

MONEY

Fed: Recession easing

Fed policymakers ended their two-day meeting yesterday on an upbeat note, saying the economic outlook has "improved modestly" since last month.

Fed Chairman Ben Bernanke and his colleagues left a key interest rate at a record low of between zero and 0.25 percent.

"The economy has continued to contract, though the pace of contraction appears to be somewhat slower," the Fed said. The worst of the

Dow
8,185.73
+168.78

S&P 500
873.64
+18.48

Nasdaq
1,711.94
+38.13

recession — in terms of lost economic activity — could be past, analysts said.

Just hours before the Fed's announcement, the Commerce Department reported that the economy shrank at a worse-than-

expected 6.1 percent pace in the first quarter.

Stocks began the day higher as investors responded to bright spots within the weaker-than-expected GDP report.

Investors were encouraged by a rebound in consumer spending. On President Barack Obama's 100th day in office, the GDP report at least provided signs that the nation is seeing its economic slide start to moderate. (AP)

Game developers feeling used

BY MARK BROOKS
Special to amNewYork

The used video game bin was once a place where outdated Mario Brothers went to die; now it is a source of cheaper top-tier games and controversy.

Used video games are selling better than most products these days. The retailer GameStop has led the way, doing more than \$2 billion in sales last year and predicting strong growth this year. Other major retailers are joining the used game trade, including Best Buy and Toys "R" Us.

The booming re-sale trade is a thorn in the side of game developers, who are frustrated that they don't make money off the re-sale of their copyrighted work.

Used game sellers have argued that the money they pay gamers for old titles goes back to the purchase of new ones. It's an argument that seems less likely as consumers seek value during the recession.

That's a point that gamer



Used games sell for a discount at a Manhattan store. (GETTY)

Eddie Bell, 41, made clear while shopping at a Manhattan GameStop last week.

"In tough times, saving my pennies on [pre-owned] games is a good thing, indeed," he said.

Legally there is nothing wrong with selling used video games — just as there's nothing wrong with reselling DVDs or books.

"I don't believe GameStop is doing anything ethically or morally wrong," said Randy Friedberg, an attorney at White & Williams. "The creators are getting

their money. Should creators continue to get paid three and four times down the line from secondhand sales?"

There's a simple legal precedent on the side of dealers in used goods, Friedberg said.

"The issue is something called the First Sale Doctrine," he said. "It states that once a copyright holder sells an item, that item, not the copyright, are transferred — he doesn't have rights over the item. The video game is clean."

Ticker

Italian automaker **Fiat** is expected to sign paperwork to become a partner with **Chrysler** by today, according to people briefed on the deal. The partnership is the last piece of a restructuring plan needed for Chrysler to continue operations as it approaches

today's government deadline. **Bank of America's** CEO **Ken Lewis** was stripped of his chairman title at a contentious shareholder meeting. Lewis withstood attacks from shareholders regarding his leadership, especially over the bank's purchase

of Merrill Lynch. He still remains CEO, however, with the full backing of the re-elected board. **Starbucks** said its second-quarter profit dropped 77 percent because of restructuring charges related to closing more than 120 cafes. (AP)

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