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BRIEFLY

ENERGY

Oxy Creating Specialty Chemical Company

Occidental Petroleum Corp. is forming a separate company for its specialty chemical operations that expects to issue a new class of common stock to employees. The new company, Occidental Industrial Specialty Chemicals Corp., will have about \$600 million in assets and 700 employees. While it will remain a unit of Oxy, its operations will be "separate and distinct" from the parent's, Westwood-based Oxy said. Analysts say Oxy, which is focusing on oil and gas exploration, may eventually sell the specialty chemicals business to investors. The stock plan is described in an Aug. 2 letter to the Securities and Exchange Commission. An Oxy spokesman said the company has no plans for a spinoff and declined to comment further. The letter came from the Washington office of Latham & Watkins, a law firm that represents Occidental. According to this letter, the specialty chemical company expects to issue to employees common shares with a maximum value of \$10 million to \$15 million over the next 12 months and options to buy more at a later date. Employees ultimately will own 10% to 15% of the new firm.

(Bloomberg News)

REAL ESTATE

L.A. County Home Prices Down in July

Los Angeles County home prices dipped for the first time this year as more entry-level home buyers entered the housing market last month, according to a real estate information service. The median price of new and resale homes and condominiums in Los Angeles County decreased to \$191,000 in July from \$199,000 in June. The median price—the amount at which half the homes sold for more and half sold for less—was tugged downward last month due to an influx in entry-level buyers who purchased inexpensive homes, according to John Karevoll, an analyst for Acxiom/Data-quick. July's median home price in Los Angeles County remained flat compared with year-over-year data, however. Buyers, meanwhile, snapped up a total of 10,945 homes in July, up 3% over the previous month but down 2.2% from the 11,196 homes sold in July 1998. "The year-ago numbers were the strongest of the decade, and last month's numbers are the second-highest of the decade," Karevoll said.

(Julie Tamaki)

Also . . .

- Berkshire Hathaway Inc., billionaire Warren E. Buffett's investment company, said its second-quarter earnings fell 4.2% as its growing stable of insurance companies suffered weak profits. Profit from operations, which excludes gains on sales of securities, fell to \$299 million, or \$197 for each Class A share. Net income, which included \$273 million of gains realized on investments, fell 51% to \$572 million, or \$376 a share. The results were announced after the close of trading.
- Goldman, Sachs & Co. has amassed \$124 million of gold bullion, saying it expects demand to improve in the months ahead. Goldman has taken control of half the gold in New York Mercantile Exchange warehouses, according to the exchange records. Goldman described the transactions as normal business activity, though some traders speculate that a shortage may be developing. Goldman turned more positive on the gold market in late July amid expectations that reduced mine output will lead to higher prices.
- Bill Burnham is leaving Credit Suisse First Boston Corp. to become general partner in a new \$1.2-billion venture capital fund of Japan's Softbank Corp., 2½ years after helping define the Internet brokerage industry by compiling its first rankings and statistics. Burnham, 28, will be based in San Francisco.

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