

Detroit Legal News

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DAILY BRIEFS

City Council wants to kill sludge contract

DETROIT (AP) — The Detroit City Council wants the mayor to kill a contract with a Texas company that handles sludge, a day after the man who organized the deal admitted paying bribes.

The council asked Mayor Ken Cockrel Jr. to take steps to terminate the contract. But the 7-1 vote Tuesday doesn't automatically erase the deal.

Jim Rosendall, a former representative of Houston-based Synagro Technologies, says he paid a council member before the 5-4 vote in fall 2007. He pleaded guilty Monday to conspiracy.

The council member has not been identified. Councilwoman Sheila Cockrel says she wants "Synagro to go away," but she doesn't believe Rosendall's guilty plea is enough.

Sheila Cockrel says the city may have to wait until it's proved that a council member took a bribe.

Michigan airport to add flights to Vegas

GRAND RAPIDS, Mich. (AP) — Allegiant Air is betting that southwestern Michigan travelers want to go where they can be entertained. Or at least get a little warmer.

The airline announced Tuesday it will begin offering nonstop flights twice each week from Grand Rapids to Las Vegas.

The flights out of Gerald R. Ford International Airport will be offered on Mondays and Fridays starting May 1.

The Las Vegas-based budget airline initially will offer special rates of \$99 each way.

Grand Haven radio station WGHN and The Grand Rapids Press report the airline already plans to begin air service next week from the airport to Florida, with flights to Orlando and Tampa-St. Petersburg.

Benton Harbor cop in possession of cocaine

BENTON HARBOR, Mich. (AP) — A man who seized and kept drugs when he worked as a Benton Harbor police officer has pleaded guilty to possessing crack cocaine.

Andrew Collins' deal with federal prosecutors requires him to cooperate with any police agency investigating crimes. He's also required to take polygraph exams, commonly known as lie-detector tests, when requested.

The 26-year-old pleaded guilty this week to possessing five grams or more of crack cocaine with the intent to distribute it. The case was handled by the U.S. attorney's office in Grand Rapids.

The indictment says Collins seized drugs when he worked for Benton Harbor's narcotics unit but didn't always report it to the department.

DMBA career panel discussion at Cooley

The Detroit Metropolitan Bar Association will hold a career panel discussion tonight from 5-7 pm at the Auburn Hills campus of Cooley Law School at 2630 Featherstone Rd. just south of Chrysler World Headquarters.

Moderated by DMBA President Douglas Hampton, the panel will include Bodman's Candice Rusie, Chris Gura of Abbott Nicholson, Dickinson Wright's Mike Socha, Chief of Staff for the Wayne County Prosecutor's Office Donn Fresard, and career coach Elizabeth Jolliffe, formerly of Clark Hill.

The panel will cover a variety of topics relevant to law students as they start their careers.

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New Chief Circuit Court judge makes appointments

The Michigan Supreme Court recently appointed Judge Virgil C. Smith as Chief Judge of Third Judicial Circuit Court. Judge Smith was appointed to the Third Judicial Circuit Court in 2004 by Gov. Jennifer Granholm where he served in the Juvenile Division of the Family Court. Chief Judge Smith this week announced his appointments to leadership positions in the court.

Third Judicial Circuit Court Judge Lita Masini Popke has been appointed Chief Judge Pro Tempore. Judge Popke has been a judge of the court since 2000



Circuit Court Chief Judge Virgil C. Smith

Presiding Judge of the Civil Division. He previously served as a judge of the Wayne County 36th District Court and its predecessor, the Common Pleas Court of Detroit. Judge Murphy has served on the Third Judicial Circuit Court since 1986.

Third Judicial Circuit Judge Maria Luisa Oxholm has been appointed as Presiding Judge of the Family Division — Domestic Division. She has been a judge of the Third Judicial Circuit Court - Family Division since 2002. From 1999 through 2002 Judge Oxholm was a judge of the 36th District



Judge Lita Masini Popke

Court. Prior to that Judge Oxholm served as an Assistant Wayne County Prosecutor for 10 years and as an attorney with the U.S. Department of Justice in the Immigration Division.

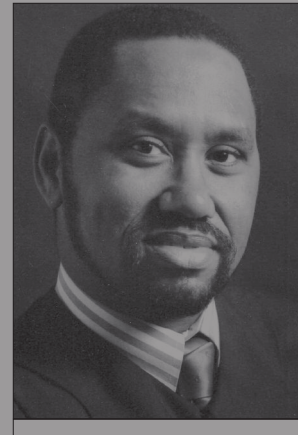
Third Judicial Circuit Court Judge Leslie Kim Smith has been appointed as Presiding Judge of the Juvenile Division of the Family Court. In 2003 Gov. Jennifer Granholm appointed Judge Smith to the Third Judicial Circuit Court. Prior to that, Judge Smith served as judge of the 30th District Court in the City of Highland Park; she was elected to that court in 1986 and served as Chief Judge for over a decade.

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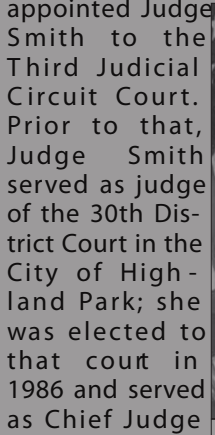


Judge Maria Luisa Oxholm



Judge John A. Murphy

Third Judicial Circuit Court Judge John A. Murphy has been re-appointed as



Judge Leslie Kim Smith

Genesee County worker has filed line of lawsuits since 1985

FLINT, Mich. (AP) — Genesee County paid out \$425,000 earlier this month to settle a lawsuit by an employee who claimed reverse-discrimination was to blame when he lost his job.

But it wasn't the first time Dennis Goodman has obtained a settlement by suing government entities and others. He has filed a line of lawsuits going back more than two decades, The Flint Journal reported.

Goodman sued the Flint-area Mass Transportation Authority in 1985, claiming the agency's former general manager sexually harassed him, violated his civil rights, caused emotional distress and violated Michigan whistle-blower protection. He received a \$135,000 settlement.

Two years later, Goodman sued the city of Flint, claiming the government wouldn't hire him because of his previous lawsuit. The case was settled for an unknown amount.

Earlier, Goodman filed at least four civil lawsuits, including against a music store he claimed had delivered a damaged piano and a man who allegedly stopped payment on a check for his 1978 Chrysler Cordoba.

"Unfortunately, some people seem to know how to work the system," said Genesee County

Register of Deeds Rose Bogardus.

Two of the county's nine commissioners voted against the Jan. 7 payout to Goodman in the reverse-discrimination case, citing his history of litigation.

In that case, county commissioners eliminated Goodman's job as motor pool administrator in 2004. Goodman, who is white, claimed a black supervisor wrote an e-mail that referred to his race and said, "You people seem to think you can get away with anything, but things have changed."

The county denied that Goodman's supervisor wrote the e-mail. County lawyer Ward Chapman said the lawsuit was settled to avoid the uncertainties of a trial.

Goodman has another job with Genesee County. He declined to comment through his attorney, Glen Lenhoff, who said the complaints about past lawsuits amount to nothing more than sour grapes.

"They are embarrassed. They can't go to the merits of the case so they grasp at anything they can," Lenhoff said. "(This is) a bunch of political hacks trying to cover their tracks because they are worried how the settlement will look."

Association of Black Judges of Michigan plans annual worship service, Feb. 15

The Association of Black Judges of Michigan will conduct their annual Worship Service on Sunday, Feb. 15, at Hope United Methodist Church in Southfield.

The event begins at 9 a.m. with breakfast followed by a group photograph at 10 a.m.

The morning worship service begins at 10:30 a.m.

The church is located in Southfield at 26275 Northwestern Hwy.

For additional information, call (313) 972-5723.

SURF 'S UP



Cindy Haffey received her first surfboard for her birthday last summer and showed it off in the lobby of her office on West Jefferson Avenue. She took up the new hobby in 2001. Photo by Sue Collins

Detroit attorney rides wave of interest for sport and the law

By SUE COLLINS
Legal News

Cynthia Haffey is a successful attorney, an accomplished litigator, and a dedicated wife and mother. When she commits to something, she literally jumps in with both feet.

When she tried a new sport in 2001, she not only "jumped in," she planted her two petite feet firmly on a surf board and the passion for her new sport has swelled ever since. When she and her family took their first vacation to Hawaii, the seas were unseasonably flat. Under-terred, Haffey organized the next few vacations at surfing-friendly beaches and studied the sport, honing her skills efficiently, aggressively, and with finesse.

Her approach to practicing commercial litigation as a shareholder in Butzel Long's Detroit office is similar. The only thing she loves more than being in a courtroom is winning there. She recently won a \$6.4 million case, along with seven other Butzel attorneys in a multi-state dispute that required millions of pages of depositions and documents. Her client was Western Sky Industries in an intense 90-day arbitration with jet manufacturer, Eclipse Aviation of New Mexico. Had the case been filed in federal court, the proceedings may have lasted several years. Instead, the arbitration contract provided full discovery and ended favorably in three months. And after the judgment was announced, her team was able to collect in full and with interest.

"It was a hard-fought battle with a very good result," she said.

A graduate of Wayne State University Law School (J.D., cum laude, 1997) and Western Michigan University (B.S., magna cum laude, 1980), Haffey was the recipient of the Norman I. Lemmon Award, the Walter Nussbaum Award, and the Boaz Siegel Award.

Prior to practicing law, Haffey held positions in the retail industry both in management and human resources and culminated a 12-year relationship with Dayton Hudson Corp. as a General Manager of Hudson's West Lansing store.

Haffey's primary areas of practice are commercial and employment litigation. She has experience in numerous commercial matters, including disputes concerning the sale of a business, shareholder, partner and owner disputes, sales commission disputes, fraud, tor-

tious interference and other business torts, and automotive (Tier 1 and Tier 2) contractual disputes. In addition, Haffey has significant experience defending corporate employers against age, sex, racial discrimination claims, and other wrongful discharge cases.

It was a colleague at Butzel who encouraged her to pursue surfing, leaving a video about safety for the extreme surfer on her desk chair after a discussion they had about beach vacations. She watched the video, learning how to choose the right board and wait for the right wave. Basic surfing etiquette was also covered in the lesson.

"I learned early on it's important not to steal waves from other surfers out there," she said with a smile.

Armed with a list of top surfing spots, recommended by the Butzel partner, Haffey planned trips to South Carolina, North Carolina, Mexico, San Diego, and Hawaii beaches.

Along the way, her sons and husband picked up a board and hit the surf. Her 16-year old son has excelled and even tried a short board, experimenting with an entirely different style of surfing. The early morning wake-up calls, though, sometimes meant Haffey was on her own, leaving sleepy headed teens to catch up later in the morning. The best waves, she says, are sometimes found in the early morning hours and she is willing to wake in the wee hours to take advantage of perfect 4- to 6-foot waves.

During her trips, she would make it a point early on in the stay to source out a good surf shop. Haffey was not on the prowl for hip flip flops or T-shirts, however.

"The older people who work in these shops are the best sources for local surf spots," she said. "Usually, the local knowledge goes a long way."

She also has found hiring a guide is a sure fire way to wade through the territorial locals to enjoy favorite beaches.

"We met this guy in Hawaii who was a professional surfer and a retired Wall Street trader," she said. "He picked us up one morning at 6 a.m. and drove 45 minutes to an amazing spot we most likely would not have found without his inside experience."

She prefers warm water, but isn't opposed to donning a wetsuit if that is where the stellar waves are rolling in.

See SURF, Page 2

Official Newspaper: City of Detroit • Wayne Circuit Court • U.S. District Court • U.S. Bankruptcy Court

■ Taking Stock

Malcolm Berko cautions all that glitters is not pure gold

Page 2

■ Kitchen Accomplice

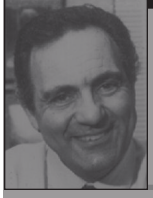
Retired Judge John Kirkendall does crackling fried chicken

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■ Legal View

Employers should make decisions now about EFCA

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MALCOLM BERKO

Taking Stock

All that glitters is not pure gold

Dear Mr. Berko:
In October 2008 I asked you if I should buy 300 shares of Universal Display, then trading for \$12 a share. You said I was “nuts,” but told me to place an “open order” at \$5 and, if it executed, to place an “open to sell order” at \$10. In November I bought 300 shares at \$5 and sold them in January 2009 at \$10 and I made \$1,300. Enclosed is an advertisement from the highly prestigious New York Mint offering a new gold Koala coin from Australia for \$180. The coins are 24-karat and 99.999 percent pure gold and will be eagerly sought after by collectors, according to my conversation with a person at the mint. They only have a few thousand of them and I’d like your thoughts about buying seven coins with my Universal Display profits. If the price of gold doubles in a year to \$1,800 an ounce, I’d more than double my money because these Koala coins also have a collector’s premium added to their value. Please tell me what you think of my idea. Or do you think I should buy back Universal Display, which is now \$9.65 a share? Please answer as soon as you can because the mint person tells me that there are not “many coins remaining” and I don’t want to miss a golden opportunity.

M.M., Jonesboro, Ark.

Dear M.M.:
I had dinner several months ago with a good friend who was visiting the states from Barcelona, Spain. He and his crew were doing research for a comedic European film series (sort of like “Candid Camera”) on U.S. television, radio, and print advertising. It seems that Europeans have three favorite pastimes while visiting this country: 1. Watching televangelist programs; 2. Watching TV commercials broadcasting cockamamie claims to U.S. audiences; 3. Listening to preposterous commercials on Satellite radio.
Europeans believe that American consumers are dumber than Elbonians, who also drool like fools over product presentations on radio, TV and print media. Europeans are incredulous that we are so incautiously naive and effortlessly swayed. And I’m convinced that the reason most Americans don’t own more of those cute 135-pound \$4,000 Arcovian pigmy elephants is that pet shops have yet to offer them for \$25 down and \$25 a month.
I can’t “finger” out where you parked your brains after flawlessly following my Universal Display Corp. instructions

this past October. But if you find them, they would tell you not to buy those damn-fool, silly coins at \$180 a pop. Those things are a royal rip-off at \$180, and the New York Mint, whatever that is, would be ripping you off royally. Jumping Jack Sprat, John and Jerry, that Koala coin contains only 0.04 ounces of gold. Now, if gold is \$900 an ounce, then the gold content of that Koala coin is a niggardly \$36 American. So gold would have to zoom up to \$4,500 an ounce just for you to break even. That’s not expected to happen until March or April of 2046 and you may not be vertical then.

That New York Mint isn’t a mint and it isn’t prestigious. It’s a clever, hotshot retail organization with 60 employees who sell highly overpriced stamps, books, jewelry, paper currency, ornaments, foreign coins and other baubles and kitsch to brainless idiots and suckers like you. Meanwhile, you can buy those Aussie Koala coins today on E-bay for an overpriced \$90 each. This should tell you that the very prestigious New York Mint is giving you a very prestigious royal shaft.

Forget about Universal Display Corp. (PANL-\$9.85). I have a close acquaintance who has owned a block of PANL shares for almost a decade and he zealously, fervently, passionately and ardently believes the stock has the potential to trade above \$100. He’s been preaching PANL for 10 years and could eventually be right. However, I think cats would sooner bark before this stock reaches \$100.

In my opinion, the only way for PANL to trade above \$100 would be a 1 for 12 reverse split. PANL’s business is the development and commercialization of organic light emitting diodes and licenses this technology to end users. But PANL hasn’t earned a pfennig, penny, peso or pound since Truman dropped the bomb, and in the last 10 years its cumulative losses exceed \$130 million. The company won’t make any money this year even with its extremely impressive technologies and 2010 doesn’t look promising either I can’t imagine a compelling reason to own this stock, but it might be a good idea to place another open order, once again, to buy 300 at \$5.

Please address your financial questions to Malcolm Berko, P.O. Box 1416, Boca Raton, FL 33429 or e-mail him at malber@comcast.net. Visit Creators Syndicate website at www.creators.com.

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Business & Economy

Submit news & views to bcoc@legalnews.com

Pfizer to buy Wyeth for \$68B; cut 8,000 jobs

Expected drop of \$13B in Lipitor revenue in 2011 triggered deal

By LINDA A. JOHNSON
AP Business Writer

TRENTON, N.J. (AP) — Pfizer Inc., the world’s largest drugmaker, said this week it is buying rival Wyeth for \$68 billion in a deal that will quickly boost Pfizer’s revenue and diversification and — if it works as advertised — help the company become more nimble.

The deal came as New York-based Pfizer set out a full house of issues: a 90 percent drop in income, a hefty charge to end an investigation, a severe cut in its dividend, a shockingly low profit forecast for 2009 and 8,000 job cuts starting immediately.

That’s all on top of the colossal problem triggering this deal: the expected loss of \$13 billion a year in revenue for cholesterol fighter Lipitor starting in November 2011, when it gets generic competition.

Pfizer also plans by 2011 to cut about 8,190 jobs, 10 percent of its workforce, as part of what it expects will be a staff reduction totaling 15 percent of the combined companies’ workers — implying a

total job loss of almost 20,000.

By buying Wyeth, Pfizer will mutate from a maker of blockbuster pills to a one-stop shop for vaccines, biotech drugs, traditional pills and nonprescription products for both people and animals.

But plenty of pharmaceutical industry mergers have not lived up to their initial promise, including the deals that enabled Pfizer to leapfrog to the top of the industry — buying Warner-Lambert in 2000 and, in 2003, Pharmacia Corp. Pharmacia was itself the result of the difficult marriage of Michigan’s Upjohn & Sweden’s Pharmacia, which took years and eventually new management to get beyond culture clash and fully integrate.

Pfizer and Warner-Lambert, likewise, had differences over Warner’s focus on consumer health

and Pfizer’s “big corporation” image, plus “no vision as to which divisions would win out and which people would keep their jobs,”

The cash-and-stock deal, one of the industry’s biggest ever, is expected to close late in the third quarter or in the fourth quarter. It comes as Pfizer’s 2008 fourth-quarter profit takes a brutal hit from a \$2.3 billion legal settlement over allegations it marketed pain reliever Bextra and possibly other products for indications that had not been approved.

“In one single transaction, the combination with Wyeth advances every single one of (our) strategies,” Kinder told reporters during a news conference.

Those goals include increasing sales in emerging markets, enhancing the ability to treat specific diseases, such as Alzheimer’s, and becoming a top player in vaccines and biologic drugs, which are made from living cells.

Pfizer, also known for the impotence pill Viagra, said it will pay \$50.19 per share for Madison, N.J.-based Wyeth.

Pfizer shares closed down \$1.80, or 10.3 percent, to \$15.65 Monday. Wyeth shares ended 35 cents lower at \$43.39.

Analysts were split on how good the deal is but saw no benefit for consumers.

“This deal doesn’t bring Pfizer the cure for Lipitor” revenue losses, but it brings short- and long-term cost savings, said Erik Gordon, biomedical analyst and professor at University of Michigan’s Ross School of Business. “It increases Pfizer’s research capabilities in biologics, and it’s good for Wyeth because Wyeth will now be able to tap into Pfizer’s marketing machine.”

Credit Suisse analyst Catherine Arnold wrote to investors that the deal’s addition to Pfizer earnings “should be massive,” and could start even before the second year.

The deal likely will close, she added and the amount of cash and debt that Pfizer has put together makes other suitors for Wyeth unlikely.

Brozak said it still doesn’t solve Pfizer’s long-term problem of not having enough promising drug candidates.

“The question becomes what are they going to do to fill that research gap,” Brozak said.

Meanwhile, Pfizer is halving its dividend to 16 cents per share and eliminating five of 46 manufacturing sites. Those closings will cost about \$6 billion before taxes, of which \$1.5 billion has been incurred Pfizer said.

Pfizer has not identified which plants it will close. Wyeth said there’s been no decision on job cuts among its staff due to the acquisition.

Pfizer said the new cost-cutting program will reduce spending by about \$3 billion, \$1 billion of which will be reinvested in the business.

Pfizer Chief Financial Officer Frank D’Amelio said the company will put up \$22.5 billion in cash and \$23 billion in stock for the purchase, with \$22.5 billion in debt covering the rest.

The deal is being financed by five banks: Bank of America Merrill Lynch, Barclays, Citigroup, Goldman Sachs and J.P. Morgan Chase.

The tie-up will bring about \$4 billion in cost savings by the end of 2012 and should add to Pfizer’s earnings per share in the second full year after closing.

Both companies’ boards approved the deal but Wyeth shareholders must do so. Wyeth’s CEO, Bernard Pousset, will stay on through the transition but not beyond that. The companies did not discuss the fate of other top Wyeth managers.

The deal is likely to be reviewed by the Federal Trade Commission, which typically handles pharmaceutical acquisitions. FTC spokesman Mitch Katz said the agency doesn’t comment on pending transactions.

Fitch Ratings downgraded Pfizer’s credit rating to ‘AA’ from ‘AA+,’ and placed the company’s ratings on a negative watch. Fellow ratings agencies Moody’s Investors Service and Standard & Poor’s are reviewing their ratings.

Acquiring Wyeth adds strengths in vaccines and biologic drugs. Together, the two companies will have 17 products with annual sales of \$1 billion or more.

Shortly after announcing the Wyeth deal, Pfizer said fourth-quarter profit plunged on a charge to settle investigations into off-label marketing. The company earned \$268 million, or 4 cents per share, compared with profit of \$2.72 billion, or 40 cents per share, a year prior. Revenue fell 4 percent to \$12.35 billion from \$12.87 billion.

Excluding about \$2.3 billion in legal charges, the company says profit rose to 65 cents per share.

Analysts polled by Thomson Reuters expected profit of 59 cents per share on revenue of \$12.54 billion.

In 2009, Pfizer expects earnings per share between \$1.85 and \$1.95, below forecasts for \$2.49. The outlook includes costs of 21 cents per share related to financial strategies tied to the acquisition, Pfizer said.

Wyeth said Monday its fourth-quarter profit declined 5.6 percent, to \$960.4 million, or 71 cents per share, down from \$1.02 billion, or 75 cents per share, in the 2007 quarter.

Excluding restructuring charges, the company earned 78 cents per share in the latest quarter. Revenue fell 7 percent to \$5.35 billion, dragged down partly by unfavorable currency exchange rates.

Analysts expected Wyeth to earn 79 cents per share on revenue of \$5.79 billion.

Associated Press writers Damien J. Troise in New York and Christopher S. Rugaber in Washington contributed to this report.

The cash-and-stock deal, one of the industry’s biggest ever, is expected to close late in the third quarter or in the fourth quarter. It comes as Pfizer’s 2008 fourth-quarter profit takes a brutal hit from a \$2.3 billion legal settlement over the marketing of its pain reliever Bextra.

Tip of the iceberg

Job-killing recession racks up more layoff victims

By JEANNINE AVERSA
AP Economics Writer

WASHINGTON (AP) — The recession is killing jobs at an alarming pace, with tens of thousands of new layoffs announced this week by some of the biggest names in American business — Pfizer, Caterpillar and Home Depot.

More pink slips, pay freezes and other hits are expected to slam workers in the months ahead as companies desperately look for ways to survive.

“We’re just seeing the tip of the iceberg — the big firms,” said Rebecca Braeu, economist at John Hancock Financial Services. “There’s certainly other firms beneath that which will lay off workers as quickly or even quicker.”

Looking ahead economists predicted a net loss of at least 2 million jobs — possibly more — this year even if President Barack Obama’s \$825 billion package of increased government spending and tax cuts is enacted. Last year, the economy lost a net 2.6 million jobs, the most since 1945, though the labor force has grown significantly since then.

The unemployment rate, now at a 16-year high of 7.2 percent, could hit 10 percent or higher later this year or early next year, under some analysts’ projections.

Obama called on Congress Monday to speedily enact his recovery plan, warning that the nation can’t afford “distractions” or “delays.”

With the recession expected to drag on through much of this year, more damage will be inflicted on both companies and workers.

The mounting toll was visible Monday as roughly 40,000 more U.S. workers got the gim news.

Pharmaceutical giant Pfizer Inc., which is buying rival drugmaker Wyeth in a \$68 billion deal, and Sprint Nextel Corp., the country’s third-largest wireless provider, said they each will slash 8,000 jobs.

Home Depot Inc., the biggest home improvement retailer in the U.S., will get rid of 7,000 jobs, and General Motors Corp. said it will cut 2,000 jobs at plants in Michigan and Ohio because of slow sales.

“We are seeing no improvement in labor market conditions,” said Sal Guatieri, senior economist at BMO Capital Markets Economics. “This year could be as bad as last year in terms of layoffs.”

In response to deteriorating business conditions, Caterpillar Inc., the world’s largest maker of mining and construction equipment, disclosed nearly 20,000 job cuts, most of which already have been made. They include 5,000 new layoffs of white collar workers,

which will occur globally by the end of March.

Earlier actions included the elimination of 2,500 Caterpillar workers through a buyout offer announced in December, the termination of about 8,000 contract and temp agency workers, and the reduction of 4,000 full-time factory workers through firings and buyouts.

Texas Instruments Inc., which makes chips for cell phones and

president of the firm. “As a result, they are forced to find alternative ways to keep costs down.”

Not all the economic news was as grim Monday. Sales of previously owned homes and a separate barometer of economic activity each logged unexpected gains in December. But economists didn’t view them as signs of improvement.

“Keep the paty hats in boxes and the Champagne in the cellar,” said Bernard Baumohl, chief global economist at the Economic Outlook Group. “It’s one month’s set of data and they tell us little about the future.”

Economists said the uptick in home sales was due to sinking prices spurring buyers. In the other report, a government-influenced balloon in the nation’s money supply largely affected the outcome.

Wall Street closed moderately higher. The Dow Jones industrials rose 38.47, or 0.48 percent, to 8,116.03, after briefly moving into negative territory.

The National Association of Realtors said sales of existing homes rose 6.5 percent to an annual rate of 4.74 million last month. Buyers took advantage of dramatically lower prices, especially in distressed states like California, Florida and Nevada, where foreclosures are soaring.

The nationwide median sales price sank to \$175,400, down 15.3 percent from a year ago. That marked the biggest annual drop on records going back to 1968. The median is the middle point, where half the homes sell for more and half for less.

For all of last year, existing-home sales totaled 4.9 million, down more than 13 percent from the previous year, and the lowest since 1997.

Meanwhile, the Conference Board’s monthly forecast of economic activity rose 0.3 percent in December. But that pickup was influenced mainly by federal efforts to ease the credit crisis, which caused the supply of money to expand. If the jump in the money supply were excluded the board’s index would have dropped sharply, economists said.

The national economy, meanwhile, is continuing to backslide.

Many analysts predict the economy will have contracted at a pace of 5.4 percent in the fourth quarter when the government releases that report Friday. If they are correct, that would mark the worst performance since a 6.4 percent drop in the first quarter of 1982. The economy is still contracting now — at a pace of around 4 percent, according to some projections.

AP Business Writers Ellen Simon and Alan Zibel contributed to this report.

SURF : Sport is physically demanding

From Page 1

For her birthday in June, Haffey received her own surf board from her husband.

“I did get some strange looks in the Detroit airport, carrying the huge board case around,” she said of the board that towers some four feet above her head. “It’s so nice to have the flexibility to surf whenever I want if there’s a great spot!”

Like most sports enthusiasts, she has learned that the better she gets, the more she enjoys watching professional surfing competitions.

“We got up at 6 a.m. while we were on vacation in California to go to a competition in Huntington Beach. It’s a great way to start the day.”

She also reads the monthly surfing magazines to keep in touch with news, discoveries, spectacular surfing successes, and equally as sensational wipe-outs.

She takes her spot seriously, warning beginners against the perils of coral reefs, rocks, and riptides. Safe surfing is smart, Haffey says.

Equally smart is being physically prepared to hit the waves.

Paddling from the beach, out into a position to catch the best wave is a mammoth effort, she says. It’s a feat that involves balance, upper body strength and persistence.

“The trick is to watch the waves and get yourself and your board up and over the wave that’s coming straight toward you. It’s a lot of paddling.”

Plus, she has learned to turtle under or through the oncoming waves, holding her board to her chest and flipping with the momentum.

“Some people may not appreciate how physical surfing is,” she said.

To help, Haffey concentrates on improving her upper body strength during workouts between vacations.

Then, once away from the beach and breaking waves, the surfer’s patience and instinct are tested. Haffey said she’s learned to read the waves and choose her path, while staying out of the way of other surfers doing likewise.

Back in the office, she longs to be on her board but meanwhile dives into the pursuit of her next case. Surfing, she says, is similar to her career as an attorney because it requires balance and meeting challenges head-on.

Don't Almost Give.

Give.

As generous a nation as we are, sometimes instead of giving, we almost give. We almost offer to help those in need, almost write that check. Let's cross that line — from almost giving — to giving. DontAlmostGive.org

Ad Council