

Plaza Palomino complex moves toward foreclosure

Company that bought delinquent mortgage can take ownership of center through process

By Dale Quinn
ARIZONA DAILY STAR

The new owner of the delinquent mortgage at Plaza Palomino, the upscale shopping and office complex at the corner of North Swan and East Fort Lowell roads, has moved forward with

foreclosure.

WCCP Plaza Palomino LLC, an investment group out of Torrance, Calif., purchased the non-performing note from LNR Partners LLC for \$6.4 million at an online auction in late June.

The note had an unpaid balance

of \$9.9 million according to Auction.com, the company that carried out the auction.

By purchasing the note, WCCP Plaza Palomino didn't take ownership of the property, but it can do so through the foreclosure process.

According to documents filed in the Pima County Recorder's Office, the note was recorded in April 2005 and had an original

balance of \$10.7 million. The borrowers are listed as SEC Plaza Palomino LLC, which is a Bourn Partners company, and New Rudasill La Cholla LLC.

A public auction has been scheduled for 1 p.m. Dec. 27 at the Pima County Courthouse, 110 W. Congress St.

Contact reporter Dale Quinn at dquinn@azstarnet.com or 573-4197.

Handheld glaucoma tool being developed

Grant helping UA team learn to market device that patients can use

By Michelle A. Monroe
ARIZONA DAILY STAR

UA researchers are hoping a new tool will help glaucoma patients take their care into their own hands.

Glaucoma occurs when pressure builds in the eye, either because the eye produces too much fluid or is unable to drain adequately, said Jill Brickman, director of the Student Sight Savers Glaucoma Screening Program at the University of Arizona Medical Center's Department of Ophthalmology.

Glaucoma patients now must go to a doctor every time they want to check their inner eye pressure.

Eniko Enikov, a UA associate professor of aerospace and mechanical engineering, and a team of researchers are working on a handheld device that patients would be able to take home and use themselves.

Their current model is shaped like a marker or a pen that patients press on a closed eye and roll on top of the eyelid.

The project began in 2006 when Gholam Peyman, a UA clinical professor, approached Enikov about it.

Five years later they are perfecting the design and were awarded a National Science Foundation Innovation Corps grant.

The 21 projects selected for the grants are the inaugural class in a program that tests previously funded projects to see if they are ready to be commercialized.

"Our first round of awards emerged from a wide array of fields and strong fundamental research efforts," said NSF Innovation Corps program officer Errol Arkilic.

See GLAUCOMA, A13



BENJIE SANDERS / ARIZONA DAILY STAR

Al Leon looks over the new iPhone 4S he's buying at the AT&T store at 6145 E. Broadway. He was among about 50 people who lined up there by the time doors opened. Thousands around the world also got in line for the device, which went on sale Friday.

iPhone 4S to sell by millions

Friday's frenzy for new version has solemn backdrop; demand bogs down software activation

BLOOMBERG NEWS

Apple Inc. is poised to sell as many as 4 million units of its new iPhone 4S this weekend after customers around the world lined up to buy one of the last products developed under Steve Jobs.

The device, available Friday in the U.S., Australia, Canada, France, Germany, Japan and Britain, is projected to outperform last year's introduction of the iPhone 4, which topped 1.7 million units in its first weekend. For the

iPhone 4S, most estimates range from 2 million to 3 million and Yankee Group analyst Carl Howe predicts sales as high as 4 million.

In New York, London, Tokyo and Frankfurt, hundreds of people lined up overnight at the compa-

ny's stores.

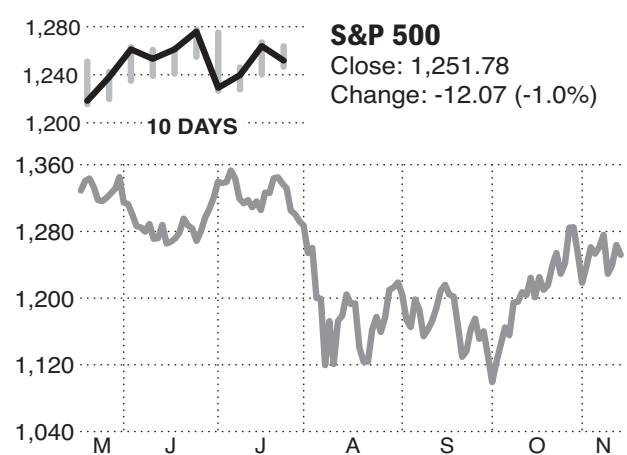
The release represents the end of Apple's era under Jobs, who died this month after an eight-year battle with cancer.

See IPHONE, A13

MARKET ROUNDUP

Stronger retail sales and surging profits from Google sent stocks higher Friday. The Dow Jones industrial average turned positive for the year and the S&P 500 index had its best week in more than two years. The dollar and U.S. Treasury prices fell as investors moved money into assets that perform better when the economy picks up. The yield on the 10-year Treasury note rose to 2.25 percent, the highest level since August. Oil and other commodities rose sharply.

	HIGH	LOW	CHANGE	CLOSE
▲ DOW30	11,646.83	11,478.66	+166.36	11,644.49
▲ NASDAQ	2,667.85	2,636.00	+47.61	2,667.85
▲ S&P 500	1,224.61	1,205.65	+20.92	1,224.58
▲ Russell 2000	713.36	700.40	+13.64	712.46



LOCAL AND WIDELY HELD STOCKS

NAME	TICKER	CLOSE	CHG	%CHG	YTD %CHG	YLD	VOL (Thous)
AMR	AMR	2.94	-.02	-0.7	-62.3	...	14608
AT&T Inc	T	29.17	+.07	+0.2	-0.7	5.9	22578
Alcoa	AA	10.26	+.16	+1.6	-33.3	1.2	37115
Apple Inc	AAPL	422.00	+13.57	+3.3	+30.8	...	19130
Augusta g	AZC	3.75	-1.6	...	118
BE Aero	BEAV	34.79	+.84	+2.5	-6.0	...	733
Bkfst	BAC	6.19	-.03	-0.5	-53.6	.6	195821
BerkH B	BRK/B	74.75	+.70	+0.9	-6.7	...	4445
CntryLink	CTL	34.60	+.29	+0.8	-25.1	8.4	3358
Citigrp rs	CVX	100.47	+2.68	+2.7	+10.1	3.1	6835
CocaCola	C	28.40	+.76	+2.7	-40.0	1.1	46836
Cnrgys	KO	67.85	+.45	+0.7	+3.2	2.8	6307
Correctn Cp	CVG	10.41	+.24	+2.4	-21.0	...	658
Costco	CXW	22.52	+.01	...	-10.1	...	831
DukeEngy	COST	81.77	+.10	+0.1	+13.2	1.2	2043
ExxonMbl	DUK	19.92	+.12	+0.6	+11.8	5.0	13849
FMCG s	XOM	78.11	+.174	+2.3	+6.8	2.4	16589
GenDynam	FCX	36.77	+.153	+4.3	-38.8	2.7	20562
GenElec	GD	62.04	+.23	+0.4	-12.6	3.0	1540
GraniteC	GE	16.60	+.38	+2.3	-9.2	3.6	42646
HomeDp	GVA	21.41	+.55	+2.6	-21.9	2.4	365
HomeVlnt	HD	35.05	+.64	+1.9	...	2.9	7304
Intel	HON	49.45	+.156	+3.3	-7.0	2.7	3558
INTC	INTC	23.50	+.11	+0.5	+11.7	3.6	42877
IBM	IBM	190.53	+.371	+2.0	+29.8	1.6	5070
INTUIT	INTU	53.01	+.102	+2.0	+7.5	1.1	1484
JPMorgCh	JPM	31.89	+.29	+0.9	-24.8	3.1	50255
JohnJn	JNJ	64.72	+.49	+0.8	+4.6	3.5	6176
Kroger	KR	22.61	+.08	+0.4	+1.1	2.0	4802

FOREIGN EXCHANGE

Country	Foreign currency in \$US	\$US in foreign currency
Britain Pound	Today 1.5815 6mo ago 1.6353	Today .6323 6mo ago .6115
Canada Dollar	Today .9885 1.0411	Today 1.0117 9605
Euro Euro	Today 1.3875 1.4490	Today .7207 6901
Mexico Peso	Today .075408 .085286	Today 13.2612 11.7253

COMMODITIES

	Close	Previous	% change	% YTD
Crude oil (bbl)	86.80	84.23	+3.05	-5.0
Copper (lb)	3.41	3.30	+3.10	-23.3
Gold (oz)	1681.80	1667.30	+0.87	+18.3
Silver (oz)	32.14	31.63	+1.60	+4.0

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BUSINESS
BRIEFS

Retail sales rose strongly
in September

WASHINGTON — U.S. consumers stepped up their spending on retail goods in September, a hopeful sign for the sluggish economy.

They spent more on autos, clothing and furniture last month to boost retail sales 1.1 percent, the Commerce Department said Friday. It was the largest gain in seven months.

Auto sales rose 3.6 percent to drive the overall increase. Still, excluding that category, sales gained a solid 0.6 percent.

The government also revised the August figures to show a 0.3 percent increase, up from its initial report of no gain.


US government runs
\$1.3 trillion deficit

WASHINGTON — The government ran a \$1.3 trillion deficit for the budget year that ended last month, the third straight year it has operated more than \$1 trillion in the red.

The 2011 budget deficit was the second highest on record. It's slightly ahead of the previous budget year's \$1.29 trillion deficit but below the \$1.41 trillion imbalance record in 2009.

A decade ago, the government was running surpluses and trillion-dollar deficits seemed unimaginable. But those deficits now loom over tense negotiations in Washington.

Lawmakers are under pressure



At the pumps

Average price per gallon of fuel as of Friday:

	REG	PREM	DIESEL
National	\$3.44	\$3.71	\$3.80
Arizona	\$3.36	\$3.57	\$3.76
Phoenix	\$3.31	\$3.56	\$3.73
Tucson	\$3.25	\$3.46	\$3.76

NOTE: Prices rounded to nearest cent.
SOURCE: AAA
10/15/11 ARIZONA DAILY STAR

to agree by Thanksgiving on where they can cut \$1.2 trillion over the next decade. If they cannot, automatic cuts to Medicare, defense spending and other critical areas of the budget would go into effect in Jan. 2013.

G-20 wrangles over
Europe's crisis bill

PARIS — Finance chiefs from the Group of 20 rich and developing nations wrangled Friday over whether the eurozone should pick up the whole bill for its escalating debt crisis, or whether the rest of the world should help out more.

The International Monetary Fund — the world's lender of last resort for cash-strapped countries — has until now funded about a third of the cost of the bailouts of Greece, Ireland and Portugal. But while some, including the United States, are arguing that Europe has more than enough money to spend its way out of the crisis, others are pushing for more support as the currency union's debt troubles risk dragging the world economy back

into recession.

In recent days, markets have been buoyed by hopes that the 17 countries that use the euro will sort out key aspects of a more aggressive solution to their debt crisis in time for an EU summit Oct. 23 and a Group of 20 meeting in early November.

Business inventories,
sales rose in August

WASHINGTON — Companies were confident enough in the economy in August to keep stocking their shelves, even as other data stoked recession fears.

Businesses added to their stockpiles for a 20th consecutive month and their sales rose for a third straight month, the Commerce Department said Friday. Inventories increased 0.5 percent in August, matching the July gain.

Google to kill Buzz,
focus on Plus

SAN JOSE, Calif. — Google is getting ready to press the mute button on Buzz, an online social networking service that turned into a massive faux pas.

Buzz will be shut down within the next few weeks. The 20-month-old service probably won't be missed. If anything, Buzz is destined to be remembered as Google's botched attempt to build a social network to rival Facebook's online hangout. Google now is focusing its social networking efforts on Plus, a 3 1/2 month-old service that has been catching on. Plus has more than 40 million users. Facebook's audience is 800 million users.

The Associated Press

HOUSING

New ideas abroad to
help homeowners
avoid foreclosure

WASHINGTON — With hundreds of thousands of homeowners facing imminent foreclosure and estimates of 2 million or more in the wings, are there any financial tools available to distressed borrowers that haven't been tried yet?

Equally important politically: Is there a way to help owners that won't rack up huge federal expenditures and add to the deficit?

The Obama administration has been exploring options — including a new refinancing program expected later this month — but a concept has surfaced on Capitol Hill that might offer modest help with no revenue cost to the government: Amend the tax code to allow homeowners who have 401(k) retirement plans to pull out money to save their houses from foreclosure without the usual tax penalties.

The change would work like this: Under current rules, anyone making what's known as a "hardship" early withdrawal of funds from their 401(k) must pay the IRS a 10 percent penalty on top of ordinary income taxes. A new bill introduced Oct. 5 would waive the penalty if the purpose of the distribution is to make loan payments to avoid loss of a primary home to foreclosure.

Co-authored by Sen. Johnny Isakson and Rep. Tom Graves, both Republicans from Georgia, the bill would allow owners to pull out up to \$50,000.

The money could be used in a lump sum to pay down the delinquent mortgage balance or to fill shortfalls caused by reductions of household income.

It could also be used as part of loan modification agreements with lenders designed to avert a foreclosure.

However the money is used to resolve the mortgage delinquency, it would need to be spent within 120 days of receipt and could not exceed 50 percent of the current amount of funds in the retirement account.

Owners would still be subject to income taxes on the amounts withdrawn, but would escape the penalty.

Though neither of the co-sponsors claims the bill would actually raise revenues — they simply say it won't cost the government anything — some pension program experts say it might.



Kenneth Harney

Edward Ferrigno, vice president for Washington affairs at the Plan Sponsor Council of America, a group that represents employers who offer workers 401(k) accounts, said that by triggering taxable distributions from otherwise untouched, tax-deferred plans, the bill "should generate revenues."

Titled the HOME Act, the proposal sheds light on the potential foreclosure-avoidance resources — and the drawbacks — connected with tapping employee pension accounts. Though avoiding foreclosure is one of the permitted hardship uses allowed with 401(k)s, the 10 percent penalty discourages potential users, Isakson and Graves argue.

Their bill would remove that disincentive and provide an emergency escape hatch for owners sliding fast toward foreclosure.

Putting aside the potential positives, are there downsides to making a hardship withdrawal from your 401(k), even penalty-free? You bet. Pulling out 401(k) dollars early — with or without a tax penalty — is still an expensive way to raise money. Not only does it deplete the tax-deferred savings you've set aside, but in the case of hardship withdrawals, you are prohibited by IRS rules from making new contributions to your plan for six months.

Even if the HOME bill makes it through Congress — and there's no assurance it will — taking the hardship route should never be your first choice. It should be your last resort, when there's nothing else that will save your house and you don't want to walk away.

However, also consider the pension plan alternative that may already be buried away in your plan documents: A save-the-house loan to yourself. If the numbers work, and you have a reasonable chance of avoiding foreclosure and repaying the loan, check it out.

It just might be your solution.

Contact Kenneth Harney at kenharney@earthlink.net



BENJIE SANDERS / ARIZONA DAILY STAR

Bill Street, middle, arrived at the AT&T store near Park Mall at 4 a.m. Friday to buy an iPhone 4S. Later he chatted with Al Leon, left, and Geoff Padilla, AT&T director of sales for New Mexico and Arizona.

IPHONE

Continued from Page A12

Some customers even joked that the new model 4S stood "for Steve."

Tony Medina, a student from Manhattan, stood outside Apple's flagship store on New York's Fifth Avenue for nine hours, waiting through rain. He had originally planned to order the phone online but decided to join a crowd of people to honor Jobs.

"For loyalty, I felt I had to do the line," he said. "I had to say thank you."

Cary Santos, 24, lined up at the Fifth Avenue store at 11 p.m. Thursday and spent the night checking e-mail and news on his iPad 2. "This company has rocked American life," he said.

Ousphea San, a 28-year-old warehouse manager, left his home in the Bronx at 3:30 a.m. and found 257 people ahead of him in line when he arrived at the Fifth Avenue store two hours later.

The iPhone 4S has received mostly positive reviews for its voice-recognition software, speedier processor and improved camera. The device also provides Apple with fresh ammunition in its fight against Google's Android software, which will appear on a host of new smartphones in the year-end holiday season.

"It's going to easily outpace any previous launch," said Charlie Wolf, an analyst at Needham & Co. in New York. It helps that the iPhone is available on the three largest U.S. carriers for the first time, which will bring in new buyers, he said.

Apple also has released an update to its iOS mobile operating system, which customers can download to their existing devices. The software comes with 200 new features and a Web storage service for synchronizing photos, documents, music and other files across different Apple gadgets.

Jobs' admirers have turned storefronts into makeshift me-

morials, adding a solemn tone to the frenzy that accompanies the company's product releases. Jobs co-founded Apple and returned to the company after a 12-year absence, rescuing it from near-bankruptcy.

High demand for the new iOS 5 software contributed to glitches at Apple even before the iPhone 4S went on sale. Customers downloading it to older phones overwhelmed the company's servers, making it harder to upgrade.

Apple hasn't said how many people were affected. The wait time to get a call back from an Apple support representative via the company's Express Lane service is much longer than usual. Typically, an Apple rep will call back within a few hours. Now, the earliest appointments aren't for days.

Trudy Muller, a spokeswoman for Cupertino, Calif.-based Apple, would not comment.

This report includes information from The Associated Press.

GLAUCOMA

Continued from Page A12

The grant requires researchers to pair with experienced entrepreneurs, to increase the possibility of commercialization.

"The idea behind the grant is to take the product from lab to the commercial market," said Emre Toker, UA entrepreneurship mentor in residence, who works with Enikov and his team.

By teaching researchers more about commercialization, NSF officials hope to turn money spent on research into commercial dollars, Toker said.

Enikov hopes to have the glaucoma product ready for commercialization by the end of this year or January 2012.

"The venture capital is in Silicon Valley, and they're looking at all 21 projects to identify which could be funded by whom," said Enikov.

Researchers are more focused on making sure the invention works, so they don't think so much about the users or the customers, Enikov said.

While Silicon Valley has more venture capital, Toker hopes that creating a startup company in Tucson will be a possibility.

"I'm hesitant to say definitively that we'll be successful," Toker said. "This grant will improve the chances of it being successful, but for startups the probability of success is low; success is the exception."

"Realistically the biggest, and the longest, activity is getting FDA approval," said Toker, who believes a device of this type would take approximately one year to get that approval.

"We're giving it our best shot, for sure."

Michelle A. Monroe is a University of Arizona journalism student and a NASA Space Grant intern. Contact her at mmonroe@azstarnet.com

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