

# Business Plus

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## All ABOUT BUSINESS



debra gruszecki &amp; k kaufmann

## All things unique at Francesca's

**Francesca's Collections**, the new kid on the block at **The Gardens on El Paseo**, has a sure-fire formula for building its loyal customer base — offering unique merchandise at reasonable prices.

"We have buyers that go all over the world, picking the best of best of each culture," said **Jamie Tipton**, the store manager. "When (an item) is sold out, it's completely sold out. It's one of a kind."

The boutique-style store, filled with multicultural clothing, jewelry and homewares, had its grand opening Saturday, more than a month ahead of the September opening originally announced.

The strategy is to get ahead of back-to-school sales and other fall openings that are part of the usual seasonal swing of valley retail, she said.

It's also part of an aggressive expansion plan that has made the Houston-based chain one of the fastest-growing in the nation, she said.

"We've been opening three stores a week this past year," she said.

Tipton also is looking to staff up the store, which will have seven to 10 employees, she said.

Her favorite item at the store is definitely one of a kind.

"It's a kitchen utensil to flip burgers and pancakes," she said. "It's in the shape of a guitar — one of those things that makes you laugh."

Meanwhile, super-trendy **True Religion Brand Jeans** is still on schedule to open in September, said Gardens general manager **Bob Fliday**.

### More green jobs

**The Coachella Valley Economic Partnership's Renewable Energy Roundtable** was buzzing Thursday with good news on the latest developments on the valley's green scene.

Larry McLaughlin, who heads up **College of the Desert's Desert Enterprise Center** in Palm Springs, announced the facility has received a \$600,000 grant from the state **Economic Development Department** and the **California Energy Commission** to keep its solar training programs going.

The center's training programs are crucial to ensure valley residents will land jobs on the big solar and other energy projects now getting under way.

**Solar Millennium** broke ground on its 1,000-megawatt Blythe project last month, and **Competitive Power Ventures** will follow suit Thursday with officials lifting shovels for its 800-megawatt Sentinel gas-fired power plant in Desert Hot Springs.

**Chuck McDaniel**, business development representative for the **International Brotherhood of Electrical Workers Local 440**, said the union expects to put a total of 700 of its members to work at these and other

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## TALKING BUSINESS WITH... DENISE WILSON

# Working the sky

BY JOHN HUSSAR

Special to The Desert Sun

When she was a music teacher at a Southern California private school, Denise Wilson couldn't help looking out the window to watch planes fly overhead, not missing a beat conducting with her baton.

Today — and 6,500 hours later as a licensed pilot — Wilson's passion for flying has grown into a lucrative business as founder and president of Desert Jet, the only exclusively jet charter company in the Coachella Valley. Her husband, Rob, is a pilot for Desert Jet, too.

Based at the Jacqueline Cochran Regional Airport in Thermal with three jets and an office at the Bermuda Dunes Airport, Wilson said she has thrived in the charter jet and aircraft management business since it was launched in 2007.

"This year, we saw a 175 percent increase in revenue," said Wilson, saying gross sales were \$2.1 million last year compared to \$787,000 in 2009.

Desert Jet has 11 employees and operates three jets, a Citation V, Citation Encore and Hawker 1000.

All of the pilots are captain-qualified in a number of different jet aircraft manufactured by Boeing, Gulfstream, Lear, Hawker and Cessna and have more than 25,000 hours of accident- and incident-free flight time combined, Wilson said.

Her clients are diverse, from business people and well-heeled people who want to take their lap dogs on vacation to nationally known celebrities from former Vice Present Al Gore to former Secretary of State Condoleezza Rice to entertainer Britney Spears.

The reason, she said, is because more and more business people who either owned their own plane or had fractional ownership realized it was becoming too expensive as the economy soured over the past few years.

"They were looking for something more cost-effective and a lot of them



CRYSTAL CHATHAM THE DESERT SUN

Desert Jet team founder Denise Wilson is photographed with the company's Cessna Citation Encore seven-passenger jet on Tuesday at the Jacqueline Cochran Regional Airport in Thermal. The company has a fleet of three aircraft used for on-demand private aircraft charters. Wilson learned to fly as a hobby in her 20s.

just don't want to fly commercial airlines," she said.

"About 20 percent of our clients used to own a plane. We are an alternative to ownership. People pay as they go and don't have to worry about all the things of ownership like storage, fueling or maintenance."

Please see JETS, D5

### Desert Jet

**Who:** Denise Wilson, founder, president**Business:** Desert Jet, Bermuda Dunes Airport, Jacqueline Cochran Regional Airport, Thermal.**Home:** La Quinta**Family:** Husband Rob, a pilot at Desert Jet.**Education:** Bachelor's of Science, Embry-Riddle Aeronautical University.**Information:** www.desertjet.com; (800) 381-JETS

## Shuttle collectibles in high demand

### The end of the NASA program sends prices soaring

BY DONNA LEINWAND LEGER

USA TODAY

The day after the space shuttle Atlantis launched on its final journey, space memorabilia collectors flooded the website of Goldberg's Auctions in Los Angeles for a shot at nabbing a piece of NASA history.

"It's the end of an era," CEO Ira Goldberg says. "These items will become historical treasure pieces."

Since the dawn of the space program in the 1950s, collectors have longed for a physical connection to the cosmos, from astronaut autographs to moon rocks. Now space shuttle relics are surging in price and popularity as NASA's 30-year-old space shuttle program ends with the landing of Atlantis at Kennedy Space Center.

Goldberg estimates that 1,500 bidders, some from as far away as Singapore and Hong Kong, participated in the auction on the website and seven phone lines and in the auction house itself — more than any previous space auction. Tokens from the space shuttle's first and last missions sparked the most intense interest, Goldberg says.

"It was just overwhelming. We had much more activity, hundreds of buyers from all over the world," says Michael Orenstein, Goldberg's director of space memorabilia.

Gift shop items, patches, pins and T-shirts made for the commercial market, have no collectible

value. Serious collectors scoop up items that have unique historical value, Orenstein says.

The checklist for a launch pad director who strapped the astronauts in for the Challenger flight that broke apart 73 seconds after liftoff, killing all seven aboard, sold for \$1,947, he says.

"You have to get absorbed in the history. This was held in the hand of a man who did something you will never do," Orenstein says. "He was there. This is first-person material. It's fascinating when you stop to think about it."

In the past five years, one of 10,000 American flags flown on the first space shuttle flight sold for about \$500, says collector Robert Pearlman, founder of CollectSPACE.com. Now such a flag would fetch more than \$1,000. Pearlman expects the high interest to continue, driven by nostalgia and publicity as the shuttle program ends.

Pearlman started CollectSPACE initially as a programming playground to try different web designs, catalog his own collection and write about space history. In the first month, 30 people visited the site. Now, 250,000 people visit each month to get the skinny on space auctions, discuss their latest acquisitions and read about intricacies of space exploration. Space collectors "didn't have a community," before CollectSPACE, he says.

Ken Havekotte, 56, runs SpaceCoast Cover Ser-

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CRAIG RUBADOUX THE ASSOCIATED PRESS

Space shuttle Atlantis lands at the Kennedy Space Center at Cape Canaveral, Fla., on Thursday. The landing of Atlantis marked the end of NASA's 30-year space shuttle program.

## Investors hunger for Internet IPOs

BY MATT KRANTZ

USA TODAY

Some analysts fear investors who have forgotten history are doomed to repeat it when it comes to Internet IPOs.

Just 11 years after the dot-com bust, one of the biggest periods of wealth destruction ever on Wall Street, investors are paying rich prices for newly minted Internet stocks again.

The renewed furor was clear Wednesday, when real estate website Zillow jumped 79 percent in its first day of trading. That's the latest sign of investors' growing eagerness to get a piece of new Internet companies, including:

■ **Escalating valuations for recent IPOs.** Investors are paying \$135 for each \$1 in profit earned by home rental service HomeAway,

and more than \$1,000 for each \$1 in profit at professional networking service LinkedIn, says Standard & Poor's Capital IQ. In Zillow's case, the company isn't even turning a profit.

■ **Surging prices for companies yet to go public.** Facebook isn't expected to go public until at least next year, yet on private markets, the company commands a value of \$82.4 billion, according to SharesPost. That exceeds the value of Disney at \$74 billion.

■ **Rising supply of Internet stocks.** So far, 25 of the year's 79 IPOs are technology firms, IPOscoop says. And 14 of those tech IPOs are Internet companies with more to come, including coupon site Groupon later this year, Renaissance Capital says.

Investors "don't look at rational valuation metrics," says Francis Gaskins of IPOdesk-

top.com.

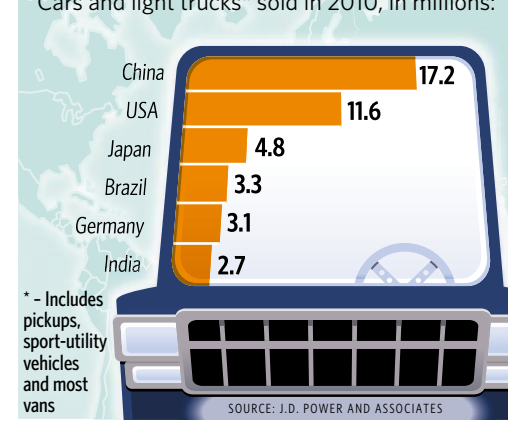
The same thing happened in the tech bubble. Among 10 of the most high-profile Internet IPOs from the sizzling 1998-to-2000 period, none made money for investors, and some produced massive losses, My Private Banking says. For instance, shares of social-networking pioneer TheGlobe are down 99 percent from their IPO.

Some experts say the mania hasn't reached 2000 levels yet. This year's 14 Internet IPOs pale next to the 272 in 1999 and 152 in 2000, says Jay Ritter, professor of finance at the University of Florida. And unlike 1999 and 2000, when many dot-coms didn't even have revenue, all the Internet companies that went public this year do, Renaissance's Paul Bard says.

### BUSINESSFACT

#### Who's buying the world's cars?

Cars and light trucks\* sold in 2010, in millions:



## SHUTTLE: Memorabilia sought

Continued from D1

vice on Merritt Island, Fla., which has produced commemorative envelopes since 1983 for shuttle missions. He also deals in other collectibles, including rare patches, hardware and autographs.

Lately, interest in shuttle collectibles has surged, he says. Collectors want to complete their sets of patches and pins for all 135 flights. "Now we have a start and a finish," Havekotte says.

Yet even with renewed interest in the shuttle missions, memorabilia from Apollo 11, the first manned mission to land on the moon, remains the hottest commodity. In last week's auction, fabric scraps — leftovers that remained on Earth — of the historic flag planted on the moon sold for \$45,000, Goldberg says.

"The holy grail of the hobby will always be items that went to the moon's surface. Only 12 men have walked on the moon's surface. They didn't have a lot of room to take things back with them," Havekotte says.

Havekotte, who grew up near the Kennedy Space Center, admired the daring feats of early astronauts Alan Shepard, Gus Grissom and John Glenn. He prizes early rocket history. "They were such historical feats. I was just captivated by that," he says. "I have not missed a manned space shot since the early Apollo days."

Items that have flown in space always fetch a premium, Pearlman says.

### All price ranges

"It runs the gamut from \$50 to \$500,000 for something that's been on the surface of the moon and picked up space dust and is 100% legal," he says.

On April 12, the Soviet Vostok 3KA-2 space capsule sent into orbit with a dog and a life-size dummy three weeks before Yuri Gagarin became the first man in space sold for \$2.9 million at a Sotheby's auction.

Among Pearlman's prized possessions is a 4-by-4-foot, 200-pound aluminum hatch for the International Space Station that sits in his Houston living room. Of the 40 hatches made, 38 a

re in space. "I fell in love with flown hardware, not mementos," Pearlman says.

Pearlman's collection of 300 to 400 items includes a space shuttle tile, a thruster from a Gemini spacecraft and a package of bread cubes that flew on Apollo 11 as astronaut Michael Collins' food rations.

He found the bread cubes on eBay. A seller who was listing a commemorative medallion issued by a NASA contractor for \$100 said he'd throw in the croutons to sweeten the deal. The bread cubes are worth thousands, Pearlman says.

Despite his luck, Pearlman cautions new collectors to avoid such sales, which are rife with forgeries and items of murky provenance.

"There are always traps for new collectors. The biggest pitfalls come when they are impatient," he says. "There are no bargains to be had. There are things you can stumble into, but that comes when you know what you're looking for. This is collecting history. Each piece tells a story, and if you spend some time learning and researching, you'll be richer for it."

## CEO: Bank of America is turning the corner

### Moynihan says mortgage woes are being resolved

BY E. SCOTT RECKARD  
Los Angeles Times

LOS ANGELES — Bank of America Corp.'s chief executive is out to convince Wall Street that he's finally bringing under control the financial disaster caused by the bank's acquisition of mortgage goliath Countrywide Financial Corp.

Brian Moynihan, who took the helm at the nation's biggest bank in late 2009, has had the unrelenting task of cleaning up an institution in such financial disrepair that the bank needed \$45 billion in federal bailouts to stay in business.

The Charlotte, N.C., bank posted an \$8.8 billion second-quarter loss Tuesday as it continued to deal with the aftermath of the housing bust.

In an interview with the Los Angeles Times this week, Moynihan said Bank of America is finally gaining traction both in dealing with demands that it buy back bad Countrywide loans from investors and in whittling down the massive number of distressed mortgages it deals with as the nation's largest provider of mortgage customer service.

Years of work remain, Moynihan said, but his bank is now resolving the cases of seriously delinquent borrowers faster than new delinquencies are arising.

"We had a period of (working out) things to do with the economic crisis — deal with capital markets, credit cards, things like that — and now the mortgages are the last piece," he said.

Cleaning up Countrywide, the Calabasas home lender that teetered near bankruptcy when

Bank of America bought it for \$2.5 billion in July 2008, remains a difficult task. Even before the latest quarter, mortgage operations had lost about \$16 billion since the acquisition was completed.

One bright spot is that the number of loans that have fallen at least 60 days behind on payments — a key indication of serious delinquencies coming — has been declining, including a 5 percent drop from the first quarter this year to the second, Moynihan said.

He said those loans near default — 90 days or more past due — also fell because of "our work with loan modifications, short sales, foreclosures, recoveries on loans that go back to current status."

The interview with Moynihan took place at the Los Angeles offices of Merrill Lynch, the giant brokerage that his predecessor, Kenneth Lewis, acquired in another controversial deal as the global financial system seized up in September 2008.

He said the bank would be able to deal with its remaining mortgage problems without a need to boost its capital cushion to guard against losses. Some analysts have speculated that the bank might need to make such a move, perhaps by selling Merrill Lynch, which has proved to be profitable.

He bristled at the reports: "Absolutely not. Merrill Lynch is part of Bank of America now."

Independent bank analyst Nancy Bush said Wall Street retained "a huge reservoir of goodwill" toward Moynihan. However, she believes more bad news — and a resulting need to raise capital — may be in store for his bank. And credibility issues exist.

Moynihan's biggest error so far, she said, was reassuring shareholders that he would raise the bank's dividend, now

just a penny a share per quarter, sometime this year. The Federal Reserve rejected his request to do so, and it may be well into 2012 before that can be done, he acknowledged.

Moynihan also backed off a tough line he had taken with holders of privately issued mortgage securities, who had been demanding that he buy back soured Countrywide loans backing bonds that had plummeted in value.

He had told the bondholders, including powerful institutional investors such as Blackrock Inc. and Pimco, that Bank of America would negotiate with them on a case-by-case basis in a process that could have taken years. But Moynihan then worked out a deal to settle with them for \$8.5 billion, part of the \$20 billion in mortgage costs recorded in the second quarter, and earmarked an additional \$5.5 billion for similar settlements in future.

"The Street believes these types of charges are just going to keep dinging them," said Bush, a contributing editor to banking information provider SNL Financial.

The worries, she said, include the outcomes of negotiations over botched foreclosures by a coalition of state and federal officials headed by Iowa Attorney General Tom Miller; an investigation of mortgage securities by New York Attorney General Eric Schneiderman; and California Attorney General Kamala Harris' announcement of her own investigation into the mortgage mess, including the sale of toxic securities to entities in California.

"Every AG who has a political agenda has got their hand on this thing," Bush said. "Everybody wants that final hack at Bank of America."



COURTESY OF MORGAN ANDERSON PHOTOGRAPHY

Denise Wilson, president and chief pilot of Desert Jet, smiles in the cockpit in one of her planes.

## JETS: Charter business takes off

Continued from D1

She said even though Palm Springs International Airport has more commercial flights now than in the past, "You still have to connect to multiple hubs."

Charter flights make that easier though it might cost more.

For example, a day business trip from Palm Springs to Fresno for six passengers would cost under \$6,000, Wilson said.

"That is less than \$1,000 per person on a direct route that takes under an hour. This route and many other West Coast routes are impossible to do within a business day on an airline."

She said "more local small businesses are coming out of the recession and they want to get in front of their customers. The best way to do that is to fly."

### Flying snowbirds

Desert Jet customers also include snowbirds who want to bring a lot of possessions with them to stay for the winter; people who want to travel with their lap dogs or their Labs and golden retrievers; and people who like the convenience of charter travel without the hassle

of TSA inspections.

Desert Jet's routes are as diverse as their clients.

"About 35 percent of our flights are to Canada."

Desert Jet routinely flies to Chicago and Buffalo, N.Y., as well as throughout California and the Pacific Northwest.

In the winter season, Desert Jet averages about 130 flights a month and 60-80 in the summer, Wilson said.

A Desert Jet charter flight from Palm Springs to Calgary Canada is about \$16,000; cross-country to New York is about \$22,000 and \$3,500 for a round-trip to Los Angeles or Orange County.

Wilson got started on her entrepreneurial flight when she was hired in 2006 to manage the schedule for a desert developer's jet for business travel. But two years later, the developer lost interest in owning the jet.

Wilson came up with the idea to start a charter company. That allowed him to keep his plane and help Wilson to start her business.

Wilson isn't finished expanding. She's planning to open a 23,000-square-foot hangar open later this year.

"I'm adding a jet this year and another aircraft next year for a total of five," she said.

Her marketing strategy is traditional "word of mouth" and social media such as Facebook, Twitter and blogs. Desert Jet also has been a sponsor of the Bob Hope Classic and various charity events that don't get a lot of press.

"I have flown the Special Olympics bocce team from Long Beach to Lincoln, Neb., to participate in the games there," she said. "It is so much fun for these athletes to go to that kind of competition."

She said other pilots donate their planes for taking athletes to this event, including actor Harrison Ford.

And what is Wilson's favorite place to get away? Sun River, Ore.

"The weather here (Coachella Valley) is so beautiful in the winter, but we like to get away to somewhere so beautiful and cooler in the summer."

John Hussar is a public relations/media consultant and freelance writer in Palm Desert. Have an idea for "Talking Business"? He can be reached at john@prnewsworks.com

## ALL ABOUT: Women's philanthropy

Continued from D1

future solar projects. But he said, locally, only about 150-200 are ready to get the jobs.

"We're going to start major recruiting" for apprenticeship programs, he said. "We figure every electrician in Riverside County that wants to work and can meet our requirements will have a job."

Job fairs will be announced in the coming weeks, he said.

### High-heeled giving

Feeling philanthropic, ladies? Then the **Association of Fundraising Professionals** has a symposium for you.

It will kick off the season on Oct. 21 with the first-in-the-valley session, "Women's Philanthropy: Giving With Meaning," at the **Agua Caliente Casino Resort Spa** in Rancho Mirage.

Organizers have promised a stellar lineup in the "ladies" mostly, please" morning pro-

### For more information

■ **Francesca's Collections:** The Gardens on El Paseo, 73-545 El Paseo, Palm Desert. (760) 773-4935

■ **Coachella Valley Economic Partnership's Renewable Energy Roundtable** takes place at 7:30 a.m., the third Thursday of the month at UCR's Palm Desert Graduate Center, 75-080 Frank Sinatra Drive. Next meeting is Aug. 18. (760) 340-1575.

■ **Association of Fundraising Professionals:** (760) 485-5986. Email afpcadesert@gmail.com

■ **Las Casuelas Terraza,** 222 S. Palm Canyon Drive. (760) 325-2794; www.lascasuelas.com

gram on smart, charitable planning and giving.

Valley luminary **Gloria Greer**, a TV host and social life editor of Palm Springs Life, will moderate the afternoon session that's open to all fundraising professionals.

### Back to school

The retail store, **Staples**, will put a little salsa into the final "Kids Night Out" summer family event at **Las Casuelas Terraza** of Palm Springs on Aug. 24.

Staples has donated a Back-to-School backpack kit valued at more than \$100 for a

grand prize drawing for the summer sendoff to school, restaurant general manager **Michael McGlashan** said.

The kit includes binders, writing paper, pencils, pens and supplies for school-room studies.

The Kids Night Out events, held Wednesday nights, have been a mainstay in the desert for six years.

Kids 12 and under get free soft drinks, prizes, balloons and entertainment.

Parents get a break from the heat of summer cooking, and the cooped up feeling that comes with triple-digit heat.

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