

HOT OFF THE TICKER

U.S. factories turning out more goods

U.S. factories are roaring back from the depths of the recession, cranking out more machinery, vehicles and energy. Factory production has surged 15 percent above its lows of 2½ years ago and is helping drive the economy's recovery. A jump in manufacturing output last month coincided with other data suggesting that the economy began 2012 with renewed vigor. Wholesale prices are tame.

Target backs off on selling card portfolio

Target Corp. is temporarily suspending its efforts to sell the portfolio that handles the balances credit cardholders owe the company, but it plans to resume the talks with potential buyers later this year. The Minneapolis company announced about a year ago that it would actively try to sell the portfolio and had thought that it would likely reach a deal in late 2011 or early 2012.

EBay sees uptick in net income

EBay reported on Wednesday that its net income grew sharply in the fourth quarter, helped by a gain from the sale of its remaining investment in Skype. Its results beat Wall Street's expectations, boosted by strong holiday sales at its namesake website and growth at PayPal, its online payments business. Investors sent eBay's stock higher in after-hours trading.

MONEY WISE

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ONLINE FROM WALL STREET TO MAIN STREET, KEEP UP WITH THE LATEST ECONOMIC HEADLINES

THE LOCAL BUZZ

WHITTIER Solid Waste forum set for Monday

The Future of Solid Waste Management Forum will be held at 9:15 a.m. Monday the Los Angeles County Sanitation District in Whittier, 1955 Workman Mill Road.

The forum will include a tour of the Puente Hills Landfill, which is scheduled to close in 2013, and the adjacent Material Recovery Facility.

The forum's keynote speaker, Carol Mortensen, the director of CalRecycle, will provide an update of the organization's programs and discuss the plans for California's future material recovery systems.

SOUTHERN CALIFORNIA Girl Scouts cookie selling to begin

The official Girl Scout Cookie Season starts Friday and ends March 25. During this 100th anniversary year, the Girl Scouts of Greater Los Angeles' local troops will take their cookie sales high-tech.

For the first time in the Los Angeles County area, cookie booths will be able to accept credit cards using a device from Sage Mobile Payments. The secure credit card reader attaches to a smart phone allowing troops to accept debit and credit cards, email receipts and even refund money to customers on-the-spot right from a smart phone.

CALIFORNIA High rental hikes aren't sticking

In its year-end survey, RealFacts found the aggressive rent hikes that occurred in the second and third quarter of 2011 aren't sticking. Of the 47 markets published in its executive summary, 20 markets are up, 24 down and 3 remain unchanged.

Markets posting the highest increase in rental rates for the fourth quarter included eight markets in California, especially the Central Valley.

From staff and wire reports

LOCAL STOCKS

Company Name	Price	Change(%)
AEROVIRONMENT	29.52	-0.16 (-0.54%)
AMERIGON	14.65	+0.17 (1.17%)
AMVER DENNISON	28.90	+0.48 (1.69%)
BREITBURN ENERGY	19.37	+0.19 (0.99%)
CON-WAY, Inc.	29.38	+0.25 (0.86%)
EAST-WEST BANK	21.76	+0.37 (1.73%)
EDISON INT	40.44	-0.04 (-0.10%)
HOT TOPIC	7.42	+0.24 (3.34%)
JACOBS ENGINEERING	44.24	+0.59 (1.35%)
SPORT CHALET-B	2.19	-0.01 (-0.23%)
STAAR SURGICAL	11.33	-0.03 (-0.26%)
TETRA TECH	21.68	-0.15 (-0.69%)

IMF pursues more funding

Up to \$300 billion sought to ease worsening financial crisis

By Gabriele Steinhauser
The Associated Press

BRUSSELS — The International Monetary Fund said Wednesday that it's aiming to increase its financial firepower by around \$500 billion so it can issue new loans to help ease a worsening financial crisis.

Responding to speculation surrounding its funding requirements, the Washington-based institution said its staff estimates that countries around the world will need about \$1 trillion in loans in the coming years. Most of the concerns center on the 17 nations that use the euro and their debt crisis.

Thanks to about \$200 billion that European countries have promised

the IMF, it's more than one-third of the way to its fundraising goal.

The IMF has put up about a third of the financing of the eurozone's bailouts over the past two years. But there are growing worries that non-European countries will also need more help because of the worsening economic outlook.

Earlier, its sister organization, the World Bank, urged emerging countries to be ready for a severe global downturn if the crisis in the 17-nation eurozone intensifies.

The eurozone, in particular, has been pushing countries around the globe to give more funds to the IMF. The idea is to build up a larger firewall to stop the continent's debt trou-

bles from spreading to large economies like Spain, Italy or even France.

But so far, even countries relatively flush with cash, like China or Brazil, have been reluctant to put up more money for Europe. So has the United States.

The Obama administration said Wednesday that it had not changed its opposition to further U.S. support for the IMF to handle Europe's debt crisis.

"We continue to believe that the IMF can play an important role in Europe, but only as a supplement to Europe's own efforts," said Treasury Department spokeswoman Kara Alaimo.

Eswar Prasad, a former top IMF

official who teaches economics at Cornell University, said emerging market countries may have started to see the need for such support because Europe's debt crisis has begun to cut into their exports. He said also that concern about possible European bond defaults is triggering a flight to safer bonds. That means less capital is flowing to emerging markets.

"There is a sense among many countries that the problems of Europe are beginning to wash up on their shores, so some action must be taken," Prasad said.

Prasad expects the issue to be discussed today at a meeting of deputy finance ministers for Group of 20 countries in Mexico City.



In its investigative demand, the Department of Justice wants to know the amount of aggregates, asphalt concrete and ready mix concrete that is transported from Vulcan facilities in 15 states to locations ranging from 10 miles away to more than 200 miles away.

Staff file photo

Massive insider trading alleged

By Larry Neumeister
and Tom Hays
The Associated Press

NEW YORK — Greed on Wall Street set a record, authorities said Wednesday as they unveiled a nearly \$78 million insider trading case that involved at least seven financial industry professionals and included a hedge fund co-founder who triggered a single trade that earned \$53 million in profits.

"Today's charges illustrate something that should disturb all of us: They show that insider trading activity in recent times has, indeed, been rampant and routine, and that this criminal behavior was known, encouraged and exploited by authority figures in several investment funds," U.S. Attorney Preet Bharara told a news conference.

He said nearly \$62 million was earned through tips provided by a Dell Inc. employee to a former Dell worker who spread the information among his friends at at least five investment houses, including three hedge funds. He called it "a stunning portrait of organized corruption on a broad scale" and said it raised to 63 the number of people arrested in a government crackdown on insider trading. So far, there have been 56 convictions.

The criminal complaint in U.S. District Court in Manhattan charged four of the men with conspiracy to commit securities fraud, among other charges. Three analysts charged in the other documents have already pleaded guilty and are cooperating with the government.

The insider trading plot was noteworthy for its size.

Getting a closer look

Information sought on Vulcan operations in 15 states

By Kevin Smith Staff Writer

The U.S. Department of Justice is seeking additional information on Vulcan Materials Co.'s operations in 15 states — Alabama, Arkansas, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia and Wisconsin.

On Tuesday, Birmingham, Ala.-based Vulcan received a civil investigative demand and a request for additional information and documentary material from the DOJ.

The department wants to get a sense of the footprint of Vulcan's operations in 15 states — Alabama, Arkansas, Florida, Georgia, Illinois, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia and Wisconsin.

Specifically, the DOJ wants to know the amount of aggregates, asphalt concrete and ready mix concrete that is transported from Vulcan facilities in those states to locations ranging from 10 miles away to more than 200 miles away.

When a merger of two large companies is proposed, antitrust issues are typically examined. If the newly combined company is deemed to create too much of a monopoly — either as a whole or in certain markets — the government can order that some of its

assets be divested, or sold off. That frees up competition from others in the industry.

"All of these companies are in the rock business, and rocks are heavy so you tend to have local dominance in a region," said Robert C. Wetenhall, an equity analyst with RBC Capital Markets. "But no one group has more than 7 percent of the total marketshare."

Still, Wetenhall said a combination of two companies could create a monopoly in some areas, and that's what the Department of Justice is monitoring.

"These are local antitrust issues," he said.

Vulcan owns 270 acres of land in Azusa, and the company has a permit to mine 190 acres of the Azusa Rock Quarry that's adjacent to Fish Creek. The company also operates its Reliance facility to process mined material in Irwindale.

Vulcan additionally owns a former mining operation in Irwindale that's now an inert landfill, accepting only construction materials.

In mid-December, Martin Marietta Materials Inc. launched a \$4.8 billion hostile takeover bid for Vulcan, a gravel, sand and stone supplier.

In an open letter to Vulcan Chairman and CEO Donald James, Martin

Marietta Chairman and CEO C. Howard Nye said his company was taking its offer directly to Vulcan shareholders because Vulcan officials had cut off negotiations that began more than a year and a half ago.

Nye said the acquisition makes sense in light of the nation's economic uncertainty. Martin Marietta figures the combined company could save between \$200 million and \$250 million in costs.

Vulcan filed a lawsuit last month accusing Martin Marietta of illegally using confidential information about Vulcan in its attempt to take over the company.

Vulcan also called Martin Marietta's \$4.8 billion bid a "lowball and opportunistic exchange offer" made during a bad economy.

The offer valued Vulcan at \$36.69 per share, a 9.4 percent premium, based on the stock's closing price on Dec. 9, the last trading day before Martin Marietta's announcement.

"Martin Marietta is obviously trying to take value that rightly belongs wholly to Vulcan shareholders," Vulcan Chairman and CEO Donald M. James said in a statement last month.

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Landlords should be reasonable with tenants

The December home sales numbers have just been published this week and it showed that a record number of sales can be attributed to "absentee buyers" or investors on homes valued at under \$300,000. A lot of people with the means to do it are now enjoying the combination of low interest rates and distressed inventory, whether it be a short sale or foreclosure.

In my office we are working with investors. Some are new to it and others are veterans looking for a good deal. Owning real estate in the long run is a great hedge against inflation and a sagging 401(k). Our office manages several investments for our clients and we see the appreciation over the course of owning.



CHRIS VIGIL

Owning one single-family home as an investment to supplement retirement checks, social security etc., makes an enormous difference in the standard of living for retired people.

There are many issues that owners of single-family home investments have to contend with, but nothing that can't be handled by a knowledgeable owner or a good property management company. That being said, there is one issue that seems to be lost on a lot of owners, and that is the relationship that they have with the tenant.

A happy tenant pays rent and typically pays it on time. Sure, there are penalties for late rent that can be assessed, but the work comes in collecting it. A lot of owners have a contentious relationship with their tenants and this typically works against them.

We have owners who want to be updated every week on the condition of the house or the reason the rent is past due by one day. This makes for a very intrusive relationship with their client. That's right, the tenant is the client of the owner. Or better said, the tenant is the customer of the owner.

We teach this to a lot of our clients whom we manage property for. A typical grace period on a home mortgage is 15 days. For rent

it can be anything the owner is willing to live by. By viewing the tenant as a customer, the relationship changes to one of mutual respect and value.

Most renters know they are renters and want nothing more than to live in peace without being constantly reminded that they are renting. This creates an environment that makes the renter value his stay at your property.

I am not advocating strictly for the tenant. Keep in mind, the property management company does not get paid until the rent is collected. And no company wants to baby-sit a tenant and chase rent every month. You may ask how do we protect our investment and at the same time allow a tenant the freedom to

occupy the home without harassment. That is why tenants must not occupy a dwelling until a written agreement or contract has been signed by all parties it affects.

The structure of the landlord-tenant relationship is that of a contract. The landlord/owner must provide a housing unit that is safe, secure and up to building code. And they must also respect the privacy and quiet enjoyment of the unit by the tenant.

The tenant must pay the rent on time and maintain the premises in a sanitary and safe condition.

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