



ON THE FRONT PAGE

Heating bills may fall

Natural gas prices have dropped since last year, and if North Texas has the mild winter that's expected, home natural gas bills should go down, too.

DallasNews.com

Wednesday, October 11, 2006

OPENING BELL Investors focus on Fed, rates

Even in earnings season, investors are fixated on interest rates, judging by the reaction to Dallas Federal Reserve President Richard W. Fisher's remarks Tuesday in London on the possibility of a resumption of rate hikes.

Story, 6D

Fed followers get fresh fodder today with the release of the minutes of the last meeting. The minutes could provide insight into why the Richmond Fed president keeps dissenting from the decision to keep rates steady, arguing instead for more hikes.

The Fed will meet Oct. 24-25.

From wire reports

THE MARKETS

Dow +9.36 11,867.17	Nasdaq +3.66 2,315.43
S&P 500 +2.76 1,353.42	10-year Treasuries 9/32 4.76%

Dow average hits another record high

The Dow finishes less than a point above its previous closing high. The broader indexes also rise slightly. **6D**

ENERGY WATCH

Crude \$58.52 -1.44 Near-term futures, per barrel	Gas \$2.11 -0.005 Dallas, regular unleaded
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INVESTOR FOCUS

Socially responsible funds relax rules

At the behest of Pax World's management, shareholders in two funds approved more flexible guidelines. **7D**

INSIDE BUSINESS

D/FW starts work on taxiway system

When the project is complete, air traffic controllers will be able to direct pilots to taxi around the runways rather than wait until it's clear to cross them. **2D**

Google leaps; Yahoo seems to struggle

Google's acquisition of YouTube once again demonstrated its penchant for pouncing on opportunities that leave its rivals scrambling to catch up. **2D**

Mitsubishi to make battery-powered car

The Japanese automaker says it will introduce the third generation of its battery-powered electric car this month. **2D**

Alcoa's net soars, but misses mark

The aluminum producer says its third-quarter profit rose 86 percent. But the results were well below expectations. **Earnings, 3D**

Robert Miller

Business Day column, **2D**

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Area builders start 12% fewer houses

Figure is the lowest for third quarter since 2003, survey finds

By **STEVE BROWN**
Real Estate Editor

North Texas homebuilders have gotten the word about the softening housing market.

Builders cut back starts by 12 percent in the Dallas-Fort Worth

area in the third quarter.

Even so, they started work on more than 12,000 houses in the three months through September, housing analysts at Metrostudy Inc. said Tuesday. But it was the lowest number of starts for the quarter since 2003.

"It is great news to see the builders pull back in starts," said Metrostudy director David Brown. "I think we will see that again in the fourth quarter and moving into 2007."

Almost 30,000 unsold new homes were on the market in Dallas-Fort Worth last month, an increase of 14 percent from a year earlier.

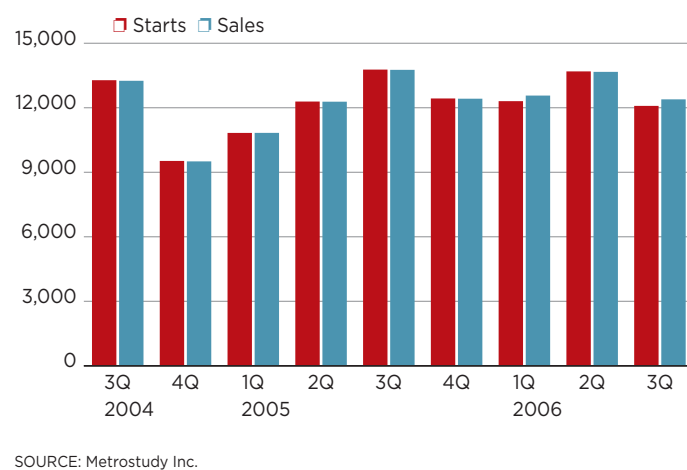
"The inventory isn't high relative to the level of closings, but it is high compared with historical norms," he said.

A 7.6-month supply of new houses is for sale.

See **D-FW** Page 5D

DALLAS-FORT WORTH AREA NEW-HOME MARKET UPDATE

Quarterly sales and starts of single-family homes:



SOURCE: Metrostudy Inc.

BETSY BOCK/Staff Artist

STOPPING ALONG THE WAY

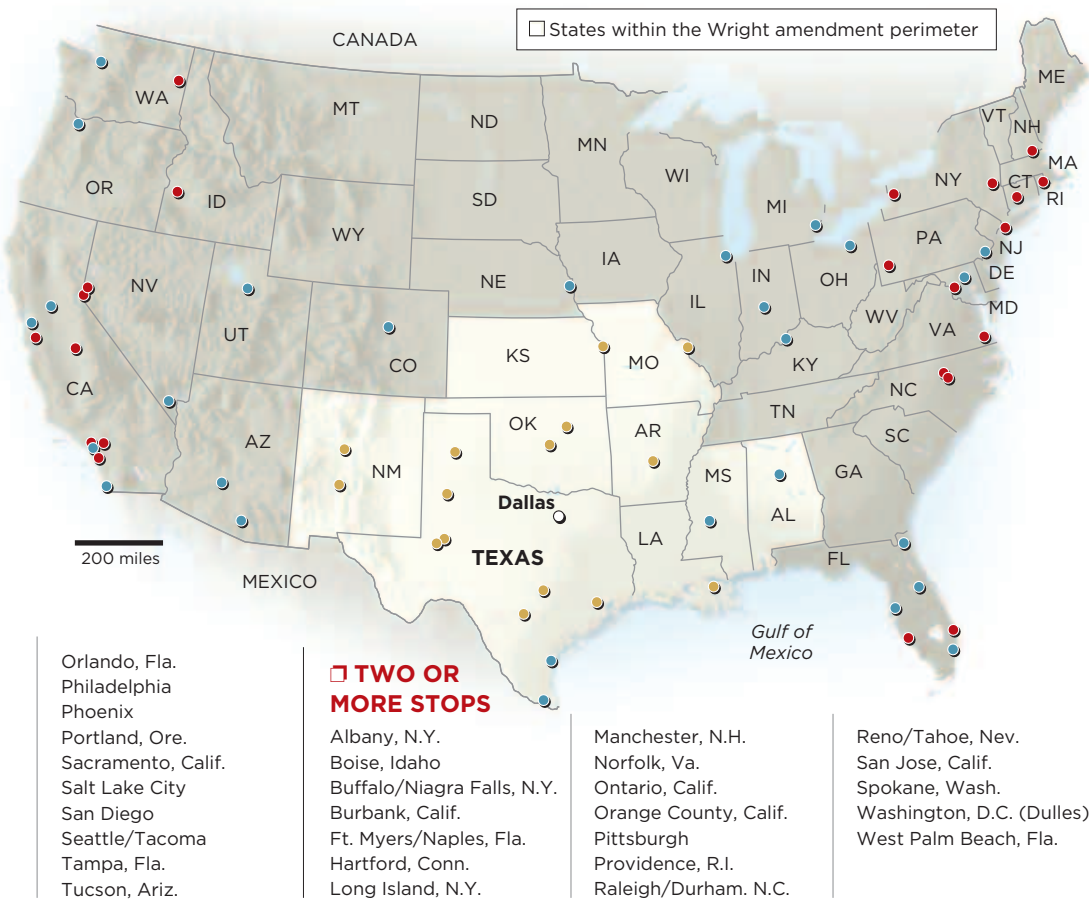
Passengers would be able to fly anywhere from Dallas Love Field, as long as they first stop in one of the nine Wright states, under legislation expected to be signed into law this week by President Bush. Travelers would be able to fly nonstop anywhere within the 50 states and the District of Columbia by 2014. Here's how Southwest Airlines' route map from Love Field could look under the first phase of the legislation, based on the carrier's existing schedule:

NONSTOP

- Albuquerque, N.M.
- Amarillo
- Austin
- El Paso
- Houston Hobby
- Kansas City
- Little Rock, Ark.
- Lubbock
- Midland/Odessa
- New Orleans
- Oklahoma City
- St. Louis
- San Antonio
- Tulsa, Okla.

ONE STOP

- Baltimore/Washington
- Birmingham, Ala.*
- Chicago (Midway)
- Cleveland
- Corpus Christi*
- Denver
- Detroit
- Fort Lauderdale, Fla.
- Harlingen
- /S. Padre Island*
- Indianapolis
- Jackson, Miss.*
- Jacksonville, Fla.
- Las Vegas
- Los Angeles
- Louisville, Ky.
- Oakland, Calif.
- Omaha, Neb.



- Orlando, Fla.
- Philadelphia
- Phoenix
- Portland, Ore.
- Sacramento, Calif.
- Salt Lake City
- San Diego
- Seattle/Tacoma
- Tampa, Fla.
- Tucson, Ariz.

- Albany, N.Y.
- Boise, Idaho
- Buffalo/Niagra Falls, N.Y.
- Burbank, Calif.
- Ft. Myers/Naples, Fla.
- Hartford, Conn.
- Long Island, N.Y.

- Manchester, N.H.
- Norfolk, Va.
- Ontario, Calif.
- Orange County, Calif.
- Pittsburgh
- Providence, R.I.
- Raleigh/Durham, N.C.

- Reno/Tahoe, Nev.
- San Jose, Calif.
- Spokane, Wash.
- Washington, D.C. (Dulles)
- West Palm Beach, Fla.

*Cities inside nine-state Wright perimeter that Southwest currently serves from Love Field via connecting service.

SOURCES: Southwest Airlines, Dallas Morning News research

DEAN HOLLINGSWORTH/Staff Artist

Connecting the spots

Wright repeal to soon change Southwest flights from Dallas

By **TERRY MAXON**
Staff Writer

Southwest Airlines Co. won't say where we can fly from Dallas Love Field until after President Bush signs legislation easing flight restrictions at the airport and the Federal Aviation Administration gives its OK.

But we've got some pretty good ideas, just by looking at Southwest's current schedule.

You'll be able to go to Phoenix, Las Vegas and Chicago fairly easily with just one stop. Baltimore, Los Angeles and Orlando, Fla., will be doable but not quite so easy.

And until Southwest does some serious fiddling with its schedule, the Northeast will take at least two stops — a journey only for those with stamina and a serious desire to fly with the Dallas-based discount.

Right now, Southwest is waiting for the president to act on a bill that would repeal the Wright amend-

See **A GLIMPSE** Page 5D



FILE 2006/Staff Photo

Southwest Airlines' flights from Dallas will be able to use through ticketing — stops in Wright states en route to other destinations — once President Bush signs legislation.

Working women can feel better, look great, says ex-model Iman

Cosmetics firm founder, makeover artists to be at area Wal-Mart today

Iman is a businesswoman on a mission.

The 51-year-old supermodel-turned-makeup maven wants to help working women of every skin tone put their best face forward.

She's in the Dallas area today to do a little missionary work.



CHERYL HALL

This afternoon, Iman (pronounced *ee-mahn*) and her troupe of makeover artists will hit the aisles of the Wal-Mart in Cedar Hill.

They're introducing an all-in-one, one-for-all, cosmetic "success kit" that's designed to help women put on makeup that's business-appropriate.

"No woman entering the workforce wants to experiment in high-pigmented colors," says Iman, founder and chief executive of the international cosmetics company that bears her name. "She wants a simple, neutral-tone face that brings out the beauty that she is."

See **IMAN** Page 4D



DIMA GAVRYSH/Associated Press
Former supermodel Iman is a wife, mother and CEO of her own cosmetics company.

Firm sells golf resorts

KSL buying most of ClubCorp's assets; Pinehurst goes to family

By **JENNIFER CHAMBERLAIN**
Staff Writer

ClubCorp Inc. announced agreements Tuesday to sell off its entire portfolio of clubs and resorts, marking the end of an era for a company rooted in Dallas history.

The Dallas-based company will sell about 170 golf facilities and three resorts to private equity firm KSL Capital Partners LLC. It is also selling the Pinehurst Resort in North Carolina to the family of ClubCorp founder Robert Dedman Sr., who died in 2002.

The two transactions are valued at \$1.8 billion and are expected to close by year-end, said ClubCorp, which was privately held before the sale.

The company will retain the ClubCorp name and its headquarters will stay in Dallas, said John A. Beckert, who will remain president and chief executive of the company.

Mr. Beckert said he anticipates little impact on the company's 18,000 employees, which include about 2,000 in Dallas-Fort Worth.

"They're a private equity firm, and they're making an investment in ClubCorp for our assets and our management talent," Mr. Beckert said.

See **KSL** Page 4D

Venture funds are still steady

Sevin Rosen's latest move doesn't spell the end, partner says

By **VICTOR GODINEZ**
Staff Writer

The Dallas area has long been home to a thriving community of venture capital investors.

That doesn't look likely to change anytime soon, even after Dallas-based Sevin Rosen Funds said last week it was shutting down its latest investment fund and returning the money to investors.

"We're not proclaiming the end of the venture industry," said John Jagers, a general partner in Dallas with Sevin Rosen. "There's certainly no lack of commitment to Dallas and Texas in general."

Sevin Rosen also has offices in Austin and Silicon Valley.

But Mr. Jagers said it's now nearly impossible to take young, venture-funded companies public, which has been the traditional finish line for those firms.

See **SEVIN ROSEN** Page 3D



5 25 50 75 95



FILE 2002/Associated Press

ClubCorp is selling the Pinehurst Resort in North Carolina to the family of company founder Robert Dedman Sr., who died in 2002.

KSL making entry into golf with ClubCorp deal

Continued from Page 1D

Robert Dedman Jr., son of founder Robert Dedman and chief executive of the company from 1998 to 2004, said the sale provides an opportunity for the family to build upon its legacy of philanthropy. Nevertheless, it was a difficult decision, he said.

"From a personal standpoint, it's always with mixed emotions, but I think this is the right thing to do for our shareholders and certainly the right thing to do for our family and for our members and employee partners as well," he said.

ClubCorp announced in May that it was up for sale. In September, *The Wall Street Journal* reported that KSL was in exclusive negotiations with the Dallas golf course company. Goldman Sachs & Co. advised ClubCorp during the five months of negotiations leading up to the sale.

ClubCorp began with Mr. Dedman Sr.'s development of the Brookhaven Country Club in Farmers Branch in 1957. It has since grown into the world's largest operator of golf courses, with 190,000 memberships at 169 facilities. The company had revenue of \$1.04 billion in 2005.

KSL, based in Denver, has more than \$1 billion in committed capital after it announced the final closing of a private equity fund in September. The firm specializes in the travel and leisure industry.



FILE 2005

Former CEO Robert Dedman Jr. (left) called the ClubCorp sale a difficult decision. John A. Beckert will remain CEO and president after the sale.

Tim Wyman, a specialist in golf, hospitality and real estate consulting in the Dallas office of PKF Consulting, said the purchase was a good value for ClubCorp, but that it remains to be seen whether KSL has the expertise to run private golf clubs.

"I'm not sure if KSL knows the private club business," he said.

Mr. Wyman said the purchase also is representative of a consolidation trend within the industry.

"The big guys are acquiring — that's definitely the case," he said. "There are a lot of institutional investors that are starting to view golf as a good investment again, which hadn't been the case for a few years."

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CHERYL HALL

Iman puts spotlight on working women

Continued from Page 1D

Just as important, Iman says, are the simple how-tos of putting on a workplace face. "I wanted to take out the guesswork for a woman who's already hesitant and fearful about getting into the workforce."

The kit retails for \$12, and \$2 of every kit sold goes to Dress for Success, which helps disadvantaged women enter the job market.

While she's in town, Iman is also holding the first in a multicounty series of empowerment seminars for the nonprofit group's clients.

"Iman's a tremendous example of the powerful combination of beauty and brains," says Richelle Owens, board member of the Dallas affiliate, which currently counsels about two dozen women. "We are motivating our clients toward self-sufficiency, and she's a perfect role model for that."

Foundation

In 1975, legendary photographer Peter Beard discovered Iman, the Somalia-born daughter of an African diplomat, while she was studying political science at Nairobi University. Soon after, she took the fashion world by storm with her debut in *Vogue* and became the first international supermodel of color.

She is married to rocker David Bowie and is the mother of two daughters.

But her day job is running Iman Cosmetics Skincare and Fragrances, which she founded in 1994 as the first collection designed for black, Asian, Latina and multicultural women.

It was conceived out of personal frustration.

"When I arrived in America, my first job on my third day in New York was with *Vogue*," says Iman, who was 19 at the time. "I was there with a blue-eyed, blond Caucasian model. And the makeup artist asked me, 'Did you bring your own foundation?'"

"I quickly learned why. When the pictures came out, I could see



Iman Cosmetics

The success kit is designed to help women put on business-appropriate makeup. It sells for \$12, with \$2 going to Dress for Success, which helps disadvantaged women find jobs.

IMAN COMES TO TOWN

Where: Wal-Mart, 621 Uptown Blvd. in Cedar Hill

When: Makeup demonstrations and makeovers will be from 4 to 8 p.m. today. Iman herself will be in the store from 5 to 6 p.m.

the foundation looked gray," she says. "I was a model for 14 years and had to constantly mix and match product for myself."

At the outset, Iman had an exclusive agreement with J.C. Penney nationwide. Domestic sales catapulted to \$20 million. But three years ago, the department store chain eliminated cosmetics, which meant Iman had to start over.

Pricing and profit

Many cosmetics companies proudly push pricing to the upper limits, but Iman chose the cheaper mass-merchant route. Under an agreement with Procter & Gamble, her products — which mostly sell for less than \$14 apiece — are sold at Target, Walgreens and Wal-Mart throughout the United States.

Makeovers are her primary way of interacting with customers.

"Once you find a customer who tries and likes the product, she becomes a believer," she says.

U.S. sales this year should reach \$12 million, with international sales running at the same rate.

Be a swan

Iman says she wants to give back, with sessions such as the one tonight in Cedar Hill with economically struggling Dress for Success clients.

"Humor helps," she intends to tell them. "Once you prepare yourself to go into that workplace, try to feel confident."

She knows that's asking a lot. "We all have self-esteem issues. But try to be a swan about it," she says. "When you see a swan on a pond, it looks so elegant and calm on the outside. But under the water, you can see it's paddling like hell."

So what would Iman know about that?

"I come from a country that's renowned for beauties," she says. "I was your average girl. Even today, I'm not considered a beauty in my country."

"When I was in high school — we were like 4,000 or 5,000 students, and 50 were girls — and I didn't have a date for my prom. My father paid my cousin to take me."

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Weather disrupts Alaska oil field, pipeline

Associated Press

ANCHORAGE, Alaska — Both the nation's largest oil field and the trans-Alaska oil pipeline that transports its crude oil were shut down Tuesday after poor weather caused havoc at both ends of the 800-mile pipeline.

BP PLC said high winds were to blame for a power outage that

shut down Prudhoe Bay in northern Alaska. Production fell to about 20,000 barrels Tuesday; about 350,000 barrels were produced Monday.

Flooding near the southern terminus of the pipeline caused by heavy rain is suspected of knocking out fiber-optic communication lines along the pipeline, caus-

ing its temporary shutdown, said Mike Heatwole, spokesman for Alyeska Pipeline Service Co.

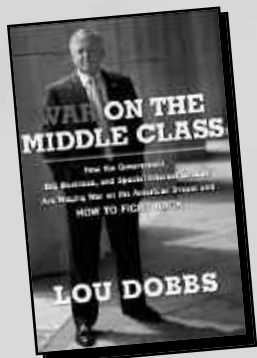
Operators lost communications to remote valves that can be closed in the event of a spill.

The pipeline was brought back online early Tuesday afternoon after crews arrived by helicopter, Mr. Heatwole said.

CNN's Lou Dobbs in Dallas

"The War on the Middle Class"

Sunday, October 15



Addison Conference & Theatre Centre
(15660 Addison Road, Addison TX 75001)

6:00 PM Registration

6:30 PM Program and Book Signing

\$10 Council Members; \$20 Non-Members



COMING SOON



Joseph Stiglitz

Nobel Prize-Winning Economist
"Making Globalization Work"
Monday, October 30

Luncheon, Program and Book Signing
Hotel Crescent Court in Dallas



A Conversation with Sandy Weill

Chairman Emeritus, Citigroup
"The Real Deal"
Tuesday, October 31

Luncheon, Program and Book Signing
The Four Seasons Hotel Dallas at Las Colinas
Sponsored by Citigroup



Sponsored By



For Tickets: www.dfwworld.org or 214/965-8400

Careful, you almost stepped in an alternate energy source.



THE MANURE CURE

TONIGHT AT 10



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D4 + 10-11-2006 Set: 22:00:25
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