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Housing market continues stabilization

By Gregory J. Wilcox
Staff Writer

San Fernando Valley home prices showed more signs of stabilization in August and annualized sales increased for the 14th consecutive month, a trade association said Monday.

The median price of a previously owned house slipped 8.5 percent last month to \$389,000, from \$425,000 a year earlier, said the Van Nuys-based Southland Regional Association of Realtors.

It is the second consecutive single-digit price decline and follows 19 months of double-digit drops.

Price declines of 30 percent or more were common through most of 2008 and into the early part of this year, the association said.

"It's a dramatic slowdown," said Jim Link, the association's chief execu-

utive officer.

During the market collapse the median price bottomed out in February at \$339,900, the association said. It had been on the rise since then, but dipped 3 percent from July's median of \$400,000.

"What you are seeing definitely indicates price stabilization," said economist Jack Kyser at the Los Angeles County Economic Development Corp. "The only thing that people are worrying about is that there might be another flood of foreclosures."

A record wave of foreclosures in the Valley are what drove the big annual price declines.

But while sales did increase again it wasn't by much. During August, 670 houses changed owners, up just four from August 2008. Sales fell 10 percent from July.

One reason that sales are flatten-

ing is that the market has tightened up. At the end of last month, 3,045 homes were listed for sale, a decline of 53 percent from August 2008.

That's a 3.4-month supply at the current sales pace and a level last seen when the market was booming in the middle of this decade.

"The inventory is so tight that if a property is priced under \$400,000, has three bedrooms and two bathrooms, I can guarantee that there is a buyer for it right now," association president Ana Maria Colon said in a statement.

Condominium sales did show some life in August, soaring 34 percent to 230 sales from 172 a year earlier. Sales also rose 13 percent from July.

That was strong enough to drive a 7 percent increase in sales of houses and condominiums to 900 units in

August, from 838 a year ago.

The median condo price fell 16 percent to \$230,000 from \$275,000 in August 2008. It increased 1 percent from \$228,000 in July.

The report also showed that Santa Clarita Valley home sales increased 3.5 percent to 206 properties from 199 a year earlier. Sales fell 3 percent from 235 in July.

The median house price fell 12 percent to \$398,000 from \$450,000 a year earlier and slipped 3 percent from \$410,000 in July.

Sales of condominiums declined 8 percent to 76 units from 83 a year ago and fell by 12 percent from July. The median condo price fell 15 percent to \$230,000 from \$269,500 a year earlier but increased 5 percent from \$218,900 in July.

greg.wilcox@dailynews.com
818-713-3743



LARRY STEVEN LONDRE
CSUN
DIALOGUE

Product placement a big part of media

As the fall television season begins, we are not only finding new shows to add to our schedule but we are also getting to know more product placements.

Recently, I asked my class to identify a product or service that was "placed" or paid to be in a movie or a TV show. We counted more than 30 examples, including the Coca-Cola glasses on "American Idol" and the Fords on "24."

What is product placement? Also known as "embedded marketing" or "product integration," it is essentially an advertisement using real products and services in media.

Product placement appears in television shows, plays, film, music videos, video games and books. This is usually done without disclosure, and under the premise that it is a natural part of the work. Money usually exchanges hands or services are rendered.

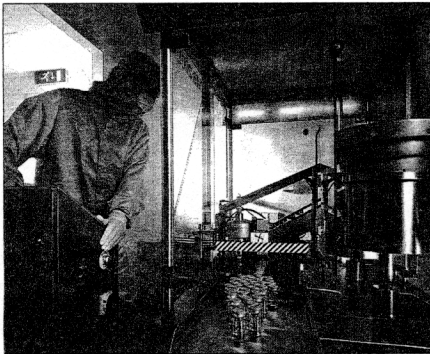
The earliest known example of product placement involved an 1896 film created by the Lumière brothers in which a Sunlight soap cart was parked on a street. There are also product placements that didn't happen. A letter found in Alfred Hitchcock's files mentioned that a moving company wanted to "brand" the vans in a scene from "The Birds," when residents were fleeing the town.

Film historians remember a grocery-store scene in "Double Indemnity" in which director Billy Wilder had Green Giant vegetables facing the screen while other products were faced backwards. In "All about Eve," boxes of Sunshine Hi Ho and Graham crackers were visible on a shelf above Bette Davis. The 1946 film "It's a Wonderful Life" by Frank Capra shows an aspiring explorer displaying an issue of National Geographic.

For some time now, the Federal Communications Commission has been considering regulating this marketing and advertising technique, clarifying branded entertainment, product placement, and perhaps full sponsorship of television shows. I ask my classes, does it really matter? There are too many shows where the sponsors are too visible. The viewers know, or now you know, that money and services were exchanged.

Larry Steven Londre is a marketing consultant who teaches marketing, advertising, and media classes at Cal State Northridge.

J&J buys stake in vaccine maker



The Associated Press

A Crucell NV worker fills ampoules with vaccine in an undated photo. U.S. health care company Johnson & Johnson bought an 18 percent share in Crucell on Monday.

The Associated Press
Staff Writer

Health care giant Johnson & Johnson is jumping into the increasingly hot vaccine business by taking an 18 percent stake in Dutch biotechnology company Crucell NV and focusing more on preventive medicine.

Under the deal the companies announced Monday, Johnson & Johnson is spending \$440 million for new shares of Crucell in a deal focused initially on developing a universal vaccine or treatment against influenza from Crucell's genetically engineered antibody technology.

A universal flu vaccine — one that would work against all or most strains rather than having to be reformulated every flu season — has been an elusive goal some other pharmaceutical companies have abandoned. Amid the swine flu pandemic, it has become a bit of a Holy Grail.

Longer-term, Crucell and Johnson & Johnson will work on developing vaccines and possibly treatments based on antibodies against additional diseases. Antibodies are proteins made by white blood cells to target specific invaders.

"There are three potential compounds that are not disclosed in this deal," J&J spokesman Fredrick Wittcock told The Associated Press, referring to potential vaccines and treatments.

All the compounds are what's called "monoclonal antibodies" — genetically engineered antibodies cloned over and over that are

designed to hunt down a target in the body and either deliver a medicine to the target or alert the body's own immune system to attack it.

The companies aren't saying what conditions they would target, but the compounds primarily would fight infectious diseases.

J&J already has several medicines or drugs in testing for bacterial and viral infections, including tuberculosis, HIV and hepatitis C.

"This vaccine deal perfectly fits into infectious diseases ... and it makes the picture complete," Wittcock said.

Acquisitions fuel bounce in stocks

By Tim Paradis
The Associated Press

A burst of corporate deal-making is giving investors a shot of confidence about the economy.

Large acquisitions from Abbott Laboratories and Xerox Corp. vaulted shares of drugmakers and technology companies higher, and the buying spread to other parts of the market as investors hoped that the \$6 billion-plus deals could be a sign that deal activity is finally picking up a year after the financial system nearly froze.

A willingness by big companies to wager stock and borrow cash to bulk up their business also sets off a guessing game among investors about what the next takeover targets might be. Just last week, Dell Inc. said it would acquire technology company Perot Systems Corp. for \$3.9 billion, and earlier this month Kraft Foods Inc. made an overture for candy maker Cadbury PLC for \$16.7 billion — the latest signs that big-time deal-making could be staging a comeback.

Stocks have surged since March as investors jockeyed to stay ahead of a strengthening in the economy, but the pace of those gains has stirred worries that the market is overestimating the strength of the economy. The willingness of some companies to pursue deals is helping ease some of those worries and reassuring investors that credit is flowing again.

"It's encouraging to all investors when you see companies buy because basically what that says is they're in a more aggressive mode as opposed to being in the fetal position," said Mark Coffelt, portfolio manager at Empiric Funds in Austin, Texas.

Abbott Laboratories said Monday it would acquire the pharmaceutical business of Belgian chemicals maker Solvay for \$6.6 billion, while and Xerox Corp. agreed to buy Affiliated Computer Services for about \$6.4 billion.

Charlie Smith, chief investment officer at Fort Pitt Capital in Pittsburgh, said some money managers and other professionals are racing to catch up with the market's advance before the third quarter ends on Wednesday.

"The mistake that people are afraid of now versus six months ago is not having enough money in the market," he said. "It's a sentiment swing."

Xerox's deal for ACS set off a rally in other information-technology companies. Tech shares got another boost from Cisco Systems Inc., after a Barclays Capital analyst raised his rating on the maker of networking equipment maker as he predicted improved demand from telecommunications companies would boost revenue.

BofA suspends deals with ACORN affiliate

The Associated Press

Bank of America Corp. is suspending its work with the housing affiliate of embattled community organization group ACORN.

The decision comes as three Republicans in Congress ask Bank of America and 13 other financial institutions to give Congress a complete accounting of their dealings with the Association of Community Organizations for Reform Now or its affiliates.

In a statement, Bank of America said it would not enter into any further agreements with ACORN Housing Corp. until the bank is satisfied all issues have been resolved. ACORN Housing

Corp. and Bank of America have worked together for years on mortgage foreclosure issues.

"We completely understand why our lending partners like Bank of America want assurances that the recent allegations against us won't happen again," ACORN Housing Corp. said. "We are taking a number of steps to ensure this, including providing ethics training to all of our staff."

Long a target of conservative critics, ACORN employees were caught on videotape recently giving advice to a woman posing as a prostitute and to a man posing as her pimp about cheating on taxes and operating a brothel with underage immigrant girls.

On Friday, GOP Reps. Spencer Bachus of Alabama, Darrell Issa of California and Lamar Smith of Texas sent a letter to 14 banks requesting disclosure to the House Financial Services Committee of all financial arrangements with ACORN and its subsidiaries or affiliates.

"The Republicans are trying to intimidate banks that have stepped up to help stop the foreclosure crisis," said ACORN chief executive Bertha Lewis. "These same Republicans ignored ACORN's warnings about predatory lending and the foreclosure crisis, then gave Wall Street free rein and are now obstructing efforts to help families."

Stock Exchange Highlights

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IN A BAD ECONOMY

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Stocks of Local Interest

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