD (6-0), 2-0; Jacksonville (4-2, 0-1)
Last year: USD won 62-23.
Series record: USD leads 3-0.
Notable: USD wins first in the conference in pass defense efficiency this season.

"We have some confident young guys," said USD head coach Ron Caragher.

"He's a cool-headed player. He doesn't have the statistics, but that's because people work away from him," Caragher said. "That's the sign of a good player, when it's nice and quiet on his side of the field."

Injury updates

The Toreros lost another of their high-profile defensive players because of a severe knee injury. Senior tight end Mitch Ryan (14 tackles, three touchdowns) will miss the rest of the year with a torn anterior cruciate ligament and torn meniscus. He suffered the injury during practice. Running back J.T. Rognon also suffered a non-contact ACL tear in the season opener.

USD will get back linebacker Luka Konongogoe and safety Derek Pilkinson for today's game. Konongogoe has been out since Week 3 with a knee injury and Pilkinson suffered an undisclosed injury against Drake in Week 4. Defensive tackle Denise Kallidang (University City High) missed some practice with an ankle injury but is expected to play.

Kevin Gemmell (619) 718-8304

KevinGemmell@sandiego-uniontribune.com
**Toreros Report**

*Today: at Jacksonville University*

*Kickoff: 10:05 a.m.*  
*Records: University of San Diego 6-0, 4-0 Pioneer Football League; Jacksonville 4-3, 2-1*  
*Radio: XEPE (1700 AM)*

**At a glance:** USD is off to a 6-0 start for the third time in school history. The Toreros' previous fast starts have been credited to having QB Josh Johnson, who was a fifth-round draft pick of the Tampa Bay Buccaneers. Despite losing Johnson to graduation and senior RB J.T. Rogan in the season opener with a season-ending knee injury, the Toreros have continued to roll up the wins and remain atop the PFL standings. USD is coming off a bye week after defeating Morehead State at home, 41-17. The victory was USD's 27th straight at home, which leads the NCAA for Football Bowl Subdivision and Football Championship Subdivision schools. The Toreros are gaining votes among the top 25 for FCS schools, but not enough to be ranked as they were in 2006 when they climbed as high as No. 16 in a quest for an at-large playoff berth in the FCS playoffs, which includes scholarship schools. Senior WR John Matthews, who is considered an NFL prospect, caught two touchdown passes in the win over Morehead State.

— Tom Shanahan
USD FOOTBALL: Defensive back Gabe Derricks knows he'll be tested by Jacksonville today / D6
USD makes it 28 straight at home

By Kevin Gemmell
STAFF WRITER

The Toreros entered last night's game against Morehead State riding two impressive streaks — 27 straight wins at home and five consecutive games without allowing a quarterback sack. Only one was extended. But it's the one coach Ron Caragher really cares about.

Toreros 41
Morehead 17

USD (6-0, 4-0) routed Morehead 41-17 last night at Torero Stadium in a Pioneer Football League game.

Quarterback Sebastian Trujillo, much to his surprise, was finally sacked after five games of perfection in the pocket.

"Was I? Really? I didn't even realize it," he said, eventually recalling the roll-out play in the third quarter that resulted in a 6-yard loss. "That's not on my offensive line. I was booting out so that's on me. They have done an amazing job for me all season."

But he didn't slow him much. Trujillo passed for three touchdowns and 198 yards while Phil Morelli ran for 115 yards and a score. But it was the defense that flourished, pitching a first-half shutout by pestering Morehead quarterback Evan Sawyer.

"Their quarterback is a real athletic guy who can hurt you with his feet," Caragher said. "We did a good job squeezing the pocket so he didn't run around and make plays."

Most of the squeezing came from the defensive line and linebackers, who sacked Sawyer six times and limited him to just 9-of-26 passing for 107 yards and 49 rushing. Defensive end Julian Strickland, who had three tackles and a sack, said the new scheme implemented in August is finally coming together.

"In camp it was awful," Strickland said. "Nobody knew what they were doing. But everyone gets it now. And it works."

The defense generated two turnovers — an interception and a fumble — plus a fumble recovery on a punt. All three led to USD points.

Freshman defensive back Al-Riwan Adeyemi opened the scoring when he picked Sawyer on Morehead's third play of the game, returning it 37 yards for the touchdown.

"That's not on my offensive line... They have done an amazing job for me all season."

SEBASTIAN TRUJILLO,
USD quarterback, on getting sacked for the first time all season.

"Eyes as big as a kid on Christmas morning," Adeyemi said. "I saw the dude running a little drag route. I just stepped in front and took it to the house."

Also in the first, Morelli put USD up 14-0 on a 4-yard run.

To close the opening quarter, tight end Mitch Ryan caught a 25-yard touchdown pass from Trujillo. Four plays earlier, it appeared Ryan had a 63-yard touchdown off a screen pass, but it was called back on a holding call.

Receiver John Matthews added two touchdowns in the second quarter, both on fade routes, to put the Toreros ahead 35-0 at halftime. He finished with 7 catches for 73 yards.

USD's offense wasn't immune to mistakes, however. Two second-quarter drives stalled deep in Morehead territory. First it was a missed 24-yard field goal. Then, on second-and-goal at the Morehead 4, Trujillo gave the ball back to the Eagles by fumbling a snap.

The Eagles (3-3, 1-1) strung together 17 second-half points, but Caragher said with a 35-0 lead, it was tough to keep the fires burning.

"I told the team let's not be complacent," Caragher said. "But at the same time, it is that score and we have a young football team."

USD Summary

USD Summary

USD 41, Morehead State 17

Monehead State 0 0 14 3-17
USD 21 14 3 4-41

First Quarter
USD-Al-Sawyer 17 (Al-Sawyer kick), 12:43.
USD-Morelli 4 run (Morelli kick), 5:20.
USD-Ryan 23 pass from Trujillo (Cullen kick), 5:33.

Second Quarter
USD-Adelyemi 19 pass from Trujillo (Cullen kick), 7:34.
USD-Matthews 5 pass from Trujillo (McSorley kick), 15:54.

Third Quarter
USD-Field goal 51 yd (Trujillo kick), 9:28.
USD-Field goal 20 yd (Field goal), 1:39.
USD-Field goal 19 yd (Field goal), 2:22.

Fourth Quarter
USD-Field goal 34, 11:11.
USD-Field goal 25, 5:01.

Monehead State 17

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STATISTICS

USD-Field goal 25, 5:01.
Early MSU Turnovers Propel San Diego Past Football Eagles, 41-17

SAN DIEGO, Calif. - Three first-half Morehead State turnovers led to San Diego scores, and the Toreros were never headed in a 41-17 win over Football Eagles Saturday evening at Torero Stadium.

Click here for complete game stats.
Click here to listen to the archived broadcast.

San Diego raised its perfect record to 6-0 overall and 4-0 in the Pioneer Football League, in winning for the 28th consecutive time at home. MSU fell to 3-3 overall, 1-1 in the PFL.

After the Eagles forced San Diego to a three-and-out punt on the opening series of the game, Torero defensive back Al Adeyemi picked off a pass by MSU quarterback Evan Sawyer and returned it 37 yards for the first score of the game at the 13:43 mark of the first quarter. James Cullen's extra point kick made the score USD 7, MSU 0.

The teams then exchanged punts, MSU return specialist Nick Feldman fumbled a punt return and USD recovered at the Eagle 28-yard line. Three plays later, Torero running back Phil Morelli scored on a four-yard run, and another Cullen PAT made it 14-0 with 5:30 left in the first quarter.

San Diego added another score in the first quarter to lead 21-0 at the end of the first 15 minutes. The Toreros tacked on 14 second quarter points and led 35-0 at intermission. The final USD score of the half came after an MSU fumble.

"You can't turn the ball over the way we did against an outstanding football team like San Diego," said MSU Coach Matt Ballard. "But, we did show what we are made off in the second half. We've got to learn from this game, then put it behind us and get ready for another very athletic team in Jacksonville."

MSU out-scored the Toreros 14-3 in the third quarter to cut the lead to USD 38, MSU 14. Eagle Erick Fitzpatrick scored on a 51-yard run at the 9:28 mark of the period, and Mason Webb kicked the extra point. John McSorley kicked a 26-yard field goal for San Diego with 3:39 remaining in the quarter. Then, Fitzpatrick caught a 20-yard pass from Sawyer and Webb added the PAT with only 22 seconds remaining in the third.

Webb (34 yards) and McSorley (25 yards) matched field goals for the only scores of the final quarter.

San Diego had 405 yards in total offense to 253 yards for MSU. Morelli rushed for 115 yards on 25 carries. Torero quarterback Seb Trujillo passed for 198 yards and three touchdowns.

Fitzpatrick rushed for 94 yards on seven carries and caught five passes for 48 yards for the Eagles. Sawyer passed for 107 yards and rushed for 70 yards.

It will be Homecoming next weekend on the MSU campus. The Football Eagles will play host to Jacksonville at 1 p.m. EDT on Saturday (Oct. 18).
SAN DIEGO (AP) — Sebastian Trujillo threw three touchdown passes to lead San Diego to their 28th straight home win with a 41-17 victory over Morehead State on Saturday night.

Trujillo had all of his touchdowns in the first half as San Diego built a 35-0 halftime lead with three Morehead State turnovers leading to 21 points.

San Diego (6-0, 4-0 Pioneer Football) has the nation’s longest home winning streak lead among all Football Championship Subdivision and Football Bowl Subdivision teams. The Toreros started the season with six consecutive wins for the third straight year.

Trujillo completed 19 of 31 passes for 198 yards and threw TD passes of 19 and 6 yards to John Matthews. Mitch Ryan also caught a 25-yard scoring pass.

Cornerback Al-Rilwan Adeyemi opened the scoring when he returned an interception 37 yards for a touchdown just more than one minute into the game. Phil Morelli, who gained 115 yards on 25 carries, added a 4-yard TD run.

Morehead State (3-3, 1-1 PFL), which gained only 77 yards in the first half, scored on a 51-yard run by Erick Fitzpatrick and a 20-yard pass from Evan Sawyer to Fitzpatrick, both in the third quarter.
West roundup: Brigham Young wins low-scoring contest

Max Hall throws three touchdown passes for the Cougars, and that's all they need in a 21-3 victory over New Mexico.

October 12, 2008

* No. 9 Brigham Young 21, New Mexico 3: Max Hall threw three touchdown passes and the Cougars (6-0, 2-0) survived their lowest scoring game of the season in beating the Lobos (3-4, 1-2) in a Mountain West Conference game at Provo, Utah. BYU stretched its nation-leading winning streak to 16. Austin Collie had nine catches for 170 yards for the Cougars, his fourth straight 100-yard receiving game. Hall completed 22 of 34 passes for 273 yards.

* No. 14 Utah 40, at Wyoming 7: Matt Asiata ran for a touchdown and caught another and the special teams scored two touchdowns to lead the Utes (7-0, 3-0) over the Cowboys (2-5, 0-4) in a Mountain West game at Laramie.

* Texas Christian 13, at Colorado State 7: The Horned Frogs (6-1, 3-0) scored on their first possession and their defense did the rest in defeating the Rams (3-3, 1-1) in a Mountain West game at Fort Collins.

* Air Force 35, at San Diego State 10: Freshman tailback Asher Clark rushed for 109 yards and a touchdown to lead the Falcons (4-2, 2-1) over the Aztecs (1-5, 0-2) in a Mountain West game. Air Force's triple option offense finished with 401 rushing yards in 77 rushes.

* New Mexico State 48, at Nevada 45: Chase Holbrook passed for 409 yards and three touchdowns to help the Aggies (3-2, 1-0) defeat the Wolf Pack (3-3, 1-1) in a Western Athletic Conference game at Reno. New Mexico State finished with 513 yards in total offense and Nevada nearly matched it with 507 yards.

* San Jose State 30, Utah State 18: Paul McDonald threw for a season-high 300 yards and three touchdowns to lead the Spartans (4-2, 2-0) over the Aggies (1-5, 1-1) in a WAC game.

* Fresno State 45, at Nevada 41: Perez Miller had a 90-yard touchdown run in the third quarter and quarterback Tom Branstater had two touchdown passes and two runs for another to lead the Bulldogs (4-2, 1-1) over the Wolf Pack (1-6, 0-3) in a WAC game. Fresno built a 42-17 lead on the first play of the fourth quarter.

* San Diego 41, Morehead State 17: Sebastian Trujillo threw three touchdown passes to lead the Toreros (6-0, 4-0) over the Eagles (3-3, 1-1) in a Pioneer League game for their 28th consecutive home win.

* Occidental 28, at Redlands 15: Jason Haller had touchdown runs of 62 and 66 yards and quarterback Justin Goltz had a 58-yard touchdown run to lead the Tigers (4-0, 2-0) over the Bulldogs (3-1, 1-1) in a SCIAC game.

* at Cal Lutheran 44, Pomona-Pitzer 13: Jericho Toilolo threw three touchdown passes and ran for another to lead the Kingsmen (3-1, 2-0) over the Sagehens (1-3, 0-1) in a SCIAC game.

* at Claremont-Mudd 44, La Verne 14: Daniel Piccioi returned an interception 52 yards to open the scoring and Ashton Clarke returned a blocked field-goal attempt 70 yards for another score to lead the Stags (2-2, 1-1) over the Leopards (0-4, 0-2) in a SCIAC game.

* Chapman 35, at Whittier 21: Mike Christensen rushed for four touchdowns and 262 yards to lead the Panthers (3-1) over the Poets (1-3).

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USD coach assesses season at midpoint

by Kevin Gemmell

We’re trying to rotate ends. Our team ranks first in the Pioneer Football League in most offensive categories. Our quarterback has yet to be sacked in five games, and the Toreros have the best rushing attack in the league despite losing J.T. Ragan, their top back, in the first quarter of the first game.

The Toreros are through what Caragher considers the easy part of their schedule, and key games against Dayton and Davidson are looming that will determine their league champion.

Five wins into an 11-game season, Caragher breaks down the Toreros position-by-position.

Quarterback Sebastian Trujillo: “I’m pleased as long as Scherrat keeps improving game by game and getting better. We’re not giving up on touchdown passes or pass efficiency. It’s making good decisions and getting rid of the ball, things that don’t show up in the statistics. He’s done a nice job improving that last couple of games.”

Running backs: “You would have thrown me for a curve if you would have said J.T. Ragan out for the season in the first game. It wouldn’t have known how to adjust. But some young players have emerged. Phil Morelli has stepped up to the plate and our young running back Matt Johini has taken advantage of his opportunities. Vince Asafa moved over from defensive line to fullback. He’s a 230-pound fullback with his hair flying all over the place.”

Wide receivers: “John Matthews jumps to the front, having a terrific year. An All-American season, but we’re not so onedimensional throwing the ball. (TR) Mitch Ryan and Ben Hammonds and Godfrey Smith are all stepping up. But we still get on them for downfield blocking. It can be the difference between a 10-yard run and an 80-yard run.”

Offensive line: “In my 10th year of coaching, I haven’t seen a quarterback get sacked in five games. They are doing a good job blocking all of the tackles we’ve seen so far. Central Smith and Deene Kabiling have played solid. We’re trying to rotate will and find the right combination, but overall they are doing a good job.”

Defensive line: “We’re still looking for some consistency. We lost Chris Caneelli for a game, Alex Rice missed a game, so we’re looking for some consistency on the interior and the defensive ends. Maria Run is doing a good job, but like any freshman, it’s a growth process. We’ve had a couple of good goal-line stands.”

Linebackers: “They are doing a great job controlling turnovers. Losing Lota Keaneangata (for at least two more weeks) hurts. He was a trail of a player in the first two games, then he gets hurt. We’re still trying to find the right combinations. But they are playing both with the system and not giving up any big plays.”

Secondary: “Youthful. I would say (senior) Ryan Fisher is playing very good. (Junior) Gabe Derricks has had a good, solid year. That’s when you know you have an outstanding corner is they don’t get much thrown their way. Freshman Ali Riahi-Adysani is learning on the job. You can see a mixture of youth and experience. We haven’t given up the home run per se.”

Special teams: “A little inconsistent. We haven’t punted that much, which is nice, but we moved to Kyle Negrete and he’s been more consistent. And he’s also a linebacker. Kickeoffs have been consistent. Last week, excellent. Field goals, we have a new snapper, new holder and new kicker. We’ve spent time addressing that.”

Kevin Gemmell (619) 718-5304; kevin.gemmell@universt.com

MOORHEAD ST. at USD

When: Today, 6 p.m.
Where: Toreros Stadium.
Records: Moorhead State (2-2) 1-0, USD (5-0, 2-0)
Last year: USD won 27-4
Series record: USD 2-0
Notable: Moorhead ranks second in the PFL in total offense, USD ranks third.

Webcast: Follow the game online at www.usdторerus.com

Senior receiver Ben Hammonds, who has helped USD to a perfect start, carries the ball in the 42-14 drubbing of Valparaiso. 

Kevin Gemmell, USD Tribune
Toreros vie for fans' attention

■ Saturday is first of three scheduling conflicts for USD

TOM SHANANAN
FOR THE NORTH COUNTY TIMES

SAN DIEGO — The University of San Diego football program puts its 5-0 record and a 27-game home field winning streak on the line against Morehead State at 6 p.m. Saturday at Torero Stadium.

"We have the longest home winning streak in Division I in the nation, and we play a tough home schedule," said USD athletic director Ky Snyder. "A lot of people in San Diego don't know it."

One reason might be the competition on the field isn't all that USD is up against for ticket sales.

Across town, San Diego State, USD's big brother in terms of football prestige, kicks off at 6:30 p.m. Saturday against Air Force at Qualcomm Stadium. In addition, the Aztecs are bolstering attendance with the annual KGB SkyShow that attracts crowds of 50,000-plus.

Saturday's conflict is the first of three games this season in which USD and SDSU play home games on the same night with kickoffs within an hour of each other.

It's not really a choice, of course, for loyal USD fans or SDSU fans. They make their plans around their team.

But in a city of transplants, what about other college football fans? Although USD is a non-scholarship program in the Football Championship Subdivision (formerly Div. I-AA), and SDSU plays in the Football Bowl Subdivision (Div. I-A), might the former be attractive to fans wishing to see a winning program that has caught the attention of NFL scouts? Last year, quarterback Josh Johnson was drafted in the fifth round by the Tampa Bay Buccaneers.

This year, record-setting wide receiver John Matthews is drawing NFL scouts.

USD is limited to a certain extent on its scheduling. The Toreros' home dates for their four Pioneer Football League games are set by the league office. In addition, college football non-league schedules are typically set years in advance.

Snyder recently signed deals for a series against two Ivy League schools that don't start until 2012. The first home game against Harvard is in 2012 and the first home game against Princeton is slated for 2014.

The Toreros, though, have some flexibility with starting times. USD prefers evening kickoffs, but last week the Toreros started at 2 p.m. for their homecoming game. USD drew its largest crowd, 4,162 fans, to 7,000-seat Torero Stadium, bumping its three-game home average to 3,637.
It's better later for USD win over Valpo

By Kevin Gemmell
STAFF WRITER

Maybe it was the 2 p.m. kickoff? The overcast skies? Turf on the market — no one seems to know.

Whatever it was, the first 15 minutes of yesterday's home football game between USD and Valparaiso were — according to one player — not very USD-like.

But you'd never know from the final score, a 42-14 USD win at Torero Stadium. With the victory, USD (5-0, 3-0) extends its national-best home win streak to 27 games.

On the opening drive, the Crusaders (1-3, 0-1) marched 70 yards on 12 plays — all on the ground — capped by Jake Riedel's 3-yard nm.

"They sort of hit us in the mouth with that," USD linebacker Derek Marten said. "I don't want to say they caught us off guard. I really don't know what it was."

The last 30 minutes, however, were more to USD's liking. Marten and Co. blanked the Crusaders and held them to 64 yards of offense. Playing with swagger and panache, the USD defense forced four punts and a turnover on downs.

"The coaches challenged us at halftime to start playing USD football," said Marten, who led the Toreros with eight tackles, two for a loss.

USD's offense also had some first-half hiccups. The Toreros answered Valpo's opening score with a 29-yard strike from quarterback Sebastian Trujillo to Ben Hannula.

There were opportunities for more points in the first, but drives stalled on a failed fourth-down conversion at the Valpo 3, a missed field goal, and one that never got started when Hannula fumbled a punt return.

"You can't afford to turn the ball over," USD coach Ron Caragher said. "... We don't take to that very well."

Hannula, the backup quarterback, made up for the fumble in the closing minutes of the first half. He took a pass from Trujillo behind the line of scrimmage, then tossed a 37-yard touchdown to Godfrey Smith.

"There were some little things we did wrong," said Hannula, who finished with four catches for 46 yards. "But we made the adjustments and picked it up."

Valpo tied the score at 14-14 with one second left in the half on a Warren Arnold quarterback sneak. USD's offense came out with a little more pop in the second half — a lot of which started with an aggressive block on the kickoff return from Smith, who drove a Valpo player to the ground. It led to a holding penalty and some shoving and jawing, but it also ignited the offense.

The Toreros scored on their next two possessions — a 46-yard touchdown pass from Trujillo to John Matthews and a 2-yard Matt Jelmini run.

Trujillo finished a crisp 20-of-25 for 295 yards and three touchdowns. Matthews caught seven balls for 144 yards and two scores.

Trailing 28-14, the Crusaders made a fourth-quarter push following a fumble by USD running back Phil Morelli. With second-and-goal at the USD 1, Valpo failed to score on a quarterback sneak, then consecutive penalties pushed them to the 11. USD's defense held and forced a turnover on downs.

Two plays later, Jelmini scampered for 87 yards to the Valpo 8, which led to a 1-yard touchdown run from fullback Vincent Atofau.

"I think I got a little lucky," said the 5-foot-7, 180-pound Jelmini, who rushed for 130 yards on seven carries. "I'm a little guy so I can just hide behind the big guys."

Trujillo and Matthews hooked up again for a stat-padding 35-yard touchdown with 3:44 remaining.

Kevin Gemmell: (619) 718-5304; kevin.gemmell@uniontrib.com
USD extends long home streak

TOM SHANAHAN
FOR THE NORTH COUNTY TIMES

SAN DIEGO — You might wonder if the 14-14 first-half score was an attempt to add rare suspense to a University of San Diego home football game. But coach Ron Caragher’s UCLA degrees are in psychology and education, not marketing.

He didn’t enjoy the homecoming game against Valparaiso until USD pulled away for a 42-14 victory Saturday before 4,162 fans at Torero Stadium.

“When a team is playing you nose to nose, you can’t afford to turn the ball over and get stopped on downs, which we did,” Caragher said. “We challenged them in the second half to play USD football, and they responded.”

USD (5-0, 3-0 Pioneer Football League) extended the nation’s longest home winning streak among Division I schools to 27 with a 28-0 second-half comeback against the Crusaders (1-3, 0-1).

Other than USD’s season-opening 38-10 win over Marist, in which the Toreros trailed 9-7 for only four minutes, USD hadn’t been behind at home since Oct. 28, 2006 against Morehead State. In that game, Morehead State led 7-3 for a mere two minutes before two straight USD touchdowns led to a 44-21 victory.

In 2007, homecoming was the season’s only close home game, as Davidson managed ties of 7-7 and 14-14 before USD won 52-49.

“That’s two years in a row the homecoming game was a battle,” said Caragher, noting the oddity.

But USD began to pull away from Valparaiso on the fourth play of the third quarter, when senior wide receiver John Matthews caught a 46-yard touchdown pass from quarterback Sebastian Trujillo.

Matthews, who split two defenders down the left hash mark, later caught a second touchdown pass with 3:44 left in the game. His ninth and 10th TD receptions of the season pushed his school-record total to 39. He finished with seven catches for 144 yards.

Something else uncharacteristic about USD football was a pair of on-field altercations involving backup receiver Godfrey Smith. One came after Smith blocked his man on a kickoff return and the other after the game.

“The first one he did a nice job of driving his man into the ground and put him on his back, and I don’t know why the official threw a flag,” Caragher said. “The other one I’ll have to address.”
Trujillo throws 3 TD passes as San Diego extends home winning streak

The Associated Press
Sunday, October 5, 2008

SAN DIEGO: Sebastian Trujillo threw for 295 yards and three touchdowns to help San Diego extend its home winning streak to 27 games with a 42-14 win over Valparaiso on Saturday.

Trujillo completed 20 of 25 passes and hit John Matthews on a 46-yard scoring pass on San Diego's first possession of the second half to break a 14-all halftime tie. Trujillo also found Matthews on a 35-yard TD pass late in the game.

San Diego (5-0, 3-0 Pioneer Football) have the longest home winning streak in the nation among all Football Championship Subdivision and Football Bowl Subdivision teams.

Valparaiso (1-3, 0-1 PFL) scored the game's first touchdown on Jake Reidel's 3-yard run but gained only 260 yards.

Ben Hannula caught a touchdown pass and threw a TD pass touchdown for the Toreros, who gained 578 yards in total offense.

Hannula, a wide receiver, caught a 29-yard scoring pass from Trujillo and also threw a 37-yard touchdown to Godfrey Smith in the first half. Valparaiso tied the game at 14-all at halftime on a 1-yard quarterback sneak by Warren Arnold with no time left.

San Diego also got touchdowns on Matt Jelmini's 2-yard run and on a 1-yard run by Vincent Atofau.

Correction:

Notes:
SAN DIEGO -- San Diego scored four unanswered touchdowns in the second half to break open a tie game on the way to defeating Valparaiso 42-14 on Saturday afternoon.

The Crusaders tied the game 14-14 at halftime, but were unable to get the offense moving in the second half.

Valparaiso took the opening kickoff and slowly and methodically moved it down field. A 12-play, 70-yard drive, all on the ground, put the Crusaders on the scoreboard. Five different ball carries shouldered the load until Jake Riedel scored from three yards out to open the scoring.

San Diego quickly responded in just five plays. A 29-yard touchdown strike over the middle from Sebastian Trujillo to Ben Hannula tied the contest at 7-7 with 6:17 to play in the first quarter.

Following a Valparaiso interception that set the Toreros up in Crusaders territory, the VU defense stiffened. San Diego drove to the three, only to be stuffed on a fourth-and-one by the interior of the VU line.

Valparaiso was forced to punt on the second play of the second quarter, but Laurence Treadaway stripped the ball from Hannula on the return and JaVon Welch fell on it for the Crusaders at the San Diego 42-yard line. This time it was San Diego's defense that stopped Valparaiso on a fourth-and-one at the Torero 33.

San Diego took the lead just before halftime as Hannula connected down the right sideline with Godfrey Smith on a wide receiver pass for a 37-yard touchdown with 1:18 to play to give the Toreros a 14-7 lead.

VU's two-minute offense took over, starting with a Warren Arnold scramble for a first down on a third-and-13. He then completed an 18-yard pass to Chesterton's Ryan Myers down to the San Diego 27 with less than 30 seconds to play. Another completion to Desmond Lewis at the half-yard line with just three seconds left gave VU a first-and-goal. Arnold then dove over the line for a touchdown with no time remaining to tie the game at 14 at the half.

"Our players came out and played hard, fast and executed in the first 30 minutes," VU coach Stacy Adams said.

San Diego took over out of the break. Trujillo found John Matthews for a 47-yard touchdown pass two minutes in, and the Toreros followed that with a 2-yard TD run by Matt Jelmini to make it 28-14 with 6:10 to play in the third quarter.

The Crusaders' chances dimmed after being shut down on fourth-and-goal with 9:47 to play.

"San Diego scored early in the second half and we didn't get the score we needed early in the fourth, or it would have been a different ball game," Adams said. "The score was no indication of the way the game was played."

San Diego added two more late touchdowns to seal it.

Arnold finished the game as VU's rusher with 84 yards on 16 carries.

San Diego (5-0, 2-0 PFL) finished the game with 578 yards of total offense, including 332 through the air.

VU (1-3, 0-1) will return home next Saturday for its Homecoming game against Davidson.

http://www.post-trib.com/sports/1203234,vugamer.articleprint

10/6/2008
SoCal WCC Weekly Roundup (Oct. 6)

Football

San Diego kept alive its home winning streak (27 games), the longest such streak in Division I, with yet another blowout over a league opponent...

The 5-0 Toreros (PFL 3-0) wiped out Valparaiso 42-14 on the strength of a nearly perfect game by quarterback Sebastian Trujillo, who was 20-25 for 293 yards and three touchdowns. John Matthews caught seven balls for 144 yards and two scores to extend his career touchdown record.

Valpo got on the board first with a touchdown late in the first quarter, and USD responded just over two minutes later. After USD took the lead late in the half, Valpo evened it up just before the break at 14-14. But the second half belonged to USD, which scored four unanswered touchdowns to the delight of the Homecoming crowd.

USD will try to remain perfect this weekend when Morehead State comes to San Diego for another Pioneer League battle.

Men's Soccer

It is league season again as all seven WCC teams kicked off their conference schedules over the weekend.

The Toreros got off on the right foot, traveling to Moraga, where they beat the home standing St. Mary's Gaels 1-0. The goal came on a sixth minute penalty kick by USD's Eddie Ahman, and the teams shut one another down for the remainder of the game.

The win was USD's first of the season, but the team did post ties against two top 10 schools.

On Sunday the Loyola Marymount Lions also visited the Gaels, but St. Mary's was too much for LMU and won 2-1 thanks to a goal by Emmanuel Sarabia with just 58 seconds left in regulation. The week was not a total loss for the Lions, who earned a 2-1 overtime win over Bakersfield on Thursday.

Women's Soccer

Both Pepperdine and No. 21 San Diego traveled to No. 4 UCLA last weekend, and neither was happy with the result. The Bruins knocked off the crosstown rival Waves 1-0 on Friday and then jumped all over the Toreros, winning 3-0.

LMU had a slightly better weekend, winning 1-0 at Northridge on Friday and then holding San Diego State to a scoreless tie in San Diego on Sunday.

San Diego, LMU, and Pepperdine will all open their conference schedules this week, with the trio sitting in second, fourth, and seventh respectively in the overall standings.

Women's Volleyball

The WCC opened its regular season last weekend, with the conference going 21-34 against non-conference opponents overall in the preseason. LMU got off to a rough start, traveling to the Bay Area and losing 3-1 to No. 23 Santa Clara on Thursday, and then falling 3-1 to No. 35 St. Mary's on Sunday.

No. 15 Pepperdine fared slightly better on the same road trip, going the distance against both schools, but came away with a 3-2 loss at Santa Clara and a 3-2 win at St. Mary's. No. 16 San Diego got to open their WCC schedule at home and handled Gonzaga (3-0) and Portland (3-1) with ease.

Crusaders don't have to face Rogan, but San Diego has depth on offense.

BY JOHN MUTKA Post-Tribune senior correspondent

VALPARAISO — First the good news, Valparaiso University's Crusaders won't have to deal with San Diego running back JT Rogan in their Pioneer Football League opener today.

Rogan rushed for 127 yards and four touchdowns last year in a 41-27 victory at Valparaiso, but blew out his knee in game one of this season.

Now for the bad news: The host Toreros are 4-0 and favored to win their fourth consecutive PFL title behind new quarterback Seb Trujillo, who has connected with leading receiver John Matthews for eight touchdowns. As for the ground game, Phil Morelli has filled the void by averaging 90 rushing yards per game.

"Matthews is a handful," says VU coach Stacy Adams. "And San Diego always has depth. They just reload."

Trujillo lacks the mobility of Josh Johnson, who torched the Crusaders for nearly 300 yards in total offense, but the junior college transfer leads the PFL in passing efficiency and has clicked for 1,023 yards.

Combined with Matthews, Trujillo will challenge VU's defense, which ranks first in the PFL against the pass with a 48.7-yard average, second in points yielded (14.7), but last against the run (240 yards).

"Stats are just numbers, but we need to improve against the run, of course," says Adams, pinpointing the reason for VU's 1-2 record. "We've been hurt up the middle because we're young there."

End Andrew Mack, who figured in 10 tackles against Marian, corner back Kyle Himmelwright, who leads VU in tackles for losses, and linebacker Sean Dillon have bulwarked the defense. Valparaiso's secondary has clicked for seven interceptions, Anthony Curry leading the way with two.

Second-half breakdowns have been costly for VU, which has converted only 13 of 43 third down plays and is a minus-eight in possession time after the intermission. Ill-timed penalties have also been costly, particularly against Marian. In that 13-10 loss, penalties wiped out two VU touchdowns in one series.

Quarterback Warren Arnold needs just 288 yards to pass Gordon Helms (3,501) and Ryan Doerffler (3,861) to move into sixth place for VU career total yardage, but big plays are tougher to come by because top receiver Steve Ogden has been slowed by an upper leg injury.

"He's about 85 to 90 percent," says Adams, who is exercising due diligence.

Though he's a step slower and often double-teamed, Ogden still leads VU with 12 receptions. Nicholas Henton has tried to pick up the slack with eight receptions and Chesterton newcomer Ryan Myers is averaging 18.7 yards per catch.

Ross Wiemer has emerged as VU's leading rusher with a 4.9 average and John Popper is developing into one of the PFL's best return men. He is listed in the top five on punts and kickoffs.

A bye week gave VU extra time to prepare for the Toreros, who lead this series 10-5. Since Jim Harbaugh turned them into a power with a three-year record of 29-6 before jumping to Stanford last year, the Toreros have beaten VU four straight times.

They tuned up for VU with a 43-17 romp over Drake.

Contact John Mutka at jandgmutka@msn.com
MORE COLLEGE FOOTBALL

USD wakes up to wipe out Valpo

After a sluggish first half that ends tied 14-14, the Toreros roll to a 42-14 win. D9
Toreros Report

Today: vs. Valparaiso

Kickoff: 2:05 p.m. Saturday at Torero Stadium
Records: Valparaiso 1-2, 0-0 Pioneer Football League; USD 4-0, 2-0
Radio: KASH 1700 AM

At a glance: The afternoon kickoff for homecoming against Valparaiso is USD's first appearance on home turf since a Sept. 6 win over Azusa Pacific that extended the 'Toreros' home winning streak to 26 games. USD had a bye week after Azusa and then won back-to-back conference road games against Campbell and Drake. Valparaiso is playing its PFL opener.

USD is averaging 41.0 points a game with junior QB Sebastian Trujillo throwing to senior WR John Matthews and handing off to redshirt freshman RB Phil Morelli. Matthews' two touchdown catches of 16 and 39 yards in last week's win over Drake gave him 37 for his career to set a school record.

Morelli, a Colorado State transfer, is averaging 90.0 yards rushing a game with five touchdowns as the replacement for senior J.T. Rogan, who was lost for the year with a knee injury. Valparaiso is coming off a bye week following a 13-10 loss to Marian (Ind.). The Crusaders are allowing 239.7 yards a game rushing and having trouble moving the ball on offense. In three games, senior QB Warren Arnold has completed 35 of 78 passes for 409 yards and one TD.

— Tom Shanahan
Colorado State transfer is thriving for Toreros

SAN DIEGO — Colorado State won't arrive in town until Oct. 25 to play San Diego State. No matter how that game turns out, however, first-year Rams coach Steve Fairchild has already contributed to the win column of a San Diego college football team.

More specifically, the University of San Diego — One of the changes Fairchild, a San Diegan from Patrick Henry High and Mesa College, made in spring practice was moving Phil Morelli from running back to wide receiver.

Morelli didn't agree with the move. Halfway through spring drills, he left the team and even considered giving up football.

"It's nothing against the new coaches," Morelli said. "But I was recruited (former coach) Sonny Lubick and his staff, and I wasn't playing a position I enjoyed I was falling out of love with the game; it wasn't what it was in high school."

Morelli has found a new home at USD. The unbeaten Toreros (4-0, 2-0 Pioneer Football League) will play Valparaiso (1-2, 0-0) in their homecoming game at 2 p.m. Saturday at Torero Stadium.

"This has been the best decision I ever made to come here," said Morelli, a Denver native. "I didn't decide until three days before fall camp. When I left CSU, I was ready to walk away from football and just be a regular student."

USD's running game, considered in good hands with the return of senior all-league selection J.T. Rogan, would be hurting without Morelli's presence.

He had arrived at USD as a redshirt freshman content to sit behind Rogan and play special teams, but that all changed when Rogan was lost for the season with torn knee ligaments in the first quarter of the season opener.

"When I came here, I quickly found out J.T. was the man, and I was fine with that," Morelli said. "I knew that he put his time in here and he had done so much for the program."

The 5-foot-11, 180-pound Morelli was the PFL offensive player of the week in late September after rushing for 151 yards and three touchdowns on 21 carries in a 43-7 win over Campbell. He leads the Toreros with 360 yards in four games, averaging 4.9 yards a carry with five touchdowns.

Despite dropping down from a Football Bowl Subdivision (formerly Division I-A) program to the Football Championship Subdivision (Div. I-AA), Morelli didn't suffer a blow to his confidence.

"I didn't have to swallow my pride," he said. "A lot of guys ask me about that (moving down a division). This is such a top-notch program; it really is a Division I-A school besides the fact we're not a scholarship program. Everything here is top notch about the way the program is run."

One reason he looked at FCS schools was so he wouldn't have to sit out a year. He had already redshirted at CSU in 2007, and transferring to a FBS school would have meant sitting out a second straight year.

But he also had to convince USD coach Ron Caragher that he would be content to play a backup role in his first year.

"We don't recruit on just size and speed," Caragher said. "I'm a big believer in team chemistry as part of a team's success. I don't want to bring in a guy if he's going to be frustrated or complaining.

"When I first talked to him and his father, I could tell he understood the situation and that he had a team-first attitude. I think he's having fun again playing football."

PHOTO COURTESY USD

Phil Morelli leads USD with 360 yards rushing.

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Rogan rehabs, ponders future

By Kevin Gemmell
STAFF WRITER

It's an off week for the USD football team, but not for J.T. Rogan. He has big plans for the future and can't afford such luxuries.

"I'm going to play football next year, whether it's here, in the pros in the Arena Football League, in Europe or in Canada," Rogan said the other day, sitting at a trainer's table with a glacier of ice on his surgically repaired left knee. "Unless my body won't let me, I still feel like I have a date with destiny."

The 22-year-old running back has yet to watch the play that put him out for the year and derailed destiny for at least a season. During a breakdown run in the first quarter of the season opener against Marian, Rogan tried to cut back in the open field, stumbled awkwardly on his plant leg and fell to the ground unsmoothed.

"At first I thought it was a hyperextension," he said. "But I knew it was bad."

Minutes later, his left knee was diagnosed as a mushy lateral meniscus tear and a medial collateral ligament, medial and lateral meniscal damage and a lateral femoral condyle microfracture.

"I've made that move hundreds of times, in practice and in games," he said. "For that to happen, you just have to consider it a fluke injury."

Since team physician Dr. Paul C. Murphy performed surgery last month, Rogan has become a model rehab patient.

"He asks very good questions," said Carolyn T. Greer, USD's associate director of athletics for sports medicine. "He's very informed about what happened to his knee and the restrictions on him. He's frustrated, but he doesn't show it in personality or effort." His upbeat attitude isn't a shock to teammates or coaches. As the Terreros (6-1, 4-0 Pioneer Football League) rest for next week's road game against Jacksonville, they know their All-America running back is still a big part of the team. Rogan takes his responsibilities as a captain seriously, picking the team movie every Friday night, going out for the pregame coin toss on crutches and mentoring younger running backs.

"I'm on the sideline sulking or crying "woe is me," that's not beneficial for anyone," Rogan said. "That's detrimental to the success of the team. My mindset is: What do we need to do to get ready for next week? What can I do to help the team? I'm trying to be visible and eager to help in any way I can."

Rogan's first choice is to return to USD, where he already owns career marks for touchdowns, rushing yards and all-purpose yards. Since this was his senior year, Rogan will have to petition the NCAA for a sixth-year medical redshirt. Coach Ron Caragher would welcome the Coronado High grad's return.

He inspires people around him," Caragher said. "He's a throwback to a guy you imagine playing back in the '50s. Whether it's his style of play or just the little things. He's not hung up on statistics or carries. He's a blue-collar player. He comes to work every day."

Until then, Rogan will do his best to keep his date.

"I don't know if you can quantify how much I miss it," he said. "I've probably taken it for granted an extreme amount. It's routine - every fall you block off your calendar from August to November and you play football games every week. For someone who is highly competitive and has a bond with his teammates, to be deprived of that is unfortunate. I can't wait to play at full speed again."

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Fifth-year senior J.T. Rogan blew out his left knee in the first quarter of the season's first game and hasn't decided whether he will apply for a medical redshirt to gain a sixth year of NCAA eligibility.
Same faces, different physiques for USD

Hank Wesch
SPORTS WRITER

Everybody's back from the team that in its first season ever became the first Division I basketball affiliate from San Diego to win an NCAA Tournament game.

But USD men's coach Bill Grier said that for all the familiar faces there will be a new look, physically, to the Toreros when they stage their first preseason practice this afternoon at Jenny Craig Pavilion. A look that should be noticeable when they make their first public appearance in an exhibition against Cal State Los Angeles on Nov. 8 at JCP preparatory to the season opener a week later at UNLV.

Trumaine Johnson weighed 165 pounds arriving on campus last year for a true-freshman season in which his development into a starter was instrumental in a 12-3 run to end the season. A year later, Johnson is carrying 195 on his 6-foot-2 frame, Grier said this week.

And there's Devin Ginty, the walk-on freshman who lit up Rupp Arena for 18 points in the Toreros' stunning December upset of Kentucky.

"He looks completely different," Grier said. "He has worked hard in the weight room and on the basketball floor. His confidence is high."

Rob Jones, who played in 35 of 36 games with 32 starts and lived up to the expectations of being one of the strongest impact freshmen in school history, returns with unabated hunger.

"He has stepped up his game," Grier said. "He was really driven and motivated over the summer. He's shooting the ball from the outside more consistently and can still take it strong to the basket."

Senior guard Brandon Johnson has "slimmed down a little," without losing strength.

"He has been working more on his flexibility and, believe it or not, he might be even quicker than in the past," Grier said. "And he's always been really quick."

Senior forward Gyno Pomare is ahead of the same point a year ago, when recovery from offseason foot surgery was still progressing.

"He's been able to do more, but really not as much as we'd like," Grier said. "That foot (issue) is something he's still going to have to deal with and we've got to be aware of it and help him in dealing with it."

The first practice is scheduled from 4-7 p.m. today at JCP. USD will commence two-a-day practices tomorrow. Workouts are not open to the public.

The USD women's team will follow the men on the court tonight for its first practice.

Coach Cindy Fisher is committed to freshman Dominique Conners (La Jolla Country Day) as the replacement for graduated star point guard Amanda Rego. Another key is 6-5 senior center Amber Sprague who, Fisher said, has added 10 pounds of muscle through offseason weight room work.

The women's team opens Nov. 14 at home against UCSD.

Hank Wesch: (619) 293-1853; hank.wesch@uniontrib.com
USD teams have raised expectations

By Hank Wesch
STAFF WRITER

LAS VEGAS — You can't say the USD men's and women's basketball teams don't stick together.

Coming off seasons in which both teams won their respective West Coast Conference tournaments and advanced to the NCAA's, the men and women were picked to finish third in the WCC in the upcoming season by a vote of league coaches released at a media event here yesterday.

Coach Bill Grier's men, returning all five starters from a 22-14 team that defeated Connecticut in the opening round of the NCAA Tournament, were placed behind perennial power Gonzaga and Saint Mary's — the league's other representatives at the 2008 Big Dance. Gonzaga got five first-place votes, Saint Mary's two and USD one.

Toreros seniors Brandon Johnson and Gyno Pomare, returning All-Conference first-team selections, were named to the preseason All-Conference team. Gonzaga and Saint Mary's had three representatives apiece topped by guards Jeremy Pargo of Gonzaga, the 2008 conference Player of the Year, and Patrick Mills of Saint Mary's, the leading scorer for Australia at the Beijing Olympics.

Gonzaga also was picked No. 1 on the women's side, receiving seven first-place votes. Loyola Marymount got the other first-place nod. Senior center Amber Sprague was the only USD representative on a 10-player preseason All-Conference team that included two from Gonzaga, most notably 2008 Player of the Year Heather Bowman, and three from Saint Mary's, the No. 4 team in the poll.

"I don't put a lot of stock in it. At this point, it's all speculation," said USD women's coach Cindy Fisher, whose team went 19-13 and lost to Cal in the first round of the NCAA Tournament. The Toreros return four starters, but have a big hole to fill with the loss to graduation of All-WCC guard Amanda Re-go. The question for both Toreros teams will be how they deal with the raised expectations that are the natural product of last season's success.

"This year there are greater expectations, mostly external," Grier said. "What I've been preaching to them is that they have to accept it and step up to the challenge of being a hunted (rather than hunter) team.

"I have some experience in that from being at Gonzaga when the same thing happened, and I'm excited about facing that challenge with the group of kids we have here."

Men's and women's coaches from all eight schools were on hand for the event at the 7,471-seat Orleans Arena, an adjunct to the Orleans Hotel that will be the site of the WCC men's and women's tournaments March 6-9.

All 16 coaches yesterday expressed enthusiasm over the fact that the conference event will be staged on a neutral, rather than campus, court for the first time.

Toreros notes

Men's team incoming freshman Devonier Braswell, a Detroit high school product, has been lost for the season with a ruptured Achilles' tendon suffered in conditioning work. Braswell underwent surgery on Tuesday. Recovery is expected to take six months or more . Grier and his wife Nicole are expecting their second child. A sibling for 2-year-old daughter Giselle is due to arrive around April 22.

Men's and women's coaches from all eight schools were on hand for the event at the 7,471-seat Orleans Arena, an adjunct to the Orleans Hotel that will be the site of the WCC men's and women's tournaments March 6-9.

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Hank Wesch: (619) 293-1853; hank.wesch@uniontrib.com
USD basketball
picked 3rd in WCC

The University of San Diego men's basketball team, which returns all five starters from a team that won the West Coast Conference tournament last season, was picked to finish third in the conference in the preseason coaches' poll.

The Toreros received 39 points and one first-place vote. Ranked ahead of them in the poll were Gonzaga (46 points, five first-place votes) and St. Mary's (44, 2).

Senior forward Gyno Pomare (El Camino High) and senior guard Brandon Johnson were selected to the preseason All-WCC team.

The USD women's team also was picked third, behind Gonzaga and Loyola Marymount. Toreros center Amber Sprague was picked to the all-conference team.
1. Gonzaga (25-8, 13-1); Postseason Prediction: Elite Eight

Click here for the complete Gonzaga preview.

2. Saint Mary's (25-7, 12-2)

If any team can challenge Gonzaga in this year's title race, it's the Gaels. Coach Randy Bennett returns four starters, including all-conference performers Diamon Simpson and Patrick Mills, from a team that had one of the most successful seasons in school history. Simpson, a 6'7" senior forward, is one of the WCC's most versatile offensive players and a splendid on-ball defender and shot-blocker as well. As a junior, he averaged 15.4 points and a team-high 9.6 rebounds as the Gaels earned an at-large berth in the NCAA Tournament. Mills, a sophomore point guard from Australia, put together a splendid rookie season in 2007-08, leading his team in scoring (14.8 ppg) and assists (3.5 app). Bennett's other two returning starters are junior center Omar Samhan (10.5 ppg, 7.3 rpg) and senior forward Ian O'Leary (7.6 ppg, 4.8 rpg). Samhan, a 6'11" wide-bodied post, can score inside in a variety of ways, while the 6'7" O'Leary gives the Gaels another slasher on the wing. In addition, former immersion student, another native of Australia, is eligible this season.

3. San Diego (22-14, 11-3)

The Toreros, under rookie head coach Bill Grier, stunned many college basketball experts last winter by upsetting Gonzaga in the finals of the WCC Tournament and capturing the league's automatic berth in the NCAAAs. And it doesn't look like they are going away. Grier, a longtime assistant at Gonzaga prior to replacing Brad Holland at USD, returns all five starters and his top four scorers from last year's team, and boasts a roster loaded with battle-tested veteran players. The best of the bunch is senior point guard Brandon Johnson, a third-year starter who averaged 16.9 points and 3.5 assists per game last winter while also leading the WCC with 8.3 point field goals. He will be joined in the backcourt once again by junior DeJon Jackson, who was the only Torero to start all 36 games last year, and sophomore Trumaine Johnson. The muscle inside will be supplied by 6'6" senior center Gyno Pomare (14.1 ppg, 7.4 rpg), a two-time All-WCC performer, and 6'8" sophomore forward Bob Jones (9.8 ppg, 5.8 rpg), who is one of the most physical players in the league.

4. Santa Clara (15-16, 6-8)

Coach Kerry Keating starts his second season at Santa Clara with plenty of positive vibes despite losing Brody Angley and Mitch Henke, a pair of four-year letterwinners, to graduation. The main force behind Keating's optimism is John Bryant, the Broncos' 6'10", 305-pound all-conference senior center who averaged 18.0 points and 9.6 rebounds per game last winter. Bryant has improved immensely and gives the Broncos a dominant presence inside. Joining Bryant on the front line is Ben Dowdell, a 6'7" sophomore forward who started 29 games as a freshman and averaged 8.1 points and 3.9 rebounds. There are some questions in the backcourt, where senior Calvin Johnson (4.6 ppg) bores the most experience, but if junior college transfer Perry Petty, who averaged 21.0 points and 6.9 assists as a sophomore at Allen County (Kan.) Community College last year, is as good as billed, those questions should be answered.

5. San Francisco (19-21, 5-9)

The Dons return one of the league's top players in Dior Lowhorn, who led the WCC in scoring last season with an average of 20.5 points per game. The rangy 6'7" forward, one of the league's best on-ball defenders, also led USF in rebounding with 7.4 per game. First-year coach Rex Walters also boasts a veteran point guard in senior Manny Quintero (13.8 ppg, 4.6 apg), but talented sophomore shooting guard Myron Strong (10.0 ppg) left the program in the off-season. A nice recruiting class should help, but until the Dons show they can come together as a team and hang with the WCC's best for more than half a season, the respect factor will remain limited.

6. Portland (9-22, 3-11)

With six freshmen and four sophomores on his roster last winter, Pilots coach Eric Reveno figured to be in for a rough ride — and he was right. But now, with his young players having matured, Reveno can start thinking about, perhaps, becoming a factor in the WCC race. Among UP's top returning players are junior shooting guard Nik Raivio (12.6 ppg), junior point guard Taishi Ito (7.8 ppg, 3.2 apg), sophomore forward Luke Sikma (6.1 ppg, 7.3 rpg) and junior forward and sixth man Robin Smulders (9.7 ppg, 6.2 rpg). The addition of two key recruits — point guard T.J. Campbell, a junior college All-American, and John Hegarty, a 7'1", 365-pound beast out of Winchendon (Mass.) Prep School — could cut into some of the returnees' playing time.

7. Loyola Marymount (5-26, 2-12)

Considering last year's top two scorers, Orlando Johnson and Shawn Deadwiler, decided to transfer, the Lions figure to be in for a difficult season. But first-year coach Bill Bayno managed to cobble together an impressive recruiting class that could have an immediate impact. The best of the lot is LaRon Armstead, a 6'6" freshman and local product who averaged 10 points for Fremont High School last winter. Bayno also picked up form McDonald's All-America nominee and Chipita's (Fla.) Community College transfer Vernon Teel, an active 6'4" guard and capable defender, and freshmen Ashley Hamilton, a 6'7" wing from England who was a member of Great Britain's Under-20 National team. If
AP basketball poll released

POSTED October 31, 2008 5:00 PM BY Michael Davis

I love it when a plan comes together. For example, I think back to last year and wonder about putting a team at No. 13 to start the year. Oops.

Then again, two seasons ago, I had Southern California ranked the entire season — which seemed kind of silly when the Sooners were checking in with three or four points in the poll. But they turned out to be a Sweet 16 team and I learned that anyone who likes good defense had to see at some juncture.

Well, now that the AP poll is out, there's a pretty good gauge at how many of those early-season rankings will be correct.

Southern California (Mine: No. 30; AP: No. 18): This is my third year as an AP basketball voter, and if there's something I learned already it's that with a preseason ballot in particular, you will have some hits and misses.

For example, I think back to last year and wonder about putting a team at No. 13 to start the year. Oops.

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One thing to remember is that as soon as games are played, these preseason perceptions begin to fade away pretty quickly — and the rankings actually start aligning with reality.

HIGHER THAN AVERAGE

Tennessee (Mine: No. 8; AP: No. 12): Yes, there are some serious pieces gone (like Jarnell Stokes), but the Volunteers have a formidable 3-4-5 mix of Patrick Christopher, Tyler Smith and Marlon Felder. There are neighborhoods much greater than the Vol, as this isn't as likely to look dumb down the road as some of those other picks.

Kansas (Mine: No. 18; AP: No. 24): The Jayhawks lost a ton from their national championship team, and Tyshawn Taylor's experience last year as a cautionary tale that even the best recruiters cannot simply be counted upon to reload. That said, a lot of talent was replenished, and Kansas has a decent chance to be a bottom-of-the-top-20 team.

Louisiana-Lafayette (Mine: No. 16; AP: No. 25): This was almost a pre-emptive ranking. Here's a guess on the season: Start: Couple early wins, an ugly loss or two, then a slow building process with a dynamite win or two in late December/early January heading to yet another top-two-or-three finish in the SEC. Ouch.

UNLV (Mine: No. 19; AP: No. 27): I'm mildly surprised the Runnin' Rebels aren't ranked, but can understand why they didn't crack the top 25. They'd do what they typically do: Defend like mad and count on having a couple guys play well on offense. Learn the name Wint. Adams. The UNLV guard is going to cause nightmares for someone in March.

Saint Mary's (Mine: No. 24; AP: No. 29): The Gaels were above-average last year, and guard Patrick Mills is back. This really isn't too far out of line, and chances are Saint Mary's will be in the 20-35 range all year, anyway.

UPSTAIRS THAN AVERAGE

Tennessee (Mine: No. 8; AP: No. 12): Really, do we really remember the outstanding bowl run? Does anyone in the SEC remember the SEC tournament? Or Kentucky in the NCAA tournament? Or Kentucky in the regular season and tournament? And that one tournament? Or Kentucky in the SEC tournament? Or that big loss in the SEC tournament? Or that big loss in the SEC tournament? Or that big loss in the SEC tournament?

Lower than average

Southern California (Mine: No. 30; AP: No. 18): Upon further review, No. 30 might be a tad low for the Trojans. DeMar DeRozan has a chance to be the nation's best freshman, and there are enough other pieces who played for the Trojans last year to make the Trojans a solid No. 3 choice in the Pac-10. Kansas is back to the storm of a No. 7 or No. 8 seed, though those four returning starters probably assured the majority of opinions.

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Submit your Vote!
Team preview: San Diego

San Diego's upset victory in the WCC Tournament ended up making history -- last year was the first time three league teams made the NCAA Tournament -- but it also changed the future of the conference.

Without San Diego's home-court run to the postseason title, the WCC administrators might not have agreed to shift its tournament to a neutral site -- Las Vegas' Orleans Arena -- for the first time in its history.

It's a bold move for a conference that's on the rise, and it was made possible by the emergence of San Diego as a formidable threat to the lengthy reign of Gonzaga atop the conference standings. And it happened in the Toreros' first year under long-time Zags assistant Bill Grier, who took the lessons he learned in his 16 years in Spokane and brought them down the coast to San Diego.

The transition wasn't perfectly smooth immediately -- the Toreros lost four straight in November, including games against UNLV, San Diego State and USC, and suffered through a three-game losing streak in December. But it was an 81-72 victory at Kentucky that shocked the basketball-watching nation and showed the Toreros they were indeed headed in the right direction.

"Winning at Rupp Arena with the history of that program really hammered some points that we'd been trying to emphasize with them and really got them believing that if they played together, they could go anywhere and they could beat anyone," Grier said. "And that something they could always reflect back on -- Hey, if we do things the right way, we're going to be fine."

In the regular season, the Toreros were swept by Gonzaga and split with Saint Mary's, but swept their other five WCC foes for a solid third-place finish. But with the conference tournament on their homecourt, they won three games in three nights to clinch the automatic bid to the NCAA Tournament. After slipping past Pepperdine in the quarterfinals, San Diego rallied from a 17-point deficit against Saint Mary's to win in double-overtime in the semifinals. In the championship game, they knocked off the Zags for the first time since the 2003 conference championship game, which also was on their homecourt and was the last time the Toreros reached the NCAA Tournament.

The selection committee gave San Diego a No. 13 seed and a match-up against a powerful Connecticut team, which proved to be just another challenge for the Toreros.

"The beauty of it was, they weren't just satisfied with winning the conference tournament and getting into the NCAA Tournament," Grier said. "They were hungry to get a win in the thing, but it didn't look good when our name got called and we were matched up against UConn. Having been an assistant at Gonzaga, we had the opportunity to play against them two previous times, and I just knew what those teams are like, how they defend and how physical they are, and really the way they rebound and push the ball at you.

"Obviously I had a great concern going into that game, but I think the Kentucky game really helped us in that game. I think our guys had a belief that..."
they could beat them. It was a lot like in the first media timeout against Kentucky -- I could kind of sense it and see it in their eyes, the belief that our guys really had it."

Sophomore guard De'Jon Jackson buried a jumper from the wing with 1.2 seconds left to upset UConn and give the Toreros just their third 20-win season since moving to Division I in 1980. In the second round, they once again rallied from a double-digit deficit to take the lead against Western Kentucky with less than seven minutes to play. But they ran out of gas and the Hilltoppers ran away with the game to end San Diego's season.

The good news for Grier is that he welcomes back the entire cast that provided the backbone of the postseason run. The Toreros suffered two mid-season departures -- forward Ray Hundoct (5.9 ppg, 3.1 rpg), who started 10 of the first 14 games but decided to leave the team after he lost his starting role, and reserve Josh Miller (15 minutes in six games).

PLAYERS

San Diego once again will be led by 6-8 senior forward Gyno Pomare (#21, 14.1 ppg, 7.4 rpg, 1.3 bpg), who last year was a First-team All-WCC for the second straight season despite starting the year a step or two behind most of his opponents. Pomare had surgery on his foot in the off-season and his summer conditioning program was limited, at best. But when he began to hit his stride in the second half of the season, he was as effective as anybody in the league close to the basket.

"He played four of the best games in a row the last four games of the season," Grier said of Pomare, who averaged almost 20 points and nine boards over that stretch. "This off-season he's injury-free, and he's worked out harder this summer than the people around here have ever seen."

The Toreros' breakout star last year was 6-0 senior guard Brandon Johnson (#1, 16.9 ppg, 4.1 rpg, 3.5 apg), who led the team in scoring, hit 86 three-pointers and was a First-team All-WCC selection. Johnson shot 42 percent from the floor after Grier challenged him to improve his shooting.

"He'd always been a very good, strong-bodied penetrator and could get to the rim, but the consistency in his jump shot was the only thing I think was lacking," Grier said. "He worked extremely hard on that in the off-season last year and really improved his ability to shoot the ball."

Johnson scored a career-high 28 points in the WCC semi against Saint Mary's, an example of how his scoring role expanded in the second half of the season thanks to the emergence of 6-2 sophomore guard Trumaine Johnson (#11, 5.7 ppg, 1.3 rpg, 2.7 apg, 1.0 spg). The Toreros took off when Grier inserted the freshman into the starting lineup and he responded with strong defense and the ability to make his teammates better.

"It really took the heat off of Brandon, not only from being the primary ball handler, but also he's a good defender and I think it took some pressure off of Brandon having to guard their quickest player," Grier said. "That was a big factor in our success."

Meanwhile, 6-1 junior guard De'Jon Jackson (#23, 7.6 ppg, 3.4 rpg, 2.3 apg) gave the Toreros a three-guard offense that caused match-up problems, and as Jackson showed in the UConn game, he's not afraid to take a big shot.

"If I had to pick one word to describe him, it would be 'winner', and not just because of that shot," Grier said. "He's the kind of kid who will do whatever you ask of him to win. If you ask him to score, he'll score. If you ask him to defend and rebound, that's what he'll do."

Grier is bullish on the potential of 6-6 sophomore forward Rob Jones (#32, 9.0 ppg, 5.8 rpg, 1.0 spg), an undersized power forward who was a highly recruited football player out of high school.

"This is the first time in his life where he's been able to just focus on basketball, and I think he's just starting to scratch the surface," Grier said. "I think as his perimeter skills continue to improve, I'm going to be able to move him from playing at the four to playing some at the three."

The Toreros don't have a lot of depth coming back inside, as Jones and Pomare played the bulk of the minutes last season. At center, 6-10 sophomore Nathan Lozeau (#42, 1.8 ppg, 1.2 rpg) played more early in the year as Pomare was rounding his game into shape, while 6-7 junior swingman Chris Lewis (#12, 4.7 ppg, 3.3 rpg) brings offense off of the bench and 6-7 sophomore forward Clinton Houston (#33, 1.1 ppg, 1.7 rpg) is a defensive stopper.

In the backcourt, 6-2 sophomore guard Devin Ginty (#3, 2.5 ppg, 0.8 rpg, 1.3 apg) surprised everybody when, as a freshman walk-on, he scored 18 at Kentucky in his first collegiate start. He provided occasional scoring off the bench, while 6-4 senior guard Danny Brown (#13, 2.5 ppg, 0.6 rpg) is more of a three-point threat.

San Diego's top newcomer will be 6-9 junior forward Roberto Mata (#44, 15.8 ppg, 6.7 rpg, 2.9 bpg), a transfer from Southeastern (Iowa) Community College, where he was a third-team Junior College All-American last year after shooting .585 from the floor and .794 from the line.
Mafra should see time at power forward, with Jones moving to the three when the Toreros go big.

Backcourt reinforcements come from 6-4 sophomore Matt Dorr (#20, 19.1 ppg as a prep senior), who played at the Community College of Spokane last year after one year at the U.S. Military Academy prep school; and 5-10 freshman Devon Braswell (#5, 26.0 ppg), a 226-pound fireplug from Communication Media Arts High School in Detroit, where last season he earned all-state honors.

BLUE RIBBON ANALYSIS
BACKCOURT: A-
BENCH/DEPTH: B-
FRONTCOURT: B+
INTANGIBLES: A

The Toreros certainly enjoyed their surprising postseason run last year, but Grier isn’t about to let it go to their heads.

“One thing I learned from Mark Few at Gonzaga is that it’s one thing to get there, but it’s a real challenge to get back,” Grier said. “That’s all I’ve talked to this group about. Now people are going to know you, you’re going to get their ‘A’ game, and you’ll have to bring your own or you’re going to get beat. You have to work harder this year than you did last year in order to have success, and I think how our guys handle having that success is going to determine our future this season.”

With their talented returning cast and experience behind them, the Toreros are a good bet to help the WCC retain its three-bid NCAA Tournament status.

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Be the first to comment on “Team preview: San Diego”
College Basketball Preview - West Coast Conference

The Sports Network

By Ralph Larrue, Associate College Basketball Editor

Philadelphia, PA (Sports Network) - OUTLOOK: The West Coast Conference will look to build on a successful 2007-08 campaign, which saw it send three teams to the NCAA Tournament for the first time in the 56-year history of the league. The San Diego Toreros won the conference tournament unexpectedly, last season and the experience they gained should only make them stronger for the upcoming campaign. Gonzaga was another team that earned a spot in the Big Dance after capturing the regular season crown with a 13-1 ledger. The Bulldogs are the most recognizable team in the WCC and they figure to be as strong as ever heading into this season. Saint Mary's-CA gave Gonzaga a good push this past season and its efforts landed the program an at-large bid to the NCAA Tournament. Much like the Gaels, the Toreros earned a spot in the tourney for the first time and with a little more consistency they should be one of the elite big men in the conference. As for O'Leary, he one every night. Last season, Samhan put forth 10.5 ppg and 7.3 rpg and with a little more

Conference Champion: Gonzaga


Team by Team Analysis:

GONZAGA: The Bulldogs have been a dominant program in the WCC over the past decade, winning the last eight regular-season titles and eight of the prior 10 tournament championships. Last season, Gonzaga won 13 of its 14 league bouts and went 25-8 overall en route to its 10th consecutive NCAA Tournament appearance. With three starters back in the fold and several key reserves, the Bulldogs are expected not to be one of the top teams in the WCC, but the entire nation. The leading trio is Jeremy Pargo, who is the reigning WCC Player of the Year. The 6-2 guard can simply do it all and he displayed that by netting 12.3 ppg, dishing out a league-high 5.0 apg and racking up a club-best 47 steals. Helping form one of the best backcourt tandems in the conference is Mall Bouldin, a first-team all-league choice along with Pargo. The 6-5 Bouldin led Gonzaga in scoring with 12.6 ppg and he ranked second to Pargo with 2.9 apg and 44 steals. Steven Gray is another player to keep an eye on after knocking down 46.3 percent of his three-point attempts as a junior last season. Steven Daye has the type of talent to play in the NBA one day, but first he has to prove he is recovered from an ACL tear suffered in summer camp. Micah Downs, a 6-8 forward, and 6-11 center Josh Heytvell are two other players that will make a big impact in the frontcourt and they combined for 18.2 ppg a season ago. Overall, the Bulldogs return six of their top seven scorers from last year's club and that could have this team primed for a deep run in the NCAA Tournament.

SAINT MARY'S-CA: The Gaels put together a great campaign in 2007-08, finishing second in the conference with a 12-2 mark. Overall, Saint Mary's went 25-7 and even climbed as high as No. 20 in the national rankings. Four starters return from last year's team that earned an at-large bid to the Big Dance and that should have the program on pace for another 20-win campaign. One of the biggest reasons for the Gaels' success last year was the play of Patrick Mills, who took the conference by storm as a freshman. The 6-0 Aussie earned first-team all-league accolades last season, leading the team in scoring (14.8 ppg), assists (3.5 apg) and steals (51). He only shot 33.2 percent from long range, but a summer with the consistency he should be one of the elite big men in the conference. As for O'Leary, he
The Sports Network - Men's College Basketball

produced 7.6 ppg and 4.8 rpg. Tucker is the key player for the Gaels, who have one of the strongest starting lineups in the WCC.

SAN DIEGO - In his first season at the helm, Bill Grier worked some magic and helped the Toreros capture the WCC Tournament title with a 69-62 upset of Gonzaga in the finals. Making the first NCAA Tournament appearance since 2003, San Diego went on to stun 15th-ranked and fourth-seeded Connecticut in the first round. The team finished 22-14 overall and with five starters back, the Toreros should once again be a force.

Brandon Johnson and Gyno Pomare both earned all-conference honors last season and the seniors are two of the best players in program history. Each player has already eclipsed 1,200 points for their career and the sky is the limit for both. The 6-9 Brandon Johnson is a catalyst at the perimeter and he can simply do it all, pacing the team with 16.9 ppg, 3.5 apg and 77 steals. He also snared 4.1 rpg, while hitting 37.4 percent of his 214 three-point tries. De'Jon Jackson (7.6 ppg) and Trumaine Johnson (5.7 ppg) help fill out the backcourt and they should only be better with a year of experience under their belts. Pomare highlights the frontcourt and the 6-8 forward is as good as anyone in the league. Last season, Pomare averaged 14.1 ppg and a team-best 7.4 rpg, in addition to blocking 5.6 percent of the field. He will certainly warrant a lot of attention and that should open things up for teammate Rob James, who will look to build on his freshman campaign as he saw him post 9.0 ppg and 5.9 rpg. Both Pomare and Jones (6-6) do lack some height however, and that is an issue San Diego will need to address.

SAN FRANCISCO - The Dons separated themselves from head coach Jessie Evans at midseason in 2007-08 and brought in a legend in Eddie Sutton, who ended up claiming his 700th victory during the campaign. Former Kansas great and NBA veteran Rex Walters now takes over the reins of the program and he inherits a team that returns three starters from last year's club which went just 10-16 overall. Leading the charge is Dior Lowhorn, a former Texas Tech transfer that emerged as a big time scorer and earned all-league accolades last season. The 6-7 forward not only led the Dons in scoring, but the entire conference, netting a healthy 20.5 ppg. He also pulled down a team-high 7.4 rpg and his ability to take over a game is something coveted by every team. Lowhorn, though, isn't the only talented player on this team, as Manny Quezada certainly can do some damage. The 6-2 guard is a solid scorer, a playmaker and that was evident in his 13.0 ppg and 4.6 apg averages last season. Quezada and Lowhorn were the highest scoring tandem in the conference last year and they should compete for that honor once again. The Dons, though, will be looking to see some new players help the dynamic duo and Blake Wallace is a fresh face that could immediately help out. The 6-6 Wallace transferred from Irvine Valley College, but played his freshman season at Pepperdine, where he averaged 4.7 rpg. He has enough experience and talent to jump right into the mix and provide a boost.

SANTA CLARA - After a successful 2006-07 campaign, the Broncos fell back to mediocrity last season, finishing just 15-16 overall and 6-6 within the league. Turning things around this season will fall on the shoulders of John Bryant, the premier big man in the conference. The 6-10, 265-pound center was simply sensational last season and he recorded a league-best 15 double-doubles while ranking second in scoring with 18.0 ppg. If that wasn't enough, he was also the only player to lead the league in three different categories, pacing the WCC in field goal percentage (58.3%), rebounding (9.6 rpg) and blocked shots (2.45). Bryant is a force and will surely be successful, but things could be a little more difficult without a strong supporting cast this season. The team however, does have high expectation for Ben Dowdell, who averaged 6.1 ppg as a freshman last season. The 6-7 forward made 29 starts last year and that experience should pay dividends in 2008-09. Incoming transfer Descares while is another player to keep an eye on. The 6-8 transfer from Texas Tech brings a bevy of skills to the team, but won't be eligible until December. The Broncos will turn to several other newcomers to fill out the roster and make an immediate impact.

UNIVERSITY OF PORTLAND - For the second straight season, the Pilots managed just nine wins, but with the return of four starters, they could have enough to improve greatly under third-year head coach Eric Reveno. Seven of the top eight scorers from last year are welcomed back and that includes Nik Raivio. The 6-4 guard, whose brother is former WCC Player of the Year Derek Raivio (2005), led the team with 12.6 ppg and he should only be better in his second stint with Portland in 2008-09. Taishi Ito (5.5 ppg, 3.2 apg) will accompany Raivio in the backcourt, but he will be pushed by junior college All-American T.J. Campbell, who should make an immediate impact in some way. Up front, the Pilots are set to field one of the best groups in the league with four players standing at 6-8 or taller. Luke Simms falls just short of that height, but all 6-8 he has plenty of length to be effective. Son of former NBA standout Jack Simms, Luke came on strong as a freshman last season and led the Pilots in rebounding with 7.3 rpg. He also pitched in with 6.1 ppg and that number should improve greatly with a year of experience now behind him. Robin Smeulders, a 6-9 forward, provided a spark off the bench last season, as he ranked second in scoring with 9.9 ppg. He should once again flourish in that role.

PEPPERDINE - The Waves turned to a familiar face to help restart this struggling program, as Tom Asbury is back at the helm following an 11-21 finish a season ago. Asbury had a 128-59 record in six seasons (1989-94) at Pepperdine and he led the program to three NCAA Tournaments and two NIT berths during that stretch. Unfortunately for Asbury, the Waves struggled through the rough spot, as the Waves have a lot of rebuilding to do. Pepperdine welcomes seven new faces this season and that is one of several issues. The Waves don't have much size, so expect them to use pressure to compensate. That should benefit guard Rico Tucker, who led the conference with 2.20 steals per game last season. The 6-6 Tucker is also the team's leading returning scorer (10.7 ppg) and he will be expected to produce above that number with the team's lack of experience. Forward Mychel Thompson is a player to keep an eye on and could emerge as the future of this program. The 6-7 Thompson, who is the son of former Los Angeles Laker Mychal Thompson, started 24 games as a freshman last season and averaged 8.1 ppg. He led the Waves with 36 long-range buckets and that is important because Pepperdine has no other proven three-point threat.

LOYOLA MARYMOUNT - The Lions were simply dreadful last season, posting just five wins against 26 losses. The team went only 2-12 in conference play and was outscored by nearly 18 ppg on average. With the dismal showing, Rodney Tention was dismissed as head coach and Bill Bayno was brought in to turn things around. Bayno, a one-time UNLV head coach, has a lot of work in front of him, as five players transferred, including the team's top two scorers from last year. There is a foundation to build on however, and that comes from Tim Diederichs and Brandon Johnson. Diederichs came off the bench last season and averaged 8.2 ppg last season, as he became the first player in program history to start every game as a freshman. With that kind of experience gained, Diederichs could emerge as a big threat in 2008-09. Marko Deric, a 6-9 forward, has participated in 85 games over his career and he will be counted on to provide leadership for this young team. At the perimeter, the Lions will rely on Corey Counts, who started 22
College Basketball Preview - West Coast Conference


TEAM BY TEAM ANALYSIS:

GONZAGA: The Bulldogs have been a dominant program in the WCC over the past decade, winning the last eight regular-season titles and eight of the prior 10 tournament championships. Last season, Gonzaga won 13 of its 14 league contests and went 25-8 overall. The Zags dominated their conference appearance with three starters back in the fold and several key reserves, the Bulldogs are expected not only to be one of the top teams in the WCC, but the entire nation. Leading the way is Jeremy Pargo, who is the reigning WCC Player of the Year. The 6-2 guard can simply do it all and he displayed that by netting 12.1 ppg, dishing out a team-high 6.0 apg and knocking down 37.4 percent of his 214 three-point attempts as a rookie last season. In the frontcourt, the quick development of Austin Daye last season has to have head coach Mark Few excited about a legitimate big man down low. The 6-10 forward averaged 10.5 ppg and 4.7 rpg as a freshman last year and he even led the squad with 54 blocks. Daye has the type of talent to play in the NBA one day, but first he has to prove he is recovered from an ACL tear suffered in summer camp. Micah Downs, a 6-8 forward, and 6-11 center Josh Heytvelt are two other players that will make a big impact in the frontcourt and they combined for 18.2 ppg a season ago. Overall, the Bulldogs return six of their top seven scorers from last year's club and that should have the program on pace for another 20-win campaign. One of the biggest reasons for the Gaels' 20-win season was the play of Patrick Mills, who took the conference by storm as a freshman. The 6-0 Aussie earned first-team all-league accolades last season, leading the team in scoring (14.6 ppg), assists (3.5 pg) and steals (3.5). He shot 33.9 percent from long range, but a summer with the Australian Olympic team could help him improve in that area and more. Saint Mary's graduated a pair of guards last season, so it was good news to see that Wayne Hunter is ready to make his return. The 6-4 Hunter redshirted last season, but made 24 starts for the Gaels in 2006-07. Hunter is a solid defender who can also get to the hoop and score. As a sophomore, the Gaels are stacked and welcome back a trio of starters in Diamon Simpson, Omar Samhan and Ian O'Leary. Simpson, the reigning WCC Defensive Player of the Year, is already the Gaels' all-time leader in blocked shots and he can do much more than block shots. With 13 double-doubles to his credit last season, the 6-7 Simpson showed he can be a force and averaged 13.4 ppg and 9.6 rpg for the year. Speaking of double-doubles, De'Jon Jackson averaged 13.1 ppg at 6-11, 265 pounds to average one every night. Last season, Samhan produced 10.5 ppg and 5.3 rpg and with a little more consistency he should be one of the elite big men in the league. As a freshman, he produced 7.0 ppg and 4.5 rpg and often did the dirty work for the Gaels, who have one of the strongest starting lineups around.

SAN DIEGO - In his first year at the helm, Bill Grier worked some magic and helped the Toreros capture the WCC tournament title with a 59-52 upset of Gonzaga in the finals. Making its first NCAA Tournament appearance since 2003, San Diego went on to stun 15th-ranked and fourth-seeded Connecticut in the first round. The team finished 22-14 overall and with all five starters back, the Toreros should once again be a force. Brandon Johnson and Gyno Pompa both earned all-conference honors last season and the seniors are two of the best players in program history. Each player has already eclipsed 1,200 points for their career and the sky is the limit for both. The 6-0 Brandon Johnson is a catalyst at the perimeter and he can simply do it all, pacing the team with 16.5 ppg, 3.5 apg and 7.7 steals. He also snared 4.1 rpg, while hitting 37.4 percent of his 214 three-point tries. De'Jon Jackson (7.6 ppg) and Trumaine Johnson (5.7 ppg) help fill out the backcourt and they should only be better with a year of experience under their belts. Pompa highlights the frontcourt and the 6-8 forward is as good as anyone in the league. Last season, Pompa averaged 14.1 ppg and 7.4 rpg as a team-best 74.9 percent in addition to shooting 55.6 percent from the field. He will certainly warrant a lot of attention and that should open things up for teammate Rob Jones, who will look to build on a freshman campaign that saw him post 9.0 ppg and 5.8 rpg. Both Pompa and Jones (8-4) do lack some height however, and that is an issue San Diego will need to address.

SAN FRANCISCO - The Dons separated themselves from head coach Jessie Evans at midseason in 2007-08 and brought in a legend in Eddie Sutton, who ended up claiming his 700th victory during the campaign. Former Kansas great and NBA veteran Rex Walters now takes over the reins of the program and he inherits a team that returns three starters from last year's club which went just 10-21 overall. Leading the charge is Dior Lowhorn, a former Texas Tech transfer that emerged as a big time scorer and earned all-league accolades last season. The 6-7 forward not only led the Dons in scoring, but the entire conference, netting a healthy 20.5 ppg. He also pulled down a team-high 7.4 rpg and his ability to take over a game is something coveted by every team. Lowhorn, though, isn't the only talented player on this team, as Manny Quezada certainly can do some damage. The 6-2 guard is a solid scorer and a playmaker and that was evident in his 13.9 ppg and 4.0 apg averages last season. Quezada and Lowhorn were the highest scoring tandem in the conference last year and they combined for 18.2 ppg a season ago. Overall, the Bulldogs return six of their top seven scorers from last year's club and that could have this team primed for a deep run in the NCAA Tournament.
College hoops countdown: No. 39 San Diego
October 2, 2008

Ray Ratto
For Sporting News

Sporting News is counting down its Top 40 teams leading into the beginning of the season. For more on No. 39 San Diego, go to visit Sporting News Today.

The West Coast Conference, thanks in large part to San Diego, is no longer Gonzaga and the seven dwarfs.

Indeed, the conference's three NCAA Tournament representatives (Gonzaga, Saint Mary's and San Diego) return about 88 percent of the minutes the teams played last year. That San Diego is one of the three is a testament not only to coach Bill Grier, but also to his predecessor, Brad Holland, who recruited most of the players.

Grier's first year out of the Mark Few crib could not have worked better for San Diego. With a well-stocked roster, Grier's new voice resounded with the players so well that the Toreros beat Gonzaga to win the conference tournament for only the second time in school history and went on to beat Connecticut in the first round of the NCAAs.

San Diego's 22-14 record should only improve with the fact the team returns virtually the entire roster. Seniors Brandon Johnson (16.9 ppg, 4.1 rpg, 3.5 apg) and Gyno Pomare (14.1 ppg, 7.4 rpg) were both all-conference performers last year. That duo, along with guards De'Jon Jackson (7.6, 3.4 rpg) and Trumaine Johnson (5.7 ppg, 2.7 apg), forward Rob Jones (9.0, 5.8 rpg) and swingman Chris Lewis (4.7, 3.3 rpg) give Grier more leaders than most teams ever enjoy.

Johnson and Pomare enter the season as the only 1,000-point teammates in the WCC as both have eclipsed the 1,200-point mark. Pomare ranks eighth on USD's career scoring chart with 1,276 points, while Johnson is right behind him at ninth with 1,264 career points.

Pomare enters the season ranked second on USD's all-time Division I rebounding leaders list with 671 boards, trailing only former WCC Player of the Year Scott Thompson (740).

Johnson, meanwhile, currently has 398 career assists and needs only 68 more assists to break the school record of 465 set by David Fizdale.

What the Toreros do not have, though, is the size to bang with Gonzaga. The fact that San Diego is a defense-first team makes beating the Zags enough times to take the WCC regular-season title a problematic matter.

There are no new faces to tout because the roster is so set, but the momentum from their NCAA performance and a well-stocked roster ought to give the Toreros hope that last year wasn't a cameo.

The WCC ranked 13th in league RPI at the end of last season, but that could dramatically improved if San Diego lives up to the new-found hype this season.

For more preseason college basketball coverage, pick up the Sporting News College Basketball Yearbook. Pick from your favorite of 13 cover choices here.
Preseason story line No. 16: Can WCC repeat?

Andrew Skwara
National Writer

The idea of the West Coast Conference having three teams to the NCAA tournament seemed far-fetched at this time a year ago. Now, not only is it highly reasonable, it will be expected.

That's because those same teams return with an extraordinary amount of experience (13 of 15 starters combined).

Gonzaga, which has one of its most talented teams ever, will be the preseason top 20—possibly within the top 15. Saint Mary's and San Diego each have a legitimate chance to earn a shot in the top 25.

The Toreros return four starters, including Australian point guard Patrick Mills, one of the stars of the Beijing Olympic. The Toreros return all five starters from the only WCC team that won an NCAA tournament game. The Toreros upset Connecticut in the first round.

That has all generated a bit of preseason buzz and publicity for a mid-major league that is moving the WCC tournament to the Orleans Arena in Las Vegas this season. It's the first time the event will be played on a neutral court.

"There has never been a better time to be part of the West Coast Conference," new league commissioner Jamie Zaninovich said.

Saint Mary's eighth-year coach Randy Bennett agrees wholeheartedly. Bennett says he's never seen the WCC look stronger in his 18 years in the league—he spent 10 years as an assistant at Saint Mary's. But that doesn't necessarily mean Bennett believes that three WCC teams will earn their way into the field of 65 again.

"It took the perfect storm to get three teams in," Bennett said. "Everything had to happen just right. If you were betting, you'd have to (bet) against it happening again. It's happened only once in the history of our league."

Bennett is referring largely to the scenario that unfolded in the 2008 WCC tournament in San Diego. If either Gonzaga or Saint Mary's had won that event, the WCC would have only sent two teams to the NCAA tournament. No other team in the league had a strong enough non-conference resume to warrant an at-large bid. But the Toreros knocked off Saint Mary's in double overtime in the semifinals and Gonzaga in the final to earn an automatic bid. Toreros coach Bill Grier said his team probably wouldn't have made the run without the home-court edge.

Moving the WCC tournament to Las Vegas takes away that advantage of playing at home, diminishing the chances of another "perfect storm."

But Grier, who spent eight years as an assistant at Gonzaga before taking the San Diego job last season, is more concerned with another obstacle.

Gonzaga is used to dealing with the expectations of going to the NCAA tournament—the Zags have earned an NCAA bid 10 consecutive times. But Saint Mary's and San Diego aren't. The Gaels have been to two NCAA tournaments in the past 11 seasons (the other appearance coming in 2003), while last season was the Toreros first taste of the Big Dance in school history.

"The thing I've tried to preach in the preseason is stepping up the challenge of being the hunted," Grier said. "It's going to be different for us."

It won't just be different for Grier or Bennett and their respective players. Nearly everyone will have to adjust their perceptions of the West Coast Conference as it begins its unprecedented quest of trying to secure three NCAA tournament bids for the second consecutive year.

Preseason countdown: No. 13 Gonzaga | No. 26 San Diego | No. 33 Saint Mary's

Andrew Skwara is a national writer for Rivals.com. He can be reached at askwara@rivals.com.
Mailbag: Who's ranked too high early?

Andrew Skwara
Rivals.com College Basketball Staff Writer

Got a question? Click here to send it to Skwara's Mailbag

Preseason rankings don't matter nearly as much in college basketball as college football.

Starting out too low doesn't cost you a chance to play in the title game. The rankings don't have a direct influence on the NCAA tournament selection committee and how it goes about seeding, which are the numbers that college basketball coaches and players care about most. But that doesn't mean the recently released preseason polls don't generate interest.

The polls offer the first chance to see where each team stacks up. Some fan bases believe their teams are ranked far too low, and some can't figure out why their team wasn't ranked at all. There are even the rare few who believe their team is ranked too high.

In this week's mailbag, we pick apart what the pollsters got wrong and much more.

Top 25 surprises?

Q: Jim from Cincinnati: We all knew North Carolina would be No. 1, but did anything surprise you about the preseason polls?

A: Memphis (No. 13 in The Associated Press poll and No. 12 in the coaches' poll) was a little higher than I expected. I don't think the voters are taking into account just how much the Tigers lost. Gone are the No. 1 overall pick in the NBA draft Coach John Calipari has a lot of talent to replace at Memphis.

Another head-scratcher was San Diego not receiving any votes in either poll. The Toreros return virtually everyone from a team that won an NCAA tournament game, something league rivals Gonzaga and Saint Mary's couldn't manage. Yet Gonzaga (10th/11th) was voted well inside the top 25, and Saint Mary's just missed being in both polls.

Turning TCU around

Q: Shane from Fort Worth, Texas: How quickly do you think new coach Jim Christian can turn around the TCU program?

A: More quickly than many may think. On the surface, TCU looks like a long-term rebuilding project. The Horned Frogs are coming off three consecutive losing seasons and have won only 25 percent (12 of 48) of their Mountain West games since joining the league three years ago.

But they landed arguably the best possible candidate available in Christian. Kent State won at least 20 games in each of Christian's six seasons at the MAC school. The Golden Flashes missed the postseason just once under Christian, going to the NCAA tournament twice and the NIT three times. It takes a lot more than a few lucky bounces to produce a run like that.

Christian is a great motivator and, most important, knows how to find prospects ignored by high majors who can excel at the mid-major level.

Christian's first year in Fort Worth will be rough. It would have been rough regardless of who took the job.
At-large hopefuls angle for a bid
Tuesday, October 14, 2008 | Print Entry

Posted by Andy Katz

The pool of teams that could find their way in as at-large teams is larger than what I provided Monday. The top 25, plus the 12 up for discussion, was only a portion. Plenty of others have a legitimate shot to make a run toward a bid as practice begins Friday.
Here are some of them (I'm sure I'll miss others as new teams emerge).
I'm going alphabetically by conference here:

WAC
The league may not be a deep from top to bottom but has at least one candidate for at-large.

Nevada: The Wolf Pack brought in one of the top recruits in the country in Luke Babbitt and returns a solid guard in Brandon Fields. Give this team time and Nevada could be in the mix for a bid in March. Nevada's nonconference schedule should be rated high, especially with a home game against North Carolina on the schedule.

WCC
The league put in three of its eight teams a year ago for one of the better percentages in the country. Don't be shocked if it happens again.

San Diego: The Toreros got hot in the WCC title and beat Gonzaga for the championship at home. It wasn't a fluke after they took out Connecticut in the first round. Everyone of note returns.
WCC notes: League hopes to find home in Vegas

October 15, 2008

LAS VEGAS — Sin City advertisers have popularized the phrase, "What happens in Vegas stays in Vegas." From March 6-9 the West Coast Conference is hoping that what happens in Vegas resonates around the college basketball world as the eight-team league moves its conference tournament to the Orleans Arena.

The 7,471-seat basketball facility, located just off the Vegas Strip, will be host for the first neutral-site tournament since the WCC, which sent three teams to the NCAA tournament for the first time in school history last season, went to a postseason conference tournament format in 1987.

"This is the perfect time for us to make the move," Scott Leykam, the WCC's associate commissioner of affairs, said at the league's first-ever media day on Wednesday. "Our conference is at its all-time high in terms of national profile, and now we have the opportunity to showcase the entire league in one great event."

Every coach praised the decision to put the league tourney in a more fair setting, especially one with so much appeal outside of basketball.

"I think this is great move for our league to move to a neutral site," Gonzaga coach Mark Few said. "I also think this is the perfect city to have a conference tournament."

"It is a destination city," San Diego coach Bill Grier added. "That should make it easier for students and fans to make the trip."

The move is a dramatic shift from the previous format which called for the entire conference to travel to a host site for the postseason tournament.

THE BIG THREE

As expected, conference coaches picked Gonzaga to repeat as conference champions, with five of the eight first-place votes in the preseason poll. St. Mary's followed closely, receiving two first-place votes with San Diego tallying one. The three teams were separated by five points from first to third.

"Until someone can beat them consistently it is still their conference," Grier said.

All three teams were ranked in the Rivals.com Top 35 with Gonzaga at No. 13, San Diego at No. 26 and St. Mary's at No. 33. They each return their leader in scoring, rebounding and assists and combine to return 13 of 15 starters.

THE NEW THREE

Three new coaches - Loyola Marymount's Bill Bayno, Pepperdine's Tom Asbury and San Francisco's Rex Walters - are entering the league, and each takes over a program in rebuilding mode.

Bayno, a former UNLV coach who was working with the NBA's Portland Trailblazers since 2004, added seven newcomers to a young team that went 5-25.

"I jokingly told someone the other day that we may be the first team in NCAA history to start five freshmen two years in a row," Bayno said. "But, there may be some truth to that.
West Coast Conference looks to take next step

Andrew Skware
Rivals.com College Basketball Staff Writer

MORE: Notes: League hopes to make itself at home in Vegas

LAS VEGAS — Ask the West Coast Conference coaches why the league had such a breakthrough year and sent three teams to the 2008 NCAA tournament — the eight-team league had never before sent more than two — and they'll each point to a number of factors. But, they all agree on what was the biggest factor: tough non-conference scheduling.

"We took on some good teams last year, including a few on neutral courts, and winning some of those games proved to be key," Saint Mary's coach Randy Bennett said. "Looking back, if we don't win one or two of those games, I'm not sure we get in." Bennett is right. The Gaels were beaten in the conference tournament semifinals, falling to San Diego in double overtime on the Toreros' home court. In the past, that would have been a heartbreaking defeat, immediately eliminating any chance for a WCC team outside of Gonzaga to reach the NCAA tournament. But, a strong non-conference resume — generated by wins over Drake, Oregon State, San Diego State (on a neutral court) and losses to the likes of Kentucky and West Virginia — landed the Gaels an at-large bid.

Bennett has a talented group at Saint Mary's, but San Diego on the other hand would have been playing in the NIT if not for snatching up the league's automatic NCAA bid. The Toreros, who won three games in three days on their home floor, struggled early in the season and had a 7-10 mark in what was a brutal non-conference schedule.

"Gonzaga had already positioned themselves to get into the NCAA tournament and I thought Saint Mary's had as well, although there was talk they hadn't," second-year San Diego coach Bill Grier. "We were fortunate that the (WCC) tournament was on our home floor and we took advantage." Grier doesn't regret that his Toreros, who became the only WCC team to win a NCAA tournament game when they upset Connecticut in the first round, faced so many tough early matchups either.

"The tough schedule really helped us," said Grier, who spent 16 years on the staff at Gonzaga and eight under Bulldogs coach Mark Few before taking the San Diego job. "It helped the conference. It also helped us in the postseason." With that in mind, Gonzaga, Saint Mary's and San Diego, who combine to return 13 of 15 starters, have all put together even more rigorous non-conference schedules. The last thing Few, Bennett or Grier wants is to need another perfect storm of sorts heading into the WCC tournament, which is moving to Las Vegas this season. They want to give their teams the best possible chance to lock up an at-large bid before heading to Sin City.

"All the teams had to get it just right last year," Bennett said. "It turned out about as perfect as possible. The assumption is that those three teams went and they return so much that they will just go again. But the odds are against it. It's only happened one time in the history of the league." Bennett Is right. The Gaels were beaten in the conference tournament semifinals, falling to San Diego in double overtime on the Toreros' home court. In the past, that would have been a heartbreaking defeat, immediately eliminating any chance for a WCC team outside of Gonzaga to reach the NCAA tournament. But, a strong non-conference resume — generated by wins over Drake, Oregon State, San Diego State (on a neutral court) and losses to the likes of Kentucky and West Virginia — landed the Gaels an at-large bid.

San Diego opens the season at Mountain West favorite UNLV, faces Oregon in Portland, travels to Mississippi State and will also play in the Paradise Jam in the U.S. Virgin Islands. The field there includes Connecticut, Miami and Wisconsin.

"The tough schedule is necessary to secure a bid," Grier said. "Working for Mark I saw how it helped get a program in our league on the national level. Not only does it position you better for the NCAA tournament, but it prepares you better for when you get there."
Saint Mary’s is part of a strong Anaheim Classic field that features Arizona State, Wake Forest and Baylor. The Gaels also travel to MAC favorite Kent State and Oregon and face San Diego State, who was picked to finish third in the MWC, in Anaheim.

Gonzaga has long had some of the nation’s toughest non-conference slates, but this year may be the toughest yet. The Bulldogs travel to Arizona and Washington State, face Connecticut in Seattle, host Memphis and travel to SEC favorite Tennessee. Each of those opponents reached the 2008 NCAA tournament. The Bulldogs also play in what appears to be the strongest regular-season tournament, the Old Spice Classic in Orlando. The field includes the likes of Georgetown, Michigan State and Tennessee.

But, dealing with those daunting schedules isn’t the biggest concern for Bennett or Grier. For the first time ever, their programs are squarely on the national radar. Saint Mary’s and San Diego both may be ranked in the preseason top 25. Saint Mary’s returns four starters, including Australian point guard Patrick Mills, who was one of the top players at the Beijing tournament win last season. San Diego picked up the WCC’s lone NCAA tournament win last season.

That all translates into not being able to sneak up on anyone anymore.

"If we were a stock I’d sell right now and get out," Bennett joked. "The external expectations are much different."

Grier can relate.

"The thing I tried to preach in the preseason and the offseason was stepping up to the challenge of being the hunted," Grier said. "Our staff and players have to understand how hard we’ve got to play night and night out."

Hearing that kind of talk from his peers may make Few want to chuckle a bit. He has been part of “the hunted” since taking over the Gonzaga program in 1999.

"It’s nice that the conference is getting some national recognition outside of us," Few said. "In the past people have just expected us to roll through this league … although I thought there have been some great teams in this league for a long time."

If the WCC’s aggressive scheduling pays off again, a lot more people will start listening when Few and others talk about the strength of the WCC.

Andrew Skwara is a national writer for Rivals.com. He can be reached at askwara@rivals.com.
San Diego Tee-Off & Tip-Off for charity partnering

The AGA Foundation presents the inaugural San Diego TEE-OFF & TIP-OFF fundraiser on Nov. 17 and 18. Events include success Monday night, golf Tuesday morning, and USD Basketball Tuesday evening.

All proceeds will benefit the Fanconi Anemia Research Fund and Father Joe's Villages.

Festivities will begin with a silent and live auction on Monday, Nov. 17 at 6 p.m. at Meadow Lakes Country Club. "This TEE-OFF event will feature the comedic talents of "Sign Boy" (www.Matthewross.com.) Several "celebrity guests" will put themselves on the auction block, in participation one bid for a chance to have one of these celebrities join their insurance at the TEE-OFF event at La Costa Resort & Spa on Tuesday, Nov. 18 at 9 a.m.

Tuesday's activities will culminate with a TIP-OFF event at the University of San Diego, which includes a VIP reception and golfers' award ceremony at 3 p.m. In addition, guests will watch the University of San Diego Toreros mine their 2008 WCC Basketball Championship banner and before the University of Nevada, Reno, in their home season opener at 7 p.m. Several "celebrity guests" will put themselves on the auction block, in participation one bid for a chance to have one of these celebrities join their insurance at the TEE-OFF event at La Costa Resort & Spa on Tuesday, Nov. 18 at 9 a.m.

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COLLEGE BASKETBALL
Local Division I exhibition tonight:
Point Loma Nazarene at USD women
Site/time: Jenny Craig Pavilion/7.
Records: USD 0-0; PLNU 0-0
Outlook: The Toreros, who went to the NCAA Tournament last season, and NAIA Sea Lions open their seasons with a Halloween meeting.

— NICOLE VARGAS
LOCAL COLLEGE BASKETBALL

Matador Williamson to turn into a Torero

By Nicole Vargas
STAFF WRITER

From her seat in the stands at Jenny Craig Pavilion, Danesia Williamson watched USD guard Amanda Rego lead the Toreros from West Coast Conference underdog to NCAA Tournament team.

And it made her think. “She’s from San Diego, too,” Williamson said of Rego, a Mission Bay High grad. “Why go away when I can stay close to home and make an impact?”

With signing day only weeks away, the Mount Miguel senior confirmed she will continue her basketball career at USD.

Approached by Pac-10 teams, Boston College and schools around the WCC, Williamson, a 5-foot-6 guard, said the mix of women on the team, the solid academics and the impact of coach Cindy Fisher swayed her.

“She just showed me that when I leave high school, she’ll be a coach that cares,” said Williamson, who averaged 20.4 points, 6.4 assists and 4.7 steals as a junior. “I felt I fit more at USD.”

Twice the Grossmont South League Player of the Year, Williamson was an All-San Diego Section pick and honored as an all-state selection.

Leonard picks Aztecs

Kawhi Leonard, a 6-foot-6, 210-pound forward from Riverside Martin Luther King High, has given an oral commitment to San Diego State.

Rated the 13th-best small forward in the state by Rivals.com, Leonard averaged 17.3 points and 6.5 rebounds last year in leading King to the Division I Southern Section championship game against Compton Dominguez.

Leonard, whose team finished 32-3, also received an offer from USD.

Stamps gives SDSU nod

Perris High’s Kiyana Stamps has selected SDSU over Boston College and Cal.

As a junior, Stamps averaged 15.8 points, 4.8 rebounds and 2.3 assists. But it is on defense that Stamps, who tallied 2.6 steals per game, excels.

Cox Arena host finalist

Cox Arena is one of five finalists to host the 2011-13 Mountain West Conference men’s and women’s basketball championships. The future site is expected to be awarded in June 2009. Other finalists are Denver, Las Vegas, Salt Lake City and Albuquerque, N.M.

Nicole Vargas: (619) 293-1390; nicole.vargas@uniontrib.com

Staff writer Brent Schrotenboer and Mick McGrane contributed to this report.
Rego graduates to shooting hoops in Germany

Top local basketball talent Amanda Rego happily graduated from University of San Francisco last spring, but she longed for the excitement she had known as a two-time CIF Champion at Mission Bay High and West Coast Conference champion point guard for USD.

Then on Aug. 22, approximately two months after graduating from USD, the phone rang and five days later she was on a plane to Germany to play professional basketball for the Halle, Germany, Lions. She was on the court three days later in a pre-season game.

"It felt so good to play again, I didn't realize how much I missed playing," she said. "Doing it on the floor again was an amazing feeling."

Rego grew up a block from the FIU Rec Center and hung out on the rec center courts with her older brother and friends.

"I have been playing basketball since I was five years old and I just wasn't ready to give it up after college," she said. "I looked at this as the perfect opportunity for me to continue playing and experience a different culture living in another part of the world."

Now that the season has started, the Lions practice twice a day and generally play one game a week.

"We definitely look forward to the days we have a game," Rego said.

At USD she played in a more relaxed setting, with less noise and pressure.

"The style of play here is a little tougher than USD action, according to Rego.

"The style of play here is a lot more physical. They rarely call a foul and there is a lot of running, grabbing and holding. They never get called — all that stuff I'm trying to adjust to," she said.

The Lions are part of the German basketball league.

"The support and fans we get here are a new definition of what it means to be a fan," she said. "They enter the gym in a big pack, chanting and hanging on drums and other noises. What impresses me is that they keep it up the entire game!"
This has been great...I'm really enjoying everything so far.

REGO

This is Rego's first long stay away from San Diego and her USD career always included friend and teammate Amber Sprague, who was also from Pacific Beach and a product of Mission Bay High School. Their talent and experience playing together since PB Rego days produced the best local basketball players since Arla Barnes in the mid '90s.

On Oct. 17, the pair will be inducted into the Mission Bay High Hall of Champions, although Rego will be unable to attend.

Sprague spent one year at USD as a red shirt player due to a foot injury, so the 6-foot 5-inch leading scorer for the Toreros has another season ahead when it starts in a few weeks.

During her senior year, Rego led the NCAA with 8.1 assists per game. In her senior year her 8.3 assists per game was second in the NCAA. She was also WCC leader in steals and one of the top nationally with 2.8 per game.

Rego is noted for her defense and her ball handling skills—making her one of the top point guards in the nation.

"This has been great for me to experience a different lifestyle and learn to appreciate different things," she said. "I am really enjoying everything so far." 

Information about the Hall of Fame is available at www.hall-fame.org, although it is mostly in German.
GOAL | SPOTLIGHT ON SOCCER

USD soccer always reflects fiery McFadden

By Mark Zeigler

Seamus McFadden, the only man’s soccer coach the University of San Diego has ever had, grew up in Ireland in a soccer field where cows kept the grass short. “Little Wembley” that it was called.

It rains a lot in Ireland, little Wembley was invariably so slippery that they sprang many pebbles on it in a desperate (and satirical) attempt to provide traction.

“You’d slide tackle,” McFadden says in his lilting brogue, “or you’d get a good hiding.”

They caught you, you’d get a good hiding.

But McFadden never got caught. He was tough, and fast.

They say that all teams eventually take on the personality of their coach, and the University of San Diego men’s soccer team oozes McFadden. The Toreros — despite starting three freshmen and a sophomore in midfield — are as hardened as a bit of wind off the Irish Sea, and they have a knack for escaping peril.

So it should be no surprise that they started the season 10-5-3 and now are squarely in the frame of what they think is aautomatic berth; and at 4-1 the Toreros are alone in first place with four of the remaining seven games at home.

“Seamus is very competitive,” Clive Charles, the late coach at the University of Portland, once said. “He’s very fiery. He gets after it. And his teams never, ever give up.”

Seamus McFadden is approaching 300 wins in his 30th season as USD’s men’s soccer coach.

By 1986, though, the USD men were 19-4-1 despite still having no full scholarships and a $100 recruiting budget.

“I spent my own money,” McFadden says. “I put a lot of miles on my car, driving to see players. But you know, you do it for the love of the game. I love to coach.”

The numbers since are staggering: 20 winning seasons, 11 NCAA Tournament appearances, eight wins over teams ranked in the Top 6, seven WCC Coach of the Year honors, one NCAA final (a 2-0 loss to Virginia in 1992). His 298 career victories put him in the top 15 among active coaches.

“Once I’ve learned is that coaches get too much glory for winning and too much grief for losing,” McFadden says. “We just go out and coach the team. After 30 years, you don’t have an ego. You just don’t. You just coach.”

It doesn’t make him any less of a competitor, though. His assistant coaches say he takes losses as hard as ever, whether or not he’s still picking pebbles out of his backside.

“People used to tell me, ‘Seamus, you’re the nicest guy off the field, but on the field I hate playing against you,’” McFadden says. “I’m hard-nosed, I’m gritty. One of the kids said to me the other day, ‘Coach, I bet you put in a few two-footed tackles in your day.’

“And I said, ‘Yeah, I think I did. I took a few cards in my day.’”

Mark Zeigler (619) 293-2205; mark.zeigler@uniontrib.com
The award goes to ...

- Pomona College head coach Sheryl Jensen will be inducted into the California Community College Women's Basketball Hall of Fame for her career as a Fullerton College player. Jensen will be inducted at the CCCWBCA Banquet of Champions on March 22 in Fresno.

Jensen, a point guard, was the first California player to make the Junior College/Community College Women's Basketball All-American team in 1983 after leading the Rams to an unbeaten regular season and the Southern California championship. She went on to captain Cal Poly Pomona's 1985 Division III national championship team and was selected as an All-American.

- UC San Diego junior soccer star Loretta Fink was named the California Collegiate Athletic Association Most Valuable Player of the Week after she finished seventh individually in a field of 61 runners to lead the Tritons to a second-place finish at last week's Minto Classic. Competing against a depleted field of competitors from the Division I, II, and III levels, Monti crossed the finish line with a time of 22:34.0 on his home course, finishing two spots ahead of teammate Lake LeVaux (La Costa Canyon). Monti has been UCSD's top male finisher on two occasions.

- Weekend results out as Pomona College men's and women's soccer teams travel to different Lambda Natura sites.

- A 36-14 at Sonoma State on Oct. 9 of 16 passing the Bulldogs to 260 three touchdowns.

- Matt Lee had four passes for 111 yards and Paul Moore had 609 rushing yards. Tyler Lane rushed for 77 yards on eight carries.

- On the defensive side, Chris Scharf led the Cortes with a pair of interceptions.

- The Castiers (5-2) lost their Southern California play-in hopes alive by winning the first time in three conference games.

- They return home to face Long Beach City College on Saturday at Escondido High.

- Cross country

The San Diego State women's team had eight runners establish personal records for a 5,000-meter race Saturday morning at the Bronco Invitational in Sunnyvale, Serna.

- Stephanie Oehl led the race with a time of 18:35.7, and the Aztecs were third with a team time of 44:44.

- The Aztecs' first official score of Rick Arango's first collegiate meet.

- Michele Van Sui scored the second goal of Aztecs' goalkeeper.

- The Arizona regard for traditional state and national power 

- Arizona State upset the Seals to 10-2 on Saturday. 

- The Ohio State men's team defeated Arizona State 2-0 in the third straight win.

- Golden Gate Kyle Sutter had six saves.

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LOCAL COLLEGES

Aztecs get big win, shut out Stanford

The San Diego State men's soccer team, playing without starting midfielders Daniel Steres, a freshman, and Jamel Wallace (Oceanside High), a redshirt junior — both of whom had red cards against UCLA last Sunday — pulled out a 1-0 win over Pac-10 rival Stanford last night in Palo Alto.

Raymundo Reza scored at the 82:30 mark for SDSU, off a pass from Michael Rocha, blasting the ball off the left post for his third goal of the season.

Redshirt sophomore goalkeeper Brad Byrns, making just his second start of the season, had two saves in 90 minutes to record his sixth career shutout.

The Aztecs, who wrap up their four-game road trip tomorrow against No. 5 Cal, is 3-5-1, 1-0-1. The Cardinal falls to 2-6-2, 0-2-1.

More soccer

JT Howlan, Kyle Ochoa and Trevor May all scored as the USD men's team shut out visiting Gonzaga 3-0 in a West Coast Conference game. Kellin Briones had five saves in goal for the Toreros (2-5-3, 2-0). Gonzaga falls to 5-5-1, 2-1 ...

Breanna Brenton and Katelyn Krauss both scored as the Cal State San Marcos women's team beat host San Francisco State 2-1 in a nonconference game. Kaycee Gunion made three saves in goal for CSUSM (8-2-2). SFSU is 8-5-2 ... The Cal State San Marcos men's team fell to host San Francisco State 2-1 in a nonconference game. Chris Wyatt had the lone goal for the Jaguars (5-6-1). SFSU is 7-6-1...
San Diego Schools Await UCSB

By By Ryan Eagleson / Staff Writer
Published Friday, October 10, 2008
Issue 14 / Volume 89

The men's club soccer team continues league action this weekend against Southern California foes San Diego State University and University of San Diego. The Gauchos (4-0-2 overall, 1-0-1 in league) look to keep their unbeaten streak alive as well as repeat as the California College Cup Soccer League champions. And we're not talking about a simple repeat, three-peat or even four-peat. The Gauchos are going after an unprecedented seven-peat as CCCSL champions. However, their work will be cut out for them as SDSU and USD are very formidable opponents.

"Typically in the past, SDSU and USD are both pretty good teams," junior keeper Joel Katz said. "[But] if we play to our potential and put some balls away, we will come away with two wins."

Katz is currently nursing an injury he suffered in the tie to UC Davis. His status is questionable, but the Gauchos remain confident with sophomore keeper Chris Harris and the backline that has only allowed one goal all year. To replicate last year's success, the Gauchos will have to keep up their stellar defense and win these next two games.

"Since we tied Davis, it's absolutely crucial we win these two games [in order to win league]," junior defenseman Roman Stahl said.

The defense is the strength of the UCSB team. The defense only allowed one goal in league last year, and have only relinquished one goal in there six contests this year. Both those goals came against the same team, Davis, a bitter rival from the north. However, the goal from this year's Davis game is still lingering in the Gauchos' minds and motivates them to prevent it from happening again.

'[It's] very feasible not to give up another goal until Nationals and go 6-0 in the next six games," captain defender Johnny Walker said.

The USD game will be especially interesting as the Gauchos actually have some history with them. Although the Gauchos defeated the Toreros last year, they have not forgotten about their quarterfinal loss to USD that knocked them out of the national tournament two years ago. The Gauchos would go past the quarterfinals the next year and all the way to the national championship game, which they won. And that's where they aspire to be at the culmination of this year.

Anything short of a repeat and the Gauchos will be disappointed, but they are on pace to accomplish that. The Gauchos went to the San Diego Aztec Tournament to open up the season and dominated the field. The Aztec tournament is the toughest and most prestigious tournament in West Coast club soccer, and the Gauchos made mincemeat of the competition, to add the tournament win to their already long list of accolades.

The Gauchos will play SDSU at Rob Field this Saturday night. The game will begin at 7:30 p.m. The following afternoon, UCSB will play the USD Toreros at Harder stadium. Kickoff is slated for noon.

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Comets golfers on fire

Freshman Cora Busby (Torrey Pines) shattered Palomar College's 18-hole school record for a female golfer, shooting a 74 to lead the Comets to victory last week at El Prado Golf Course in Chino.

Busby's score was four strokes better than Palomar's previous school record, which she shared, and it helped the Comets (324) overwhelm runner-up Mt. SAC (344), Long Beach City College (354) and College of the Desert (357) in the four-way Foothill Conference match.

It was the third straight match in which Busby produced the best round of the day. Jeanette Washburn also broke the previous school record, shooting a 76 as the Comets' 324 was also a school record.

The Comets have won all three of their matches by at least 10 strokes.

Palomar polo wins tourney

The Palomar College women's water polo team defeated Fullerton 11-4 in the title game to win the Ventura Tournament over the weekend.

Jackie Puccino (Escondido) and Milena Brklch (Vista) each had three goals in the title game, won 78 as the Comets' 324 was also a school record.

The Comets have won all three of their matches by at least 10 strokes.

Academic All-American in 2007, carries a 3.825 grade-point average as a double major in business and marketing.

To qualify for the Draddy Trophy, given annually to a player in his final year of eligibility, a player must maintain at least a 3.2 GPA, start or contribute significantly to his team, and demonstrate strong leadership and citizenship.

The NFF will whittle the field to no more than 15 finalists on Oct. 29 and announce a winner on Dec. 9. All finalists will receive an $18,000 post-graduate scholarship, while the winner earns a $25,000 post-graduate scholarship.

Notable NFF National Scholar-Athlete alumni include NFL standout Derrick Brooks (Florida State); actor Mark Harmon (UCLA); astronaut Leeland Melvin (Richmond); former Dateline NBC anchor Stone Phillips (Yale); chairman of Augusta National Golf Club Billy Payne (Georgia); former NFL quarterback Steve Young (Brigham Young); and Heisman Trophy winners Jerry Rice (Oklahoma State), Gary Beban (UCLA), Doug Flutie (Boston College) and Danny Wuerffel (Florida).

Cross country

The UCSD men won their third team title of the season Saturday, placing three runners in the top 10 at the Pre-National Invitational in Slippery Rock, Pa.

On Saturday, Senior Jake LeVieux (La Costa Canyon) paced UCSD, finishing fourth on the 8,000 meter course in 25 minutes, 24 seconds. LeVieux has led the Tritons in each of their last three meets.

Jesse Marrs placed fifth for the Tritons (25:26), while teammate Gabe LaMothe was eighth (26:00).

— John Maffei
USD’s Eddie Ahman scored on a penalty kick just over five minutes into yesterday’s game for the lone score as the Toreros beat host Saint Mary’s yesterday 1-0 in the teams’ West Coast Conference men’s soccer season opener.

“We played well and we had a lot of chances to score,” USD coach Seamus McFadden said. “I thought Saint Mary’s was tenacious, and in conference this season every game is going to be a battle and that was a battle.”
COLLEGE SOCCER

- USD's Ashley Kirk's first goal of the season lifted the 14th-ranked Toreros to a 1-0 win over host Pepperdine in West Coast Conference action.
- SDSU's Cat Walker had the lone goal as the Aztecs tied host New Mexico 1-1 in a Mountain West Conference game.
- Defending national champion USC failed in its bid to break the attendance record for a regular-season NCAA women's soccer game, drawing 7,804 fans for a 2-1 loss to UCLA. The crowd at the 93,000-seat Coliseum fell short of the regular-season attendance mark of 8,204 set in 1996 by Texas A&M and North Carolina.
Women's soccer ties with Broncos, falls to Torreros

Saint Mary's breaks even with Santa Clara, loses 2-0 to San Diego

By: DJ Bowen III

Posted: 10/21/08

The Gaels took a visit to southern California over the weekend and came up with a tie against Santa Clara and a loss to #15 San Diego. The weekend left the Gaels at 8-5-2 overall and 1-1-1 in West Coast Conference play.

For Friday's match against Santa Clara, the Saint Mary's women's soccer team accomplished a 1-1 tie on the road. The tie broke a losing streak against the Broncos that had extended back five seasons; the last successful result for the Gaels was a scoreless tie versus the bitter rivals in October 2003.

Midfielder Danielle Spann '09 followed up last weekend's two-assist performance by crossing a pass to midfielder Jessica Menzhuber '10 in the 34th minute. Menzhuber scored her first goal of the season off of Spann's third assist in two games by placing a shot in the far corner past goalkeeper Meagan McCray.

The score in the first half was amidst the majority of the Gaels' activity on the offensive side. Four of their six shots came during the period, while the Broncos notched 18 shots spread more evenly across the 120 minutes of play that included two halves and two overtime periods.

The Broncos struck early in the second half. Only three minutes into the period, Maxine Goynes laid a shot on goal and goalkeeper Tara Larsen '10 made one of her seven saves on the match. However, the shot was only deflected and Jenny Laponte scored her third goal of the season by gathering the rebound and placing the ball past a fallen Larson. The goal would leave the game deadlocked at 1-1 for the remainder of the match.

Statistically, the Broncos seemed to be the more aggressive team between the two. Santa Clara notched nine more corner kicks (12-3) and six more fouls (13-7). The match marked the first time the Gaels have gone without a shot for an entire overtime period.

In Sunday's match, the Gaels' weaknesses showed when #15 San Diego took over the match by scoring twice in less than two minutes in the second half and dominating the game overall.

Toreros Jen Mello scored her ninth goal of the season with a quick strike to the top right corner of the goal and placed herself in second place for the WCC scoring lead. In the 77th minute, Mello got an assist Jackie Zinke to break the scoreless tie.

But Mello was not finished. She assisted San Diego's second goal of the match only a minute later. Amy Epstein, who scored two backbreaking goals in last season's match between the two teams, scored the second goal of this year's match by making a quick turn in the box and perfectly placing ball out of Larsen's reach.

The final score of 2-0 does not depict the extent to which the Toreros manipulated the match. Larson gave up two goals, but only after being pressured the entire match: San Diego put 12 shots on goal and made 26 shots overall. The Gaels managed only five shots total, none of which needed to be saved by the goalkeeper.

San Diego also played a clean game by only committing one foul, yet clearly controlled the match statistically. The only good news is that both Epstein and Mello will be graduating after this season.

Next weekend, the Gaels will host two conference opponents from up north. The conference's basement dwelling Gonzaga Bulldogs will play on Friday afternoon at Saint Mary's Stadium, and the dominant Portland Pilots will face the Gaels on Sunday. Portland is ranked #3 in the national rankings and #1 in the nation in RPI. The match will mark the second time the Gaels have faced a top-3 PRI team this season, after losing to Stanford on September 26th.

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LONG BEACH - When asked what his postgame chat with his team was about following Wednesday’s nonconference game against No. 18 San Diego, Long Beach State women’s soccer coach Mauricio Ingrassia was short and to the point.

“I told them to take a couple of days off,” he said.

After playing their third game in six days and running up and down the field with the Toreros on a hot afternoon at George Allen Field that resulted in a 1-0 loss, the 49ers won’t reconvene until Saturday morning.

“I think it’s needed,” said midfielder Hayley Bolt of a little rest and relaxation before the team gets back to Big West Conference play Sunday at home against UC Irvine. “We really need the time off.”

Playing three games in a six-day span is a tough enough chore, let alone the finale being against a ranked opponent that is as athletic and quick as the Toreros (8-3-2), who were certainly a whole lot fresher than LBSU (8-4-2).

Still, the 49ers, who were outplayed in the first half and had to chase the game after surrendering a goal in the 33rd minute, had their chances to come out of the match with a better result.

"I’m proud of the effort," he said. "We gave it a good go in the second half."

After a strong start in which they thought they had a goal on Lindsay Bullock’s header that hit under the crossbar and came down on the line, the 49ers began to wear out.

In the 33rd minute, the LBSU backline finally broke, and Jen Mello beat goalkeeper Liz Ramos with a rolling shot to the far post from about 16 yards out.

LBSU brought numbers forward over the final 14 minutes, resulting in a few solid scoring chances, the best being a Bullock header that was cleared off the goal line by a Torero defender.

The 49ers’ attack was hindered a bit by the loss of Sahar Haghdan, who is out with a hip injury, and Kristen Kiefer trying to play her way out of a mini-slump. That made Ingrassia go to his bench for twins Grace and Caroline Shevlin. He was impressed enough that the sisters will see plenty of more time Sunday.

NOTES: The first RPI rankings of the year came out Tuesday and the 49ers are No. 25 in the nation, the best in the BWC.

Women’ golf
LBSU takes on San Diego

SOCCER: 49ers have a chance to earn some national respect against No. 18 Toreros.

The Long Beach State women's soccer team will take a break from its Big West Conference schedule for one last chance to make some noise on the national level when it takes on San Diego today at 3 p.m. at George Allen Field.

The 49ers (8-3-2), the two-time defending BWC champs who are off to a 2-0 start in conference, face their toughest opponent of the season, at least according to the rankings, in the Toreros (7-3-2).

San Diego comes into the match ranked No. 18 in the nation, up four spots this week in the latest Soccer Buzz Top20 poll.

In the West Region, San Diego is No. 6, four spots ahead of the 49ers.

A win against the Toreros would certainly bode well for the 49ers' RPI, which is one of the factors used to select and seed teams for the NCAA Tournament.

The two teams have no common opponents to date, but San Diego has played three BWC teams, beating UC Riverside, 3-0, and losing to UC Santa Barbara, 1-0, and UC Irvine, 1-0 in double overtime.

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LBSU, which is 5-1-1 at home this season, and San Diego haven't met since 2004, the first year of the Mauricio Ingrassia era. The 49ers lost that game, 6-0.

Today, they have a chance to see just how far they have come since then.

The 49ers get back to BWC play Sunday, when they play host to UCI at 2 p.m.

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49ers fall at home to No. 18 San Diego, 1-0

Toreros dominate first-half shot differential in non-conference win over injury-riddled 49ers

By Sydney Taine

Published: Wednesday, October 8, 2008
Updated: Thursday, October 9, 2008

The Long Beach State women's soccer team fell, 1-0, to No. 18 University of San Diego, Wednesday at George Allen Field.

A combination of playing three games in six days, injuries, intense heat and a formidable opponent took its toll on the 49ers.

LBSU came out energized in the first 30 minutes of the game, showing off their passing abilities and offensive talent.

The energy dropped off, and San Diego's fresh legs were put on display as they dominated the ball.

Not quite at the 30-minute mark, a corner kick was called for the 49ers and off the cross, sophomore Lindsay Bullock sent the ball off the crossbar and what was believed to be inside the goal. The referees, however, maintained the ball "was partially still on the line."

LBSU head coach Mauricio Ingrassia said, "(If) that ball was an inch lower, we're winning, 1-0. Instead, they go off the counter and we're losing, 1-0. That would have been a whole different game, obviously."

Shortly after the controversial play, San Diego's Jen Mello hit the bottom right corner of the net in the 32nd minute for the only goal of the game.

In the second half, the 49er defense tightened up to prevent another goal. The Toreros (8-3-2), who had 10 shots on goal in the first half, were only allowed three shots in the second. Senior goalkeeper Liz Ramos had eight saves. LBSU had opportunities, but most shots on goal sailed too high.

The 49ers (8-4-2) missed senior Sahar Haghdan's "fire" on the field due to an injured hip flexor but senior Hayley Bolt said, "We have a lot of players that can step up. As a whole, we can accommodate [for Haghdan] but definitely, we miss her."

Haghdan is expected to miss at least 10 days with the injury, Ingrassia said.

A few players include sophomore twin sisters Grace and Caroline Shevlin, who will become part of the rotation, Ingrassia said.

Bolt remained optimistic, saying, "We have adversity all the time, whether it's weather, the refs, traveling ... it's a
LOCAL COLLEGES

UCSD teams race to top 3 finishes

The Chico State men's and women's cross country teams swept the 2008 California Collegiate Athletic Association Championships yesterday at Glen Helen Regional Park in Devore.

UCSD's men's team was second in the 8K race and the Tritons women were third in the 6K race.

Bre Schofield paced the Tritons for the sixth time this season, placing third overall in 21 minutes, 55.7 seconds. Teammate Elena Inouye, named the CCAA Freshman of the Year, was 18th in 23:12.4.

Jake LeVieux was the top UCSD men's finisher, ninth at 26:08.8. Teammate Max Mullender was 13th (26:30.7) and freshman Jeremy Riley was 17th (26:37.7).

Swimming

Both UCSD swimming and diving teams beat visiting Claremont-Mudd-Scripps. The men won 15 of 16 events while the women took 14 of 16 events. Dan Perdew and Steven Hardy won three individual events for the men, and Anju Shimura led the way for the women's team with wins in the 100 back and 200 back.

Volleyball

Amy Mahinalani DeGroot's 17 kills led the 17th-ranked USD women's team to a 25-17, 25-17, 25-18 win over LMU in WCC action. Andrea Czasz had 16 digs and Jessica Nyrop had 28 assists. SDSU fell 25-23, 25-23, 25-23 in a MWC match against host New Mexico. Lauren Salisbury and Stephanie Darnall led SDSU with 12 kills apiece. SDSU setter Leah Lathrop had 10 digs and 21 assists. UCSD swept visiting Cal State Monterey Bay 25-17, 25-13, 25-21 in CCAA action. Rebecca Bailey had 14 kills for UCSD.

Water polo

The seventh-ranked UCSD men's team lost on the road to No. 6 Loyola Marymount 10-9. UCSD led for the entire first half, but a goal with 18 seconds remaining gave LMU the victory.

Soccer

No. 3-ranked Azusa Pacific women won 3-0 over PLNU in a GSAC game. No. 3 APU men held on for a 2-1 victory against visiting PLNU.
CSUN 0, UC Irvine 0 (2OT): The visiting Matadors (7-7-2, 2-2-1) were outshot 18-11 by the Anteaters (8-7-2, 2-2-2) but managed to hold on for the scoreless tie in a nonconference match.

CSUN goalkeeper Leah Elliott had 11 saves, including nine in regulation.

Women's volleyball


San Diego improved to 15-3, 5-1.

Junior outside hitter Rachel Lumsden had a team-high 18 kills, senior outside hitter Julie Rubenstein (Oaks Christian of Westlake Village) had 11 kills and 17 digs and freshman middle blocker Kim Hill had 10 kills and six blocks for the Waves.
Apgar leads L.B. State;
SDSU women set PRs
at Bronco Invitational

UNION-TRIBUNE

Long Beach State's Sarah Apgar, a former standout runner at Southwestern College, finished first yesterday at the Bronco Invitational at Baylands Regional Park in Sunnyvale.

While Apgar, a senior, finished the 5K race in a personal-best time of 17 minutes, 14 seconds, a group of San Diego State women's cross country team members set personal records, led by Senior Kristin O'Connell, at the Mountain West Conference.

One other 28th-place overall runner led the Aztecs for a third straight meet. SDSU placed ninth of 17 teams with 203 points.

"The spread between our No. 1 and 5 runners was good," SDSU coach Jennifer Nanista said. "Almost everyone set a new personal record, and I am pleased with the way they are competing going into the Mountain West meet."

Long Beach State won both the women's and men's titles at the meet. The 49ers' Travis Kuhlman (Westview) placed 14th in the men's 8K in 25:02.

Other SDSU runners who set personal records were: Darrien Buc (18:22), Sara Cunningham (18:41), Kelly Oelschlager (18:43), Sara Beyers (19:03), Michelle Martinez (19:08) and Andrea Norton (19:22).

More cross country
Senior Chris Jacobs (Vista) led USD's men's team to a second-place finish at the Cal Poly Invitational in San Luis Obispo. Jacobs traversed the 8K race at the Fairbanks Cross Country Course in a third-place time of 27:04. USD's Kevin O'Malley was seventh (28:00). The Toreros women finished third, led by freshman Liz Ramos, who was fifth overall in the 5K in a time of 18:30. Another USD freshman, Jenessa Rose, was eighth in 18:58.

Volleyball
USD's Any DeGroot had 15 kills, 12 digs and five blocks to lead the visiting Toreros to a 25-18, 25-16, 22-25, 25-16 win over West Coast Conference foe Saint Mary's. Ashton Basch also had 15 kills for USD (14-3, 3-1) while Ali Troost added 10 kills. Jessica Nyrop had 44 assists and 17 digs against the Gaels (13-6, 3-3)...

Colorado State swept host SDSU 25-20, 25-20, 25-20 in MWC play. Kyley Sexton had nine kills, Stephanie Darnall had 13 digs and Leah Lathrop had 20 digs for the Aztecs (6-12, 3-5). The Rams are 17-2, 7-1...

No. 15 USD upset in volleyball

The 15th-ranked USD women's volleyball team fell 22-25, 25-24, 25-23, 25-18 to West Coast Conference foe San Francisco at War Memorial Gym. The loss drops the Toreros to 12-3, 2-1 and snaps their three-game winning streak. The Dons improve to 13-4, 3-0.
Women's volleyball

Sophomore Cali Trove led USD with 18 kills to pace 10th-ranked USD to 3-0 wins, 25-20, 25-17, 25-18 West Coast Conference win over Portland at the Jen­ny Craig Pavilion. USD is 12-2, 2-0; the Pilots are 12-12, 0-2 . . .

USD coach to celebrate victory over leukemia

By Don Norcross

"Tonight at Qualcomm Stadium, USD men's tennis coach Tom Hagedorn will join nearly 2,000 others on a 2-mile walk. "The Light the Night event, part of the nationwide Leukemia & Lymphoma Society program, celebrates and commemorates people who have been touched by cancer."

Hagedorn, in mid-career, will carry an illuminated white balloon, symbolizing himself as a cancer survivor. "People supporting cancer patients will hold red balloons. Wall-to-wall balloons reflecting gold balloons will be held aloft by people who passed away."

For Hagedorn, the evening will bring back a flood of memories. "Like when I was a young boy, I would hold into Melissa's leg and we'd run around her bed."

"Where you are right now," the doctor said, "you've got leukemia. And you've got two months to live."

The doctor told Hagedorn to go home, pack his bags and return to the hospital. Chemotherapy would start the next day. Three days into treatment, Hagedorn's body was rejecting the drugs. His lungs began to deteriorate. He was put on a drug-induced coma, placed on a ventilator and transferred to the intensive unit.

A healthy organ-transplanted heart typically bounces in the high 90s to the 100s. Hagedorn's numbers were in the 50s.

"On a professional level, you're pretty much miserable of life," said Dr. Jeffrey Lebov, an internist at San Diego's Kaiser Hospital who treated Hagedorn. "You're not getting enough oxygen to the brain and other organs."

Lebov gave Hagedorn's wife, Melissa, an assessment. "It prepared Melissa for his impending death."

Nearly 15 family members gathered around Hagedorn's bed that night. Melissa remembers Hagedorn's mother touching her son's leg and his older brothers immediately holding his hands. "That's when he started coming back," Melissa said.

"Hagedorn began to stabilize. He remained in a coma nearly three weeks. Days after awakening, he underwent a bone marrow transplant. His cancer was in remission."

"In my nearly 25 years of being a physician," Kocha said, "I have never seen anyone. All have the same reaction to chemotherapy, and 80 be in the same condition until survival. He was as close to death as people can get and pull through. Still it amazes me."

"Now healthy and back on the tennis court hitting balls for 30 minutes at a time with his players, Hagedorn jokes about how fragile he was coming out of the coma. In three weeks, his weight plummeted from 185 pounds to 150. This week he rolls over in his bed. Hagedorn needed two or three people to lift him from one side to the other. The LPI Team, he called them. Hagedorn talked to them when they were done."

"When he finally could get out of bed, Hagedorn walked with the help of a nurse. The nurse wrapped a home-fitting belt around Hagedorn, helping on..."
LOCAL COLLEGES

Aztecs staying alive

UNION-TRIBUNE

Three SDSU players — Julia Trunk, Roxanne Ellison and Holly Bagshaw — won yesterday in the singles main draw of the Wilson/ITA West Regional Championships as the five-day event began at Barnes Tennis Center.

Trunk beat Hawaii's Natasha Zorec 6-1, 6-1; Ellison beat USC's Elizabeth Marisco 7-6, 6-3; and Bagshaw beat Torero Alexandra Demidova 6-3, 6-3. In doubles action, Olivia Colman and Kathryn Kitts of SDSU beat Jordan Heitzner and Brittany Rosen of UCLA 8-2.

USD’s Trevor May and Andrew Feld scored second-half goals to lead the Toreros (5-6-3, 5-1) to a 2-0 win over host LMU (4-5-5, 2-3-1) in WCC men's soccer action. USD coach Seamus McFadden (299-216-47) will go for his 300th career win at 1 p.m. Sunday as USD again plays LMU.

Andrea Csaszi had 35 digs as USD’s volleyball team beat Pepperdine 20-25, 25-20, 25-22, 19-25, 15-12 in a WCC match. Amy DeGroot had 20 kills for USD (15-3, 5-1), and Jessica Nyrop had 50 assists against Pepperdine (16-2, 4-2).
LOCAL COLLEGES

Walker hat trick lifts SDSU over Air Force

Sophomore midfielder Cat Walker had a hat trick and the San Diego State women's soccer team picked up its first Mountain West Conference victory with a 7-0 win over Air Force yesterday at the SDSU Sports Deck.

The Aztecs (5-8-2; 1-3) established a Sports Deck record with seven goals and 27 shot on the day. Jessica Gordon, Brooke Holliday, Tiffany Hurst and Ali Lokanc (Patrick Henry) also scored, while senior goalie Christi Yount had four saves against the Air Force Academy (3-11, 0-4).

Walker was successful on three of her four attempts, notching the program's first hat trick since Kim Castellanos (2000). Walker missed all of last season after damaging the anterior cruciate ligament in her left knee during an exhibition game against Cal State Northridge.

More soccer

Katelyn Krauss, Lauren Johnson and Taylor Schurman scored as Cal State San Marcos beat visiting Cal Poly Pomona 3-1 in a nonconference game. Kacyee Gunion had three saves against the Broncos (5-7-2). The Jaguars are 10-2-2. USD freshman forward Stephanie Ochs (Patrick Henry) scored in the 66th minute off a pass from Namlie Garcia (San Pasqual) as the Toreros (10-3-2, 2-0) beat visiting University of San Francisco 1-0 in a West Coast Conference matchup. Brittany Cameron made one save against the Dons (5-8-2, 0-2), who were outshot 17-1.

Oregon State University beat the SDSU men's team 2-1 in a Pac-10 game at SDSU. Matt McManus scored for the Aztecs (3-6-2, 1-1-2). The Beavers are 4-6-3, 1-2-1. Cal Poly Pomona and visiting Cal State San Marcos played to a 0-0 tie after two overtimes in men's nonconference action. Toshi Nakaniishi made two saves in goal for the Jaguars (5-5-2). The Broncos are 4-8-2.

Volleyball

Cal State Los Angeles came back from a 2-0 deficit in games to beat visiting UC San Diego 25-27, 23-25, 25-18, 25-18, 15-9 in a California Collegiate Athletic Association match. Rebecca Bailey had 19 kills to lead the Tritons (15-4, 9-3), with Hillary Williamson adding 12 kills and five service aces. Elaine Chen had 44 assists against CSULA (16-3, 9-3).

Men's water polo

The seventh-ranked UCSD men's water polo team scored the first 13 goals of the game and cruised past Claremont-Mudd-Scripps 20-4 at Canyonview Pool. Graham Saber, Chance Vermilyea, Jeff Hunt and Adnan Jerkovic all had three goals for the Tritons (14-6). The Stags are 2-13.

Tennis

Bartosz Golas was the lone SDSU winner at the ITA West-South Regionals at Ralphs-Straus Tennis Center at Pepperdine, beating Leo Rosenberg of Hawaii 7-5, 7-6. Meanwhile, USD's Charl Wolmanns beat Zach Tsa of UC Irvine 6-2, 6-1 and Toreros teammate Tom Wolff beat Cal Poly's Brian McPhee 7-5, 4-6, 6-1.
Women’s volleyball

Chico State needed five games to beat visiting UCSD 25-23, 20-25, 25-19, 16-25, 15-11 in the teams’ California Collegiate Athletic Association opener. Elaine Chen had 43 assists with Rebecca Bailey’s 20 kills leading all players for USD. Roxanne Brunsting added 22 digs for the Tritons (11-3, 5-2). Sylvia Schmidt added 16 kills against Chico (12-6, 5-3) ...

Host UNLV beat SDSU 25-20, 18-25, 25-23, 25-19 in the teams’ MWC opener. Lauren Salisbury had 13 kills and Stephanie Darnall added 12 with Leah Luthrop contributing 26 assists and 15 digs for the Aztecs (4-10, 1-3). The Rebels are 10-7, 3-1.

Women’s tennis

SDSU opened the 2008-09 tournament season with a pair of doubles victories and five individuals advancing in the main draw of their respective singles brackets on the first day of the annual SDSU Fall Classic at Aztec Tennis Center.

In singles play, SDSU wins from Holly Bagshaw, a 7-5, 6-0 winner over USD’s Maja Sujica; Olivia Coleman, a 7-5, 4-6, 6-0 winner over USD’s Justine Perl; Roxanne Ellison, a 6-2, 6-4 winner over USD’s Milou Teeling; Esther Cadua, a 6-2, 6-1 winner over Marite Raygada and Sierra Ellison a 6-1, 6-7 (5), 6-0 winner over Kari Wig of the University of Michigan. Cadua and Milana Yusupova teamed up to defeat Perl and Raygada in three sets while Bagshaw and Trunk beat the Luxen of Arizona’s Ariane and Deborah Casarin 6-5, 6-3. Samantha Mouly and Estelle Coupez of USD beat Roxanne Ellison and Sierra Ellison 8-2 in another doubles match.
COLLEGE GOLF

The USD Toreros held onto their first-place spot after two rounds of the 2008 Sycuan Collegiate being played at the Willow Glen Golf Course in El Cajon. USD, which shot a 276 team score in the morning round, followed that with a 274 total in the afternoon. Their two-round team score of 550 (26-under par) leads Colorado State (556) and Denver (561) in the 20 team event. Jason Shano carded a 69 in today's afternoon round and sits in third place with his 9-under par score of 136, four strokes off the lead.
A LOOK AT LOCAL COLLEGE GOLF TEAMS

SAN DIEGO STATE

Conference: Big West
Rankings: #18 for NCAA Regional, #14 for NCAA West Regional

Top players: Alex Ching, Luke Ko, Davin Hart, Gabe Hefley, Blake Tribune, Jake Youle

Outlook: The Aztecs are coming off their best finish in the NCAA West Regional, and Ching says he's fully aware of what has separated SDSU from the very top teams. Last year, the team qualified for the NCAA West Regional tournament. This year, the team hopes to improve on their past performances and qualify for national championship play.

USD

Top players: Tim Nicoll, 6th year

Conference: NAIA Region 1

Top players: Trent Cwalinski, Nick Leuck, Eric Dvorak, Ken Dominick, Brian Stevens

Outlook: USD is coming off an outstanding summer, including winning the SCGA Match Play title.

UCSD

Coaches: Huy Do, 20th year

Conference: NCAA West Regional

Top players: Ari Laszlo, 3rd year, Nick Schmitt, 2nd year, Chris Hughes, 3rd year

Outlook: UCSD is coming off a strong season, finishing second in the NCAA Regional tournament. The team is aiming to improve on their past performances and qualify for national championship play.

WOMEN

CAL STATE SAN MARCOS

Coaches: Tom Waller, 16th year

Top players: Stephanie Cole, 4th year, Sam Brown, 2nd year, Nicole Peters, 2nd year, Chelsea Lisk, 2nd year, Lily Finau, 2nd year

Outlook: The Cougars are aiming to improve on their past performances and qualify for national championship play.

SAN DIEGO STATE

Coaches: Fred Jacobson, 16th year

Top players: Stephanie Arlo, 2nd year, Niki Cole, 2nd year, Kaela Krummes, 2nd year, Kelly McCool, 2nd year, Samantha Roberts, 2nd year

Outlook: The Aztecs are coming off a strong season, finishing fourth in the NCAA Regional tournament. The team is aiming to improve on their past performances and qualify for national championship play.
Alumni Game Announced

USD will have the 2008-09 Alumni game on Nov. 15 at Cunningham Stadium.

Current major leaguer Freddy Sandoval (Angels) will be playing with the more recent alums.

Oct. 28, 2008

SAN DIEGO, Calif. - The University of San Diego baseball coaching staff has announced that the 2008-09 Alumni Day will take place on Nov. 15 at Cunningham Stadium.

The day will begin with a "Blast from the Past" game featuring the "more mature" USD alums. Following this game will be the 2009 Toreros taking on the "more recent" alums, which will include past Torero greats now in professional baseball such as big leaguer Freddy Sandoval (Angels) and 2008 first-rounder Brian Matusz (Orioles).

The Schedule for the Day is below:

10:30 a.m. - Alumni Check-in and Jersey Handout
11:00 a.m. - Torero Batting Practice
11:50 a.m. - Alumni Batting Practice
1:00 p.m. - Blast from the Past Game 2:30 p.m. - 2009 team vs. Recent Alumni game

**Post game celebration TBA**

For more information please contact Ramon Orozco at ramonc@sandiego.edu

GET REAL TIME SCORING, STATS AND MORE


10/28/2008
Rich Hill Selected as One of 11 College Coaches to Meet with MLB on Improving Collegiate and Pro Baseball Relations

Hill will be joined by Augie Garrido (Texas), Pat Casey (Oregon State) and Ray Tanner (South Carolina), among others.

Oct. 28, 2008

SAN DIEGO, Calif. - The University of San Diego head baseball coach Rich Hill has been selected as one of 11 collegiate coaches to participate in a meeting between Major League Baseball and the NCAA baseball coaches to help improve the relations between the two. Hill will be joined on this committee by the legendary head coach at the University of Texas, Augie Garrido, Paris Casey from Oregon State and Ray Tanner from South Carolina, among others.

This years meeting will take place in Las Vegas, Nev. On December 10th, and the meeting will consist of all the MLB Scouting Directors and their assistants, MLB Operations people (Joe Garagiola, Jr., Roy Kriski and Brian Porter), other selected MLB personal and the 12 college coaches.

The two Sides will come together to discuss ways to improve the relationship between college baseball and professional baseball and is put on by the American Baseball Coaches Association.
Former Toreros Named to Arizona Fall League's Rising Star's Showcase Game

Brian Matusz and Anthony Slama were both named to the national division team.

SAN DIEGO, Calif. - Two former University of San Diego pitchers, Brian Matusz and Anthony Slama, have been selected to the Arizona Fall League's Rising Star's Showcase game to be played on Friday Oct. 24.

Matusz, the No. 4 overall pick in the 2008 MLB draft by the Baltimore Orioles, led the NCAA in strikeouts (141) and tied for fifth in the country in wins (12) in his final year (2007) with the Toreros. He posted a 1.71 ERA, which is the fourth best all-time mark at USD in single-season ERA. The lefty was named the 2008 West Coast Conference Pitcher of the Year, named a Louisville Slugger, Baseball America and Rivals.com first-team All-American and finished the season as the all-time career leader at San Diego in strikeouts (396). The southpaw also tied the program single-game record for strikeouts with 17 in a win against Harvard on March 22, 2008.

Slama played with the Toreros from 2006-07 and helped lead USD into the NCAA Regionals in both seasons as well as the 2007 West Coast Conference Championship. Below is a link to the Baseball America story. Slama currently is with the Minnesota Twins organization.
For Toreros' Rish, football field is home

By Kevin Gemmell

USD assistant football coach Mike Rish doesn't mind having his old receiving records broken by his players. Kevin Gemmell/Union-Tribune

Mike Rish will be on the sidelines for his 29th USD homecoming football game today. But can it really be considered homecoming if he never left?

Once the Toreros' most prolific wide receiver, Rish graduated from USD in 1984 and returned to his alma mater the same year as an offensive assistant, working specifically with the wide receivers. It's still walking the sidelines and 25 seasons later is the coaching staff's senior member.

"I don't know how the last 25 years happened," Rish, 68, said. "I wouldn't even know what to do up there. I don't know how that would feel."

Down on the field, he knew exactly what to do. In an era when USD was a power offensive, Rish still set career marks in most receiving categories. Since USD adopted the West Coast offense line millennium, Rish has seen players he coaches pass him in the record books. And he couldn't be happier about it.

"People ask me if I'm mad or upset when I lose a record, but I'm just the opposite," Rish said. "I'm happy for those guys. I want them to want to be the best. I wouldn't be doing this for this long if I didn't get some sort of satisfaction seeing these guys score for the top." Even so, Rish still ranks sixth in career receptions (101) and seventh in receiving yards (1,722). Not bad for a team that would throw only about 10 times per game.

"I think that tells you he must have been one heck of a player," USD head coach Ron Caragher said.

No records are expected to fall today when the Toreros (4-3, 3-0) host Valparaiso (1-2, 0-4) in a Pioneer Football League contest.

Brian Fogarty, USD's head coach from 1983-1985, was able to work with Rish as a player and a coach.

"He was our go-to guy," Fogarty said. "We didn't throw a lot, but when we needed a big play, we'd find him. As a coach, he understands the game and knows how to be a teacher. He's on his fourth head coach now, so it just shows how respected he is and how he can adjust to any system."

People always ask Rish if his best memory as a player is the 1982 nationally televised game against Occidental. While he flourished in the contest and was named the CBS Chevrolet Player of the Game, it's a bittersweet memory.

"We didn't win," he said, recalling the 34-20 loss. "It was real, because back then you didn't have ESPN or other networks putting on games. When you were on national television, it was three quarters of the nation. We were favored, but we lost. It always leaves a sour taste in my mouth."

As a senior vice president for Guild Mortgage Company in San Diego, Rish has been able to work "New York hours," which allows him to coach. His time on the sidelines has served as his Zen time, especially during the recent turbulence in the financial market.

"When I'm out here, I can't think about what's going on at work," Rish said. "When I'm at work, I can't think about what's going on here. It's pretty stressful and high intensity with the markets changing. When I'm here, it's another world and I can get away."

Academic honor

USD defensive back Patrick O'Neill is one of 104 semifinalists for the 2008 Draddy Trophy and a candidate for the 2008 NFF National Scholar-Athlete Award. O'Neill, who was named a First Team "ESPN the Magazine" Academic All-American in 2007, carries a 3.665 grade-point average as a double major in business and marketing.

Kevin Gemmell (619) 718-5304; kevin.gemmell@uniontrib.com
Free Skills Clinic on Saturday

USD will be hosting a free skills clinic at Cunningham Stadium from 9 a.m. to noon.

Rich Hill and the Toreros will be offering a free skills clinic this Saturday beginning at 9 a.m.

Nov. 5, 2008

SAN DIEGO, Calif. - The University of San Diego baseball team will be hosting a free skills clinic this Saturday from 9 a.m. to noon at USD’s Cunningham Stadium.

All who wish to attend should arrive at 8:45 a.m. and will need to bring your baseball equipment for the camp. Players will get instruction from 2008 WCC Coach of the Year Rich Hill and the rest of the Torero coaching staff, plus members of the 2009 Torero baseball team.

Players can sign up at www.usdcamps.com or on Saturday when they arrive at the field. If they have any questions please contact Jenny Gilmore at (619) 260-2999.
Olympian or not? That's the question

Local weightlifter waits for ruling as he starts job at USD

Tom Shanahan
For The North County Times

Casey Burgener returned home from the Olympics and a trip to Europe this week, and he'll report to his new job as an assistant strength coach at the University of San Diego Monday.

His qualifications for the position include being one of America's top weightlifters, but USD's sports information department can't be sure whether his most prominent athletic accomplishment can be included in his school bio.

Is an athlete who qualified for the U.S. Olympic team but didn't compete at Beijing considered an Olympian?

"For a little corn inside," said Burgener, a 2000 graduate of Rancho Buena Vista High. "I did everything and met all the stipulations required of me to make the U.S. team. But I didn't compete, so I don't know if I can call myself an Olympian, I don't want to be the one making the decision."

The decision on Burgener's Olympic status is expected soon from the U.S. Olympic Committee.

Burgener said the International Olympic Committee doesn't consider him an Olympian because he didn't compete, but America's boycott of the 1980 Moscow Games is a precedent for the USOC declaring U.S. athletes Olympians despite not competing.

USA Weightlifting executive director Dennis aeathen said he doesn't have a vote, but he is in favor of Burgener being named an Olympian.

"I think that would be appropriate," aeathen said. "He did everything that was asked of him and didn't do anything wrong. He should be named an Olympian, just like the 1989 Olympians."

The issue is a tangled web of rulings among USA Weightlifting, the International Weightlifting Federation and the IOC. It boils down to whether three American weightlifters are two qualified to compete for the U.S. team.

Burgener placed third in the heavyweight division in May at the Olympic trials in Atlanta. He and his father-coach, Mike, say USA Weightlifting announced them that three Americans qualified for Beijing.

Burgener traveled to China with the U.S. team, but the day before the competition, he was informed that only two Americans qualified and he wouldn't compete.

"I was very upset and sitting in my room after it happened," Burgener said. "But after a little bit, I realized I wasn't sad and proud, I was glad looking ahead to my future's competitions, our trip to Europe after the Olympics, and starting my new job."

Burgener and Natalie Woolfolk plan to be married on Nov. 26. Woolfolk, who also starts a job Monday as an assistant strength coach at USD, placed 12th in her weight class — 63 kilos (138 pounds). It was her best finish in a major international competition in two years.

The USA Weightlifting team and women's teams voted on Burgener's Olympic status, and the results have been sent to the USOC. Woolfolk believes once, if not all, of the U.S. Olympic weightlifters voted unanimously for Burgener, but the USOC doesn't have to follow that vote.

"I talked to a lot of our teammates, and they all said they voted for him," Woolfolk said. "I know how hard he worked for this, and I really hope they don't take the title away from him."

Burgener said he likely won't try to make the Olympic team in 2012, although he doesn't rule out a change of heart. But for now he's focused on starting his career at USD.

"I think I can bring a lot of training college student," Burgener said, "My experience is you don't accomplish anything without hard work. But even hard work doesn't mean you won't be disappointed. I think, as a coach, I can help kids learn how to cope with tough times and get through it."