December 2009

Inland Empire Business Journal

Follow this and additional works at: https://scholarworks.lib.csusb.edu/iebusinessjournal

Part of the Business Commons

Recommended Citation
https://scholarworks.lib.csusb.edu/iebusinessjournal/200

This Article is brought to you for free and open access by the Special Collections & Archives at CSUSB ScholarWorks. It has been accepted for inclusion in Inland Empire Business Journal by an authorized administrator of CSUSB ScholarWorks. For more information, please contact scholarworks@csusb.edu.
Home Builder Getting Ready

Home builders have begun buying land along the I-15 corridor for new housing subdivisions after sitting on the sidelines for the first half of the year, according to the principal of a land brokerage that does business in Riverside and San Bernardino counties.

Tom Doyle, of Whittlesey Doyle, told commercial industry representatives that home builders purchased only two finished lots in Inland Southern California in the first half of the year, but that since then they have closed or entered escrow on 55 parcels.

Doyle said renewed builder competition for land has pushed up prices by as much as 25 percent. But he said large builders are game to buy anyway because they are running out of finished lots and need land to remain in business. He said in most cases the land they are...continued on page 29

Lost and Found
By David Shulman
Senior Economist, UCLA Anderson Forecast

The first decade of the 21st century is over. Good riddance! It has truly been a lost decade for labor and capital. In stunning contrast with the ebullience of late 1999, there are now a half million fewer people on nonfarm payrolls than at the start of the decade. To be sure, late 1999 represented a business cycle peak while late 2009 represented a trough, but make no mistake, the recent recession established postwar records for declines in employment, home and stock prices. Over the last decade, the unemployment rate has more than doubled and real wages rose by a very modest 6.5%. Concomitantly, the federal budget swung from a $91 billion surplus in FY 1999 to a record $1.4 trillion deficit in FY 2009.

Despite the 64% stock market rally off the March lows, both nominal and real stock prices are far off their year-end 1999 levels by 26% and 42%, respectively. Needless to say this poor performance is a far cry from the wild...

Commentary
By State Senator Robert Dutton
31st District of California

A New $21 Billion Hole

The non-partisan Legislative Analyst announced that California will have another $21 billion deficit for the 2010-11 fiscal year as revenues to the state continue to fall—despite the Legislature and Governor imposing the largest tax increase in history on residents of this state earlier this year.

In February, I said when I opposed the tax increase: "This budget does not include the needed structural reforms that will end the deficit spending that caused this $42 billion deficit. Despite taxes being increased by $13 billion, I believe California's thirst for spending your tax dollars will continue and future deficits will follow. This budget simply doesn't fix our problem."

When another $26 billion deficit was being addressed this summer, I again voted against the plan saying: "I have been saying for months that whatever plan is presented must fix the entire problem."

As a result of not fixing the structural flaws, coupled with an economy that is dragged down by...continued on page 14

Special Sections

Lost and Found
All I Want for Christmas Is the Harry Potter Box Set!!
Wells Fargo to Shut Branches
Wells Fargo will be switching several Inland Wachovia branches to the Wells banner in April and plans to close 14 locations and consolidate operations.
Wells Fargo, which acquired Wachovia in December 2008, said in a statement that no layoffs are expected, and workers at the shutting branches will be transferred to other local offices. Wells plans to close a total of 122 California Wells Fargo and Wachovia offices due to post-merger service overlaps.
Inland branches set to be shut, with nearby locations set to assume their operations in parentheses, are as follows:

Riverside County

- Wachovia, 3501 Adams St., Riverside (Wells Fargo, 3765 Tyler St.)
- Wachovia, 18295 Collier Ave., Lake Elsinore (Wells Fargo, 29265 Central Ave.)
- Wachovia, 1701 E. Florida Ave., Hemet (Wells Fargo, 1100 E. Florida Ave.)
- Wachovia, 1255 Hammer Ave., Norco (Wells Fargo, 140 Hidden Valley Pkwy.)
HealthGrades, the nation's leading independent health care ratings company, analyzes more than 5,000 hospitals across the country. And these objective ratings have all kinds of great things to say about Pomona Valley Hospital Medical Center. Our people are always working to provide the best in health care and treatment for the community. And we're pleased that an independent source shows our results are among the best. Because, after all, modesty forbids saying so ourselves.

2009 HEALTHGRADES RECOGNITIONS:

RANKED AMONG THE TOP 5% OF HOSPITALS IN THE NATION FOR OUTSTANDING PATIENT EXPERIENCE

Maternity Care Service Excellence Award™ - Ranked among top 10% of hospitals nationwide in Maternity Care

Highest possible Star Ratings for treatment of Sepsis
Five-Star Rating - Heart Failure
Five-Star Rating - Sepsis
Five-Star Rating - Appendectomy
Five-Star Rating - Maternity Care
Five-Star Rating - Women’s Health
Five-Star Rating - Community Acquired Pneumonia

POMONA VALLEY HOSPITAL MEDICAL CENTER

The science of medicine, the art of healing

1798 N. Garey Avenue, Pomona 909-865-9500 www.pvhmc.org

Harvard Ignored Warnings About Investments

By Beth Healy

It happened at least once a year, every year, in a confident voice of Harvard University financial officials, Jack Meyer, the highly successful head of Harvard's endowment, and Lawrence Summers, then the school's president, would face off in a heated debate. The topic: cash and how the university was managing—or maimaging—its basic operating funds.

Through the first half of this decade, Meyer repeatedly warned Summers and other Harvard officials that the school was being too aggressive with billions of dollars in cash, according to people present for the discussions, investing almost all of it with the endowment's risky mix of stocks, bonds, hedge funds, and private equity. Meyer's successor, Mohamed El-Erian, would later sound the same warnings to Summers, and to Harvard financial staff and board members.

"Mohamed was having a heart attack," said one former financial executive, who spoke on the condition of anonymity for fear of angering Harvard and Summers. He considered the cash investment a "doubling up" of the university's investment risk.

But the warnings fell on deaf ears, under Summer's regime and beyond. And when the market crashed in the fall of 2008, Harvard would pay dearly, as $1.8 billion in cash simply vanished. Indeed, it was still paying, in the form of tighter budgets, deferred expansion plans, and big interest payments on bonds issued to cover the losses.

So how did one of the world's great universities err so badly in something so basic? It is a story with many actors, the story of an institution that grew complacent as its endowment soared ever higher—an institution that, when the crunch hit, was operating on financial auto-pilot, with many key players gone, and those remaining inactive, in retrospect, to the risks ahead.

"Investing cash alongside the endowment was a long-held strategy that we didn't decide to change until early 2008," said James F. Rothenberg, Harvard's treasurer—a part-time, unpaid role. He said the biggest mistake was not to have taken some of the cash off the table, and placed it in safer accounts, as trouble started brewing in the markets and the economy. "We all can look back now and say we wish we did something different," he said.

In the Summers years, from 2001 to 2006, nothing was on auto-pilot. He was the unquestioned commander, a dominating personality with the talent to move a balkanized institution like Harvard, but also a man unaffected, former colleagues say. While the school fared well, standing strong amid the economic downturn, it was far from perfect, especially when compared to other elite institutions such as Princeton and the University of Chicago.

At Harvard, that's about the only criticism, as officials say the university is "doing just fine" with its endowment.

CONTROVERSY OVER ECONOMIC IMPACTS OF CALIFORNIA'S CLIMATE LAW: A COMPARATIVE ANALYSIS OF PROJECTIONS

CRS PROVIDES FIRST OF ITS KIND EXAMINATION OF DIFFERENT ECONOMIC STUDIES ON IMPACT OF AB 32 AND FINDS STATE STUDY IS CONSISTENT WITH MAINSTREAM

Amidst debate over the economic implications of California's landmark global warming law, the Center for Resource Solutions (CRS) released a report comparing the assumptions, models and results of differing economic analyses. Three of four prominent analyses show the costs of climate policy are far outweighed by projected economic growth, the new study finds.

Climate Solutions and Economic growth in California examines the assumptions, models and results of four different economic modeling efforts conducted by the following organizations: 1) California Air Resources Board (CARB); 2) University of California researchers; 3) Charles River Associates/Electric Power Research Institute; 4) Varshney and Tootelian.

The first three studies all found strong growth even while considering only a narrow class of benefits—expected energy savings from efficiency measures. The fourth study, Varshney and Tootelian, includes only costs and no benefits associated with the law. Broader economic benefits expected to occur, such as boosts to the clean energy and pollution control sectors, improvements in public health, and increased investment in clean tech industries, were not included in any of the studies.

The California Public Utilities Commission (CPUC), in its ongoing commitment to reducing the state's greenhouse gas emissions, authorized Southern California Edison to co-fund feasibility studies of a California integrated gasification combined cycle IGCC plant with carbon capture and storage.

Edison will commit up to $17 million to the Phase I feasibility studies associated with a facility known as the Hydrogen Energy California (HECA) project. Edison is also allowed to fund up to $13 million in Phase II studies to further examine the permitting, engineering, and economics associated with this project, if the Phase I feasibility studies demonstrate that further studies are warranted.

The HECA facility would provide low-carbon electricity within California by gasifying non-conventional fuel resources (primarily petroleum coke from California's oil refineries or, as needed, blends of petroleum coke and other solid fuels) to produce hydrogen for electricity generation through an IGCC plant and capture the CO2 for Enhanced Oil Recovery. This project would produce electricity, reduce exports of high polluting petroleum coke, and increase oil production in California. It would be a win, win, win for consumers.

The HECA would be a 250 megawatt facility in Kern County and would be a first of a-kind project designed with technology elements that are unlike any project under development," said CPUC President Michael R. Peevey. "The IGCC technology would reduce greenhouse gases, which would benefit ratepayers, the state, and the nation.

The U.S. Department of Energy continued on page 39
Harvard Ignored Warnings About Investments

Harvard warned its executive committee in 1988 that investments were being made with the endowment that were too risky, according to two former presidents. But it ignored the warnings, according to documents and interviews with officials. Harvard had invested $5.1 billion in the endowment, which has since grown to $35.6 billion. Harvard has been criticized for its investment decisions, which have been largely driven by the endowment and the university's financial needs. The university has been praised for its ambitious efforts, but also criticized for its lack of transparency and accountability.

The university's financial strategies could have and should have been changed earlier. Harvard's cash reserves were not used to support the university's operations, which had been struggling for years. Harvard's president, Lawrence Summers, defended his investment strategy, saying that it was important for the university to have a strong endowment to support its programs. But he also acknowledged that the university had to be more transparent and accountable in its investment decisions.

The university's financial strategies could have and should have been changed earlier. Harvard's cash reserves were not used to support the university's operations, which had been struggling for years. Harvard's president, Lawrence Summers, defended his investment strategy, saying that it was important for the university to have a strong endowment to support its programs. But he also acknowledged that the university had to be more transparent and accountable in its investment decisions.

Harvard's president, Lawrence Summers, defended his investment strategy, saying that it was important for the university to have a strong endowment to support its programs. But he also acknowledged that the university had to be more transparent and accountable in its investment decisions.
Ross Nolan Named Dutton Senate Fellow

Sen. Bob Dutton announced that Ross Nolan, one of 18 individuals chosen to participate in the 2009-2010 Senate Fellows program, will be working out of Senator Dutton's Capitol office.

Nolan grew up in Northern California and graduated from Fortuna High School. After five years of service in the US Marine Corps that included a tour in the 2007-2008 war zone, he attended UC Santa Barbara and graduated with a bachelor's degree in political science.

While at UC Santa Barbara, Nolan was chairman of the campus College Republicans and was active in local political campaigns.

As a full-time staff member for Senator Dutton, Nolan's duties will include research, developing, and staffing legislation, along with participating in meetings as the senator's representative with constituents, school groups, lobbyists and others on a variety of policy topics.

"I am pleased to add Ross to my legislative team," Senator Dutton said. "Being a Senate Fellow provides an excellent opportunity to gain first-hand knowledge of the legislative process. Whether your career goals are in the public or private sector, the Senate Fellowship provides valuable training and experience."

Former Senator and current State Senator Mike Earthman said, "The State of California is fortunate to have the Legislative Fellows program, which benefits not only our state by allowing students to develop their legislative skills, but the Fellows also return to their communities with an increased understanding of our political process."

Dutton Senate Fellow Ross Nolan is the 20th fellow to be added to the office, with 18 successfully serving senators.

Make Your Reservations Early for Singing Valentines

The Chapter Quarters will deliver Singing Valentines (with poems) to your door between 12pm and 3pm on Saturday, February 13th, and Sunday, February 14th.

The Internet Empire Harmony Concert Chapter of the Barbershop Harmony Society will provide a Singing Valentine.

Two songs. One red rose. A gift of love to you and someone you care about.

All of this for a $50 donation. Ask about valentine package.

Make your reservations now by calling

David Mazzuca: 909-981-2454

Our chorus and quartets are also available to entertain at special events. Call the above number for details.

The Shape of Recoveries Past and the Shape of Recoveries Present

By Edward Leamer

Director, UCLA Anderson Forecast

After a really dismal year for the economy everyone wants to know: Has the recovery commenced? If so, what comes next?

"Yes, the recovery has commenced" is being loudly proclaimed by most indicators, though the labor market remains rather dismal. What comes next remains under a dark cloud of debt.

A traditional strong recovery relies on pent-up demand for homes and cars released when consumers again feel secure about their jobs and optimistic about the future. Beyond the direct contributions to GDP growth from consumption and investment, the secondaries are derived from a fall in saving rates. If consumers return to their free-spending ways, businesses may be sure to fail, unemployed workers and underutilized capital will be just back to work, and GDP will grow at the phenomenal recovery rate of 4.5%, which with the normal in Iraq, would be the case.

But underlying of homes and cars is creating potential pent-up demand, and the Fed is doing all it can to turn that potential into reality with record low interest rates, optimism remains, a scarce commodity as heavy in debt out of work consumers are coming to grips with a painful reality: The continued on page 12
Tame "Information Overload" to Boost Profit
By Glory Borgeson

Tom owns his own small business. His type of company allows him ample "desk time" in his office. Tom is interested in news that affects his business directly. Government policies that affect small businesses in general and he enjoys reading anything related to hot topics. Like most businesspeople, Tom gets his information via e-mail from various sources, particular Internet sites and certain TV programs.

What do you want from the Admin?
You want the Admin to deliver a summary version of the "nugget" they find that are directly related to what you need to know. This means a "copy and paste" of text (either to a document or in the body of an e-mail), without links! Links will just put you back into TMI.

How do you make a change?
If Tom was a virtual assistant (VA) he would be able to use his skills to increase his sales or decrease his expenses (thereby contributing to higher profit).

A virtual assistant (VA) is an individual who is trained to perform tasks for a business. A VA can help a business owner by providing administrative support, such as data entry, scheduling appointments, and responding to customer inquiries. This can free up the business owner's time to focus on other important aspects of their business.

Whether a topic that interests him, it came out to be not exactly what you want and need. Take some extra time up front to communicate again with your Admin about what you want and what you don't want. He or she is certain to get it right in a short time.

What do you want from the Admin?
You want the Admin to deliver a summary version of the "nugget" they find that are directly related to what you need to know. This means a "copy and paste" of text (either to a document or in the body of an e-mail), without links! Links will just put you back into TMI.

For the first few times your Admin performs this task for you, the result may not be exactly what you want or need. Take some extra time up front to communicate again with your Admin about what you want and what you don't want. He or she is certain to get it right in a short time.

What do you want from the Admin?
You want the Admin to deliver a summary version of the "nugget" they find that are directly related to what you need to know. This means a "copy and paste" of text (either to a document or in the body of an e-mail), without links! Links will just put you back into TMI.

The gains, Top five by percentage

<table>
<thead>
<tr>
<th>Company</th>
<th>Current Price</th>
<th>Beg. of Month</th>
<th>Point Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physicians Formula Holding Inc</td>
<td>2.30</td>
<td>2.19</td>
<td>0.11</td>
</tr>
<tr>
<td>Watson Pharmaceuticals Inc</td>
<td>35.15</td>
<td>34.42</td>
<td>0.73</td>
</tr>
<tr>
<td>Channel Commercial Corp</td>
<td>0.11</td>
<td>0.11</td>
<td>0.00</td>
</tr>
<tr>
<td>Natural Rev Holdings Inc</td>
<td>0.03</td>
<td>0.03</td>
<td>0.00</td>
</tr>
<tr>
<td>Basen Natural Corp</td>
<td>35.42</td>
<td>36.15</td>
<td>-0.73</td>
</tr>
</tbody>
</table>

The losers, Top five by percentage

<table>
<thead>
<tr>
<th>Company</th>
<th>Current Price</th>
<th>Beg. of Month</th>
<th>Point Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenneula Valley Bancorp Inc</td>
<td>0.01</td>
<td>0.01</td>
<td>-0.01</td>
</tr>
<tr>
<td>Provion Financial Holdings Inc</td>
<td>8.24</td>
<td>7.02</td>
<td>-1.22</td>
</tr>
<tr>
<td>Basin Water Inc</td>
<td>0.01</td>
<td>0.02</td>
<td>-0.01</td>
</tr>
<tr>
<td>Enrine Corp</td>
<td>1.25</td>
<td>1.25</td>
<td>0.00</td>
</tr>
<tr>
<td>Vineyard National Bancorp</td>
<td>0.04</td>
<td>0.05</td>
<td>-0.01</td>
</tr>
</tbody>
</table>

Duff & Phelps, Inc
One of the nation's leading investment banking and financial advisory organizations. All stock data on this page is provided by Duff & Phelps, Inc. No information is intended or implied. (310) 489-0700.
Harvard...

continued from pg 5

of CB Richard Ellis. Community Bank and Personnel Concepts were snapped up by Ing and Michael

continued on page 19

MOTIVATION II

A Shark School for Goldfish: Seven Ways You Can Thrive in a Sea of Change

By Jon Gordon

Jetison your anger. Still fuming over your bad fortune? You’ve been angry, sad, and unhappy for hours. Perhaps in a positive decision maker on the matter. Members of the financial staff, a broader financial advisory committee, and the university’s elite six-member machine for more than 15 years, and the markets were still rising in 2006. And after Summers resigned, forced out by an angry faculty after comments about women lagging in the sciences and other

The statistics can be hard to face the fears that might other­

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?

Jeeves in your anger. Still fuming over your bad fortune?
future isn't what it used to be. We have spent income we are never going to earn.

We cannot count on consumers to get us out of this. The Federal government is helping some with a poorly designed stimulus plan. But it's exports that we will need to rely on going forward. We need to turn our shopping malls into factories. That will take some time. Until then, expect weaker than normal growth, and expect a labor market that gets better than it is, but remains moribund.

Conclusion: Don't Bet the Ranch on A Strong Recovery

It is hard to be optimistic about consumers leading us out of this recession, but it's best to recognize that the problem with household balance sheets is mostly about mortgages and home prices. It's the uncertainty about the future that is really killing us, it is processing the bad news that has already arrived. We are all worried about as many as 5 million foreclosures still to come and significant further deterioration in home prices, making our balance sheets all the worse. But home prices do show some signs of life, and if we could get some appreciation again, it would bring buyers out of the woodwork and clear out the inventory of unsold homes that are officially listed for sale and those currently being held off the market in hopes of better times ahead. That is not a likely scenario, and the conventional forecast, like our own, calls for a troubled recovery.

California: Recovery From the Recession and the Great Budget Head Fake

By Jerry Nickelsburg
Senior Economist, UCLA Anderson Forecast

In preparing the December update and forecast we observed that our September forecast was, in the main, right on track with the numbers we were seeing. Our forecast was for increased unemployment coupled with decreases in job losses, increases in exports and manufacturing, continued declines in commercial construction and the beginnings of a turnaround in consumption.

The numbers show unemployment rising and hitting levels at the top of our forecast range in October, payroll employment job losses diminishing and net job gains in October, export demand, which directly affects California manufacturing and agriculture, continuing to increase and non-durable goods manufacturing beginning to grow once again.

As expected, construction employment is diminishing and new job losses are increasingly concentrated in the commercial construction arena. And Californians are spending a lot more, sales and use taxes and corporate income taxes both beat state forecasts in the month of October. But one curious anomaly stood out. With all of the buzz and cry about the California state government running out of money and a monstrous $40 billion plus shortfall in the combined fiscal 2008 and fiscal 2009 state budgets, employment in state government barely budged. When there are ostensibly huge cuts in spending and little response in the direct employment supported by that spending, one is led to the conclusion that those spending cuts are, at least in part, not there. This answer has been hinted at for some time and was succinctly called out in a November LAO Report.

In sports, a head fake is a move which gets you to look in the wrong direction for a sufficient amount of time so that when you discover that you have looked the wrong way, it is too late to correct the error. In this case it is a July budget agreement which purported to include sources of revenue and spending reductions which were anything but guaranteed. In fact it would have been reasonable to assume that at least some of the budget solutions could not come to fruition. This head fake resulted in the budget shortfall being lobbed forward into the next budget year. The LAO report predicts that the 2010/2011 budget will have to be balanced through a combination of spending cuts and (possibly) new revenues to the tune of 20+ billion dollars. Our estimates are slightly more optimistic, but only slightly. Some of the estimated fiscal 2010 budget shortfall is being generated by mandated increases in spending which will have to be offset by new revenues or cuts elsewhere in the state budget, and others are being generated by the need to make up for the shortfall in fiscal 2009 revenues.

So what are we to make of the Great Budget Head Fake? Is this another disaster for California? Is our previous forecast invalid even though it appears to be tracking the California economy to this point? As it turns out, like a Kobe Bryant head fake to see L.A. Lakers' fan, not all head fakes are bad. By changing the time profile of some of California's painful cuts in state spending so that they occur after the depths of the recession trough are passed, the impact may end up being well put into a positive.

To be sure, the recurrent budget crises and the systemic problems of government finance in California are a huge negative and they will require fundamental reform if such painful and costly episodes are to be avoided in the future. But the impact of this particular event does not, as one might think at first blush, engender another economic disaster for the state.
Harvard...

Commentary... the liberal legislature’s anti-business stance, California once again faces a $21 billion shortfall.

It would seem that more taxes increases, I believe the only real solution is to free the private sector from the ridiculous regulations that are holding businesses back.

Equal to the structural reforms there must be a change in attitude when it comes to private business in this state. We must create an atmosphere that encourages job development, not one that drives businesses out of the state out of existence.

With unemployment at 14.5 percent in San Bernardino and Riverside Counties and 12.5 percent in Los Angeles County, companies can and must make private sector job creation our top priority, especially stimulating small business growth. Instead of killing jobs, we need to kill every unnecessary and unwarranted rule and regulation in California.

As we look toward the 2010 legislative session I remain committed to voting for a budget that does not include any new taxes, pushing for reforms that will ensure spending stays in line with revenues and cutting the red tape that continues to make California the most expensive place in America to do business.

Harvard.

September 2008, the nation’s most prominent university, with the largest endowment, had barely enough financial handouts on deck.

On campus, Daniel Shore was technically the guy at the controls. He was chief economist and would formally get the job, and the vice president’s title, in October. He was the third person to hold the job in as many years. The head of the endowment was new, the Goldman Sachs & Co. veteran whom President Drew Faust had just hired to report to her on the university’s finances, Edward Foret. was summoned to Washington for a month to help with the federal bank bailout.

Rothenberg, the treasurer, was home in Los Angeles, tending to his day job as a mutual fund executive. Since becoming treasurer in 2004, he has had 65 cross-country flights to Cambridge, slightly more often than monthly, according to a tally by his assistant. He handles other Harvard business as well, including some investor calls with overseas. But he earns his living as chairman of Capital Research and Management Co., a $400 million-asset investment firm that manages the university’s endowment and is admired for producing stronger returns than many rivals, and losing less in bad times. Rothenberg is also a portfolio manager, personally handling billions of dollars in two giant Harvard vehicles, the Growth Fund of America and the Washington Mutual Investors Fund.

In a March 2007 interview, Rothenberg told the Harvard Gazette, "Most investors invest with me, and...I keep the investor in the mirror view. The problem with that is you make the most money by anticipating change. I spend a great deal of my time thinking about how the world will look three or four years from now." Even with the losses. Rothenberg said, the cash strategy has earned Harvard returns averaging 8.9 percent over the past 10 years. He and other university officials say the cash pool is still ahead of where it would have been, if invested more conservatively all along. But no one could say the specifics about what that net gain has been. Harvard won’t stop investing the cash entirely. Rothenberg said, the cash strategy has served Harvard well.

Billions more is never enough, and the law of the returns to be realized on the investment of cash--or the loss to be realized if the cash is not invested--is that the returns are increasing.

As of late, the jobs-to-be-created plan of investing some $6 billion invested. Harvard also would pay $500 million to get out of the interest-rate swaps it had written--an act that would have been.

But no one could be specific about what that net gain has been.

Three or four years from now. Harvard, a$1.8 billion endowment in 2008. would pay $1.8 billion.

It’s a surprise. a full year after they’d been put away. The costs eventually came at an Equal Office: (909) 605-8800 -Fax: (909) 605-6340

STIMULATE YOUR SALES BY REACHING MORE POTENTIAL CUSTOMERS

BROADEN YOUR SALES TERRITORY WITH BUSINESS CONNECTIONS IN ALL OF SAN BERNARDINO AND RIVERSIDE COUNTIES

NO ONE COVERS THE INLAND EMPIRE LIKE THE BUSINESS JOURNAL

ASK ABOUT OUR YEAR END STIMULUS PROGRAM

1801 Excise Avenue, Suite 111
Ontario, CA 91761
Office: (909) 605-8800 Fax: (909) 605-6688
www.busjournal.com

December 2009

December 2009

Milken Report Highlights California’s Woes

The Milken Institute has released an economic report on the best and worst performing cities in the United States. Not surprisingly, Texas, a state that offers a business-friendly climate, leads the country in economic growth. Texas has the most innovative universities, the largest high-tech companies, and the highest GDP growth.

According to the report, California is among the states with the lowest economic growth. The state’s unemployment rate is high, and its GDP growth is slow. However, California does have some strengths, such as its large and diverse economy, its well-educated workforce, and its strong tech industry. Overall, California’s economy is performing well, despite some challenges.

Milken Institute President Michael Milken said, "California’s economy is recovering, but it’s not as strong as other states. The state needs to focus on creating a more business-friendly environment to attract new businesses and talent."

In the next chapter, we will discuss the key factors driving California’s economic growth, including trends in technology, healthcare, and energy. We will also explore the challenges facing the state’s economy, such as the high cost of living and the need for more skilled workers.

SALES AND MARKETING

Grow Your Business With Mobile Applications

By Brendan Lim and Chris Selmer

Mobile applications, or apps for short, are the future of today’s businesses. While many people associate apps with the iPhone, Android, and other smartphone platforms, apps can be created for almost any device.

Apps can be used to promote your business and attract new customers. They can also be used to enhance the customer experience, provide additional information, or even generate revenue.

You don’t have to be a developer to create an app. There are many platforms and tools available to help you create an app, even if you’re not a developer.

Apps are particularly useful for businesses that rely heavily on technology, such as retail stores, restaurants, and hotels. Apps can be used to provide additional information to customers, such as menus, maps, and special offers.

Apps can also be used to provide a more personalized experience for customers. For example, an app for a restaurant might allow customers to order their meal in advance, or an app for a hotel might allow customers to check in and out of the hotel without having to visit the front desk.

Apps are a great way to reach new customers and attract repeat business. They can be used to promote your business, provide additional information, or even generate revenue.

So, what’s the catch? Creating an app can be expensive. However, there are many cost-effective options available, such as using an app development platform or using an app development company that offers a package deal.

Overall, mobile applications are an important part of today’s business landscape. They provide a new way to reach customers and attract new business. They can be used to promote your business, provide additional information, or even generate revenue.

For more information, visit www.businessjournal.com.

BROADEN YOUR SALES TERRITORY WITH BUSINESS CONNECTIONS IN ALL OF SAN BERNARDINO AND RIVERSIDE COUNTIES

NO ONE COVERS THE INLAND EMPIRE LIKE THE BUSINESS JOURNAL

ASK ABOUT OUR YEAR END STIMULUS PROGRAM

1801 Excise Avenue, Suite 111
Ontario, CA 91761
Office: (909) 605-8800 Fax: (909) 605-6688
www.busjournal.com

December 2009

December 2009
Nothing says Christmas quite like a boxed set of DVDs, Conway said. There's no better way to celebrate the high point of the Christian calendar than to give Season 7 of "Hawaii Five-O." OK, it's an exaggeration. But let's be real. When someone points out to you that the new female cop on the show is the same one they saw on "The Prisoner" or the AMC channel just wasn't satisfying as he remembered the old one, or the lady in your life thinks the guy who played Starbuck in the original "Battlestar Galactica" was really great in "The A-Team," it is easy to drop by Costco or go online to Amazon and get the complete series to drop into a stocking hung by the tree.

Here we are dealing with a part of the computer technology that simply didn't exist a decade or so ago. If you wanted to have every episode of, say the original "Star Trek" series, or "The X-Files," you had to buy them individually. And that got costly. If everything we grew up knowing about watched TV has changed, just about every show that ever was now available, either season by season, or the complete series, on DVD. Not to mention old movie ever made. Now you can get them packaged by category. Clint Eastwood's "Man With No Name" Trilogy.
The best of the MGM musicals. Looney Tunes cartoons. Great war movies. The Hitchcock collection—and so on.

There was, about a twenty years ago, when networks feared what they called "time-shifting." It meant watching "Hill Street Blues" when you wanted to, not when it aired. Of course, now you can catch last week's "Law and Order" when it's rebroadcast on the weekend. And the cable channels will replay that episode for the next ten years. So, TiVo and DVDs have made it possible to never miss a show, whether you're out of state or if you have to watch movies or just can't catch two shows what a month at the same time. Plus, you can run through those pesky commercials, which pay for the show's production in the first place.

Then you can rent DVDs if you wish. Amazon-on-Demand also has just put the video store business with "Classic Encounters." But you still have to buy it, to own it.

In fact, many movies get released months after they're in theaters. You may know that "Bladerunner" has several versions, and this does "Close Encounters." But the fact is that this is only part of the story.

Our newest color copier technology is well traveled.

In fact, he's been over 22 of the 30 big league ballparks.
MOTIVATION

Rebuilding After Difficult Times

By Tim Ursiny, Ph.D., RCC

Many people have had finances devastated, real estate values drop, job challenges and other difficulties in the recession that businesses have recently experienced. This means many signs are now pointing to the end of the recession and owners and managers need your attention to rebuilding lives and finances. While rebuilding may be difficult it is also doable if you follow two main steps in the process:

- Let go of the past
- Develop a capitvating plan

With each of the steps there can be a few common blocks, as well as a practical tactic for breaking free of these challenges.

Let go of the past

Main challenge = Accepting losses

Here’s where the problem is that much of individuals have difficulty rebuilding after a loss. This is because, for a number of reasons, they do not want to accept the losses or the past is not enough, as you must also create the future. When it is time to begin again, many people are hesitant due to two fears that can keep them stuck.

- Fear of success - It is absolutely normal to be concerned about failing as you try to rebuild. Few enjoy failure and some avoid it at all costs. Fear of failure is one of the most self-limiting tendencies and must be overcome in order to create a successful and prosperous new life.

- Fear of success - While fear of failure is often obvious, fear of success can be subconscious and less apparent. Many people fear success because of their perceptions of what comes with success including greater responsibility, less life balance, higher expectations and even the fear that once they get it they may lose it. Therefore, some individuals sabotage their success to guarantee that they will not have to deal with these issues.

Breaking free

As simplistic as it sounds there are only two main ways to deal with fear and that is to dip or to dive. When someone is getting into a cold swimming pool they have two choices. Some people are divers; they get on the diving board and dive up and down a few times and then dive into the water. They experience a rash of pain, but then they get up and use the water quickly.

Others are divers. They stick a toe in, then the feet, then continued on page 39

SUBSCRIBE NOW!

I want to subscribe to the Inland Empire Business Journal

One year $24 annual subscription  Two year $48 includes 2100
My check is enclosed Back Issue of (A $30 Value)
Send划 my credit card: Master Card Visa
Exp. Date
Credit Card No.
Signature
Company
Name
Address
City/State
Zip
\n
Make checks payable to: Inland Empire Business Journal
P.O. Box 3879, Rancho Cucamonga, CA 91729
For more info, call (909) 483-4700/Fax (909) 483-4703

Superior Cleaning Service for LESS

www.REALESTATENOTES.com

Day of CB Richard Ellis- - Recent signs by American College of Healthcare and Chicago Title Insurance Company have brought occupancy at both of Turner Development Corporation’s Pierce Street office developments to100%. The Pierce Street office buildings are part of Turner Riverside, a 1 msf master-planned business park that is comprised of 200k sq. ft. office space, 375k sq. ft. of R&D and industrial space, 100k sq. m of medical office space, 125k sq. ft. of retail including eight restaurants and a 132-room executive style hotel.......

Office Master Inc., an office furniture manufacturer, signed a 63-month lease for 105k sq. ft. of industrial space in western Ontario. The building is located at 1101 S. Milledge Avenue within the Belmont and Grove Business Park. Roger Rhodes, Milo Lipson and Michael Arens of Gnebel & Ellis Company represented the property owner, Belmont & Grove Land Holdings LLC in the transaction. Belmont Grove is a division of Panattoni Development Company. The tenant was represented by CB Richard Ellis in the transaction, which included a “well-fitted for distribution throughout California and the U.S., which accommodates the tenant’s needs.”....

Space in Ontario, CIP Real Estate owns the four buildings in partnership with Guggenheim Real Estate. The recent deals encompass over 51k sq. ft. of space and are valued at more than $5.5 million. According to Scott Farmer, senior vice president continued on page 27

Commentary...

Rebecca: “This letter can be directed to your boss and accuse them of not allowing you to work hard or even for God (note that many of the people fear success consciously or subconsciously). Many of those challenges are like someone so quickly even if they have control over it. Sleep comes enough.

While fear of the past is not enough, as you must also create the future. When it is time to begin again, many people are hesitant due to two fears that can keep them stuck.

- Fear of success - It is absolutely normal to be concerned about failing as you try to rebuild. Few enjoy failure and some avoid it at all costs. Fear of failure is one of the most self-limiting tendencies and must be overcome in order to create a successful and prosperous new life.

- Fear of success - While fear of failure is often obvious, fear of success can be subconscious and less apparent. Many people fear success because of their perceptions of what comes with success including greater responsibility, less life balance, higher expectations and even the fear that once they get it they may lose it. Therefore, some individuals sabotage their success to guarantee that they will not have to deal with these issues.

Breaking free

As simplistic as it sounds there are only two main ways to deal with fear and that is to dip or to dive. When someone is getting into a cold swimming pool they have two choices. Some people are divers; they get on the diving board and dive up and down a few times and then dive into the water. They experience a rash of pain, but then they get up and use the water quickly.

Others are divers. They stick a toe in, then the feet, then continued on page 39
Gamut Property Services Opens Regional Offices

Gamut Property Services recently announced the opening of regional offices throughout the West to service its REO market. New locations in Las Vegas, Nevada; Phoenix, Arizona; Stockton, California; Inland Empire, San Diego and Orange Counties, will focus on assisting banks, asset managers and others with the rehabilitation and preservation of foreclosed properties throughout the region.

"The Gamut brand is strong and will deliver a new level of professionalism and quality to the REO market. Our company has won numerous industry awards for quality workmanship and has been rated one of the top specialty contractors in the country. The Gamut name reflects the comprehensive range of services we provide from a simple key to entire renovations. No small detail is overlooked in preserving properties for our clients," stated Gamut Companies' President Mark Scarfatti. "The REO industry has seen a proliferation of 'trash out' style contractors but our hands-on, full-service approach makes us unique. We provide an unparalleled level of service to REO professionals," continued Scarfatti.

Gamut has a well-established reputation in Southern California as a full-service diversified, construction firm with a wealth of knowledge and experience in the REO industry. It is also a LEED certified contractor and a GSA approved service provider. The company also prides itself on the strict environmental practices it utilizes in every phase of its activities, including the proper handling and disposal of waste products.

"We are ready to respond even continued on page 39

Bundle your communications services with Charter Business and save up to 40% today.

- Charter Business High-Speed Internet®
  – Includes 30 email accounts and hosting
- Charter Business Telephone®
  – Dedicated business line with Unlimited Long Distance & 12 essential calling features
- Charter Business Cable TV®
  – High-speed, digital and standard with multiple entertainment package options

Call now for this limited time offer.

888-537-2319
CharterBusiness.com/2009brr

Why Did the Last Two Recoveries Disappear?

There really wasn't a recovery from the 2001 recession, which more accurately would be called the Internet Conspiration. The desperate race by business to have the coolest Website drove the U.S. economy above normal levels, and when profits disappointed and business pulled the rug on tech spending, the economy returned to its normal growth path. That was convergence from above, illustrated in Figure 1, while the usual recovery convergence from below. Figure 2 illustrates the U.S. payroll employment curve with a log scale so that straight lines represent constant rates of growth. This Figure 1 draws an arrow connecting the 1989 peak with the 2000 peak to represent "normal" employment growth. With this as the normal, the convergence from above in the 2001 recession is very clear.

The other recession without a recovery was the 199091 recession. It had a squashed V shape with a longer and not so steep first stroke and a longer and not so steep second stroke. The mildness of this recession led economists to explain that the U.S. economy experienced a Great Moderation con

continued on page 24

With you when the only boss you answer to is you

Business Financial Review There's a lot resting on your shoulders, but that's why you started your own business, because you knew you could do things better. Over the years, your business has overcome a lot of challenges and today, you're looking for better ways to manage expenses. At Wells Fargo, we're here to help. With our free business financial review, we will evaluate your business's needs to ensure that you have all the right tools in place, so you can continue doing what you love well into the future. You've worked hard to get where you are; let Wells Fargo help you through these tough times. Call, click or stop by and talk with a Wells Fargo banker today.

Together we'll go far
100th Anniversary Gala Celebration!

Join the Ontario Chamber of Commerce for an evening of toasts, good cheer and gourmet delights as we celebrate our 100th year of serving the City of Ontario and its business community. The program will consist of the installation of the 2009-2010 Board of Directors, Small and Large Businesses of the Year and our inaugural Citizen of the Year award.

January 22, 2010
5:30 p.m. - 9:00 p.m.
Citizens Business Bank Arena

Tickets and Information:
909.984.2458
www.ontario.org

U.S. Bank is one of the strongest banks in the Inland Empire. Our strengths have never been more aligned with the needs of our nation. Our stability makes us even more qualified to serve you. We are well capitalized, ready to lend and poised to help every customer— from coast to coast— come through these extraordinary times with flying colors.

This is as much a point of pride as a point of distinction. We are, and will continue to be, a strong stable bank positioned for long-term growth while serving our customers.

Our prudent approach to banking has made us an industry leader in capital generation. Our loan growth and deposit growth are reflective of our strategic revenue focus. And thanks to the extraordinary, high-in-class customer service of our employees, we are growing stronger every day.

As our nation recovers, we will use that strength to make our country stronger too. And we are here to make sure all your financial dreams take flight.

All of us serving you.
Why Did...

continued from pg. 21

mencing in 1985. While econo-
imics are still debating why this
recession was so mild, most list
anticipatory interest rate reduc-
tions as an important contribut-
ing factor. Figure 3 illustrates the
interest rates chosen Fed at the
ends of all of our expansions since
WWII. The dark line representing the end
of the 1980s expansion has interest rate
reduction commencing almost two years
before the beginning of the 1990 recession
in 1990Q4. All of the other episodes have
the Fed interest rate cuts a coincident or
barely leading indicator of the
recession.

In summary, we didn’t get much of a recovery in these two
instances for two different rea-
sions:

1990Q1: A lengthy mild downturn is followed by a
lengthy mild recovery.

1990Q4: Convergence from above does not have a recovery
at all.

The Last Two Disappoi-
nting Recoveries Don’t Tell Us
About This One

What do the disappointing recoveries say about the recov-
ery to come?

The first stroke of the V or the
current downturn has been very
long—housing started to
deteriorate in February of
2006—but the first stroke has
been very steep, especially since
the Paulson Panic began in
October of 2008. The first year
of the housing correction—2006—was convergence from
above, with housing starts plam-
metering from the stratospheric
2.3 million level in January
2006 down to a normal level of
1.4 million a year later. The first
seven months of 2007 offered
the hope that housing would
stay at about that level, but the
collapse of the sub prime securi-
tization in the summer of 2008
drove starts down to the 1.0 mil-
ion level, and the Paulson Panic
in the second half of 2008 drove
them down again to 0.5 million.

isn’t that enough to create
some pent-up demand?

- We Are Starting to Have Pent-up Demand for
Homes

Is there a way to
determine if the low lev-
els of building over the
last year have created
(hidden) pent-up demand for
housing? With a little
econometric hocus-pocus we
can get an idea about whether
the current stock of homes is
too great, too small or just right.

Figure 5 displays housing starts
and “normal” starts found by
regressing starts on the
labor force and a time trend
and the product of the two.
Though this is a rough measure, it will act as if
starts below this estimated num-
ber will circle back to this level.

UCLA...

continued from pg. 16

of the housing correction—
Octolxr 2006—but
been very steep. Especially
recoveries say about the
consumers, saddled with high
taxes, have a
challenge for labor markets
that of course has implications for
the household spending and hence, the
private sector economic activity.

Coming out of a recession, when the private
economy is growing, tax
revenue should soar relative to
private sector economic activity. As my colleagues argue in their
articles on the national outlook, this recovery will be a bit different
than any of the last seven recessions because:

1. The recovery will come from the bottom up.
2. It is likely to be the strongest since the
1960s.
3. It is likely to be the fastest since the
1960s.

The data show this clearly. The average percentage increase in
a weighted average of personal income, corporate income, sales and
use, and dividend taxes in the first fiscal year following the first six
months after the recession trough for the last seven recessions is
12.8%. To be sure, each recession is different and this is colored by
the rapid expansions in California following some of the recessions.
But it is also colored by the acmeic performance of California in the
1990 and 2001 recessions when structural changes in important pri-
Table shows the estimated
depression California growth long after the end of the
the last seven recessions.

What is likely to be the case is something better than the last two
recessions, but not as robust as those of the 70s and 80s. The increase
in consumption we expect in the later part of 2010 and 2011 will
push up sales and use taxes and the growth in private sector
profit, if employment, will push up corporate and personal income
taxes. The relationship between growth in personal income and
growth in tax revenues demonstrates the amplification and gives us
a reasonable estimate, all other things equal, of 2010 fiscal year rev-
ue growth in the 4% to 7% range.

But, of course, all other things are not equal. The fly in the oint-
ment this time stems from changes to the tax code enacted to bring
some revenue forward into the 2009 fiscal year. The LAO study
projects no increase in tax revenue in the coming year. Our forecast
is a bit more optimistic than the LAO forecast, but not by much.
These revenue increases will help offset at least part of the budget
deficit projected for the coming fiscal year.

The Great Budget Head Fake

In short, the budget, the legislative and executive
branches worked tirelessly to craft a budget compromise.
The process was difficult at best with important philosophical differences
over increasing revenues through higher taxes and higher fees; over
cuts to education and health care programs; over the sale of state assets;
and over increased state borrowing from local governments
and the transportation fund. In July of this year, the state began issu-
ing IOU’s to pay its bills. The process finally ended towards the end
of July with a budget accord which purported to close the gap.

Recently reports from Sacramento to the contrary, this was a
head fake. The gap was never closed. All of us, including the legisla-
tive and executive branches of government, took the fake with some
relief that the worst was now behind us and we had survived a major
crisis. The fake lasted a third of the fiscal year. In November, the LAO reported that at least $2.1 billion dollars of revenue would
never materialize and $4.1 billion dollars of cuts would not be
made.

So the problem they laid out on the table for the beginning of the
fiscal 2010 budget discussions was one in which the overspending of
$6.2B in fiscal 2009 had to be paid for, the expiring Federal stimu-
sus but subsidies would have to be covered, and the programs which were not paid for by revenues in
2009 represent further cost
revenue generation chal-
lenge for 2010.

More specifically, programs for health care and corrections are
larger than the fiscal 2009 budget agreement, an event which occurred as a consequence of legal and political challenges and of
court rulings requiring certain cuts; several revenue sources. In addition, the notably the sale of the state’s Compensation Insurance Fund and the allocation of money from transportation funds, turned out to not be possible; Federal stimulus funds directed at making up budget gaps
for state and local governments will expire; some of the one-time
changes to expenditures will expire; and Prop 98 mandated increas-
es in educational funding must be added to the fiscal 2010 budget.
All of these factors represent an estimated $20B challenge for the legislature and
governor.

Changes to state spending of this magnitude are always problem-
atic for economic growth. The initial reaction to the news of the fake
was: this is a disaster for California. Perhaps, it was and perhaps it wasn’t. Essentially, what has happened is an intertemporal shift in
spending from fiscal years 2010 and
2011 to fic-
2009 but because
interim transfers of govern-
ment spend-
ning are not per-
necessary bad. It all depends on the
timing and cost
of the transfer.

Without going into excruciating detail about the budget, what we
tend to consider is the overall impact on the state economy. This is
best viewed through the lens of state government employment.

There are two scenarios that illustrate the potential impact. In
each, we begin in July of 2009 and run through June of 2011. For
the purpose of this argument we are going to assume that the there are
no new or increased taxes and no other revenue sources. Also, for
purposes of illustration we will keep the numbers simple.

The first scenario has the S6B overrun in fiscal 2009 cut from ex-

continued on page 26
by a cut of $68 more in fiscal 2010. The second scenario, which is closer to the actual path the state is on, has the $68 remain in fiscal 2009 expenditures and $208 of cuts made over the six quarters beginning Q3 2010. At first blush it seems like the choice is clear, 6 plus 0 trumps 0 plus 20. But, the $68 that was cut in the first scenario remains cut in the second. So it is not 12 versus 20 but rather 18 versus 20. And the question then is what, if anything, do we gain from the additional $28 in cost?

The following chart illustrates the impact of the two scenarios. In Scenario I, the state begins to cut expenditures immediately and employment falls in line. In Scenario II, the state postpones the inevitable cuts for a year and then has to cut more sharply to pay for its indecision. By the middle of 2011, the Procrastination scenario has led to lower state employment and fewer state services in exchange for higher employment and services in 2009 and 2010.

In other words, during the depths of the recession and the early part of the expansion the state was spending more and providing more services. But the state does not act in isolation; it is an integral part of the entire California economy. When the state has to cut back on spending and services, it adds to the number of people unemployed and deepens the effect of the recession on the state’s economy. When it spends less in an expansion, it will retard the expansion, but those who are unemployed as a consequence enter an expanding, not contracting labor market. This is exactly the kind of counter-cyclical fiscal policy that some economists advocate, but because of the time it takes government to act, is very difficult for it to implement. Through its inability to act, seems to have pulled it off, at least to the extent of not making things worse.

This is more than a thought; it is a theory that makes sense. We have no data on the impact on the overall economy of the kinds of budget machinations that California is going through. California, as well as some other states such as Arizona, is struggling with massive budget shortfalls and near insolvency. Modern economic history only shows the impact of severe government fiscal crises at the local level. For example, Orange County went through a bankruptcy in 1994. To get out of bankruptcy some social services were cut, debt was reorganized and some dedicated tax revenues were diverted. However, in addition to the obvious differences between local and state government, this was the case of a non-system problem—that of an inappropriate investment strategy—creating a cash flow shortage rather than one of a recurring fiscal crisis. At a state level there do not appear to be any data on fiscal crises the magnitude of those currently being experienced in California and several other states since the former Confederate states during Reconstruction.

The end of the recession is turning. Continued in page 34

The California Forecast

The end of the recession is turning.

The City of Calimesa

On the horizon of tomorrow and past horizons past.

Room for you to grow.

• Amazing views you can see.
• Easy access to the I-10 Freeway inside your door.

The City of Calimesa 1

P.O. Box 3470, Calimesa, CA 92320
www.cityofcalimesa.net

December 2009

Real Estate Notes

Provident

Home Loans & Realty

1220 Dewey Way, Suite F
Upland, California 91786

Tel: 909-938-1188 Office: 800-834-6888
Fax: 909-936-8164

Over 34 Years Experience

in the Inland Empire

Mike Morrell
President
pmh@ad.com
www.providenthomesloans.com

On January 20!

Join business leaders, HR professionals and nonprofits from all over Southern California for this important webinar, while raising funds for a great local cause!

Twitter, Facebook, and 4,000 other social media tools...

How do YOU use these social media tools to benefit YOUR business?

Using case studies and real world stories, Brett and Zach will open the audience’s eyes to the social media world.

By the end of the session, attendees will be able to:

• Understand social media and social media technologies.
• Identify the benefits and risks of social media.
• Attract clients and candidates through social media.
• Connect with employees using social media initiatives.
• Identify the social media strategy that best fits their organization.

All proceeds will go directly to the Loma Linda University School of Public Health Scholarship Fund.

Registration is at www.SocialMediaSoCalJanuary.EventBrite.com

December 2009

MARCUS & MILLICHAP LIST $38 MILLION FOUR-STAR SENIOR MOBILE HOME PARK

Marcus & Millichap Real Estate Investments, the nation’s largest real estate investment services firm, has retained the exclusive listing for Colonial Country Club, a 550-space manufactured home community for seniors aged 55 and older in Hemet, a growing Southern California retirement destination in Riverside County. The listing price of $38 million represents $9,091 per space, exclusive of the 23-acre golf course.

Frank Rogers, a vice president investments and a member of the firm’s Special Projects team, community, has a background in San Francisco, and Douglas Danny and Jon Harrison, both vice presidents investments and senior directors of the NMRCC in San Diego, are representing the seller, a Northern California-based manufactured housing communities investor.

“This pride of ownership asset is a stable, performing community in a rental demand retirement market with growth through long-term leases with built-in rent raises,” says Rogers. It is rare to see a trophy community of this quality and size exclusively offered in today’s market.

Located at 601 North Kirby St. on 939 acres in central Hemet, northern California of State Route 74, the property is near many amenities and services for seniors.

Colonial Country Club is comprised of 550 doublesite and is currently 96 percent occupied 0 with just five vacant sites. Eight park-owned homes are also for sale. There are no park-owned rentals.

The property features an extensive amenity package, including a 18 hole, 2,233 yard. executive golf course integrated throughout the property. The golf course land is on three separate parcels with no manufactured home sites.

Colonial Country Club includes utility services. Electricity, provided by Southern California Edison, is metered to 403 spaces and directly billed to 147 spaces. Submetered gas service is provided by the California Gas Company and submetered water and sewer services are provided by Eastern Municipal Water District. All residents of Colonial Country Club have property tax pass-throughs in their leases and annual consumer

continued on page 10

fresheasy.com

Business Journal • Page 26

Business Journal • Page 27

Many local schools can earn $1 for every $20 you spend at fresh&easy™ through December 31.

Give schools a present you don’t have to wrap.
The International Medical Alliance of Rancho Mirage changes lives.
IMA provides medical services to people of impoverished countries, the nonprofit organization helps needy children and their families in the United States, South America and overseas.
Ines Allen, founder and president of the International Medical Alliance, is currently coordinating the group's 10th medical mission scheduled for this summer in Nicaragua.
For more information on International Medical Alliance of Rancho Mirage visit www.internationalmedicalalliance.org.

Palm Desert's Henderson Community Building has earned a LEED silver certification from the U.S. Green Building Council.
Some of the features that helped the Henderson Community Building earn a LEED silver certification: Roof-top solar panels; Insulated concrete walls; Deep overhangs to provide natural shading; Dual-pane, glazed glass; Drought-tolerant landscaping; irrigation controls and low-flow faucets for efficient water use; Low construction waste; more than 75 percent of building materials were recycled.
For more information on Palm Desert's Henderson Community Building visit www.cityofpalmdesert.org.

The Yucca Valley Chamber of Commerce helps Aaspen Village Care celebrate their new home at 56254 Antelope Trail, Yucca Valley. Present are Aaspen Village Care's staff, family and friends. Also present are John Bahrowski, Yucca Valley Chamber Board Director and Secretary, and Yucca Valley Ambassador's Robin Dalton and Orv Hunter.
For more information on Aaspen Village Care call Christie at (760) 228-2729 or visit www.aaspenvillagecare.com.

American Laser Centers opens its new location with a ribbon cutting, hosted by the Temecula Valley Chamber of Commerce.
American Laser Centers is located at 41607 Margarita Rd. Ste. 100, Temecula. For more information call (855)1718-3233 or visit www.americanlaser.com.

For more information visit www.habitatpv.org or call (909) 596-7098
Donations to Pomona Valley Habitat for Humanity can be mailed to:
2111 Bonita Avenue, LaVerne, CA 91750
ProLogis to Build 667k Square Foot Ontario Distribution Facility

New commercial development may have slowed down to a trickle, but you can still find a few major projects moving forward. One such development is a new 667k-sq-ft. distribution facility that ProLogis has agreed to build in Ontario for one of the world’s largest home improvement retailers.

ProLogis will build the facility on a 55-acre parcel of land it currently owns at Crossroads Business Park. The company owns and manages the largest industrial portfolio in SoCal, with approximately 45m sq ft of distribution space. ProLogis customers in the area included American Honda, APL Logistics, Anixter Inc., Aveda, Black & Decker, Exel Logistics, Expeditors International, FedEx, Jack in the Box, Kraft Foods, LG Electronics, Nike, NYK Logistics, Spicers Paper and Unilever.

"The retailer is a longstanding customer, and we are pleased to once again meet the company’s needs for distribution space," said Richard Stradler, ProLogis Global Corporate Services’ senior vice president. "Upon completion of this facility, the company will occupy approximately 7m sq ft of ProLogis distribution space in 13 markets across the country."

Construction on the facility will commence this month, and is expected to be completed in the fall of 2010. Located in the Inland Empire West submarket, Crossroads Business Park currently comprises eight buildings and 2.4m sq ft. Already supporting the operations of many large-scale logistics networks, the distribution park features excellent freeway access, rail service and available labor.

ProLogis is a leading global provider of distribution facilities, with more than 475m sq ft of industrial space in markets across North America, Europe and Asia. The company leases its industrial facilities to more than 4,500 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs.

Heartse...continued from pg. 43

kangaroos, llamas, zebras and even giraffes lived within special open type enclosures. Thirty species of exotic animals from tigers to great apes enjoyed the best captivity could offer. In the latter part of 1950, most of the animals found homes in other zoos. Today some animals can still be observed on the five mile ride up to the Castle entrance.

Spectacular grounds
The grounds were still and are spectacular. Consider hundreds of tons of top soil were hauled up the steep hillside, five terrace levels were built from scratch, a mile long road for walking and riding was created, giant oaks and 30-foot cypresses were transplanted. Over 100,000 pines, cedars, cypress and eucalyptus trees were planted. The hillside was covered with flowers. Heartse’s favorite camellias grew in abundance. Three thousand rose bushes, fuchsias, star jasmine and azaleas joined the others for a glorious show. More than half a million flowers were propagated annually in greenhouses especially built for the property. Seasonal flowers were always planted and bloomed throughout the grounds.

A stunning pool
The Neptune Pool (one of two pools) is a glorious massive swimming area that reminds one of a place Greek tragedies might have taken place—magnificent and beautifully detailed with perfect architectural balance. Superbly-styled by Charles Caisson circles the pool that holds 345,000 gallons of water. Lovely natural turquoise-colored water relaxes the senses to make this a spot of pleasant tranquillity. It took three efforts to get the Neptune Pool to meet final approval of this man with an eye for perfection.
Commentary...

Why Did... continued from pg. 21
more friendly environment for job creators.

Wastewatchers Update

With a $21 billion budget shortfall, you’d think policymakers would be carefully finding and eliminating any unnecessary spending. Sadly, history repeats itself as state agencies continue to make multi-million dollar blunders, digging California into an even deeper budget hole.

CalTax recently updated its running list of 2009 highlights of government waste, fraud, and mismanagement.

Here are a few highlights from the report:

"...[T]he state wasted $8 million during the past two fiscal years on penalties for bills that weren't paid on time," according to an October 2009 Los Angeles Times investigative report. "An internal audit of the state Parks and Recreation Department for the fiscal year found that it had incurred late payment penalties of $232,000 in the preceding two years."

"An accounting error by the Fresno County Auditor's Office led to the county overpaying schools $34 million in property tax revenue over four years, the Fresno Bee reports." 

Overpaying over a three year period, but how about $32 million taxpayer dollars to put up paroled sex offenders in apartments and motels? According to a Contra Costa Times report, "Some parolees have received housing assistance for more than two years after being released from prison."

These are just a small sampling of the more egregious cases of waste, fraud, and mismanagement in state spending. The CalTax report so far has documented a total of $560 million in such cases for 2009. Of course, there are innumerable examples that haven't, as yet, been documented.

California’s coffers could use an extra half billion dollars right now. As the state mortgagors its future and is forced to make painful cuts to needed public assistance programs, cutting waste, fraud and mismanagement should be a no-brainer.

California has a spending problem to be sure, but it also has an out of control oversight problem. There is no reason the fifth largest economy in the world should ever be paying late fees, let alone $5 million worth. These cases of money wasted are salt in the wound of the California taxpayers, just as they are being asked to front 10% of their income tax to help fill the state’s shortfall. Taxpayers deserve increased transparency in regard to state spending and oversight that stops needless spending. It is time for taxpayers and lawmakers alike to elevate this discussion so that more cases of waste, fraud, and mismanagement are exposed.

Give The Gift Of A Smile.

Today, millions of children in developing countries are suffering with child lip and palate. Condemned to a lifetime of malnourishment, shame and isolation.

The good news is that virtually all of these children can be helped. This is the mission of The Smile Train. We empower local surgeons to provide this life-changing free cleft surgery which takes as little as 45 minutes and costs as little as $250. It gives desperate children not just a new smile— but a new life.

100% of your donation goes toward programs — 0% goes toward overhead.

YES, I want to give a child a second chance at life.

7 $200 Provides cleft surgery for one child.
7 $125 Provides medication for one surgery.
7 $65 Covers half the cost of one surgery.
7 $42 We gladly accept any amount.

Name
Address
City
State
Zip

Change gift to see credit card info.
Visa MasterCard AX MyDiscover
Account No.
Exp. Date
Signature

*Send to:
The Smile Train
P.O. Box 1979
Rancho Cucamonga, CA 91729-1979
(909) 983-0083

www.smiletrain.org

*The Smile Train is a 501 (c)(3) nonprofit
organization.

December 2009

Why Did... continued from pg. 21
more friendly environment for job creators.

Wastewatchers Update

With a $21 billion budget shortfall, you’d think policymakers would be carefully finding and eliminating any unnecessary spending. Sadly, history repeats itself as state agencies continue to make multi-million dollar blunders, digging California into an even deeper budget hole.

CalTax recently updated its running list of 2009 highlights of government waste, fraud, and mismanagement.

Here are a few highlights from the report:

"...[T]he state wasted $8 million during the past two fiscal years on penalties for bills that weren't paid on time," according to an October 2009 Los Angeles Times investigative report. "An internal audit of the state Parks and Recreation Department for the fiscal year found that it had incurred late payment penalties of $232,000 in the preceding two years."

"An accounting error by the Fresno County Auditor's Office led to the county overpaying schools $34 million in property tax revenue over four years, the Fresno Bee reports." 

Overpaying over a three year period, but how about $32 million taxpayer dollars to put up paroled sex offenders in apartments and motels? According to a Contra Costa Times report, "Some parolees have received housing assistance for more than two years after being released from prison."

These are just a small sampling of the more egregious cases of waste, fraud, and mismanagement in state spending. The CalTax report so far has documented a total of $560 million in such cases for 2009. Of course, there are innumerable examples that haven't, as yet, been documented.

California’s coffers could use an extra half billion dollars right now. As the state mortgagors its future and is forced to make painful cuts to needed public assistance programs, cutting waste, fraud and mismanagement should be a no-brainer.

California has a spending problem to be sure, but it also has an out of control oversight problem. There is no reason the fifth largest economy in the world should ever be paying late fees, let alone $5 million worth. These cases of money wasted are salt in the wound of the California taxpayers, just as they are being asked to front 10% of their income tax to help fill the state’s shortfall. Taxpayers deserve increased transparency in regard to state spending and oversight that stops needless spending. It is time for taxpayers and lawmakers alike to elevate this discussion so that more cases of waste, fraud, and mismanagement are exposed.

Give The Gift Of A Smile.

Today, millions of children in developing countries are suffering with child lip and palate. Condemned to a lifetime of malnourishment, shame and isolation.

The good news is that virtually all of these children can be helped. This is the mission of The Smile Train. We empower local surgeons to provide this life-changing free cleft surgery which takes as little as 45 minutes and costs as little as $250. It gives desperate children not just a new smile— but a new life.

100% of your donation goes toward programs — 0% goes toward overhead.

YES, I want to give a child a second chance at life.

7 $200 Provides cleft surgery for one child.
7 $125 Provides medication for one surgery.
7 $65 Covers half the cost of one surgery.
7 $42 We gladly accept any amount.

Name
Address
City
State
Zip

Change gift to see credit card info.
Visa MasterCard AX MyDiscover
Account No.
Exp. Date
Signature

*Send to:
The Smile Train
P.O. Box 1979
Rancho Cucamonga, CA 91729-1979
(909) 983-0083

www.smiletrain.org

*The Smile Train is a 501 (c)(3) nonprofit
organization.

December 2009

Consumer Balance

Sheets Don't Seem That Bad

The household debt burden illustrated in Figure 7 to Figure 10 doesn't seem catastrophically bad. Maybe the problem is only the fear of what comes next.

Debt to disposable income ratios are illustrated in Figure 7. The ratio of consumer credit (auto loans and credit card debt) to disposable income has crept slightly downward from its peak above 24% in 2003. It's the ratio of mortgage debt to disposable income that has really zoomed upward, from 60% in 1980 to 97% in 2008.

The large increase in mortgage debt relative to income has produced a much more modest increase in the debt service burden of homeownership households. Illustrated in Figure 4, rising only two percentage points from 15% to 17% in the same time, the financial obligation ratio remains small--especially when compared to a high of 31% in 2001 to only 24% today.

The disconnect between debt and debt service is explained by the decline in borrowing rates illustrated in Figure 9, with consumer rates declining from 12% to 9% and mortgage rates declining from 8% to 6%. In other words, with interest rates down by about 25%, households can take on 25% more debt without increasing the debt service.

Even with the decline in interest rates, the mortgage debt burden has risen substantially, but that is offset by a huge increase in the value of the household asset and net quick V like the earlier recessions. We will confirm below that GDP growth and job formation were both weak in the aftermath of the 2001 recession.

Bottom line here: If we looked only at housing, we might be thinking a powerful recovery is just around the corner.

Figure 7. Household Debt Service

Figure 8. Household Borrowing Rates

Figure 9. Residential Structure

Figure 4. Post-up Demand

Figure 5. Housing Starts and Normal Starts

Figure 6. Excess Stock of Housing

Figure 8. Figures illustrating Housing Starts and Normal Starts

Figure 7. Housing Starts and Normal Starts

Figure 9. Residential Structure

Figure 4. Post-up Demand

Figure 5. Housing Starts and Normal Starts

Figure 6. Excess Stock of Housing

Figure 8. Figures illustrating Housing Starts and Normal Starts

Figure 7. Housing Starts and Normal Starts

Figure 9. Residential Structure

Figure 4. Post-up Demand

Figure 5. Housing Starts and Normal Starts

Figure 6. Excess Stock of Housing

Figure 8. Figures illustrating Housing Starts and Normal Starts

Figure 7. Housing Starts and Normal Starts

Figure 9. Residential Structure

Figure 4. Post-up Demand

Figure 5. Housing Starts and Normal Starts

Figure 6. Excess Stock of Housing
UCLA...

continued from pg. 26...out ing much as we predicted. California's unemployment rate continues to increase, local government employment continues to decline, and has now been joined by state government contraction, and 2009 personal income, when it is reported, ought to be lower for the entire year. The current forecast differs from the previous one in as much as our U.S. forecast is slightly more optimistic than before and our California forecast overstates that with a larger than expected reduction in state government spending. The net effect is to lower our forecast for California for the coming year. But aside from a new round of budget problems, there have been no dramatic events during the past three months to change the general tenor of the forecast.

Overall, the outlook for the balance of the year is for little to no growth. The economy began to pick up slightly in the beginning of 2011 and by the middle of 2011 begin to grow at more normal levels. The keys to California's recovery remain, exports of manufactured and agricultural goods, a recovery in U.S. consumption which increases the demand for Asian imports and for products from California's factories, increased public works construction, and increased investment in business equipment and software.

On an annual basis, our expectation is that total employment will contract by 4.3% in 2009 and will continue to shrink at a 4.3% rate in 2010. Once growth returns in 2011, employment will begin to grow faster than the labor force at a 1.7% rate and the unemployment rate will begin to fall. Real personal income growth will be 2.7% in 2009 and then return positive growth at 0.4% and 2.8% in 2010 and 2011 respectively. Finally, unemployment is only going to get worse. We expect it to grow to a high of 12.7% in the 4th Quarter of 2010 and to average 11.7% for the year. Though the California economy will be growing in 2011, it will not be generating enough jobs to drive the unemployment rate below double digits until 2012. The stalled California economy simply is not producing the jobs required for the new entrants to the labor force over the next couple of years. Prevent these elevated levels of unemployment to persist once the job layoffs cease.
The West...
continued from pg. 35
dehydrated

- Dolemen (grape leaves stuffed with rice, beef, vegetables, and raisins).
- Must-ô-Khira (chopped cucumber and herbs in plain yogurt).

For Entrees

- Chek Kabob Fettel (chuck of beef filet mignon with bell peppers, onions, and tomatoes, skewered and charbroiled).
- Soltani Kabob (combination of beef filet mignon and ground beef, skewered and charbroiled).

Chicken

- Chicken Kabob
- Kebodeh

After your meal, take my Lamb Shank of Boulevard in La Verne.

Sunday

7:00 p.m.

Lunch

909.980.4962: Phone
909.985.6888: Fax
mmesino@sacjournal.org: Email

The Recovery Commenced This Summer

Many indicators are suggesting the recession ended this summer. The stock markets around the world are rebounding nicely. Industrial production and GDP are up again. But the job market is looking more like the flat part of the L of the last two recessions, than the second stroke of the V we all hope is coming soon.

Industrial Production is also signaling the end of the recession.

V is the shape of the stock market in recession, and V is the shape of industrial production. The average decline of industrial production during recessions has been about 8% and has been fully recovered in the first 10 months of expansion. This time industrial production had already declined several percentage points from the cycle peak in December 2007 until August 2008, but the Paulson Panic drove it down at a rate that was reminiscent of the recession of the other two past recession - 1975.

To be entirely honest however, the sharp decline in industrial production in August 2008 preceded Paulson’s knee on Sept. 25, and very little of that very sharp September decline in industrial produc-

Economist John Husing, Ph.D.
An Economic Glimpse at 2010

Presented by: San Antonio Community Hospital Foundation Business Referees

Lunch will be served $25 per person
Limited seating Paid reservations are required by January 5, 2010

To assure your reservation contact Martha Reichert regarding payment options 909.920.4962: Phone 909.985.6888: Fax mreichert@sacjournal.org: Email

Tuesday, January 12, 2010 beginning at 11:30 am
San Antonio Community Hospital Alf Auditorium
999 San Bernardino Road, Upland 91734

Sponsored by:
- Mark Bertone, Trustee
- Chiho Commercial Bank
- Document Storage, TRL Systems, Inc.
- Overflow parking is available at the southeast corner of 11th and San Bernardino Road in the 114 building parking lot.

December 2009

The Why Did... continued from pg. 33
worth illustrated in Figure 10. From 2009Q1 to the financial peak in 2007Q2 household assets increased by $13 trillion and net worth increased by $12 trillion. Subsequently, both have declined by $12 trillion. I wonder how big a drag on consumption spending that decline in net worth might cause if we felt confident that net worth was on the mend and would continue to increase as it did in the first half of 2009?"
The Janus Principle: Focusing Your Company on Selling to Small Business,
By Joann Mills Laing & Don Mazzella; New York, New York; 2009; 164 pages; $14.95.

This is very much a "how-to" book on finding and successfully selling to small businesses, by your products, services, or both.

Selling to small business?
Aren't those the people who have almost no cash, a very low credit rating number, and hanging on to their business by virtue of their fingers? No, it's the people whose financials are hanging on, and even achieve some growth, while companies who have a billion dollars are cut off by the government.

As usual, however, there are more small businesses out there innovating opportunities while larger firms are "right-sized" people and "temporarily" closing facilities so they'll have the cash to ride out the troubled times. Janus Laing and Mazzella point out that even though a larger percentage of small businesses—compared to large businesses—may not have the resources or the sheer number and flexibility of small businesses make them a good marketplace to explore.

While it's true that some small businesses (and entire industries) may disappear, if economic history of financial downturns has taught us anything, it's that surviving small business, especially in new market segments, will come out stronger as they've been expected. One example is the "green" marketplace for energy sustainability.

The book's authors begin with the concept of Janus, the two-headed (actually faced) Roman god, always portrayed as always looking out and inward to marshaling the company to do both/serve to produce the product or service. They go on to state:

"short, the Janus Principle helps marketers to successfully bridge the gap between their company and the targeted marketplace.

Starting with an early chapter titled "The What," the authors point out that products and services must be specifically tailored to fit smaller clients. Simply providing a cut-down version of a larger offering created for big corporations seldom generates profitable results in the long run. The most common results are too many bugs in the products or services offered. The entire IT industry, both software and hardware, runs into that problem at least once a year.

The book is broadly organized to answer several key questions:


This is basic, and is often expressed as: what you're selling, who are you selling it to, how much are you selling it for, who are you selling it to, how much are you selling it for, what customer needs your product satisfy and what value do you add to that customer's business? The answers to these questions are the philosophical foundation of your business. They are so basic. Collectively, they add up to step one in the small business or any other market segment. In the book they account for a bit less than a third of the book's content.

The book's real value truly begins on page 45. From that point forward, it looks at the tools, techniques, and tactics to use with the small business market segment. Some are time-tested, such as direct mail and billboards. Others are computer-based and still being tested. These include: social networks, business blogs, and search engine optimization.

For more information on the CPUC, please visit www.cpuc.ca.gov.

Time...
continued from pg. 8
How do you know you've succeeded?

Once you and your Admin reach an understanding regarding what you want, you should be able to read the "magnets" in 15 minutes a day (on average). Simply put, a magnet is a one hour a week of your time. If you've been spending between 20 and 50 of your hours a week gathering information, you could save up seven hours a week, which is now freed up for more profitable activities.

TMM = More Stress
Freed-up Time = More Profit
More Profit = Less Stress

Which do you prefer?

What can you begin to do next week to get rid of too much information, and turn the time-savings into more profit?

For additional information contact Gloria Borgese at Gloria.Borgese@CalSustainability.com or at BorgeseConsulting.com.

Wells Fargo...
continued from pg. 19
up to the kayaks, (wait a little) and then slowly ease in. Check out your own favorite local surf spot for current wave conditions, but be aware, the waves on the coast are quite big. Realize the Pacific Ocean isn't as accommodating when it's not. The surf is on the rise, so if you're a surfer, then you're in your element. If you're not, then just go to the beach and enjoy the sun! The La Jolla Cove is a hyperlocal beach for the La Jolla residents. You'll be able to enjoy a beach house, 90 feet from the water, with a private beach area.

When complete, all offices will carry the Wells Fargo name.
Done in a Mediterranean Village

Hearst Castle
"The Enchanted Hill"

By Camille Bounds
Travel Editor

Between 1919 and 1948, William Randolph Hearst and his architect, Julia Morgan, transformed a coastal knob overlooking the Pacific into a legendary 133 acre estate of gardens, terraces and guest houses dominated by Hearst's 106-room residence, La Casa Grande. A legacy of unmatched beauty and wonder remains for all the inhabitants of this place to enjoy.

"The way God would have done it if he had had the money," was George Bernard Shaw's report after spending a week at the "Enchanted Hill" at Hearst Castle in San Simeon.

Hearst, who headed up an immense publishing, ranching and mining empire, was the heartbeat and brain of this magazine. It was to the Amusement World.

In 1922, work was started on the great house, Casa Grande, a Spanish colonial type structure of poured concrete faced with Utah limestone. Twin bell towers and copper domes housing 36 carvings from Bronzes of Hearst's "rush" house guests were in place in 1948 when architect Morgan, who had been given the key to the house, continued to enhance her already stunning creation.

A job akin to the pyramids

Building the 106 room, four story, 73,000 square foot plus Casa Grande was a mammoth job akin to the pyramids, if they were built in the same era. A large crew hauled building supplies and aggregate for the reinforced concrete up six miles of bad road. Bulky, heavy loads took half a day to get from the pier to the building site. It took approximately two years of continuous building to complete. (Keep in mind that some of this building went during the Depression.) But as far as Hearst was concerned, it was never really complete. He kept adding and improving right up to the time of his death in 1951.

A top drawer guest list

One of the most impressive rooms in the Refectory that reveals an exquisitely unique 400-year-old hand-carved wooden ceiling imported from an Italian monastery which includes an interesting musician's gallery. Here is where guests met for galas and parties, with an "A" guest list of the times. Charlie Chaplin, Greta Garbo, George Bernard Shaw, Cary Cooper, Winston Churchill (just to name-drop) is the tip of the iceberg of the famous and sometimes "infamous."

An uninsured irreplaceable library

If so inclined, guests could take advantage of the comfortable 80-foot library, a delightfully decorated room with 5,000 valuable books, none of which were insured. When asked why there was no insurance, Hearst answered, "No money could begin to cover their loss." At times, up to 60 invited guests enjoyed the amenities of Hearst Castle. Available were tennis, swimming, horseback riding, boating, fishing and a private movie theater. You name it, and if it existed, it was there.

The largest private zoo in the world

Hearst was a dedicated animal lover and had signs posted around the roads to inform the public: "Animals have the right of way." For years the largest private exotic animal zoo in the world was at Hearst Castle in San Simeon. Hearst had over 70 types of animals roam his land within 2,000 fenced-in acres. Ostriches, buffaloes, yaks and emus...
Need A Website?

FREE WEB CONSULTING CALL TODAY!

25K Looking Website

* Lite Package $300.00 Reg. $1,800
Includes: • Up to 5 Pages • 1 year Domain Registration
• SEO (Search Engine Optimization $600 Value)
• 5 Email accounts • Unlimited Editing • Access to Music Library
• Access to Image Library • Visitor Statistics

* Standard Package $900.00 Reg. $3,500
Includes: • Flash Intro • Up to 20 Pages • 1 year Domain Registration
• SEO (Search Engine Optimization $600 Value)
• Image Gallery (50 Images) • 10 Email accounts • Unlimited Editing,
• Access to Music Library • Access to Image Library • Visitor Statistics

* Premium $1600.00 Reg. $6,400-Limited time offer
Includes: • Flash Intro • Up to 100 Pages • 1 year Domain Registration
• SEO (Search Engine Optimization $600 Value) • Image Gallery (500 Images)
• 20 Email accounts • Unlimited Editing • Access to Music Library • Access to Image Library,
• Visitor Statistics • One year web hosting ($180.00 Value) • Premium store w/Paypal
Add up to 240 Products in 10 Categories!

All Packages- $15.00 Per month hosting • Domain registration Renewal $10.00 Per Year. All websites are built on AceMarketingWorld.com website program.

Ace eMarketing

www.AceEmarketing.com

909.890.6308
7828 Haven Ave # 207 Rancho Cucamonga, CA 91730
help@aceEmarketing.com