

# BUSINESS

▲ 6.40 GOLD \$598.60 ▲ .195 SILVER \$11.450

DOLLAR EXCHANGE RATES  
 JAPANESE YEN 118.11 BRITISH POUND \$1.8710 CANADIAN DOLLAR 1.1177  
 EURO \$1.2678 SWISS FRANC 1.2503 MEXICAN PESO 10.9770

## First step in developing downtown Suisun

BY IAN THOMPSON  
DAILY REPUBLIC

SUISUN CITY — The first major construction in Old Town Suisun City in several years finally kicked off Friday with the groundbreaking for the much-awaited Harbor Center project.

Work starts Monday on Main Street West Partners' first project — Harbor Square, which will cover 38,500 square feet of commercial and retail stores designed around a central courtyard.

Officials promoted Harbor Square as the launching point for more Old Town development that will soon include a

12,000-square-foot building across Solano Street.

Work on several of the other 12 sites along Main Street that Main Street West controls will follow, as well putting housing on the former Crystal School site.

Mike Rice of Main Street West promised there will soon be more projects in the offing, alluding to a major project in works but giving no details at this time.

Mayor Jim Spering called the ground-breaking "a very important day for Suisun City" and the culmination of a massive multimillion dollar rede-

velopment effort that started more than a decade ago with building City Hall and razing the crime-blighted Crescent neighborhood.

"We wanted to carve a niche that was unique," Spering said of the city's long-term plans.

The effort hit a stumbling block when the city redevelopment efforts weren't followed by private investment, "something we did not calculate on happening," Spering said.

Suisun City revived its campaign last year by hiring Main Street West to oversee the Old Town redevelopment efforts and sold it 8.4 acres of land

around Main Street for \$3.7 million.

The city had spent the last 15 years spending \$14.2 million to purchase, clean up and improve these sites that run from large parcels near One Harbor Center to Crystal School.

Earlier this year, the city sweetened the pot by selling the vacant Crystal School site to Main Street West to build a housing development.

The city's leaders hope developing these sites with a mix of commercial, retail and some residential development will finally bring in more commercial development, they said.

The last few years have been tough for those businesses that did invest, Spering said. This project will help change that, he added.

"Hopefully, this is the light at the end of the tunnel for all of you who kept the faith," Spering said.

Rice lauded Harbor Square as the start of the next phase of Suisun City's Old Town redevelopment efforts.

"This is an example of how public-private partnerships work," Rice said.

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### BUSINESS NEWS

#### IN BRIEF

##### Bill promotes monitoring of rating agencies

WASHINGTON — President Bush on Friday signed legislation under which the government will more closely monitor agencies that rate the creditworthiness of corporations with publicly held securities.

Supporters described the Credit Rating Agency Reform Act as a significant component of congressional efforts to tighten controls over the financial community following the corporate accounting scandals at the beginning of the decade.

The bill takes steps to increase competition in a field now dominated by three Wall Street agencies — Moody's Investors Service, Standard & Poor's and Fitch Ratings. It would also give the Securities and Exchange Commission expanded oversight over the credit agencies.

##### U.S. extends Internet oversight pact

WASHINGTON — The U.S. Commerce Department promised Friday to take more of a hands-off approach to the Internet as it extended for three years its oversight of a California organization that handles network-address issues.

Internet registrars, some foreign governments and other critics of the Internet Corporation for Assigned Names and Numbers have complained about the U.S. oversight role, saying the group sometimes make decisions that don't reflect the Internet community at large.

Under the new agreement, the Commerce Department will "continue to provide expertise and advice on methods and administrative procedures to encourage greater transparency, accountability, and openness," according to the agreement. No specific initiatives were announced.

##### Cingular files suit against private eye

ATLANTA — Cingular Wireless LLC, the nation's largest cell phone provider, on Friday sued a private eye caught up in the scandal over the Hewlett-Packard Co. leak investigation, seeking to make him pay for allegedly obtaining customer call records under false pretenses.

The Atlanta-based company said in federal court papers it wants Charles Kelly, his firm CAS Agency Inc. and any of its agents to return all Cingular customer information they may have, give up any profits they made for getting the data and pay unspecified damages for their conduct.

The complaint, which follows a similar suit filed late Thursday by Verizon Wireless, also seeks an injunction against CAS.

— Daily Republic wire services

## Vioxx suits surge to beat deadline

### But case by case, Merck keeps battling

BY LINDA A. JOHNSON  
THE ASSOCIATED PRESS

TRENTON, N.J. — A surge of lawsuits has swamped courthouses just ahead of the two-year anniversary of drugmaker Merck & Co. pulling its blockbuster painkiller Vioxx from the market.

Today is the deadline for many users to sue the Whitehouse Station, N.J.-based drugmaker over heart attacks, strokes or other harm they blame on Vioxx. Patients in 22 states, many heavily populated ones, can no longer sue Merck because they have a limit of two years on initiating personal injury lawsuits; four other states have one-year limits.

Merck is holding its own defending Vioxx in the courtroom, racking up its fifth win this week. Most experts say Merck's fight-every-case strategy is discouraging an even bigger flood of suits, although each trial is costing millions.

So far, well over 21,700 suits, many with multiple plaintiffs, have been filed, up sharply from the 14,200 Merck reported as of June 30. Merck also has at least 5,800 agreements waiving the statute of limitations for other Vioxx users.

The company faces at least 190 potential class action suits by Vioxx users and Merck shareholders. Merck is challenging the one class action already approved, for health insurers and unions seeking to be reimbursed for Vioxx they bought for health plan members — a case that could cost Merck \$15 billion if it loses.

In New Jersey, which has a two-year limit for both types of suits and has the most cases because it's where Merck is based, more than 6,500 cases have been filed since June 30. By Wednesday, 13,624 Vioxx cases had been recorded in Atlantic County Superior Court.

In New Orleans, where federal lawsuits are being coordinated by U.S. District Judge Eldon Fallon, about 950 new cases have been filed since June, for a total of 6,650. Court personnel said filings picked

up strongly in September.

Despite the Vioxx hangover, Merck's financial performance has improved amid cost cutting and strong sales of key drugs, including asthma/allergy treatment Singulair and cholesterol drugs Vytorin and Zetia. Three new vaccines were approved this year, one of them the world's first to prevent cervical cancer. The stock price has recovered to within a couple dollars of its \$45 level the day before the Sept. 30, 2004 Vioxx withdrawal.

"If you compare the company's focus and energy and morale with where we were two years ago, the focus and energy is back," Merck Chief Executive Officer Richard T. Clark told The Associated Press. "What's really important is that the company internally is focusing on our mission . . . putting patients first and scientific excellence and business excellence."

The company expects approval soon for Januvia, a new type of diabetes drug, but on Friday said formulation problems have delayed plans to seek approval for a new cholesterol drug.

Clark said the sweeping restructuring plan he announced last December, including focusing research on a smaller number of common illnesses, is on track and he's shooting to produce about 5 percent growth in revenues and profit by 2010, compared to last year's levels. The company has cut about 3,400 of the 7,000 jobs planned for elimination and has closed one manufacturing plant and three research facilities. It plans to shutter another five factories and three research sites under Clark's plan to cut a total of \$5 billion in costs by 2010.

"It's not time to declare victory yet, but I think we're headed in the right direction," Clark said.

Law professors generally applaud Merck's strategy of trying individual cases and resisting calls from plaintiffs lawyers and judges to consider mass settlements.



The Associated Press

A surge of new lawsuits against drugmaker Merck & Co. is flooding courthouses in some states as the two-year anniversary of Merck's former blockbuster Vioxx being pulled from the market approaches.

"It sends the message to plaintiffs' lawyers that there is not easy money to be had in the Vioxx litigation," said Howard Erichson, a law professor at Seton Hall University. "You don't want to encourage a feeding frenzy."

Erichson said Merck has contained the litigation better than expected, averting the half-million or more plaintiffs that sprang up in "mega-mass tort" cases over asbestos, tobacco and breast implants.

Anthony Sabino, a St. John's University professor of business law, said each trial helps the plaintiff and defense lawyers figure out which types of cases would be best to settle.

Merck has retained a stable of top lawyers since it pulled Vioxx after its own study — meant to win approval Vioxx for a new use — showed the pill increased heart attack.

### Mixed results for Merck in Vioxx cases

In lawsuits regarding its painkiller Vioxx, Merck & Co. has five wins, four losses and a sixth win that was overturned and will go to retrial. Thousands more cases are still pending.

Verdict date	Trial location	Merck liable	Not liable	Cash award/notes
Aug. 19, 2005	Angleton, Texas	●		\$26 mil.*
Nov. 3	Atlantic City, N.J.		○	Merck's win overturned; case will go to retrial
Feb. 17, 2006	New Orleans		○	
April 11**	Atlantic City	●		\$13.9 mil.
April 11**	Atlantic City		○	
April 21	Rio Grande City, Texas	●		\$32 mil.
July 13	Atlantic City		○	
Aug. 2	Los Angeles		○	
Aug. 17	New Orleans	●		\$51 mil.***
Sept. 27	New Orleans		○	

\*Original award of \$253.4 million cut by Texas punitive damage caps to about \$26 million  
 \*\*Split ruling in a two-plaintiff trial  
 \*\*\*A federal judge later ruled \$50 million in compensatory damage was grossly excessive. (The other \$1 million originally awarded was in punitive damage.) A new trial will be held to determine amount of award.

AP

### BUSINESS MATTERS

## Solano County jobless rate drops 4.8 percent in August

DAILY REPUBLIC STAFF

FAIRFIELD — The unemployment rate in Solano County dropped to 4.8 percent in August, down from the 5.2 percent posted in July and well below the 5.4 percent unemployment rate of August 2005, a state report said.

The number of jobs in Solano County grew 2.5 percent in the past year, with the biggest growth in trade, transportation and utilities; and educational and health services. The number of jobs grew from

129,800 in August 2005 to 133,000 last month.

Solano County's unemployment rate was below the 4.9 percent average for the state but above the national average of 4.6 percent during the same period.

### Ribbon-cutting for new business center

FAIRFIELD — The Wiseman Co. will celebrate the grand opening of the new Green Valley Executive Center

and Sticky Rice Bistro, a restaurant located in the building, next week.

The ribbon-cutting is set for 11 a.m. Tuesday at 5030 Business Center Drive, followed by refreshments provided by Sticky Rice Bistro at 11:30 a.m.

For more information or to RSVP, call 427-1212 or [pmagee@WisemanCo.com](mailto:pmagee@WisemanCo.com).

### Biz bits

■ Jelani Arghandewal has joined Gateway Realty as a Re-

altor. He's lived in Solano County five years and worked as a prosecutor in Afghanistan before coming to America. He speaks several languages including English, Pashto and Duri/Farsi. He will work at the Martin Road office.

■ Inam Khan of Premier Commercial Inc. represented Edward and Sue Lippstreu, lessor, and Brendo and Pedro Caturray, lessee, in leasing 1,400 square feet of office space at 1555 Webster St., Suite B, Fairfield.

■ Kevin English, Inam Khan

and Justin English represented O'Brien Builders in leasing 20,415 square feet at 5090 Central Way to Direct Buy, which will operate a wholesale catalog center.

"Business Matters" is a column that runs Tuesday, Friday and Saturday, focusing on Solano County business affairs. If you know of a newsworthy item or event, please e-mail [klecluse@dailyrepublic.net](mailto:klecluse@dailyrepublic.net). Please be sure to include a contact name and daytime phone number.

### Market watch

Sept. 29, 2006	
Dow Jones Industrials	-39.38 11,679.07
Nasdaq composite	-11.59 2,258.43
Standard & Poor's 500	-3.30 1,335.85

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Stock information is also available over the phone at 1-800-555-TELL, the free call that connects you to the information you need every day. Just dial 1-800-555-TELL from any phone. Say a keyword, like "stocks." Say the name of the company's stock price you are looking for. You hear the stock price. It's that simple.

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