

BUSINESS

SECTION
C

Saturday,
November 20, 2004

CONTACT US
► Karl Howe,
Business Editor
business@sfchronicle.com
(415) 777-8440
ONLINE
► sfgate.com/business

115.64 DOW 10,456.91

33.65 NASDAQ 2,070.63

13.21 S&P 500 1,170.34

0.09 10-YR. T-NOTE 4.20%

1.01 DOLLAR 103.08 yen

2.22 CRUDE OIL \$48.44



Dave Murphy
On the Fringe

Workers expect to keep jobs

A survey released this week says that Americans are more confident about the job market than they have been in at least two years — although they are still not exactly glimmering with optimism.

In the random sampling of 1,017 full-time workers nationwide conducted by Right Management Consultants, three-quarters of people responding said there is little or no chance they will lose their jobs in the next year. For the first time since Right Management created its semiannual Career Confidence Index two years ago, fewer than 70 percent of workers predicted a rise in the unemployment rate — only 65 percent did this time.

But even though they feel relatively secure, they are a long way from cocky. About 4 out of 5 believe it would be at least somewhat difficult for unemployed workers to find jobs that offered pay comparable to what they had before.

As far as their chances for advancement at their current companies, about half the workers said it would be at least somewhat possible. On the other hand, there was more than a little hopelessness: About 1 in 7 workers said they have no possibility for advancement — without changing companies, of course.

Those workers feeling most optimistic about their chances of moving up at their current companies tended to be younger, African American or Latino. Two-thirds of people 18 to 34 said that job advancement was possible, so did 62 percent of Latinos and 61 percent of African Americans.

Still more cuts: Worker optimism aside, employers did announce plans in October to cut 101,840 jobs nationwide, according to the latest monthly report from the global outplacement firm of Challenger, Gray & Christmas.

That comes on top of 107,863 job cuts announced in September, meaning it's the first time since January and February of 2003 that more than 100,000 cuts were announced in back-to-back months.

Wrong number: In response to my Oct. 30 column about workplace stupidity, reader Sharon Seleck sent in another good example:

"I was interviewing a young woman (probably 21) for an entry-level accounting position. Her cell phone rang during the interview and she took the call. She didn't turn it off and say 'Excuse me,' she didn't take the call and immediately say to the caller, 'I have to call you back.' SHE TOOK THE CALL and spoke for about 30-45 seconds.

"That was the shortest interview I ever had!"

The cell user didn't exactly have a good connection with her potential employer — or with reality.

Work daze: Great talent will get you through, but sometimes a great excuse can work wonders. Chronicle colleague La Tricia Ransom passed along a list circulating over the Internet of the "10 Best Things to Say if You Get Caught Sleeping at Your Desk." Here are my four favorites:

"They told me at the blood bank this might happen."

"I wasn't sleeping. I was meditating on the mission statement and envisioning a new paradigm."

"I was testing my keyboard for drool resistance."

"... in Jesus' name. Amen."

On the Fringe appears Saturdays. E-mail Dave Murphy at dmurphy@sfchronicle.com.

Greenspan speaks, Wall Street freaks

Fed chief warns against rising trade deficits

CHRONICLE NEWS SERVICES

Federal Reserve Chairman Alan Greenspan's warning Friday about spiraling trade deficits and his suggestion that the relentless decline of the dollar will continue ignited daylong selling Friday on Wall Street, sending stock market indexes sharply lower in heavy trading.

Greenspan's remarks, combined with a spike in the price of crude oil, sent the Dow Jones industrial average down by more

than 100 points. All the major stock indexes posted losses of more than 1 percent.

Greenspan suggested at a European banking conference that foreigners might reduce their buying of U.S. securities, investment that is needed to pay for the U.S. budget and trade deficits.

The result was a decline in the U.S. dollar in currency markets against the yen and euro along with a rise in U.S. Treasury yields in the bond market. The benchmark 10-year Treas-

ury yield, which moves opposite to price, rose to 4.21 percent from 4.12 percent Thursday.

"Such is the power of the chairman to impress," UBS Investment Research economist Susan Hering said.

What scares Wall Street is the prospect that a significant drop in foreign investing would force the Fed to raise interest rates enough to make Treasury debt more attractive to investors.

Higher rates would ultimately



Alan Greenspan, chairman of the Federal Reserve, attends the European Banking Conference in Frankfurt, Germany.

hurt business profits and stock prices.

Hering also said in a message to clients that the odds are better than 90 percent that the Fed will raise interest rates again next month. A quarter-point increase in the federal funds rate in De-

cember would be the fifth such increase by the Fed since June and would put the Fed's overnight rate at 2.25 percent.

Greenspan's unusually frank assessment of the trade imbalance and its effect on the U.S. economy

► MARKETS: Page C2

"There is something wrong when a living-trust seminar is used to gather information about a senior and then sell them an annuity."

LOUISE RENNE, partner with Renne Sloan Holtzman & Sakai



Charlotte Cook holds the dog she adopted that belonged to her neighbor, who died months after purchasing annuities.

Suit targets senior seminars

Estate-planning sessions under fire for sales tactics

By Carolyn Said
CHRONICLE STAFF WRITER

Charlotte Cook found out something startling after her East Sacramento neighbor of 20 years, Leo Travis, died. She discovered that her friend, a frail, almost-blind man with severe emphysema, had cashed in his life savings in his final months to purchase annuities that wouldn't mature until he was 98.

Cook was furious. "He would have had to pay major fines to get his money back out should he have needed hospitalization or to

go into a skilled nursing facility. He had no liquid capital left," she said.

That's why Cook, as the executor of Travis' estate, joined with two seniors who were sold similar products and two advocacy organizations for seniors in a class-action lawsuit against insurance companies and living-trust companies that market to elderly people. It is the largest case of its kind in California.

The lawsuit, filed late last month in San Francisco Superior Court, charges that the companies sponsor free estate-planning seminars for seniors as a way "to learn about the senior's assets and manipulate

them into purchasing manifestly inappropriate financial investments for seniors, namely annuities."

Two companies named as defendants in the suit — Estate Preservation Inc. of El Segundo (Los Angeles County) and Ameri-Estate Legal Plan Inc. of Irvine (Orange County) — said they had done nothing illegal or unethical.

Two other defendants, American Investors Life Insurance Co. in Topeka, Kan., and American Equity Investment Life Insurance Co. in Des Moines, Iowa, said they had no comment. Another defendant, Gentry

► SENIORS: Page C2

Dolby Labs to issue IPO for \$460 million

S.F. sound firm moving into digital cinema

By Carrie Kirby
CHRONICLE STAFF WRITER

Dolby Laboratories Inc., the San Francisco firm whose technology creates realistic sound in movie theaters and DVD players, filed Friday to raise up to \$460 million in an initial public stock offering.

The offering will be underwritten by Morgan Stanley, Goldman, Sachs & Co., JP Morgan, Adams Harkness and William Blair & Co. Although Dolby Labs said it has

no specific plans for the cash, the filing comes as the 39-year-old company looks to invest in new markets, which will require the company to "spend considerable resources on research and development," the filing said.

Dolby is branching out into delivering movies to theaters electronically, a technology known as digital cinema, and other new businesses. Dolby now licenses sound technology used to record virtually all movies and music as well as the technology built into 1.4 billion consumer electronics products, including DVD players and stereos.

► SOUND: Page C2

IN SUNDAY BUSINESS



Security force

Company teaches techniques for keeping VIPs out of harm's way

Health savings

New policies allow workers to set aside funds for medical expenses

Nvidia to create chipset for Intel

Chipmakers enter into cross-licensing deal

By Matthew Yi
CHRONICLE STAFF WRITER

Intel Corp. has signed a cross-licensing agreement with Nvidia Corp. that would allow the 3-D graphics chipmaker to start selling chipsets for PCs that use Intel's microprocessors, the companies said Friday.

While Nvidia has been making its nForce chipsets for PCs that use Advanced Micro Devices' microprocessors, it didn't have the license to do the same for Intel's

chips.

Now, the deal immediately gives Nvidia access to the bigger piece of the \$3.8 billion chipset industry. Competition is already fierce with Intel and a pair of Taiwanese chipmakers that dominate nearly 90 percent of the market.

A chipset is a collection of semi-conductors that allow the microprocessor to communicate with the rest of the computer. The chipset can also include integrated graphics chips, which help computer-makers save money on building PCs because they don't require a separate, but more expensive

► CHIPSET: Page C2