

# Business

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AMEX 2,106.17

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## New CVEP chief ready to roll up his sleeves

Thomas Flavin returns to California by way of Seattle

BY DEBRA GRUSZECKI  
The Desert Sun

The Coachella Valley Economic Partnership has hired Thomas Flavin, a California native with strong ties to regional economic development organizations, as its new president and chief executive.

Flavin began the job Monday.

"I'm ready to roll up my sleeves and go to work," he said between meetings with CVEP's executive committee, staff and the workforce excellence team.

His annual salary was reported to be \$180,000.

"We are pleased and excited to finally have Tom on board as the new CEO," said Clifford Daniels, chairman of the executive committee.

"He brings vast experience, a proven track record and a high degree of enthusiasm to the post," Daniels said, along with this important nuance: "He's not only ultra-qualified for the tasks, but wants to be in the Coachella Valley."

Flavin comes to the Coachella Valley from Seattle, where he served as president and chief executive of enterpriseSeattle.

The 39-year-long public-private economic development partnership provides one-on-one, confidential consulting services to individual businesses seeking to establish, expand or relocate to King County and its 39 cities. That area has 1.9 million residents.

Like CVEP, the venture keys in on diversification of the Puget Sound regional economy with initiatives in industry clusters such as clean technology, interactive media and life sciences.



DEBRA GRUSZECKI THE DESERT SUN

Thomas Flavin returns to California from Seattle to serve the Coachella Valley Economic Partnership as its president and chief executive.

"There is a lot of opportunity here," he said.

"I'm impressed with the board, the voluntary leadership of the organization and staff."

The valley has potential to do some good things with the right plan and approach, he said.

"It's large enough to be attractive, and small enough to get things done."

The temperature is fantastic, too.

"It was 33 degrees in Seattle today," Flavin said Monday,

playing to his California roots and its blue skies as a significant advantage in luring business and young entrepreneurs to a valley that, while dependent on the \$1 billion tourism industry, is poised to diversify.

A 1972 graduate of Cal State Northridge, Flavin received his master's degree in public administration from UCLA.

His career has taken him from the city of Burbank as its redevelopment manager

Please see CVEP, A11

### Thomas Flavin

The new CEO of the Coachella Valley Economic Partnership, Thomas Flavin has deep roots in Southern California.

He is married to Jeannie, who is from Apple Valley. The Flavins have three children.

What made a good first impression in a rigorous round of interviews?

He didn't describe the region as "Co-a-Chel'a."

— DEBRA GRUSZECKI

## State economic study sees gain after some pain

BY JACOB ADELMAN  
Associated Press

New state government reforms and a revived housing market along the coast could put California's economy on a strong footing when it finishes its long, slow slog through a sluggish recovery, an economic forecast released today shows.

November's successful ballot measure allowing budgets to be passed with a simple majority and other changes could make the state more attractive to businesses and improve its borrowing costs, according to the quarterly Anderson Forecast from UCLA.

Meanwhile, pent-up demand among home-buyers could explode in the state's coastal communities where inventory has been limited, resulting in rebounding home prices and renewed construction in those areas, the study said.

"There are changes that are occurring in some fundamental problem areas such as residential construction and state government that are laying the groundwork for more rapid growth in the medium term," said the forecast's author, Jerry Nickelsburg.

The report noted that the state will still be in for some pain before it realizes these longer-term gains.

Employment was forecast to grow at a rate of 1.6 percent in 2011, keeping joblessness at 11.4 percent through the year. The

### Coming Sunday

The Desert Sun's economic index for the third quarter of the year shows the recession continues to grasp the Coachella Valley.

There always are bright spots, though.

Learn more about the valley's economic performance and how 2011 is shaping up in Sunday's Desert Sun.

state was unlikely to generate enough jobs to tug unemployment down to the single digits until the end of 2012.

The state's most recent tally put unemployment at 12.4 percent in October, down from a modern record of 12.6 percent reached in March. The national rate is 9.8 percent.

Real personal income was forecast to grow at 1.6 percent in 2011 and 3.6 percent in 2012.

The economic growth that does occur will be driven by education, health care, exports and technology — all sectors that are most prevalent along the coast, where the expansion will arrive fastest and be most pronounced.

In inland parts of the state, little growth will occur until that region's housing market rebounds, which will not occur in the near term because of the massive overbuilding that occurred during the previous years' homebuilding frenzy.

## Ackman offers aid to Borders for bid on Barnes & Noble

BY MAE ANDERSON  
The Associated Press

NEW YORK — Buying out Barnes & Noble would give its much smaller rival, Borders Group, a bigger and firmer stake in the digital world, but some analysts said combining the two largest companies in the shrinking realm of traditional book selling could hurt both.

Activist investor William Ackman and his investment firm announced in a regulatory filing Monday that they had offered to finance a \$963 million bid by Borders for Barnes & Noble Inc.

Under the deal, Pershing Square Capital Management would sponsor a bid by Borders of \$16 per share for more than 60 million outstanding Barnes & Noble shares. The news sent Barnes & Noble's shares up 10.6 percent, or \$1.41, on Monday to close at \$14.69.

Both book sellers face increasingly tough competition from much bigger merchants online and in stores, including Amazon.com, Target and Walmart. And both have said they are relying for growth on electronic books and readers, a still-small arena where another giant, Google Inc., launched its

own bookstore Monday.

Barnes & Noble, which is based in New York, debuted its reader, the Nook, last year and has invested heavily in its electronic bookstore, while Borders sells readers and e-books on a smaller scale through a partnership with Kobo.

The financing from Ackman, who owns 37 percent of Borders' outstanding shares, would let Borders to make a "quantum leap" in the e-book space, Morningstar analyst Peter Wahlstrom said.

A combination could save the companies money through consolidation. But Simba Information analyst Michael Norris said combining would be a distraction to the companies in the short term and wouldn't help them with the larger challenges traditional book sellers face.

"(They) would spend a year thinking about what overlapping stores to close, and at least another year combining systems and operations while trying to hang on to talent with both hands," he said. "While that's going on, rivals like Amazon, Apple and Google will just be steaming ahead unimpeded."

## Court to look at huge Walmart sex bias lawsuit

BY MARK SHERMAN  
The Associated Press

WASHINGTON — The Supreme Court will consider whether to keep alive the largest job discrimination case in U.S. history, a lawsuit against Walmart that grew from a half-dozen women to a class action that could involve billions of dollars for more than a half-million female workers.

Walmart is trying to halt the lawsuit, with the backing of many other big companies concerned about rules for class-action cases — those in which people with similar interests increase their leverage by joining in a single claim. Class actions against

discount seller Costco and the tobacco industry are among pending claims that the high court's decision might alter.

The suit against Walmart Stores Inc. contends that women at Walmart and Sam's Club stores are paid less and promoted less often than men. The case the high court accepted on Monday will not examine whether the claims are true, only whether they can be tried together.

Estimates of the size of the class range from 500,000 to 1.5 million women who work or once worked for Walmart.

Walmart, based in Bentonville, Ark., is appealing a ruling by the 9th U.S. Circuit Court of Appeals

in San Francisco that the class-action lawsuit could go to trial.

Tobacco giant Altria Corp., Bank of America Corp., Dole Food Company Inc., General Electric Co., Intel Corp., PepsiCo Inc. and United Parcel Service Inc. are among the companies that also called for high court review of the case.

Walmart praised Monday's Supreme Court intervention.

"The current confusion in class action law is harmful for everyone — employers, employees, businesses of all types and sizes, and the civil justice system," Walmart said in a statement. "These are exceedingly important issues

that reach far beyond this particular case."

Lawyers representing the women said they are eager to resolve procedural issues that have delayed the trial.

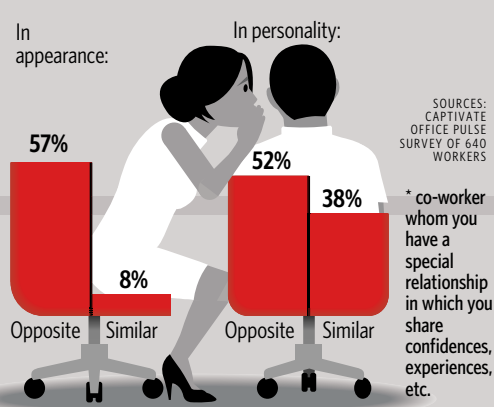
They said they "welcome the U.S. Supreme Court's limited review of the sex discrimination case and are confident that the court will agree that the women of Walmart are entitled to their day in court."

Walmart employs 1.4 million people in the United States and 2.1 million workers in 8,000 stores worldwide.

The case — Walmart Stores v. Dukes, 10-277 — will be argued in the spring.

### BUSINESSFACT

#### My 'work spouse\*' and real spouse/significant other are...



### BUSINESS HIGHLIGHTS

new york

#### Read takes over a beleaguered Pfizer

Pfizer Inc. may be the world's biggest drugmaker, but new CEO Ian Read is taking charge at a trying time for the company, and he will have to deal with a declining share price, repeated failures of potential new products and expirations of patents on

key drugs.

Pfizer said Sunday that Read is replacing Jeffrey Kindler, who was Pfizer's CEO for more than four years. Read, 57, has worked at Pfizer for more than 30 years in a variety of positions and countries.

While Kindler's exit came as a surprise, analysts said the choice of Read indicates big changes are not immediately in store for the company.

#### Bernanke's cautions sends stocks lower

Stocks spent most of Monday in a funk brought on by cautious comments about the economy from Federal Reserve Chairman Ben Bernanke. Hopes for a compromise on extending Bush-era tax cuts and unemployment benefits erased some of the losses. The Dow Jones industrial

average ended down 20 points, breaking a three-day winning streak from last week. Stock indexes traded in a tight range all day and volume was light.

Stocks began the day on a sour note after Federal Reserve Chairman Ben Bernanke said the economic recovery is still struggling to become "self-sustaining" without government help.

— THE ASSOCIATED PRESS

### INSIDEBUSINESS

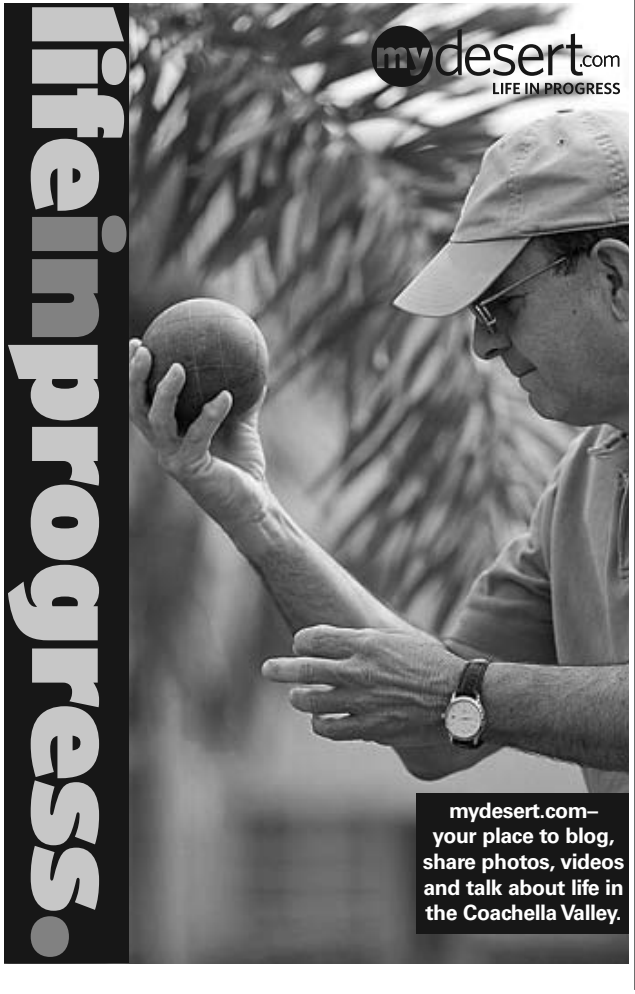
Money & Markets A10 Consolidated Stocks A11

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We correct errors of fact promptly and courteously. If you have a correction or clarification, please contact Senior Editor for Business James Meier at (760) 778-4623 or at james.meier@thedesertsun.com

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AES Corp	11.57	11.28	11.49	+0.09	+13.7		Alcor	41.99	41.53	41.81	-0.03	-28.9	Alcor	41.99	41.53	41.81	-0.03	-28.9	Alcor	41.99	41.53	41.81	-0.03	-28.9	Alcor	41.99	41.53	41.81	-0.03	-28.9	Alcor	41.99	41.53	41.81	-0.03	-28.9	Alcor	41.99	41.53	41.81	-0.03	-28.9



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# CVEP: New exec brings nearly 40 years of experience

Continued from A9

to Oceanside as assistant city manager. From the mid-1980s to mid-1990s, he served the Los Angeles County Economic Development Corp. as executive vice president, and the city of

Burbank as mayor, councilman and planning commissioner. He left California in 1994 to become vice president of ICG Communications in Englewood, Colo. Flavin, who also served as an executive in the telecommunications industry with Group

W Broadcasting and Cable in Los Angeles, comes to the region with strong ties to the digital and filmmaking industry. For his part in the digital industry, his team identified a \$5 billion niche in interactive media that led to a 46 expansions or recruitments.

Before his move to Seattle in 2005, Flavin was the top executive of Southeast Business Partnership in the Denver Tech Center and addressed key community issues in the metro region, among them the multimodal T-REX project to improve congestion along Inter-

state 25 in Denver. That \$3 billion highway expansion and light rail project came in under budget and ahead of schedule, he said. While Flavin's Rolodex includes top executives from Warner Bros. and Disney, he claims the revitalization of Bur-

bank after the departure of Lockheed Corp. as one of his greatest moments. "We had to transition and helped media companies grow," he said. "We built our own fiber-optic network and revitalized the downtown to make it a vibrant destination."

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