USD News Print Media Coverage

February 2002
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College of Arts and Sciences
Economic method mined for Olympic medal forecast

By Frank Grebe, SPECIAL WRITER

Most of us think the path to Olympic gold requires superior athletic ability and long, grueling training regimens.

But the ultimate criteria for victory in figure skating and snowboarding may involve nothing more complicated than the per-capita income in the athlete's homeland.

A new study by Wellesley College economist Daniel Johnson asserts that performance in the Olympics can be predicted largely by studying the political, social and cultural milieu where the competitors reside.

Forget about an athlete's prowess on the slopes, Johnson is more interested in whether his or her country is in a temperate or tropical climate, is rich or poor and has a large population base.

"The optimal nations (for Olympics success) tend to have good health, high education standards, extensive training facilities and a society that allows a lot of extra time spent out of school," said Johnson, whose 30-page report will be published next month by the scholarly journal *Econometrica*.

So far, Johnson's model — which he formulated with Harvard graduate student Ayfer Ali — has proved nearly as true as a Simon Ammann ski jump.

His forecast going into the Games last week was that Germany would walk away with 31 medals (11 of them gold), followed by Russia (21 medals, 10 gold), the United States (20 medals, seven gold), Norway (20 medals, six gold) and Austria (16 medals, four gold).

Through Friday, Johnson was about 87 percent accurate in his picks, with Germany, the United States, Austria, Norway and Russia in the lead for medals.

"The results of hockey and other team sports will come later on in the games, and the U.S. and Canada should do well in those," said Johnson, who does not consider athletic skill in his calculations.

Johnson first used his theories during the 2000 Sydney Olympics, chalking up a 96 percent correlation rate with the final medal table.

But some experts who study human performance say the professor's methodology is partly flawed because it excludes evaluations of individual ability.

"Some of what (Johnson) says is correct, but I challenge some of his conclusions," said Curt Spanis, a University of San Diego biology professor who specializes in the physiology of exercise and nutrition. "Athletes from Russia, for instance, come from a very bad climate, but they often excel in Olympic competition.

And it's hardly surprising, Spanis said, that Olympic skiers who come to the United States representing, say, Norway, go on to flatten the rest of the competition.

Johnson is among a new generation of economists who are going beyond traditional areas of study in the "dismal science" — analyzing inflation rates, deciphering the vagaries of the stock market — to develop economic models explaining a wide range of quirky human behavior.

In recent years, university economists have written treatises on the corruption in sumo wrestling, conditions in which pawn shops thrive, the reasons people procrastinate and the financial elements of obesity.

"I think it's good intellectual activity to extend the reach of economics beyond the financial markets," said Ed Balsdon, an economics professor at San Diego State University. "What (Johnson and others) are doing is weighing the benefits and costs to decision-making, which can be applied to a number of different subjects."

However, Balsdon stressed that the value and use of research time, especially at public universities — should be considered on a case-by-case basis.

Johnson's model starts with the premise that an economically blessed nations win, expert says.

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<th>Country</th>
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Medal forecasts for 2002 Olympics
Indian Town's Seed Grew Into the Taliban's Core

By CELIA W. DUGGER

DEOBAND, India — The orthodox Islamic school of thought that came to find its most virulent expression in the Taliban originated in this placid north Indian town where Hindus and Muslims peacefully coexist to the eternal rhythms of sowing and harvesting.

Along streets ornamented with shrines to blue-skinned Hindu gods, cows, sacred in Hinduism, forage unfettered. Five times a day, the muezzins’ calls to prayer sound from the minarets of the 138-year-old Darul Uloom seminary that is famed throughout the Islamic world and teaches the form of Islam known as Deobandism.

But while the Deobandis of India, and India’s 130 million Muslims in general, have embraced India’s secular Constitution and religious diversity, the Deobandis of Afghanistan and Pakistan sought to impose their fundamentalist brand of Islam by force.

Pakistan, India and Bangladesh, nations that were once Britain’s Indian empire, have the world’s second-, third- and fourth-largest Muslim populations. Almost one out of every three of the world’s 1.2 billion Muslims lives in the subcontinent.

So, to American policy makers newly interested in South Asia, it is important to ask why South Asia’s Deobandis have taken such sharply divergent paths. “Everybody thinks of Islam as Arab, but you have to pay attention to Islam in South Asia,” said Vali Nasr, a political scientist at the University of San Diego. “If you don’t, you confront something like the Taliban and everyone says, ‘Where did these guys come from?’ To understand that, you have to understand Deoband.”

Here in Deoband, the concept of jihad as a holy war is simply not taught. “In our madrasas you will not find even a stick to beat anyone,” said Marghiboor Rahman, the seminary’s elderly, bearded vice chancellor.

By contrast, the Deobandi madrasas of Pakistan became training grounds for holy war and many of the Taliban leaders. Masood Azhar, the group’s leader, is the Pakistani elder, bearded vice chancellor.

The answers about the different brands of Deobandism on the subcontinent appear rooted in India’s secular, democratic tradition and in the region’s complex interplay of history, politics and demography.

To step onto the campus of Darul Uloom in Deoband is to step back in time. The 3,500 boys and young men, mostly from peasant backgrounds, attend free of charge. They leave their sandals outside the scalloped doorways of classrooms that are more than 100 years old.

In one, a teacher read by the hour from the Hadith, a collection of the sayings of the Prophet Muhammad, while hundreds of students wrapped in shawls against the winter chill and wearing white caps sat on the floor, listening respectfully.

Mr. Rahman, 86, the school’s leader, turns to history when he talks about why India’s Deobandis are different from their cousins across the border. He explains that the seminary opposed the creation of Pakistan, a Muslim homeland. “We are Indians first, then Muslims,” he said, speaking in Urdu.

The divide between Deobandis had its origins in the 1947 partition of the British Indian empire into India and Pakistan, an event that set off cataclysmic violence between Hindus and Muslims and sundered the Muslims of the subcontinent, too.

No longer were devout young Muslims from all over the former empire free to attend the seminary at Deoband, and today, the Deobandis of Pakistan who were educated in Deoband itself have largely died out.

“They have adopted the same educational syllabus, but beyond that, they developed in a different manner,” Mr. Rahman said. “We do not have any relationship with them.”

The seminary in Deoband was founded in 1866 to preserve Muslim identity and heritage in the face of British imperialism, which had replaced the rule of the Mughals, India’s Muslim conquerors.

The seminary’s teachers imparted to their students a socially conservative vision of Islam purified of folk and Hindu customs and concerned with teaching individuals how to practice their faith properly.

In politics, the Deobandis joined the independence movement led by Mohandas K. Gandhi, a Hindu, and opposed the separate Muslim homeland of Pakistan that was ultimately founded by Mohammed Ali Jinnah, a secular-leaning barrister who smoked cigarettes, wore hand-tailored suits and spats and married a Parsi, a non-Muslim.

“Jinnah never used to offer prayers, so how could he have created an Islamic state?” Mr. Rahman asked.

Secular democracy has proved to be a bulwark against fundamentalism in India, and it was built on a demographic foundation that made Islamic nationalism impractical here.

A peaceful form of Islam was altered as it spread.

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Secular democracy has proved to be a bulwark against fundamentalism in India, and it was built on a demographic foundation that made Islamic nationalism impractical here.
While Pakistan is 97 percent Muslim — and religion has been routinely exploited there for political gain — India, a much more populous nation with almost as many Muslims numerically, is only 12 percent Muslim.

“The Muslims of India are scattered all over the place,” said Syed Shahabuddin, editor of Muslim India, a monthly magazine. “Out of 545 parliamentary districts, just 11 have a Muslim majority. How can you make a Muslim political party?”

Still, in more districts Muslims form a crucial swing vote in a social system where the Hindu majority is often fractured politically by caste. As a result, they have a measure of influence at the ballot box, if not the ability to win outright control.

Deoband is in the state of Uttar Pradesh, where the state election season is under way. The political parties of the low castes and the peasant castes are competing furiously for Muslim votes.

The severest provocation of Muslims happened here in Uttar Pradesh in 1992, when Hindu fanatics tore down a 16th-century mosque at Ayodhya. Ever since, Muslims have often cast their votes tactically for the party best positioned to defeat the Hindu nationalist Bharatiya Janata Party, whose leaders led the movement to build a Hindu temple on the site of the mosque.

Less than a mile from Deoband is the majority-Muslim village of Labakri. The villagers consider themselves Deobandis, but the purity of Islamic practice expounded by the scholars at the nearby seminary does not extend even this far from the gates of Darul Uloom.

The people continue to follow a caste system that is theoretically forbidden. Like most Muslims in India, their forebears were low- to middle-caste Hindus who converted to Islam over centuries. Hindu cultural practices of caste and dowry have persisted.

In this village, people had barely heard of Mr. bin Laden and voiced little interest in distant Afghanistan, far from their everyday concerns of the sugar cane harvest, low wages, petty corruption and poor government services.

Liaquat Ali, a 48-year-old farmer, declared that he supported the Samajwadi Party, led by a Hindu from the cowherd caste, because it is more secular and more influential.

But as Mr. Ali ranted on about the evils of the Hindu nationalist Bhartiya Janata Party, a young farmhand, Mohammad Mustaqeem, cut him off. “He was the B.J.P. regional chief in the area!” Mr. Mustaqeem exclaimed. “He voted B.J.P. last time! He supported them because he realized they would be in power and that it would be good to be friendly with them.”
Richard Louv  
The Future's Edge

Debate should advance with technological leaps

Silicon Faith: Fourth in a series

Just last week, we saw the future in a newspaper advertisement. Surrounded by computers, digital cameras and other electronic gadgetry headed for the garage sales of 2010, there it was: a picture of a minivan interior.

Built into the sun visors, the dashboard and the backs of both front-seat headrests were five LCD or television screens, all hooked up to a DVD or VCR or satellite receiver. Unlike? Volkswagen already sells a car loaded with an array of flat-panel screens, built-in e-mail and Web connection, MP3 and DVD players and a Personal Digital Assistant.

So just imagine rolling down the highway: Mom, Dad, Buffy, Billy and Buster, the family dog — blissfully oblivious to realities outside or, for that matter, inside the vehicle. One big happy family.

As long as the van stays on the road.

As a metaphor for our semi-religious devotion to technological control, the family in the minivan serves well.

"Overconfidence in technology leads to distraction, lack of attention to the human element, not watching where you're going," says Daniel Yankelovich, veteran public opinion analyst. "In any enclosed environment in which people are isolated, you become vulnerable to delusional thinking. You stop questioning."

Yes, we debate cell-phone driving safety. Cloning, fetal tissue research or abortion-related technologies attract political attention. "But most questions that ought to be asked about technology aren't surfacing in the political world," says John Eger, director of San Diego State University's International Center for Communications. Eger, the original Cable Guy, was President Richard Nixon's point man for deregulation of the cable industry.

During the most recent presidential election, he watched the debates waiting for a discussion of megacomputing, nanotechnology, robotics, designer mice implanted with human genes. Instead, with the exception of some muttering about Internet sales taxes, the candidates argued about the price of pharmaceuticals.

"The last major technological shift, from the agricultural age to the industrial age took several hundred years to complete," Eger says. "This new shift, to an information age of exponential technological advances, is happening in 10 to 15 years. It's going to cause a major restructuring of government, a reweaving of the whole tapestry of what holds us together as a people, a redefinition of what means to be a person."

Yeah, yeah, the usual high-tech hyperbole, right? Nope, it's the truth says Matthew Meselson, a world-famous geneticist and biochemist at Harvard.

He says the emerging technolo-gies of our time, particularly when they're combined, constitute a fundamental and profound break from the past. "All of the prior technologies could be used to kill people," he says, "but not to change the very nature of what a human being is. We're on the brink of living with human beings as we want to make them. To modify the way people think, to manipulate loyalty."

Surely someone's minding the store. Ethicists, for example.

"Ethical debates within the professions are concerned with specific technologies, but not the whole," says Lawrence M. Hinman, professor of philosophy and director of The Values Institute at the University of San Diego, "There just aren't very many people or organizations looking at the larger, tougher technological issues — or even the mechanisms for having that debate."

Should there be more? Absolutely, Hinman says. The barri-ers to wider debate range from lack of funding for critical questions, to the academic tendency to conduct narrow — and therefore more publishable — research, to the fact that a good number of these professors are profiting personally from public research. "Who wants to be seen as an alarmist?" he asks. Or worse, a Luddite.

The original Luddites, 19th century laborers and craftsmen who rioted in industrial England, destroying textile ma-chines, weren't opposed to all technology, just the machines they believed were taking their jobs, eroding traditional values and destroying the environment. Today, in the academic community, in business, or for that matter, in the media, to be called a Luddite is a cold kiss of death.

"When it comes to every new technology, you should be in favor of it," Hinman says. "People who question this are dismissed as Luddites. That's the tenor of the times." For the most part, the future is met with a shrug.

"My personal view is that technology is a form of evolution," said Paul Jacobs, in an interview last year. Jacobs is executive vice president of San Diego's Qualcomm Corp., a leader in wireless technology. "I agree there are dangerous aspects to many technologies, but most people who do this kind of work are more introspective about the implications than they're given credit for. As in anything, balance is the key."

Still, considering the dangers, as well as the promise, of the new technologies, shouldn't we be slowing down to ask a few more questions?

"How could we not move fast for someone whose grandpa has Alzheimer's disease?" asks Kevin Carroll, executive director of the San Diego branch of the American Electronics Association, which represents more than 200 leading technology companies in the region. Anyway, he asks, where's our courage? Are we mice or are we men? Good question. Especially in 2002.

Carroll predicts that the recent mapping of the human genome will quickly turn into a commercial enterprise, generating wealth in the private sector and for research universities, through licensing and patent agreements. "So everyone's a winner. And in the end, you have a kid sitting in some hospital whose disease is cured."

Keep raising doomsday scenarios, he says, and who knows what will happen? "Pretty soon, you'll have legislatures getting involved and harming our industries. It's the law of unintended consequences; rushing to pass some law without thoughtful debate."

Ah, but that's also what the neo-Luddites say. Those pesky unintended consequences will get you every time. So let's debate. And by the way, keep your eyes on the road.

Next Sunday: The Academic-Industrial Complex.

Richard Louv writes about the future on Sundays. He can be reached by e-mail at rlouv@cts.com. To read past columns in this series, click on www.TheFuturesEdge.com.
WHAT BETTER TIME TO STUDY PEACE

The University of San Diego proudly announces a new Master of Arts program in Peace and Justice Studies, to begin August 2002. This one-year degree program of full-time study will focus on international relations and conflict resolution, building upon ethics, philosophy and religious studies.

- Courses will involve collaboration with the new Joan B. Kroc Institute for Peace and Justice at USD.
- Applications will be considered starting February 2002. Deadline is May 2002.
- Gandhi Fellowships will be awarded to students selected for the program.
- Other financial aid, including loans, may be available to most students.

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- Post-abortion healing and reconciliation retreat for Spanish-speaking women will be held Feb. 22-24. For info, call Rita Lopez at (619) 474-1652 or Flerida Calkins at (858) 272-6326.
- Retreat for English-speaking women will be held March 15-17 at Pastoral Center. For info, call Rosemary Benefield at (858) 581-3022 or visit www.RachelsHope.org.

Global Spirituality
“Global Spirituality in These Times,” will be the theme of Sister Carol Zinn’s, SSJ, Feb. 23 workshop at Blessed Sacrament. For info, call (619) 445-4570 or e-mail laprovda@flash.net.

Faith and Terror

Keeping Head and Heart
Sister Carolyn Osiek, RSCJ, Ph.D., will speak on “Living From the Center: Keeping Head and Heart Together in a Technological Age” March 14, 7:30-9 p.m. in University Center, Room 107, on USD Campus. For info, call (619) 260-4784.

Grief
The way to move beyond grief and become whole again is to pass through it, just as Jesus passed through death to new life. This opportunity is available at a Beginning Experience Weekend, March 22-24, at Mission San Luis Rey, Oceanside. For info, call Cynthia at (619) 425-1403 or Valerie at (877) 885-9339 (toll free).

PRAYERS ANSWERED

Thank you, Sacred Heart of Jesus and St. Jude for favors granted. M.D.

Thank you, St. Jude, St. Anthony and Blessed Mother for favors received. Thank you, Jesus. R.B.
School of Business Administration
Enron Is Hot Topic on College Campuses

By LINDING WEL

New York – Izhak Sharav, an accounting professor at Columbia University, is preparing his full-semester class syllabus and the one particular subject he intends to highlight is “special purpose entities”—the devices that are at the core of Enron Corp.’s attempt to hide its true financial conditions from investors.

When Cook, who teaches accounting at the University of San Diego in California, always tries to weave a theme of ethics into classroom discussion, Enron’s relationship with auditor Arthur Andersen, she says, makes for an excellent case study in conflicts of interest.

W. David Albrecht with Bowling Green State University in Bowling Green, Ohio, says in the wake of the Enron debate, he has been watching movies in hopes of finding a perception of accountants as something other than number-crunchers. “It’s a noble profession, it allows people to serve,” the professor said, “and that message needs to be promoted.”

In short, Enron has become a hot topic on campus. Across the country, professors are calling for more academic debates on murky accounting rules such as those governing revenue recognition—that the Enron fiasco has pushed into the spotlight.

Rarely has an accounting scandal had such wide repercussions among educators. As the glaring audit failure at Enron undermines the profession’s reputation and raises concerns about its future recruitment, academics nationwide are striving to do their part to restore faith in accountants. They are heeding closely the questions raised by Enron’s downfall, which illuminate future changes that are likely to be demanded by investors of accounting practitioners. After all, professors say, it is today’s college students who will implement those changes.

“Look high and low in any accounting textbook’s indexes, you won’t find any reference to special purpose entities,” says Mr. Sharav, with Columbia Business School in New York. “It’s something that we shouldn’t have neglected,” he adds.

A New York firm, says: “It’s something that we shouldn’t have neglected,” he adds.

It is difficult to exaggerate the damage done to the profession by the rapid collapse of Enron. It has now become clear that the company’s once-stellar corporate status was based on inflated profits and a misleading balance sheet, to which Andersen gave the auditor’s stamp of approval.

The public humiliation of the profession makes it more difficult to attract young people to accounting. Even as the economic downturn has driven many people back to school, enrollment in accounting programs dropped 25% in the past four years, according to the American Institute of Certified Public Accountants.

The drop, industry experts say, is because accounting work is seen as less sexy and more tedious than investment banking and consulting. To promote the profession, the CPA association has recently kicked off a $25 million, five-year marketing campaign, targeting high-school and college students.

Still, some educators see opportunities amid the Enron-induced confidence crisis. “As strange as it sounds, thanks to Enron, the very case made from heaven, accounting has become very much a discipline on the forefront,” says Paul R. Brown, chairman of the department of accounting, taxation and business law at New York University’s Stern School of Business.

Students have been poring over the Enron case, Mr. Brown says, and the hardest question he has encountered is on the auditing side. “They are asking ‘Is the [Andersen]’s failure at Enron something pervasive in the profession?’

That is exactly the biggest concern of Risa Hatayama, a 22-year-old accounting major at Bowling Green State. Ms. Hatayama, whose father is a businessman, had changed her undergraduate major five times before she settled down with accounting—a profession, as she puts it, that can move the management.” She accepted a job offer from Ernst & Young.

“I’m going to be an auditor very soon, and I’m concerned that I’ll face the same conflicts-of-interest problems as Andersen-Enron,” Ms. Hatayama says.

For example, the Enron case exposes a problem of long-term audit contracts, which may foster familiarity between the auditor and its client, thus diminishing the likelihood of the auditor asking hard questions.

Also, Ms. Hatayama says, “how could you expect auditors to be objective when his firm also provides consulting services to the company?”

Indeed, as Ms. Hatayama and many other students have demonstrated, the more they learn about the Enron ordeal, the stronger their interest in exploring problems in the current accounting system.

“I’m particularly interested in this case and I’m currently beginning an independent study on the ethical dilemmas faced in the accounting field,” says Luke Corbitt, a senior accounting student at University of San Diego. “I’m planning on interviews with both partners and personnel at Andersen.”

Mr. Corbitt, who is also a member of the university’s accounting society, a student organization, says his study will be presented in the Thomas J. Burns National Student Seminar, an annual event to be held in August. This year’s theme: “Ethical conduct in the business workplace.”
Exports sag, but state outperforms rest of nation

By Dean Calbreath
STAFF WRITER

California exports dropped nearly 26 percent in the fourth quarter, dragged down by the global economic slowdown and the aftereffects of the Sept. 11 terrorist attacks.

Despite the drop, California remains the national leader in exports. With nearly $107 billion in exports last year, the state accounted for 15 percent of U.S. exports, outperforming second-place Texas by almost $12 billion.

Because of its reliance on high-tech exports, a full-blown recession in the tech industry has caused California's decline to be much steeper than the national average.

During the year, California exports dropped 11 percent, nearly doubling the nation's 6 percent drop.

Lon S. Hatamiya, secretary of the California Technology, Trade and Commerce Agency, predicted that the situation would improve this year.

"California is more insulated against economic downturns because of our diverse economy," he said. "Couple that with the fact we are already seeing signs of an economic rebound, and we are optimistic these export numbers will improve."

A local economist is not as upbeat.

"Trade will probably be weak for the rest of the year," said Alan Gin, economist with the University of San Diego.

"Things are getting better in the United States, but we're in the midst of a worldwide recession. For many regions, especially Asia, things won't get better until 2003 at the earliest."

Exports to Taiwan, the United Kingdom and South Korea were each off between 28 percent and 30 percent. Sales to China slipped 3 percent, costing Beijing the chance of unseating Korea to become one of California's top five markets.

Despite the slippage during the fourth quarter, trade with China was the brightest spot in an otherwise dismal year. Throughout the year, exports to China rose nearly 32 percent, led by sales of computers, electronic products, non-electrical machinery, chemicals and scrap metal.

The worst major business sector in California for exports was computers and electronic products, which fell 24 percent to $104 billion. Since that sector makes up 40 percent of the state's exports — and since few analysts project that it will recover any time soon — it does not bode well for the export figure, or for Silicon Valley, where the rate of unemployment has hit 7.5 percent.

Exports to China provided bright spot

California exported $24.4 billion worth of goods in the fourth quarter, a 25.8 percent drop from $32.9 billion exported in the last three months of 2000.

Trade with Mexico slid 12 percent to $4 billion as U.S. border authorities clamped down on traffic coming north and as demand for Mexican-produced electronics declined.

More significant — and perhaps longer-lasting — declines occurred elsewhere.

Exports to Japan, California's No. 2 trading partner, fell 36 percent to $3 billion as Tokyo entered a second decade of economic sluggishness. Sales to Canada, the state's third-largest trade partner, fell 33 percent to $2.6 billion as the Canadian dollar, nicknamed the loony, skidded along at its lowest levels in history.

"It's likely that as the U.S. economy recovers, Silicon Valley will get some benefit from making more sales on the domestic market," said USD economist Gin. "But without strong exports, unemployment will remain higher than it's been in the past."

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TRADE
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Exports to A
China provided bright spot

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Dean Calbreath: (619) 293-1891; dean.calbreath@uniontrib.com
Local index pushes upward

Professor who compiles index sees turnaround

By Thomas Kupper
STAFF WRITER

San Diego County's economic outlook perked up in December after a year and a half of softening, according to an index of leading economic indicators from the University of San Diego.

The index, released yesterday, suggests that the local economy could regain momentum this year if the national economy pulls out of recession. Improvement in the national outlook was the strongest factor pushing the index upward, as the national index of leading indicators rose in December for the third straight month.

It was only the second time in 18 months that the local indicators have improved, though the deterioration of the local economy has been much less pronounced than the national weakening. Unlike most other regions, the local economy has continued to add jobs, though at a slower rate than during the late 1990s boom.

Alan Gin, the USD business professor who compiles the local index, said the improvement suggests that the region's growth rate could pick up in the second half of the year.

'There are signs that the national economy is strengthening,' Gin said. 'Consumer confidence seems to have turned around. So it's a good sign.'

Four of the six indicators Gin considers were up in December, the first time a majority of the indicators improved since April 2000. Overall the index rose 0.4 percent, the biggest climb since early 2000.

Aside from improvement in the national outlook, the biggest positive factor was an improvement in local consumer confidence. Gin said confidence hit a low point in October, as a result of the Sept. 11 terror attacks, but has since rebounded strongly.

Other positive indicators in December were an increase in stock prices for local companies and a drop in the number of people filing initial claims for unemployment.

Still, the outlook was not entirely positive. Building permits declined, as did the volume of help-wanted advertising in The Union-Tribune, an indication of the strength of the job market.

Gin said help-wanted advertising has declined for 10 months in a row and is at its lowest level since February 1983.

Among the most positive signs for the national economy was last week's report that the gross domestic product unexpectedly increased in last year's fourth quarter. This week the government has reported an increase in factory orders and a drop in nationwide unemployment claims.

Gin said, however, that he doesn't expect clear signs of a local rebound until the second half of the year.

'There will be some rough spots in the next few months,' he said, 'but I see good things in the second half of the year.'

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Rebound

The outlook for San Diego County's economy improved in December after 10 straight months of deterioration, according to an index of leading economic indicators.

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Outlook isn't entirely positive.

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Thomas Kupper: (619) 293-1037; thom.kupper@uniontrib.com
Local economy sees slight growth; might indicate quick rebound

By TIM COFFEY
San Diego Daily Transcript

San Diego’s Index of Leading Economic Indicators grew 0.4 percent in December, based on considerable optimism in both the national economy and the personal financial outlook of residents.

The increase was only the second month of positive growth for the indicators in 2001. The indicators finished the year at 137.3, a decline of 9.9 points, or 6.7 percent, from January 2001 — the last time the indicators posted a positive month.

The national economy finished the final nine months of 2001 in recession.

Still, the upward economic trend in San Diego suggests the likelihood of a quick rebound here, said Alan Gin, publisher of the indicators and an economics professor at the University of San Diego.

Optimism in the national economy increased 2.11 percent and consumer confidence grew 1.13 percent.

"I think what this is forecasting is a pick-up in the local economy," he said.

While the increases were enough to support positive growth, the biggest move was a 2.19 percent decline in help wanted advertising. The number of issued building permits also fell.

The remaining two indicators, unemployment claims and local stock prices, registered marginal increases of 0.86 and 0.52 percent, respectively.

There is no danger, Gin said, of the divide between increased optimism in the economy and the real indications of a slowing job market and building environment.

"The building permit drop is not that significant. It's a small number (.19 percent)," he said. "And looking at the year overall, we're relatively unchanged — down 2 percent from the year before. The situation is not as serious, I would say, as the situation in help wanted advertising."

Although help wanted advertising amounts were adjusted to account for increased jobs in the holiday season, Gin said the drop was "precipitous."

"It's an indication of future hiring plans and we need it to be a fairly robust number in order to meet an expanding population," he said.

The strength of the local economy was due primarily to the absence of large, nontech corporations headquartered in San Diego, Gin said.

"We don't have a lot of the big companies where they've got thousands (of) middle management that might be caught up in a mass layoff," he said.

Therefore, the smaller companies in San Diego can adjust to changing economic conditions, he added, which puts San Diego in a good position to exit the current economic malaise than other regions.

"My forecast is roughly the same as it has been: that we'll see some weakness in the first half of 2002 and then a pick-up or full, rapid expansion in the second half of 2002," Gin said.

The weakness would be characterized by slower job creation and a higher unemployment rate to the high 3 percent range, he said.

December's jobless rate was 3.3 percent, according to the California EDD.

Labor statistics for San Diego County in January are due out Friday.

The Index of Leading Economic Indicators is a monthly score of local inputs to the regional economy.

The inputs are accumulated from local groups like the San Diego Regional Chamber of Commerce, the area office of the Employment Development Department, the San Diego Daily Transcript and The San Diego Union-Tribune.

tim.coffey@sddt.com

Source Code: 2t
Local unemployment rate climbs

Decline in number of new jobs surprises analysts

By TIM COFFEY
San Diego Daily Transcript

The long-expected spike in the jobless rate finally occurred as San Diego County's unemployment rate climbed to 3.9 percent in January, the highest level since July 1998.

The rate was up from December's revised rate of 3.3 percent and the 2.9 percent rate in January 2000, said the state's Employment Development Department on Friday.

The EDD also reported a significant drop in the creation of new jobs during 2001. The department said San Diego County created 27,400 jobs in 2001, not the 37,900 jobs it forecasted last month. It was the first time in almost a decade that the number was revised downward.

While the increase in unemployment was expected, the smaller number of new jobs was not, and economists now believe the local economy is weaker than originally thought.

The unemployment rate is typically the most followed economic indicator. Among other things, a region's jobless rate can indicate the strength of an economy.

The unemployment rate last month for California was 6.7 percent and for the nation it was 6.3 percent, according to the EDD.

Both rates, like those in San Diego County, were much higher than in January 2000. That month the jobless rate in the state topped 5.2 percent and for the nation unemployment was 4.7 percent.

In San Diego, January's increase in unemployment was led by expected cutbacks in the retail sector and government jobs, primarily employees of the U.S. Postal Service.

"There was a lot of seasonal job cutbacks in January," said Cheryl See Unemployment on 7A
Mason, a labor analyst for the EDD.

Unemployment rates often increase dramatically in the first month of the year as employers cut extra workers from the holiday season. San Diego's increase of 0.6 percent was only slightly below the 0.62 percent increase, on average, in the 11 previous years.

For months now, economists had predicted local unemployment would reach the 4 percent range, an acceptable level for healthy economies. And the most recent jobless results were not a surprise.

"I don't think this is a big concern, but it does show that the labor market is weaker than it was a year ago," said Alan Gin, an economics professor at the University of San Diego.

The low number of new jobs was a surprise, however.

Aside from one notable bump in the road, San Diego's economy was humming along compared to other areas of the country, local economists maintained last year.

Friday's revelation that new job creation was lower than anticipated raised a few eyebrows.

"That to me is more alarming" than the unemployment rate, said Kelly Cunningham, the chief economic adviser to the San Diego Regional Chamber of Commerce. "It shows that perhaps our employment growth has not been as strong. It's been softening over the year, we've seen that, but now with the revision it's showing that it's even softer than what we had thought."

In the previous three years, businesses in San Diego County created more than 41,000 jobs a year. The region produced 51,100 new jobs in 1998.

"I think that reflects that our economy has slowed down more than was originally reported," Cunningham said.

Staffing companies know that more than any other business.

Local placement firms said requests for employees dried up in mid-2001 and that there's really no indication that will change soon.

"Business was hit hard last year, especially with the dot-coms going by the wayside," said Dan Hattman, district manager of Direction Management Group, a staffing firm that places information technology workers in biotechnology companies.

The technology sector was cyclical, Hattman added, but there was no turnaround in sight.

In the last recession here, The Eastridge Group of Staffing Companies, a local business that places general clerical workers, was able to project a turnaround in the economy by six months.

Things are different in this slowdown, said Debbie Dunn, regional managing director for Eastridge Staffing.

"This time we're literally ... right on top of our clients," she said. "We were both, at the same time, caught off guard. What we're hearing now is instead of us having advanced notice, were all turning around at the same time."

Source Code: 20020222tbc
Falling yen could land hard on Asia

By DEAN CALBREATH

As the Dow Jones industrial average surged back toward 10,000 recently, Japan's Nikkei index plunged back below 10,000 - a sharp setback for a stock market that only a decade ago was flying more than 12 times higher than its New York rival.

But weakness in its stock market is just the latest indicator of Japan's economic hara-kiri.

The jobless rate is at an all-time high of 5.6 percent - unheard of in a country used to full employment. Manufacturing is at a 25-year low. The Japanese yen has dropped 7 percent in the past two months and would have continued its free fall if the government had not intervened. Unless the decline is stanch ed soon, some economists fear, it could have a ripple effect that stretches from Beijing to Tijuana.

"The Japanese economy is just getting worse and worse," said Takeo Hoshi, an economist at the University of California, San Diego. "A weak yen is good news for Japanese exporters. But if there is a substantial depreciation of the yen, it could influence markets throughout the world."

Depth of bad news

The decline in Japan has the potential of touching off another Asian economic crisis similar to the one that rocked the world in 1997-1998. Ironically, the chief bulwark protecting the global capitalist system is the world's largest remaining Communist power, the People's Republic of China.

"Up until now, China has gained in prestige and influence throughout Asia because its economy has remained strong," said Richard Feinberg, a former U.S. trade official who specializes in foreign policy at the University of California at San Diego's International Relations and Pacific Studies program.

Yet, if a decline in the yen ever forced China to devalue its own currency, the renminbi, "it would touch off a string of competitive devaluations throughout Asia that could be very unhealthy," Feinberg said.

1991 experience

Japan has been on a downhill slide since 1991, when a bubble in the stock market - similar to the Nasdaq bubble a decade later - suddenly burst. The resulting downturn dragged down Tokyo's sky-high real estate prices, chewed into the balance sheets of some of the world's most powerful banks, and touched off a worrisome bout of deflation.

"The biggest economic problem has been deflation," said economist Hoshi.

Last year, Japanese prices dropped more than they have in 30 years. But instead of bringing a stampede of shoppers to the stores, Japan actually saw a record-setting fifth year of declining retail sales. One reason: deflation had eaten into the public's hunger for making major purchases.

The decline in Japan has the potential of touching off another Asian economic crisis similar to the one that rocked the world in 1997-1998.

Since November, the yen has dropped 7 percent. Recently, it reached its lowest point since the dark days of 1997-1998. That downward drive has pleased Japanese exporters, but caused jitters in neighboring countries, who have to compete with the Japanese. The slide prompted Chinese economic officials to warn that they could not maintain the value of the renminbi single-handedly.

The Japanese apparently got the message. Officials from the Finance Ministry and Bank of Japan moved to staunch the flow, telling investors that the yen was falling too fast. Within hours, the yen began to inch upward, although it is still far below where it was in November. And chances are good that it will soon resume its downward trend.

"I'm very concerned about the value of the yen," said Juan Fernandez, who heads Union Bank's international banking in San Diego. "A big question is what will happen in April, when some of Japan's biggest banks are supposed to start clearing bad loans off their books."

Another worry

Fernandez thinks the yen could slide from its current value of about 134 yen to the dollar to as low as 140 or 150 over the next few months. If it drops much further, he worries, it could trigger China to revalue its currency. And a cheaper renminbi would lead to cheaper Chinese exports, which would compete against Mexico's already-ailing export sector.

Most economists, however, believe that a Chinese devaluation is a worst-case scenario.

University of San Diego economist Alan Gin, who was in Asia during the 1997-1998 crisis, recalls the nervousness that occurred as the yen hit its all-time low of 148.

"People were saying if the yen hit 160, China would have to lower its currency since the renminbi would be too uncompetitive," he said. "Fortunately, it never quite reached that level, and we have a way to go before it gets there."
Annual Real Estate Conference Is Set for February

The University of San Diego Real Estate Institute will host its sixth annual Real Estate Conference on Feb. 28 at the San Diego Convention Center.

The conference begins at 7 a.m. with registration and a continental breakfast. Panel discussions begin at 8 a.m., with topics such as "Equity Investment for Real Estate in 2002" and "The Intersection of Technology and Real Estate."

Nat Bosa of Downtown San Diego condominium developer Bosa Development of Vancouver, Canada, is the keynote speaker. State Treasurer Phil Angelides is the luncheon speaker.

The cost is $175 per person. The registration deadline is Feb. 18.

For more information call Ilse Hunnicutt at (619) 260-2256, send e-mail to ilseh@sandiego.edu, or fax (619) 260-7496. Also, visit the institute's Web site at (http://real-estate.sandiego.edu).
The Scientist - Train Your Staff by Talking

PROFESSION

Train Your Staff by Talking

Principal investigators can build productive work environments by clearly communicating expectations

By Paula Park

A principal investigator at a veterinary research institution carpeted her office with the lab technician's reports and refused to sign the technician's time card. When such subtle statements failed to adequately convey the boss's consternation, the PI assigned the technician to work a machine already occupied by a graduate student, forcing the staff member to start her own work after closing time.

The PI failed to use the most common technique for influencing the lab tech's working practices: Explaining how to satisfy requirements and reporting when the expectations change. "She usually did not communicate changes until months after she decided on them," says the former technician, who is now a graduate student. "Occasionally she would attend the lab meetings she called and discuss expectations then."

Such a toxic relationship between PI and lab tech may represent an extreme. But many respondents to The Scientist's recent survey "Laboratory Relations: Working for a Supervising Scientist," say their bosses speak only rarely, and then only to criticize or humiliate, often in a public setting. While many of the 282 people who participated in our unscientific poll reported peaceful relations with their bosses, many complained of hostility and communication problems.

Those who report working in a productive environment credit frequent conversations with their PIs for their success. "As our communication is very open, I discuss often with him my thoughts about future career choices," says Heather Louch, a postdoctorate trainee under Willie Vann, chief of bacterial toxins for the Food and Drug Administration. "He is very receptive to this, and can provide insight into certain career options based on his own career experiences. I find it helpful."

But such relationships may be difficult to maintain, since many life scientists have chosen viruses and genes, not people, as colleagues. Nevertheless, management experts say that when scientists become PIs or company research managers, they
must talk with people, define and redefine expectations, and train workers on the job. "Having good people management practices has more impact on your bottom line than spending on research and development," says Imogen Daniels, human resources adviser with the Chartered Institute for Personnel Development (CIPD), citing the organization's productivity research.

Generations X, Y See More to Life
CIPD studies suggest that so-called people management tools, such as the effective communication of expectations, and flexibility in work time and place, can dramatically boost productivity, particularly among workers from 25 to 35 years old (Generation X). Those workers express little loyalty to institutions and companies because they've seen their baby-boomer parents spend too much time at work or lose jobs to downsizing in corporations to which they devoted their lifetimes. The Generation X workers want to devote their own lives to families and hobbies, Daniels adds.

Indeed, 95 of 228 respondents who replied to survey questions about their future plans reported following their principal investigators' footsteps. Only 53 say they would like to do their boss' job. "I want to do different things with my life than just science," writes one participant. "I want to work for life not live for work," another says. The remaining 60 respondents expressed indecision. "A lot of time what [workers] ask for is work-life balance; being able to work in different ways," Daniels adds. "They want to
work from home, they like not being expected to work long hours."

To help such workers perform at the top of their skills, managers must structure the work environment to encourage creativity and constant learning, according to the CIPD report, "Raising UK Productivity: Why people management matters." But such an environment differs for everyone—and the boss has to find and plan for each worker's most productive working style. "What you need to do is ask them what they want," Daniels says. "It's not rocket science, but many people don't do it."

Robert House, Joseph Frank Bernstein professor of organizational studies at the Wharton School in the University of Pennsylvania, encourages scientist-managers to do more than ask questions and structure the workday to suit the workers' own productive schedule. PIs should create an environment where everyone—even the clerical and support staff—understands the objectives of the research. "Managers should sit down and talk to [workers]," House advises. "Then they should stress, in the process, how this work is going to contribute to a stream of research that ultimately will result in the cure for cancer or environmental protection...or making food healthier..."

Jilly Evans, director of pharmacology at Merck & Co. Inc. in Philadelphia, explains the scientific goals of her research to the administrative assistant, something Evans concedes that few managers do. "I genuinely believe that we're making a difference in arthritis and pain and asthma," and that information helps the secretary perform at her highest level as well, Evans explains.

Learning on the Job
Of course, not every worker wants to discuss a research project. "The most difficult people to train and talk to are the ones who don't tell you what they are doing," observes Vann of the FDA.

Vann says he communicates often with his staff, not because he believes it to be an excellent management tool, but because communication preserves his connection with the lab. Though he tries to emulate his mentors, Darrell Liu and John Robbins at the National Institutes of Health, Vann can't say exactly what makes a good manager. "I haven't always known how to [manage]," he says. "I'm not always sure I'm doing it right. There's always difficulty."

Miriam Rothman, associate professor in the business administration department at the University of San Diego, says that PIs, and the people who work with them, can get help. A set of evaluations called 360 forms allows the manager to assess his effectiveness, and compare his perceptions about communication, team building, and other management skills with those of the people under his direction. "You want to maintain the integrity of the response," by keeping it anonymous, she adds. Once all parties fill the form, the supervisor can use it to develop the manager's skills. Rothman also recommends managers take public speaking courses and work on their nonverbal communication.
Taking Time Saves Time

Many postdocs and lab workers complain their bosses don't even listen to their staff. As a result, the postdocs skulk to work in fear of PIs who communicate only dissatisfaction, and often do that with vitriol. "Not once in five years has she said that I did a good job," mourns one graduate student, "just that I have to work harder and get my priorities in line."

Because the PI must raise money, run a lab, juggle multiple research projects, and often even advise a biotechnology company, communication may seem an unwanted interference. "Sometimes, because [the PI] is busy and doesn't know exactly what you are doing, it is assumed that you are not doing anything," says one respondent. "We have to bear the brunt of his busy schedule."

But consistent communication, particularly about expectations, research design, and performance expectations, can actually save time, House says. "Mistakes should be seen as learning opportunities," he adds. "If managers show an interest in the development of this person on the job, they will become trusted and respected."

Louch says she makes fewer mistakes as a postdoc under Vann than she would under a supervisor who communicates less frequently. "There are times when we will sit down and talk more about something," she says. "I never got the impression that he's been so unhappy that we've had a huge long discussion. I think the reason that
doesn't happen, is because our communication in general is very good...if I'm doing something that would ultimately go in the wrong direction, it gets stopped before it gets to that point."

Paula Park can be contacted at ppark@the-scientist.com.

Web Extra
Complete survey results are available at Laboratory Relations: Working for a Supervising Scientist
Weekend Best Bets: 2/22 - 2/24

Want to know what the hot happenings are this weekend? Just check out our list of the best events in San Diego.

- Sign up for the e-Lert! newsletter

Friday (Note: Many Friday events continue on Saturday and Sunday)

**Science Fiction Convention**
Geek out and be proud as ConDor IX hits the DoubleTree Hotel in Del Mar for three days of sci-fi fun 'n' fandom.

**Interior Design Expo**
Designs and interiors from 13 countries highlight this weekend-long SD Convention Center expo.

**Black History Month Celebration**
Jamaican dub poet Mutabaruka and other spoken-word artists share their stories at this WorldBeat performance.

**Sweet Relish 911 Art Festival**
Dance to electronica, view local art and behold bad-girl bartenders at Brick by Brick.

**Theater: Charlotte's Web**
The Christian Youth Theatre presents E.B. White's classic tale of an unlikely friendship between a pig and a spider.

**Concert: Bobby Short**
The king of cabaret revival belts out the tunes of Cole Porter and George Gershwin at the CCAE.

**Concert: California EAR Unit**
This chamber ensemble from LA will fuse eclectic new-music styles at the ECPAC.

Saturday

**11th Annual Walk on Water Competition**
Expect buoyant laughs as USD engineering students attempt to "walk" across an Olympic-sized swimming pool.

**Silver Bay Kennel Club Dog Show**
Watch as nearly 2,300 dogs of all breeds compete and act cute at the Del Mar Fairgrounds.

**Heritage Day Festival &**
Commemorate Black History Month

http://www.sdinsider.com/events/bestbets/bestbets.html

2/21/02
11th Annual Walk on Water Competition

Date: 2/23
Time: 10:30 a.m.-1 p.m. Saturday
Venue: USD
Area: Central San Diego
Cost: Free for spectators
Contact: 619-260-7558

Engineering students from colleges, universities, high schools, and the industry will wear human-powered buoyancy shoes to compete in the 11th annual Walk on Water Competition at the University of San Diego swimming pool.

Each team has a "shoe pilot" who must remain vertical while crossing the Olympic-sized pool without support.
FREEBIES

**Herb Cohen & The Swing Set** perform big band tunes from 1 to 4 p.m. today. Seaport Village, East Gazebo, 345 W. Harbor Drive. (619) 235-4014.

**African American Culture Night** The world beat drummers and dancers will entertain and lead the audience into several dances, 5 to 7 p.m. tomorrow. Sherman Heights Community Center, 2258 Island Ave. (619) 232-5181.

**Poetry Reading** Poetry Unlimited presents its monthly open poetry reading at 6:30 p.m. tomorrow. La Jolla Recreation Center, 615 Prospect St., La Jolla. (858) 552-1658.

**Silver Bay Kennel Club of San Diego Dog Show** Hundreds of dogs will be presented for judging from 8 a.m. to 6 p.m. Saturday and Sunday. Del Mar Fairgrounds, Bing Crosby Hall, Exhibit Hall and O'Brien Pavilion. Free admission; parking is $6. (619) 588-0507.

**Walk-on-Water Competition** The University of San Diego hosts the 11th annual event featuring teams of high school and college students putting their science and engineering skills to work to design special "shoes" to race across the pool, 10:30 a.m. Saturday. Spectators should use the USD Athletic Entrance east of the main USD entrance on Linda Vista Road. (619) 260-4659.
Institute for Peace and Justice
The Bush-Ashcroft-Dinh global effect of war on terrorism

At the Justice Department, Attorney General John Ashcroft's right-hand man is Viet Dinh, assistant attorney for legal policy. A former Georgetown University law professor, Dinh has justified and helped implement nearly every move the attorney general has made, in conjunction with the president, on the war on terrorism.

“Our job here,” Viet Dinh tells Legal Times, “is to defend freedom.” There are those, however, including this columnist, who believe that Dinh, Ashcroft and Bush have been seriously eroding the American freedoms they fiercely believe they are defending.

A critic of the job Ashcroft and his colleagues are doing is Richard Goldston of South Africa's Constitutional Courts. Goldston is internationally respected for the firmness and fairness of the way he did his job as chief prosecutor for the International Commission for Rwanda and Bosnia.

Last December, at the University of San Diego, Goldston participated in a conference at the opening of the new Joan B. Kroc Institute for Peace and Justice.

Joining the American civil libertarian criticism of the Bush-Ashcroft-Dinh team, Goldston, as reported in the National Catholic Reporter, said that although American polls strongly support the administration's anti-terrorism policies, one result is that “young democracies in other countries are being endangered” as they see the United States discount core liberties in its own Constitution.

“The institutions that democracy is required to maintain,” Goldston emphasized, “are costly. And when the United States, which is regarded as one of the bastions of democracy, goes back on its own values, it imperils and makes more difficult the creation of a human rights culture in young democracies.”

Recent presidential restrictions on American civil liberties, said the chief former prosecutor for the International Criminal Tribunal, can only encourage the “cynical processes in other democracies” trying to learn how to be democratic.

Also at the University of San Diego conference was former U.S. President Jimmy Carter, who made the corollary point: “We Americans are citizens of an unchallenged superpower. If we continue to expend shortcuts in the administration of justice, there is a global effect set in motion. “It is going to be difficult in the future,” the former president continued, “to condemn another country — China for instance — which might have a secret military tribunal and convict an American accused of, say, spying.”

Even with revisions in our military tribunals, serious civil liberties problems remain.

One of the frequently intoned arguments of the supporters of the Bush-Ashcroft-Dinh way of securing our freedom is that the Constitution is not a suicide pact. Keeping in mind the ruthless Sept. 11 murders of Americans on this very land by members of the worldwide, shadowy conspiracy with some of their “sleepers” waiting to strike again at us here at home, they say, it is essential to limit some of our civil liberties to save them.

One of the sources of the quotation that our Constitution is not a suicide pact was former Supreme Justice Arthur Goldberg. However, on the floor of the Senate, as the Bush-Ashcroft-Dinh U.S. Patriot Act was being debated, Sen. Russell Feingold of Wisconsin — the only senator to eventually vote against that antiterrorism bill — vainly reminded his colleagues of how Arthur Goldberg elaborated on that statement in the Kennedy v. Mendoza-Martinez case, which was about draft evasion:

“It is fundamental that the great powers of Congress to declare war and to regulate the Nation's foreign relations are subject to constitutional requirements of due process. The imperative necessity for safeguarding these rights to procedural due process under the gravest of emergencies has existed throughout our constitutional history — for it is then, under the pressing exigencies of crisis, that there is the greatest temptation to dispense with fundamental constitutional guarantees which, it is feared, will inhibit governmental action.” This is also true of the executive branch.

Goldberg then quoted from ex-president Milligan (1866), when the Supreme Court declared Abraham Lincoln's suspension of dissent through military courts during the Civil War unconstitutional: “The Constitution of the United States is a law for rulers and people, equally in war and peace, and covers with the shield of its protection all classes of men, at all times, and under all circumstances. In no other way can we transmit to posterity unimpaired the blessings of liberty, conserved by the sacrifices of the Revolution.”

Contrary to the attorney general, the job of those of us who dissent from the Bush-Ashcroft-Dinh curtailing of the Constitution is to defend freedom.

Nat Hentoff is a nationally renowned authority on the First Amendment and the Bill of Rights.
The hearts of local education

Public education today faces so many challenges in being able to provide quality teaching and learning for our children that people tend to focus solely on the schools’ problems and shortcomings. We need to temper our critical eye with the many good things taking place in San Diego to produce educational excellence.

Next Thursday is St. Valentine’s Day, an occasion when we proclaim our love and affection for special people in our lives. If any collective enterprise in our society deserves a Valentine, it is public education and those who provide so many invaluable resources to improve teaching and learning in our classrooms.

Space prohibits a complete accounting, but here — in no particular order — are just some of those individuals and organizations in our public school system and community who should be acknowledged for making a difference in quality of education.

“The Big 10” in celebration of the Roundtable’s 10th anniversary this year, we should first acknowledge the 10 founding members of the Business Roundtable for Education. A decade ago, Mel Katz of Manpower; Anne Evans, Evans Hotels; Hank Kilmer, New Age Ventures; Jim Vargas, Copley Publishing; Jane Johnson, Fieldstone Communities; Sandy Murphy, Cox Communications; Marsha Lindsey, SBC/Pacifica Bell; Bill Davis, SeaWorld; Neil Derrough; and John Walton provided the initial resources and direction for the organization that today is the San Diego business community’s chief advocate for educational excellence.

Sol Price. Price Charities, an $18 million City Heights pilot program with San Diego State University, is a six-year commitment to develop a high-quality education delivery system for three City Heights schools that can be replicated elsewhere. Ross Parks Elementary, Monroe Clark Middle and Hoover High schools are, in effect, laboratory schools where SDSU educators are developing teaching programs to make a difference in the education inner-city students will receive.

Joan and Irvin Jacobs. The Jacobs family and Qualcomm have donated much to improve education in our schools and many other community causes. Qualcomm has been an important advocate and resource in emphasizing math and science in our schools. The Jacobs’ recent $120 million gift to the Symphony includes an important K-12 visual and performing arts educational component that will certainly enrich the lives of our young people.

Gary and Jeri-Ann Jacobs. The early financial contributions of this civic-minded couple is responsible in large part for the birth of High Tech High at the Business Roundtable for Education in the late 1990s. Today that charter school, on the premises of the former Naval Training Center under the leadership of Larry Rosenstock, is a highlight in what’s taking place in secondary education.

Joan Kroc. Not all educational resources worthy of mention here are at the K-12 level. The recently opened Joan B. Kroc Institute of Peace and Justice at the University of San Diego provides a world-class program on peace and justice issues that will draw future leaders from all over the world. The center has already been the venue for an important conference last month on school choice, charter schools and vouchers.

Lou Smith. The retired two-star admiral who ran the Naval Facilities Engineering Command is now at San Diego City Schools, tasked with the daunting challenge to implement the mammoth $1.51 billion Proposition MM school construction and repair measure passed by voters three years ago. The district was sorely behind schedule when Rear Adm. Smith took the helm. Today, construction and refurbishments are back on track and anticipated to be ahead of schedule in the coming months.

Ronnie Froman. Another retired admiral, Rear Adm. Froman assumed the new Chief Business Officer position at City Schools last year. Froman immediately took charge of the business and administrative infrastructure of an organization with a $1 billion-plus annual budget, serving 143,000 students with 16,000 employees at 183 sites. Among several of her initial accomplishments was a $21 million technology plan to upgrade and expand the district’s outdated and disjointed computer systems.

Tyler Cramer. A local attorney and former chair of the Business Roundtable for Education, Cramer has been keenly interested in developing a more reliable method of assessing student achievement. His Relative Progress Index uses "matched data" to chart the SAT-9 test scores of students as they progress through the grades in order to ascertain the specific impacts teachers and schools have on those students. Cramer’s methodology provides far more valuable data than the state’s present assessment methods, which only compare test scores of different groups of students from year to year.

Bill and Melinda Gates Foundation and William and Flora Hewlett Foundation. These two philanthropic giants together are contributing $22.5 million to support efforts to improve instruction and student achievement in San Diego City Schools with another $6 million to replicate High Tech High. Gates is contributing $21 million over a five-year period while Hewlett’s $7.5 million gift spans two years.

Dede Alpert. State Sen. Alpert has championed several pieces of legislation aimed at helping students obtain scholarships and has been a true advocate for educational excellence. Moreover, she co-chaired the state’s $120 million per year strategy that establishes parameters for future bills that deal with K-12 issues.

Ed Brand. Thanks to this hard-working and visionary superintendent, Sweetwater Union High School District’s Compact for Success program provides scholarships for deserving graduates of district high schools to attend San Diego State University. Many young Sweetwater district graduates will be able to receive a college education that otherwise would not have the financial means to do so.

Granger Ward. No school district has had to deal more with school violence this past year than Grossmont Union High School District. Superintendent Ward’s calm but firm responses to the shooting incidents at Santana and Granite Hills high schools last spring, and the follow-up measures put into place since, have garnered the respect of the community and contributed to the added safety of the 24,000 students in his charge and elsewhere.

These and so many other individuals and organizations in our community are making our schools better places for children to learn what they need to become successful and fulfilled adults. They deserve acknowledgement and our deep, heartfelt thanks.

Hovenic, Ed.D., is president and chief executive officer of the San Diego Regional Chamber of Commerce Foundation and executive director of the Foundation's Business Roundtable for Education. Her e-mail is ghovenic@sdehamer.org.

Source Code: 20020206tza
Kyoto Laureate Symposium
USD symposium to hear Kyoto Prize winners

Experts in sciences, technology and arts

By Karen Kucher
Staff Writer

A group of experts credited with stunning achievements in technology, science and the arts is being asked to turn to an even more daunting challenge: the pursuit of peace.

During a three-day symposium starting Wednesday, four of the five winners of the 2001 Kyoto Prizes will share their insights and philosophies with audience members gathered at the Joan Kroc Institute for Peace and Justice at USD.

Among those expected to attend are three physicists — Zhores Ivanovich Alferov of Russia, Izuo Hayashi of Japan and Morton B. Panish of the United States — who are credited with making discoveries involving lasers that led to the development of fiber-optic cable and CD players. Also expected is Austrian composer Gyorgy Ligeti, a master of modern music whose composition was part of the soundtrack for "2001: A Space Odyssey."

The 2001 prize winner, evolutionary biologist John Maynard Smith of the United Kingdom, will be unable to attend because he is ill, organizers say.

One of the goals of the symposium, which is open to the public but pre-registration is required, is to highlight the 18-year-old international Kyoto Prizes and its winners for a Western audience. The awards are handed out each November in Japan, but remain little known in the United States.

Award winners, who receive a gold medal and prize money of $400,000, are chosen not only for their professional accomplishments but in recognition of their spirit and character. The prizes are handed out by the Inamori Foundation, which was founded in 1984 by Kazuo Inamori, chairman emeritus of Kyocera Corp.

Inamori has said he hopes the prizes will encourage balanced development of scientific and spiritual gains.

"Technology does great things but so much of the time — particularly in the second half of the 20th century — it began to be viewed as a panacea, and it is easy to see why," said Jay Scovie, a spokesman with Kyocera and media liaison for the Kyoto Prizes.

"The sad truth of the matter is the same technology that might be used in the field of biotech, that can create cures for dread diseases might be adapted by someone with a diabolical intention to produce some horrific warfare agent."

Physicists Alferov, Hayashi and Panish were recognized for their work in technology. Alferov also won the Nobel Prize in 2000. Working independently, their contributions made it possible to continuously operate semiconductor lasers at room temperature, which previously operated at only high temperatures.

"In overcoming that obstacle, these three individuals opened the door for virtually all of the low-temperature, low-power laser applications that we enjoy today," Scovie said. "If you've ever plugged in a CD and listened to the music, then you owe a word of thanks to these laureates in the category of advanced technology."

The physicists' work and the resulting developments improved communication worldwide.

Maynard Smith won his Kyoto Prize in the basic sciences category for applying the concept of game theory to biology. He analyzed ritualized fighting in animals and showed that those with the best strategies survived. Smith's work has influenced other fields, including economics and politics, Scovie said.

Winning in the arts and philosophy category was Ligeti, a pioneering composer who developed his own musical style. A Hungarian-born survivor of the Holocaust, Ligeti was honored as an "example of the humanity that is necessary for a peaceful civilization," Scovie noted.

"In his case, his uniqueness probably does draw from having lived through one of the most tragic periods of human history ... and somehow not only did he survive but he continued to make music."

Frank Lazarus, vice president and provost at USD, said the idea for the local symposium began to grow after Inamori visited the Linda Vista campus in 1996 to receive an honorary degree. USD President Alice Hayes also has attended several Kyoto Prize award ceremonies.

Lazarus said the philosophies of the prizes and the new peace institute are similar. The institute, which was dedicated in December, was built with a $25 million gift from philanthropist Joan Kroc, widow of McDonald's chain founder Roy Kroc. Its goal is to teach peace and help broker peace around the world.

The institute's inaugural conference featured international dignitaries including former President Jimmy Carter and Corazon Aquino, former president of the Philippines.

"This (symposium) is a little more tangential; it's a little less directly on the topic of peace and justice," Lazarus said. "It deals essentially with science and technology and we are trying to find ways we can relate that to the study of peace and justice." Organizers expect the symposium will be an annual event.

Symposium officials said the public can register by calling (619) 260-4231. For information, log on to http://peace.sandiego.edu/kyotosymposium.

Karen Kucher: (619) 543-4563; karen.kucher@uniontr
Kyoto Prizes were no big deal here, until now, anyway

Before Jodi Waterhouse explains why the 2001 Kyoto Prize laureates are in San Diego for their only joint appearance outside Japan, there's a question she needs to answer.

What's a Kyoto Prize?

"People don't have any idea," Waterhouse said. "The Nobel Prize is pretty much a household term. But the Kyoto Prize — people don't know what that is."

Except in Japan, where the Kyotos draw the sort of coverage the U.S. media reserves for life-and-death issues like the Super Bowl. The 17-year-old prizes are awarded annually in three categories: advanced technology; basic sciences; and arts and philosophy.

I was in Tokyo in 1999 when the basic sciences award was bestowed upon San Diego's Walter Munk of the Scripps Institution of Oceanography. There, it was Page One news. Here, B-2.

While recipients have come from dozens of countries, from Britain (primatologist Jane Goodall in 1990) to France (choreographer Maurice Bejart in 1999), the United States leads all other nations with 24 laureates.

Not that we've noticed. In Japan, these ceremonies are attended by the emperor and empress. In the United States, they are attended by blank stares.

"The main emphasis for Dr. Inamori is to take this outside of Japan and introduce it to the Western world," said Waterhouse, who organized the Kyoto symposium at USD.

San Diego is playing host for several reasons. Kyocera's North American headquarters is in Kearny Mesa. And USD's new Peace and Justice Center promises to be a profitable site for seekers of "new philosophical paradigms."

For a while, though, Waterhouse feared that San Diego was the wrong spot. "We wondered — outside of your engineers or your evolutionary biologist — who would want to come?"

A new question

When I saw her last week, though, Waterhouse looked confident. If most of the symposium events were not sold out, that was only because most of the symposium events are free.

(For registration and a complete schedule, visit the Peace and Justice Center's Web site, peace.sandiego.edu/kyoto_symposium.html.)

Tomorrow, technology laureates Zhores Ivanovich Alferov (Russia), Izuo Hayashi (Japan) and Morton B. Panish (United States) will discuss semiconductor lasers.

Thursday morning belongs to evolutionary biologist John Maynard Smith (England), the laureate in basic sciences. In the afternoon, the podium will be captured by the arts and philosophy laureate, composer György Ligeti (Austria).

Friday, all five winners will engage in a panel discussion on peace.

And on Saturday, Jodi Waterhouse hopes to start answering another question:

When are the Kyotos coming back?

Peter Rowe welcomes calls at (619) 293-1227 or e-mail at peter.rowe@uniontrib.com.
The five recipients of the 2001 Kyoto Prizes, which honor lifetime achievements in technology, science, arts and philosophy, will receive their $400,000 awards and present lectures today through Friday at the University of San Diego.

The awards ceremonies and lectures are free and open to the public. This is the first year the private, prestigious prizes have been conferred outside of Japan. This year’s Kyoto Prizes, funded by the Inamori Foundation, honor Zhores Ivanovich Alferov of Russia, Izuo Hayashi of Japan and Morton B. Panish of the United States for their work in optoelectronics, John Maynard Smith of the United States for his research in evolutionary biology and Austrian composer Gyorgy Ligeti.

For more information, call Jody Waterhouse at USD at (619) 260-4231 or www.peace.sandiego.edu/kyotosymposium. Free registration is encouraged to ensure a parking spot on campus.

Saturday, the San Diego Museum of Man in Balboa Park debuts “Footsteps Through Time,” a permanent exhibit funded by a $2 million grant from the National Science Foundation that includes five interactive galleries with touchable fossil replicas, walk-through caves, a dig site and numerous dioramas, including one with Lucy, the world’s most famous 3-million-year-old hominid.

“Footsteps” will be housed primarily in the Museum’s renovated California building, with its landmark 200-foot tower, and the upper west wing.

For more information, call (619) 239-2001 or www.museumofman.org.
Music prize winner shares his talent

By Valerie Scher
CLASSICAL MUSIC CRITIC

Remember the eerie, futuristic music in Stanley Kubrick's 1968 movie, "2001: A Space Odyssey"? It was written by the celebrated composer Gyorgy Ligeti, a 2001 winner of the Kyoto Prize (Japan's answer to the Nobel Prize). And as part of this week's Kyoto Laureate Symposium, the 78-year-old musician (whose Piano Concerto is nominated for a Grammy) will preside at a free public workshop from 1:30 to 5 p.m. today at the University of San Diego's new Joan Kroc Institute for Peace and Justice, 5998 Alcala Park.

The symposium, which runs through tomorrow, marks the first time that Kyoto Prize laureates have assembled outside of Japan to share their expertise in the categories of advanced technology, basic sciences, arts and philosophy. To register for the Ligeti workshop, call (619) 260-4231.
AROUND TOWN

Around Town is a weekly calendar of business-related events. Deadline for calendar items is three weeks in advance. Mail them to: Darlene M. Alilain, Around Town, The San Diego Union-Tribune, P.O. Box 120191, San Diego, CA 92112-0191 or e-mail them to darlene.alilain@uniontrib.com.

TOMORROW

- San Diego High-Technology Marketing Alliance: "Innovative Marketing Strategies, Surebeam and Stellcom," 11:30 a.m.-1:30 p.m., La Jolla Radisson Hotel, 3299 Holiday Court, La Jolla. Cost: Members free, nonmembers $40, $45 at the door. Reservations: (619) 687-5430 or www.htma.org.


Tomorrow

● BOOKS: Novelist Chitra Banerjee Divakaruni isn’t one to waste time: “The day Sudha stepped off the plane from India into Anju’s arms, leaving a ruined marriage behind, their lives changed forever” is the first line in the first chapter of her “The Vine of Desire,” the sequel to the acclaimed “Sister of My Heart.” Banerjee’s evocative descriptions tend to paint a scene quickly, then move on. Divakaruni will appear at 7 p.m. at Esmeralda Books & Coffee, 1555 Camino Del Mar, Del Mar. Call (858) 755-2707.

● MUSIC: The Joan B. Kroc Institute for Peace and Justice hosts a recital and presentation with Benjamin Zander, conductor of the Boston Philharmonic. The program, which will explore leadership, teamwork, creativity and the liberation of the human spirit, begins at 8 p.m. at the institute’s auditorium on the University of San Diego campus. The program is part of the Kyoto Laureate Symposium, where the Kyoto prizes, similar to the Nobel Prizes, are awarded. The event is free, but reservations are required. For information on other symposium events, which run through Friday, call (619) 260-7803 or log on to peace.sandiego.edu/kyotosymposium.
In The Heart Of San Diego

David Stutz still tries, Sonny Sturm dies, and long live the Kyoto Prize

Scratching San Diego's old wounds but not really opening them, while shedding light on some of San Diego's newer abrasions, Dave Stutz sat a little nervously, answering Fred Lewis' questions. District Attorney Paul Pfingst "makes prosecutorial decisions based on politics, not on justice and truth," says Stutz, citing "major unrest" in the D.A.'s ranks. "Almost three-quarters of the prosecutors have voted that the D.A. is unethical and dishonest. There's a lot of turmoil ... It's a pretty sad state of affairs."

Well, couldn't let that go unanswered. "Apparently false accusations come easy to Mr. Stutz," says Pfingst. "His most recent ploy was to make false accusations against me in a lawsuit. That lawsuit was dismissed. Unfortunately, every large organization has someone like him."

A deputy D.A. since 1983, still active on its identity fraud unit, and a career law enforcer dating back to his U.S. Treasury days in the 1960s, Dave Stutz is remembered in San Diego as an investigator of C. Arnholt Smith, John Alessio, Charlie Pratt and the San Diego City Council during the Yellow Cab scandal. Pete Wilson retained him throughout the 1970s to run his ethics committee. "He contacted me; I'd never met him before," says Stutz recalling his first meeting with Wilson in 1971, the year he was first elected San Diego mayor. "I sent back some substantial (campaign) contributions and he never questioned it ... thousands of dollars. I (became) quite a fan of his. We belonged to different political parties, but San Diego needed someone who was honest and ethical, and he was."

How times change. Or don't. Stutz, in his "Heart of San Diego" interview debuting Feb. 24 on ITV, Channel 16 in most of San Diego County, claims the current state of ethics in San Diego "is poor" and claims "the outlook is not too good ... There is no end to greed, no end to a political system that needs to be scrutinized constantly."

Stutz did not comment on the city's new Ethics Commission nor on the likelihood of fresh leadership in the D.A.'s office. Pfingst faces Bonnie Dumanis, Mike Aguirre and David Stutz still tries.

Sonny Sturn died in his sleep of an apparent heart attack Jan. 9, according to his sister. Sturn, 65, recently returned to San Diego after about five years in Austin selling conference calling services online.

Sturn is survived by a son, Brandon, of Encinitas and a daughter in Santa Cruz. No services were planned.

***

This is the last call to San Diegans to finalize your way into the University of San Diego's splendid new Joan B. Kroc Institute for Peace and Justice to witness its first great international event, the Kyoto Laureates Symposium through Feb. 8, thanks to the Inamori Foundation.

And San Diego welcomes the five Kyoto Laureates, among the world's greatest minds: physicist Zhores Ivanovich Alferov, director of the Ioffe Institute of Physics and Technology; physicist Izzao Hayashi, director emeritus, Optoelectronics Technology Research Laboratory; physical chemist Morton B. Panish, a member of the U.S. National Academies of Science and Engineering; John Maynard Smith, evolutionary biologist and professor emeritus, University of Sussex; and Gyorgy Ligeti, composer, professor, Hamburg University. Jodi Waterhouse at USD. (619) 260-4231, has more information.
Stephanie Kellems reiterates, referring to Alferov, Hayashi and Panish: The three scientists "almost simultaneously accomplished continuous operation of semiconductor lasers at room temperature. Hayashi and Panish worked together at the Bell Laboratories, while Alferov worked in Russia. Until then, laser was dubbed 'killer rays' because it could only be generated at a very high temperature and was considered only suitable for weapons. Their taming of the laser led to the current rapid progress in information technology, development of high luminous efficiency, compact size, light weight, and low cost semiconductor lasers. Without their invention, we would not have CD players, LED, laser printers, fiber-optic cable, DVD, etc. It's doubtful the Internet would have been nearly as successful if we had to be limited to copper wire communication. Even the new energy saving traffic lights in San Diego use LED (light emitting diodes) emitting laser beams."

Our prediction: UCSD professors will outnumber USD staff at the Kyoto Laureates Symposium.

Also in town this month is Kazuo Inamori, founder of the Kyoto Prizes and founder of Kyocera, one of San Diego/Tijuana's largest employers, and the founder of KDDI, Japan's first telephone company to compete with the national monopoly, NTT. Inamori also was an early investor in the landmark Meridian condominiums in Downtown San Diego. ☏
Contingent in San Diego to tout sharing technology for humanity

Kyoto Award recognizes ‘good corporate citizen’

By MICHELLE CADWELL BLACKSTON
San Diego Daily Transcript

Five of the world’s premier researchers are in San Diego to promote the Kyoto Prize — an award recognizing peace through science.

The University of San Diego is sponsoring the Kyoto Laureates Symposium beginning today. The international award recognizes achievements in advanced technology, basic sciences and arts and philosophy.

San Diego resident and Scripps Institution of Oceanography geophysicist Walter Munk received the award in 1999.

Three of the 2001 award winners are credited with building the foundation for San Diego’s high-tech industry. The men, from Russia, Japan and the United States, developed a room-temperature laser. DVD players, laser ink jet printers, fiber optics and telecommunications equipment trace their lineage to the room-temperature laser, Kevin Carroll said.

Carroll is executive director of the San Diego AEA, formerly known as the American Electronics Association. The trade group includes 200 corporate and 17,000 executive members.

“Every new generation of technologies is stepping on the back of previous generations,” Carroll said. “We forget that all too often.”

Kyocera Corp. (KYO: NYSE) founder Dr. Kazuo Inamori created the award as a way to be a “good corporate citizen for the society.”

He started the nonprofit Inamori Foundation with a $160 million personal donation in 1984. Today, it has more than $500 million. The foundation selects innovators from around the world who dedicate their lives for the greater good.

“We don’t just honor a person for just doing something innovative or unique, but that person is someone who can be admired for his dedication to the improvement of mankind and society,” Inamori said through an interpreter.

He added that it’s essential companies give back to the communities in which they live and work.

Kyocera Corp.’s North American headquarters is in San Diego and Inamori ranks the city as one of the nation’s top five in the telecommunications industry.

Carroll agrees.

“San Diego is one of the premier tech centers in the U.S. in terms of government research dollars and educational institutions,” he said.

Qualcomm (Nasdaq: QCOM), Titan (NYSE: TTN), Applied Micro Circuits Corp. (Nasdaq: AMCC) and HNC Software (Nasdaq: HNCS) are a few of the larger high-tech companies, Carroll said. And there are a number of smaller niche players, he added.

All of which make the USD Kyoto Laureates Symposium panel discussions more pertinent. The forums include topics on science, technology and peace as well as workshops on advanced technology led by the laureates.

The 2001 Kyoto Laureates are physicist Zhores Ivanovich Alferov from Russia, chemist Morton B. Panich from the U.S. National Academies of Sciences and Engineering and physicist Izuo Hayashi from Japan. The three researchers developed “continuous wave operation of semiconductor lasers at room temperature.”

The other laureates are John Maynard Smith of the United Kingdom, who is an evolutionary biologist, and Gyorgy Ligeti of Austria, who is a composer of modern music.

The recipients received the award in November.

Inamori said the world is collaborating more on research and development projects.

“We have entered a new era where we can only prosper through global cooperation,” he said. “In turn it is going to relate to the development of humanity and society. I think in the aspects of technology sharing, arts sharing and science sharing, things are going very well.”

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Sharing technology

Continued From Page 1A
Kyoto Prize Laureates Promote Fusion of Science and Culture

By ELLEN ENDO
RAFU EDITOR IN CHIEF

SAN DIEGO.—Most Americans have never heard of the soft-spoken businessman whose efforts to recognize scholars and researchers have influenced scientific and cultural advancements for nearly two decades.

Dr. Kazuo Inamori, one of the world’s most successful philanthropists, arrived this week to preside over the first Kyoto Laureate Symposium. Recipients of the 2001 Kyoto Prizes will convene at the University of San Diego in a three-day event ending Friday. It marks the first time that Kyoto Prize laureates, arriving from various parts of the globe, are participating in a major event outside of Japan.

USD officials arranged the symposium, feeling that it would be an appropriate gathering for the university’s new Joan Kroc Institute for Peace and Justice. In addition to addresses by the laureates, the symposium features panel discussions relating to improvement of society and the pursuit of peace.

“It’s not sufficient for science and technology to advance unless it is coupled with mankind’s spiritual development,” Dr. Inamori told The Rafu Shimpo. For this reason, the Kyoto Prize, is given in three categories - Advanced Technology, Basic Sciences, and Arts and Philosophy, he points out.

Dr. Zhores Ivanovich of Russia, Dr. Izu Hayashi of Japan, and Dr. Morton B. Parish of the U.S. “put ideologies aside,” he adds, in advancing opto-electronics to create continuous operation of semiconductor lasers at room temperature. Their technology, with its high light-emitting efficiency, compactness and low cost, is now essential to modern life - employed in fiber-optic communication networks, CD and DVD players, laser printers, and a wide range of other innovations.

Britian’s Prof. John Maynard Smith conducted research into evolutionary biology, concluding that the selfish behavior of groups produces a social relationship in equilibrium. Among other things, his theory explains why territorial fights among wild animals rarely end in death - unlike disputes among humans.

Composer Gyorgy Ligeti of Austria, a Hungarian survivor of the Holocaust, established his reputation with “Apparitions,” a piece that features his original tone cluster technique. “Atmospheres,” a subsequent piece was featured in the film, “2001: A Space Odyssey,” written with a technique called micropolyphony.

Dr. Inamori, considered a shrewd corporate executive, established the Inamori Foundation in 1985 with a personal donation of 20 billion yen and his subsequent donations raised the Foundation’s net assets to approximately 64.4 billion (about $500 million) as of March 1, 2001. The foundation is one of Japan’s most prolific charitable institutions.

A product of the World War II generation in Japan, Dr. Inamori established the Kyoto Prize in 1984 to honor global achievements and promote the concept of balancing scientific achievement and social/cultural betterment. Since inception of the prize, 24 of the 57 honorees have come from the U.S.

He created the award after consultation with the Nobel Foundation of Sweden, which received the first Kyoto Prize as a special commemorative award.
Jewish Kyoto Prize laureates share glory at USD

By Gerry Greber

The Inamori Foundation, a Japanese philanthropy that believes Nobel Prizes do not cover enough fields, introduced five Kyoto Prize laureates — including two Jews — during a recent symposium at the University of San Diego.

The two Jewish winners are Georgy Ligeti, who was awarded the $400,000 prize in arts and letters for his contributions to avant-garde music, and Dr. Morton Panish, who shared the advanced technology award with Drs. Izuo Hayashi of Japan and Zhores Ivanovich Alferov of Russia for their contributions to advances in laser technology.

The prize in the remaining category, basic science, was awarded to Prof. John Maynard Smith of the United Kingdom for his work on evolutionary biology. Although the prizes were distributed last November in Kyoto, all the laureates except Smith, who was ill, came to USD's Joan B. Kroc Institute for Peace and Justice for the Feb. 6-8 symposium intended to familiarize Americans with the Kyoto Prize.

Two other members of the Jewish community, John G. Stoessinger, who serves as the Inamori Professor of International Relations at USD, and the peace center's executive director, Joyce Neu, played active roles in hosting the symposium.

The Inamori Foundation was founded and financed in 1984 by Dr. Kazuo Inamori of the Kyocera Corp., a company that has several facilities in the San Diego area. The prizes are described as "a way to rectify the relative lack of encouragement for dedicated people who do their research unsung."

Ligeti was born in Transylvania when the region was part of Hungary. He told HERITAGE that his Jewish education was minimal. At his bar mitzvah he was involved, but the rabbi read all the necessary material. He graduated from gymnasium (high school) in 1941 and, although he was originally interested in physics and math, as a Jew he was excluded from attending a university by nazi sympathizers in Hungary. The director of the local music conservatory did not care about the anti-Semitic laws at that time and took Ligeti under his wing. It was there that he learned composition.

After the war he was taken prisoner by the Russians, from whom he escaped. He returned to Hungary, where in 1956 he participated in the Hungarian revolution before fleeing to Austria. Accepted as a passionate anti-communist in Austria, he became a citizen of that country 10 years later.

He had hoped to come to America, but was told by conductor Eugene Ormandy, "Don't come to America. Without a Ph.D., you will not be able to teach there." Ligeti now divides his time between Vienna and Hamburg.

Ligeti's works are performed mainly in
Europe. However, one of his early compositions, “Atmospheres,” was used in the film 2001: A Space Odyssey. He said he was never compensated for his work.

Panish was born in Brooklyn and had his bar mitzvah at an Orthodox synagogue there, but today he is an adherent to Reform Judaism. As a student he said: “My goal was to make a contribution to society. Most science students have that goal but not everyone accomplishes it.”

His contributions to laser technology were described as building blocks in the development of communications systems that are now essential to modern life such as cell phones, CDs, DVD players and laser printers. The discoveries also helped enable various surgical procedures using lasers.

Panish received his Ph.D. in physical chemistry from Michigan State University and spent more than four decades as a researcher at Bell Labs, working for a time with co-laureate Hayashi.

His wife, Evelyn Chaim Panish, was a fellow undergraduate student in “Essie Cohen’s organic chemistry class” at Denver University. He learned that she had lived in Germany under nazi rule. When the bombing of Berlin began in 1940, her family was allowed to go into a local air raid shelter. However, at the second attack and thereafter, they were told “you are Jews” and were no longer permitted to seek shelter there. The family subsequently moved to Shanghai and emigrated to the United States following World War II.

The Panishes have three children. For the last decade, Evelyn taught English as a second language to Russian Jewish immigrants who live near her home in Springfield, N.J. Musically gifted, Mrs. Panish closed the symposium by singing “We Remember Them,” the song sung at the memorial service for the victims of 9/11.
New Laureates Honored at Kyoto Prize Symposium

BY GIG PATTA
Staff Writer

As the Inamori Foundation presented its Kyoto Prizes symposium outside of Japan for the first time in its 17-year history, the organization’s president offered his thoughts on the city where the awards were given out.

Kyoto Prize laureates discussed peace and harmony in relation to their work at the Kyoto Prize Symposium at the Joan Kroc Institute for Peace and Justice on the campus of University of San Diego last week.

At the event, Dr. Kazuo Inamori, president of the Inamori Foundation, explained in an exclusive interview with the San Diego Business Journal that the city is an ideal location for the symposium because of the region’s high-technology climate, diversity, people and peacefulness.

“San Diego is rich in high-tech industries and high-tech related universities,” Inamori said through the assistance of a Japanese translator. “This is a well-balanced town.”

He credited San Diego’s economic diversity in high-tech, education, biotech and defense industries as a prospering city deserving of the Kyoto Prize symposium.

In addition, he believed San Diego is a great city to start a business in North America, which is why he chose San Diego as Kyocera’s North American headquarters in Kearny Mesa.

Inamori is also the founder and chairman emeritus of Kyocera Corp. Kyocera, a microelectronic packages manufacturer, employs more than 3,000 people in San Diego and Tijuana, and was founded in 1971. It was the first Japanese-capitalized manufacturer in the state of California.

Kyocera was founded by Inamori and seven other colleagues in Kyoto, Japan, in 1959 with only $10,000 in capital at the time.

“I have an impression that San Diego is a scientific town of high-technology,” Inamori said. “That is why Kyocera is still here today.”

Inamori explained the Kyoto Prize symposium’s move to San Diego came about after an invitation from USD President Alice B. Hayes.

She had attended previous Kyoto Prize award ceremonies and offered to host the symposium at USD.

Continued from Page 3

“Other universities also offered, but she was most enthusiastic for our causes,” he said.

The foundation has already agreed with USD to let the university host the symposium for the next two years.

“People can be encouraged and live better lives by knowing the backgrounds of such wonderful achievements,” Inamori said.

Inamori established the Kyoto Prizes and the Inamori Foundation in 1984 with a combination of his cash and Kyocera Corp.’s stock estimated at 20 billion yen, or $149 million.

The foundation had more than 64.4 billion yen, or $480 million in assets as of last March. The organization is charted by Japan’s prime minister’s office, the Ministry of Education and the Ministry of International Trade and Industry.

Kyoto Prizes, similar to the Nobel Prizes, are awarded annually to international recipients contributing to the scientific, cultural and spiritual development of mankind in the categories of advanced technology, basic sciences, and arts and philosophy.

The laureates were awarded the Kyoto Prizes in November in Japan.

“We strive to combine intellectual advance-
Kyoto Symposium comes to USD

By Jeremy Horn
NEWS EDITOR

Starting yesterday, USD, together with the Inamori Foundation, held the 18th annual Kyoto Laureate Symposium featuring academic, scientific and artistic laureates from a variety of nations.

The symposium, running Feb. 6-8, marks the first time in its history that the ceremony of the Kyoto prizes have been held outside of Japan. The awards are among Japan’s highest private awards for lifetime or academic achievement.

The event will feature laureate addresses, panel discussions on a variety of laureate topics and musical recitals.

"It is my hope that the Kyoto prizes will encourage balanced development of both our scientific and our spiritual sides," Dr. Kazuo Inamori, founder of the Inamori Foundation, one of the chief sponsors of the event said.

Prizes in technology, biology and composition are among the most notable of this year. Winners are announced every November in the categories of Advanced Technology, Basic Sciences and Arts and Philosophy.

Each winner receives academic honors, a gold medal and a cash gift of $400,000 per prize category.

Winners this year include Dr. Zhores Alferov from the Russian Federation, Dr. Morton Panish from the United States, Dr. Izuo Hayashi from Japan, Professor John Maynard Smith from the United Kingdom, and Gyorgy Ligeti from Austria.

The events began Wednesday, Feb. 6, with workshops continuing on Thursday and the symposium conclusion on Friday. Most events will be held in the Joan B. Kroc Institute for Peace and Justice.

Reservations are required to attend the events. To reserve a place or find out more information, contact the Joan B. Kroc Institute for Peace and Justice at x7509 or visit the USD website events section at www.sandiego.edu.
Mad Media Creates Snowboard/Ski Film Campaign

Fleishman-Hillard to Promote Liberty Tree Guitar

Locally based design firm Mad Media has been working on an identity and print ad campaign for Boulder, Colo.-based Warren Miller Entertainment’s newest extreme snowboarding and skiing film compilation. The companies have worked together before, but Warren Miller hires Mad Media on a project-by-project basis.

A representative for Mad Media is not saying how much the company is being paid for the work, nor how much is being spent on the overall campaign.

Mad Media’s current work for Warren Miller is targeting college-age youth, considered the enthusiasts in both markets.

In a release about the project, Mad Media creative director Matt Martelli said, “Our mission was to create an identity that was not just accepted by the often cynical ski and snowboard consumers, but also one that would stand out among the dozens of competing winter sports film releases.”

The ads promote a film that uses footage from the company’s other movies, which is being played on college campuses through March. The movie is called “Transworld Live,” similar to the North County company that actually referred the business to Mad Media. The campaign is running in Transworld Media’s various magazines.

Both Transworld and Warren Miller Entertainment are owned by AOL Time Warner Inc. Warren Miller Entertainment is a division of Time4 Media’s Mountain Sports Media division.

One of the main images focuses on the word “Live,” with the letters filled by a photograph of snowy mountains. In another, the image filling the letters is of a skier airborne before a blue sky.

**Signings: Fleishman-Hillard’s San Diego office will handle the promotions of locally based Taylor Guitars’ new product. This spring, the guitar maker will launch a special edition guitar made from made from the wood of the last Liberty Tree — trees designated by each original colony at which meetings were held to discuss overthrowing the English rule. Fleishman’s contract with Taylor was signed two weeks ago, and the project is expected to last for six months. The agency isn’t releasing the project’s budget, and a representative for Taylor wasn’t available at press time. The local Fleishman office also announced that it signed the University of San Diego’s Kyoto Prize Symposium and local law firm Bacalski, Byrne & Koska in November. ... Breece & Associates signed up to handle promotions for a documentary airing on KPBS-TV called “Culture of Hate — Who Are We?” The project, which consists of pitching the story to the media, was signed in the middle of last month and lasts until the program airs on Feb. 3. ... Drasnin Communications recently signed Renaissance Executive Forums, the Latin Room, and Pat & Oscars. Renaissance, whose parent company is based in La Jolla, was signed in December for a five-month PR campaign. The Latin Room, a restaurant, tequila bar and nightclub tentatively planned to open later this month, was signed in January for a six-month period, and is expected to be month-to-month after that. Pat & Oscars is having Drasin create promotions and special events for them. ... Locally based c3 Communications recently picked up Chicago-based Classic Residence by Hyatt’s San Diego business. The work, which involved public relations for the company’s sole retirement community location in La Jolla, began a four-month probationary period in mid-December. In late April, c3 will and Hyatt will discuss making the business long-term. Also, in December, c3 signed to be agency of record for local Web consulting company Geary Interactive and La Jolla-based Sammy’s Woodfired Pizza’s Orange County location. ... Downtown-based Matthew’s Mark recently announced that it’s handling branding, identity and advertising work for the Super Bowl in San Diego next year. No word on agency fees, but it’s also doing PR support pro bono. ...**

**Sound Bites: The local Public Relations Society of America chapter’s New Professionals Group announced its new board members. They are Kate Buska of Loews Coronado Bay Resort’s PR office; Laura Margoni of Heying & Associates; Jenna Skidmore of Berkman Communications; Jason Spark of Susan Atkins & Associates; and Lauren Walsh of Marston and Marston. ... The San Diego Union-Tribune sent 8,500 Christmas Day newspapers to Navy and Marine Corps troops. After being processed after Dec. 25, papers were expected to arrive within a week, according to the paper’s media release. The papers were wrapped in an American flag poster that had two editorial cartoons by the paper’s Steve Breen printed on the other side. The deadline for the next Media & Marketing column is Feb. 7. Rodrigues can be reached at (858) 277-6359, Ext. 107, or via e-mail at trodrigues@sdbj.com.**
School of Law
What was role of Enron in state's crisis?

By Craig D. Rose
STAFF WRITER

Perhaps nothing underscores the degree to which a link between Enron Corp. and the California power crisis has been ignored as a moment during a congressional hearing this week.

Former chief executive Jeffrey Skilling was describing the company's condition as of last spring. Enron, he said, faced "terrible problems" because California's electricity crisis had been "solved." Within a few months, of course, Enron's problems exploded.

The reaction to Skilling's comment? Silence.

No one on the panel explored why good news for California might have meant bad news for Enron, or vice versa. The silence added to the frustration of California consumer activists who believe Enron played a large and still-unexplored role in the crisis that has raised rates by 40 percent and cost the state $50 billion by some estimates.

"In the hierarchy of Enron's victimhood, no one should rank higher than California consumers," said Michael Aguirre, a San Diego attorney pressing a class-action case against energy suppliers. "But in the hierarchy of the investigation, California consumers are not even on the victims' list."

Revelations regarding Enron's role in California and its potential to influence the state crisis continue to emerge despite the tight focus of ongoing congressional investigations on how the company's collapse affected investors and employees.

Consider the following, and the questions some consumer activists and energy experts say they raise:

* An energy consultant from Oregon told Congress that electricity prices fell 30 percent after Enron declared bankruptcy. Was Enron's huge, unregulated trading operation contributing to higher prices?
* A San Diego-based expert in financial trading told a Senate committee that Enron would have been unable to derive $2 billion in electricity trading profits over two years unless it was fleecing an unsophisticated buyer. Was the state simply overwhelmed in dealing with energy companies like Enron?

Feinstein, Boxer say Enron bears closer scrutiny

Sen. Dianne Feinstein has been particularly concerned with Enron's activity in the natural-gas market and how that may have affected electricity prices. Most California generating plants use natural gas as their fuel.

The senator said she is also concerned about Enron's dominance in electronic trading, which also was unregulated.

Next week, she plans to introduce legislation that would regulate online trading and empower the Federal Energy Regulatory Commission to oversee other unregulated trading activities.

"The problem is that Enron's intense trading business in electricity and natural gas — a key commodity in generating electricity — remains beyond the reach of state investigators seeking to understand California's crisis and seemingly beyond the interest of federal investigators," Feinstein said.

"To be sure, there are exceptions," said Sen. Barbara Boxer, who chairs the Senate Commerce, Science and Transportation Committee.

Senators Feinstein and Boxer have planned their own investigations into Enron's role in the California crisis.

"People are asking the question whether there are other Enrons — and there are," said Randall Dodd, director of the Derivatives Study Center in Washington.

Several energy companies, he added, have financial activities similar to Enron's.

Most of those companies continue to be active in California and promote deregulation in other states. And the debacle that deregulation wrought here must be examined in light of deeper investigation into Enron, said a consumer activist.

"There are two big dots on the map — Enron and California," said Doug Heller of the Foundation for Taxpayer and Consumer Rights in Santa Monica. "And they have to be connected.

Craig Rose (619) 293-1814; craig.rose@uniontrib.com
They're betting on a change in the weather

Last year, a London restaurant, the Rock Garden, wanted to protect itself against a cold spring. It bought weather derivatives that would pay off if there were too many cold days between March and June.

The company making the deal was Enron Nordic Energy.

Weather derivatives are unlike weather insurance policies: With an insurance policy, generally, you have to prove you lost money before you collect. With a derivative, you make a bet on the weather for a certain number of days.

In theory, if the weather goes your direction, you win. If it goes against you, then your business should do well. So it’s a classic hedge — or, at least, it’s supposed to be.

It’s still small potatoes. Enron was a pioneer in the business in 1997. The business may be above $10 billion now. But that’s a drop in the bucket in a derivatives market that is above $100 trillion.

“In theory, they are a great idea, because farmers can use them to hedge,” says USD law professor Frank Partnoy, an expert on derivatives who is writing a book on Enron. Somebody in Temecula with a vineyard could buy frost insurance, or Padres owners could bet on it raining, so when it rains and nobody comes to the park, they would lose money on the seats, but make money on their weather derivatives.”

However, says Partnoy, “The problem is that it’s an unregulated market. There is a lot of room for manipulation and gouging.”

The Temecula wine grower might get stuck with a weather derivative that is impossible to understand. When all, if a sophisticated company like Procter & Gamble can admit it didn’t understand derivatives it bought, how is a farmer going to deal with Wall Street (and Houston) sharks?

Also, for accounting purposes, a weather derivative could be overvalued. When a derivative is marked to market, assumptions have to be made about the value of a contract. That’s when hanky-panky is rampant. “No one can predict the weather,” says Partnoy.

There was widespread derivatives abuse at Enron, but Partnoy says it is too early to tell whether the company’s weather derivatives were abused.

Interestingly, “the best predictors of weather are not weather forecasters; they are the futures market,” says Partnoy. Weather derivatives have actually done an excellent job forecasting the weather for the Florida citrus market, he says.

Overall, the weather derivatives market — although ripe for abuse — “is actually a pretty good market,” says Partnoy.

San Diego-based Sempra Energy got into weather derivatives in a small way, “but we stopped last year,” says Doug Kline, director of public relations. “It’s a market we tested, and determined that the risk-reward ratio was not attractive for us. We are not doing it at all now.”

The first exchange-traded, temperature-related futures and options on futures (kinds of derivatives) were on the Chicago Mercantile Exchange. It trades Heating Degree Day (HDD) and Cooling Degree Day (CDD) contracts. A degree day is the measure of how much a day’s average temperature deviates from 65 degrees Fahrenheit.

A gas utility may find that its profits fall when the winter is too cold, because the company has to pay excessive prices for emergency deliveries. Conversely, when the winter is too mild, there’s a sales slump. So the company can try to hedge itself against two opposite problems.

Derivatives can be based on other weather variables, too. Say, a ski resort could base a derivative on the inches of snow it gets between certain dates.

Many industries have a use for weather derivatives: utilities, insurance and reinsurance, transportation, retailing and, of course, agriculture.

Who’s on the other side of the contract? Speculators, often. But the other side of a weather derivative might be a different kind of institution that is also hedging the weather.

Economists say weather affects 20 percent of the economy. So there is a market for weather derivatives, if anybody trusts the people in the business these days.

Don Bauder: (619) 293-1523; don.bauder@uniontrib.com
Fewer firms hiding finances

The Washington Post

Enron Corp. was hardly the only company in the nation to keep important elements of its finances off its books, out of public view.

Since Enron's highly publicized unraveling, several companies have set their books straight, disclosing transactions that were once invisible. Anxious shareholders have been selling stocks of corporations whose financial statements seem unusually difficult to understand.

Many investors are wondering just how much of corporate America's financial picture may be hidden, and how the omission of significant facts could have been allowed in the first place.

"Enron is the tip of the iceberg," said Frank Partnoy, a professor at the University of San Diego School of Law who testified at a Senate hearing on Enron's collapse last week.

Enron's spiral into bankruptcy followed the disclosure last fall that it had vast debts lurking in off-the-books partnerships run by its chief financial officer. The Houston energy trader, it turns out, remained on the hook for substantial, undisclosed risks, because it provided financial guarantees to other investors in some of its off-the-books partnerships.

Accounting experts say there is no way to measure how much corporate debt does not appear on balance sheets. Many companies move assets off their books for a variety of legitimate business reasons, such as raising cash. Doing so is not misleading if a company divorces itself from the risks and rewards associated with the off-the-books activity.

"There's skepticism about financial reporting that is not justified by reality," said Philip Ameen, vice president and controller of General Electric Co., whose books have been criticized for opaque accounting and disclosure practices. Though he said the public reaction is "understandable," corporate America is "much better than we appear to be."

On Wednesday, PNC Financial Services, a large Pittsburgh banking firm, cut its earnings for last year from $567 million to $155 million after the Federal Reserve Board forced it to move back onto its books $580 million in loans it had sold to three entities created exclusively to buy and resell them. Payments on almost a quarter of the loans are past due.

Two weeks ago, discount retailer Dollar General Corp. corrected its financial results for 1998 through 2000, slashing previously reported earnings and adding $611 million of long-term debt to its balance sheet.

The company said it determined that debts associated with "synthetic leases" for real estate — about 400 stores, two distribution centers and the company's Tennessee headquarters — were improperly kept off its books.

Thursday, Cendant Corp., which franchises Days Inn hotels and Coldwell Banker real estate brokerages, put detailed information about its off-balance-sheet partnerships on its Web site. Chief executive Henry Silverman said the move was an effort to "provide clarity and eliminate further misunderstanding."

And credit rating agencies, which are supposed to get a closer look at a company's books than the average investor, said they are beginning to ask more questions about off-the-books liabilities.
Energy trader used aggressive accounting, a forthright tax avoidance strategy and off-balance-sheet deals to inflate revenues, write Andrew Hill, Joshua Chaffin and Stephen Fidler

The report issued by the special investigation committee appointed by the Enron board highlights some of these strategies, many of which are used by other large companies.

Such transactions, many with other Enron-related entities, may have helped the group in two ways, according to accountancy experts. They helped to reduce debt temporarily, but also created price benchmarks – the so-called "estimated fair value" used in its accounts – so the company could assign generous values to assets ranging from power plants to derivatives.

Frank Partnoy, a professor at the University of San Diego School of Law who has studied Enron's derivatives transactions, told a committee last month: "Enron entered into derivatives transactions with these entities to shield volatile assets from quarterly financial reporting and to inflate artificially the value of certain Enron assets."

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Derivatives, he added, were also used to "hide speculative losses, inflate huge debts incurred to finance unprofitable new businesses, including retail energy services for new customers, [and] inflate the value of other troubled businesses, including its new ventures in fibroptic bandwidth."

For some assets, such as shares trading in transparent markets, there is little or no way in defining the "fair value" of the holding. The asset is "marked to market" at the quoted price and any loss or gain is included in net income.

"Mark-to-market items are usually things you can determine the value of by picking up today's FT," says Robert Verrecchia, accounting professor at the Wharton School at the University of Pennsylvania. "The problem with the mark-to-market is that it is no goal at the end of the day you have to have some valuation in place."

In the case of assets such as long-term energy contracts, in which there was no transparent trading, Enron had to estimate fair value.

There was no independent market check on valuations for long-term energy contracts, beyond about 24 months," says Jim Chanos, president of Kynikos Associates, a short-selling hedge fund that profited from the decline in Enron's shares.

"There was no publicly traded market."

As Enron pointed out in the footnotes to its annual report for 2000: "Judgment is necessarily required in interpreting market data and the use of different market assumptions or estimation methodologies may affect the estimated fair value amounts."

Enron boasted about its role in creating some of these markets and even claimed to have pioneered the accounting treatment of such assets.

Bold use of mark-to-market accounting by Enron Energy Services (EES), a unit that signed long-term energy supply deals with outside companies, was one of the worrying signals identified by Sheron Watkins, the senior Enron official who warned Kenneth Lay, then chairman and chief executive, about apparent irregularities in an August 2001 letter.
A contract between EES and Quaker Oats, signed last February, revealed how a few aggressive — but not necessarily illegal — accounting sleights of hand allowed the company to book tens of millions of dollars in up-front profits on a deal that might otherwise have yielded none.

Under one of its so-called “bundled contracts”, EES agreed to supply 15 Quaker plants with energy, including natural gas, electricity, and maintenance services. Also, some of the prices for services and equipment were to be set and quoted by market rules that Quaker might maintain. Profits from these activities are supposed to be booked on a more conservative “accrual” basis, whereby a fraction of the profit is realised each time the goods are consumed.

Enron’s problem was that almost all the profits projected for the Quaker deal were derived from services, not commodities. How did it manage to book them up-front?

The company used a questionable method called “revenue allocation”. The net effect of this highly complex treatment was to redefine as commodities some of the money Quaker was paying for services and therefore create more profits that Enron could book up-front.

Under the system, Enron’s internal accountants created a new category called “allocated revenues”. These were based not on what Quaker had historically paid for energy commodities and its service contracts, but on figures that Enron claimed reflected the open market value of the commodities and services.

This revaluation made a significant difference to the reported worth of the contract. Enron would have earned only a small margin on the supply contracts and procurement of energy for Quaker based on the original revenue figures it used to calculate the deal. These activities could have actually been loss-making with Quaker’s annual discount. Instead, revenue allocation allowed the company to claim an immediate hefty profit on the deal. Asked if such a move is illegal, the former Enron accountant says: “It’s certainly skirting the edge. It’s very, very aggressive.”

Altogether, former Enron employees claim the company managed to mark-to-market $85m in service profits from a dozen deals, including Quaker, that should have been accrued. In some cases, those profits came from services as changing light bulbs and air conditioning filters.

Former EES employees say that recognising these profits up-front was crucial because the assumptions that underlay them would often not have panned out over the life of the deal.

For example, they say EES would routinely underestimate commodity prices in the latter years of a contract to lower Enron’s costs. This was difficult for auditors to contest, for example, in one situation where a one could say with certainty what the price of natural gas would be years ahead.

Also, some of the prices Enron quoted, such as electricity distribution, were in highly-illiquid markets that Enron dominated. It could virtually name whatever price it pleased.

Much larger — and also dubious — projected savings may have come from the service estimates for the Quaker deal. Enron predicted it could operate and manage the 15 plants for less than half the cost Quaker had been paying. This estimate accounted for almost all the profit on the deal.

Employee records show Enron laid off 15 employees at Quaker, but five of them were replaced. Assuming the layoff cost $100m, the company saved $25m over the life of the deal.
How to square a magic circle

1. Inflate profits and revenues. Book income immediately on contracts that could take years to complete, and count trades made through online subsidiary as revenues.

2. Offload debt. Transfer it to "off-balance-sheet" partnerships, some managed by Enron officers.


5. Do deals. Mask poor performance by buying, selling and trading assets rapidly.

Energy-trading unit failed to sustain Enron

Trading revenue rose 54 pct. in the third quarter, according to Enron records, but borrowing costs were not accounted for.

By Russell Hubbard
BLOOMBERG NEWS

Enron Corp.'s earnings from energy trading withered last year, and the unit the company described as its most profitable may have been losing money months before Enron filed the largest bankruptcy on Dec. 2, according to Enron documents and analysts.

Enron's Wholesale Services unit reported that third-quarter earnings rose to $696 million before interest and taxes, and its profit margin dropped to 1.6 percent, company documents show. The margin, or the ratio of profit to sales, does not include money borrowed to finance $2.8 billion in daily trading by EnronOnline, the company's Internet exchange.

"I can't see how this operation made any money with numbers like that before interest and taxes," said Cary Wasden, an analyst with Reed Wasden & Associates, of Bellevue, Wash., which provides investment recommendations on energy companies.

Enron told investors in March to sell Enron shares.

Enron's filings with the Securities and Exchange Commission show energy-trading revenue rose 54 percent to $43.4 billion in the third quarter, the last period for which figures are available, compared with the year-earlier quarter.

Former Enron chief executive officer Jeffrey Skilling said in July that the trading unit, which accounted for 97 percent of revenue in 2000, was "dramatically expanding and profitable."

In the third quarter of 2000, Enron had $28.1 billion in revenue from trading and a profit of $627 million, or a 2.2 percent margin before interest and taxes.

Enron's other businesses, such as a water utility and a unit that traded space on fiber-optic networks, lost billions of dollars, according to company filings.

Enron also set up 3,000 affiliated

Energy-trading unit failed to sustain Enron

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ENRON from D1

partnerships to hide as much as $1 billion of losses, according to a report by William Powers, the University of Texas law school dean hired by Enron to investigate its finances. Enron executives knew in March that the partnerships were causing losses for Enron, Powers told Congress.

Some energy industry executives said Enron's losses might have been too large for any trading unit to overcome.

The company never supplied details on its trading, such as borrowing costs, that are needed to calculate the unit's profits. Enron spokesman Mark Palmer did not respond to interview requests seeking information about energy trading, profit margins and asset sales.

The company booked trading profits without fully accounting for the cost of borrowed money, said Ogan Kose, a former Enron oil trader. "That made the operation seem more profitable than it was," he said.

Enron executives such as former chief financial officer Andrew Fastow and former general manager Michael Kopper set up and ran affiliated partnerships backed with Enron stock to hide debt and operating losses, according to the Powers report.

Some of the partnerships, such as LJ Management L.L.P., Chewco Investments L.L.P., and Jedi Capital II, bought power plants and swapped debt and stock with Enron during the last two years, just as the profit margin from trading fell, a review of company filings shows.

One partnership, called Whitewing Management L.L.P., bought 14 Enron power plants for $800 million in 1999, getting the money for the purchase by selling bonds backed by Enron shares.

Enron sold billions of assets from 1999 to 2001 to independent companies, sometimes at losses of 50 percent, according to company documents. In 2001, Enron sold water company Azurix Corp. for $1.4 billion after paying $2.8 billion for it in 1998.

Frank Partnoy, a University of San Diego finance and law professor, testifying before the Senate Government Affairs Committee, which is investigating Enron's bankruptcy, said: "Most of what Enron represented was its core businesses were not making money."
WOULD THE Enron story have played out differently in a regulated arena?

The question looms large because Enron, which collapsed last year in the biggest bankruptcy in U.S. history, operated primarily outside the ambit of governmental oversight. It was able to do so because of a decade-long drive to deregulate the markets for derivatives and other financial products in which Enron did business.

As a result, "there wasn't a single regulator who knew what was going on here," said Frank Partnoy, an expert on financial markets regulation, derivatives and structured finance at the University of San Diego Law School.

Enron's collapse has many of the company's employees, shareholders, creditors and others faulting a free-market approach which bordered, they claim, on a free-for-all. And Congress, the White House and federal agencies are heeding the call for regulatory tightening at the same time they are fending off accusations that their hands-off approach toward Enron and its business is partly to blame.

Whether the Enron debacle will ultimately result in regulatory reform remains to be seen. And it will be months before investigators can put together a comprehensive picture of the company's business that will shed light on whether federal oversight might have made a difference.

But even at this early stage, Mr. Partnoy says, it is apparent that at least in part, a blinkered government eye enabled Enron to carry out many of the dubious activities that ultimately led to its downfall. "Some sunlight needs to be shined on these markets," he said.

An Unregulated Market

Enron was created in 1985 as an energy company but by the late 1990s it had morphed principally into a derivatives firm. A derivative is a complex investment contract whose value is derived from one or more underlying assets, such as commodities or currency. Derivatives are used primarily to offset potential losses on an investment or a swing in interest rates or currency prices.

Enron used derivatives in two ways. First, it structured many of its now-notorious partnerships through derivatives transactions.

Enron also had an enormous derivatives trading operation. Derivatives are traded in two ways: on regulated exchanges such as the New York Mercantile Exchange, or in unregulated over-the-counter (OTC) derivatives markets. Enron's business was largely in the OTC market.

In the last 20 years, the derivatives markets have exploded. As measured in terms of the notional — or theoretical — values of contracts, the size of the derivatives market is estimated at over $100 trillion, 90 percent of which is over-the-counter. By these measures, OTC derivatives markets are bigger than the U.S. stock markets. Enron grew with the market: its OTC derivatives business increased more than tenfold during 2000 alone.

These relatively new markets have had their share of financial fiascos prior to Enron, "each one more breath-taking than the next," as Mr. Partnoy described it. The most recent debacle prior to Enron was the near-collapse of Long-Term Capital Management, a Greenwich, Conn., hedge fund that lost $4.6 billion on more than $1 trillion in derivatives in 1998.

The escalating series of crises prompted the federal agency that monitors the exchanges, the Commodity Futures Trading Commission (CFTC), to consider whether OTC derivatives trading should be regulated as well.

Mr. Partnoy's proposals were rejected, and in December 2000 Congress quietly passed the Commodity Futures Modernization Act. The act put a governmental seal of approval on OTC derivatives trading, making its unregulated status a legal certainty.

Enron lobbied hard for its passage, and the act is sometimes referred to as the "Enron exception." Although the act barely raised an eyebrow in the business press, some derivatives experts, including former CFTC chairman Philip McBride Johnson, did take notice and were alarmed by what they saw.

In a March 2001 article for International Financial Law Review, Mr. Johnson wrote: "I have witnessed no change in the legal landscape as sweeping in scope and effect as [this act]. It places far more reliance than ever before on the ability of large institutions and wealthy individuals voluntarily to engage responsibly in futures activity, and it provides little insight into what federal response would be available should that duty be neglected. Past experiences ... suggest that grace under pressure cannot be taken for granted."

Mr. Johnson was not available for comment on this article.

The new law gave Enron's business an enormous boost, allowing the company to expand its on-line derivatives trading business to unprecedented levels. As a result, Enron Online could compete as a commodity exchange against the New York Mercantile Exchange and Chicago Board of Trade without subjecting itself to the same governmental scrutiny.

Effect Debated

Some experts argue that government scrutiny would not have made much difference in Enron's case. Neal L. Wolkoff, executive vice president of the New York Mercantile Exchange, said that in the end, it will not be found that Enron's ability to operate in a deregulated world that brought them down.

"From what I know, it wasn't trading activity that caused Enron's downfall," Mr. Wolkoff said. Rather, "it sounds like a classic case of expensive investments gone bad."

Other experts disagree. Michael Greenberger, a University of Maryland law professor and former director of the division of trading and markets at the CFTC, said it was "indisputable" that deregulation facilitated many of Enron's more questionable practices.

As an example, Mr. Greenberger cited a price swap derivatives transaction between Enron and one of its sub-
sidiaries that is described in the report released over the weekend by a special committee of Enron’s board. In the described price swap, Enron committed to give stock to its subsidiary, Rhythms Net Connections, if the latter’s stock value declined. The more Rhythms’ stock declined, the more of its own stock Enron had to post.

When the dot-com bubble burst, Rhythms’ shares plummeted and Enron was forced to feed hundreds of millions of dollars of its own declining shares into its subsidiary.

Likening the transaction to “entering into a contract with yourself,” Mr. Greenberger said that in a regulated arena, disclosure requirements might have made Enron think twice.

“Their lawyer would have told them, ‘this transaction is absurd—you don’t want to disclose this,’” he said.

In testimony before the U.S. Senate’s Governmental Affairs Committee, Professor Partnoy said that federal oversight could have forestalled some dubious practices on Enron’s trading floor as well.

For example, he said that, in an effort to smooth volatility, Enron’s derivatives traders would report only a portion of the profit from a trade, saving the rest to offset potential future losses.

This type of reporting, Mr. Partnoy said, is “far from an accepted business practice,” and could get a trader fired at a major Wall Street firm.

Mr. Greenberger said these early disclosures are just the tip of the iceberg.

“Every day we are shocked by what was going on at Enron,” he said. “But down the road there are going to be many more shocks to the system.”

He also said that Enron might prove to be just one example of many. Because the industry is not regulated, “we just don’t know what’s going on,” he said.

“There could be other Enrons out there,” Mr. Greenberger said.

Enron did not return calls seeking comments.
n E.B. White's classic children's book *Charlotte's Web*, there's a scene in which Templeton the rat has just stuffed himself with the garbage left behind after a fair. "What a night," he says. "What feasting and carousing. Never have I seen such leavings, and everything well ripened and seasoned with the passage of time and the heat of the day. Oh it was rich, my friends, rich." That's what happens at the end of a fair or a carnival. After all the crowds and the excitement, what remains is nothing more than half-eaten cotton candy and assorted other trash. And so it is with the 1990s pull market. The tech-stock hawkers, mindless speculators, and clueless dot-commers have pulled up their stakes, and what we're left with is a bunch of smelly debris. The problem is, our digestive tracts aren't like Templeton's. We can't eat this stuff.

There's something terribly rotten with American business right now, and it's making a lot of us sick. All the new-economy lying and cheating that went on back in the '90s has come back to bite us in the you-know-what. And now it's judgment day. No more excuses. No more extended deadlines, extra lines of credit, or skeevy numbers. No more "just trust us." No more b.s. Even as Wall Street gazes hopefully at signs of a recovery, the market is ruthlessly separating the haves (as in, your numbers are on the level) from the have-nots (your numbers stink!). "It's sell first and ask questions later on anything that doesn't look clean," says Steve Galbraith, chief investment officer at Morgan Stanley.

Obviously, the trigger event here was the Enron scandal, which...
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would give even Templeton the rat indigestion. Yes, Enron may have been a rogue operation, but its collapse has forced us to shine a halogen light on the books of America's public companies, and what we're seeing sure ain't pretty. In the last couple of days of January alone, stocks of Tyco, Cendant, Williams Cos., PNC, Elan, and Anadarko were brutally punished for alleged or acknowledged accounting problems.

The price we, the public, pay for all this is absolutely mind-boggling. Former SEC chief accountant Lynn Turner, who's now teaching at Colorado State University, estimates that over the past six years, the cost to investors—in terms of stock market losses—of financial restatements is well over $100 billion. And that doesn't include Enron, which is in a league of its own. As Turner points out, the cost of Enron's failure is roughly six times the $15 billion loss suffered from Hurricane Andrew.

But the ultimate cost could be much larger. If Wall Street's growing anxiety about the quality of corporate earnings leads to lower multiples, CEOs will face increased pressure to maintain earnings by cutting back on things like capital spending, dealing a potentially lethal blow to the recovery. "I'm deeply worried about the effect of Enron on business confidence," says the CEO of a major technology company.

The system's broke. Here are a few good

Harvey Goldschmid He's been a professor of law at Columbia University in New York since 1970, and he's of counsel at Weil Gotshal & Manges. Goldschmid worked in Arthur Levitt's SEC as general counsel and special senior advisor. He's keenly aware of the pressure CEOs now face when it comes to making the stock of their company go up and stay up. "Previously the CEO's job was much more secure. Today, with CEOs that much more accountable for their company's performance, they are under greater pressure to keep the share price up." Like Levitt, he favors a new independent accounting board for auditors. Goldschmid has been recommended by Sen. Tom Daschle to be appointed an SEC commissioner.

Arthur Levitt The former SEC chairman, who's now a senior consultant to the Carlyle Group in Washington, D.C., has never been shy about speaking his mind when it comes to questionable accounting. Levitt says that during his tenure the accounting profession lobbied against reforms that could have prevented some of the problems currently vexing investors. He favors establishing an independent oversight board that has real teeth and calls for diminishing the power of the AICPA, the accounting profession's trade group. The worst-case scenario? Doing nothing, he says. That could erode investors' confidence in the market and drive stock prices down.
mer head of the SEC, is even blunter: “America’s investors have been ripped off as massively as a bank being held up by a guy with a gun and mask.”

So what’s going on here? Have we entered a new era of corporate moral decay? Why is this happening now? And what in the world can be done to fix this mess?

First, understand that dodgy accounting, or bad numbers, or whatever you want to call it, covers a multitude of sins. There are companies that, with or without the help of auditors, commit out-and-out fraud. Less egregious but almost as deadly to shareholders are companies that screw up unintentionally and are forced to restate their numbers. And then there are companies—and this is the largest club, including many of America’s bluest of blue chips—that bend and stretch accounting rules to make their numbers prettier. It’s not fraud—it’s even legal—but it’s deceptive.

No one can calculate how many companies are playing loopy-goosey with their books right now. We can only count them when they get caught, or when they restate earnings, or when a journalist or an analyst (God forbid!) raises a red flag. What’s clear, however, is that there is more bad accounting out there than ever before. According to Michael Young, a lawyer at Willkie Farr & Gallagher, 116 companies needed to correct or restate their financial statements in 1997. By 2000 that number had more than doubled, to 233. Last year was probably worse. In a separate, confidential survey of big-company CFOs, some two-thirds said they had been pressured by their bosses to misrepresent financial statements. Only 55% said they had successfully resisted.

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How did things get so wiggy? Declining

Jack Ciesielski From his offices in downtown Baltimore, Ciesielski publishes the deeply penetrating Analyst’s Accounting Observer. And for an accounting newsletter, it’s a good read. For the past five years Ciesielski has published an unscientific year-in-review history of accounting, including major blowups. As you might imagine, the number of black eyes has grown, from two in 1997 to 22 last year. What should be done? “One thing would be to make companies file their 10-Qs and earnings press release with pro forma numbers at the same time; that way investors could compare pro forma numbers with GAAP numbers.” That would prevent companies from focusing investor attention on squishy pro forma numbers and away from GAAP.

Warren Buffett Three years ago the Berkshire Hathaway CEO proposed three questions any audit committee should ask auditors: (1) If the auditor were solely responsible for preparation of the company’s financial statements, would they have been done differently, in either material or nonmaterial ways? If differently, the auditor should explain both management’s argument and his own. (2) If the auditor were an investor, would he have received the information essential to understanding the company’s financial performance during the reporting period? (3) Is the company following the same internal audit procedure the auditor would if he were CEO? If not, what are the differences and why? Damn good questions.
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corporate ethics definitely plays a role. "Today is significantly different from the 1950s," says Berkshire Hathaway CEO Warren Buffett, who has long been critical of accounting rules. "Back then there was less disclosure, but the disclosure you had was accurate. In the 1960s you started to have more games being played. Conglomerates were trying to pump up their stock to use it as currency in takeovers, but old-line America didn't do it. It was still the good guys vs. the bad guys. It's not like today, where too often otherwise high-grade companies start with a number [for quarterly earnings] and work backward. Situational ethics has reared its ugly head."

Changes in the bean-counting business certainly haven't helped matters. In the late 1970s the federal government pushed the accounting profession to abandon a code of conduct that prevented accounting firms from undercutting one another on price or even soliciting a company that used another of the Big Eight (now Big Five) firms. The FTC said this was anticompetitive (which it was), but it also protected accounting firms from CFOs who didn't like being told no. Under the new rules, if the auditor doesn't play ball with an aggressive CFO, it is much easier for the company to tell the auditor bye-bye.

But the single biggest reason behind the recent spate of God-awful accounting has got to be the rise of the cult of the shareholder. Simply put, over time so much focus has been placed on levitating companies' stock prices that many executives will do almost anything—legal or otherwise—to make it happen.

The cult of the shareholder began during the takeover and LBO boom of the 1980s, when corporate raiders forced CEOs to "maximize shareholder value." The explosion of stock options in the 1990s created millions of employee shareholders dependent on rising stock values. Then there are retirement accounts. (God love them!) Newfangled 401(k)s often became loaded up with company stock, making the daily gyrations of share prices a nationwide infatuation.

Let's not forget about senior management, which was increasingly paid in stock and options, and often compensated based on the performance of its stock or the company's earnings growth. Says Harvey Goldschmid, a Columbia Law School professor who worked with Levitt at the SEC: "Previously the CEO's job was much more secure. Today, with CEOs that much more accountable for their stocks' performance, they are under greater pressure to keep the share price up." And for one group of acquisitive companies, a high stock price was even more important. Cisco, Tyco, and others bought dozens of companies in the late 1990s, almost always with stock. The higher the stock price, the more companies they could swallow.

Of course Wall Street was a willing accomplice in all this. Analysts' reports became compromised by the banking side of their firms, looking to protect lucrative relationships with clients. According to Frank Partnoy, a law professor at the University of San Diego, as late as October 2001, 16 of 17 securities analysts covering Enron rated it a strong buy or a buy. Scary stuff.

The earnings guidance game, of course, is another facet of the corruption of independent analysis. Companies guide the analysts to a number and then magically beat it by a penny. The most adroit at this technique was Cisco, which until recently "beat" the street estimate by 1 cent, quarter after quarter. That brings us back to what Buffett said about backing into quarterly earnings. If your company did 23 cents in Q1 '98, and you told the Street you were growing at 17%, then you damn well better hit 27 cents in Q1 '99! To Buffett this practice practically necessitates cheating. "No large company can grow earnings 15% quarter after quarter like that," he says. "It isn't the way business works."

And so to keep those earnings gains coming, executives have resorted to various gambits. One familiar one is trade loading, or borrowing from next quarter's sales, as Gillette once practiced—showing razorblades into the channel in quantities that exceeded consumer demand. Or a company tries to book sales more than $2 billion in debts owed by a former subsidiary. No sign yet of a fourth-quarter earnings release.

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J.P. Morgan Chase investors are only now discovering that the bank may lose billions from its dealings with Enron. The company's financial statements provide no mention of the exotic offshore vehicles that it used to do business with the fallen energy company.

Calpine Last year the SEC instructed it to change the way it presents Ebitda in its annual report.

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Companies under the gun

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How about vendor financing? That's when a company lends money to a customer to buy its product. The big telco suppliers like Lucent and Alcatel got burned by this practice after weak customers went belly-up and simply defaulted on their loans. Another type of vendor financing may be found in the consumer area. Ford, for instance, is heavily into lending customers money to buy its cars and trucks. Let's take a minute and drill down into Ford. Vroom! Vroom! A troubled company right now, but still a great American brand. Makes cars. Sells cars. Simple, right? Maybe not.

More and more, Ford is relying on its financing business. There's nothing wrong with that per se, but (1), many investors may not realize that, and (2), that business has its own pitfalls. In 2000, $28.8 billion, or 16.9% of Ford's $170 billion in revenues, came from its financing business. Last year financing accounted for more than 18.9% of its sales. In the past, financing had been a moneymaker for Ford, but with the company offering 0% financing to boost car sales, this business lost $360 million in the fourth quarter of 2001. So is finance a loss leader for car sales? Not exactly. Sadly for Ford, even with 0% financing, its auto business lost $4.7 billion in the same quarter.

Another ploy is so-called cookie-jar accounting, in which a company sets up reserves and then reverses them later to smooth out its financial returns. There are games that can be played with pension funds to smooth out earnings. For instance, through some mind-numbingly complex accounting maneuvers, a company can inflate its earnings simply by increasing a pension fund's assumed return. IBM has done that recently.

And then there are the games companies play with write-offs to smooth earnings. Called the big bath, it's where a company throws all kinds of expenses into a write-off or restructuring charge, booking costs now, which makes earnings look better down the road. Get this: According to Zacks Investment Research, only 31 companies now in the S&P 500 reported negative nonrecurring items in 1992. In 2000, 247 logged negative nonrecurring items! Twenty-eight of the nation's 1,000 largest companies registered negative nonrecurring items for the past eight quarters in a row. Is it possible companies have made so many bad decisions that they actually require all those write-offs? Well, it is true that today's companies are bigger and more global, and in a more deregulated business environment. And yes, that makes their books more complex, but many of the write-offs are about smoothing, which makes financial statements even murkier. "When I take a look at a company's annual report, if I don't understand it, they don't want me to understand it," says Buffett.

Of course, the latest accounting wrinkle made famous by Enron is "special purpose entities" (see box). The key issues here are, Should these partnerships be consolidated onto a company's balance sheet, and/or are they material enough to report to shareholders? What makes a lot of SPEs tick are derivatives. "At its core Enron was a derivatives-trading firm," writes Partnoy in submitted testimony to the U.S. Senate. According to Partnoy, Enron had $2.7 billion of operating income from derivatives in 1999 and 2000. In the same period its ordinary operations lost $947 million. None of that was readily apparent to anyone except a forensic accountant.

There's a problem here. Generally Accepted Accounting Principles, or GAAP, require a company to show bad stuff. But companies have found a neat way to circumvent GAAP: Keep analysts and investors focused on, well, what companies want them to focus on! One way to do that is by gunning up pro forma earnings like Ebitda—earnings before interest, taxes, depreciation, and amortization—which some observers derisively refer to as "earnings before bad stuff."

Originally pro forma was used to help investors. If a company sold a plant and booked a one-time gain, pro forma stripped out the gain to show what the company's operations were actually doing. But now pro forma is used to skew and to hide.

Basically, pro forma earnings allow a company to show investors the quarter through rose-colored lenses. Things like nonrecurring items are ignored. For the first three quarters of 2001, three Nasdaq giants—Cisco, Dell, and Intel—reported combined pro forma earnings of $4.4 billion. What were real GAAP earnings to the SEC? A $1.4 billion combined loss.

One way the sport is played is that soon after the quarter is closed, a company issues a press release with the requisite rosy pro forma numbers. The company's 10-Q, which is filed with the SEC, doesn't come out for up to 45 days after the end of the quarter. Here the company will present its less flowery GAAP numbers, "but by that time, they've got you focused on the next quarter, or so they hope, so it is ignored," says forensic accountant Jack Ciesielski. The SEC seems to be cracking down on this game, however. It recently issued a cease-and-desist order against Trump Hotels & Casino Resorts for issuing a misleading earnings press release.

In 1997, 116 companies needed to correct or restate financial statements. By 2000 that number had doubled, to 233.
Setting a good example

Boeing: Instead of burying stock compensation expenses deep in the footnotes, Boeing actually puts them in the income statement.

Amerada Hess: The oil company chooses to expense unsuccessful exploration costs as soon as they're incurred rather than spread them out over several years.

FPIC Insurance: Insurance companies can manipulate earnings by playing with reserves for claims. FPIC recently adopted a more conservative approach to setting up reserves—a method that lowers today's earnings.

Synopsys: Some software companies boost earnings by booking all the revenues from a multiyear contract as soon as the product is shipped. Synopsys instead books revenues evenly throughout the contract's life.

Wal-Mart: A new accounting rule involving goodwill amortization will increase the 2002 earnings of many companies—management talent has nothing to do with it. Wal-Mart has already fessed up and disclosed the earnings boost the rule change will give it.

Fastow and Enron here for a minute! Harvey Goldschmid, the Columbia law professor, proposes an independent accounting board (with teeth!) for the auditing community. Arthur Levitt agrees with Goldschmid and adds, "The independent board must have subpoena power."

Then there is a move afoot to bar firms from doing both audit and consulting work for the same client. Recently four of the five biggest audit firms (Deloitte & Touche is the holdout for now) announced they were taking steps to move in that direction, saying they would no longer do certain technology consulting for clients whose books they audit. And separately, Disney recently became the first major company to say that it will no longer allow its auditor to do consulting work.

But perhaps the best place to focus attention is on the audit committee of boards of directors. Warren Buffett proposes that the audit committee have a Q&A session with auditors (for a list of his suggested questions as well as others' proposals for reform, see "The system's broke. Here are a few good suggestions on how to fix it."). "You can't meet on an audit committee for two hours twice a year and really know what's going on," says Buffett. "Auditors most of the time will know—put them on the spot." And Buffett wants these questions and answers to go into the minutes unfailingly.

Then there is the question of jail time for those convicted of willful fraud. Almost everyone interviewed for this story thought that was a good idea. Both Buffett and Goldschmid point out that jail time may not always deter burglars, but it does tend to have a particularly healthy effect on white-collar crime. "I think it's going to happen, and I think it will change behavior," says Buffett. Yes, executives have gone to jail for past abuses, but not the highest-profile ones like an Al Dunlap.

And there is one last option. Doing nothing. What would be the impact of that? Well, it could be that investors lose faith in our financial system. We may already be seeing some of that in the short term. "If that were the case, investors would require a greater risk premium for stocks," says Levitt. What does that mean? A risk premium in bonds is easy to understand. There, investors demand a greater yield for a riskier investment. But in stocks a higher-risk premium is expressed as lower stock prices. In other words, you would pay less for a riskier stock relative to its earnings or dividends. So a lack of confidence would keep stock prices down.

For now, what's being called Enronitis shows no sign of abating. Reports of com-
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panies with accounting issues have been literally flooding the wires. At the top of the list was the Tyco, which like Enron was once a darling of Wall Street and is now fighting for its credibility. Sources said that as of late January Tyco was looking to arrange a capital infusion—maybe, for example, the sale of a large amount of preferred stock to a buyer of unquestioned reputation. (The company did secure a $1.5 billion bridge loan.) CIT (now called Tyco Capital), a finance company Tyco bought last year, requires constant access to capital. Whenever word begins to spread about weakness in a corporation, the financing arm feels it first and hardest. And then, when the financing arm can’t raise money, that sends a very large signal about the whole corporation.

A signal that Wall Street is now hearing loud and clear.

FEEDBACK: aserver@fortunemail.com

Off balance sheet—and out of control

THE PRESS CALLS THEM “OFF-BALANCE-SHEET PARTNERSHIPS”—those hundreds of Enron entities that were used to hide its debt and book illusory profits. On Wall Street, though, they’re known as special purpose entities, or SPEs, and you’d be hard-pressed to find a FORTUNE 500 company that doesn’t use one. Are they all as bad as Enron’s? Thankfully, no. But they offer plenty of temptation for companies looking for legal ways to cook the books.

Like many complex instruments, SPEs were created to perform a straightforward, necessary task—isolating and containing financial risk. Businesses that wanted to perform a specialized task—an airline buying a fleet of airplanes; a company building a big construction project—would set up an SPE and offload the financing to the new entity. For example, a company looking to build a gas pipeline but not wanting to assume all the debt load would set up an SPE—essentially, a joint venture with other investors—to build it. The SPE would own the pipeline and use it as collateral to issue the bonds to finance it. The sponsoring company would still operate the pipeline, with the revenues being used to pay back the bondholders.

In theory, SPEs protected both sides of the transaction if something went awry. If the project went bust, the company was responsible only for what it had put into the SPE; conversely, if the company went bankrupt, its creditors couldn’t go after the SPE’s assets.

Over time, SPEs became essential components of modern finance. Their uses expanded wildly—and legitimately. For example, virtually every bank uses SPEs to issue debt secured by pools of mortgages. And companies as diverse as Target and Xerox use SPEs for factoring—the centuries-old practice of generating cash by selling off receivables.

But SPEs also evolved into an effective scalpel for CFOs looking to perform cosmetic surgery on their balance sheets. That’s because the accounting rules say that as long as a company owns less than 50% of an SPE’s voting stock, the SPE’s assets and debt don’t have to be consolidated on its books. In fact, due to a particularly egregious accounting reg, the SPE’s nominal owner—usually some friendly outside investor—needs to put up only 3% of the SPE’s equity. The

SPEs are ripe for abuse, but few went as far as Enron’s Fastow.

company establishing it can contribute the remaining 97%, and it still qualifies for off-balance-sheet treatment.

Today many transactions between companies and their SPEs do not isolate risk at all; their primary purpose is to hide pertinent information from investors. Take factoring again. The sponsoring company usually provides the SPE’s bondholders with guarantees called credit enhancements, which are promises to maintain the value of the SPE’s assets at some minimal level. In more complicated SPEs, such as some of Enron’s, options or derivatives are used to guarantee the bondholders’ returns. Amazingly, this practice is technically allowable.

SPEs are also a good way to keep money away from Uncle Sam. Most tax-avoidance techniques using SPEs cleverly exploit discrepancies between accounting rules and tax laws. Synthetic leases are a good example. These are transactions in which a company sells an asset to an SPE and then leases it back. The company gets to move the asset off its balance sheet—yet for tax purposes it retains the ability to depreciate the asset as if it were still the owner.

Enron employed all these tactics and then some. It even sold dubious assets to its SPEs at inflated prices to produce bogus income. And it had almost 900 off-balance-sheet partnerships located in international tax havens, a fact that mystifies most experts. “If a company has four or five of these things, that would be a lot,” says Allen Tucci, a partner at Tucci & Tannenbaum, a Philadelphia law firm that helps set up SPEs.

Enron also appears to have stretched the rules well past the breaking point. It used side agreements to set up SPEs that didn’t even clear the 3% hurdle. And many of its partnerships were designed to create the appearance that the SPE’s investors and bondholders were assuming risks when, in fact, Enron retained most—and in some cases all—of them.

The full story of what Enron did with its SPEs will undoubtedly emerge in the coming months. In the meantime, the Feds are finally cracking down. Late last month, PNC Bank took a $155 million hit to its earnings. Why? Because the SEC and the Federal Reserve forced it to reinclude three SPEs on its balance sheet. —Jeremy Kahn

84 • FORTUNE • February 18, 2002
Profile • Renowned shareholder attorney who wants to lead the Enron litigation is under grand jury investigation himself.

BY SETH HETTENA
The Associated Press

The collapse of Enron should be a crowning moment for William Lerach, the king of shareholder class-action lawsuits.

The shady accounting at the heart of Enron's collapse is the kind of corporate wrongdoing Lerach has railed against in his successful—and notorious—career battling corporate giants.

But a federal grand jury's investigation of the San Diego lawyer and his firm might hurt his chances of leading a shareholder lawsuit in one of the biggest corporate failures in U.S. history.

Any day now, U.S. District Judge Melinda Harmon of Houston is expected to select one name from a list of prominent law firms jockeying to represent Enron's shareholders. Lerach's firm, Milberg Weiss Bershad Hynes & Lerach, was involved in 60 percent of all such class-action securities suits last year.

The company's clients also include the University of California Board of Regents, which lost $145 million when Enron's stock collapsed.

"They're regarded as one of the pre-eminent firms in this area," said UC spokesman Trey Davis. "They have the resources and experience to pursue the litigation vigorously with a goal of substantial recovery."

The firm is suing 29 current and former Enron executives and board members, including Chairman Kenneth Lay and Texas Sen. Phil Gramm's wife, Wendy Gramm, an Enron board member.

Lerach, who did not return calls for comment for this story, created a stir last month when he walked into Harmon's courtroom with a box of shredded Enron documents.

Days later, the Los Angeles Daily Journal reported that a federal grand jury in Los Angeles was investigating Milberg Weiss for paying the people it represented in shareholder lawsuits.

The UC regents are sticking with the firm.

"Milberg Weiss has assured us there's no merit to the investigation," Davis said.

To some observers, the grand jury probe smacks of political payback.

Lerach (pronounced luh-RAHK) was a big supporter of President Clinton, who appointed him in 1998 to the U.S. Holocaust Memorial Council. He remains a major
WILLIAM LERACH emerges from federal court in Houston last month after a hearing on Enron shareholder litigation. Photo: F. Carter Smith / Bloomberg News

fund-raiser for the Democratic Party, giving more than $250,000 before the last presidential election, according to Federal Election Commission reports.

One of the attorneys working on the probe is Assistant U.S. Attorney Michael Emmick, who served under Independent Counsel Kenneth Starr during the Monica Lewinsky investigation.

"Political motivations?" said Beverly Moore, editor of Class Action Reports, "a Washington legal journal that has Lerach on its board. "You think a Republican U.S. attorney would ever do a thing like that?"

Thom Mrozek, a spokesman for the U.S. Attorney's Office, declined to confirm the investigation, but said the office does not use the courtroom to play politics.

"This office has never been involved in an investigation or a prosecution that was politically motivated," he said.

Few question the fact that Milberg Weiss looms large in securities litigation. The firm has collected more than $20 billion for its clients.

Among the current targets are Aetna Inc., Apple Computer Inc., 3Com Corp., Corning Inc. and Intel Corp. Between 1988 and 1999, the firm settled 259 lawsuits for an average of $83 million, according to a study in November by three Northern California economists.

Lerach's success has made him a reviled figure in corporate boardrooms, especially in Silicon Valley, where company stocks are more prone to volatility. T.J. Rodgers, president and chief executive officer of Cypress Semiconductor Corp. in San Jose, once remarked that class-action lawyers such as Lerach were "a low-life form, somewhere below pond scum."

Companies tired of being targeted by Lerach successfully lobbied Congress to pass the Private Securities Litigation Reform Act in 1995—over Clinton's veto. The law took aim at Lerach's business by requiring that lead counsel represent plaintiffs with the biggest losses, instead of whoever filed first.

The 1995 law could cost him the chance of representing Enron shareholders. Lawyers representing pension plans from the state of Florida, the city of New York and three states with bigger losses than Lerach's clients may nudge him out for lead counsel status.

"He's been the victim of his own success," said Sai Prakash, who teaches securities law at the University of San Diego. "All these things have been enacted to limit his ability that have brought him such notoriety and success."
Through intense lobbying and generous campaign contributions to state lawmakers, the accounting industry has long snuffed efforts in California to increase oversight.

But as Congress picks apart Enron's financial house of cards that accounting giant Andersen helped to create, that may be about to change. Andersen's role in the Enron debacle is shining a new light on an industry that has largely defeated attempts to regulate it.

"This has been an industry that has been able to hide in the shadows, away from public scrutiny," said Julie D'Angelo Fellmeth, administrative director of the University of San Diego's Center for Public Interest Law. "If that doesn't change now, I'm not sure it ever will."

Last year, Assemblyman Lou Correa, D-Anaheim, proposed reshaping the accountant-dominated California Board of Accountancy. The board, which licenses and oversees the profession in California, has opened just two investigations of wrongdoing at Big Five firms in nine years.

Correa's proposal didn't go far.

"That got pulled so fast it would make your head spin," said Art Kroeger of the California Society of Accountants, which represents independent accountants and small firms and is often at odds with so-called Big Five firms.

The state Assembly will hold a daylong hearing today to examine auditing practices. Correa, who organized the hearing, says he is not going to wait for federal regulators to act on proposals to create new watchdogs for the profession charged with assessing a company's health.

This time the industry isn't putting up much of a fight.

DEMAND FOR REFORM

The Board of Accountancy also is taking up the cry for reform. The board licenses the 65,000 accountants who work in California.

What the board is considering illustrates how few rules accountants face.

A new board task force will discuss whether accountants should be forced to keep records for a specific amount of time. Currently, there are no requirements.
It also will look at whether accountants should be prevented from taking jobs at companies they have recently audited, and whether auditors should also work as financial consultants for companies whose books they monitor -- the arrangement that has Andersen in trouble.

"It's a very powerful group at the Capitol," Correa said. "It speaks volumes when you hear there's not even a requirement to hold documents."

POLITICAL CONTRIBUTIONS

The Big Five companies have contributed more than $235,000 to Sacramento lawmakers since last year, according to records kept by the secretary of state. Andersen alone spends more than $20,000 per quarter on Sacramento lobbyists.

California lobbyists for the Big Five did not return repeated calls for comment this week, and a spokesman for Andersen would not comment beyond the company's previous statement that it would halt the practice of conducting auditing and financial consulting for the same companies.

The powerful trade association that dominates discussions in Washington has indicated it will not fight some reform measures.

In the past, California legislation has largely focused on expanding business opportunities for big accounting firms.

In 1997, the Legislature passed a bill allowing accounting firms to be owned by nonlicensed accountants, which set the stage for companies to provide financial consulting services as well as audits.

"They're over there giving tax advice, and then the other side of the firm is auditing the books. The independence that is crucial to what auditors do collapses," Kroeger said.

CHANGE AFTER ANDERSEN

Most firms have acknowledged the potential conflicts of interest in auditor/consultant relationships and have abandoned performing both functions for the same companies in the wake of the Andersen scandal.

Fellmeth, whose group acts as a watchdog over regulatory boards in California, says the biggest problem with accounting regulation lies within the Board of Accountancy.

The board, which is financed by accountants' license fees, is dominated by accounting firms' interests, not protecting the public, she said. The board has only five investigators and two supervisors to probe accountants accused of wrongdoing.

It has only opened two formal investigations on Big Five firms in the last nine years, she said. And justice isn't swift.

This week, the board is expected to decide the appropriate punishment for the accounting firm KPMG for its role in the Orange County bankruptcy -- which happened in 1994.

Fellmeth noted that accountants convicted in civil courts of fraud or other charges are not required to report the conviction to the board.

"Enforcement is just not a priority," she said.

Coupled with a 1992 California Supreme Court case that stipulated that auditing firms should not be held liable in lawsuits by investors complaining about unreliable financial statements, there is no strong incentive for accountants to make sure their audits are protecting the public, Fellmeth said.
She noted that in the mid-1970s, when the state Legislature voted to limit the amount of money disgruntled patients could win in lawsuits against medical doctors, lawmakers made sure to beef up the enforcement division of the state medical board.

"That should happen in accounting," Fellmeth said. "Because right now we have weak enforcement plus a court case that says auditors shouldn't be held liable. There's no deterrent." Board of Accountancy members disagree with much of her assessment.

SYSTEM'S 'NOT BROKEN'

"It's not a perfect system," said Navid Sharafatian, an attorney who serves as the board president. "But it's not broken."

Sharafatian said he wouldn't be opposed to beefing up the board's enforcement staff, however.

While much of the reform movement may come from Washington, D.C., where lawmakers and regulators are discussing creating a new division within the Securities and Exchange Commission to oversee accounting regulation, Correa noted that each state has the power to license and discipline accountants. California should be a leader in changing the way accountants work, he said.

To start, Correa is preparing legislation requiring accountants to retain documents for at least five years.

"We're dealing with the health and welfare of our economic system," he said. "We rely on financial data; it's the cornerstone of capitalism." E-mail Mark Martin at markmartin@sfchronicle.com.

LOAD-DATE: February 19, 2002
CHARLOTTE, N.C. _ The five accounting firms that audit most of the nation's public companies tripled their representation on state regulatory boards over the past decade, a trend that runs counter to the current push for independent oversight of the industry.

A analysis has found that partners, retirees or former longtime employees of the so-called Big Five firms hold at least 10 percent of the seats on state boards even though the firms employ only 5 percent of the nation's certified public accountants.

Members of the Big Five _ PricewaterhouseCoopers, Deloitte & Touche, KPMG, Ernst & Young and Andersen _ began seeking gubernatorial appointments to state boards a decade ago, believing they were underrepresented. While their representation has increased since then, they aren't a majority on any state's board.

"This campaign to put more Big Five members on regulatory boards is yet another way to ensure that CPA self-regulation continues, with which we wholly disagree," said Julianne D'Angelo Fellmeth, administrative director of the University of San Diego's Center for Public Interest Law. "CPA self-regulation has failed."

Bill Ezzell, head of the Big Five's lobbying group, The Accountants Coalition, said the representation isn't out of line because the biggest firms conduct at least 90 percent of the audits for publicly traded companies.

"We're part of the profession," said Ezzell, a partner with Deloitte & Touche. "We should be represented."

A series of high-profile failures of public companies, capped by the fall of Houston-based Enron Corp., has prompted calls for independent oversight of the accounting industry, whose role is to examine the books of American industry.

The industry regulates itself through a system of peer review and rulemaking by its trade group, but Securities and Exchange Commission Chairman Harvey Pitt has called for an independent private-sector organization to step in at the federal level.

State accountancy boards serve as industry watchdogs, granting and revoking licenses and investigating complaints.

They range from five members to New York's 21, with an average of seven. Lawyers, executives and academics are among those appointed, but accountants dominate every board's membership.

Boards occasionally have punished Big Five firms, sometimes limiting their ability to do business. But no one can remember a time when a license was revoked.
Opinions differ on how aggressively board members from the Big Five pursue cases against their peers.

"That's a big question," said Dennis Spackman, a former chair of the boards' national association and of Utah's board. "When a peer firm is being investigated, you stop and think, 'There but for the grace of God go I.' You're looking in a mirror when you sit at the table."

Ezzell disagreed: "I don't know of anybody not being punished adequately for what they've done."

The big firms began their push for seats in the early '90s, when they had members on fewer than 10 state boards, Ezzell said. The effort was part of a coordinated campaign to recover from the 1980s savings and loan crisis, which cost the big firms hundreds of millions of dollars in settlements.

The state board with the widest representation by Big Five firms is Arizona. Three of five accountants on the state's seven-member board are from Big Five firms. No other state board has more than two big-firm members, according to Knight Ridder Newspapers' review of board Web sites and interviews with staff members.

The third appointment came in August, after a nominating letter to Gov. Jane Hull signed by a member from each of the big firms. The letter said the board had been spending a lot of time on "big firm cases" and that its investigative process should be changed.

A retired Andersen partner from Phoenix also wrote the governor, saying the board was "aggressively adversarial" and big-firm members would bring the experience that was needed for better investigations.

"There has been some effort by the Big Five to get control of the board," said Arizona Attorney General Janet Napolitano, whose office is suing Andersen over the collapse of the Baptist Foundation of Arizona, whose books the firm audited.

Twenty-one states apparently have no Big Five representation, although some staff members were unsure of board members' employment history. Big-firm connections, such as retired partners, are not always obvious.

Boards in 20 states and the District of Columbia have one Big Five member. Eight states have two, including Texas. Texas' 15-member board is working with the attorney general's office to investigate Andersen's work for Enron.

"It is right to have a balance between the interests of the Big Five versus the interests of the small practitioner," board director William Treacy said. "I think we have the right mix."

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Corporate Governance 101

SDSU institute teaches ‘best practices’ of business, ethics

By MICHELLE CADWELL
BLACKSTON
San Diego Daily Transcript

Typical corporate board directors are industry leaders with sound judgment and ideas to move the company forward. The directors often boast years of experience in running a business the right way.

They don’t need to take a class on how to be a board member — they are champions of commerce. “I’m afraid that’s a form of denial,” said Farrest Loper, chairman of the Corporate Governance Institute at San Diego State University. He’s served on 18 corporate boards in the last 15 years, he said.

The institute teaches board directors, company CEOs and business students corporate governance. It was created two years ago to provide new directors with basic education and experienced directors with the “best practices” on ethics and new concepts.

The topics include strategic decision-making and social and financial performance of the company.

Still, Loper said most board members don’t want their skills tested.

“Clearly they feel they don’t need education,” he said. “They join the board and learn as they go. They are able to function from the advice of accountants and lawyers.”

And in the case of Enron (Pink Sheets: ENRNQ), it isn’t always the most financially sound advice.

The school started from a partnership with SDSU and the nonprofit group Corporate Directors Forum. There are similar institutions around the country that teach corporate governance. The local group includes members from the boards of SAIC (NYSE: SDT), Bank of America (NYSE: BAC) and Titan (NYSE: TTN), among others.

While the duties of directors vary among boards, most agree they should exercise care and be diligent in approaching business decisions, said Hugh C. Friedman, a professor at University of San Diego law school and longtime business attorney.

Above all, avoid conflict of interest.

“It’s fair to say people aren’t born to be fiduciaries or corporate directors,” Friedman said. “They need to be fully informed as to what their duties and responsibilities are.”

Friedman is a previous president of the Corporate Directors Forum and helped create the institute at SDSU.

After the demise of Enron, Friedman said there is renewed interest in corporate governance — specifically, discovering where accounting rules and principles failed.

Off-balance-sheet financial transactions fall into a “gray area,” Friedman said.

“These transactions, off the balance sheet, they involve trading and derivates and they apparently fall into another regulatory black hole,” he said. “They are not regulated and other securities transactions are.”

Underscoring the importance of knowing what’s going on, corporate directors must ask more questions for the benefit of shareholders and stakeholders.

More corporate oversight is needed from CEOs, who report to the board.

Loper from SDSU said he looks forward to the day when corporate directors will be a certifiable profession, similar to lawyers passing the Bar exam. The certification will include continuing education and a set standard of guidelines.

“I find that I can’t excuse board members for not finding out what they feel they should know,” Loper said. “And then having the guts to stand up to the rest of the board to say something needs to be changed. You require almost troublemakers to correct problems. There are quite a few members who are good at that.”

The Corporate Directors Forum will give six local corporate board leaders Directors of the Year awards Tuesday, March 5 at the San Diego Marriott and Marina.
And today’s special:
rose pedals

A suite deal. Jenni Prisk received a promotion for a “unique” Valentine’s weekend package at Newport Beach’s Sutton Place Hotel. It features a four-course dinner for two, deluxe room replete with champagne on ice, homemade truffles, a gift from “one of New York’s most prestigious jewelers,” plus a keepsake candle. Then she spied what must make it unique — rose pedals at turn-down. For your Exercycle, I presume.

Cupid’s Aero

Now, this is a true love story. Trish De La Rosa, a former staffer for U.S. Sen. Dianne Feinstein, stopped one evening with a friend at the Aero Club lounge on India Street. There the ladies struck up a conversation with a very entertaining chap who was a bit over lubricated. After he sauntered out, De La Rosa noticed he’d left behind his leather jacket. She searched the pockets for an I.D. and found two notes. They were written on pretty rose-trimmed stationery and appeared to be from the man’s wife. The first one read: “Congratulations, you have just found —’s jacket. REWARD.” It then listed a phone number. De La Rosa then unfolded the second note. This one said: “If you have found this jacket with jack and he is drunk and was goofing off, please call (phone number). REWARD.” Now that is a very understanding spouse.

Ode to Evinrude

There, on a popular Point Loma path next to the water, lay some flowers accompanied by a handwritten note decorated with a heart and attached to a tiny stake. Inscribed were these memorial words: “Here lies Evinrude Cat. She slept ‘too much’ and got ‘too fat.’ But in the end she was ninety-two, which is probably better than me or you.”

Comings & Goings

That gentleman swathed in a veil and pirouetting with a belly dancer in Athens Market Tuesday night was indeed S.D. City Clerk Chuck Abdelnour, clearly visible through the restaurant window. Was it Mardi Gras run amok? No, our city clerk was just celebrating his “Abe Lincoln” birthday with son Nick (another February baby) and a roomful of friends . . . USD law professor Hugh Friedman, who is married to Gov. Gray Davis’ chief of staff, Lynn Schenk, was a familiar face on CNBC this week. An expert on corporations and securities law, he was giving his take on the Enron debacle.
Law firm lying low on Lindh defense

By David Kravets
ASSOCIATED PRESS

SAN FRANCISCO — Most law firms love publicity. But the firm whose partner is the lead attorney for one of America’s most reviled defendants, John Walker Lindh, is being unusually shy in the high-profile case.

Morrison & Foerster LLP says James Brosnahan and colleagues working on the case must defend Lindh, the 20-year-old Marin County resident accused of fighting with the Taliban in Afghanistan, under their own name, not the firm’s.

Morrison & Foerster’s chairman, Keith Wetmore, said many of the firm’s 2,000 employees, some of whom work near where terrorists struck Sept. 11, fear for their safety because of the highly publicized case.

“We have attempted to balance the strong desire with the defense team to be involved with this case together with the concerns of many of our people, particularly on the East Coast, about their own personal security,” Wetmore said. “Jim Brosnahan and I concluded that an appropriate balance would be for him to form a defense outside of the firm.”

Lindh, scheduled for trial in federal court in Virginia, is not a popular man. He is accused of conspiring to kill Americans abroad; providing material support and resources to Osama bin Laden’s al-Qaida group and a second terrorist organization; and contributing goods and services to the Taliban and to people whose property was legally blocked in the war against terrorism.

In a mid-December Gallup poll, 70 percent of respondents thought Lindh should be imprisoned or executed. A newer poll released last week by CNN-Time Magazine found only 3 percent of 1,017 adults said Lindh “did not do anything seriously wrong.”

Wetmore, who leads 1,000 lawyers in offices worldwide, declined to discuss whether the firm has severed a financial relationship with Brosnahan in connection to the case.

Brosnahan did not return phone calls seeking comment on the firm’s decision.

According to American Lawyer Magazine’s most up-to-date rankings, Morrison & Foerster was the nation’s 20th-largest firm, grossing $437 million in 2000. It grossed $490 million last year, according to the Recorder, a San Francisco legal newspaper.

During 1999 and 2000, the firm donated more than 93,000 hours of legal services on issues such as poverty, education, civil rights, housing and homelessness, according to the firm’s Web site. Some legal experts accused the firm of “running for shelter” in the Lindh case.

“If we give into that kind of fear,” Margolin said, “we might as well stop practicing the profession.”
Law firm distances itself from Lindh attorney

SAN FRANCISCO (AP) —

The law firm whose partner is defending John Walker Lindh, the American wanderer accused of joining up with the Taliban, has asked that the firm’s name be kept off the case.

Morrison & Foerster LLP said James Brosnahan and colleagues must defend Lindh, the 20-year-old Californian, under their own name.

Firm chairman Keith Wetmore said many of the firm’s 2,000 employees fear for their safety because of the case.

“Jim Brosnahan and I concluded that an appropriate balance would be for him to form a defense outside of the firm,” Wetmore said.

Wetmore would not say whether the firm has severed a financial relationship with Brosnahan. Brosnahan did not return calls for comment.

Lindh is awaiting trial in federal court in Alexandria, Va., on charges of conspiring to kill Americans abroad and providing support to Osama bin Laden’s al-Qaida network. He could get life in prison.

Robert Fellmeth, director of the Center for Public Interest Law at the University of San Diego Law School, was skeptical about whether the firm was really severing ties to the case.

“If they really want to sever Jim, they say, ‘We are giving him a leave of absence, and any money he makes on the leave will be his,’” Fellmeth said. “You don’t say, ‘This isn’t us, it’s just Jim and please don’t hurt us.’"

On the Net: http://www.mofo.com
Medical Board studies disclosing doctors' blunders

By Todd Wallack
Chronicle Staff Writer

EL SEGUNDO, Los Angeles County — The state Medical Board is leaning toward dramatically expanding the amount of information it gives consumers about California doctors, including disclosing misdemeanor crimes and medical malpractice settlements against physicians, said a key member of the licensing board yesterday.

“We are committed to providing more information, not less,” said Dr. Ronald Wender, head of the board’s Public Information Disclosure committee, after a hearing yesterday. “Our mission is consumer protection.”

Last month, The Chronicle reported that the Medical Board offers scant information about doctors on its Web site and through a telephone hot line.

The Medical Board currently keeps misdemeanor convictions, continuing investigations, complaints and medical malpractice settlements secret. And even many widely reported jury verdicts are missing from the Medical Board’s database.

But Wender said the Medical Board is looking at ways to make more data public. At the behest of board members, two rival lobbying groups recently met to forge a compromise. Both the California Medical Association, which represents doctors, and the Center for Public Interest Law, a consumer watchdog group, agreed in principle that certain misdemeanors related to care should be made public, making it a foregone conclusion that the board will ratify the recommendation.

“It’s long overdue and quite significant,” said Julianne D’Angeilo Fellmeth, administrative director for the center, based at the University of San Diego.

Fellmeth also supports reporting medical malpractice settlements, noting that court cases are normally public.

E-mail Todd Wallack at twallack@sfchronicle.com.
Former Port Commissioner David Malcolm had a vision for the development of two prime Chula Vista properties and believed one company was right for the job: Lennar Corp.

Officials say Malcolm, a savvy real estate broker and an investor, thought Lennar's economic might was needed to bring quality development to Chula Vista, the city he represented on the San Diego Unified Port Commission.

Florida-based Lennar, which trades on the New York Stock Exchange, specializes in residential development. Malcolm figured it made sense for the company to build a waterfront commercial development on one parcel and a complementary residential project on the other.

In early 2000, Malcolm began trying to influence Chula Vista and Port District officials to implement his vision. Along the way -- according to e-mails, sworn statements and correspondence submitted in connection with a lawsuit pending against Malcolm and Lennar -- he demonstrated his allegiance to Lennar by staying in constant communication with company officials and relaying to them the outcome of public and private meetings of the San Diego Unified Port Commission.

In private meetings with officials of Chula Vista and the port, Malcolm praised Lennar. He also advised the company on how to position itself to land the development deals, pledging to do all he could to help.

And, according to a deposition, in the midst of his advocacy, Malcolm had at least two meetings in 2000 with Lennar executives in which he asked them to do a favor for a friend. That friend was state Sen. Steve Peace, D-El Cajon, who wanted the right to build a driveway across a slice of Lennar-owned property, from his Kearny Mesa business to a public street.

The company eventually sold Peace a triangle-shaped, nearly quarter-acre piece of property for $10.

Local real estate experts say the value of the property is greater than that. One said a conservative estimate would be that the additional property could be worth $7,200 a year to Peace, and would enhance the value of his business property if he were to sell it.

Malcolm, Peace and Lennar executives say nothing was improper about the transaction. Peace said he asked Malcolm to handle the transaction only because Malcolm had a better understanding of real estate matters than he did.

Malcolm, 47, resigned Jan. 4 as Chula Vista's representative on the Port Commission amid conflict-of-interest allegations. He did not return repeated telephone calls seeking an interview. In a letter he wrote to The San Diego Union-Tribune while this story was being prepared, Malcolm said the people suing him are fanning criticism of his relationship with Lennar as a legal tactic.

Malcolm's adversaries say the correspondence and documents show that Malcolm misused his office.
"This is nothing but influence peddling," said Mark Mazzarella, an attorney representing developer William Tuchscher in a lawsuit against Lennar, Malcolm, Chula Vista officials and others. "(We have) come to accept a level of impropriety on the part of our public officials while looking the other way in silence."

Malcolm, who had served on the commission for seven years, resigned a week after the Union-Tribune reported he had been paid a $20,000-a-month consulting fee by Duke Energy, which operates the South Bay Power Plant on port-administered tidelands in Chula Vista.

The one-year contract, which ended in April 2001, required Malcolm to put Duke's interests above all others, including the Port District's. Malcolm was chief architect of a 10 1/2-year, $110-million power plant lease signed by Duke and the port in 1999.

Rival developers

Malcolm's relationship with Duke is being investigated by the San Diego County District Attorney's Office. He also is the subject of two lawsuits, one filed by Tuchscher.

Tuchscher, working with Koll Development Co., competed with Lennar for the contract to develop the port's Bayside Commercial Site in Chula Vista. The 176-acre parcel is west of Interstate 5 on port-administered tidelands.

In May 2000, although its staff had recommended Koll Development and Tuchscher, the Port Commission selected Lennar to build the Bayside project.

Tuchscher also had been trying to buy 116 acres in Chula Vista to build what city officials have designated the Mid-Bay Project, located west of Interstate 5 between E and F streets. In 1998, the City Council entered an exclusive negotiating agreement with Tuchscher to put together the Mid-Bay Project.

In his lawsuit, Tuchscher alleges Malcolm improperly influenced Chula Vista officials to allow that development deal to expire in May 2000 so Lennar could take over that project.

According to depositions and subpoenaed e-mails submitted with them for Tuchscher's suit, Malcolm initiated efforts in early 2000 to help Lennar get control of both developments.

Lennar Partners Senior Vice President Curt Stephenson said in his deposition that in spring 2000 -- he is not certain of the date -- Malcolm asked him to do a favor for Peace, Malcolm's friend of 20 years.

The meeting between Malcolm and Stephenson, who was accompanied by another Lennar official, took place at Peace's Four Square Productions in Kearny Mesa. Malcolm maintained an office in the building in 1999 and 2000.

Lennar owned a 10,130-square-foot piece of property directly behind Peace's office building. Malcolm asked the Lennar officials to give Peace permission to build a driveway across the property to Light-wave Avenue, opening a second way to enter and leave Four Square Productions.

In 1999, a Peace employee had discussed the idea with a different Lennar official after Lennar contacted Four Square to complain that its parking lot extended 3 feet onto Lennar's property. Terms of a transfer of a portion of Lennar land to Peace were outlined in a Nov. 29, 1999, letter, but the transaction did not occur.

During the meeting between Malcolm and Stephenson, Peace dropped in and introduced himself to Stephenson. In his deposition, Stephenson said he told Peace and Malcolm that because there was a city easement on the property in question, the city would have to approve a transfer of ownership. Stephenson said he would do what he could to help.

Stephenson said in his deposition that he had a second meeting with Malcolm about the property "a couple months" later, and told him Lennar would transfer the property to Peace. On Dec. 21, 2000, Lennar deeded the property to one of Peace's companies for $10.
Stephenson said he had learned the city would not allow the property to be used as a driveway onto Lightwave Avenue and that, as "stranded property," the portion Peace wanted was worthless to Peace's company. He said he sold it to Peace to relieve the company of maintenance costs and property tax.

"It was just the neighborly thing to do," Stephenson said.

Because a driveway could not be built, Peace decided to use the property for parking.

Robert Fellmeth, director of the Center for Public Interest Law at the University of San Diego, said he considers the transaction a gift that is prohibited under state law. The state government code says an elected official cannot accept a gift worth more than $250 from a single source in a calendar year.

"Obviously, this is something of value," said Fellmeth, who has been retained by the District Attorney's Office as a consultant in an inquiry into allegations of price fixing by Duke Energy. "It may not have market value, but it had value to the recipient."

Stan Imber, co-chairman of the San Diego office of Common Cause, a public watchdog group, said Peace should have disclosed the transaction.

"It certainly gives the appearance that he got a sweetheart deal here," Imber said.

Peace said such talk is absurd.

He said the property has no value because the city of San Diego prohibited the construction of a driveway. In addition, the city's easement prevents anything from being built on the land and gives the city the right to acquire it at any time with 30 days' notice.

Peace said his company paid $106,000 to pave the property, creating 12 new parking spaces.

"This is the most benign, coincidental real estate transaction on the face of the earth," Peace said.

Peace said he consulted the state Legislative Counsel's Office, which advised him that he need not report the transaction on his financial disclosure documents, and he did not do so. Peace could not say when he asked the counsel's advice.

"We're Boy Scouts on this stuff," Peace said.

A spokeswoman for the Legislative Counsel's Office said she could not discuss the matter without Peace's consent.

Assessing benefit

Lennar owns other property near Four Square Productions and is advertising it for sale at $30 per square foot. Several real estate agents said property in the area sells for $18 to $22 per square foot.

Real estate consultant Gary London said the additional parking spaces enhance the overall value of Peace's building. In addition, a conservative estimate of what spaces rent for in commercial parking lots is $50 per month, London said. Twelve new spaces, then, could be worth $7,200 annually.

Last month, the port returned Lennar's $250,000 deposit on the Bayside project because the company and port staff could not reach agreement on the financial structure of the deal.

Lennar also tried to take on the Mid-Bay Project after Tuchscher's agreement expired, but no longer is pursuing it.

The port now is creating a new plan for the Bayside Commercial Site and probably will again seek developers for the project. Lennar would be eligible to apply.
GRAPHIC: 4 MAPS; 1,2,3,4. PAUL HORN / Union-Tribune; 1,2. Property sold to Peace for $10 (A-8) 3,4. 176 acres proposed for development (A-8)

LOAD-DATE: February 13, 2002
The FBI hopes test settles if body is kingpin’s
Agency hopes for results by next week

By Marisa Taylor
STAFF WRITER

The FBI revealed yesterday that it is testing DNA taken from a body believed to be Ramón Arellano Félix, one of Mexico’s most powerful drug kingpins.

The man was killed Feb. 10 in a shootout with state police in the Sinaloan resort city of Mazatlán. A man who said he was a family member quickly claimed the body and had it cremated.

William Gore, the special agent in charge of the FBI in San Diego, said his agency hopes to give Mexican authorities results from the DNA test by next week. The DNA is being extracted from blood retrieved from the body.

“We’re hoping this will give us some definitive answer and put the speculation to rest,” he said.

Gore, who has seen photographs of the dead man’s face, said he believes the man “is very similar in appearance” to Arellano.

His impression is shared by Jeffrey Davidow, U.S. ambassador to Mexico, who made a brief visit to Tijuana on Monday.

“With the information that I have, I believe that there is a good possibility that it is truly Ramón Arellano Félix,” Davidow said after a meeting with Baja California Governor Eugenio Elorduy. “But we must wait until the Mexican government decides.”

The FBI is not testing the body’s fingerprints because U.S. authorities don’t have Arellano’s fingerprints on file to match them against.

Gore refused to say whether the FBI’s forensic scientists have access to an earlier DNA sample from Arellano, to use as a comparison.

Mexico’s cooperation with U.S. law enforcement agencies, especially the FBI, was criticized in 1999, when the FBI and Mexican authorities conducted a joint investigation of grave sites across the border from El Paso, Texas. Nine suspected victims of the drug trade were unearthed.

“It made us very aware of the strong concerns in Mexico about sovereignty — they don’t want to be portrayed as subservient to U.S. law enforcement, which is understandable,” Gore said. “That’s why it’s important to portray the relationship between the United States and Mexico as a partnership.”

Jorge A. Vargas, a professor at the University of San Diego School of Law, said it makes sense that the FBI would be involved in identifying the body.

“If the case is seen as important by both countries, it merits the direct involvement of the FBI and would guarantee the accuracy of the outcome,” he said. “Mexico’s forensic capabilities are advanced but in no way do they compare to the FBI’s expertise.”

The FBI is offering $2 million for information leading to the arrest or conviction of Arellano, 37, who is on the FBI’s 10 Most Wanted list alongside Osama bin Laden.
Racial preferences, quotas and affirmative action in university admission practices have lost political and, increasingly, legal support. As a result, states such as California, Texas and Florida have implemented a substitute practice called "percentage plans" as a means for determining who will be admitted to their flagship universities. In Texas, students in the top 10 percent of their high school class, based on grade point averages alone, are guaranteed admission. In California, it's soon to be 12.5 percent and Florida it's 20 percent. The percentage plan applies to all high schools, no matter the academic quality of the student body.

Let's ignore the inequities and resource misallocation that arises from the possibility that a B student at one school who might achieve a SAT score of 1,100 is denied admission while his A-average counterpart at another school who can't score 900 is admitted. Instead, let's ask whether the policy serves the best interests of black students.

From the evidence that I see, civil-rights leaders, white liberals and college administrators seem to be more concerned with black student enrollment rates and the heck with whether they graduate. Black students are simply tools to keep government agencies, black politicians and civil-rights organizations off their backs or to make them feel good.

In California, Texas and Florida, minority student admissions posted impressive gains. Nationally, only 35 percent of black freshmen, compared to 60 percent of white freshmen, graduated. I might add that the white graduation rate is nothing to write home about.

University of San Diego law professor Gail Heriot sheds a bit of light on this issue in her article "The Politics of Admissions in California" in the Fall 2001 issue of Academic Questions. California's Proposition 209 ended racial admissions quotas. As a result, minority student admissions at UC Berkeley, California's flagship university, fell.

What went unnoticed in all the hand-wringing was that at less prestigious, but respectable, California universities minority enrollment posted impressive gains.

Black students were simply being admitted to universities where their academic credentials were more in line with their fellow students. For example, at UC San Diego, in the year before Prop. 209's implementation, only one black freshman had a GPA of 3.5 or better - a single black honor student in a class of 3,268 - in contrast to 20 percent of white students with a 3.5 GPA.

Was there a reason there were no black students capable of doing top-notch work at UC San Diego? Certainly not. Those who had not been on the honors list at UC San Diego had not been recruited, and became failures, at Berkeley and UCLA.

Black students, and for that matter any student, will perform better, have greater graduation chances and not to mention greater pride and self-worth by attending a university where his skills are closer to that of his peers.

It's somewhat analogous to putting a young, inexperienced boxer in the ring with Lennox Lewis. That boxer might have the potential to be a world champion, but he's going to have his brains beaten and his career ended before he learns how to even bob and weave.
Women's Resource Fair
Brings Social Services
To Victims and Needy

The 13th annual Women's Resource Fair is scheduled for Saturday, Feb. 23, at the Civic Center downtown.

Linda Fox of Sheppard, Mullin, Richter & Hampton, who is coordinating the volunteers this year, expects more than 300 women and an additional 125 children, as well as some 300 volunteers.

Co-sponsored by the San Diego County Bar Association, the San Diego Volunteer Lawyer Program and Lawyers Club of San Diego, the fair provides a wide array of services for homeless and battered women, and their children.

For instance, lawyers will be able to assist women with several matters, including family, immigration, housing, consumer and criminal.

"Some of the ladies are afraid to apply for jobs because they have warrants," Fox said.

Additionally, they'll receive medical and dental care, as well as information about education, employment, child care and transportation.

Carl Poirot, executive director of the San Diego Volunteer Lawyer Program, is generally considered the creator of the fair, according to Fox. "He saw the need for homeless women," she said. Others involved early on include Melissa Blackburn, Betty Santohigashi and Anita Margolis.

In addition to Fox, lawyers playing key roles this year include Barbara Gross, Jill Burkhardt, Martha Sottosanti, Sharon Rhodes, Kate Yavenditti and Margolis.

Kruming
Continued from page 1

Other News

■ In July, Libys McCoy will succeed Paula Rosenstein as president of Lawyers Club of San Diego. She was recently elected by the board of directors.

After graduating from UCSD and the University of Arizona Law School, McCoy initially practiced civil litigation with Rik Meiser. She is now with Rosner, Law & Manser, and focuses on consumer protection law.

McCoy enjoys choral singing and is a member of the St. James Episcopal Church Choir in La Jolla.

Lawyers Club, the second largest bar organization in San Diego behind the San Diego County Bar, celebrates its 30 anniversary this year. In separate issues of the organization's newsletter, members will write about Lawyers Club since it was founded in the early 1970s.

Additionally, at the monthly luncheons, a member of Lawyers Club will provide memories about the organization and the role which it has played in the San Diego legal community.

■ The annual Lawyers Club Wine & Cheese Reception is scheduled for Feb. 28 at the American Inn of Court.

■ The William B. Enright Chapter of the American Inn of Court will be accepting applications between March 1 and April 19.

Attorneys can apply as barrister — experienced attorneys with at least five years of experience — or associate — young attorneys who are sometimes new practitioners. For more information, contact Bob Grimes, membership chair, at 232-9700.

■ Assistant U.S. Attorney John Kirby has succeeded Maria Acker as president of the Federal Bar Association. Other officers include Helen Irza, first vice president; Meryl Maneke, second vice president; Gino Serpe, treasurer, and Robert Gerber, secretary.

■ John Garvey, dean of the Boston College Law School, will deliver the 18th lecture in the Nathaniel Nathanson Memorial Lecture Series at the University of San Diego. His talk, titled "A Plea for Complexity," is set for 5:30 p.m. on Feb. 20 in the Ernest and Jean Hahn University Center.

■ Cheryl Ruffler and Bonnie Dumanis first met in the early 1970s when they were law students; Ruffler at Cal Western and Dumanis at what was then Western State. Over the years, they've remained close friends and today, Ruffler is campaign manager for Dumanis, who's taken a leave of absence from being a Superior Court judge to run against District Attorney Paul Pfingst. Dalton Menhall, former executive director of the San Diego County Bar, is also helping with Dumanis's campaign.

Send column items to or fax them to (619)232-1159.
Port names executive director

Bruce Hollingsworth, who has served as interim executive director of the San Diego Unified Port District since the departure of Executive Director Dennis Bouey on Dec. 14, has been tapped for the permanent position. Hollingsworth has worked for the Port for more than 17 years, including positions in real estate, finance and administration. He will be in charge of day-to-day operations of the Port, including overseeing the agency's primary responsibilities in and around San Diego Bay — aviation, real estate, maritime activities, recreation and environmental preservation. Hollingsworth graduated from San Diego State University and holds a law degree from the University of San Diego. Source Code: 20020129dg
Diverse group is running for two Superior Court judge seats

By Alex Roth

The four lawyers competing for two open Superior Court judgeships represent a diverse professional mix: a plaintiff's attorney, a legal adviser to the police, a judicial commissioner and a public defender.

In one race, plaintiff's attorney Alvin Gomez squares off against Michael Smyth, the top legal adviser to San Diego Police Chief David Bejarano. In the other, Commissioner Jeffrey Bostwick faces Olivia Gilliam, a lawyer in the Alternate Public Defender's Office.

Gomez and Smyth, who are running on the March 5 ballot, were both rated "well qualified" by the San Diego County Bar Association, the group's highest rating.

Gomez, 52, is a partner in a four-lawyer firm that handles mainly plaintiff's work. In August 2001, he and other lawyers settled a lawsuit against the Chula Vista school district on behalf of six Palomar Elementary School students who were molested by teacher Michael Baril, now serving a 24-year prison sentence. The suit was settled for $1.8 million, Gomez said.

Among his other cases, he won a $2.6 million settlement against the city of San Diego on behalf of a teenage girl accidentally shot in the head by San Diego police during a hostage standoff.

"I've tried cases all over Southern California, and I know what makes a good judge and a bad judge," said Gomez, a 1988 California Western School of Law graduate who is married and has two daughters.

His endorsements include more than 50 judges and several prominent politicians, including District Attorney Paul Pfingst.

Gilliam, 52, has worked in the Alternate Public Defender's Office since 1993. The office handles cases that the Public Defender's Office can't accept because of a conflict of interest.

Before that, she was a prosecutor in the San Diego City Attorney's Office. She said she decided to become a defense lawyer because she "wanted to get experience on both sides."

"Even the sitting judges haven't been out in the law enforcement community like I have, living it every single day," he said.

His endorsements include numerous police officers unions, several judges and several prominent politicians, including state Assemblyman Juan Vargas.

In the second open-seat race, Bostwick received the top rating of "well qualified" from the county bar, while the bar didn't receive enough responses from the local legal community to provide a rating for Gilliam.

Bostwick, who received the county bar's highest rating of "well qualified," was a private lawyer for 19 years before he was appointed commissioner by the sitting judges of the Superior Court. He handled divorce cases and other family-law issues.

He has received endorsements from more than 50 judges, numerous police officers unions and a variety of high-profile politicians.

Alex Roth: (619) 542-4558; alex.roth@uniontrib.com
DA Trask seeking 6th term in office

COUNTY: Backers in the March 5 election cite his stability and effectiveness.

BY MIKE KATAOKA
THE PRESS-ENTERPRISE

RIVERSIDE—When Grover Trask was first elected Riverside County district attorney in 1982, Tony Gwynn and Cal Ripken Jr. were breaking into the big leagues.

Twenty years later, Gwynn and Ripken are retired and headed to baseball's Hall of Fame while Trask is still DA and seeking re-election March 5 to stay in office at least four more years. He is opposed by Brian Sussman, a supervising deputy district attorney Trask hired in 1985.

The California District Attorneys Association's executive director considers Trask a superstar in his own right.

"Grover is one of a handful of true leaders among the district attorneys in California," said Lawrence Brown, whose organization lobbies for laws to help prosecutors.

"Grover appreciates the bigger picture of what role a district attorney plays in the criminal justice system." That includes pushing for laws such as Prop. 21, the juvenile crime and gang initiative passed by voters in March 2000, and assuring that his office has sufficient funding to do its job, Brown said.

Long tenure

Only three other district attorneys — in Kern, San Mateo and Sutter counties — equal Trask’s tenure, Brown said, and no one else has served twice as association president.

"I haven't thought about length of service because I really enjoy the job I'm doing. It's just as invigorating as when I started," said 54-year-old Trask.

In the 1982 campaign, Trask emerged the victor against Virginia Blumenthal, a criminal-defense lawyer, and John Morgan, then a civil lawyer, later a judge.

Public safety was a key campaign issue 20 years ago, but terms such as cyber crime and elder abuse had not yet been coined. "Three strikes and you're out" was basic baseball, not a prosecutor's hammer against repeat criminals.

Targeting 21st-century criminals more apt to use computers than firearms is among Trask's priorities in his latest bid for reelection.

But prosecuting violent crime, including murders, is just as important now as when he was first elected, Trask said. And convictions are won with seasoned, well-trained, ethical lawyers who have chosen to make the district attorney's office their career home, he said.

Model of stability

After much speculation in the 1980s that Trask was headed for higher office, he has remained the model of stability in his career and private life.

Trask and his wife Cindy, a teacher, have raised two children in Riverside. Daughter Natalie is now a civil lawyer in Los Angeles and son Grover C. "Trey" Trask III works for a commercial real estate brokerage firm in Orange County.

Trask, a San Diego native, became a deputy district attorney in 1974 after receiving his law degree from the University of San Diego. He tried numerous cases and was promoted to management positions. When Trask first ran, he was an assistant district attorney.

No one opposed him in the next two elections, attesting to his popularity. Trask faced his first challenge in 1994 but defeated Tom Eckhardt, a deputy district attorney based in Indio, and Frank Guzman, a Riverside lawyer currently running for district attorney in San Bernardino County.

In a 1998 rematch with Eckhardt, who had entered private practice, Trask won 70 percent of the vote.

"I never take my position as DA for granted," he said, explaining his busy campaign schedule.

Trask avoids mention of his opponent in his speeches and likely will not appear in public with Sussman.

"I don't think that's a priority," he said. "I don't mind doing it, but my schedule is quite de-
manding.

He will spend his ample war chest on mailers and, while reluctant to do so, will post some campaign signs to counteract Sussman’s.

Keeping pace with growth

Trask considers himself the chief executive of a major law firm whose clients are the people of Riverside County.

He took over an office of 70 lawyers with an annual budget of $8.6 million. Now, there are 158 lawyers and the budget has swelled to $40 million as Trask boasts the state’s highest conviction rate among large counties.

The district attorney’s office has had to expand to keep pace with Riverside County’s growth and adapt to crime trends, including methamphetamine labs and gangs, he said.

Assemblyman Rod Pacheco, R-Riverside, who worked 12 years as a Riverside County prosecutor, said his former boss is a progressive leader who gets results in the courtroom and in the Legislature.

And Trask has established widespread credibility with a low-key, reserved style, supporters say.

“Some (district attorneys) are showboaters, but that’s not Grover Trask,” Brown said.

“He stepped up (as a statewide association leader) out of a sense of duty, not an abundance of enthusiasm. He’s a very thoughtful individual who listens to all sides.”

Trask, never at ease as a public speaker, also accepts campaigning for re-election as one of his duties.

“A major responsibility of any DA is to be part of the community, explaining the criminal justice system,” he said.

As before, Trask has endorsements from law enforcement across the county and from community organizations that work closely with the district attorney’s office, including Alternatives to Domestic Violence.

Within his office, 30 of his 31 management-level employees support Trask, the exception being Sussman.

But among the rank and file, the support apparently is not so overwhelming. While the union representing prosecutors has endorsed Trask, several deputies said the vote to do so was surprisingly close.

Some criticize Trask for thwarting dissent within the office, but the district attorney said he prides himself on maintaining an “open-door policy.”

“I want to hear the good, the bad and the ugly,” he said.

Trask declined to say if this would be his last term.

“My focus is on the remainder of this term and on my reelection,” he said.

Reach Mike Kataoka at (909) 782-7560 or mkataoka@pe.com
Coast Guard Appoints Director of Intelligence

The United States Coast Guard has named Frances Fragos-Townsend its director of intelligence. In this position, Fragos-Townsend leads the service's Intelligence Directorate, the Intelligence Coordination Center, and acts as program manager for the Coast Guard's national intelligence effort. She is also charged with enhancing interagency and maritime awareness in the war on terrorism.

"The Coast Guard is widely respected by our intelligence, military and law enforcement partners for our multi-mission maritime capabilities," Fragos-Townsend said. "Those partnerships and robust information sharing between agencies are key to our long term homeland security mission."

She said one of her first goals is to work with Coast Guard leadership and Area Commanders to establish intelligence priorities that will serve to enhance maritime operations. "Intelligence should act as a force multiplier to assist in defining our mission focus and use of resources."

Before joining the Coast Guard, Fragos-Townsend spent 13 years with the Department of Justice. Most recently, she served as the Counsel for Intelligence Policy reporting directly to the Attorney General. In that role, Fragos-Townsend was responsible for national security matters and facilitating the U.S. government's activities pursuant to the Foreign Intelligence Surveillance Act.

"Having a person with Ms. Fragos-Townsend's qualifications join the Coast Guard is an asset to the service and the U.S. Department of Transportation," said Vice Admiral Timothy W. Josiah, U.S. Coast Guard Chief of Staff. "Her knowledge and experience are crucial in strengthening relationships within the intelligence community to combat terrorism, drug trafficking, and migrant interdiction."

"The Coast Guard is widely respected by our intelligence, military and law enforcement partners for our multi-mission maritime capabilities."

Fragos-Townsend holds a law degree from the University of San Diego School of Law, and a Bachelor of Arts in Political Science and Bachelor of Science in Psychology from American University. She also attended Harvard University's Kennedy School of Government and the University of San Diego's Institute on International and Comparative Law in London, England.
Colleagues Remember
Michael Shea for His
Generosity and Courage

Michael Shea touched the lives of so many people in San Diego's legal community, particularly those who practiced family law, as he did.

On Saturday, Feb. 2, many of them were among the more than 400 who sat and stood in the gymnasium at St. Augustine High School for services in the wake of his death last month.

“He had a spectacular sense of humor,” recalled a close friend, Lynne Lugar of Lugar & Pohl. “He was very funny.”

Like so many new attorneys over the years, Lugar had gotten to know Shea as a mentor.

“He was well known and highly respected,” she said. “He took the time to mentor young lawyers.”

Lugar would often call Shea up to ask what the law might be on a particular issue.

“He never turned us down,” she said.

At 6 feet 6 inches tall, Shea was a basketball star at St. Augustine in the mid-1960s, going on to graduate from San Diego State and California Western School of Law. “He was a terrific athlete,” Lugar recalled. Although multiple sclerosis eventually led him to use one cane, then two, and finally a wheelchair, he never relinquished his love for sports, particularly swimming.

Shea swam several times a week in the pool, and over the years competed in ocean races, including the 1.5-mile Shark Fest from Alcatraz Island to San Francisco.

As a lawyer, Shea was well respected in the family law bar, winning the prestigious Norby Award in 1990 from the Certified Family Law Specialists. Although the award is never given to the same lawyer twice, an honorary Norby Award was given in remembrance of him.

Shea was a member of the Academy of Matrimonial Lawyers and extremely generous with his time, writing and lecturing about family law issues.

See KRUMING, page 3
“He was the bravest person I have ever known. He never complained; he never whined,” Lugar said. “He fought to the end not to get into that chair. To watch him make his way through the courts with those canes was breathtaking. It was remarkable. What determination. If I had one half his guts.”

Rich Feuerstein got to know Shea when the two of them worked with Lugar, Kathryn Ashworth and Sharon Blanchet on the comedy skit for the certified family lawyers’ annual dinner.

“He was my comedy mentor,” Feuerstein said. “He did his best to be politically incorrect. He loved to poke fun.”

When Shea came up with something that repulsed the three woman writing the comedy, “that’s when we knew we had something,” said Feuerstein, who would “High 5” with Shea.

“Mike was really the leader of that group.”

Aside from their comedy, Feuerstein turned to Shea for his advice on legal issues. They also shared a love of sports, particularly baseball. At a dinner about two weeks before Shea died, the two sat together and had a “heated debate” about Dodgers’ pitching great Sandy Koufax. Feuerstein insisted that Koufax had 166 wins; Shea said 165.

When Feuerstein went home that night and looked it up, he found Shea was right. At the wake, more than 400 friends and family sat on chairs and in the bleachers, and stood against the walls in the gym at St. Augustine. Superior Court Judge Tom Ashworth told stories that had people laughing and crying.

“High 5” with Shea

Mike was really the leader of the group.

Lifetime Achievement Award

The Thomas Moore Society presented its Lifetime Achievement Award to corporate counsel and business attorney Barry Crane during its annual dinner earlier this month at the University of San Diego.

From 1978 to 1988 Crane worked for the Catholic Diocese of San Diego as a staff attorney and business manager, in addition to being corporate counsel for eight of its corporations.

A graduate of University of San Diego Law School, Crane later was a partner of the Law Offices of Crane & McInerney, before becoming a sole practitioner in the early 1990s.

Previous Lifetime Achievement Award winners include criminal defense lawyer Peter Hughes and Superior Court Judge William Kennedy. About 60 persons attended the dinner on Feb. 2.

Former Superior Court Employee Accepted to Law School

Phillip Smith, a senior at Stanford University who worked at Superior Court and became friends with Presiding Judge Richard Strauss, has been accepted to law school at the University of Santa Clara, Berkeley, Michigan, Georgetown, University of San Diego and Harvard. He’s still waiting to hear from Yale and Stanford.

After serving in the Navy, Smith enrolled at San Diego City College where he completed his two-year degree. He wanted to enroll at University of California, Berkeley, but Strauss, a Stanford graduate, convinced Smith to choose Stanford, where he received straight As during his junior and senior years.

District Attorney Race

The candidates in the 2002 San Diego County district attorney race will have another opportunity to face off at a debate on Feb. 19 at California Western School of Law. The debate is set for 11:45 a.m. to 1:15 p.m. at Cal Western’s Moot Courtroom at 350 Cedar St. It is co-sponsored by Lawyers Club of San Diego and the League of Women Voters.

At a forum last month, all four candidates took questions from a panel of journalists and lawyers. The debate was moderated by Superior Court Judge Harry Elias and co-sponsored by the Bar Association of Northern San Diego County and the Vista Business Association.

The four candidates for San Diego County district attorney are: Attorney Mike Aguirre, Superior Court Judge Bonnie Dumanis, Deputy District Attorney Mark Pettine and District Attorney Paul Pfingst.

Send column items to or fax them to (619) 232-1159.
Lawyers

4154 On the move

- Christine C. Bastone-Gill has joined the Fort Lauderdale firm Stuart & Walker as an associate. Bastone-Gill specializes in probate law, wills, trusts and guardianship.

She received her bachelor's degree from Southern Methodist University, earned her law degree at Samford University, and earned her LLM in taxation at the University of San Diego.

- Deena Tonning, Scott Backman and Antar Vaughan have joined the Fort Lauderdale office of Ruden McClosky Smith Schuster & Russell as associates.

Tonning specializes in land use and environmental and governmental law. She received her bachelor's degree from the University of Connecticut and earned her law degree at Nova Southeastern University.

Backman specializes in commercial and general civil litigation. He received his bachelor's degree and a master's degree in exercise and sports sciences from the University of Florida and earned his law degree at Nova Southeastern University.

Vaughan received his bachelor's degree from the University of Virginia and earned his law degree at the University of Miami.

- Tom J. Manos has joined Kozyak Tropin & Throckmorton in Miami as an associate. He had interned for the U.S. District Court Judge William M. Hoeveler of the Southern District of Florida. Manos practices commercial litigation and bankruptcy.
Hofheimer Nusbaum announced this promotion and addition:

— Christine Buchanan has been named principal of the firm. Buchanan joined the firm in 1995 as an associate and practices primarily in Estate Planning and Trust and Estate Administration. She is a graduate of San Diego University and the College of William and Mary Marshall-Wythe School of Law.

— Kelly Mofield has joined as an associate and will concentrate her practice in the firm’s litigation and corporate sections. Mofield was most recently a judicial clerk for the Honorable Jerome Friedman, U.S. District Court, Eastern District. She is a graduate of Emory University and Tulane Law School.
Irvine-based Snell & Wilmer LLP has added three attorneys to its firm. Samantha M. LaPine’s practice is concentrated in real estate and commercial finance. LaPine graduated cum laude from Westminster College with a Bachelor of Arts degree and earned her law degree at University of San Diego School of Law. Tanya N. Mason’s practice is concentrated in commercial litigation. Mason graduated magna cum laude with a bachelor’s from San Diego State University, and earned her law degree from University of California, Los Angeles School of Law. Brian J. Mills will specialize in labor and employment. Mills earned his bachelor’s at the University of California, Irvine and his masters degree from North Carolina State University. He received his law degree from Loyola University of New Orleans School of Law.
School of Nursing
Shortage has hospitals searching far and wide for nurses

From increased pay to chair massages, hospitals shift recruiting efforts to high gear

By MICHELLE CADWELL BLACKSTON
San Diego Daily Transcript

With 103 nursing and patient care jobs open at Tri-City Medical Center in Oceanside, nurses are being treated like professional athletes.
They're offered signing bonuses, chair massages and even pet care referrals. The nurses can make their own schedules and recently received a 5 percent market adjustment raise.
Pay for working nights and weekends increased 40 percent.

Debbie Gac, vice president of human resources for Tri-City, said the hospital values nurses and wants them to stay in the profession. It also means improving nurses' quality of life.
"I'm not respected for the contribution I make, and look how much baseball players make," Gac said of how many nurses feel.
And Tri-City isn't the only hospital offering such incentives for highly sought-after nurses.
Palomar Pomerado Health in Escondido and Paradise Valley Hospital in National City also have signing bonuses.

Paradise Valley is offering up to $6,000 for hard-to-fill positions such as the intensive care unit. They recently hired a nurse recruiter to find and hire nurses to fill their 144 job openings.

It's no secret San Diego is facing a nursing shortage, said Patricia Wahl, dean of the San Diego State University nursing school. There are 1,500 nursing vacancies at local hospitals, she said.
An aging workforce and changes in societal roles for women contribute to the lack of nurses. But at SDSU, there are more applicants to the nursing school than there are open seats, she said.
"For every three nurses that retire there is only one graduate to replace them," Wahl said.
"There is no way we're going to be able to meet all of these needs."

SDSU's nursing program has 496 students, she said, and it's one of the largest collegiate nursing programs in the country.
Through a program with local hospitals called Nurses Now, SDSU increased enrollment from 50 nursing students per semester to 90. But after three years the money runs out, Wahl said.
The school doesn't have the money to support the additional faculty and classrooms without a budget increase.
The Nurses Now program aims to increase the number of nurses available for employment by doubling the enrollment of nursing students. Paradise Valley and Tri-City, along with six other area hospitals, are to contribute an estimated $1.6 million over three years for the program.
Community colleges supply 70 percent of the nursing workforce, Wahl said. In San Diego, Grossmont, Palomar, Southwestern and San Diego City colleges have two-year nursing degrees. Marie College of Medical Careers also offers an associate degree in nursing.

There are nursing schools at Point Loma Nazarene College and University of San Diego.

Still, the hospitals need to fill vacancies now after Gov. Gray Davis set minimum nurse-to-patient staffing ratios last month.
The proposal sets the minimum number of licensed nurses in a specific unit for patient safety throughout a hospital. The biggest change is in the medical and surgical units in which there would be one nurse for every five patients.

See Nurses on 6A
The ratios could take effect as early as July 2003, according to Davis' office.

In turn, the hospitals are doing creative recruiting.

Tri-City went as far as Chicago to hire nurses. Its human resources department redesigned its Web site to make it easier to apply online.

Palomar Pomerado is advertising on the Internet and in trade publications. Recruiters attend health expos, job fairs and local nursing schools.

Tri-City hired 49 new nurses before the end of the year and Palomar Pomerado hired 68. Since October, Paradise Valley brought on 72 registered nurses.

For Gac at Tri-City, retaining nurses is better than recruiting new ones. The medical center spent $6 million last year on overtime and turnover, Tri-City officials said.

After asking nurses what changes they would like, Tri-City developed the "Nursing for Life" program. Last week 95 nurses received chair massages and spa-package gifts at a seminar on their benefit changes. They announced pay increases for shift work, a $500 tuition reimbursement loan program and other quality of life improvements.

They even held two sessions with wine, cheese and brunch for the nurses working various shift schedules, Gac said.

"We find we are getting a huge bang for our buck and a sense the nurses are appreciating what we're doing," she said. "We had two new nurses that started and they didn't have any place to put their pet. A recruiter found a place for their pet. It's the little things like that, that aren't really that little."

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Other USD Related News
Katherine Mae Pardee, 69; youth, USD benefactor

By Jack Williams

In more than two decades of community service and philanthropy in San Diego, Katherine Mae Pardee took youth and education under her wing. You could see it in the golf tournament she organized to benefit the Boy Scouts of America. You could see it in the George and Katherine Pardee Law Library at the University of San Diego, which she and her husband helped endow. And you could see it in the national award she won for her contributions to American Humanities, a widespread program to promote careers in nonprofit agencies.

Mrs. Pardee, the wife of retired construction executive George M. Pardee Jr., died Sunday at her home in Indian Wells. She was 69.

The cause of death was complications from Alzheimer's disease, which forced her to curtail many of her activities two years ago, family members said.

A San Diego County resident since 1974, Mrs. Pardee and her husband maintained homes in downtown San Diego and at El Dorado Country Club in Indian Wells.

They were married in 1967, when George Pardee and his brothers, Doug and Hoyt, operated Pardee Construction Co. The company grew to become San Diego's largest home builder before the brothers retired in the 1980s.

Mrs. Pardee's interest in Scouting stemmed from her husband's years as a Boy Scout and Eagle Scout. The couple renovated a Boy Scout camp on Catalina Island, where her husband had spent part of his youth. It was renamed the George and Katherine Pardee Emerald Bay Boy Scout Camp in their honor.

In 1977, she founded the Kathy Pardee Ladies B.S.A. Golf Tournament, an annual June event that has raised hundreds of thousands of dollars for Scouting.

Her generosity extended to St. Vincent de Paul Village, where she served four years on the board of directors.

At USD, she found a cause that embodied her Catholic beliefs and commitment to education. The school became her extended family, said Monsignor Dan Dillabough, head of mission and ministry at USD.

"She and George were a part of the university as a beautiful place for young men to learn and grow," he said. "She and George were a partnership and donated to several projects, with a vision of making USD the university it is today. They were really part of every aspect of the university."

Mrs. Pardee was born in Framingham, Mass., and grew up in Medway. At Medway High School, she was an honor student, cheerleader and captain of the girls basketball team.

After attending Bryant College in Providence, R.I., she worked 13 years as a legal secretary in Massachusetts. She continued her career in Santa Monica in 1964 and met her future husband in 1966.

As a member of Knights of the Holy Sepulcher, the Pardees attended Mass in Pope John Paul II's private chapel in the Vatican and enjoyed a private audience with him, said stepson John Pardee.

"She was a wonderful hostess, elegant but also very down to earth, making all her guests feel relaxed and welcome," he said. "She loved young people and children, as evidenced by her many contributions to youth organizations.

"Early in her marriage, she organized 'Uncle George's Gang,' which took a group of her young nephews and grandchildren on regular outings to Catalina Island, ballgames and other enjoyable activities."

The Pardees, who lived in La Jolla before buying a downtown condominium, traveled worldwide. They once circled the globe in 30 days.

Members of the San Diego and California yacht clubs, they enjoyed sailing to Mexico and up the California coast.

In 1985, they shared a distinguished citizen award from the San Diego County Council of Boy Scouts of America. In 1986, they were recognized for creating an endowment fund for the Western Council of the Boy Scouts, which encompasses branches of the organization in Western states.

In addition to her husband, Mrs. Pardee is survived by stepchildren, Anne Koch of Shelburne, Vt., Carolyn Beahrs of Darian, Conn., John Pardee of San Diego and Neal Pardee of Los Angeles; sisters, Virginia Berti of Oceanside, Roberta Handverger of Clarkdale, Ariz., and Maureen Murphy of Carlsbad; and nine grandchildren.

A memorial service is scheduled for 10:30 a.m. Saturday at Founders Chapel, University of San Diego. Donations are suggested to USD.

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Over the past several months, many people in the United States have taken time to reflect on the things most important in their lives. As we work to restore the spirit that was so damaged by the terrorist attacks, many of the blessings we may have taken for granted — such as living in a great city in an exciting time in its history — have never been more meaningful.

No, things aren't perfect. San Diego today faces challenges that people could scarcely have imagined 50 years ago. In a very short time we have transformed from a small seaport into a major metropolitan area, and some experts predict that as many as one million more people will live in the county by 2020. We face formidable problems regarding land use, affordable housing, energy and water management ... the list sometimes seems endless. But throughout the region, in businesses large and small, and in the classrooms and laboratories of our universities, talented and dedicated people are working to move beyond merely defining the problems to find practical and creative solutions that will help ensure the quality of life we have come to expect in San Diego.

These solutions are neither easily conceived nor easily implemented. But if anything good can emerge from the atrocities of last September and the difficult war our nation is currently waging against terrorism, it is the new perspective we bring to these challenges that will help enable us to conquer them. We live in a great city that is destined to become even greater.

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PAGE FOUR UNIVERSITY HIGHLIGHTS
The future is under construction at USD — the future of science education, and perhaps of the San Diego regional economy and its high-tech industry. The Center for Science and Technology, scheduled to be completed early in 2003, is designed not only to ensure the science literacy of students at the liberal arts campus but also to provide a needed boost to a business environment crying for professionals with a deep and diverse understanding of science and technology.

Bob Svet, president of The Eastridge Group of Staffing Companies, says the education environment at USD is well-suited to the burgeoning biomed and biotech industries in San Diego.

"Think of those industries as being where information technology was five or seven years ago," he says. "Specializations weren't that important. At USD, liberal arts students get a good foundation in the sciences, and the science students get a good foundation in the liberal arts. That combination is perfect for the students and for the industries. It helps make creative, critical thinkers for a technology environment, and those are the people that will push the industry."

Pat Drinen, dean of the College of Arts and Sciences, says the building was designed with "a liberal arts vision." In addition to an aquarium, aviary, greenhouse and astronomy deck, more than 70 laboratory facilities are available to students and faculty. USD's interdisciplinary approach is symbolized in the entrance to the four-story, 150,000-square foot facility, where an architectural detail will simulate the 1883 landmark experiment by T.W. Engelman that identified the colors of light most conducive to photosynthesis — a synergy of biology, chemistry and physics.

"The science disciplines are becoming more cross-disciplinary, and scientists are more alert to the ways in which they come together," says Drinen. "Biotech companies don't want narrowly trained scientists, they want a liberal arts and technology background, and now all our undergraduates will graduate with hands-on science lab experience."

According to USD President Alice B. Hayes, the center, designed by Carrier Johnson and constructed by Rudolph and Sletten, who also recently completed a project for R.W. Johnson Pharmaceuticals in San Diego, will serve as a national model for education and training.

"It will be a boost for all of San Diego," she says. "The center allows us to expand science outreach and provide educational opportunities for many minority and first-generation college students."

Svet adds the center will be instrumental in solidifying San Diego's role as a leader in high tech industries.

"It's not just scientists that work in high-tech," he says. "There are marketing, communications, graphic arts, sales and facilities jobs that are essential, and if they are filled with people who have a working knowledge of the technology, the industry is that much stronger. USD is right on the money with this approach."

Construction progresses on the 150,000-square foot Center for Science and Technology, scheduled to open Spring 2003.
Design team named for USD parking facility

Construction Notebook
By Richard Spaulding

General contractor Douglas E. Barnhart Inc. and architect Mosher Drew Watson & Ferguson have been selected as the design-build team for the University of San Diego's newest parking facility. The 230,000-square-foot West Marian Way Parking Structure will be at the south end of the campus and will provide nearly 800 parking spaces for students, staff and guests.

The four-story structure will reflect the school's 16th century Spanish Renaissance architecture and provide 1,000 square feet of storage and an electrical substation. The facility is on a nine-month construction schedule and expected to be completed in early 2003.

Team members include Roger Manion, Scott Gill and Tom Coffin from USD, Larry Hoeksema, Don Leonard and Bill Magnuson from the architect, and Tex Barnhart, Brian Cahill, Clay Maki, Mike Derouin, Ken Bingham and Lex Economou from the contractor.

The Barnhart-Mosher Drew Watson design-build team also recently completed the Cuicacalli Residential Suites and Dining Complex at San Diego State University and are currently constructing a bachelor enlisted quarters and academy at Camp Pendleton. The architecture firm also designed USD's new Jenny Craig Pavilion.
Business Countywide

By TIM COFFEY
San Diego Daily Transcript

COUNTYWIDE
San Diego County businesses took in more than 50 percent of all venture funding to private companies in Southern California in the fourth quarter of 2001, according to a report released Thursday.

The region took in $342 million.

The report, issued by Growthink, a venture capital service in Los Angeles, collected nationwide data on private, U.S.-based companies that received equity investments of $300,000 or more.

Health care companies led all regional investments with $252 million to 28 businesses. Internet applications and e-commerce were second ($169 million, 8 businesses) followed by business applications and services ($158 million, 16 business).

The largest local investment was $85 million to 24-Hour Fitness Worldwide in Carlsbad for Internet-based consumer products and services.

Southern California ranked sixth on the list with $680 million in funding, according to the report.

LA JOLLA
ChemNavigator signed a two-year contract with DuPont Crop Protection to use ChemNavigator's cheminformatics technology and chemistry procurement service.

DuPont will use the products for compound acquisition and identification related to research and development.

"Today's announcement with DuPont Crop Protection demonstrates ChemNavigator's ongoing evolution from a Web-based source of compounds to pioneering a new category of cheminformatics services," said Scott Hutton, president and chief executive officer of ChemNavigator.

ChemNavigator is a La Jolla-based company.

CLAIREMONT MESA
Rancho Santa Fe Technologies announced a contract for network installation from a local school for the second time in two weeks.

The recent contract is for new network equipment and a high-speed cabling system for 14 elementary and middle schools in the Cajon Valley Union School District. The previous contract was for Carlsbad High School.

Neither contract announcement included financial details. Rancho Santa Fe Technologies is based in the Clairemont Mesa region of San Diego.

The technology company has previously handled network upgrades or installations of new systems for the San Diego Jewish Academy, University of San Diego, University of California at San Diego, Bakersfield College and the Santee School District.

CARLSBAD
SVI Solutions Inc. (AMEX: SVI) signed Porta Bella, a New York-based men's fashion retailer, to buy a customized retail enterprise software program.

Porta Bella's license agreement covers SVI's Merchandise Management system including the merchandising, financials, sales audit and events.

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Source Code: 2002013tbh
'California Dreaming': Irish Youth Musicians Spread the Sounds of Peace

By Ann Aubrey Hanson

UNIVERSITY CITY — It has been said that music is a global language. It’s a unifying medium, anyway, that’s for certain, as was made evident during the Cross Border Orchestra concerts presented in San Diego Feb. 22 and 23 by the students from Northern Ireland and the Republic of Ireland.

“The purpose of the orchestra originally was to bring children from the Republic of Ireland and Northern Ireland together for peace and reconciliation through music,” says Sister Breege Boyle, SSL, associate director of the diocesan Office for Schools, which co-sponsored the concerts in San Diego during the orchestra’s California Dreaming tour.

The orchestra is funded by the European Fund for Peace and Reconciliation, the governments of Ireland and Northern Ireland, and through fundraising efforts.

The orchestra consists of youth from St. Louis Secondary School, Dundalk; the Abbey Christian Brothers Grammar School, Newry; and Wellington College, Belfast. It is conducted by Gearoid Grant of Ireland. Over the past six years, the Cross Border Orchestra has won every orchestral competition in Ireland and Northern Ireland.

They certainly won the hearts of their listeners in San Diego on Feb. 22 and 23 as they played at Our Lady of Peace Academy, the University of San Diego and Our Mother of Confidence Parish in University City.

Irish tenor Emmanuel Lawler was the featured guest performer for the concerts and wowed the audiences with songs ranging from Irish folk tunes to operatic arias. “It says a lot that one of Ireland’s premier tenors is willing to give of his time to travel with this group,” Sister Boyle says. “He and Grant, the conductor, are totally committed to the children.”

Watching the faces of the youth in the orchestra and those in the crowd, it was tough to tell who was enjoying themselves more. Toes were tapping and the audience was singing, sometimes aloud at other times soundlessly, as the orchestra rocked its way through many well-known Irish favorites, and mixing in some Broadway show tunes for a change of pace.

“Sharon Tracy Dunne, the director of Ireland’s Cross Border Orchestra dreamed of this orchestra back in the mid-1990s,” says Sister Boyle. “She had this dream of bringing...
UNIVERSAL LANGUAGE: Students at Our Lady of Peace Academy dance to the sounds of the Cross Border Orchestra.

>PEACE MUSIC
CONTINUED FROM PAGE 3

Successful tour shows dreams can come true.

kids together through music, and she let nothing stand in her way. She has a wonderful spirit that believes that dreams can be accomplished. And, her dream has made an impact on the lives of so many people because she has the courage to believe in the dream. They’re so worth it, these small steps in bringing people together.”

God has a hand in the group’s success, says Sister Boyle, without a doubt. “God takes care of everything if you believe.”

The weather cooperated throughout the weeklong visit, with record-high temperatures, adding to the California dream that was no longer just fantasy for these youngsters from Ireland.

The Southern Cross
Irish Youth Orchestra to Perform Locally

SAN DIEGO — The Cross Border Orchestra, which brings together children from Northern Ireland and the Republic of Ireland will be in San Diego to perform Irish favorites and pop classics Feb. 22 and 23 with Irish tenor Emmanuel Lawler.

The choir consists of boys and girls from St. Louis Secondary School, Dundalk; the Abbey Christian Brothers Grammar School, and Newry; and Wellington College, Belfast. It is conducted by Gearoid Grant, and over the past six years it has won every orchestral competition in Ireland and Northern Ireland.

The choir is funded by the European Fund for Peace and Reconciliation, the governments of Ireland and Northern Ireland, and fundraising events.

They will perform at the University of San Diego at 7 p.m. following a 6:30 p.m. preconcert performance, and Feb. 23 at Our Mother of Confidence Church at 7 p.m. They will also perform for students at Our Lady of Peace Academy on the morning of Feb. 22.

“The purpose of the orchestra originally was to bring children from the Republic of Ireland and Northern Ireland together for peace and reconciliation through music,” says Sister Breege Boyle, associate director of the diocesan Office for Schools, which is sponsoring the concerts.

Sister Boyle encourages people of all ages to come to the concerts. This is not a “stiff” show, she says; there is likely to be a lot of interaction between the orchestra and the audience.

For more information, call Sister Boyle at (858) 490-8243.
It's no surprise that we San Diegans are perplexed by the current furor downtown.

The re-election bid of Paul Pfingst, the controversial district attorney, has become entangled in one of the noisiest labor disputes in the history of county government. Some 310 deputy district attorneys, many of them rebelling at Pfingst's management style, have declined the county’s terms for renewing their job contract. One deputy DA, Mark Pettine, is running for Pfingst's job in the March 5 primary.

This complex overlay does not seem likely to be coincidental; it may be the tactic of a moment county employees' legal team.

To several county supervisors and Walt Eckard, the county's chief administrative officer, the attack on Pfingst by deputy district attorneys simply complicates a regrettable labor standoff. Only two labor contracts (among 23) are unsettled among San Diego County's 17,000 employees. Both involve lawyers: county district attorneys and county public defenders.

But with a rare opportunity to enter a closed door in this raw affair, we offer here a spirited diatribe that the political consultant Janay Kruger (representing the deputy district attorneys) submits as her verbatim notes on a phone call Wednesday to Larry Remer, the consultant who is managing the Pfingst campaign.

These are people who are rarely heard. They normally prepare safe and often boring public statements for their candidates to mouth. Their chatter here is not up to the refined standards of “West Wing.” But one way to begin to understand this local inferno is to know how these people talk to each other.

Kruger says she called Remer to determine whether Pfingst would appear, along with Pettine, in tomorrow night's candidate debate at University of San Diego. "He hadn’t answered our invitation," Kruger says, "and I really just wanted to confirm that he wasn’t coming.

Remer conceded the general tone of the conversation (which follows), regrets that he’s “not clever enough” to have uttered some of the comments attributed to him, and quarrels with certain portions of Kruger's notes.

Kruger's account begins with Remer speaking: "Are you ready to jump off a cliff? You’re doing a terrible job (for Pettine). No, we’re not attending the debate. Your clients are lying about Paul. They’re doing themselves in. This is crazy.

'Ive spent hours with the CAO and said supervisors. They have even called me at home to say that the DDAs (deputy district attorneys) won't get a labor contract next two years. Remer disputes the assertion attributed to him, as do CAO Eckard and supervisors whom I was able to reach on Friday.) They also said that Mark Pettine will be doing cases in Jamul.

At that point, Kruger reports: "I told Remer he should remember that Paul (Pfingst) isn’t punitive and that Mark would probably go on doing homicides in Vista as usual.

Back to her account of Remer: "He said he saw a poll yesterday (Feb. 19) that had Paul first and Michael Aguirre running second. That Mark was 'history' and that if I don’t do something about it fast — like cutting back radio ads (for Pettine) and try to make peace — that when the dust settles, Paul will be the DA and the DDAs will never get a contract. (This statement is denied by Remer, and, for their part, by Eckard and by supervisors.)

Again, Kruger on Kruger: "I suggested that we should talk on March 6 (after the primary). (Remer) said that after the 6th there will be nothing to talk about. He said Pettine will lose and be back to work. He alluded to the fact there will be several vacancies in the DA’s office after March 5. I said, 'How could that happen?’ (Remer) said that I am the only strategist (for the DDAs) and that I have really blown it, and that the supervisors are furious. (This statement was denied by Remer and available supervisors.) He said that I should get them (the DDAs) to back off. I stated that I couldn’t do that."

Kruger now says of the conversation: "It was very upsetting. I can only hope that however this election turns out, there will be some fairness in the DA’s office.

The current standoff could be mitigated if Pfingst were to win a decisive 51 percent vote in the March 5 primary and avoid a runoff in November. At least two local pollsters tell me that now seems unlikely. So, this level of civic commotion could linger into the November general elections. That's said: Both sides are injecting their noisy and personal ugliness into the public discourse.

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Fox's ghost town is a pale imitation of us

Fox tried to outfox us, but we're too wily. You know, if you've watched “That '80s Show” (and one viewing is about all anyone should be subjected to), that its “San Diego connection” is a fraud.

The Wednesday-night sitcom, a poor relation of “That '70s Show” (whose broad humor has its moments), is set in San Diego in 1984. Bad enough that the show is actually filmed in Los Angeles. But even the barest facsimile of San Diego goes no deeper than a character wearing a Chargers jersey. (Even that gesture has to be considered suspect, given that it was one of the powder-blue “retro” jerseys, which didn’t make a comeback until 1994 — 10 years later.)

No, the San Diego in “That '80s Show” is as faceless as the backside of a Hollywood set. There are references to a “USD” where Tinsley Grimes’ Katie character attends school, though you can bet it’s not the Catholic university in Alcala Park that we know.

The premier episode found the main characters, including protagonist Corey (Glenn Howerton), partying at “Club Berlin,” a gaudy pickup disco. Longtime revelers in San Diego may remember a Berlin club, held at the long-gone Sybil’s Down Under in the Gaslamp. But that was later in the '80s, which means the name is probably just a coincidence.

Similarly, the sitcom’s “Club Piranha” likely has no link to the Piranha Room club night held in the late '80s at Confetti in Mission Valley.

The show’s primary setting, a music store called Permanent Record, could be any record store in any city, though the device itself smacks of ripping off “High Fidelity.”

As to all the '80s music heard each week, the series’ Web site says: “Think San Diego, 1984, tuned in to 91X FM.” Do you remember the mainstays of the mid-'80s? For every Cure, we got three Flocks of Seagulls; for every Morrissey, three Boy Georges. Where did the '70s get this reputation as being the lame-music decade?

But back to San Diego in the mid-'80s. You know what was going on? Diegos in P.B. ruled the meat markets. Bands like Sonic Youth and R.E.M. were playing the Spirit Club. A wacky looking shopping center called Horton Plaza opened downtown.

Interesting to historians and San Diegans who were there, but not very interesting TV. Definitely not interesting Fox TV.

Who really cares that “That '80s Show” is filmed in L.A., anyway, except that doing so here might bring in some bucks? Might be fun, too, even if the show isn’t.

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Athletics
Laws named to All-WCC first team

By Hank Wesch
STAFF WRITER

USD senior guard Andre Laws was a first-team selection to the 2002 All-West Coast Conference men's basketball team, announced yesterday.

A WCC honorable mention pick the past two seasons, Laws leads the Toreros in scoring this season at 18.1 points per game, fourth in the WCC.

He is the lone Torero to start all 27 games. He also finished with the following regular-season numbers: 44.7 percent field goal accuracy (181-for-405), 33.3 percent three-point accuracy (38-114), 67.9 percent free throw accuracy (89-131), 57 assists (2.1) and 43 steals (1.6).

With his 32-point outing against Loyola Marymount on Saturday, Laws boosted his career total to 1,297 points, fifth on the school's list. Laws needs 22 points to pass No. 4 Ryan Williams (1,318; '94-99).

The Toreros meet San Francisco in the 6 p.m. opening-round game of the WCC Tournament on Saturday at the Jenny Craig Pavilion at USD.

Toreros junior forward/center Jason Blair, who averaged 14.6 points and 6.8 rebounds, was honorable mention.

Earlier, Blair and USD guard/forward Matt Delzell were named to the WCC All-Academic team. Both are carrying 3.48 grade-point averages in business.

In women's basketball, USD was one of two teams not represented on the All-WCC team. The other was eighth-place finisher Gonzaga.

Two Toreros, center Erin Malich and guard Kerri Nakamoto, were honorable mention.

"I am surprised at that, especially since Erin was in the top five in most of the conference statistics," said coach Kathy Marpe. "Always a thing that hurts players is when your team doesn't do well. But I still am surprised that when she leads the statistics in so many categories that she wouldn't get all-conference mention.

"But that's the way. It's a vote. Everybody votes. They obviously don't respect Erin and Kerri."

Staff writer Nicole Vargas contributed to this report.
Laws takes over game, lifts USD over Loyola Marymount

BY Frank Wesch
STAFF WRITER

LOS ANGELES — Thirty is the number print journalists use to signify the end of an article.

Last night, senior communications major Andre Laws used his third 30- or-more-point performance of the season to signify the end of the USD basketball team’s regular season, leading the Toreros in an 87-71 cruise past Loyola Marymount before 1,887 at Gersten Pavilion.

Laws put up 32 points and handed out four assists as USD rebounded from Friday night’s loss at Pepperdine and built some momentum for the West Coast Conference Tournament, which starts Saturday at the Jenny Craig Pavilion.

The Toreros (15-12, 7-7 WCC) finished fifth in the league and were accorded the No. 5 seed. They will face fourth-seeded San Francisco on Saturday night at 6.

USD and sixth-place Saint Mary’s were the only teams that knew their fate going into the game. The Gaels emerged victorious over Portland State last night, earning the No. 6 seed.

USD and LMU, who battle Saturday night at 6, were the only teams who could face each other in the first round.

USD will face fifth-seeded Gonzaga in the first round at the Jenny Craig Pavilion Saturday at noon. It is the No. 1-2 seeds between Gonzaga and Pepperdine, the No. 3-4 seeds between Santa Clara and San Francisco and the 7-8 berths between Portland and LMU.

The coin-flip winners were Pepperdine, Santa Clara and Loyola Marymount. Gonzaga faces LMU at noon, Pepperdine will play Portland at 2:30 p.m. and Santa Clara meets Saint Mary’s at 8:30 p.m.

USD enjoyed a 22-point, 10-rebound double-double last night from Jason Blair, his ‘league MVP’ performance of the season to signify the end of the USD basketball team’s regular season, leading the Toreros in an 87-71 cruise past Loyola Marymount before 1,887 at Gersten Pavilion.

The second half was more of the same, with Laws slashing to the basket and burning Loyola for 21 more points, nine of them coming at the free throw line. Blair hit three more three-pointers in the second half in continuing to build a case for All-WCC honors.

The first words out of the mouth of Loyola Marymount coach Steve Wright are Andre Laws.

"Andre Laws is an outstanding player and we just didn’t have anyone who could stay with him or stop him,” said Wright, whose team lost for the fifth time and fell to 9-19 overall and 2-12 in the WCC. "He’s obviously a first-team All-Conference player, and when you have somebody like that, he makes the four other players around him better.”

Earlier in the season Laws had scored 36 against Washington and 30 in double overtime against Pepperdine. Last night was an encore performance.

“I kind of got in a zone,” Laws said. "I knew I was either going to score or set somebody else up, so I just went out and did it. The other guys on the team have been doing a good job of getting open and converting if I don’t score.”

With Laws and Blair carrying the load, USD played a first half that lacked only shooting accuracy (39 percent) and went to the break with a 33-21 lead.

Laws was much too quick for his LMU counterparts and penetrated with ease whether the Lions were playing man-to-man or zone defense. He also stepped back for a pair of three-pointers in scoring 11 by halftime.

Blair established himself as a perimeter threat with a 33-21 lead.

The move, Holland said, was partly to counteract LMU’s 6-9 Greg Lakey, with Hanson being considered a better matchup. Holland, who was displeased with USD’s first-half defensive effort against Pepperdine, saw a major turnaround last night.

“I thought we played excellent defense in the first half; that’s what set up our 12-point lead,” Holland said. “The main thing we needed to do was to re-establish that we can play defense. "To come out with a win and also do that — that’s mission accomplished.”
MALIBU — USD kept Pepperdine below its five-players-in-double-figures average last night.

And the Toreros held the Waves’ 6-foot-11 center, Cedric Suit, to five blocked shots, half as many as he managed when the teams met in San Diego.

But those dubious positives aside, it was just another frustrating loss — the sixth straight at Firestone Fieldhouse and fourth in the series — as USD fell 90-79 before 1,725.

Terrance Johnson (23), Jimmy Miggins (22), Devin Montgomery (13) and Boomie Bazzle (10) all scored in double figures for Pepperdine (19-7, 12-1 West Coast Conference).

The Waves kept pace with Gonzaga for the first 13 minutes of the game in building a 17-point lead.

First in the spotlight was junior forward Miggins, who put on a display of spin moves that left the Toreros also spinning, but in his wake. Miggins scored eight of his 14 first-half points in the first 4:39.

When Miggins’ set was over, point guard Montgomery showed how quick and easy he was on dribble penetration, then passed to an open Johnson for riffs of three-point shooting artistry. Johnson hit four of them in a span of three minutes as Pepperdine pulled away.

Pepperdine performed like a jazz ensemble for the first 13 minutes of the game in building a 17-point lead.

Pepperdine continued to frustrate Toreros
Gaining No. 3 seed is big goal for USD

By Hank Wesch
STAFF WRITER

MALIBU — What would happen if USD's best-case scenario came true?

That being the Toreros sweeping their two remaining West Coast Conference regular-season games here tonight against Pepperdine and tomorrow at Loyola Marymount while both Santa Clara and San Francisco manage no better than a weekend split.

What would happen if the Toreros jump from fifth to a tie for third just in time for next week's WCC Tournament at the Jenny Craig Pavilion?

"We'd get the No. 3 seed because we would have beaten the highest seed (Pepperdine) of the three teams that tie," USD assistant coach David Fizdale said. "So yes, we as a coaching staff have talked about that."

But not to the team.

"We can't worry about what Santa Clara or San Francisco do. We need to take care of our own business," Fizdale said.

For Pepperdine, tonight's game comes six days after the Waves saw a 13-game winning streak ended and a perfect WCC record marred with a loss — albeit at Gonzaga, ranked seventh in the nation.

So would the Toreros figure to be catching Pepperdine at a good or a bad time?

"I don't think there's ever a good time to play any team in this league, let alone them," Fizdale said. "With the quality of coaches in this league, they don't let their teams wallow in sorrow too long. I'm sure (Pepperdine) will come out tonight fired up to get back to winning."

Last week was a confidence-booster for USD. The Toreros swept Saint Mary's and San Francisco in their final regular-season games at the JCP. USD has won three of its last four, with the loss by one point to Gonzaga. The Toreros took Pepperdine to double overtime before losing when the teams met earlier in San Diego.

"This team is starting to see we can be a player in this (WCC Tournament) deal and they're starting to believe more," Fizdale said. "If each person on this team accepts his true role, we'll give ourselves the best opportunity."
It’s a victory to remember for Toreros against Dons

By Hank Wesch, STAFF WRITER

Call it an outdated, overly sentimental concept. Call it corny, if you want.

But after USD dismantled the University of San Francisco 88-55 last night, the Toreros probably wish every game could be designated as Senior Night.

As is customary, coach Brad Holland started all the seniors on his roster — Andre Laws, Tom Lippold, Sam Adamo and Kevin Hanson — for the final regular-season home game of their careers.

Not much of a sacrifice since the first three have been starters all season anyway.

And minutes after the end of Senior Night send-off ceremonies in which they walked to center court escorted by their parents, honorees Laws and Adamo sent USD off to a 5-0 lead in the first 12 seconds of the game. Laws grabbed the opening tip and drove straight to the basket for an acrobatic layup. Adamo followed by converting a three-point play off a USF turnover.

“I was trying to downplay it,” Adamo said of the pregame fanfare. “But when I went out there and thought about the work put in by my parents and my coaches over the years, I started to get emotional.

“T was trying to be a tough guy at first, but when I got out there . . .”

In the game, the Toreros (14-11, 6-6 West Coast Conference) were tough guys from Nothing but kudos from thrilled Holland

Defensively, the Toreros’ plan was to concentrate on the USF front-line combo of 6-9 Darrell Tucker and 7-0 Hondre Brewer, who had done considerable damage when the teams met in the Bay Area. The task was made easier knowing the Dons would be without regular point guard LyRyan Russell, out for the season with a knee injury.

“We keyed on their big men,” the 6-10 Hanson said. “We wanted to sit in the big men’s laps and make sure they couldn’t make a move.”

Double-teamed every time he touched the ball, Tucker was held to eight points, 11 below his average, and eight rebounds, two below his average. Brewer had three blocks, his specialty, before going out one minute into the second half with a leg injury.

While maybe not as inspired as in the first half, USD didn’t let down much in the second and outscored USF 42-34, another statistic that Holland liked.

It ended with Laws counting 20 points and seven assists, Jason Blair 17 points and Lippold 10. Hanson and Roy Morris had seven rebounds each as the Toreros outboarded USF 43-35.

As his personal send-off before the game, Holland said he told the seniors: “Play tonight the way you’d like to be remembered.”

Sentimental? Corny?

Hey, it worked.
In keeping with tradition, the USD men's basketball team will honor its seniors before tonight's final home regular-season game, against San Francisco.

But this year the traditional pregame reading of the accomplishments of the seniors, Andre Laws, Tom Lippold, Kevin Hanson and Sam Adamo, may take a little longer than usual.

Over the course of the last four seasons, original USD recruit Laws, Lippold and Hanson have been a party to 67 wins and 42 losses. Adamo, who transferred from Colorado State, joining USD midseason in 1999-00, doesn't have the same record.

But all four can look back on making major contributions to only the second 20-win season in Toreros Division I history (20-9 in 1999-00). And Laws, Lippold and Hanson can relish being the first group to go a career 4-0 against San Diego State.

Laws is playing his 110th game and making his 75th start. With 1,228 career points, he needs seven tonight to move past Russ Cravens (1959-63) into sixth on the school's all-time scoring list.

Lippold, a fifth-year senior, will suit up for the 107th time and make his 53rd start. He'll be recognized not so much for numbers as for his hustle and clutch contributions to the memorable wins over SDSU and in program-landmark victories in the championship game of the Hawaii Tournament last season and at Gonzaga two years ago.

Adamo is making his 30th start in his 72nd game as a Torero and is fresh from scoring four points in the final nine seconds that proved decisive in Thursday's 76-72 win over Saint Mary's.

Hanson will make his 10th start in his 107th game as a Torero. His 18 blocked shots this season is a single-season personal best and gives him 53 for his career.

While it's the last regular-season appearance at the JCP for the four seniors, it won't be their last game there. USD closes the season next week on the road at Pepperdine and Loyola, then returns to host the WCC Tournament March 2-4.
Adamo scores USD’s last four in ugly victory over the Gaels

By Hank Wesch, Staff Writer

Aesthetically, USD’s 76-72 victory over Saint Mary’s last night left a lot to be desired. Capital UG. Capital LY.

Even Toreros senior forward Sam Adamo, the hero for scoring four points in the final 8.2 seconds, wasn’t thrilled by a victory for USD (13-11, 5-6 West Coast Conference) that avenged a loss to the lowly Gaels (7-17, 2-9) 12 days earlier in Moraga.

“They play hard and they’re physical, but we know we didn’t play anywhere near our capabilities,” Adamo said.

Not nearly as well as in Saturday’s 77-76 loss to then-No. 9 Gonzaga that drew 5,423, the largest crowd in the two-year history of the Jenny Craig Pavilion.

“I don’t know if we need 5,400 people in the stands to get excited, but we shouldn’t,” Adamo said. “We have to play every game like it’s Gonzaga.”

The Toreros never led by more than seven last night, that being 61-54 with 11 minutes still to play. Saint Mary’s doggedly hung in behind the scoring of forwards Chase Poole (16 points) and Ross Benson (11), and only some clutch free throw shooting by the Toreros — who went 18-for-22 in the second half — kept them marginally in front.

When Gaels guard Adam Caporn hit a three-pointer with 2:31 remaining, the Toreros’ lead was 69-68. It was 72-70 USD with 12.2 seconds
Toreros avenge earlier defeat, but it's close
to play and the Toreros' ball out
of bounds underneath their
own basket with four seconds
left on the shot clock.
It was inbounded to Tom Lip­
pold at the top of the circle, who
passed to Adamo on the left
wing for a jumper with 8.2 sec­
onds left and the shot clock
about to hit zero. It gave USD a
74-70 lead.
"It wasn't the play we'd
drawn up," Adamo said. "We
improvised, I got open and
Tom made the pass."
Following an uncontested
layup by Caporn, Adamo
cashed two free throws with 2.5
remaining to set the final score.
Adamo finished with 19 points,
seven of them off eight free
throw attempts.
Jason Blair had 17 points and
10 rebounds, his fourth double­
double in WCC play. Andre
Laws also had 17 points and
Scott Boardman 10 for the To­
eros.
"This was a difficult win," said USD coach Brad Holland.
"Saint Mary's is a tough team to
play. They guard you and they
run a good offense. They think
they can win some conference
games now."
Saint Mary's biggest first-half
lead was 26-19 with 6:30 to go.
USD generated a 13-4 run with
Blair accounting for seven of
the points to take a 32-30 lead,
but it was the Gaels who led
40-38 at halftime.
The Gaels' ballhandling
against USD's all-court pres­
sure was an eyesore — Saint
Mary's had 15 turnovers at half­
time. But the Gaels nailed four
of six three-pointers while USD
was going 0-for-7 from beyond
the arc, and Saint Mary's
showed more resolve than the
Toreros and deserved the half­
time advantage.
USD didn't shoot any better
from three-point range in the
second half — but eased the
problem by not attempting
many. They went 0-for-3 to fin­
ish 0-for-10 for the game. The
last time USD went 0-for-7 on
"It wasn't the play
we'd drawn up. We
improvised, I got
open and Tom
made the pass."
USD guard Sam Adamo
treys was an 0-for-7 in a 62-42
WCC Tournament victory over
San Francisco here last March
3.
Saint Mary's 7-for-13 was its
three-point shooting high for
the season.
USD completes the home
portion of its regular-season
schedule tomorrow night at
7:05 against San Francisco.
That game will take a back seat
in attention from WCC follow­
ers to the one at Spokane that
pits league-leading Pepperdine
and Gonzaga. It will be tele­
vised on ESPN2.
The routine of the Saint Mary's coaching staff the past few days in preparing for tonight's basketball game against USD was the same as for the 23 Gaels games that have preceded it this season.

But there's no denying the circumstances are slightly out of the ordinary today for head coach Randy Bennett and assistants Kyle Smith and Lamont Smith:

- Bennett was an assistant at USD to Hank Egan from 1988 to 1994, and a candidate to replace Egan when he left for the NBA's San Antonio Spurs. Bennett served as an assistant to Brad Holland for the first two seasons of Holland's tenure, which is in its eighth year.
- Bennett went on to assistant jobs at Pepperdine and Saint Louis, and returns to USD tonight for the first time as a head coach.
- Kyle Smith was an assistant at USD from 1992 to 2000 before moving to Air Force last season and then joining Bennett, who was named to the Saint Mary's post in March.
- Lamont Smith played for Holland, under both Bennett and Smith, from 1994-99.

"Right now it feels no different than any other game," Kyle Smith said yesterday. "But I know that it's going to be hard not to get a little emotional at game time because I still have a lot of friends down there.

"It does feel a little weird putting those (USD players') names up on the scouting board. They probably shouldn't have me doing the scouting. I'm looking at the Pepperdine and Gonzaga films and rooting for USD."

On Jan. 26, USD lost in double overtime to Pepperdine, now 10-0 and atop the West Coast Conference standings. Saturday, the Toreros fell 77-76 to Gonzaga, then ranked No. 9 nationally.

And on Feb. 2, the Toreros also lost, 63-60 at Saint Mary's, the Gaels' first WCC regular-season victory since February 2000, ending a 22-game regular-season conference losing streak.

"Actually, it didn't feel any more special because it was USD," Kyle Smith said. "We were mired in a streak of losing nine in a row (this season), and a win was a win no matter who it was against.

"I want to see those (USD) guys succeed. Just not against us."

Bennett and Co. have made strides this season with a program that bottomed out at 2-26 overall, losing the last 18 games, in 2000-01. Saint Mary's is 7-16 overall, 2-8 in the WCC this season.

"When we first got here we thought that the players (returning) were pretty good, actually," Smith said. "But they hadn't been winning. It's a process to change the thinking and the mental attitude.

"The credit to these guys is they've kept fighting. It'll be a great test (tonight)."
USD almost pulls upset of No. 9 Zags

By Hank Wesch
STAFF WRITER

The difference in last night's game between Gonzaga and USD was the difference between a basketball team and program that's there and one that's trying but not quite there.

No. 9 Gonzaga 77
Toreros 76

Not much of a difference as reflected by the scoreboard, which read 77-76 No. 9 Gonzaga in the end. But who knows how much larger a difference in the hearts and minds of those who work to put the points up there?

Gonzaga, as it has done so many times in the past, made the plays, responding with a 6-0 run after falling behind 70-69 with 2:02 remaining. USD, as has been the case on two major occasions before last night — overtime losses to USC and Pepperdine — didn't make plays that were there to be made.

Like missing two shots and having one blocked — all from point-blank range — in the final 35 seconds. The last miss, by Andre Laws with six seconds left and Gonzaga...
USD blows chances to upset No. 9 Zags

leading 75-73, led to a foul and two clinching free throws by the Zags' Anthony Reason with three seconds to go.

With a four-point lead, Gonzaga (22-3, 9-1 West Coast Conference) allowed Laws an uncontested three-go.

set the final score. (22-3, 

Pavilion went home having witnessed followers of USD (12-11, 4-6 WCC) a classic Division I game. But the

ly went home a little frustrated and wondering.

"I told the guys there wasn't much difference between the ninth-ranked team in the nation and ourselves," said USD coach Brad Holland. "We were in position to get this done, and with just a little more execution of inside shots we walk away winners here."

But teams facing Gonzaga in close games haven't walked away winners very often lately. The tangible explanation for that is Bulldogs point guard Dan Dickau, who had 22 points and eight assists. The intangible explanation is Gonzaga's "goona-win" attitude.

"It's never ho-hum when we're in close games like this, but we're extremely confident we're going to get the job done in those situations," Dickau said.

"It all comes from Dan," said Gonzaga forward Cory Violette, who crushed the Toreros with a career-high 25 points and 15 rebounds that led the Zags to a 40-32 board advantage. "He's calm and confident and that carries down. We've got some other players who have experience and that gives us all confidence we can hit the shots."

USD battled Gonzaga on a virtually even basis for the first 36 minutes, and then generated a 6-0 run in a matter of 1:08 to take a 70-69 lead with 2:02 remaining.

"It's never ho-hum when we're in close games like this, but we're extremely confident we're going to get the job done in those situations," Dickau said.

Dickau, an 88 percent free-throw shooter, missed the first in a one-and-one situation with 17.7 seconds left to present USD an opportunity. But with Laws' miss the Toreros failed to convert.

SUMMARY

Gonzaga 77, USD 76

USD's Scott Boardman looks surprised to find himself between Gonzaga's Cory Violette (33) and Anthony Reason.

Jim Baird / Union-Tribune
San Diego basketball: For the second time in less than a month, both Division I programs will welcome large crowds today. More than 8,500 could watch SDSU play Utah in Cox Arena. At the Jenny Craig Pavilion, USD expects a standing-room-only gathering of more than 5,100 for its game against No. 9 Gonzaga. We're not ready to call this a basketball town, but the support is much better than years past.

Tom Bellairs: SDSU coaches were amazed while watching film of their loss at Air Force on Monday, seeing four Falcons retreat on defense time and again and just one crash the offensive boards. That's what made the 6-foot-7 Bellairs so impressive. He had 14 points and eight rebounds, three on the offensive end. He went through and over taller Aztecs as if they were statues.
Big hoops day

San Diego will play host to two marquee games tomorrow. Utah-SDSU in the afternoon is followed by No. 9 Gonzaga against USD at Jenny Craig Pavilion at 7:00. Fans wanting to attend both games might be out of luck.

USD officials said 5,100 tickets (the capacity of JCP) have been distributed and that just 200 or so standing-room tickets remain. SDSU has close to 8,000 tickets out for its game and officials hope for a crowd in the range of 8,500.

The SDSU game will be televised on Channel 4 San Diego as part of the ESPN Plus package; USD-Gonzaga is on Fox Sports Net.
New offense helps USD rout Portland

Three-pointers give Toreros sustenance and crowd free pizza

By Hank Wesch

It couldn't have been the same USD squad that lost to a Saint Mary's team that had gone 23 straight West Coast Conference games without a win, out there romping and roping three-pointers last night against Portland.

But it was. And it wasn't.

Employing a new offense, installed only three days earlier, the Toreros routed Portland 103-80 before 2,697 pizza-hungry fans at the Jenny Craig Pavilion.

Six Toreros (12-10, 4-5 WCC) scored in double figures, led by Roy Morris' 17, and USD scored in triple figures for the 13th time in 22 years of Division I play, the first since a 112-78 win over Oral Roberts in 1992-93.

Morris' final points came on USD's ninth three-pointer, a shot that made the score 97-68 and drew the loudest roar of the night from the crowd.

Nine threes meant coupons for free pizza at a local establishment for everyone in attendance. For the Toreros, those nine threes, and 24 more two-point baskets, were food for the soul.

"The difference tonight (from Saturday) was that we were hitting shots," said Morris. "And our new offense."

The Toreros arrived at practice on Monday, the ill feeling of the ignominious loss to Saint Mary's two days earlier still in place, to learn that they were undergoing a complete overhaul of the offense.

The key to the new "spread," Morris said, is that "anyone can run to any spot. Anyone can enter the ball. We get the ball over halfcourt and we're into it . . .

"This helps us utilize all of our scorers, Jason Blair especially. He can come out (to the perimeter) and they can't guard him out there."

Blair had 15 points and five rebounds, Sam Adamo a 16/9 evening, Andre Laws 15 points, freshman Corey Belser his first double-figures points game (11) as a Torero and senior center Kevin Hanson 10 points.

Senior forward Tom Lippold had only four points, but contributed six points and six assists.

"We had four assists against Saint Mary's and 24 tonight," said coach Brad Holland. "Just a drastic improvement. We had much better movement on offense."

"Sometimes you have to put in some new things to get guys energized. We got back to playing hard. To get the three-game losing streak behind us and get back on the winning side is what we needed."

USD led 50-30 at halftime, and the total was its second-highest of the season, one point fewer than at that point against UCSD in the second game of the season. It was also only 10 fewer than the Toreros had managed in the entire game against Saint Mary's.

The Toreros scored the first eight, opened a 20-point lead (30-10) in the first 9:10 and maintained control to the break.

Portland (5-18, 1-8) warmed up somewhat in the last 10 minutes to wind up shooting 34.4 percent from the floor. The perimeter-conscious Pilots could connect on only 3-of-14 three-pointers.

Meanwhile, USD pushed the ball effectively, got several good inside shots and hit 60.7 percent for the half.

The Toreros were also a toasty 50 percent (6-for-12) on three-pointers and had dealt the Pilots a 25-12 whipping on the boards.

Nine USD players had hit the scoring column by the break with the nine points each by Laws and Blair leading the assault.

It was more of the same in the second half as the Toreros wound up outrebounding Portland 44-20 and beating the Pilots in every phase of the game.

Now comes a big test. No. 9 Gonzaga visits tomorrow night.
The Toreros’ Jason Blair (left) finds himself in an awkward position as he attempts to shoot over Portland’s Porter Troupe.  

**SUMMARY**

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Yesterday's Games  

**WCC**

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<td>Loyola Mary</td>
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Tomorrow's Game  

| Gonzaga at USD | 7 | St. Mary's at Pepperdine, 5 |

Pictures:  

Ernest Gudan (right) of Portland’s Porter Troupe blocks a shot attempt by Gallo.  

Notes:  

Game officials: P. J. Rasmussen, Roger, Greenough.  

Team Rebounds: 2, Portland.  

Final: Portland 80, Loyola Marymount 70.
College Basketball

Gonzaga busts into Top 10 for first time

The University of San Diego Toreros will host a Top 10 team Saturday night — and not have to go outside the West Coast Conference.

League rival Gonzaga made its first-ever appearance in the Top 10 yesterday, checking in at No. 9 in the latest Associated Press men's basketball poll.

"This is great for the program," third-year head coach Mark Few said of the Bulldogs (20-3), who were ranked 11th last week.

"As I've said before, I think this program is to the point where it deserves the respect it is now getting. We've lost the Cinderella tag, and have demonstrated the past three years (we) have not been a flash-in-the-pan thing."

Meanwhile, the Duke Blue Devils were the top-ranked team again — their 12th week this season leading the Top 25 and the 88th time in school history they have been No. 1.

Only UCLA, with 128 weeks, has spent more time on top of the rankings, which began in January 1949.

Duke (20-1), which beat rival North Carolina and Clemson last week, received all 71 first-place votes from the national media panel — its eighth time this season as a unanimous pick — to break a tie with Kentucky for the second-most weeks at No. 1.

Kansas (19-2), which beat Missouri and Colorado last week, and Maryland (18-3), which defeated Virginia and North Carolina State, were second and third for the third straight week.
Saint Mary's gets rare WCC win at Toreros' expense

By Marcus E. Walton
SPECIAL TO THE UNION-TRIBUNE

MORAGA — Whatever afflicted the USD Toreros Friday night in their loss to the USF Dons apparently carried over to last night.

The Toreros dropped their third consecutive game as they handed the Saint Mary's Gaels (6-15, 1-7) their first league victory since the 1999-2000 season, losing 63-60.

For the second straight night, San Diego coaches were at a loss for words as the Toreros (11-10, 3-5 WCC) continued a winless streak that started with an emotional double-overtime loss to Pepperdine eight days ago.

"We really only have two choices now," assistant coach David Fizdale said. "Either wallow in the losses or start clawing and scratching our way back."

Fizdale took questions after the game and did most of the talking during it because USD coach Brad Holland lost his voice.

Saint Mary's played an aggressive defense that belied its 0-7 conference record. San Diego committed 21 turnovers and left the floor at halftime down by double digits for the second consecutive night.

Instead of the 15-point deficit they faced at USF on Friday, the Toreros were down by 11 at 38-27. While the malaise that had affected the Toreros for the previous three halves seemed to have disappeared in the second half against Saint Mary's, the cure appeared to come a bit too late to save them from their third straight loss.

"There was a feeling of disbelief during the first half," Fizdale said. "In the second half we made a run where we were starting to believe again."

After falling behind by 17 with 13 minutes left, the Toreros put on a full-court press and promptly went on an 18-4 run to cut the score to 53-50 with just over seven minutes to play.

The Gaels didn't hit a shot from the floor in the last 14-plus minutes, instead relying on trips to the free-throw line in order to stave off the San Diego comeback.

The two teams jockeyed back and forth until it was a one-point game at 61-60.

Tom Lippold and Roy Morris led the Toreros' comeback. Lippold scored a team-high 14 points and Morris scored all of his seven points in the last five minutes.

But the hole was too deep. Each time San Diego threatened to take the lead, the Gaels managed to get someone to the free-throw line to stoke their lead.

Saint Mary's guard Ethnic Stubbs hit 10 of his 14 free throws on route to leading the Gaels with 14 points.

"It was a relief," Saint Mary's coach Randy Bennett said of getting the team's first conference win since a 77-65 victory against Loyola Marymount in 2000.

San Diego guard Andre Laws, who scored nine points, including a three-pointer to bring the score to 53-50, was on the bench for the last four minutes of the game. Laws, who was averaging 18.3 points per game coming in, shot just 3-of-10 from the floor, committed five turnovers and missed a few layups where he was at the rim with no one contesting his shot.

"We're at the point of the season where we have to go with the people who are getting it done in that game," Fizdale said. "We still have a lot of confidence in Andre. He's carried us all year, but after he missed a layup and came up short on the jumper, we felt it was time to take him out."

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After falling behind by 17 with 13 minutes left, the Toreros
Toreros lose their grip in San Francisco, get dominated by Dons

By Marcus E. Walton

SAN FRANCISCO — All they had to do was follow the script and the Toreros would have walked out of Memorial Gymnasium winners. Instead the Toreros (11-9, 3-4 WCC) lost consecutive games for the first time in WCC play this season, falling to USF’s Dons 87-71 last night.

The loss dropped the Toreros to fifth place in the conference. USF (10-10, 5-2) remained in third.

The first half was nothing to write home about as the Toreros fell behind 15-3 to open the game. After rallying to trail 16-11, the Toreros got no closer.

If it weren’t for the abandons with which Andre Laws played, USD might have found itself in an even deeper hole. As it was, even with Laws’ 11 first-half points, the Toreros trailed by 15 at the half, 42-27.

“They came at us and attacked us,” USD coach Brad Holland said after a long postgame meeting. “They were more physical, more committed to their game plan. They drilled us in every way.”

While Laws led USD with 21 and was the only Toreros player to score in double figures, the Dons held him to 9-of-24 shooting. The player mainly responsible for defending Laws for much of the game was sophomore John Cox, a 6-foot-5 guard from Philadelphia.

“We wanted to make him (Laws) work and keep the ball out of his hands,” Cox said. “He’s a good player, he made some tough shots.”

In the second half, the Toreros played with more fire, but it didn’t seem to matter. Each time the Toreros threatened to make a serious run, the Dons responded with a big basket, most often a three-pointer.

At the center of attention for the Dons was Cox, who scored a career-high 22, 17 in the second half.

USF had a scare early in the second half when the Dons crashed through the basket and knocked San Francisco’s 7-foot center, Honore Brewer, to the floor as he went to catch a header under the basket when he tried to block a shot. Brewer walked off the floor and returned a few seconds later. He was never the same player.

After scoring 12 points and making four blocks in the first half, Brewer fouled out with 16 points with 5:47.

The Toreros trailed 72-60 and looked as if Brewer’s ouster would spark a run to bring them back into the game.

That’s when the Dons’ Cox stepped in. In the next 45 seconds after Brewer left the floor, Cox hit a long jumper, a three-pointer and made an open-court steal and fed teammate Tayo Akinsele for a layup that made the score 79-62.

Darrell Tucker, who had scored 23 points and added 10 rebounds for USF. Kevin Hanson scored eight points and grabbed eight rebounds off the bench for the Toreros.
USD tests top shot-blocker in Dons’ 7-footer

By Hank Wesch
STAFF WRITER

It would be understandable if USD’s men’s basketball team were feeling somewhat rejected going into tonight’s game at the University of San Francisco.

The Toreros had 10 shots blocked by Pepperdine’s Cedric Suits in the Waves’ double-overtime victory Saturday at the Jenny Craig Pavilion. The block total was a Pepperdine record and tied a 25-year-old West Coast Conference record set by Santa Clara’s Kurt Rambis against San Francisco.

Now USD ventures into the lair of USF’s Hondre Brewer, a 7-foot center who set WCC single-season records for blocks overall (114) and in league play (46) last season.

But USD coach Brad Holland doesn’t expect his team will be shy about taking the ball inside or to the basket.

“I don’t think our guys will be affected,” said Holland. “I think you have to go at a shot-blocker, not shy away. If you shy away, you end up changing your shot to avoid getting it blocked anyway, and that can be even worse.

“You’re going to get some shots blocked. (Brewer) is a good athlete for his size and an aggressive shot-blocker, same as Suits. Brewer is going to get his share of blocks, but historically both he and Suits have been foul-prone.”

Brewer leads the Dons and is second to Suits in the WCC in blocks with 45 this season. But Brewer also leads the Dons in personal fouls (63) and has fouled out five times in 19 games, once in WCC play.

“In the past, we’ve been able to take advantage of his aggressiveness, and we’ll have to try to do it again,” said Holland, whose team beat USF three times last season.

Physically, the only Toreros question mark is Holland. He excused himself from most of two practices earlier this week because of flu/cold symptoms rather than take the chance of infecting the team.

USD is expected to use the same starting lineup it did for two games last week. It includes Mike McGrain, Matt Delzell and Andre Laws on the perimeter and Jason Blair and Tom Lippold inside.
Men's Basketball at the Jenny Craig Pavilion

USD vs San Francisco
Sat. Feb. 16, 7:00pm

Union-Tribune Youth & Family Night
to benefit Boys & Girls Club of Carlsbad

Four General Admission TICKETS
for $25
(Seats are limited)

Present this ad and get
4 sodas for $4

Visit the FREE Torero Fun Zone on the
Jenny Craig Pavilion Eagen Plaza before the game at 5:30 p.m.

The Union-Tribune is a proud sponsor.
USD twosome eyes end of era

By Nicole Vargas
STAFF WRITER

There is a certain chemistry that comes from playing years of basketball together, and USD's Melissa Glazebrook and Kerri Nakamoto could have written the textbook on the subject.

For six of the last seven seasons, the two have played on the same floor together, dating back to their days at San Jose Archbishop Mitty High School.

"It's been awesome," Glazebrook said. "There's not very many people who get to play with someone from high school in college.

Tonight the two lead the No. 7-seeded Toreros (13-14) as they open play in the West Coast Conference Tournament, facing No. 2 Santa Clara at 6. USD's game is the third of four played at Jenny Craig Pavilion, and will be followed by No. 3 Saint Mary's, the defending tournament champion, against No. 6 Portland.

The first session opens with regular-season champion Pepperdine vs. No. 8 Gonzaga at noon, followed by No. 4 San Francisco against No. 5 Loyola Marymount.

This tournament could mark the last time Glazebrook, a senior, and Nakamoto, a junior, play together.

Although Glazebrook lost most of her junior season to stress fractures and mononucleosis, she was able to shatter the school record for career assists before the conference season even started. She also recently earned her third straight WCC All-Academic honor thanks to her 3.7 grade-point average in engineering.

"She's one of the strongest players on the team, she has great jumping ability and she has great quickness," USD coach Kathy Marpe said. "Put that all together with a good mind, and that's the reason she smashed our assists record and has been an integral part of some great seasons for us."

Nakamoto has refused to let the pain of plantar fasciitis all season affect her ability to be on the court and make key shots when she has had to.

Nakamoto, who received WCC honorable mention for the second straight year, led the conference in three-point shooting all season and led the nation for much of the season as well. Her 63 threes are a USD single-season record.

Both started every game as freshmen, for which they credit the solid preparation they received at Mitty.

While Glazebrook was at Mitty, the Monarchs won four straight Blossom League and Central Coast Section CIF titles. Not only was Nakamoto part of three of those championship teams, but during her senior year she led Mitty to a state championship.
Seniors shine on their night at USD

By Nicole Vargas
STAFF WRITER

It took until the final home game of the season, but it didn’t matter. Something finally clicked for the USD women’s basketball team, and it couldn’t have come at a better time.

With the West Coast Conference Tournament looming, the Toreros finally broke their four-game losing streak, upsetting Loyola Marymount 62-60 at Jenny Craig Pavilion last night.

“We’ve had so many of these (close games), but we haven’t made the shots at the end like we did tonight,” USD head coach Kathy Marpe said. “My theory is those close games always even out. So hopefully, we’ve saved them all for the end.”

In a game that ended with 15 lead changes and a near comeback by the Lions, USD’s trio of seniors put on a show for the 721 fans in the stands for Senior Night, led by Janeene Arendsen on what looked to be Janeene Arendsen T-shirt giveaway night.

Although she was too nervous to even notice all the attention paid by the hundred or so wearing her number on their backs, Arendsen thanked Marpe for her first career start with 12 points, including two three-pointers, and only sat four minutes in the entire game.

“I played every play like it was the last play,” said Arendsen. “I tried to enjoy every moment out there, and I knew the team was out there playing for our seniors. I can’t tell you how good that felt.”

Fellow senior Robyn Fortney scored eight with six rebounds. Melissa Glazebrook looked just as confident on her Senior Night, surprising LMU with her ability to drive and dishing out seven assists with four points.

The trio was part of a balanced scoring effort that saw five Toreros score eight or more points. Kerri Nakamoto continued to extend her school record for three-pointers, hitting four threes en route to scoring 16 points against the Lions.

Center Erin Malich added 12 points and seven rebounds. Sophomore Melissa Padgett regained her offensive touch in time to score eight off the bench.

“The real difference was Janeene Arendsen and Melissa Padgett,” Marpe said. “Even though Janeene started tonight, you’ve got those two bench scorers that contributed offensively. We’re going to be tough to beat (in the WCC Tournament) if they keep doing that.”

With 2:18 remaining in the game, LMU’s Adrienne Slaughter made a jumper from inside the paint for two of her 12 points to close USD’s lead to 59-58.

Although Malich turned the ball over on the next possession with a high pass out of the reach of Arendsen, the junior made up for it by taking a charge under the Lions’ basket from Jacquelyn Woods.

Nakamoto then pushed the Toreros’ lead to 62-58 with her final three pointer with 39 seconds left.

Although Kate Murray’s basket with 25 seconds on the clock closed the lead to 62-60, LMU could not capitalize on two late missed USD free throws to score again.

“We’ve been playing better the last few games, and to finally get a ‘W’ gives us so much momentum,” Padgett said. “This was the best thing we could give the seniors.”

The Lions had four players scoring 10 or more points. Senior Bryn Bril- ton, Kate Murray and Claudine Auld each scored 14.
One-time rivals enjoy success as teammates

By Nicole Vargas
STAFF WRITER

They've come a long way since the CIF-San Diego Section championship game of 1997.

Former high school basketball rivals turned college teammates and best friends, USD's Janeene Arendsen and Robyn Fortney will take the floor tonight for the last regular-season home game of their careers.

Joined by classmate Melissa Glazebrook, Arendsen and Fortney will partake in Senior Night festivities before the Toreros meet Loyola Marymount at the Jenny Craig Pavilion.

"I am just going to try to enjoy the moment," said Arendsen, who will earn a degree in sociology. "More than anything, I want to go out knowing I left it all on the court."

The game marks the end of a four-year journey for Arendsen, a Rancho Buena Vista grad, and Fortney, a Rancho Bernardo alumna, who began their time at USD as an unlikely pair.

"How am I ever going to play on the same team with someone from RBV, of all schools?" Fortney remembered thinking. "But the first second we stepped on campus together, we were instant friends."

Ask Arendsen about Fortney, and she will talk about a fearless leader whose emotion on the court and passion for the game ignite teammates.

"It's all coming together for her so well," said Arendsen, a 5-foot-6 guard.

Fortney describes Arendsen as a can't-miss shooter who deserves the success she's finally enjoying in the last half of her senior season.

"She's always had that in her," said Fortney, a 5-foot-9 guard.

Fortney should know. After falling to Arendsen's Longhorns three times during the players' junior season of high school, Fortney's Broncos pulled off a 51-47 upset over RBV to win the Division I title.

"When it came down to the game that really mattered, we beat them," Fortney said proudly. "Janeene has probably never forgotten that game, and neither has (RBV coach Kathy) George, either."

Regardless of who they were before they came to USD, and the fact they came in playing a similar position, the two have managed to balance their lives on and off the court.

"We've always had to compete for positions in the past, but we have always been able to put that aside and still be friends," said Arendsen. "There isn't another person in the entire world I would rather play with for four years."

After initially struggling with the college game, Fortney gradually has increased her playing time. Her clutch shooting has provided a spark for the Toreros.

"I just did the things I needed to do," said Fortney, who averages 7.7 points. "I did what my coach said and bought into the system."

After spending most of her first three years at USD on the bench, Arendsen suspected her senior season might end up much the same.

It was while sitting through the Toreros' loss to Iowa State in late December that Arendsen made a decision.

"Either I am going to make a difference or ride it out another year and hate basketball," she said. "I decided it was time."

Since then, Arendsen has provided USD with another perimeter threat, coming off the bench to average almost nine points.

"It definitely feels good to know that hard work eventually pays off," Arendsen said.

The best part for both has been the opportunity to play before family and friends in their hometown.

"I absolutely loved it," said Fortney, who will graduate in May with a degree in communications. "I don't think I could have dreamed of anything better."
USD women succumb to Waves' comeback

By Nicole Vargas
STAFF WRITER

Against any other team in the WCC, last night's showing by the USD women's basketball team probably would have been enough for a win. But Pepperdine is not the West Coast Conference champion for nothing.

Pepperdine 61
Toreros (w) 56

Pepperdine clinched sole possession of the conference title with the victory, and earned its fifth straight 20-win season, becoming the first WCC team to do so.

Three USD players scored in double figures, led by Kerri Nakamoto with 19. She made three three-pointers, bringing her season total to 59. It was enough for the junior to break the USD single-season three-point mark of 57 set by Serena Eirmann in 1993-94.

Nakamoto was followed by Erin Malich's 11 points and Robyn Fortney's 10.

Pepperdine's full-court press disrupted the USD offense and two key offensive breaks late in the game allowed the Waves to overcome the Toreros' 32-23 halftime lead.

"Take away those couple of possessions where we had defensive lapses and it is a tie ballgame," Nakamoto said. "The score says we lost by five, but it went down to the last minute."

USD cut Pepperdine's lead to 54-52 with a baseline jumper by Nakamoto — only to be followed by a three-pointer from Shandrika Lee.

Then, when free throws by Nakamoto closed the gap to three twice in the last 1:07, Pepperdine turned two foul inbound situations for the Toreros into fast-break opportunities for Nadja Morgan and Tamara McDonald.
Women’s Roundup

USF gets past Toreros in a foulfest

FROM STAFF AND NEWS SERVICES

The University of San Francisco defeated visiting USD 64-63 in West Coast Conference action last night.

Lindsey Huff scored 16 points to lead the Dons (15-10, 7-5 WCC), while Carey Sauer added 15 points and seven rebounds.

Sophomore center Marta Menuez led the Toreros (12-13, 3-9) with 19 points and seven rebounds, while junior forward Erin Malich scored 18.

In a game slowed by a combined 45 personal fouls and 54 free throws, neither team could establish much of a rhythm. The lead changed hands eight times in the second half as neither team pulled ahead by more than four points.

San Diego opened up an eight-point lead at the 8:01 mark, 22-14, but USF whittled away and closed to within two points, 33-31 on a buzzer-beating three-pointer from senior guard Lindsey Huff.

In the second half, the lead changed hands eight times and the biggest lead of the half for either team was only four points.

San Francisco repelled a late Toreros run and two free throws by junior guard Alicia Hernandez gave USF a 64-61 lead with 24 seconds remaining.

No. 2 Stanford 76, Washington St. 50
At Palo Alto: Lindsey Yamasaki scored 18 points, and Azella Perryman added 13 points and 16 rebounds as the Cardinal (26-1, 16-0 Pac-10) improved to 34-0 against the Cougars.

No. 3 Tennessee 75, No. 6 Vanderbilt 68
At Knoxville, Tenn.: Kara Lawson scored 26 points, 19 in the second half, as the Lady Vols (22-3, 10-2 SEC) avenged an earlier loss to their in-state rivals.

No. 4 Oklahoma 81, Nebraska 47
At Norman, Okla.: Jamie Talbert and Caton Hill each had 19 points and eight rebounds for the Sooners, who won their eighth straight and clinched a tie for a third straight Big 12 title. Alexa Johnson scored 14 for Nebraska (14-12, 4-9).

No. 8 Louisiana Tech 82, SMU 36
At Ruston, La.: Cheryl Ford had 16 points and 15 rebounds to lead Louisiana Tech (19-3, 14-0 WAC). Shanta Ramdhanny scored nine points for SMU (9-15, 4-10).

No. 11 Baylor 76, No. 18 Texas 69
At Waco, Texas: Sheila Lambert scored 27 points and Danielle Crockrom added 22 as the Lady Bears (21-4, 9-4 Big 12) overcame 28 points by Heather Schreiber to defeat the Longhorns (16-8, 7-6).

No. 21 Boston College 64, Pittsburgh 37
At Boston: Amber Jacobs scored 17 points to lead the Eagles (19-5, 10-3 Big East), who won for the eighth time in 10 games despite 23 turnovers. Amy Kunich paced the Panthers (7-17, 2-11), who shot 23.5 percent.

No. 23 Notre Dame 57, Rutgers 52
At Piscataway, N.J.: Alicia Ratay scored 25 points to lead the Fighting Irish (17-7, 11-2 Big East) to their seventh straight victory.
Gaels rout USD women

MORAGA — Four players scored 15 or more points last night to lead Saint Mary's to an 87-65 win over USD in West Coast Conference women's basketball at McKeon Pavilion.

Saint Mary's 87
Toreros (w) 65

Julie Morris led the Gaels (13-10, 7-4) with 19 points. Jermisha Dosty scored 16 and Jerkisha Dotsy and Katie Davis each scored 15 for Saint Mary's. The Dotsy sisters also had seven rebounds each.

Janeene Arendsen made 4-of-7 three-point shots and finished with 22 points to lead the Toreros (12-12, 3-8). Kerri Nakamoto had 13 points and Erin Malich added 12 points and nine rebounds.

Saint Mary's held the Toreros to 21-of-61 shooting (34 percent) from the field. USD made only 15-of-27 free throws. USD also had only five assists.
Poor shooting, turnovers doom USD at Portland

STAFF AND WIRE REPORTS

Da'Love Woods finished with a game-high 18 points and added six rebounds and five assists to lead the Portland Pilots to a 65-51 women's basketball victory over visiting USD last night.

Marta Menez finished with 17 points and 11 rebounds for the Toreros (12-11, 3-7 WCC). Erin Malich added 17 points and six rebounds.

The Toreros shot just 35 percent from the field and made only 1-of-8 shots from three-point distance. Malich had seven of USD's 21 turnovers.

Khalila Williams had 15 points, five rebounds and four steals for the Pilots (12-11, 4-6), and Tami Standish chipped in with 12 points.
Malich-led Toreros dominate Gonzaga

SPOKANE, Wash. — Junior center Erin Malich scored 19 points and grabbed 12 rebounds to lead USD to a 63-48 women's basketball victory over Gonzaga last night at the Kennel.

The Toreros (12-10, 3-6) snapped a five-game losing streak.

USD established a lead in the first five minutes and went ahead by as many as 10 points in the first half. Malich paced the Toreros with 11 first-half points.

The Toreros continued to dominate after halftime, going on a 11-4 run to lead by as many 15 points. The Bulldogs pulled to within seven with 7:28 left in the game but USD pulled away again.

Marta Menuez finished with 14 points, Robyn Fortney added 11 and Kerri Nakamoto chipped in with 10 points and six rebounds for the Toreros. Nakamoto, the nation's top three-point percentage shooter, was 3-of-8 from three-point range.

Ashley Burke was the only Bulldog to score in double digits, finishing with 15 points and three steals. Jessica Malone, Shannon Mathews and Raeanna Jewell each had six points for Gonzaga (11-12, 2-7).

USD plays at Portland at 7 p.m. tomorrow.
USD can’t hit free ones, loses fifth straight

By Nicole Vargas, STAFF WRITER

Even the little things can beat a basketball team, as the USD women have learned in the past five games.

Against Saint Mary’s, the little things were free throws. Or a lack thereof.

Making only 10-of-23 from the free-throw line, USD fell to the Gaels 70-60 at Jenny Craig Pavilion last night. It was the fifth loss in a row for the Toreros (11-10, 2-6) and was made more troubling with a crucial four-game road trip on the horizon.

“We’ve dug ourselves a big, big hole,” said USD coach Kathy Marpe. “As far as I am concerned, if we finish in the top half, it would be a miracle. That means we’ve got an uphill battle in the conference tournament.”

Marpe adjusted her starting lineup for this game, countering All-WCC seniors Jerkisha and Jerkisha Dosty in the middle with sophomore center Marta Menuez and junior Erin Malich, who made her first start of the season.

Malich thanked her coach with a career-high 28 points and a team-high nine rebounds. She also blocked two shots and stole two balls from the Gaels.

That was not enough, as there wasn’t another Toreros player who broke 10 points. The closest any USD player came was Janeene Arendsen, who scored eight points with two three-pointers.

“Erin did a fantastic job, both defensively and offensively,” Marpe said. “But she can’t do it all.”

Meanwhile, three players scored in double figures for Saint Mary’s (11-9, 3-3), led by Jerkisha Dosty’s double-double (22 points, 10 rebounds). Jerkisha Dosty followed with 17 points and nine rebounds, while Julie Morris added 10 before fouling out late in the second half.

The Gaels’ defense also held the Toreros’ other top scorers, Kerri Nakamoto and Menuez, to a combined eight points.

“We just have not been able to put all the pieces together,” said Malich. “It’s incredibly frustrating. We’ve got to get everyone’s head back into it. We’ve lost five straight, and we can’t go into the conference tournament losing.”

After trailing 41-31 at halftime, USD rallied early in the second half. The Toreros opened the final 20 minutes with a 14-2 run, capped by a three-pointer by Robyn Fortney that gave USD a 45-43 lead with 15:06 remaining.

The Toreros missed their next seven shots, though, and collected four turnovers.
Sluggish start drops USD to another loss

Sauer scores a team-high 17 as five Dons hit double digits

By Nicole Vargas, Staff Writer

For the USD women's basketball team, the first five possessions told the story of the entire game against San Francisco.

In a span of just over two minutes, the Toreros missed two jumpers and turned the ball over three times.

Then, after a basket by Marta Menuez finally put USD on the scoreboard, USF senior Lindsey Huff answered with 10 straight points, including back-to-back three-pointers, on her way to a milestone.

When it was all over last night, the Toreros had suffered a painful 79-55 loss in West Coast Conference play before 802 at Jenny Craig Pavilion.

It was a season-high fourth straight loss for USD (11-9, 2-5) and the worst since falling at No. 8 Colorado 83-44 in the second game of the season.

"This is by far our worst output (in the last four games)," said coach Kathy Marpe. "Yeah, we lost the other three games and we had bad parts (during those games), but we fought back and played with intelligence and did an organized job. Tonight we didn't."

USD's Erin Malich scored a team-high 19 points and had eight rebounds, and Janeene Arensden scored 14, including 4-of-6 from behind the three-point line. But the Toreros shot 30.2 percent from the floor, making only 16-of-53 shots, compared with 53.6 percent shooting by the Dons.

USD was also unable to benefit from forcing 25 turnovers because the Toreros committed 23 of their own, including 16 in the first half.

Five players scored in double figures for USF (12-8, 4-3), led by Carey Sauer with 17 points and Huff, whose 16 were enough to push her over the 1,000-point mark for her career. Huff is the 14th women's player in USF history to reach 1,000.

USF outrebounded USD 38-27, thanks to eight rebounds by center Celeste Farmer and five each from Sauer and guard Lisa Whiteside.

Although Menuez's first basket put the Toreros ahead 2-0, it was the last time USD would lead. USF led 37-25 at halftime.

"We came out with defensive intensity and that gave us some open opportunities," said Marpe, whose team has only seven games left until hosting the West Coast Conference Tournament. "But we couldn't finish them.

"We're just not in a flow. We're playing one-on-one basketball and that's not our game. That's never been our game, but that's what people are making us do. We need to get back into a flow."
Women's BASKETBALL at the Jenny Craig Pavilion

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Thurs. Feb. 21-7:00pm

USD vs LOYOLA MARYMOUNT
Sat. Feb. 23-7:00pm

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It's a jungle out there. Let the Home section help you clear a path to your garden, Sundays.
Major league scouts say he doesn't "project well," but USD's Tom Caple is out to prove 'em wrong. Don Kohlbauer / Union-Tribune photos
Love of the game makes USD's Tom Caple a ballplayer's ballplayer

By Kevin Acee, STAFF WRITER

Watch Tom Caple field a ball in center field with a fluidity some men who play there for a living will never possess. And wonder.

Watch Tom Caple find a way to get on base more than half the time he walks to the plate, be it by hitting the ball or being hit by the ball or taking four balls. And wonder.

Watch Tom Caple whip his arm of rubber, fashioning a curveball that turns bats into papier mache. And wonder.

Hear this from one scout: "He doesn't project well."

And wonder.

Tom Caple is a ballplayer's ballplayer.

"I have never had a guy in 15 years who loved to play baseball as much as he does," said Rich Hill, the University of San Diego baseball coach.

The West Coast Conference's coaches thought enough of Caple after his sophomore season that they projected him as this season's conference Player of the Year. He could be the Pitcher of the Year, too.

But...

He isn't terribly fast. He doesn't hit for power. On the mound, his fastball is well below average. He's barely 6 feet tall and just as barely 185 pounds.

To sum the previous
More than Caple-able

2002 statistics for USD pitcher/outfielder Tom Caple (through the first 12 games):

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He doesn’t project well.

“Tommy is a heck of a college player,” said Padres scout Tim McWilliam. “He’s just going to have to be one of those guys that keeps proving what he can do.”

Caple will be drafted this year, scouts say. But it might not be high enough — read: he might not be offered enough money — to pass up his senior year at a school where a full scholarship is worth upwards of $25,000.

“It’s basically a win-win situation,” Caple said.

And that is almost all he says on that subject.

Because while he is a communications major, there is a major communication problem when the topic is himself. He treats every question as if he has been asked to donate a kidney.

Others, however, speak highly of the guy.

“He’s got an excellent baseball makeup,” said McWilliam, who coached him on a summer team in high school. “I remember him as the first one there, last to leave type of guy. Nothing really phases him.”

Said Sam Blalock, his high school coach at Rancho Bernardo: “His insight to the game and instincts for the game, they’re great. He’s got some good tools. It’s just in a small package. He’s always been dedicated to the game.”

His coach now said: “If people had a chance to watch him in practice they’d be even more amazed. In the cages, defensive drills, he’s even focused in those mundane baserunning drills.”

There is this, from Caple: “I love baseball.” His play alone says that and so much more.

Caple is neither the hitter nor the pitcher with the most impressive stats for the 10-2 and 22nd-ranked Toreros, but he is their heart.

He got the win on opening night against UC Irvine when he took over in the sixth inning and struck out 11 of the 17 batters he faced. The next night, his two-RBI double in the seventh inning broke a 1-1 tie and stood as the difference in a 4-1 victory.

He earned a save in the first game of the next weekend’s series against Cal Poly, pitching three scoreless innings in a 7-6 victory. He batted .333 in the three games.

In his first start, last weekend against Oregon State, he allowed two runs in seven innings to pick up the win. The next day, he went 4-for-4 and drove in three runs.

He started and did not get the decision in yesterday’s 4-3 loss at UC Riverside.

Nine consecutive hitless at-bats before a hit yesterday dropped his batting average 80 points to .326, but he has been walked 12 times and hit by three pitches and is reaching base at a .509 pace.

Caple says he “couldn’t even begin to imagine” whether he will be a pitcher or center fielder at the next level.

Scouts figure he might get a chance to do both.

“They are probably going to let him go out as a center fielder and see how he does,” McWilliam said. “If he’s not hitting … and he wants to pitch, they’ll probably bring him in and see how he does.”

“I have never had a guy in 15 years who loved to play baseball as much as he does.”

USD BASEBALL COACH RICH HILL, on Tom Caple (left)
Local Colleges

SDSU erupts for 17 hits in win over Nevada

Jon Stephens and Taber Lee had three hits apiece and Chad Corona homered as San Diego State hammered out 17 hits en route to a 13-7 win yesterday over host Nevada.

Rory Shortell (3-1), who struck out seven, was roughed up for 10 hits and seven earned runs but got the win. SDSU (9-5) scored six runs — three unearned — in the third inning to break the game open.

Erik Fiedler struck out three over the final two innings to earn the save. Nevada is 5-6.

More baseball

- Leadoff hitter Tony Perez went 3-for-3 and shortstop Ben Quinto was 4-for-5 with four RBI as USD beat No. 22 Oklahoma State 13-9 in a Louisiana Collegiate Classic game at Shreveport, La. The Toreros (12-3) scored nine runs on seven hits in the bottom of the eighth — highlighted by Quinto’s two-run single — to help Chad Cummings (1-0) to the victory. The Cowboys fell to 5-2.

- PLNU (11-4-1, 3-1 GSAC) swept a doubleheader from visiting Concordia (8-9, 1-4) 6-5 and 8-4. In the opener, the Crusaders made the most of eight hits and Jeff Johnson (4-0) pitched eight innings to earn the win. Derek Davis (3-0) earned the win in the second game. PLNU’s Brandon Hanley hit a grand slam and Matt Manula was 2-for-3.

- UCSD (9-8-1) crushed visiting La Verne (5-3) 13-1 as the Tritons banged out 16 hits, led by three hits apiece from Brett Burton and Matt Smith. John Bologna tripled and homered and Jeff Riddle homered.

Softball

- Tiffany Goudy had the only hits for SDSU (9-8) in a 2-0 loss to Akron (2-1) at the Compass Bank Invitational at Baylor. The Aztecs later came back to defeat Stephen F. Austin (4-15) 3-1 behind the two-hit pitching of Korin Gregory (3-0). Sarah Hershman had two doubles in SDSU’s seven-hit-attack.

- USD (7-15) split a doubleheader with Concordia (7-6), losing 1-0 in the opener before winning 7-1 in the second game. USD pitcher Anna Russell allowed just two hits to Concordia in the first game, but the Eagles scored the only run they would need in the second inning. Allison Williams (4-6) went the distance in the nightcap, allowing one unearned run to the Eagles. Lora McBay had two hits and two RBI for the Toreros.

- UCSD (14-2) split a pair with Western New Mexico, losing 7-1 but beating the Mustangs 6-2. WNMU pitcher Angela Slough (7-1) gave up just three hits over seven innings in the first game. Christi Martinelli improved to 8-1 as the Tritons backed up the complete-game winner with seven hits. Kristina Anderson and Breanne Cope had two hits apiece against the Mustangs (11-4-1).

Tennis

No. 39-ranked SDSU beat visiting UC Irvine 6-1 as No. 1 men’s singles player Oliver Mairberger won 6-3, 6-2 over Carl Lunsden, then teamed up with Ryan Redondo at No. 1 doubles to beat Brian Morton and Jonathan Endrikat 9-8. UCSD’s women’s team moved to 8-0 after beating Biola 8-1.

Track and field

SDSU’s women’s team placed sixth with 58.50 points at the Mountain West Conference Indoor Track and Field Championships at Cadet Fieldhouse at the Air Force Academy. Junior Melinda Smedley had two fourth-place finishes — in the 200-meter dash (24.54) and the 60-meter dash (7.66). BYU finished first with 175 points. The Cal State San Marcos men’s 4x400 relay team finished first with a time of 3:21.47 at the Carl Rossi Relays in Claremont. The CSSM women’s 4x100 relay team placed fourth (49.85) and the women’s 4x400 relay team also finished fourth (4:02.50).
Local Colleges

Lieber, Aztecs win golf titles in Hawaii

San Diego State's John Lieber won the first college golf tournament of his career and the Aztecs captured their first title of the season yesterday in the John Burns Invitational in Honolulu.

Lieber, coming off his play two weeks ago in the Buick Invitational, shot 65-71-71 over three days and 33rd-ranked SDSU finished at 853 to beat runner-up Auburn by nine shots.

There were 20 teams in the field, including UNLV, New Mexico, UCLA and Cal.

"This is a huge win for us and a huge win for John Lieber," said Aztecs coach Dale Walker.

Track and field

SDSU freshman Shayla Balentine set a Mountain West Conference record and NCAA provisional mark in the pole vault at the MWC Indoor Track and Field Championships in Colorado Springs.

Baseball

• USD (11-3) defeated Delaware 6-2 in the opening game of the Louisiana Collegiate Classic in Shreveport.
• Jon Stephens' solo home run accounted for SDSU's only run in a 10-1 loss to Nevada.
USD walk-on's work ethic, bat earn him starts

The kid who pays his own way is the last one to leave the field most days.

"I just want to leave it all out there every day," S.C. Assael said. "This is my last year. I want to look back and remember how much it meant and how hard I worked."

No one can question that. The USD senior is a walk-on, meaning he does not get scholarship money.

And as if that weren't enough to show how badly he wants to play, Assael is playing with a lame shoulder that limits his arm strength and causes him no small amount of discomfort.

Among the three catchers Toreros coach Rich Hill has employed, Assael has by far been the offensive standout, batting .304 with five RBI in 24 at-bats. The other two — junior Zach Dobek and sophomore Luis Diaz-Miron — are better defensively, but they have combined for two hits in 20 at-bats.

"(Assael's) arm is getting better," Hill said. "He's learning how to throw from a different arm slot. His release and his footwork have gotten better, just because he's been forced to. He's close. It's just hard looking at him throwing that way. But (Assael's) offense is something to be factored in."

USD extra bases

- Junior transfer Ben Quinto continues to be a pleasant surprise with his bat, leading the team with a .436 average.
- Joe Lima broke an 0-for-11 slump with a double Saturday and doubled again Sunday.
- The Toreros hit two home runs over the weekend, doubling their season total.

News assistant Bill Dickens contributed to this report.
Softball

Southern Utah (7-5) swept host USD 8-0 in five innings and 7-6 in 10 innings. Lacee LePrey walked one and allowed the Toreros (4-1) one hit — a single by Hilary McHugh — in the first game. In the second game, Dusti Winward’s sacrifice fly scored winning pitcher Crystal Bingham (2-3) in the 10th.

• SDSU tied for eighth place with Northwestern at 2-2-1 in the Campbell/Cartier Tournament this weekend at Poway’s Sportsplex USA. The Aztecs and Wildcats played to a 7-7 tie in one of three morning games before rain prompted cancellation of the final six scheduled games. Stanford and Pacific both finished 4-0, but Stanford won on fewer runs allowed (6 to 8).
MODAL

USD drops third in a row after 10-0 start

Jimmy Anderson’s three-run homer off Tony Perez in the ninth inning broke a 4-4 tie and led UC Riverside to a 9-5 baseball victory over USD yesterday at Cunningham Stadium.

It was Anderson’s third home run of the three-game series, which the Highlanders (7-4) swept from the 22nd-ranked Toreros (10-3).

UCR freshman starter AJ Shappi allowed just one run—a home run by first baseman Lucas Wennersten in the second inning—over 6⅞ innings before giving way to the first of four relievers. Four USD pitchers allowed 12 hits, with reliever Michael Bass (2-1) getting the loss.
Toreros are in a funk after two straight losses to UC Riverside

By Kevin Acee, STAFF WRITER

RIVERSIDE — First they lost a game. Then they lost a series. Come tomorrow, they will most likely lose their national ranking. The season isn’t a quarter of the way through. These things happen.

When they happen this way, though, players grimace and shake their heads, even as their words are bold.

“Right now, we’re in a funk,” said USD shortstop Ben Quinto. “Every good team goes through it. Good teams bounce back. We’ll bounce back.”

USD fell to UC Riverside for the second consecutive day yesterday, losing 4-3 on a fourth unearned run yielded in the eighth inning after Jason Marian’s two-run homer in the seventh tied it for USD.

Marian’s pinch-hit blast was about the only piece of timely hitting the 22nd-ranked Toreros showed all day. Really, they began slumping in that area even before their season-opening 10-game winning streak melted into a two-game slide.

The Toreros were 33-for-104 (.317) with runners in scoring position through seven games. Over the past five, they are 14-for-52 (.269). “We were getting them the first 10 games,” catcher S.C. Assael said. “We’re not getting them now when we need them.”

They are barely getting them at any time.

The Toreros were batting .320 as a team on Feb. 8. They are hitting .263 over the past five games and .169 in the first two games of this series, which concludes today at Cunningham Stadium.

“You’ve got to give credit to their pitchers,” USD coach Rich Hill said.

Indeed. The Tritons were shut down Friday by Chris Smith, who is 3-0 with a 1.44 ERA.

Yesterday, Highlanders pitchers threw expertly to a curious strike zone.

Hill spoke of hits that were getting through for his team in the first 10 games that are now groundouts. He would also get a box score later that showed Riverside scored all its runs with help by three USD errors.

That saddled left-hander Tony Perez, who had saves in each of his first four appearances, with the loss despite the fact his ERA remained all zeroes.

More baseball

■ PLNU had 15 hits en route to a 6-4 win over host Vanguard. Matt Thorne homered and had three singles and Adam McGrew doubled and drove in two runs for PLNU (8-2, 1-0 GSCA). The second game was suspended due to darkness after six with Vanguard (3-9, 0-1) up, 5-5. That game will be completed March 23 at PLNU.

■ Cal State Dominguez Hills (6-3-1, 2-2 CCAA) swept visiting UCSD 11-4 and 11-0. Tritons (8-7-1, 4-4) had 11 hits in the first game, paced by John Bologna (3-for-4, HR). Jeff Riddle had two of UCSD’s three hits in the nightcap.

Softball

■ PLNU (9-1) swept USD (4-12) 5-2 and 2-0 at USD. Martha Serrato’s RBI double drove in Cheryl Bolding (3-for-4) to break a 2-2 tie in the opener. In Game 2, pitcher Miranda van der Voort (4-0) limited USD to four hits.

■ UCSD (11-1, 5-1 CCAA) swept visiting Cal State San Bernardino 2-1 and 8-0. The Tritons’ Amy Mettee scored on a squeeze bunt by Kim Aggabao in the sixth to break a 1-1 tie in the first game. Mettee tripled and homered as UCSD had 10 hits in the nightcap.

■ Tiffany Goudy and Sarah Hershman had two hits apiece and Kelcy Murphy hit a three-run homer as SDSU (6-6) beat Florida International (7-8) 6-2 in Campbell/Cartier Classic action at Poway’s Sportsplex.
USD suffers its first loss

Riverside drops Toreros behind two solo homers

The streak came to an end for USD's baseball team yesterday as the Toreros lost for the first time this season, 3-2 to UC Riverside at Cunningham Stadium.

The 22nd-ranked Toreros, who were off to a school-best 10-0 start, were beaten by Highlanders catcher Jimmy Anderson's second home run of the day, a solo shot in the eighth inning that broke a 2-2 tie. Anderson also hit a solo shot in the sixth.

Right-hander Chris Smith pitched a four-hitter to get the win for UC Riverside (4-4). The teams play today at 1 in Riverside before finishing the series tomorrow at 1 at Cunningham Stadium.
College Baseball

SDSU’s Ring makes pitch for more at-bats

By Kevin Acee
STAFF WRITER

Royce Ring was called on to help San Diego State out of a jam Saturday at Arizona. But not in the way he has proved so adept.

In a series in which the Aztecs led for just one inning and lost all three games, there was no lead for Ring to protect. What he was asked to do in the finale was produce.

Putting one of the country’s top closers — a projected second-round draft choice come June — at designated hitter was among the tricks coach Jim Dietz tried.

Three of the Aztecs in that day’s lineup had not started this season.

Ring was happy for the work.

“Especially with the team struggling a little bit,” he said. “The first two days, I’m sitting there and I can’t do anything about it. It’s always nice to try to do your part.”

Ring was 1-for-5 on the day, and in the eighth inning he was called on to pitch.

In his regular job, Ring has retired nine of the 12 batters he has faced and struck out six in three innings.

A part-time DH in 2000 (he batted .292) before moving from middle reliever to closer last year, Ring is comfortable enough in his closing role now that he hopes to get more calls to the plate.

SDSU extra bases

Sophomore outfielder Landon Burt has just eight at-bats this season. But three have come with men on base, and he has singled in all three.

The Aztecs batted .343 with men on base through their first six games but just .233 in the three games at Arizona.

USD extra bases

Freshman Michael Bass (Santana) got the win after allowing three earned runs in two innings in his first relief appearance Jan. 27. In four appearances since then, he has lowered his ERA nine points to 4.50 and picked up another win and a save.

Why would anyone park in foul territory just beyond the fence in left field? That is about the only thing coach Rich Hill can be second-guessed on this season, and he paid the price when he had to have his windshield replaced following a long foul by an Oregon State player last weekend.

Tritons go long

Carlsbad High alum Ryan Larson hit two home runs as UCSD beat California Collegiate Athletic Association foe Cal State Dominguez Hills 9-2 yesterday at Triton Baseball Field. Larson, a senior third baseman, hit a solo home in the second inning and a two-run shot in the Tritons’ six-run third.

John Beaven (2-0) struck out five over 7 1/3 innings to earn the win for the Tritons (7-5-1, 3-2). The Toros fell to 4-2-1, 0-1.
Toreros nine reaches 10-0 by doing just enough to win

By Kevin Acee
STAFF WRITER

Nobody did much of anything yesterday, which was an odd way to get to 10-0, since it had previously been somebody every game.

Toreros 12
Crusaders 8

But yesterday doesn't really mean much, because a team shooting as high as this USD baseball squad is doesn't give much thought to Point Loma Nazarene University.

Clearly.

Only in the seventh inning, after PLNU had scored four runs to make it a one-run game, did the Toreros show any zest.

The team elevated to No. 22 in both major polls this week finally won 12-8 after scoring three runs in the eighth in a game that was then halted because of darkness.

"We could have been a little more intense," said USD second baseman Mike McCoy. "I don't think we really came out ready to play like we should have been."

The plan was to throw a string of pitchers auditioning for more time, but USD instead played down to

McCoy's turn as catalyst in team's 10th win in row

the NAIA competition and was forced to use three of its first-tier arms. Ultimately, the Toreros could not help but win, aided by 12 walks, four hit batters, four wild pitches and two balks.

McCoy did go 2-for-3, drove in two runs, scored twice and stole four bases, providing the perfect example of why USD is off to its best start in school history.

"If one guy is not doing it," McCoy said, "it seems like someone else is always picking him up."

It is not as if the Toreros are playing over their heads. No one is batting .600; no one pitcher has been without blemish; the defense has been solid but not without error.

"There is a lot of depth, a lot of confidence," said senior Joe Lima. "It allows us to play real relaxed. We know that somebody is going to get the job done."

It started right away this season.

Lima's fifth-inning grand slam was the difference in the opener. Lima went down an inning later, twisting an ankle backing up a play at first base.

Tony Perez, his replacement in right field, went 5-for-10 the next two games and has started almost every game there since while Lima has moved between right field and designated hitter.

The Toreros have scored first in every game but one, and in that game took the lead for good in the bottom of the first inning. They have trailed just twice, for a total of 1 ½ innings.

The only two times USD has scored fewer than five runs happened to be in games in which its pitchers allowed the fewest hits of the season — a total of 13 in the two games.

The bullpen pitched the bulk of the innings and earned the victory in five of the first six games. But last weekend against Oregon State, the starters won all three games, allowing four runs in 18 innings.

"Yeah, we're 10-0," coach Rich Hill said. "But it just hasn't all clicked yet. It's been one part of the team picking up another. A bunch of guys... That's usually the sign of a good team."
USD lost twice at the Tournament of Champions at Cal State Northridge, falling to Ohio State 5-2 and to Oregon State 8-0 in a five-inning game. Against Ohio State, Stephanie Bisera had two of the Toreros' five hits. USD (4-10) managed two hits against Oregon State.
Caple leads 9-0 USD to sweep of Beavers

USD continued its best-ever baseball start yesterday, routing Oregon State 8-2 at Cunningham Stadium to sweep the weekend series and improve to 9-0 on the season.

Tom Caple went 4-for-4 with two doubles, three RBI and three runs scored. Caple, who was 6-for-10 in the series, has hit safely in all nine games. Lucan Wennersten had two doubles and three RBI.

Starter Aaron Wilson (2-0) got the victory, allowing five hits and two runs in six innings. Michael Bass pitched the final three innings for his first save.
Local Colleges

USD tops Oregon St.
to go 8-0

Pitcher Tom Caple (2-0) struck out five over seven innings and allowed just two runs as USD improved to a school-best start of 8-0 with a 4-2 win over Oregon State yesterday at Cunningham Stadium.

Mike McCoy was 2-for-2, doubling and scoring the go-ahead run in the seventh. Tony Perez had two RBI and picked up the save.
Barrett, torrid Toreros beat Beavers for 7-0 start

Off to its best start in school history, the USD baseball team improved to 7-0 with yesterday's 6-2 win over Oregon State (2-2) at Cunningham Stadium.

A four-run fourth inning helped Toreros starter Ricky Barrett earn his first win. Barrett struck out eight, walked two and allowed three hits over five innings.

Beavers starter Joshua Garcia pitched three scoreless innings before the Toreros opened the fourth with four straight hits, including Jason Marian's RBI double. Left fielder Joey Prast and third baseman Freddy Sandoval followed with RBI singles to extend USD's lead to 3-0 and knock Garcia from the game.

Toreros reliever Mike Oseguera pitched three scoreless innings before the Toreros opened the fourth with four straight hits, including Jason Marian's RBI double. Left fielder Joey Prast and third baseman Freddy Sandoval followed with RBI singles to extend USD's lead to 3-0 and knock Garcia from the game.

Marian, Mike McCoy and Joe Lima each had two hits in USD's 11-hit attack.

More baseball

San Diego State starter Rory Shortell was roughed up for six hits, including a two-run homer, and five earned runs in 5 2/5 innings as the Aztecs fell to Arizona 6-3 at Frank Sancet Field in Tucson. It was the Wildcats' second win in the three-game series. Shortell (1-1) fanned six but walked two before giving way to Erik Fiedler. The Aztecs (5-3) managed just five singles and a double by Carlo Cota against two Wildcat pitchers. Jeff Van Houten hit a two-run home run for Arizona (9-1) in the third inning ... Matt Smith singled home John Bologna in the bottom of the 14th inning to give UCSD an 11-10 win over Cal State Los Angeles in a game suspended from Thursday at 10-10 after nine innings at Triton Field. Later, CSLA scored four runs in the first inning en route to a 7-2 win over UCSD (5-3, 1-1 California Collegiate Athletic Association). CSLA (4-8, 1-1) had 14 hits, including nine against UCSD starter Keith Smith (1-2).

Softball

SDSU (3-4) dropped a pair at SDSU Field, falling to Hawaii 4-3 and losing to Missouri 4-2. Against Hawaii (3-2), the Aztecs fell behind 4-0 before scoring two runs in the fifth and another in the sixth. SDSU catcher Amber Grahman was 2-for-3 while outfielder Kellie Nordhagen doubled and drove in two. In the Missouri game, Erin Kalka struck out 11 Aztecs as the Tigers won their first game of the year ... UCSD split a pair of CCAA games with visiting UC Davis, winning the opener 6-5 before falling 3-1 in the nightcap. In the first game, Davis scored twice in the seventh to take a 5-4 lead but the Tritons scored two of their own to win. Senior pitcher Lrea Harlan (3-0) went the distance and Amy Mettee (La Costa Canyon) had two hits and a stolen base. In the second game, Davis' Amy Rosson (2-1) pitched a six-hitter. Mettee had two of UCSD's six hits.
By Kevin Acee
STAFF WRITER

Even as he beefed up his team's schedule for this season, eliminating all Division II opponents and adding more games against ranked teams, USD coach Rich Hill lightened the load.

The recent addition of NAIA opponent Point Loma Nazarene at 2 p.m. Wednesday—a game in which the Toreros should be able to use at least a half-dozen pitchers and still win handily—will be the Toreros' only midweek game until mid-March.

"The biggest reason is the pitching," Hill said of the uncommon move to abandon midweek games during the season's first six weeks. "Early in the year we really want to limit the innings and the pitch counts of our guys."

The Toreros, off to a 6-0 start, will not play another midweek game until they host USC on March 13. By then they will have played 21 games and be into the West Coast Conference portion of their schedule. (San Diego State, by comparison, will have played 25 games.)

"Once we get into conference our (starts) should be—in theory—ready to throw complete games," Hill said. "That means the other guys will need to get in work."

Corona opens up

Aztecs sophomore Chad Corona smiles at the memory now—now that he's the Mountain West Conference Player of the Week and the National Hitter of the Week, in the season's first week.

Things did not start so well last season, and they never got better.

"I bombed," said Corona, a highly touted recruit out of Santa Fe Christian, who moved to third base at SDSU and spent much of 2001 striking out or watching from the bench.

Over the first-year jitters, Corona felt as if he found his stroke playing for the Bellingham (Wash.) Bells last summer. Then came the fall and an introduction to new hitting coach Tony Gwynn.

"It was all in the head," Corona said. "That's what Tony has shown me. It's more than the physical game with him. It's 90 percent mental."

Corona was batting .423 (11-for-26) with four doubles and three two-run homers through six games going into yesterday's game at Arizona.

SDSU extra bases

- Gwynn has decided to retain assistants Rusty Filter and Jay Martel when he takes over next season. "I think it's important for the (players) that are here now to know these guys are going to be here," Gwynn said.

- Catcher Brian Manfred was 6-for-6 with runners in scoring position and had nine RBI in just 14 at-bats going into yesterday's game.

USD extra bases

- Junior Tom Caple (Rancho Bernardo), the WCC's preseason MVP, has been walked nine times and hit by a pitch in five starts in right field. He also has two saves in two relief appearances.

- USD junior Tony Perez (Eastlake) is batting .455 (10-for-22) in five starts in right field. He also has two saves in two relief appearances.

- Freshman Freddy Sanddal (Marian Catholic) is 5-for-11 with eight RBI since taking over at third base two games ago.

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Toreros roll to sixth straight win

USD's baseball team improved its record to 6-0 with a 20-12 victory over Cal Poly yesterday at Baggett Stadium in San Luis Obispo.

The Toreros were outhit for the second consecutive game, 17-14, but won their third straight against Cal Poly (5-4-1) to sweep the series.

USD third baseman Freddy Sandoval (Marian Catholic) had three hits and six RBI, including a three-run double in the third inning. Left fielder Joey Prast (Poway) had two doubles and five RBI.

Michael Bass (Santana), USD's fourth pitcher, earned his second victory.

Cal Poly starter Greg Bochy (Mt. Carmel), son of Padres' manager Bruce Bochy, took the loss.
Local Colleges

Aztecs sweep doubleheader

San Diego State's baseball team won both games of a doubleheader against Hawaii-Hilo yesterday at Francis Wong Stadium, blanking the Vulcans 9-0 in the first game and winning 7-4 in the second.

Mike Moat (1-0) went the distance for the Aztecs (3-1) in the first game, giving up only one hit while striking out four in seven innings.

Third baseman Chad Coronado went 3-for-4 with four RBI. He homered two-run homers in the fifth and seventh innings.

In the nightcap, Daryl Harang (1-0) pitched four scoreless innings of relief to pick up the win.

More baseball

USD beat Cal Poly for the second time in as many days, posting a 6-1 victory at Baggett Stadium to remain undefeated on the season.

Aaron Wilson (1-0) pitched 5 2/3 innings to earn the win for the Toreros (5-0). Tony Perez tossed 3 1/3 scoreless innings in relief to pick up his first save.

UCSD split a nonconference doubleheader with Concordia University at Triton field, taking the first game 11-5 before dropping the second 2-1.

Matt Smith hit a grand slam in the second inning and added a run-scoring triple in a four-run eighth inning for the Tritons (3-2) in Game 1.

In the second game, Hank Lobel hit a two-run single in the third inning as the Eagles (4-2) earned a split.
Local Colleges

Toreros slip but don’t fall at SLO

USD’s baseball team let a 5-1 lead slip away but rallied for two runs in the seventh inning and held on to beat Cal Poly 7-6 in nonconference play yesterday in San Luis Obispo.

Catcher S.C. Assael doubled to center field to drive in two in the seventh inning for the Toreros (4-0). Teammate Joey Prast went 2-for-5 with a double and an RBI.

Mike Oseguera picked up the victory and Tom Caple pitched three scoreless innings in relief to earn his first save of the season.

More baseball

UCSD’s Matt Smith (Helix High) tied the game twice with home runs as the Tritons and visiting Point Loma Nazarene played nine innings before their game was suspended because of darkness with the score tied 5-5. The game will be resumed at a date to be determined.

With the Tritons trailing 4-1 in the fifth, Smith hit a three-run homer to tie it. He tied the game 5-5 with a solo shot in the seventh.

Football news

Steve Silberman, who guided Vista High to CIF-San Diego Section titles in 1996, ’97 and ’98, has been named offensive coordinator at Palomar College. Silberman, who was head coach at Elsinore High last year, was the Comets’ quarterbacks coach under Tom Craft in 2000.

Meanwhile, Southwestern has named former Nebraska nose guard and Chaffey College linebackers coach Dionicio Monarrez its defensive coordinator.

— BILL DICKENS
USD lost two games at the Thunderbird Canyon Park Classic in Cedar City, Utah, falling to Saint Mary's 3-1 and losing 4-3 to Southern Utah.

USD managed just three hits against Saint Mary's (3-1). Against Southern Utah (2-3), infielders Kristy Clarke and Ashley Miller had two hits each for the Toreros (4-5)...

SDSU managed just three hits in a 3-0 loss to Washington at the Early Bird Softball Classic in Northridge.
San Diego's scholarship athletes

High school athletes who've made commitments to Division I programs:

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<tr>
<th>GIRLS CROSS COUNTRY</th>
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Washington Freedom forward Mia Hamm will have knee surgery next week and will probably miss the start of the WUSA season. Hamm has been bothered for more than a year by soreness in her left knee. Hamm is expected to need eight weeks to recover, which means she will miss all of training camp and possibly the first three games of the regular season. The Freedom's fourth game is May 5 at USD against the San Diego Spirit.