

# BUSINESS

## Some sticking with Chrysler, others skeptical

BY JOHN PORRETTO  
THE ASSOCIATED PRESS

HOUSTON — The stalwart. The bargain-hunter. The skeptic.

As Chrysler dealers across America try to sell vehicles with the auto manufacturer in bankruptcy, they're meeting different types of customers: loyalists who aren't fazed by the troubles, those simply seeking the best deal in a bad economy, and some who are willing to look, but aren't sold on the company's prospects.

"People hear the word bankruptcy and it makes them nervous," said Richard Engel, a Chrysler dealer in Wyckoff, N.J.

Chrysler, the nation's third-largest automaker behind General Motors and Ford, filed for Chapter 11 bankruptcy protection Thursday after months of surviving on government loans. The company hopes to emerge in

as little as 30 days, allied with Italian automaker Fiat to build leaner, cleaner cars.

Some customers who spoke to the Associated Press in recent days said they were encouraged by President Barack Obama's pledge that the government will back warranties issued by Chrysler -- an attempt to reassure consumers their purchases will be protected even if the company fails.

Others say the government's backing is a plus, but that survival will be tough in today's ultra-competitive car market.

It's hard to say, yet, if the bankruptcy will slow Chrysler's sales even more, or if bargain-hungry drivers will see the company's straits as an opportunity. Some dealers said they saw better-than-average traffic over the weekend, while others said it was slow.

Looking farther out, dealers say they're not sure what



The Associated Press

President Obama pledged that the government will guarantee any warranties issued by Chrysler as it files for bankruptcy.

the coming months hold.

For now, though, they'd all love to have a client like Donald Powell. The pastor of East Houston Trinity Walk of Faith Ministries bought his fourth vehicle from River Oaks Chrysler-Jeep in Houston a few weeks ago, a silver, 2009 Chrysler 300 he calls his "baby Bentley."

Like other automakers, Chrysler -- whose brands include Jeep and Dodge -- has used cash rebates, zero-percent financing and other incentives to attract buyers.

For some, a good deal on a new car trumped the possibility that Chrysler may not survive.

Rebecca Jeffries wasn't

even looking to buy when she went for an oil change Friday at Day's Baum Boulevard Dodge-Chrysler-Jeep in Pittsburgh.

The 66-year-old computer-company clerk has always loved the looks of Chrysler's Crossfire convertible, but the \$40,000-plus tab was out of her price range. Not these days. When a sales representative made her a deal for \$27,900, Jeffries said so long to her Sebring sedan and drove off in a new silver sports car.

Jeffries acknowledged a little anxiety about the warranty -- even with the government's backing -- but said "it looks like I'm getting a good deal here."

## US bank stress test results loom

THE ASSOCIATED PRESS

NEW YORK — A week laden with key economic reports and results of stress tests on banks will determine whether Wall Street is ready to rally further or take a sharp U-turn.

The government's assessment of the health of 19 big banks plus April employment data and retail sales reports will be the latest challenges to a rally that has driven stocks to their best two-month performance in nearly 35 years. Since March 9, the Dow Jones industrials are up 25.4 percent and the Standard & Poor's 500 index is up 29.7 percent.

Since the rally began, investors have been questioning whether Wall Street has indeed seen a bottom after the devastating losses of the fall and winter, or whether the advance has really been based on faulty speculation. But as the gains stretch into a third month, and data continues to suggest that the economy's slide is slowing, confidence is building that the market has the potential to keep moving higher.

"It takes a while for market participants to shift gears and really believe in what we're seeing," said Keith Walter, portfolio manager of the Artio Global Equity Fund.

While some observers are still skeptical or at the least cautious about the rally, the market's performance during previous recession has shows that stocks tend to hit bottom an average of four months before a recession ends.

## Market watch

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Chris Jordan/Daily Republic

Bob Carrington, owner of Trophy Factory, assembles a trophy at the store's new location near the intersection of West Texas Street and Pennsylvania Avenue in Fairfield.

## A prize location

Trophy store moves from Suisun to Fairfield

BY BEN ANTONIUS  
DAILY REPUBLIC

FAIRFIELD — Call it a first-place move for The Trophy Factory.

Owner Bob Carrington moved his store to Fairfield in December after about two decades across the tracks in Suisun City. Carrington said the property owners were not renewing leases at his last site, so he struck out for a new home.

He started renovating the site on West Texas Street near the intersection with Pennsylvania Avenue in November. He moved in at the beginning of December. The higher profile storefront has been a boon, he said.

"I came and looked at it and thought, 'Well, I will come over to Fairfield,'" he said. "This is much bigger than the one I had on Railroad (Avenue)."

The Trophy Factory makes plaques, medals, trophies, statues and other items. The customers range from Little League baseball teams to businesses to local service clubs.

Since moving to downtown Fairfield, Carrington said he sees more visitors from the city government.

"Fairfield (police department), they are in here once or twice a week now," he said. "It has been a good move, it really has."



### Doctor, doctor, gimme the news

The Plumbing Doctor is expanding again, this time into a new service sector.

The company will begin offering service for residential and light commercial heating and air conditioning beginning in May. The company will offer system tune-ups, trouble shooting, repairs, and unit replacements. Parent company Plumbing M.D. Inc. also plans to give current and future plumbing franchisees the option to have a heating and air conditioning division as well.

### Retirement planning

Travis Credit Union will hold a free seminar on retirement planning. It will consist of a special presentation with an economic update, including the impact of the economic recession on retirement planning, as well as discussion about new legislation that eliminates minimum distributions from individual retirement accounts.

A pair of seminars are scheduled for 10 a.m. and 6 p.m. on May 12 in the Community Room at the credit

union headquarters at One Travis Way in Vacaville.

For more information or to reserve a spot, call 449-4000.

### New hires

Local real estate agent Debbie McLaughlin recently joined Gateway Realty's Vacaville office at 750 Mason St.

McLaughlin has been a Solano County resident for more than 15 years and active in real estate since 2003. She specializes in working with first-time buyers and is also knowledgeable of Yolo and Contra Costa counties.

### Awards and honors

Garson Design Services of Fairfield recently won three American Graphic Design Awards from national trade publication Graphic Design USA. Among the winners were an eclectic logo for interior design firm Feather My Nest and a tongue-in-cheek postcard for Paradise Valley Estates.

Gateway Realty announced Julia Culpepper as the winner of its sales agent of the month award for selling more homes than any other agent during the month.

What are you buzzing about? Reach Ben Antonius at 427-6977 or [bantonius@dailyrepublic.net](mailto:bantonius@dailyrepublic.net).

## Fiat eyes new company with GM Europe, Chrysler

THE ASSOCIATED PRESS

ROME — Fiat Group SpA confirmed Sunday that it is in talks to buy General Motors' European operations, in a move that, combined with its planned takeover of Chrysler LLC, would form one of the world's biggest car and truck makers.

The new auto manufacturer would have \$105 billion in annual revenue, Fiat said in a statement.

Fiat said it is evaluating the possible spinoff of its auto business to form the core of the new company. Fiat Group Automobiles includes the Fiat, Alfa Romeo and Ferrari brands.

The statement was issued on the eve of a meeting in Berlin between Fiat Group CEO Sergio Marchionne and the German economy and foreign ministers to discuss Fiat's offer for GM's German unit, Opel.

GM Europe also includes the British company Vauxhall and the Swedish carmaker Saab.

GM has been trying to find investors for its noncore

and unprofitable assets as part of a restructuring in which it has sought billions of dollars in aid from the U.S. government to avert collapse.

Opel has said it needs \$4.3 billion to get through the economic crisis. The German government has said it doesn't foresee giving direct state aid. Chancellor Angela Merkel has suggested the government could help an Opel investor with loan guarantees.

Fiat said that over the next few weeks, Marchionne will be looking "to assess the viability of a merger of the activities of Fiat Group Automobiles (including the interest in Chrysler) and General Motors Europe into a new company."

"As part of this process, the group would evaluate several corporate structures, including the potential spinoff of Fiat Group Automobiles and the subsequent listing of a new company which combines those activities with the activities of General Motors Europe."

## BUSINESS NEWS

### IN BRIEF

#### Buffett and Munger share lessons of turmoil

OMAHA, Neb. — Billionaires Warren Buffett and Charlie Munger say companies have been borrowing too much money and that executives need better incentives.

Berkshire Hathaway's top executives say those are key lessons from the ongoing financial turmoil. Buffett and Munger held their annual news conference on Sunday.

Buffett says having severe disincentives for failure and proper incentives for success is key to ensuring large financial institutions are run well.

He says Fannie Mae and Freddie Mac shows that intense regulation can't prevent problems because those mortgage finance firms were some of the most regulated companies.

Munger says the nation tolerated way too much immorality, stupidity and that companies took on too much debt, and now it's paying the price.

#### Times Co., Boston Globe unions talk concessions

BOSTON — Labor union leaders at The Boston Globe continue to meet with representatives of the newspaper's owner, The New York Times Co., about contract concessions management says are needed to keep the Globe running.

A Boston Newspaper Guild spokesman says the talks are expected to last late into Sunday night. Discussions started around noon.

The Boston Newspaper Guild is the Globe's largest union. It says in a statement released Sunday morning the deep cuts in workers' pay and benefits it's offering should be more than enough to save the newspaper. It says the union is confident the Times Co. is committed to reaching an agreement.

#### Egypt drops Bechtel as nuke consultant

CAIRO — Egypt's Electricity Ministry says it has dropped U.S. construction giant Bechtel as a consultant for the country's first nuclear reactor.

The state-run news agency quoted a ministry statement on Sunday as saying it has chosen Australia's WorleyParsons (WOR.AX) for the 10-year consultancy.

In December the ministry said it had picked Bechtel for the \$181 million project. It did not give details but local reports suggest that the deal stalled over terms of operation.

Egyptian President Hosni Mubarak has announced plans for the nuclear power project to diversify Egypt's energy resources and preserve the country's oil and gas. He said Egypt would not seek a nuclear bomb.

#### Economy buffeting student pilots, flight schools

DAYTON, Ohio — The slumping economy is forcing student pilots in North America to put their dreams of flying on hold, a trend that is placing a financial chokehold on flight schools.

Aircraft Owners and Pilots Association spokesman Chris Dancy says there are no more recent figures. But he says the association is seeing some anecdotal evidence that the economy is taking a toll on the U.S. pilot population.

Economic conditions have also meant that some pilots who already have licenses have given up flying.

Dancy says flight training for private pilot is usually done with disposable income, so it's very common in economic down times for training to fall off. He says it usually costs between \$6,000 and \$9,000 to get a private pilot's license.

#### Oldest US nuclear plant back online

LACEY TOWNSHIP, N.J. — Normal operations have resumed at the nation's oldest nuclear power plant a week after it was shut down because of a failed transformer.

Officials at the Oyster Creek Nuclear Generating Station in New Jersey had manually stopped their reactor without incident April 25. Crews repaired the transformer and modified its power supply.

Plant spokesman David Benson says the outage was extended so crews could further prepare the plant for summer operations.

— Daily Republic wire services