

# Park Avenue Newsletter

## Quote of the Month:

*"If you think nobody cares if you're alive, try missing a couple of car payments."*

## Is the Recession Over Yet?

The Fed Seems to Think So..



### **Story by Dan Burrows.**

Anyone waiting on official word proclaiming the end of this lousy, stinking recession would do well to find a comfortable seat. It turns out the signals -- and there are a lot of them -- are contradictory. Besides, a recession isn't officially over until the National Bureau of Economic Research says so, and they can take a very long time to decide.

But that doesn't appear to be the case with the Federal Reserve. The central bank, it seems, is marking the end of the recession as of the end of the second quarter

of last year, writes Barry Ritholtz, CEO and director of equity research at Fusion IQ. That's based on industrial production, which bottomed out last summer. But therein lies the rub, since industrial production is just one of many variables the NBER takes into account -- and the indicators are at odds, writes William Hester, senior financial analyst at the well-regarded Hussman Funds.

"One of the major indicators that the group follows is consistent with an economic recovery," Hester writes.

## *Contents:*

**Is the Recession Over Yet ?**

### **IPHONE 4:**

Everything you need to know.

**Why Financial Reform Benefits Small Business**

## **Park Ave Capital**

*Loan of the Week*



**\$2,000,000**

San Francisco Marina District , CA

## **Park Ave Realty**

*REO of the Week*



**\$165,000**

Los Angeles, CA  
(3,100 sq' duplex)

"One is unimpressive, but not strongly at odds with a recovery.

The two remaining indicators imply that the economy may still be in recession."

For the record, the primary indicators the NBER looks at are industrial production, real manufacturing and trade sales, real personal income less transfer payments, and nonfarm payrolls. You don't need to be an economist to know which ones are saying the recession is alive and well: income and payrolls.

"If the [NBER] still places 'particular emphasis' on personal income and employment, it's difficult to confidently conclude

that the recession is over," writes Hester. Besides, with real gross domestic product still down more than 3% from its peak, it would be unprecedented for the NBER to declare an end to a recession with these mixed signals in place, Hester adds.

Apart from the fact that it's of little solace to the unemployed if the recession did indeed end last summer, we probably won't know for sure until next year. How's that? The last two recessions weren't pronounced well and truly dead by the NBER until more than a year-and-a-half after the fact. And, lest we forget, those were mild by comparison.

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**Investment Advisory**

**Private Loans**

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## **IPHONE 4: Everything you need to know.**



***Story by Digital Trends Staff***

Steve Jobs introduced the iPhone 4 today, which he claims offers over 100 new features, though he would focus on only a handful for the keynote. The iPhone 4 is quite breathtaking: stainless steel casing, all-glass front, and a design Jobs describes as the

thinnest smartphone on the planet: almost 25 percent thinner than the iPhone 3GS. Unlike previous iPhones, the iPhone 4 will have volume controls on the side of the phone along with an accessible microSIM tray.

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The iPhone 4 features a front-facing camera, and the back sports a microphone, 30pin connector for docking, and a speaker, while the top sports a second microphone for noise cancellation, sleep/wake button, and a headset input.

Jobs went on to highlight the bands around the side of the iPhone 4 that caused much speculation in the wake of the leaked prototypes. Jobs identified them as part of the phone's antenna system, saying the stainless steel band is also a primarily structural element of the device. The antenna supports all the iPhone 4's wireless capability, from 3G to Wi-Fi to Bluetooth to GPS along with cellular communications.

#### *Features:*

#### **iPhone 4: Retina Display**



The iPhone 4 will also sport what Jobs described as a “retina display” with four times the pixel density of a typical LCD display at a whopping 326 pixels per inch—by far denser than anything else in the consumer electronics market. The result is a 3.5-inch display with a native resolution of 960 by 640 pixels that is actually a higher resolution than the typical human eye is capable of perceiving, when held at a distance of just 10 to 12 inches.

#### **iPhone 4: Camera & iMovie**



The iPhone 4 will feature a 5 megapixel camera with a backside-illuminated sensor, which Jobs says increases the amount of light captured by the sensor, resulting in better photographs, particularly in low-light situations. The camera will

also record HD video at 720p resolution and 30 frames per second, and the LED flash can be used to light video as well.

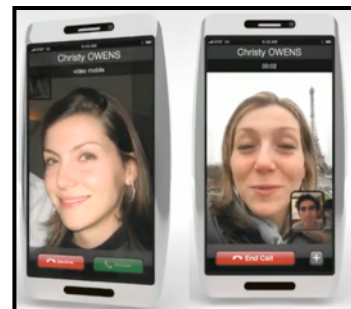
#### **iPhone 4: A4 Chip**



The iPhone 4 will also feature an Apple-designed A4 CPU, following along the lines of the processor

powering the iPad. Jobs said the A4 processor improved power management, so the iPhone 4 will manage 40 percent more talk time on 3G networks (up to 7 hours), or up to 6 hours of 3G Web browsing or 10 hours of Wi-Fi browsing. The device can also play up to 10 hours of video, 40 hours of music, and should have an standby time of up to 300 hours.

#### **iPhone 4: Video Calling**



Of course, that front-facing camera in the iPhone 4 exists for one and only one purpose: video calls. Jobs demonstrated what Apple is dubbing FaceTime video

calling with the iPhone 4. Users will be able to switch to the rear-mounted 5 megapixel camera on the iPhone 4 to let callers see what they're seeing, or stick with the front-facing camera for face-to-face chat.

The iPhone 4 is available in black or white, with pricing set at \$199 for a 16 GB model and \$299 for a 32 GB model.

# Why Financial Reform Benefits Small Business

The new regulations will encourage banks to go back to basics. They won't curtail lending to entrepreneurs, says Gene Marks

## **Story by Gene Marks.**

Since when did banks decide to use other people's money to make risky trades, iffy mortgages, and precarious loans? How did things get to the point that large financial institutions—the backbone of our economy—could move billions of dollars into doubtful investments with minimal supervision?

As a small business owner, I'm happy that the financial regulatory bill has gotten closer to becoming law. Sure, it's not perfect. But I gave up on perfection the minute my company started selling Microsoft (MSFT) products. In the long term, this bill will be a good thing for my company.

First of all, it pretty much keeps the Fed's powers intact. I'm a fan of the Fed, and not just because most of their leaders are bald guys. There's been a good track record of smart guys running it over the past 30 to 40 years. Even though I'm annoyed at the banking industry, I'm not thrilled that bankers can no longer choose the Presidents of the 12 regional Fed Banks under this bill. But the good news is that the chairman retains his powers with no congressional involvement in telling him what to do. The Fed controls our money supply and interest rates. The last thing small businesses need is some guy with a political agenda, instead of an economic background, making these decisions. That bullet was dodged.

So was another. The new bill has something people are calling "the Volcker Rule," which basically limits banks from making risky investments—with depositors' money. I just upgraded my company's computers to Windows 7, and there's nothing riskier than that. The last thing I need is my banks putting money into creepy real estate deals and some type of derivatives backed by some type of something no one really understands. Banks can no longer make significant investments in hedge funds and private equity funds. They can no longer bail themselves out or use their own money (hey, that's my money) to make long-term bets. What? You mean banks can only be ... banks? That means I can worry about making payroll, collecting cash, and what to do about that employee who hasn't bathed this week, instead of whether or not my bank will still be solvent on Monday. Yay.

## Calendar

### **Local Events:**

July 15th

4:00pm - 7:00pm

Business Expo & Trade Show -  
Commerce Council Chamber.

July 21st

7:15am - 8:45am

Speaking/Leadership Training,  
Irwindale Toastmasters.

July 21st

5:30pm - 7:30pm

Mix and Mingle Mixer ,  
Glendale Chamber.

July 27th

5:30pm - 7:30pm

Mix and Mingle Mixer,  
Sherman Oaks Chamber.

[Email us for more information.](#)

### **Other Dates to Remember:**

July 14th

Retail Sales Update

July 19th

Housing Market Index

July 28th

GDP Report

## *About Us..*

### ***Park Avenue Capital***

specializes in privately funded **1<sup>st</sup> Trust Deed investments** secured by California commercial property.

### ***Park Avenue Realty***

specializes in **asset disposition** of commercial property for various lenders, banks and other institutions. Park Avenue Realty has built a strong track record and excellent reputation in the California real estate market.

### ***Park Avenue Capital & Park Avenue Realty***

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