

c Business

REAL ESTATE + GROWTH

⬇️ Dow Jones	-21.87	• 12,048.94
⬇️ NASDAQ	-26.18	• 2,675.38
⬇️ S&P 500	-5.38	• 1,279.56
⬇️ 10-year Treasury	-\$0.05	• 2.95%
⬆️ Crude Oil	+\$1.65	• \$100.74
⬇️ Gold (N.Y.)	-\$5.20	• \$1,538.10
Dollar • One U.S. dollar equals:		
⬆️ Euro	+0.0053	• 0.6860
⬆️ Peso	+0.081	• 11.838
⬇️ Yen	-0.19	• 79.90



Wealthy New Yorkers opting to rent

Real estate experts in New York City say the market for five-figure rentals is strong. They tell *The New York Times* that some well-heeled residents are skittish about buying and prefer to pay rent. Rado Varchola of Citi Habitats says it can be easier to market high-priced rentals than those that are lower. He's offering a 2,700-square-foot, four-bedroom apartment on East 77th Street for \$18,000 monthly. The city's most expensive rental — a mansion on East 80th Street, near Central Park, is listed for \$210,000 a month to rent or \$90 million to buy. *Source: Associated Press*

On Wednesday, parent company Sony Corp. has been hammered by separate hacks that compromised the personal information of more than 100 million users this year.

EXXON LOSES: A federal court in Houston rejected a request by Exxon Mobil to dismiss a lawsuit regarding its Texas facility. Environmental groups will be allowed to pursue a suit that accuses Exxon of violating federal air pollution laws repeatedly.

were unable to reach an agreement." Crude jumped 2.7 percent in 20 minutes in New York after the meeting ended.

The split underscores growing divisions
SEE OPEC • C4

Oil traders were surprised when OPEC members failed to agree on new production targets. AP

restaurant row of sorts that is home to a number of coastal view dining spots popular with locals and tourists.

Occupying the Chart House site will be
SEE RESTAURANTS • C4

WORLD

NUCLEAR POWER EYED: Switzerland's lower house approved a plan to phase out the use of nuclear power. It now goes to the upper house.

FROM UNION-TRIBUNE NEWS SERVICES

IN DEPTH: DAILY TOPICS

TUESDAY: Small Business

WEDNESDAY: Biotech & Health Care

THURSDAY: Real Estate & Growth

FRIDAY: Energy & Technology

SATURDAY: Tourism & Restaurants

SUNDAY: Economy

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FORUM SHOWCASES REGION'S ACTION SPORTS COMPANIES

Sports MBAs told creativity is industry's hallmark

DON NORCROSS • U-T

Fernando Aguerre turned down an \$80,000 offer from McDonald's to sponsor an Argentine surf contest because he doesn't consume the Golden Arches' burgers.

Jeff Kearl, chairman of the headphone company Skullcandy, allows employees to show up to work whenever they want.

Steve Astephen, founder of The Familie, an action sports management company in Carlsbad, remembers attending a meeting in New York when a Nike executive posed the rhetorical question, "How are we going to grow from

\$27 billion in annual sales to \$40 billion?"

His answer: "action sports."

Those were but a few of the nuggets gleaned from a program Tuesday evening at the Hall of Champions titled "Game Changers, Innovation + Inspiration." The event was organized by students in San Diego State University's sports MBA program and brought together influential executives in the action sports industry.

Scott Minto, director of SDSU's sports MBA program, wanted his students to become more aware of the job opportunities in the action

SEE FORUM • C4

OPEC • Some pumping close to capacity, can't raise output

FROM C1
within the Organization of Petroleum Exporting Countries, which accounts for about 40 percent of the world's crude. Oil has gained 10 percent this year, boosting recovery for producers, while led by Iran, the second-strongest producer within the 50-year-old organization.

While the Saudis and the Iranians are frequently at loggerheads over pricing, past meetings normally fell in behind Saudi Arabia, which produces the lion's share of OPEC output. But this time, the Saudi-Iranian rivalry combined with major political and economic uncertainties to lead to deadlock.

Among the biggest worries is that unrest in Libya and Yemen could destabilize larger oil-producing nations in the region. The two countries normally produce less than 4 percent of the world's oil needs, and Saudi Arabia and others have boosted output to make up for much of the shortfall.

But while the Saudis have served notice that they are ready to further increase supplies to help compensate for the loss of the daily 1.6 million barrels normally brought to the market by Libya, other

OPEC nations — already pumping close to capacity — cannot contribute much. This appeared to have fueled the strong opposition to an output ceiling hike.

Global economic weakness is also worrying, prodded too low by price hikes in Iran and Venezuela.

Going into the meeting, some OPEC nations had signaled that the ministers could opt to raise the output ceiling to actual production levels of around 26 million barrels a day. Add to that the daily 2.7 million barrels produced by Iraq, which is not bound by quotas, and OPEC would have been bringing more than 29 million barrels a day to the market.

The OPEC members are already exceeding their current production quotas. Their output is an estimated 26.15 million barrels daily — about 1.3 million barrels above the daily overall OPEC production target of 24.85 million barrels a day agreed on in December 2008 amid a collapse in global demand.

OPEC's 12 members are Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela. Iraq is outside the quota system.

RESTAURANTS • Eddie V's could open in late July

FROM C1
Eddie V's, a Scottsdale, Ariz.-based chain that features live music and higher-end dining. The new restaurant could open as soon as late July.

Just how soon the Top of the Cove site could return to business as a restaurant remains in question, given from the city that would allow for an expansion of nearly 3,000 square feet.

"The owner had been approached during the last year



I've also been approached by a guy in Florida who's a partner with Danny DeVito, so I suspect we'll have mul-

for a late July opening. The new tenant, Eddie V's, and the owners, Don Allison and Bill Zongker, are sharing in

the estimated \$4 million cost of the reconstruction, which got under way nearly two years ago, said broker Bill Shrader of Cushman & Wakefield, which represents the restaurant owners.

Allison said reopening of the restaurant had been stalled, in part, because of litigation over unpaid rent.

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FORUM • Partnership of SD Sport Innovators, SDSU

FROM C1
sports industry.

"In San Diego, (action sports) aren't outside the box," Minto said. "You look around and see more kids participating in individual action sports like skateboarding or surfing than you see kids playing pickup basketball or organized youth baseball or softball."

SD Sport Innovators, which helps grow the Southern California sports economy via investors and networking, estimates there are 600 to 700 action sports companies in Southern California. SDSI recently launched a partnership with the SDSU MBA program.

Aguerre is the former

CEO of the sandal company Reef. He now heads the International Surfing Foundation and has helped lead the attempt to make surfing competition part of the Olympics.

Aguerre said passing on the McDonald's endorsement was an example of being true to your personal and business culture.

"I think (inspiration) is just being yourself and saying what you're thinking," Aguerre said. "If you aren't yourself, first you're a fake, then you're going to fail."

So because he doesn't believe eating McDonald's is part of a healthy lifestyle, Aguerre passed when the company offered to sponsor

a surf contest in his native Mar del Plata six months ago.

"My investors said, 'It's a lot of money. We need the money. If you don't take the money you're going to have to put it up yourself,'" Aguerre said. "I said, 'That's OK. I don't go (to McDonald's). Why promote it?'"

Kearl's Skullcandy produces colorful and innovative headphones. Employees own 30 percent of the company. Surfboards and wetsuits are prevalent in its San Clemente office, so if the surf's breaking workers can hit the water and not wait until the weekend when the ocean is packed.

"I want to create a place

that's truly creative," Kearl said. "Our employees show up and feel they're part of something they contribute to."

Cristi Zuk is a student in San Diego State's sports MBA program. A Canadian, her sports background centered on playing soccer and watching hockey.

"The program opened my eyes to how different the action sports industry is from other sports," Zuk said. "And just how important innovation and creativity is to this industry, more so than the traditional bat and ball sports."

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