



Foreign worries sink stocks

Ireland's debt and talk of interest rate increase in China weigh on investors.

MARKETWATCH

Stocks on Tuesday took their biggest single-day hit in more than three months as investors fretted about Ireland's debt crisis and a possible interest rate increase in China.

The Dow tumbled 178.47 points, or 1.6 percent, to 11,023.5. Earlier in the session, the index fell more than 200 points, marking its first intraday lapse below 11,000 since Oct. 20.

A close below 11,000 would have been

its first since Oct. 19.

"The negative investor sentiment today is really the fault of the Irish. You've got the unresolved issue of Ireland's terms of access to that emergency financial stabilization fund, and the market is trying to force a conclusion," said Jeff Kleintop, chief market strategist at LPL Financial.

"That lingering uncertainty over the fate of Ireland is certainly weighing on the euro. It's weighing on the economic outlook for the eurozone in total, the profit prospects for global companies and of course weighing on demand expectations for commodities," Kleintop said.

Continuing its losing streak into a fourth consecutive session, its longest such stretch since the end of August, the S&P 500 Index was off 19.41 points, or 1.6

percent, to 1,178.34, with natural-resource firms and the energy sector hit hardest among its 10 industry groups.

The Nasdaq composite index declined 43.98 points, or 1.8 percent, to 2,469.84.

For every stock that gained, six fell on the New York Stock Exchange, where nearly 1.4 billion shares traded.

Tallying its second severe sell-off in three days, China's Shanghai Composite skidded 4 percent.

South Korean shares also dropped after a rate increase by the Bank of Korea.

"People look at China as a consumer of goods, a source for exports, so the ripple effect with trying to deliberately slow the economy, that's the fear," said Marc Pado, U.S. market strategist at Cantor Fitzgerald.

COMMODITY PRICES DROP ON GLOBAL ISSUES

Commodity prices sank Tuesday amid investor concerns about inflation in China and European talks about bailing out Ireland.

Traders worried that the issues could diminish demand for commodities. Gold, silver and industrial metals all settled lower. Copper fell the most, settling down 5 percent.

- Dow 30 industrials**
Close: 11,023.50
Change: -178.47
- Nasdaq composite index**
Close: 2,469.84
Change: -43.98
- S&P 500 index**
Close: 1,178.34
Change: -19.41
- 10-year Treasury yield**
Close: 2.84%
Change: -0.09
- Oil Nymex per barrel**
Close: \$82.19
Change: -\$2.67

Housing slump deepens

Price gains during a spring buying surge are wiped out as tight lending and edgy buyers slow sales activity.

The housing market continued to struggle against fierce headwinds last month, losing ground in the face of tightfisted lenders and edgy buyers.

The median price of an Orange County home - or price at the midpoint of all sales - fell to \$438,000 last month, housing tracker MDA Data-Quick reported Tuesday.

That's the lowest since April and up just 0.3 percent (or \$1,500) from the October 2009 median.

Meanwhile, sagging sales stretched into their fourth month, with 2,298 Orange County homes trading hands in October.

That's 9 percent fewer than in September and 17.9 percent below the October 2009 tally.

While sales typically drop from September to October, last month was the second-slowest October since Data-Quick began tracking home sales in 1988. It also was nearly 36 percent below the average of around 3,600 housing deals in a typical October.

The market appeared to be on fire during the first half of the year. But industry insiders now fret that state and federal tax breaks failed to ignite a stronger, longer-lasting recovery after ending in the second half.

"A lot of us were disappointed that the wind that would be in our sails just faded," observed Jeff Culbertson, executive vice president for Coldwell Banker's Southwestern U.S. region, which includes Orange County.

"We're not in a bad market," Culbertson added. "But we're not in a good market."

Although October was the



O.C. housing market: October

The median home price in Orange County was \$438,000 in October.

	Oct.	% chg. from Sept.	% chg. from Oct. '09	Year-to-date average	Change from 2009
Sales volume					
All	2,298	-9.0%	-17.9%	2,574	0.2%
Single-family resale	1,454	-9.7%	-20.6%	1,626	-4.4%
Condo resale	659	-12.1%	-19.3%	785	4.0%
New	185	13.5%	21.7%	163	45.1%
Median price					
All	\$438,000	-1.6%	0.3%	\$437,000	7.9%
Single-family resale	\$500,000	-3.1%	2.2%	\$510,000	9.6%
Condo resale	\$280,000	-6.7%	-11.7%	\$296,000	5.7%
New	\$558,500	-14.7%	-1.1%	\$583,000	19.6%
Sales by price					
<\$400,000	968	-4.9%	-20.9%	1,067	-9.7%
\$400,001-\$500,000	380	-12.8%	-24.8%	425	6.2%
\$500,001-\$600,000	286	-1.0%	-13.3%	314	12.0%
\$600,001-\$700,000	200	-11.5%	-9.9%	221	14.1%
>\$700,000	422	-18.4%	-19.0%	500	25.0%
Median price by home size					
<1,000 sq. ft.	\$209,000	-2.8%	2.0%	\$210,200	8.2%
1,001-1,500	\$348,000	-0.3%	-2.8%	\$352,300	5.2%
1,501-2,000	\$483,500	1.8%	2.3%	\$490,650	4.0%
2,001-2,500	\$604,500	-2.0%	0.3%	\$621,200	2.2%
>2,500	\$805,000	0.9%	6.9%	\$790,075	6.8%
Trouble spots					
Defaults	1,501	-15.3%	-30.3%	1,602	-39.0%
Foreclosures	640	-10.4%	-16.1%	685	-2.8%
Financing					
Avg. down payment	18.1%	-0.3%	-3.7%	19.0%	3.7%
Adjustable loan share	7.4%	0.4%	19.4%	8.0%	97.8%
Benchmarks					
Monthly payment index	\$2,196.87	-2.1%	-7.1%	\$2,262.00	1.5%
Avg. price per sq. ft.	\$285.19	-1.7%	0.1%	\$291.00	4.9%

Definitions: **MEDIAN** is midpoint of all values; **NEW** includes single-family homes and condos; **SALES BY PRICE** breaks down home and condo sales by sales price; **PRICE BY HOME SIZE** breaks down home and condo sales by square footage; **DEFAULTS** are notices of lateness filed by lenders; **ADJUSTABLE LOAN SHARE** is percentage of purchase loans with adjustable rates; **MONTHLY PAYMENT INDEX** is estimated amount for new purchase loans and reflects prices, rates, type of loan and down payment and taxes; and **PRICE PER SQUARE FOOT** is for single-family homes and is not exact since figures do not include recent home-size additions.

Source: MDA DataQuick

Last month's change from a year before.



-20.6%
Single-family-home resale volume



2.2%
Single-family-home resale price



-16.1%
Foreclosures



-3.7%
Adjustable loan share



-7.1%
Monthly payment index



0.1%
Price/sq. ft.

14th consecutive month of year-over-year price increases, the gain was the smallest of a streak dating to September 2009.

Last month's median price

fell \$12,000 from the 2010 high of \$450,000 reached in May and July. That means that all the price gains of the past year have virtually evaporated.

"Things have slowed down,

and agents are starting to get worried," said Irvine top producer Mac Mackenzie. "I think buyer confidence has been re-

SEE HOUSING • PAGE 16

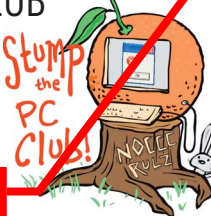
TODAY'S THEME

TECHNOLOGY

Go online: Find sneak peeks and news at ocregister.com/

STUMP THE PC CLUB

What to look for in a point-and-shoot digital camera.



GROWING

Blizzard Entertainment is expanding its headquarters in Irvine. **Business 19**

How

"Things have slowed down, and agents are starting to get worried," said Irvine top producer Mac Mackenzie. "I think buyer confidence has been reduced and people are having trouble getting approved."



IAN HAMILTON
REGISTER WRITER

THE DEMO

They played a scene from James

ments of the film. They lunge at him from every direction as he attempts to fight them off.

It's the kind of scene audiophiles freak out about.

Using quality source material and a sound system configured correctly with the right number of speakers placed in the right locations, scenes like this one can make you feel like you're

actually there in an alien jungle being hunted.

Some of the most advanced home entertainment systems use what's called a 7.1 setup - that's seven speakers and a subwoofer providing all that earth-shaking sound coming at you from every direction.

Some Blu-ray discs are specially encoded to deliver that super-serious 7.1 sound.

It isn't cheap or easy to pull it all to-

SEE SOUND • PAGE 16

FACTORY OUTPUT CLIMBS

Factory production rose in October by the most in three months, the Federal Reserve said. The report shows that manufacturing, which flagged over the summer, is picking up again and potentially boosting the rest of the economy along with it.

• A Labor Department report showed that producer prices rose but not by enough to cause worries about inflation. The Producer Price Index rose only 0.4 percent last month.

BUILDER SENTIMENT UP

The National Association of Home Builders said its monthly index of builders' sentiment edged up in November to 16, the highest reading since June. The index sank to 13 in August and September, the lowest level since March 2009. Readings below 50 indicate negative sentiment about the market.



GAS USE INCREASES

Gasoline demand at the pump sank to a six-week low as fuel use declined for the third straight week, according to MasterCard's SpendingPulse. Motorists bought an average 8.99 million barrels of the fuel a day in the week ended Nov. 5, the second-biggest payments network company said. Fuel consumption lost 0.4 percent from the prior week, slipping to the lowest level since Sept. 24.

CONTROLS BOOST PROFIT

Wal-Mart reported a 9.3 percent increase in third-quarter net income as the world's largest retailer benefited from cost controls and a robust international business. The improvements came despite weakness at its U.S. business. Total revenue at U.S. Walmart stores fell as fewer customers visited and spent less when they did. Revenue at stores open at least a year also fell, for the sixth quarter in a row. This quarter marks the fourth consecutive period in which cost-cutting has more than offset weak revenue.



HOME DEPOT EARNINGS

Americans are primping their lawns but holding back on large-scale remodeling, Home Depot's third-quarter net income results showed. The largest U.S. home-improvement retailer said keeping a tight lid on expenses helped its third-quarter net income rise 21 percent, despite a lackluster 1 percent revenue increase.

VIDEO GAME SALES SLIDE

U.S. retail sales of video game hardware, software and accessories slipped 4 percent in October. NPD Group said overall game sales were \$1.07 billion last month, down from \$1.11 billion in October 2009. Hardware sales tumbled 26 percent to \$280 million. NPD says that, with the exception of Microsoft's Xbox 360, every gaming system had a decline in unit sales. Sales of game software, meanwhile, climbed 6 percent to \$605 million.

LOOKING AHEAD

Some Orange County restaurants are going green with eco-friendly initiatives. In Friday's Business section

FROM OCREGISTER.COM/BUSINESS

Irvine-based LendingTree buys 500-employee lender

Irvine-based online mortgage marketplace LendingTree is in a growth spurt, buying Kentucky-based SurePoint Lending to help grow its own direct lending business.

LendingTree is best known as a public mortgage exchange where borrowers can shop loans from various financial sources, including LendingTree's own loans and loans from SurePoint, which was the top refinance lender on the LendingTree network in 2009.

SurePoint, which does business as First Residential Mortgage Network, has nearly 500 employees, including 300 loan officers, and operates branch locations in Nashville, Tampa and Indianapolis. It has made \$10 billion worth of mortgages since it started in 1995.

The acquisition is growth on top of LendingTree's addition of 125 workers in Irvine for loan sales, loan processing, underwriting, funding, title, escrow and production support.

LendingTree's parent company, Tree.com, will pay SurePoint shareholders \$6 million in cash upfront plus up to \$17 million in future performance-based payouts.

Check out ocregister.com/mortgage.

Loehmann's files Chapter 11, closes men's store in Tustin

Off-price retailer Loehmann's has filed for Chapter 11 bankruptcy protection to substantially reduce its debt and closed eight stores last week, including the Loehmann's Men's Store in Tustin at The Market Place.

The Loehmann's Men's Store in Tustin opened last year. It replaced a Loehmann's Nextt that opened in 2007.

Lekha Rao, a spokesperson for Loehmann's, said Monday: "We do not plan on closing any additional stores other than the ones we announced last week."

Last month, Loehmann's said it plans to close up to 15 underperforming stores in the next 12 months and liquidate the inventory in those stores.

According to its website, Loehmann's has four stores in Orange County: at Metro Pointe South Coast in Costa Mesa, in Huntington Beach, in Irvine and in Laguna Niguel. The Costa Mesa store, which replaced a Linens 'n Things, opened in March. It spans 40,000 square feet, its largest in Orange County.

Loehmann's previously filed for Chapter 11 bankruptcy protection in 1999.

Check out ocregister.com/retail.

Costa Mesa firm changes name to include 'Cannabis'

Companies think long and hard about changing their names because they spend time and money developing a brand and filing government paperwork for the original name.

So it's noteworthy that LC Luxuries Limited headquartered in Costa Mesa has announced its name change to General Cannabis Inc.

"The name change is a great benefit to our corporation and shareholders," said President Douglas Francis. "It truly aligns us with our purpose and mission."

The company manages medical marijuana dispensaries operated under the name US Cannabis.

The company's stock is traded over the counter. The ticker symbol will change from LLUX to CANA. The stock has been trading recently for about \$4 a share.

The LC Luxuries name didn't last long. The company started in 2004 in Henderson, Nev., under the name Makeup.com Ltd. to sell beauty products. It stopped selling makeup in February, according to Bloomberg/BusinessWeek and changed its name to LC Luxuries April 1.

For more news about small businesses, check out ocregister.com/jan.

SO YOU SAY ...

Here's some back-and-forth discussion about the possible extension of jobless benefits from the Handling Hard Times blog and in Monday's Register:

"No way is this Congress going to pass yet another extension. If you have been watching the news lately all the Dems and Repubs are talking about these days is lowering down the debt, not increasing it."

"The problem is not that there are no jobs, the problem is pride gets in the way. They won't take a job paying less money than they were earning before they would rather sponge off UE. The jobs are there ... how bad do you want one?"

"You have NO Clue! I took a job for less pay, got laid off and now I am living on half the unemployment I was getting last year. There are 300 people applying for every job and only one person gets the job. One day you might be looking for a job and you will want some compassion."

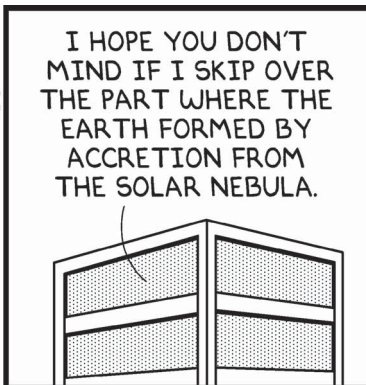
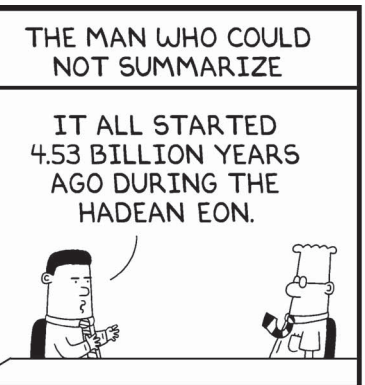
"Start by cutting off all benefits to illegal families and their children."

"As long as we have jobs Americans won't do, there is no reason to extend benefits. I don't think benefits should be cut off as abruptly as indicated in the article, but do believe 99 weeks is too long."

"(It's) becoming just another form of welfare."

Comments are anonymous as ocregister.com does not require disclosure of names.

DILBERT



AND FINALLY ...

Killer Dana Surf Shop is offering 30 percent of all clothing for the "mayor" of their shop on Foursquare, a social media site that allows users to "check in" at locations via a smartphone. The person who checks in the most to Killer Dana, i.e. visits the shop the most and lets people know they did so using Foursquare, would become "mayor." To find the shop, visit foursquare.com/venue/494545. Killer Dana is at 24621 Del Prado in Dana Point.



BRITTANY LEVINE REGISTER WRITER

From ocregister.com/ocdeals

Region sees 24 percent drop in sales

Southern California home sales in October fell to their second-lowest level in 23 years, declining 7.4 percent from September levels and 24.3 percent from October 2009, MDA DataQuick reported Tuesday.

Table with 5 columns: County/region, Oct. median, % chg., Oct. sales, % chg. Rows include Los Angeles, Orange, Riverside, San Bernardino, San Diego, Ventura, and Southern California.

Orange County home prices and sales

The median selling price for all residences was \$438,000 in October.

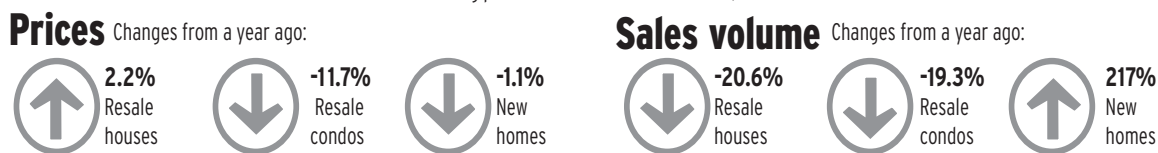


Table with 5 columns: City, ZIP code, Median sale price (Oct., % change from '09), Sales volume (Oct., % change from '09). Lists cities like Aliso Viejo, Anaheim, Brea, Buena Park, etc.

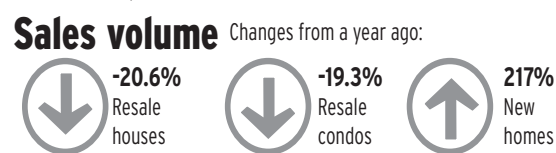


Table with 5 columns: City, ZIP code, Median sale price (Oct., % change from '09), Sales volume (Oct., % change from '09). Lists cities like Laguna Beach, Laguna Hills, Laguna Niguel, etc.

Source: MDA DataQuick

The Register

HOUSING

FROM PAGE 15

duced and people are having trouble getting approved."

"We're not seeing any move-up buyers," added Harry Solomon, managing owner of Nova Real Estate Services in Laguna Hills. "If you can't sell the little condo because you're upside-down, you're certainly not going to buy something else. ... If you don't have the equity to move up, people are going to renting."

Agents noted also that home sales at the high end of the housing market, which appeared on the verge of taking off, stalled recently.

For example, sales of \$650,000 or more accounted for 30.4 percent of all home sales in July. Last month, they accounted for 27.6 percent of all deals.

"Once we get over \$1.5 million, it seems like it's quiet in the marketplace," said Newport Beach luxury home sales agent Steve High.

High noted that despite some of the lowest interest rates on record, buyers still are having a hard time qualifying - especially those seeking to get so-called jumbo loans of around \$730,000 or more.

"You keep hearing about these low interest rates, but we still have a huge challenge in people

qualifying for loans," High said.

In Orange County's lower-cost central core, well-priced homes are getting offers within two weeks, said Santa Ana real estate agent Hector Ramirez of Citivest Realty Services.

Investors continue to buy three-bedroom houses selling for as low as \$300,000, Ramirez said. With rent averaging \$1,900 a month or more for such houses, the income will easily cover monthly loan payments. But such deals are hard to find.

And even at the low end, the pace of sales also subsided since homebuyer tax credits dried up in June.

High, the Newport Beach agent, noted that prices will hold as long as the foreclosure rate holds steady.

But, he warned, "If we see an abundance of bank-owned properties coming on the market, we will see some volatility in prices."

Culbertson, Coldwell Banker's regional chief, noted that the market needs to get over an "emotional drag," a sense among buyers that it's safe again to make a move. That won't occur until people start to hear more positive news about the economy and the job market, he said.

"The market that we're in right now," Culbertson said, "may be the market we're going to have to live with."

Staff writer Jonathan Lansner contributed to this report.

SOUND

FROM PAGE 15

gether, and it's even more difficult to find source content delivered in 7.1 to enjoy that kind of an experience at home.

But, at SRS Labs, I swear I heard one of those alien hyena dogs snarling behind me.

How many speakers do you think that came out of, I was

asked.

Many, I responded.

Only two (plus a subwoofer), SRS said, the two on either side of the television.

The technology that SRS is demoing is based on a forward-thinking idea the company is throwing its weight behind - 3D multidimensional audio.

3DAA

The 3D Audio Alliance is a non-profit organization backed by SRS that's still in an embryonic

stage.

In essence, the organization means to standardize a method of delivering the future of audio.

The technology is described on the 3DAA website using this terminology:

"The 3DAA is committed to the development of open, royalty-free standards for the transmission of 3D audio. These standards will facilitate the transition from the current speaker feed paradigm to a flexible object-based approach designed to accurately capture

the intent of the artist, while providing enhanced support for the wide range of playback environments in use today and in the future."

Think about it this way:

A movie like "Avatar" is created using a combination of real and digital effects such that the entire digital world is literally mapped out.

What if audio could be mapped out too? What if the person who creates the audio for a film didn't have to think about the 2, 5, 7, 9 or

22 speaker channels the audio would be delivered on and instead it was mapped out in 3D space?

The video of 3D movies wouldn't just "pop" out at you; so would the audio.

At least, that's the idea.

Expect to hear more about 3DAA as early as the Consumer Electronics Show in January.

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