

Business

Friday, February 8, 2013

**

**Money
& Markets**
 Roundup, 3C


DOW JONES
 13,944.05
 -42.47


NASDAQ
 3,165.13
 -3.35


S&P 500
 1,509.39
 -2.73


6-MO T-BILLS
 .11%
 No change


30-YR T-BONDS
 3.17%
 No change


CRUDE OIL
 \$95.83
 -.79


GOLD
 1,670.40
 -7.30


EURO
 1.3401
 -.0124

■ **Back to its roots** Supervalu, parent of the Save-A-Lot grocery stores, will return to its wholesale roots as part of a \$3.3 billion deal designed to turn around its fortunes. **2C**



'Indianapolis is your key competitor'

■ Real estate professionals hear upbeat outlook at 2013 Commercial Property Forecast Summit

By Thomas Bailey Jr.
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The Grizzlies, 30-18, and the Pacers, 31-19, are in a tight battle for the better record, even if they are in different NBA conferences.

But the real rivalry between the two

cities involves economic development, KC Conway told commercial real estate professionals Thursday at the 2013 Commercial Property Forecast Summit held at the Germantown Performing Arts Centre.

"Indianapolis is your key competitor," said Conway, Colliers International's executive managing director for real estate

analytics.

Both cities are beefing up their intermodal rail facilities, which should help each siphon trains from congested Chicago. Conway describes Indianapolis and Memphis as bypasses around Chicago for rail shipments.

Conway, of Atlanta, was featured speaker during a three-hour program that included business forecasts for all the Memphis commercial real estate sectors: office, industrial, retail, multi-family and land.

Conway worked for the Federal Re-

serve from 2005 to 2010. He said the nation is experiencing a manufacturing renaissance, even if automation means plants offer fewer jobs. Over the past three years, companies have begun pulling back from Asian manufacturing because it's difficult protecting their patents and copyrights there, U.S. energy is cheaper, currency rates favor U.S. production, and the U.S. has an unmatched infrastructure.

Memphis, with its central location

See **FORECAST, 4C**

COFFEE BREAK

2 Miss. banks agree to merger

Two Mississippi banks plan to merge.

Tupelo-based Renasant Corp. and First M&F Corp. said Thursday a definitive merger agreement was signed. The stock deal is valued at about \$119 million.

Kosciusko-based First M&F owns Merchants & Farmers Bank.

Renasant, the No. 11 bank in metropolitan Memphis with \$325 million in customer deposits, is the former Peoples Bank & Trust, which was renamed after the 2005 acquisition of Renasant Bank of Tennessee, based in Germantown.

Adding M&F's \$1.6 billion in assets would give Renasant \$5.8 billion in total assets in Mississippi, Alabama, Tennessee and Georgia.

The deal will give Renasant the fourth-largest share of deposits in Mississippi.

Shareholders of both companies must approve the merger. Renasant officials said they expect it to be complete before Sept. 30.

AutoZone names new director

AutoZone Inc. announced Thursday the election of Linda A. Goodspeed to its board of directors.

Goodspeed is senior vice president and chief information officer of the ServiceMaster Co., a position she has held since 2011.

Both AutoZone and ServiceMaster are based in Memphis.

"Linda's extensive background in information technology and the automotive industry will complement and enhance the collective skills of our board," said Bill Rhodes, AutoZone chairman, president and chief executive officer.

Smith & Nephew earnings, sales fall

Medical device maker Smith & Nephew PLC on Thursday reported a drop in fourth-quarter earnings, and said the outlook was for lower profits in 2013.

The maker of artificial hips and knees said trading profit, which excludes reorganization and acquisition costs, fell to \$272 million from \$279 million a year earlier. Sales for the quarter fell to \$1.08 billion from \$1.11 billion.

Smith & Nephew is paring costs while looking for acquisitions and growth in emerging markets as

See **COFFEE, 4C**

“I have jumped in with both feet here because I believe this is where I'm supposed to be right now.”

Susan Cooper

THE NEW MED



BRANDON DILL/SPECIAL TO THE COMMERCIAL APPEAL

Susan Cooper recently took a position as chief integration officer at the Regional Medical Center in Memphis after years serving as commissioner of the Tennessee Department of Health. Her job is to make The Med's many parts work together to improve patient care.

■ Integration officer guides hospital through changes

By Toby Sells
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Susan Cooper is glad she doesn't have to answer the phone at 3 a.m. anymore. But she wants it made clear that when her phone does ring, it rings in Memphis.

Cooper took a full-time job with the Regional Medical Center at Memphis a little more than a month ago after nearly a year spent as a consultant to the hospital. Right before that, she guided Tennessee through "the flood, the flu and fly ash" as the state's commissioner of health.

"I loved every single minute of every single day (as health commissioner), but I did love some minutes more than others," Cooper said.

She served as commissioner for five years, appointed by Gov. Phil Bredesen in 2007 and serving continuously to the end of Gov. Bill Haslam's first year in office. Those years brought major challenges — the coal ash spill from the Kingston Fossil Plant in 2008, the H1N1 flu pandemic in 2009 and the Nashville flood in 2010 — sparking many of those early morning phone calls.

Her challenge now is to guide The Med through a changing health care landscape to a future in which hospitals and clinics will be paid based on the quality of their work — that is, the health of their patients — rather than the amount of work they do.

See **COOPER, 4C**

Poll shows Americans bearish on economy

By Michael A. Fletcher and Peyton M. Craighill
 Washington Post

WASHINGTON—Americans remain deeply pessimistic about the nation's economic future nearly four years into the recovery, and the vast majority think it will take "many years" for things to return to the way they were before the downturn, according to a poll released Thursday.

The survey by the John J. Heldrich Center for Workforce Development at Rutgers University paints a picture of a nation wounded by the recession in ways that have diminished future expectations.

Nearly one in four respondents

said they were laid off at some point during the past four years, and even larger numbers said they had immediate family members or close friends who were thrown out of work.

Many of those who found new jobs were forced to settle for less. Nearly half said they took a step down in status from their previous jobs, while 54 percent said they have had to accept lower pay. Often, the pay cuts were severe. One-third of re-employed workers said they swallowed salary cuts of more than 30 percent, while another third said their pay went down between 11 percent and 20 percent.

Even though the economy has recovered more than half of the 9

million jobs lost during the Great Recession, the survey found that Americans perceive that the economy has descended to a new normal.

Fewer than one in five agree that jobs, careers and employment opportunities will be better for the next generation. Nearly three in five said the ability of young people to afford college — a crucial, if ever more uncertain, factor in upward mobility — is permanently damaged. More than two in five believed workers will never feel as secure in their jobs as they did before the recession. Nearly half said the elderly will have to find part-time work after retiring. And 86 percent of Americans said the availability of good jobs at good

pay will never return or will not return for many years.

"We have had many months straight of private-sector job growth. Yet people are stuck with this attitude and perception," said Carl Van Horn, director of the Heldrich Center. "It speaks to how powerful, widespread and enduring this Great Recession is."

The survey's findings in many ways match other measures of the nation's economic struggles after the worst downturn since the Great Depression. The downturn destroyed nearly 40 percent of Americans' wealth, according to the Federal Reserve, and pushed the unemployment rate to 10 per-

See **ECONOMY, 4C**

Suit reveals anger over Apple price drop

Shareholders meeting likely to be a showdown

By Chris O'Brien
Los Angeles Times

Shareholder anger over Apple's recent stock swoon has spilled into public view. Now, a shareholder lawsuit filed Thursday promises to set up a dramatic showdown later this month at Apple's annual shareholder meeting.

On one side will be Greenlight Capital, a fund run by notable short-seller David Einhorn. Greenlight has been pushing Apple

for the last year to distribute a special class of stock to shareholders to enhance the value of their holdings.

On the other side will be Apple, which has asked shareholders to vote on a proposal in its latest proxy that would eliminate the ability to distribute such preferred stock. Apple has enlisted the help of an organization that had long been critical of the company's governance practices: the California Public Employees' Retirement System.

ment System.

CalPERS apparently liked the fact that Apple's proposal called for the majority election of all directors, in addition to the elimination of what CalPERS termed the "blank check" preferred stock.

The move by Einhorn made clear why Apple had been seeking an alliance ahead of the Feb. 27 annual meeting in Cupertino, Calif. The company has a fight on its hands.

In a letter to shareholders

declaring his challenge, Einhorn said his firm believed Apple's stock had been undervalued even before it fell almost 35 percent in recent months.

"However, like many other shareholders, Greenlight is dissatisfied with Apple's capital allocation strategy," Einhorn wrote. "The combination of Apple's low (and shrinking) price to earnings multiple and \$137 billion (and growing) hoard of cash on the balance sheet supports Greenlight's contention that Apple has an obligation to examine all options

to create and unlock additional value."

In addition to dividends Apple began paying in the past year and the stock buyback program under way, Einhorn wants the company to distribute a special preferred class of stock to shareholders. Einhorn argues these shares would allow the company to reward shareholders without having to repatriate billions of dollars the company stashed overseas.

"Apple has \$145 per share of cash on its balance sheet. As a shareholder,

this is your money," Einhorn wrote. "Apple's board should act to unlock the latent value of Apple's balance sheet and franchise."

In addition to the challenge to Apple's shareholder proposal, Greenlight also filed a lawsuit in U.S. federal court in New York to block the amendment, saying such a move violates shareholders' rights.

In a statement Thursday, Apple said, their "management team and board of directors have been in active discussions about returning additional cash to shareholders."

NTSB hits 787 battery design

By Dominic Gates
Seattle Times

SEATTLE — The National Transportation Safety Board has pinpointed the start of the 787 Dreamliner battery fire on a parked Japan Airlines jet a month ago as a short circuit inside a single cell.

The agency still hasn't identified the cause of the initial short circuit, but has narrowed down the suspects.

Details provided by the NTSB make clear that Boeing will have to redesign the battery for a long-term fix.

In addition, the NTSB pointed to failures in the airplane certification process conducted by Boeing and the Federal Aviation Administration, which failed to identify the hazards revealed by this incident.

"The assumptions used to certify the battery must be reconsidered," NTSB chief Deborah Hersman said in a detailed media briefing.

"Our task now is to see if appropriate layers of defense and checks were built into the design, certification and manufacturing process," she said.

The overheating that started in cell 6 of the eight-cell battery spread to all the others and caused the fire, Hersman said.

She said Boeing assessed the chances of a single cell short circuit and the impact that such an event might have on the battery in various tests conducted during the certification process.

Boeing concluded that these tests "showed no evidence of cell-to-cell propagation or fire in the battery."

But in the fire on the Japan Airlines jet, that's exactly what happened.

In another certification test, Hersman said, Boeing studied the possibility that a failure in a single cell would result in smoke emission from the battery and estimated that this would happen "less than once in every 10 million flight hours."

"The 787 fleet has accumulated less than 100,000 flight hours," Hersman said.

"Yet there have now been two battery events resulting in smoke less than two weeks apart on two different aircraft."

The second event, several days after the fire on the Japan Airlines plane, forced an All Nippon Airways 787 flight in Japan to make an emergency landing.

Hersman identified three potential root causes for the short circuit:

- Some malfunction in the battery charging system;

- Contamination within the battery as a result of the manufacturing process; and

- An inadequate battery design.

But whichever of these is found to have started the overheating, it's clear from Hersman's remarks that the battery safety features failed to cope with the initial failure and Boeing will have to revisit the design.

“Their core market is shrinking. The wholesale business is not growing because the number of retailers is declining. ... I don't think they can make it grow.”

David Livingston, Wisconsin-based supermarket industry consultant



DAVID JOLIS/MINNEAPOLIS STAR TRIBUNE

Supervalu has 1.7 million square feet of space at its distribution center in Hopkins, Minn.

Back to wholesale

Supervalu to focus on distribution after selling stores

By Mike Hughlett
Star Tribune

MINNEAPOLIS — Supervalu is going back to its wholesale roots, for better or worse.

When the struggling Eden Prairie, Minn.-based firm unloads its four largest grocery chains in a pending \$3.3 billion deal, the company will again rely on wholesaling for almost half of its business. Wholesaling has accounted for only about 23 percent of total sales in recent years.

The problem: Food distribution is a shrinking industry, as Supervalu can attest. Its own wholesale revenue has fallen 17 percent in the past four years, to \$8.2 billion in fiscal 2012. A good part of the decline stems from the gradual loss of a big customer, Target.

But many of Supervalu's wholesale customers also are beset by the same woes that caused Supervalu's own retail downfall: an onslaught of competition from Target, Wal-Mart and other low-price chains, combined with a soft economy.

"Their core market is shrinking," said David Livingston, a Wisconsin-based supermarket industry consultant. "The wholesale business is not growing because the number of retailers is declining. ... I don't think they can make it grow."

Supervalu, not surprisingly, disagrees. The company says it remains primary supplier to some of the nation's "premier" independent grocers.

"Despite the challenges



JIM WEBER/THE COMMERCIAL APPEAL FILES

Back in 2010, Brandt Balton with B.A. Balton Sign Co. worked to install a new sign at the Save-a-Lot on Millbranch Road in Memphis.

with the economy the last several years, these independents continued to grow their sales and open new stores," Supervalu said in a statement to the Star Tribune, declining to make an executive available for an interview.

Supervalu announced last month it will sell its four largest grocery chains to Cerberus Capital Management for \$100 million and the assumption of \$3.2 billion in debt. Cerberus, a private equity outfit, will also buy up to 30 percent of Supervalu's stock.

Some sort of deal had been expected, as Supervalu put itself up for sale in July, the result of steadily falling sales and a tanking stock price. The sale to Cerberus will leave Supervalu looking much as it did before an epic 2006 buyout of most of Albertsons Inc. That debt-laden acquisition transformed Supervalu into one of the nation's largest food retailers, but it ultimately failed.

The major chains Supervalu picked up in the 2006 deal — Jewel, Albertsons, Acme and

WHOLESALE ROOTS

Supervalu is the nation's third-largest grocery wholesaler, with strongholds in the Midwest and parts of the East and South. Regional grocers with at least 10 stores account for roughly 45 percent of Supervalu's wholesale business; the rest comes from smaller chains. Forty-four percent of Supervalu's top 25 wholesale clients have been with the company for over 20 years.

Minneapolis Star Tribune

Shaw's — will go to Cerberus, as will distribution warehouses dedicated to those chains.

Five smaller chains will remain with Supervalu, making up 28 percent of its future sales. So will Save-A-Lot, Supervalu's national discount chain, which is expected to contribute 25 percent of revenue. Save-A-Lot has 10 locations in the Memphis area.

Wholesale will supply the remaining 47 percent. Stock analysts are betting on Save-A-Lot to fuel Supervalu's overall growth, but the wholesale business is hardly an afterthought.

"It will be a very key point for the company — whether or not they grow in wholesale," said John Dean, a supermarket industry consultant.

Growth will be a challenge, given the slow growth of retailers served by Supervalu, Dean said. Yet Supervalu will be able to focus more on its wholesale business after the Cerberus sale closes.

"In the past, Supervalu worked very hard to make independent (grocers) stronger," Dean said.

After the 2006 Albertsons' deal, some independents "may have felt they were being slighted, and to a point, that's kind of natural," Dean said. "In no way am I saying (Supervalu) didn't do a good job. But its focus was more on paying debt and becoming more of a retailer."

MONEY & MARKETS

Go to commercialappeal.com/news/business for up-to-the-minute stock listings, portfolios, investment advice and more.

STORY STOCKS

Story Stocks
Stocks fell Thursday on concerns about the strength of the economy and corporate earnings. The Dow Jones industrial average followed global markets lower after the head of the European Central Bank said that he would keep a close eye on the rising euro.

Sony SNE
Close: \$15.13 ▼-0.69 or -4.4%
The Japanese electronics maker posted a \$115 million loss during its October to December quarter as television sales fell.

Cato CATO
Close: \$25.99 ▼-1.57 or -5.7%
The retailer said that a key revenue figure fell 12 percent in January. It blames the drop on delays in shoppers' tax refunds.

DeVry DV
Close: \$30.41 ▲4.29 or 16.4%
The struggling for-profit education company, which owns DeVry University, reported better-than-expected second-quarter earnings.

New York Times NYT
Close: \$8.51 ▲0.27 or 3.3%
A rise in revenue from digital subscriptions helped the news company post a rise in its fourth-quarter net income.

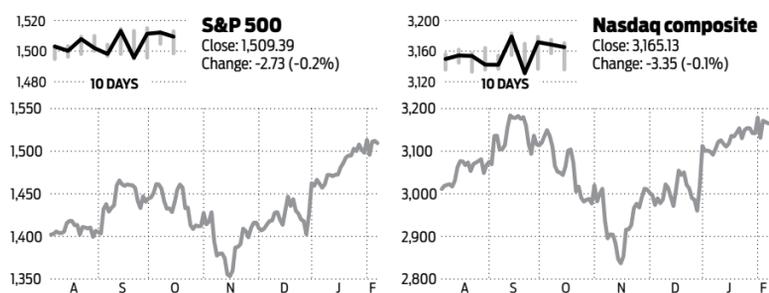
Bunge BG
Close: \$72.12 ▼-7.26 or -9.1%
The agribusiness and food company posted a loss for the fourth-quarter and said that its CEO plans to retire in June.

Green Mtn. Coffee GMCR
Close: \$46.32 ▼-2.62 or -5.4%
The maker of Keurig brewers said that its first-quarter net income rose 3 percent, but its revenue forecast missed expectations.

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Information compiled by and all graphics produced by Associated Press

MARKET SUMMARY



STOCKS RECAP

	NYSE	NASD
Vol. (in mil.)	3,487	1,902
Pvs. Volume	3,418	1,946
Advanced	1289	925
Declined	1728	1514
New Highs	226	142
New Lows	11	14

	HIGH	LOW	CLOSE	CHG.	%CHG.	WKMOQTR	YTD
DOW	13988.06	13852.20	13944.05	-42.47	-0.30%	▲▲▲	+6.41%
DOW Trans.	5893.99	5846.63	5887.34	+14.07	+0.24%	▲▲▲	+10.94%
DOW Util.	476.74	472.27	474.53	+1.14	+0.24%	▲▲▲	+4.73%
NYSE Comp.	8931.61	8843.79	8893.74	-40.50	-0.45%	▲▲▲	+5.33%
NASDAQ	3170.42	3135.98	3165.13	-3.35	-0.11%	▲▲▲	+4.82%
S&P 500	1512.90	1498.49	1509.39	-2.73	-0.18%	▲▲▲	+5.83%
S&P 400	1105.51	1095.58	1102.62	-1.70	-0.15%	▲▲▲	+8.05%
Wilshire 5000	15983.08	15832.52	15941.08	-33.26	-0.21%	▲▲▲	+6.31%
Russell 2000	911.49	902.82	908.10	-3.19	-0.35%	▲▲▲	+6.92%

INTEREST RATES



The yield on the 10-year Treasury note held steady at 1.96 percent Thursday. Yields affect interest rates on consumer loans.

TREASURIES	YEST	PVS	NET CHG	WK MO QTR	1YR AGO
3-month T-bill	.07	.07	...	□ ▲ ▼	.08
6-month T-bill	.11	.11	...	□ ▲ ▼	.10
52-wk T-bill	.14	.14	...	▲ ▲ ▼	.14
2-year T-note	.25	.25	...	▼ □ ▼	.26
5-year T-note	.83	.83	...	▼ ▲ ▲	.83
10-year T-note	1.96	1.96	...	▼ ▲ ▲	1.99
30-year T-bond	3.173.17	□ ▲ ▲	3.15

BONDS	YEST	PVS	NET CHG	WK MO QTR	1YR AGO
Barclays LongT-Bdldx	2.752.77	-0.02	▼ ▲ ▲	▲ ▲ ▲	2.62
Bond Buyer Muni Idx	4.024.02	...	▲ ▼ ▼	▲ ▲ ▲	4.59
Barclays USA Aggregate	1.901.93	-0.03	▼ ▲ ▲	▲ ▲ ▲	2.10
Barclays US High Yield	5.975.96	+0.01	▲ ▲ ▲	▲ ▲ ▲	7.35
Moody's AAA Corp Idx	3.903.94	-0.04	▼ ▲ ▲	▲ ▲ ▲	3.92
Barclays CompT-Bdldx	1.101.12	-0.02	▼ ▲ ▲	▲ ▲ ▲	1.05
Barclays US Corp	2.82	2.85	-0.03	▼ ▲ ▲	3.40

COMMODITIES

The price of natural gas rose on worries about a glut of supply. A government report showed that the nation's inventories contained more gas last week than analysts expected.

FUELS	CLOSE	PVS.	%CH.	%YTD
Crude Oil (bbl)	95.83	96.62	-0.82	+4.4
Ethanol (gal)	2.41	2.43	...	+10.0
Heating Oil (gal)	3.20	3.19	+0.43	+5.1
Natural Gas (mm btu)	3.29	3.42	-3.89	-2.0
Unleaded Gas (gal)	3.00	3.04	-1.31	+6.7

METALS	CLOSE	PVS.	%CH.	%YTD
Gold (oz)	1670.40	1677.70	-0.44	-0.3
Silver (oz)	31.39	31.86	-1.49	+4.0
Platinum (oz)	1722.30	1736.50	-0.82	+11.9
Copper (lb)	3.72	3.73	-0.36	+2.2
Palladium (oz)	750.05	764.40	-1.88	+6.8

AGRICULTURE	CLOSE	PVS.	%CH.	%YTD
Cattle (lb)	1.28	1.27	+0.24	-1.8
Coffee (lb)	1.40	1.42	-1.27	-2.4
Corn (bu)	7.11	7.23	-1.63	+1.8
Cotton (lb)	0.81	0.82	-0.39	+8.3
Hogs, lean (lb)	0.87	0.87	+0.08	+1.5
Lumber (1,000 bd ft)	382.80	389.00	-1.59	+2.4
Orange Juice (lb)	1.21	1.20	+0.92	+4.4
Soybeans (bu)	14.87	14.88	-0.05	+4.8
Wheat (bu)	7.56	7.62	-0.72	-2.8

Cotton 50,000 lbs.- cents per lb.

YESTERDAY: Sales: 27,539 Open Interest: 214,167, ▲ +1429.00

MONTH	OPEN	HIGH	LOW	SETTLE	CHG
Mar 13	81.79	82.13	80.60	81.40	-.32
May 13	82.48	82.78	81.42	82.28	-.27
Jul 13	83.10	83.47	82.21	83.05	-.27
Sep 13				82.38	+0.38
Oct 13				83.30	+0.39
Dec 13	81.92	82.50	81.40	82.38	+0.38
Mar 14	82.65	83.33	82.65	83.33	+0.40
May 14	83.00	83.58	83.00	83.58	+0.35
Jul 14				83.83	+0.25
Oct 14				82.69	+0.48

FOREIGN EXCHANGE



MAJORS	CLOSE	CHG.	%CHG.	6MO. AGO	1YR. AGO
USD per British Pound	1.5713	+0.047	+3.0%	1.5640	1.5893
Canadian Dollar	.9983	+0.023	+2.3%	.9967	.9958
USD per Euro	1.3401	-0.0124	-0.9%	1.2410	1.3248
Japanese Yen	93.52	+14	+1.5%	78.65	76.76
Mexican Peso	12.7504	+0.0595	+4.7%	13.1929	12.6862

COMMERCIAL APPEAL'S MOST WATCHED

NAME	TICKER	CLOSE	CHG %CHG	WK MO QTR	YTD VOL	P/E	DIV
Allstate	ALL	45.06	+75 +1.7	▲ ▲ ▲	+12.2	7057	9 1.00f
BkofAm	BAC	11.84	-09 -0.8	▲ ▲ ▲	+2.014	1498	46 0.04
Cisco	CSCO	21.10	-10 -0.4	▲ ▲ ▲	+7.4	33785	14 0.56
Citigroup	C	42.87	-18 -0.4	▼ ▲ ▲	+8.4	28850	13 0.04
Comcast	CMCSA	38.62	-11 -0.3	▲ ▲ ▲	+3.4	12872	21 0.65
ExxonMbl	XOM	88.25	-97 -1.1	▼ ▼ ▲	+2.0	13283	11 2.28
GenElec	GE	22.48	+04 +0.2	▼ ▲ ▲	+7.1	37704	16 0.76f
HomeDp	HD	66.31	-36 -0.5	▼ ▲ ▲	+7.2	5676	24 1.16
Intel	INTC	20.81	-18 -0.9	▼ ▼ ▲	+0.9	40532	10 0.90
JohnJn	JNJ	75.06	-33 -0.4	▲ ▲ ▲	+7.1	9654	19 2.44
Kimberly	KMB	90.98	+08 +0.1	▲ ▲ ▲	+7.8	1646	21 2.96
Lowe's	LOW	38.77	+10 +0.3	▲ ▲ ▲	+9.1	9588	23 0.64
Microsoft	MSFT	27.28	-06 -0.2	▼ ▲ ▲	+2.1	36784	15 0.92
MorgStan	MS	23.10	-29 -1.2	▼ ▲ ▲	+20.8	20024	cc 0.20
Pfizer	PFE	26.96	-36 -1.3	▼ ▲ ▲	+7.5	37835	14 0.96f
ProctGam	PG	76.15	+12.2	9605	19 2.25
Starbucks	SBUX	55.86	-19 -0.3	▼ ▲ ▲	+4.2	4529	30 0.84
WalMart	WMT	71.23	-08 -0.1	▲ ▲ ▲	+4.4	8259	15 1.59
Walgrn	WAG	41.31	-13 -0.3	▲ ▲ ▲	+11.6	6192	19 1.10

For an explanation of footnotes used in the stock table, go to <http://markets.ap.org/footnotes>.

Iron Mountain

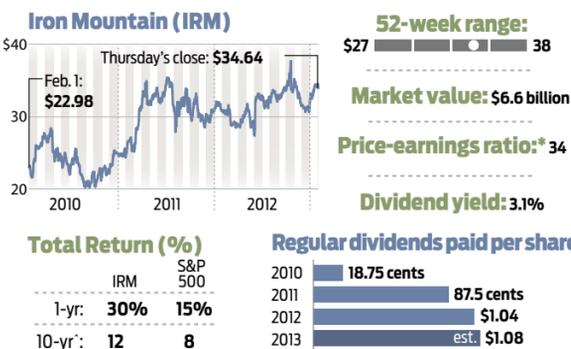
Dividend hunter
Pushing paper can be lucrative. Check out Iron Mountain. The company stores documents, X-rays, blueprints and other data for banks, law firms and government offices. Its customers generally use its services for regulatory or legal reasons, or simply to back up important information. It has nearly 1,000 facilities in 32 countries and is expected to post revenue of \$3 billion for 2012 when it reports results later this month. Iron Mountain benefits from a consistent need for document storage, whether paper or electronic. It pays a regular quarterly dividend of 27 cents. That offers investors a yield of 3.1 percent, compared with the 2.1 percent yield for the Standard & Poor's 500 index.



The biggest excitement around the stock is Iron Mountain's planned conversion into a real estate investment trust. Such a move would require it to pay out 90 percent or more of its taxable income as dividends to investors. Those dividends can be deducted from the company's taxable income. Iron Mountain says its transformation could happen by 2014. To be sure, the conversion still requires the approval of the Internal Revenue Service and is not a done deal. The stock trades at 34 times its earnings per share over the last 12 months, but its price-earnings ratio is below its five- and 10-year averages. Citi financial analyst James Samford says its REIT conversion is highly likely and gives the stock a "Buy" rating.

Conversion costs:

Final 2012 results are expected to show a decline in revenue and net income. That's due in part to changes in foreign currency values and costs incurred for Iron Mountain's conversion into a REIT. Financial analysts expect growth this year.



MUTUAL FUND CATEGORIES

SPECIALTY FUNDS	YTD	PERCENT RETURN	VALUE	BLEND	GROWTH
		1YR 3YR 5YR			
Conservative Allocation (CA)	1.78	7.35 8.16 4.72	6.4 LV	7.0 LB	4.1
Moderate Allocation (MA)	3.37	9.27 10.00 4.34	14.6	17.2	12.4
Health (SH)	7.84	19.48 15.70 9.09	13.3	15.1	14.4
Natural Resources (SN)	4.50	-2.18 7.87 -0.24	1.5	5.8	6.2
Real Estate (SR)	3.27	12.02 20.78 5.76	9.0 MV	7.6 MB	7.4
Technology (ST)	4.71	5.10 12.15 6.75	17.9	14.7	11.4
			15.9	19.6	17.9
			6.4	8.6	6.0
BALANCED			8.6 SV	7.4 SB	7.2
Target-Date 2000-2010 (TA)	1.69	6.83 8.32 3.83	16.7	12.4	10.3
Target-Date 2011-2015 (TD)	2.00	7.76 9.12 3.74	18.1	16.7	19.3
Target-Date 2016-2020 (TE)	2.42	8.56 9.90 3.79	9.3	7.8	7.7
INTERNATIONAL					
Divers. Emerging Mkt. (EM)	0.93	5.52 7.62 0.35			
Europe Stock (ES)	3.01	11.70 8.11 -1.26			
BOND FUNDS					
Foreign Small/Mid Val (FA)	4.35	12.79 9.29 2.51			
Foreign Blend (FB)	2.53	10.53 7.60 0.61			
Foreign Large Growth (FG)	2.69	9.76 9.42 0.80			
Foreign Small/Mid Gr. (FR)	3.74	14.69 13.39 3.26			
Foreign Large Value (FV)	2.61	9.34 6.54 -1.20			
World Allocation (IH)	1.97	6.63 8.82 3.57			
World Stock (WS)	4.44	11.25 10.57 2.31			
Interm-Term Bond (CI)	-0.27	5.28 6.18 5.79			
Interm. Government (GI)	-0.38	2.14 4.21 4.61			
High Yield Muni (HM)	1.07	11.00 8.74 4.72			
High Yield Bond (HY)	1.09	11.42 10.60 8.79			
Muni National Interm (MI)	0.44	4.05 5.36 4.70			
Muni National Long (ML)	0.73	6.55 6.81 5.25			
Muni Short (MS)	0.22	1.42 2.16 2.38			

Briefly

U.S. railroads look to hire 11,000

OMAHA, Neb. — America's major freight railroads expect to hire 11,000 people and invest \$13 billion in their rail networks and equipment this year, the American Association of Railroads said Wednesday. Retirements are behind the hiring push: 22 percent of railroad workers will be eligible to retire in the next five years.

Drop in jobless claims signals hiring

WASHINGTON — Fewer Americans sought unemployment benefits last week, indicating companies continue to hire at a modest but steady pace. The Labor Department said Thursday that weekly applications for unemployment benefits fell 5,000 to a seasonally adjusted 366,000. The four-week average, a less volatile measure,

dropped to 350,500, the lowest in nearly five years.

U.S. productivity fell at 2% rate

WASHINGTON — U.S. worker productivity contracted at an annual rate of 2 percent in the October-December quarter, the biggest drop since the first quarter of 2011, the Labor Department reported Thursday. Productivity had risen at a 3.2 percent rate in the July-September quarter. Labor costs rose at a 4.5 percent rate in the fourth quarter, the fastest gain since the first quarter of 2012.

Sprint posts big 4Q loss, revenue up

NEW YORK — Sprint Nextel Corp.,

FORECAST from IC

and resources in rail, air cargo, interstate and river shipping, is positioned to expand its job base, especially in logistics, Conway said.

For companies considering expansion, refinancing or taking on debt in other ways, 2013 is the year to do it, Conway said. Interest rates are low now, but in two to three years he expects a “dramatic change,” adding that “2013 may be when the window closes on cheap debt.”

He believes interest rates will be pressured upward by more downgrading of U.S. debt. “This is the time to get it done,” he said. “... Put cheap debt on your property. This is the last window. If you miss it, shame on you.”

Other speakers described a fairly flat year in Memphis commercial real estate except for apartment real estate, which is thriving.

Rick Fogelman of Fogelman Properties said the multifamily sector has been in “full-scale recovery” since early 2010. The housing crash has dropped the rate of homeownership from 69.2 percent in 2004 to 64.5 percent now, creating more renters. And the demographics for multifamily are strong, led by the large group of 22- to 35-year-olds who have a

“For companies considering expansion, refinancing or taking on debt in other ways, 2013 is the year to do it, Conway said. Interest rates are low now, but in two to three years he expects a “dramatic change.”

high propensity to rent, Fogelman said.

The Memphis occupancy rate is 91.7 percent, and the average rent is \$706 a month. Those numbers are pulled down by the 86.6 percent occupancy rate at apartments built before the 1980s, he said.

The Memphis office sector needs more white-collar jobs, said Kemp Conrad of Cushman & Wakefield/Commercial Advisors. In 2012, the city experienced a negative absorption of 30,000 square feet. The city has done a good job growing blue-collar jobs through new companies like Electrolux and Mitsubishi, but needs to seek more office jobs, Conrad said.

In Memphis industrial real estate, DeSoto County and North Mississippi continue to attract the most activity, said Brad Kornegay of Colliers International/Memphis. In fact, Kornegay projects North Mississippi will become a larger submarket than Southwest Memphis in three to five years.

DeSoto has 40 million square feet of industrial space, half of which is

Class A. “This is not a blip,” he said of DeSoto’s advances.

Kornegay expects lease rates to rise in 2013 because of the limited supply of big-box space and the high cost to build. The vacancy rate should drop, he said. He also expects North Mississippi to continue to be “a dominant player.”

Overall, Memphis-area industrial has experienced only one year of negative absorption over the past 10 years. “A lot of other markets wish they could say the same thing,” Kornegay said.

In Memphis retail, very few new shopping centers have been built, and finding good space for a retailer is difficult, said Shawn Massey of The Shopping Center Group.

Most new retail construction has been for single tenants, such as dollar stores.

Massey does not anticipate significant construction of shopping centers until 2014.

Still, he said he believes the next three to seven years for retail real estate “will be great.”

ECONOMY from IC

cent.

Private employers have added new jobs for three years straight, and the unemployment rate is now 7.9 percent. The stock market is back to prerecession levels, and housing values are beginning to rebound across the country.

Still, significant damage remains — 4.7 million workers have been out of work longer than six months. Meanwhile, the Census Bureau has reported that wages are down, and other researchers have found that a disproportionate number of jobs created in the recovery are at the low end of the wage scale.

The survey found that most Americans are not expecting sharp improvement. More than 61 percent expect their family finances to remain at their current diminished levels, nearly three times the number who think their finances will get back to prerecession levels.

The survey found that Americans blame factors other than the recession for their economic plight. Seven in 10 said the high jobless rate is partly the result of foreign competition and “cheap labor” abroad. Four in 10 suspected that illegal immigrants have taken jobs away from Americans. Another four in 10 said unemployment remains high because Americans “lack the skills” for jobs

that might be available.

The survey found strong support for three policy proposals aimed at improving the nation’s labor market. Eight in 10 wanted the government to award tax credits to employers that hire new workers. Three out of four supported stronger education and job training programs. And three out of five said the government should fund direct job creation programs.

At the same time, however, there was deep skepticism about Washington’s ability to do anything significant to improve the economy, the survey found.

Craighill is a pollster for Capital Insight, the independent polling group of Washington Post Media.

Woeppel, all in the name of better physician and hospital integration.

“It’s a trend across the country, and it has been very aggressive here in Memphis and one that’s going to involve all the physicians within UTMG,” Woeppel said.

This, whether it’s called integration or alignment, has been the overarching trend in health care for the past two years as health care organizations ready for changes from the Affordable Care Act. This trend has brought Methodist Le Bonheur Healthcare, Baptist Memorial Health Care Corp. and the Saint Francis hospitals to buy or merge with many physician practices, especially specialty groups such as oncologists and cardiologists.

Memphis continues to be a “hotbed” of health system acquisition of

physician groups, according to April Wortham, an analyst with HealthLeaders-InterStudy who follows the Memphis market. But, she said, this activity slowed somewhat last year as providers waited out the fate of federal health care reform.

The Med’s past and perhaps lingering reputation is not lost on Cooper, who calls it “The New Med.” And a high-profile executive from Nashville might remind some of the string of the outsider, come-and-go leaders here before the arrival of the current CEO Dr. Reginald Coopwood nearly three years ago.

“I will have a house in Franklin (Tennessee), but I will have a home in Memphis,” Cooper said. “I have jumped in with both feet here because I believe this is where I’m supposed to be right now.”

COFFEE from IC

it reduces its exposure to orthopedics and economic weakness in Europe.

Smith & Nephew last year said it would reduce its 11,000-person workforce by 7 percent over three years to save \$150 million a year.

The company last week announced it was laying off 100 employees in its Orthopaedic Reconstruction unit in Memphis and Massachusetts. It blamed a new federal medical device tax for the job cuts.

Ex-WREG anchor returns to WMC

Former Mid-South news anchor Pam McKelvy is returning to the local broadcast industry as the co-anchor of the 4 p.m. newscast at WMC-TV Channel 5, station officials announced Thursday.

McKelvy, who worked at WREG-TV Channel 3 from 1995 to 2005, will be paired with co-anchor Jarvis Greer at WMC. She left the industry to focus on motherhood, but decided to return to the Memphis market.

Emerge Memphis turns to Trenary

Business accelerator EmergeMemphis has hired Phil Trenary as a consultant to help the organization find a permanent executive director, organization leaders announced Thursday.

Trenary is the former chief executive officer of Pinnacle Airlines who resigned in March 2011.

Eric Mathews, co-president of the LaunchYourCity organization that is currently housed at Emerge, had been serving as interim director of EmergeMemphis since last year after succeeding former Emerge director Gwin Scott. Mathews will finish his term, which expires at midnight on Friday, and focus his efforts on expand-

ing LaunchYourCity.

No deadline has been announced for when Emerge plans to have a new director in place.

Hormone study gets \$1.5M grant

A University of Tennessee Health Science Center researcher has received a \$1.5 million grant from the National Institutes of Health to work on the labor-inducing hormone oxytocin.

William Armstrong will use the five-year grant to study how oxytocin is released, which affects pregnancy and lactation.

The grant came from the Eunice Kennedy Shriver National Institute of Child Health and Development.

Madewell to open Germantown store

Madewell, which was founded in 1937 as a workwear company and evolved into a heritage-inspired clothing, boots and bags retailer, is opening a new store at The Shops of Saddle Creek in Germantown. The company counts four dozen stores, and the Shelby County site will be its only one in Ten-

nessee.

The retailer is a division of J. Crew, and the Germantown store is expected to open in the spring.

For more information, visit madewell.com.

Medicare cuts could run deep

A Tennessee Hospital Association study said cuts now proposed in Washington would have a \$13.3 billion “recessionary” impact in Tennessee communities over the next decade.

These cuts, including \$5.6 billion from Medicare to Tennessee hospitals, would cause the loss of more than 90,000 jobs over the next 10 years, returning the state’s unemployment rate to the peak of the recession.

“Tennessee’s hospitals are entering a serious fiscal crisis, the likes of which we have never seen in our history,” THA president Craig A. Becker said in a speech Thursday. “For our state to absorb cuts of this size and scope, without using every possible means to offset the cuts, will create a ripple effect, the likes of which Tennessee communities have never seen before.”

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County to eye worker status

■ Verify residency, Ritz says

By Linda A. Moore
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Shelby County Commission chairman Mike Ritz wants to be sure that everyone working for Shelby County is living in Shelby County.

Thursday, he asked county human resources and elected officials to report residency status for every employee — including those with Shelby County Schools — hired since the county established residency rules in 1986.

The merger of Memphis City Schools and Shelby County Schools this year inspired the action. MCS does not have a residency requirement. Wednesday, the County Commission's Education Committee approved an ordinance that would give more than 1,400 MCS employees who live outside of Shelby County five years to move in after the merger.

"The conversation started lighting up that some of the (county) elected officials might not be requiring their people to live in the county," Ritz said. "Some of that stuff could be total lies. Rumor mills are rampant in this business."

The county charter requires that anyone hired after Sept. 1, 1986, must live in Shelby County.

"How can we make MCS people move into the county and not enforce it with our own?" Ritz said.

Ritz supported the measure giving MCS workers five years to move, but

See RITZ, 8A

'Change is difficult'



PHOTOS BY BRANDON DILL/SPECIAL TO THE COMMERCIAL APPEAL

Maxine Thomas hands out fliers alleging racism at Cornerstone Preparatory School and voicing concern that the school ignores community input during a demonstration Wednesday near the Binghamton charter school. Cornerstone has drawn community ire over discipline parents say approached abusive.

Cornerstone principal admits errors with community, says issues personal for her too

By Jane Roberts
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901-529-2512

If Lisa Settle had time to listen closely Wednesday, she would have heard a protester on a bullhorn across the street, another loud voice reminding her that Cornerstone Preparatory School is not welcome in Binghamton.

There is nothing normal about trying to run an elementary school in the midst of public protest. But Settle, Cornerstone's principal, ignored the ruckus. "We have heard the issues. We



"We have heard the issues. We address the issues, and then something else pops up."

Lisa Settle, Cornerstone Preparatory Academy principal

address the issues, and then something else pops up."

If the turmoil dogging the public charter school feels unfair, Settle doesn't say it. She is resolutely determined to focus on children. "I understand and respect the passion. I love Binghamton. I understand, respect and honor the history that people are passionate about. We just want to teach the kids."

Her own passion is just as focused, intense and personal. She is a Memphian, too, with her

See CORNERSTONE, 2A

Metro area dead last in consumer credit scores

By Ted Evanoff
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No metro area in America has a consumer credit score lower than Greater Memphis' 638 average, the rating agency TransUnion reported Thursday.

Hammered by layoffs, foreclosures and bankruptcies, metropolitan Memphis has been sliding for years down TransUnion's scale. But

just why the Bluff City skidded past McAllen, Texas, and finally hit bottom isn't entirely a tale of carnage.

Will Garey figures his stint clerking in a Downtown payday loan shop last summer clued him in. Memphians favor payday loans like they love barbecue.

"You look at all these consumer lending offices around town," said Garey, now the hardware manager

See CREDIT, 8A

BEST AND WORST

The Memphis metropolitan area has the lowest consumer credit score in the nation, according to TransUnion, a leading rating agency.

THE BEST

San Jose, Calif. 700
San Francisco 696
Madison, Wis. 694
Honolulu 693
Minneapolis 691

THE WORST

Memphis 638
McAllen-Edinburg-Mission, Tex. 639
Jackson, Miss. 642
El Paso, Tex. 650
Columbia, S.C. 650 (tie)
Las Vegas, Nev. 650 (tie)

Massive manhunt for ex-cop who killed 3

By Tami Abdollah
Associated Press

LOS ANGELES — A fired police officer who threatened to bring "warfare" to the Los Angeles Police Department went on a shooting rampage that left a policeman and two others dead and triggered an extraordinary manhunt Thursday that put Southern California on edge.

The search for Chris-

topher Dorner had three states and Mexico on alert before shifting Thursday afternoon to Big Bear Lake, about 80 miles east of Los Angeles, where police found his burned-out pickup truck and tracks leading away from the vehicle.

San Bernardino County Sheriff John McMahon said 125 officers were going

See COP, 2A

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WHAT'S IN THE CARDS?

Inquiring minds want to know, but Tigers basketball coach Josh Pastner won't say what his flash cards mean.

SPORTS, ID

'STROKE BELT' STUDY

A new study confirms the dangerous link between the Southern diet of fried food and sweet tea and strokes.

NATION, 8A

CIA PICK QUESTIONED

CIA nominee John Brennan faces tough Senate questions about drone strikes and other covert war actions.

NATION, 4A



NEW FACE AT THE MED

Susan Cooper, former Tennessee health commissioner, brings her managerial talents to the Regional Medical Center.

BUSINESS, 1C

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Southern diet, fried foods may raise risk of stroke

By Marilyn Marchione
Associated Press

Deep-fried foods may be causing trouble in the Deep South. People whose diets are heavy on them and sugary drinks like sweet tea and soda were more likely to suffer a stroke, a new study finds.

It's the first big look at diet and strokes, and researchers say it might help explain why blacks in the Southeast — the nation's "stroke belt" — suffer more of them.

Blacks were five times more likely than whites to have the Southern dietary pattern linked with the highest stroke risk. And blacks and whites who live in the South were more likely to eat this way than people in other parts of the country were. Diet might explain as much as two-thirds of the excess stroke risk seen in blacks versus whites, researchers concluded.

"We're talking about fried foods, french fries, hamburgers, processed meats, hot dogs," bacon, ham, liver, gizzards and sugary drinks, said the study's leader, Suzanne Judd of the University of Alabama in Birmingham. People who ate about

six meals a week featuring these sorts of foods had a 41 percent higher stroke risk than people who ate that way about once a month, researchers found.

In contrast, people whose diets were high in fruits, vegetables, whole grains and fish had a 29 percent lower stroke risk.

Results were reported Thursday at an American Stroke Association conference in Honolulu.

The federally funded study was launched in 2002 to explore regional variations in stroke risks and reasons for them. More than 20,000 people 45 or older — half of them black — from all 48 mainland states filled out food surveys and were sorted into one of five diet styles:

Southern: Fried foods, processed meats (lunchmeat, jerky), red meat, eggs, sweet drinks and whole milk.

Convenience: Mexican and Chinese food, pizza, pasta.

Plant-based: Fruits, vegetables, juice, cereal, fish, poultry, yogurt, nuts and whole-grain bread.

Sweets: Added fats, breads, chocolate, desserts, sweet breakfast foods.

Alcohol: Beer, wine, li-

quor, green leafy vegetables, salad dressings, nuts and seeds, coffee.

"They're not mutually exclusive" — for example, hamburgers fall into both convenience and Southern diets, Judd said. Each person got a score for each diet, depending on how many meals leaned that way.

Over more than five years of follow-up, nearly 500 strokes occurred. Researchers saw clear patterns with the Southern and plant-based diets; the other three didn't seem to affect stroke risk.

There were 138 strokes among the 4,977 who ate the most Southern food, compared to 109 strokes among the 5,156 people eating the least of it.

There were 122 strokes among the 5,076 who ate the most plant-based meals, compared to 135 strokes among the 5,056 people who seldom ate that way.

The trends held up after researchers took into account other factors. Fried foods tend to be eaten with lots of salt, which raises blood pressure — a known stroke risk factor, Judd said.

And sweet drinks can contribute to diabetes.

positional fails, Roland said, he'll go to the Tennessee legislature to try to get a state ban of residency requirements.

Ritz's request won't be difficult to carry out, said Harvey Kennedy, county chief administrative officer. The information should be available by early next week.

The county doesn't check residency on a regular basis, but workers keep track of it, Kennedy said. "They don't want somebody to have a benefit that they don't have."

People do try to get away with living elsewhere, he said. "When I was in the Sheriff's Office, we actually terminated some folks we found out were not living in Shelby County. They had moved

out and were using different addresses, and we terminated them. I can't imagine people jeopardizing their jobs like that."

Elected county officials will bring their budgets to the commission in about 30 days, Ritz said. Those offices include property assessor, attorney general, county clerk, Criminal Court clerk, General Sessions Court clerk, Juvenile Court clerk, Probate Court clerk, register of deeds, Sheriff's Office, County Commission and trustee.

"If there's some truth to (reports of ignoring residency requirements), it could become pretty ugly," Ritz said. "I hope there aren't any, but I'm afraid with as much smoke as I've seen, there's going to be some fire involved."

CREDIT from 1A

at Hollywood Furniture and Hardware Co. in North Memphis. "Where I worked, I'd look at 20 and 30 applications a day."

Nearly a third of the 300,000 households in the region never or hardly ever step into a bank, giving the Memphis area one of the largest unbanked populations of any metro area in the nation. Yet thousands of these bank-shy families and thousands more who use banks also do business at payday shops, title lenders, pawn shops, tote-the-note car lots — merchants who do not regularly file credit reports through the three traditional rating agencies.

Even payday customers who never miss loan payments can have flimsy credit histories where TransUnion is concerned. This tends to bring down the area's overall consumer credit score, said Thomas Nitzsche, spokesman for ClearPoint Credit Counseling Solutions, a Richmond, Va., nonprofit group that has operated a consumer counseling office in Memphis since the early 1990s.

"The South and the

The South and the Mid-South always have been on the low end of consumer credit scores."

Thomas Nitzsche, ClearPoint Credit Counseling Solutions spokesman

Mid-South always have been on the low end of consumer credit scores," Nitzsche said. "But it's not automatically somebody who doesn't pay their bill that brings the score down. It could be anything from buy-here, pay-here car loans to payday loans that's bringing it down."

Many payday lenders use proprietary software to track customers rather than feed client information to the databases maintained by TransUnion, Equifax and Experian.

Memphis is home to more than 800 payday lenders, pawn shops, title lenders, tax refund shops and similar merchants. Many stay in business by counting on the nearly \$500 million worth of tax refunds provided annually to 180,000 low-income workers in Greater Memphis through the federal earned income tax credit.

Since the Memphis economy tanked in January 2010, when the local unemployment rate peaked at

11.1 percent, the region has added about 20,000 jobs, bringing the jobless rate down to 8.6 percent. Many of those jobs offer less than 40 hours of work each week or pay base wages. That can leave people short of cash scrambling to line up money from payday shops to fix cars or pay bills.

"We were too willing to give loans to people who really shouldn't be getting the loans," Garey said about his stint at the payday lender. "It's just a numbers game. A lot of people never paid back the loan. But a lot of people did, and the fees were high."

A city with a low average credit score can work to the advantage of a family with a good credit score because it makes them look relatively better to lenders, Nitzsche said. But at the same time, once a family with a poor credit history tries to buy a house and build wealth, traditional lenders might shun them, he said, because of their flimsy credit report.

RITZ from 1A

now believes it should also waive the requirement for out-of-county MCS workers who were hired before the county's ordinance took effect.

"I don't think we've figured all this out yet," he said.

The sponsor of Wednesday's ordinance, Commissioner Terry Roland, said he doesn't believe in residency requirements and has asked County Atty. Kelly Rayne to craft a resolution that would put the question on a referendum for the 2014 ballot.

"That way the people could tell us what they want," he said.

If the referendum pro-

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Business

Thursday, February 7, 2013 **

Money & Markets
Roundup, 3C

 DOW JONES 13,986.52 +7.22	 NASDAQ 3,168.48 -3.10	 S&P 500 1,512.12 +.83	 6-MO T-BILLS .11% No change	 30-YR T-BONDS 3.17% -.04	 CRUDE OIL \$96.62 -.02	 GOLD \$1,677.70 +5.30	 EURO 1.3525 -.0059
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■ **Third to settle** Royal Bank of Scotland agrees to pay \$612 million to settle charges that it manipulated a key global interest rate. It became the third major bank to admit its fraud. **2C**



Southeastern grapples with Dell

■ As computer maker tries to go private, asset management firm in the spotlight

By **Ted Evanoff**
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901-529-2292

Dell Inc. was the typical kind of value stock that Memphis investment executives Mason Hawkins and Staley Cates put their clients' money in.

But after stumbling against tablet computers and iPhones, the laptop computer maker has

proposed a leveraged buyout that could cost clients of the well-known Memphis duo hundreds of millions of dollars.

Now market analysts figure Southeastern Asset Management Inc., the pair's 37-year-old Memphis firm, may weigh in and try to lessen the blow.

To do that, Southeastern must convince Michael Dell and his backers to pay a lot more than the

\$24.4 billion, or \$13.65 per share, offered on Tuesday in a buyout proposed for all of Dell stock.

"From the standpoint of the large shareholders like Southeastern, they want to reduce the loss or wipe out any loss they've had to incur," said mutual fund adviser Geoffrey Bobroff, head of Bobroff Consulting Inc. of East Greenwich, R.I.

Dell Inc. hit storms in the 2000s, but still promised an eventual uptick that appealed to the stock pickers at Southeastern.

Beginning in 2005, they

bought 130 million shares of the computer company, using cash that included institutions and money from clients of Southeastern's well-known Longleaf Partners mutual fund, a staple for 401(k) savers in Memphis and across the nation.

Southeastern is Dell's largest shareholder after Michael Dell himself. A report by Bloomberg News figures Southeastern's losses will reach \$800 million on the Dell shares at the \$13.65 sale price.

See **DELL, 4C**

COFFEE BREAK
MAA
looks to
record
2013

Memphis-based MAA nailed another strong quarter, reporting double-digit growth in a key financial measure of performance.

The Memphis-based real estate investment trust on Wednesday reported funds from operations (FFO) was \$53.4 million in the fourth quarter, or \$1.21 per diluted share. That was up from \$43.1 million, or \$1.07, in the year-earlier period.

Net income for the quarter was \$22.3 million, or 52 cents per diluted share. That also compared favorably to year-earlier net income of \$18.8 million, or 49 cents.

In a statement, Eric Bolton, company chairman and CEO, said MAA is "well positioned" for another record year in 2013, thanks to strong leasing conditions across (the company's) portfolio" of apartment properties.

A full earnings release and other data are available at maac.com.

Memphis' cost of living fifth lowest

Memphis has the nation's fifth-lowest cost of living, according to the Council for Community and Economic Research. Memphis ranks behind Harlingen, Texas; Norman, Okla.; Ardmore, Okla.; and Pueblo, Colo., much smaller cities in terms of population and size.

"Memphis is the least expensive major metropolitan area to live in the continental United States," said Adrienne Johnson, director of research, Greater Memphis Chamber. "A family of four can save on housing, groceries and receive the best health care in the country while building their savings accounts."

Greyhound Express adds Memphis route

Greyhound is launching new Express routes, including service between Chicago and Memphis, and adding six new destinations on Feb. 14, the Dallas-based transportation company said Wednesday.

The Greyhound Express direct premium service also will connect Atlanta to Cincinnati and Orlando, Fla., to Mobile, Ala.

New Express cities along the routes include Knoxville; Lexington, Ky.; Effingham, Ill.; Tallahassee, Fla.; Panama City, Fla., and Pensacola, Fla.

Fares for the service start at \$1, and tickets can be purchased online at mygreyhoundexpress.com.

Local hospitals nationally ranked

Local hospitals have been ranked nationally for the work they do.

St. Jude Children's Research Hospital ranked second on Parents magazine's list of top cancer hospitals. The results are in the March issue of the magazine and are based on a survey of more than 60 children's hospitals.

Methodist University Hospital ranked in the top 6 percent of U.S. hospitals for aortic valve replacement surgeries by the Society of Thoracic Surgeons.

The ranking is based on data from 2009 to 2012.

“ Helane Becker, analyst with Dahlman Rose & Co., said she hadn't heard details of the realignment's impact on personnel “but I know that the positions that won't be as affected will be the ones that are customer facing and customer dependent.”

Realignment



JIM WEBER/THE COMMERCIAL APPEAL

FedEx's Express and Services units on Wednesday began internally communicating details of a new organizational chart that the Memphis-based carrier will put in place over the next several months as it proceeds with a round of voluntary buyouts beginning in the spring.

■ **FedEx prepares employees for buyout rollout**

By **Wayne Risher**
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901-529-2874

FedEx employees began to get a picture Wednesday of who's going and who's staying as the company moves toward a round of voluntary buyouts starting this spring.

The Memphis-based company's FedEx Express and FedEx Services units began internally communicating details of a new organizational chart that will be put in place over the next several months.

A FedEx spokesman said the voluntary departures would include more than 10 percent of jobs at the officer and director levels.

Workgroups also are being alerted if they won't be eligible for buyouts, or are "carved out" of the program due to the company's operational needs.

The realignment is part of a push to increase FedEx profits by \$1.7 billion a year by the end of fiscal year 2016.

Spokesman Glen Brandow said the company aims to streamline major processes to reduce cost and gain efficiencies and combine similar functions to allow effective operation with fewer people. It's prioritizing vital activities and deferring less critical tasks, while seeking to maintain outstanding customer service.

See **BUYOUT, 4C**

Cohen bill addresses student loan debt

By **Bartholomew Sullivan**
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WASHINGTON — Private student loan debt should be treated just like other debt in bankruptcy, according to U.S. Rep. Steve Cohen, who reintroduced a bill Wednesday that would make such debt dischargeable — erasable — by bankruptcy judges.

With student loan debt now more than \$1 trillion, including

\$150 billion in private student loan debt, undoing the 2005 change in the law that shields private lenders is "long overdue," Cohen said.

"People who seek higher education to better their futures should not be dissuaded from doing so by the threat of financial ruin," he said in a prepared statement.

But the bill doesn't go far enough, according to Alan Collinge, a Tacoma, Wash., activist and founder of StudentLoanJustice.org, who touted Cohen's

earlier bill from the Occupy Wall Street encampment in New York City in 2011.

Collinge, 42, who defaulted on his loans and hasn't been a student since 1998, said all student loan debt needs to be dischargeable in bankruptcy and that the bankruptcy exemption for nonprofit lenders or guarantors also needs to be axed.

Collinge noted that this is the fifth time such legislation has been introduced.

"I'm hopeful this is the final time, that this language goes through," he said. "Bankruptcy absolutely must be returned to all student loans, not just private student loans."

In announcing the new bill, Cohen and U.S. Rep. Danny Davis, D-Ill., explained that lawmakers limit what can't be erased in bankruptcy, and noted those include child support, overdue taxes and criminal fines. They said private student loan debt should not be in the same category.

Lithium batteries OK with safeguards

■ NTSB won't 'categorically' ban all plane uses

By Joan Lowy
Associated Press

WASHINGTON — The use of lithium-ion batteries to power aircraft systems isn't necessarily unsafe despite a battery fire in one Boeing 787 Dreamliner and smoke in another, but manufacturers need to build in reliable safeguards, the nation's top aviation safety investigator said Wednesday.

National Transportation Safety Board chair-

man Deborah Hersman said she doesn't want to "categorically" rule out the use of lithium-ion batteries to power aircraft systems, even though it's clear that safeguards failed in the case of a Japan Airlines 787 that had a battery fire while parked at Boston's Logan International Airport last month.

"Obviously what we saw in the 787 battery fire in Boston shows us there were some risks that were not mitigated, that were

not addressed," Hersman told reporters in an interview. The fire was "not what we would have expected to see in a brand new battery in a brand new airplane," she said.

The 787 is the first airliner to make extensive use of lithium batteries. Aircraft makers view lithium batteries, which are lighter and can store more energy than other types of batteries of an equivalent size, as an important way to save on fuel costs. The Airbus

A350, expected to be ready next year, will also make extensive use of lithium-ion batteries. Manufacturers are also looking to retrofit existing planes, replacing other types of batteries with lithiums.

But lithium batteries are more likely to short-circuit and start a fire than other batteries if they are damaged, if there is a manufacturing flaw or if they are exposed to excessive heat.

The board is still weeks away from determining the cause of the Jan. 7 battery fire, Hersman said. Investigators are also

looking into the special conditions the Federal Aviation Administration required Boeing to meet in order to use lithium-ion batteries to power the 787's electrical systems, she said.

A government-industry advisory board that works closely with the FAA issued testing standards for lithium batteries used in aircraft operations several months after the agency had approved a separate testing regime for the 787's batteries.

"What happens is that when an aircraft is cer-

tified, it basically gets locked into the standards that were in existence at the time," Hersman said. Oftentimes tougher standards will come along later, but aren't applied to already-approved aircraft designs.

Nine days after the battery fire in Boston, another battery overheated on an All Nippon Airways 787, leading to an emergency landing in Japan. The same day, FAA officials ordered U.S. carriers with 787s — there's only one, United Airlines, with six planes — to ground the planes.

College payoff missing for many

By Meagan Pant
Dayton Daily News

Millions of college graduates who saw a degree as their ticket to a good-paying career and a secure life are working in jobs that do not require their education or even a high school diploma, sometimes leaving them with small wages to pay thousands in student loan debt, a new study says.

About 48 percent of all working college alumni — not just recent graduates — were underemployed in 2010 as the U.S. began a slow recovery from the Great Recession, including 5 million graduates in jobs that require less than a high school diploma, according to a study from the Center for College Affordability and Productivity.

"The economy may be in recovery officially, but there are a lot of people who haven't recovered yet," said Jonathan Robe, one of three researchers on the report, "Why Are Recent College Graduates Underemployed." "This is a problem that's sticking around."

The study calls into question the appropriateness of more spending to reach broad goals for more Americans finish college. President Barack Obama has charged that the U.S. lead the world in degree holders with 10 million more graduates by 2020.

It also suggests the underemployment problem is not going away because there is a growing disconnect between what employers need and the volume and nature of the training of college students.

Still, others say the data look back to the effects of one of the worst recessions America has ever seen. The Georgetown University Center on Education and the Workforce forecasts that 63 percent of all jobs will require some postsecondary education by 2018 — and the U.S. is on track to fall short of that need by 3 million workers.

Underemployment has left some college grads struggling to pay student loans, working multiple jobs to make ends meet, and facing the possibility of life without health insurance — and little hope things will change soon.

Jessica Stringfield, who graduated from Miami University in 2011 with a degree in journalism and political science, has until March to find a job offering health insurance to pay for her insulin before she turns 26 and is no longer eligible to be on her mother's health care plan. With four recent interviews and no job offers, she said the search is scary.

"I know I have a flawless resume, amazing letters of recommendation, a wonderful college degree and perfect interview skills, so it's a very perplexing, discouraging situation to be in," said Stringfield, who now works as an administrative assistant for a small dance studio that doesn't offer her benefits.

"Without insurance, my medication runs over \$1,000 a month. There is no possible way I can afford that."



SANG TAN/ASSOCIATED PRESS FILES

The Royal Bank of Scotland is the third international bank to settle with investigators in a case involving the manipulation of a key global interest rate. RBS has agreed to pay \$612 million to U.S. and British authorities for its role in the rate-fixing scandal.

Libor fiddling

■ RBS agrees to to pay \$612M to settle rate-fixing case

By Danielle Douglas
Washington Post

Royal Bank of Scotland on Wednesday became the third international bank to reach a settlement in the ongoing investigation of the widespread manipulation of the global interest rate known as the London interbank offered rate, or Libor.

Federal prosecutors and regulators said RBS has agreed to pay \$612 million to U.S. and British authorities for its role in the rate-fixing scandal.

As part of the deal, the bank's Japanese subsidiary pleaded guilty to criminal charges of wire fraud and entered into a deferred prosecution agreement with the U.S. Justice Department. No individuals have been indicted.

The bank admits to scheming to manipulate rates, either keeping them artificially high or low, to increase profits from its derivatives and money market trading activities as far back as 2006. Authorities say more than a dozen RBS traders around the world engaged in this illegal activity, even after they learned that regulators were investigating Libor in 2010.

"It is amazing that RBS employees tried to fly above the law. They acted as if they were the masters of the universe and the

rules of fair play just didn't apply," said Bart Chilton, a commissioner at the Commodity Futures Trading Commission.

The commission was the first to uncover evidence that something was amiss with the rates going as far back as 2005.

Libor serves as a standard interest rate for loans between banks and as a benchmark for more than \$360 trillion in lending to businesses and consumers.

At the height of the 2008 financial crisis, 16 financial institutions, including Bank of America, HSBC and JPMorgan, submitted data to set the daily Libor. That information was collected on behalf of the British Bankers' Association by Thomson Reuters, which calculates the averages and devises the Libor.

Critics of the system say there is not enough transparency in how banks set their daily rates, which leaves the process open to fraud. Regulators on both sides of the Atlantic are considering ways to improve the system, although much of the world's financial markets continue to use the rate.

Authorities say RBS was part of a larger conspiracy to fiddle with Libor and the Euro interbank offered rate, or Euribor. Traders at the bank worked in concert with their counterparts at UBS to ma-

nipulate Swiss Franc Libor, according to the CFTC order.

RBS agreed to pay \$325 million to the commission and another \$137 million to Britain's Financial Service Authority for its actions. The bank also will hand over \$150 million to the Justice Department.

In an apologetic statement, RBS chairman Philip Hampton said "this is a sad day" for the bank and acknowledged that "there were serious shortcomings in our systems and controls and also in the integrity of a small group of our employees."

All 21 employees implicated in the investigation have either faced disciplinary action or left the bank without a bonus and full claw-back of any outstanding past bonus awards. The head of the markets and international banking division, John Hourican, has also resigned from his position.

Barclays was the first bank to fess up to its role in the rate-fixing scandal in June, when it agreed to pay \$450 million to settle allegations. Swiss banking giant UBS followed its lead in December by reaching a \$1.5 billion settlement with global authorities, which included the indictment of two of its traders and a guilty plea by its Japanese subsidiary.

CVS notches 4Q earnings increase of 6%

By Tom Murphy
Associated Press

WOONSOCKET, R.I. — CVS Caremark's fourth-quarter earnings climbed 6 percent, as revenue from its established drugstores grew and new customers helped its pharmacy services segment.

Overall, one of the nation's largest drugstore chains said revenue climbed nearly 11 percent in the quarter to \$31.4 billion, even though a wave of generic drugs recently has been hurting topline growth for drugstores and pharmacy benefits managers, which run prescription drug plans for employers, insurers and other customers.

Generic equivalents to top-selling medicines like the cholesterol fighter Lipitor hurt revenue for

these companies because they are cheaper than their brand-name counterparts. But they boost earnings because they come with a wider margin between the price drugstores and PBMs pay to buy them and the reimbursement they receive for doling them out.

CVS Caremark Corp., which runs 7,458 drugstores in the United States, said Wednesday that revenue from stores open at least a year grew 4 percent, as the number of prescriptions filled at the stores climbed 9 percent. Revenue from stores open at least a year is considered a key indicator of a drugstore chain's financial health.

The company said that its pharmacy services segment, which includes one of the nation's largest PBM businesses, benefited last



M. SPENCER GREEN/ASSOCIATED PRESS FILES

CVS Caremark Corp. reported Wednesday that fourth-quarter earnings were up 6 percent. The company runs 7,458 drugstores in the U.S.

year from the addition of large clients like home-improvement retailer Lowe's Cos. Revenue from that segment jumped more than 17 percent to \$18.6 billion compared with the final quarter of 2011.

CVS, which is based in

Woonsocket, R.I., earned \$1.13 billion, or 90 cents per share, in the three months that ended Dec. 31. That compares with earnings of \$1.06 billion, or 81 cents per share, in the same period in 2011. Adjusted earnings totaled

\$1.14 per share, when excluding a loss for the early retirement of some debt.

Results beat Wall Street estimates. Analysts expected, on average, earnings of \$1.10 per share on \$31.14 billion in revenue, according to FactSet.

For the full year, CVS Caremark earned \$3.88 billion, or \$3.03 per share, on \$123.13 billion in revenue.

The company said it continued to benefit from business that it gained due to a split between Walgreen Co., the nation's largest drugstore chain, and Express Scripts Holding Co., the nation's largest PBM. Walgreen and Express Scripts resumed doing business last September. Even so, CVS estimates that it gained more than 5 million prescriptions.

BUYOUT from 1C

This week's notifications come in advance of a Feb. 15 target date for telling employees who will be eligible to take a buyout. Employees would have until April 1 to decide, and departure would come in three waves between May 31 and May 31, 2014.

Buyout packages would max out at two years of base pay and include \$25,000 in assistance on health care expenses.

FedEx hasn't disclosed a target for personnel reduction, but the program appears likely to exceed 2004 buyouts that eliminated 3,600 jobs.

Analysts who follow FedEx have speculated voluntary buyouts could involve 3,000 to 5,000 positions.

It's unclear how many upper-echelon employees at the director level and above have already had discussions with the company about leaving.

FedEx officials have emphasized that the voluntary buyout would be aimed at certain non-operational staff members.

Helene Becker, analyst with Dahlman Rose & Co., said she hadn't heard details of the realignment's impact on personnel "but

I know that the positions that won't be as affected will be the ones that are customer facing and customer dependent."

Job cuts, along with fleet upgrades and technology-driven efficiency improvements, are part of the push toward consistently better profits.

The company notified about 115,000 U.S. employees in August that the buyout program was coming.

Employees in FedEx Express, FedEx Services, the corporate office and FedEx TechConnect were notified in December of the buyout program's components and timeline.

Express and Services employ about 28,000 in Tennessee, most of them in the Memphis area.

Departing employees would receive four weeks of gross base salary as of Nov. 30, for every year of continuous service. Maximum buyout would be two years of base pay. To be eligible, employees must have at least five years' continuous service with the company as of Nov. 30.

The package also would contain a provision to reimburse health care expenses through a one-time, \$25,000 credit that can be used over five years for qualified expenses including insurance premiums.

DELL from 1C

The Memphis firm manages about \$30 billion for clients and spreads the money over a wide array of assets so the decline of one stock does not threaten a mutual fund.

Bobroff said Southeastern might have used option strategies over the years to limit losses on Dell shares. The strategy amounts to buying insurance that pays off if the stock declines. It's not clear how much the strategy might have saved. An official at Southeastern did not respond to calls Monday and Tuesday seeking comment.

Getting a higher price from Dell means Southeastern would have to enlist other large shareholders, including T. Rowe Price Associates and Vanguard Group, to press on Dell himself and his financial backers to raise the buyout price.

Hawkins and Cates, although they built Southeastern as a quiet investor, haven't shied away from tangling with heads of companies whose shares they control. Just last fall, they allied with investor Carl Icahn to press reforms on management of Oklahoma-based Chesapeake Energy Corp., where Aubrey McClendon stepped down in January as CEO after a tumultuous year.

Intervening with Michael Dell, however, presents a new tack. Hawkins and Cates might appear as simply pushing for a better stock price, rather than patient investors looking to stabilize and rebuild a company, Bobroff said.

"It would put them in the position of being activists," Bobroff said. "Then the question is can they really change anything."

New York investment manager Barry Ritholtz, a principal at FusionIQ, said he doubts Dell Inc. has enough innovative products in the pipeline to sustain a turnaround.

Dell was brilliant at marshaling factories and parts suppliers into a worldwide assembly line that delivered low-cost laptops to U.S. customers. But the company had no firm answer for the tablet computer or Apple Inc.'s 2007 debut of the iPhone, a tiny computer that also serves as a telephone.

"The curtain will come down on Dell," Ritholtz said. "Dell, like Microsoft, missed most of the big tech trends of the last decade, like Twitter, tablets and smartphones. I look at Dell, which was once a major technology company, as a cheap manufacturer of baubles irrelevant to my universe of tech stocks."

Where does that leave Southeastern? On Tuesday, the Memphis firm gave no public sign of its next step even after Dell revealed details of the \$24.4 billion buyout offer. It would involve \$500 million pitched in by Michael Dell, who said he plans to stay aboard and steer the company.

Ritholtz was critical of the proposed deal, saying investors might balk at the \$13.65 offer and join with Southeastern in demanding a higher payment.

"Some of those investors are probably saying, 'We don't want to sell for \$13 if we think you're going to turn around and flip the thing for \$26 in a few years,'" Ritholtz said.

If analysts at Southeastern figure that kind of flipping scenario might play out, Bobroff said, they might try to remain aboard as investors in Dell and look for a payoff toward decade's end.

FedEx driver among 4 killed in foggy highway crash in Ga.

By Russ Bynum
Associated Press

MONTROSE, Ga. — More than two dozen cars, pickup trucks and tractor-trailers collided Wednesday morning in a fiery pileup on a foggy Georgia interstate, killing at least four people and sending nine others to a hospital, officials said.

Work crews on Interstate 16 were still clearing charred and twisted wreckage from the crash scene, which covered nearly a quarter-mile of the roadway, hours after the chain of crashes occurred at about 8:10 a.m.

The Georgia State Patrol was still trying to piece together what start-

ed the series of wrecks involving 27 vehicles. Capt. Kirk McGlamery said even drivers who dodged to the side of cars crashing in front of them weren't safe from getting rear-ended off the highway's shoulder.

Officials said poor visibility likely played a big part. Weather forecasts called for dense fog Wednesday morning, and McGlamery said motorists reported smoke across the highway. He said a controlled burn had been permitted nearby the day before.

The crash shut down I-16 in both directions for several hours, though an eastbound lane reopened Wednesday afternoon. The highway covers only

170 miles between nearby Macon in central Georgia and Savannah on the coast. But it's heavily traveled by commercial trucks hauling goods between Atlanta and Savannah's busy seaport.

McGlamery said seven tractor-trailers were involved in the pileup, including an empty fuel tanker. Fumes inside the tanker exploded and caught fire, though the driver of the rig survived.

A driver of a FedEx Ground truck was killed in the accident. His name was not released.

"We extend our sincerest sympathies to his family and friends," said FedEx spokeswoman Shea Leordeanu. "We are fully co-

operating with all authorities, but don't have further information at this time," she said.

The driver was employed by a FedEx Ground contractor.

Joseph White, a soldier in the Army National Guard, told The Courier Herald of Dublin he was heading to work when he drove into heavy traffic clouded by black smoke. He was rear-ended before he saw a fuel tanker hit an 18-wheeler.

"I'm looking back and the tanker exploded," said White, who ran from the scene after his car came to a halt. "Pieces of the tanker flew toward me on the freeway, barely missing me."

Side dish of sex appeal

■ All dishes not on menu at 'breastaurants'

By Sandra Pedicini
Orlando Sentinel

ORLANDO, Fla. — Sandwiches with a side dish of sex appeal were on the menu when Peter Buell and Rick Paulk stopped for lunch recently at a Tilted Kilt restaurant here.

"I like the waitresses and the uniforms, obviously," said Buell, 50, as a young woman served him wearing a short plaid skirt and matching push-up bra under a midriff-baring white shirt.

The Tilted Kilt is part of a dining sector known in the industry as "breastaurants." The edgy eateries with scantily clad servers are rapidly expanding throughout the United States. Locations in the Mid-South include Fayetteville, Ark., and Clarksville and Hendersonville, Tenn.

The allure is simple:

"Being able to freely gawk and leer at young women in scanty clothing," said Chris Muller, a hospitality professor at Boston University. "That's no longer socially acceptable, so we institutionalize it and give it a venue."

While the outfits are skimpiest, these days "breastaurants" — such as Twin Peaks, Brick House Tavern and Tap, and Hooters — say they are offering more than titillation, with unique themes and better food.

Rapid expansion has fueled growth at these small chains, which fall into a category that market-research firm Technomic euphemistically calls "attractive service."

Twin Peaks plans to almost double the number of locations this year to about 50. In 2012, sales doubled to \$97 million. From 2010 to 2011, according to a Technomic estimate, Tilted Kilt's sales grew 33 percent to \$124 million.

The notable exception is Hooters, which first made the concept mainstream in the 1980s after opening its



The Tilted Kilt Pub & Eatery in Orlando, Fla., has scantily clad servers bring the orders to its customers.

is going. Twin Peaks, on the other hand, unabashedly oozes testosterone. The logo for the mountain lodge-themed chain — it has locations in Brentwood, Tenn., and one opening in Little Rock — features two slightly curvy snow-capped mountains.

It bills itself as "the ultimate man cave" that "feeds the stomach and the ego at the same time." Busy waitresses usually dress in shorts and skimpy tops, except special occasions when they don lingerie.

"We don't pretend to be a brand that is going to have a super-broad appeal to families and girls' night out," chief executive officer Randy DeWitt said.

And while sex clearly sells, an eatery that relies on little else runs the risk of going bust. Take Java Girls, an Orlando coffeehouse featuring bikini-clad baristas. A little more than a year after opening, it is now history.

"Gimmicks don't tend to sustain a business," said Dennis Lombardi, a restaurant consultant.



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- Tigers get up to speed.
 - Vanderbilt nabs Memphis stars.
 - Rebels land nation's top player.
- DETAILS IN SPORTS, 1D

USPS set to end Saturday letters in August

From wire and staff reports

WASHINGTON — Saturday mail may soon go the way of the Pony Express and penny postcards. The Postal Service said Wednesday that it plans to cut back to five-day-a-week deliveries for everything except packages to stem its financial losses

■ But delivery of packages will continue

in a world radically reordered by the Internet.

“Our financial condition is urgent,” declared Postmaster General Patrick R. Donahoe.

The Postal Service, which suffered a \$15.9 billion loss in the

past budget year, said it expected to save \$2 billion annually with the Saturday cutback. Mail such as letters and magazines would be affected. Delivery of packages of all sizes would continue six days a week.

The plan, which is to take effect in August, accentuates one of the agency's strong points: Package delivery has increased by 14 percent since 2010, officials say, while the delivery of letters and other mail has plummeted.

E-mail has decreased the mailing of paper letters, but online purchases have increased package shipping, forcing the Postal Service to adjust to customers' new habits.

“Things change,” Donahoe said.

See POSTAL, 2A

Flocking to Reelfoot



BIRD BUFFET FOR EAGLES

ABOVE: Snow geese take flight as a convocation of young eagles preys on their roosting spot. The geese were once hunted to near-extinction but have become overpopulated. Many eagles make Reelfoot a year-round home due to food supply in the area. RIGHT: An eagle carries its prey away. About 75 resident eagles have about 30 nests in the area. Injured bald eagles recover at the Reelfoot visitors center.



PHOTOS BY KAREN PULFER FOCHT / THE COMMERCIAL APPEAL

FedEx won't deliver assist

■ Echols at startup event costs sponsor

By Wayne Risher
risher@commercialappeal.com
901-529-2874

FedEx has withdrawn support from a startup business conference in Memphis after West Memphis Three figure Damien Echols was added to the program.

FedEx marketing officials made the move this week, leaving organizers scrambling for sponsors for Everywhereelse.co: The Startup Conference, Sunday through Tuesday at Memphis Cook Convention Center.

The Memphis shipping

See ECHOLS, 2A

Obama yields in drone dispute

■ Senators get secret memo

By Karen DeYoung and Greg Miller
Washington Post

WASHINGTON — President Barack Obama yielded Wednesday to congressional demands that he provide access to a secret legal memo on the targeted killing of American terrorism suspects overseas, avoiding a confrontation that threatened the confirmation of John Brennan as his new CIA director.

Obama directed the Justice Department to hand over the document

See DRONES, 8A

Residency compromise would give MCS employees 5 years

By Linda A. Moore
lmoore@commercialappeal.com
901-529-2702

The County Commission's Education Committee reached a compromise on residency requirements for the new unified school system that would give the

1,400 employees of Memphis City Schools who live outside the county five years from July 1, 2013, to move in.

The unanimous 9-0 vote followed a debate among commissioners that focused on fairness, taxes and possible layoffs for

school employees.

Memphis City Schools has no residency requirement for its employees, but Shelby County established a residency requirement for its workers in 1986.

Commissioner Walter Bailey sponsored an ordinance that would have

made the more than 1,400 MCS workers who live outside of Shelby County exempt from the county's rules, while Commissioner Terry Roland's ordinance would have given them one year to comply.

Newly hired school employees will be required to

live in the county.

Roland opposes any residency requirements, but sees enforcing the existing one as a “no-brainer.”

“In my opinion, it would be hypocritical to grandfather somebody in and

See RESIDENCY, 2A

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For the latest in Memphis-area news and events, keep your browser on our website.

GRIZZLIES LOSE AGAIN
The slumping Memphis Grizzlies look listless in another disappointing loss, this time to the Hawks in Atlanta.
SPORTS, 1D

TIGERS BEAT MUSTANGS
The Memphis Tigers keep rolling with a 60-52 win over Southern Methodist in Dallas. Josh Pastner's team is 19-3.
SPORTS, 1D

BOY SCOUTS GAY POLICY
The Boy Scouts of America needs more time to consider its policy of excluding gay scouts or scoutmasters.
NATION, 3A



BLACK WIDOW
Alma Theede, Memphis prostitute and notorious murderer of three men, is the subject of a Discovery Channel show.
FEATURES, 1M

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Postal cuts already affect Mid-South

By Bartholomew Sullivan
 sullivanb@shns.com 202-408-2726

WASHINGTON— The struggling U.S. Postal Service has been steadily reducing its operations across the Mid-South.

Last February, it announced that postal processing facilities in Jonesboro, Ark., Jackson, Tenn., and Tupelo, Miss., would be closed and that their volume would be consolidated in Memphis.

POSTAL from 1A

The Postal Service plan brought immediate criticism from politicians, farmers and the letter carriers' union.

Others, like Mark Weber, owner of The Mail Center in Memphis, said the loss of Saturday service won't have much of an effect. Packages will still be delivered and letter mail will still be delivered to customers with P.O. boxes, like those in his store. But Weber knows the move will generate even more grumbling about the Postal Service and that doesn't square with him.

"Where can you send a letter for 46 cents to Seattle or Anchorage or Honolulu and get pretty good service given what you're sending and for that cost?" Weber said. "You cannot. If you

Three processing facilities closing

The Tupelo move was completed Jan. 26, according to Postal Service spokesman David Walton in Louisville. The move from Jonesboro is expected to occur on Feb. 16, and the closure of the Jackson operation is anticipated in June, Walton said.

Walton did not immediately have figures on net jobs lost or gained from

those actions.

Those consolidations were part of a decision to close 223 postal processing facilities around the country that was expected, along with other efficiencies, to save \$20 billion.

In recent years, the Postal Service has closed or reduced the hours of operation at about 13,000 post offices around the

country.

In 2011, the Postal Service said it was considering closing six post offices in Shelby County, including a Downtown facility at Peabody Place, but no final decision has occurred.

In addition to those facilities, post offices in Arkabutla and Lake Cormorant in DeSoto County and Clarkedale and Tur-

rell in Crittenden County, were targeted.

A study on closing the Jett Cove Annex processing facility in Memphis, which at the time employed 85 people, resulted in last year's decision not to do so.

The move to end regular Saturday delivery, beginning in August, is expected to result in job cuts, but Postal Service officials were unable to say how many.

think FedEx and UPS are going to do it for 46 cents, you're sadly mistaken."

Mike Baber, president of Memphis-based Baber Direct Marketing, uses the Postal Service frequently to send direct-mail advertisements for clients. Discontinued Saturday delivery "is not going to affect my business at all." "I'm not going to tell any of my clients to not use direct mail because in-home delivery is not available on Saturdays," Baber said.

Memphis-based FedEx, which carries more than 4 million pounds of U.S. mail daily under contract with the Postal Service, said it is "too early to say precisely" what the eventual impact would be of the Saturday delivery changes.

Much of the Postal Service mail flows through the FedEx Express world hub in Memphis, putting FedEx planes, people and facilities

to work in the daytime lull between overnight peaks. FedEx also contracts with the Postal Service for last-mile delivery of packages by FedEx SmartPost.

Over the past several years, the Postal Service has advocated shifting to a five-day delivery schedule for mail and packages — and it repeatedly but unsuccessfully appealed to Congress to approve the move. The independent agency gets no tax dollars for day-to-day operations but is subject to congressional control.

It was not immediately clear how the service could eliminate Saturday mail without congressional approval. And some lawmakers, including U.S. Rep. Rick Crawford, R-Ark., indicated they will seek to block the move.

"Access to reliable postal service is the lifeline my rural constituents rely

on for medical deliveries, their Social Security benefits and business needs," Crawford said. Other lawmakers, however, said the move, while regrettable, appeared to make sense.

Memphis' Democratic Congressman Steve Cohen said Wednesday's announcement is "probably a first step to what will eventually be cutting back on some employees," which he called "a disappointing thing."

But Cohen said he understands operations like FedEx and UPS and e-mail have cut into the Postal Service's volume, as have certain behaviors. "People don't write letters any more," Cohen said.

U.S. Rep. Alan Nunnelee, R-Miss, said, "The fact of the matter is the post office needs flexibility if it is going to survive in the 21st century world of e-mails, FedEx and UPS.

U.S. Rep. Stephen Fincher, R-Tenn., noted the Postal Service has been "struggling financially to keep up for years" and is "doing its best to meet the changing times."

One strong rebuke to the Postal Service plan came from its employees.

American Postal Workers Union president Cliff Guffey, whose members represent sorting employees, not letter carriers, condemned the Saturday delivery decision.

"USPS executives cannot save the Postal Service by tearing it apart," he said in a statement. "These across-the-board cutbacks will weaken the nation's mail system and put it on a path to privatization."

Washington correspondent Bartholomew Sullivan and staff reporters Toby Sells and Wayne Risher contributed to this story by The Associated Press.

ECHOLS from 1A

giant bailed after last Friday's announcement that Echols would participate in a "fireside chat" Monday about how the world has changed since he was imprisoned.

A FedEx spokeswoman said the conference agenda moved "pretty significantly" away from the startup business and entrepreneurial agenda that fits the FedEx brand.

"It's my understanding he's going to talk about how technology changed, but that didn't match with our understanding of it being an entrepreneurial, startup event," said FedEx's Shea Leordeanu.

"I think any corporation, when you're going to be involved in an event, you want to make sure it matches your brand."

Conference coordinator Kyle Sandler said he was informed of FedEx's decision Wednesday morning. "I was told the FedEx name and the FedEx brand could not be associated with a guest so polarizing within the city of Memphis."

Listed by Forbes magazine as a must-attend conference for entrepreneurs, it will include a Startup Village, speed pitch contests, educational and networking forums and panel discussions featuring a variety of speakers such as AOL cofounder and Startup America chairman Steve Case.

Sandler said FedEx's sponsorship was coveted because of the company's entrepreneurial legacy and founder Frederick W. Smith's support for the



JEFF MCADORY/THE COMMERCIAL APPEAL FILES

West Memphis Three co-defendant Damien Echols, accompanied by his wife, Lorri Davis, waves to onlookers one day after the trio's release in 2011. The addition of Echols to a three-day startup business conference has led FedEx to withdraw its support.

Startup America Partnership, of which Smith is a board member.

"This position that they took strikes me as against that," Sandler said.

After The Commercial Appeal story was posted online Wednesday, Echols posted a message via Twitter: "Just wanted to say thank you to those who have sent words of support about the FedEx debacle. However, don't sweat it. Life goes on."

Echols spent 17 years on death row in Arkansas after his conviction in the

1993 murders of three Cub Scouts in West Memphis. He and two co-defendants were released from prison in August 2011, capping a high-profile, star-studded campaign proclaiming their innocence and debunking the prosecution case against them.

The campaign to exonerate the West Memphis Three has continued, with the release of Echols' book, "Life After Death," and an upcoming movie about the case in postproduction.

Echols remains a controversial figure whose de-

fenders include rock group Pearl Jam's Eddie Vedder, actor Johnny Depp, the Dixie Chicks and film director Peter Jackson, but others aren't convinced he's innocent.

The inaugural conference, coordinated by Nibletz.com co-founder Sandler, had to be moved from The Peabody to the Convention Center to accommodate a growing audience. More than 2,000 people and nearly 100 startup businesses have signed on to participate. Leordeanu said FedEx's

corporate logo was removed from the event website, www.everywhereelse.co, and FedEx had agreed to reimburse organizers for reprinting of the event program.

The website continued to list sponsors including the FedEx Institute of Technology at University of Memphis, the Baker Donelson law firm, LaunchTennessee, LaunchMemphis and Xtrant.

Sandler said Xtrant had upped its support, and he was courting other sponsors.

RESIDENCY from 1A

give them a privilege that the other 8,000 employees does not get," Roland said. "And if you look at it in a political way, we're about a year and a half, maybe less, out from several of us (commissioners) having to run again. You're telling 8,000 people that work for us that they don't mean as much to us as those people who live in DeSoto County."

Saying that teaching is "the most important profession in the world," Com-

missioner Melvin Burgess argued that the residency requirement could cost the district educators.

"That's what the district is struggling with, trying to find Level 4 teachers," Burgess said. "Wanna be a world-class system? You've got to have good teachers."

Roland's ordinance was amended by Commissioner Chris Thomas to give MCS workers five years to move to the county or find other employment.

Thomas had initially supported waiving the residency requirement, but after hearing reports

that the schools may have to lay off workers, said he had changed his mind and wanted to make sure that county taxpayer dollars aren't going to residents of Tipton, DeSoto or Fayette counties.

"We've got to look out for our taxpayers. We're talking about people having to raise taxes because of a shortage of revenues. But what's going to happen if we don't give jobs to people who live here and should have those jobs?" Thomas said.

While some argued about fairness for current county workers, commis-

sion chairman Mike Ritz defended MCS employees.

"I don't think it's fair to expect people who were employed a year ago or 10 years ago or 30 years ago under one set of rules to now tell them they're not eligible for employment because of what's going on politically in our community," Ritz said. "It's not the employees' fault that we are where we are with the school system situation."

In deference to Burgess' concerns, Commissioner Heidi Shafer asked County Atty. Kelly Rayne to craft another amendment that

would allow residency exceptions for critical positions, like teachers who provide instruction in certain areas.

Satisfied with the compromise, Bailey withdrew his ordinance.

The full commission will vote on the ordinance on first reading on Monday.

The committee did not address a letter submitted by Dan Chapman, president of the Shelby County Deputy Sheriffs' Association, that asked that the deputies be included in any waiver of residency rules.

Lottery

MEGA MILLIONS: TUESDAY
 2-5-10-26-44 46
JACKPOT: \$19 million
POWERBALL: WEDNESDAY
 5-27-36-38-41 12
JACKPOT: \$208 million
TENNESSEE CASH: MONDAY
 20-22-23-27-33 2
CASH 3: TENNESSEE
 Midday 2-3-1

Evening 1-7-8
CASH 4: TENNESSEE
 Midday 8-9-5-1
 Evening 5-1-3-8
CASH 3: ARKANSAS
 Midday 7-4-0
 Evening 0-5-3
CASH 4: ARKANSAS
 Midday 6-2-3-5
 Evening 8-0-2-2

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 CROSSWORD **2M**
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CORRECTIONS

The name of attorney Kemper Durand's wife, Lillian Durand, was omitted from a story Tuesday about Mr. Durand, who died Saturday.

The Commercial Appeal tries to correct factual errors or clarify misleading information. We regret any errors. To report an error or need for clarification, call 901-529-2490.

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Wednesday, February 6, 2013

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■ **Chipper** Kellogg earnings beat expectations thanks in part to the strong performance of its Tennessee-made Pringles snack food brand. The breakfast food maker bought Pringles in early 2012. **2C**



S&P accused of inflated ratings

■ Justice says agency misled investors, gave higher marks to secure business

By Christina Rexrode and Daniel Wagner
Associated Press

WASHINGTON—The U.S. government says Standard & Poor's knowingly inflated its ratings on risky mortgage investments that played a key role in triggering the 2008 financial crisis.

In charges filed late Monday in Los Angeles federal court, the Justice Department said the credit rating agency gave high marks to mortgage-backed securities because it wanted to earn more business from the banks that is-

sued the investments.

The case is the government's first major action against one of the credit rating agencies that stamped their approval on Wall Street's mortgage bundles. It marks a milestone for the Justice Department, which has been criticized for failing to make bigger cases against the companies involved in the crisis.

"Put simply, this alleged conduct is egregious — and it goes to the very heart of the recent financial crisis," Atty. Gen. Eric Holder told a news conference Tuesday. He called the case "an



Credit rating agency Standard & Poor's could be liable for more than \$5 billion in civil penalties.

ASSOCIATED PRESS FILES

important step forward in our ongoing efforts to investigate and punish the conduct that is believed to have contributed to the worst economic crisis in recent history."

At the news conference, acting Associate Atty. Gen. Tony West

said, "we think that at the very least," S&P is liable for more than \$5 billion in civil penalties.

Joining the Justice Department in the announcement were attorneys general from California,

See S&P, 4C

COFFEE BREAK Housing prices retreat in Memphis

The Commercial Appeal

Home prices are rising nationally, but dropping in the Memphis area.

The latest CoreLogic HPI report, released Tuesday, finds U.S. home prices, including distressed sales, rose on average 8.3 percent in December 2012 compared to December 2011.

The biggest year-over-year increase in 6½ years can be attributed to a low supply of available homes and rising demand.

Home prices also rose month-over-month nationwide: up an average of 0.4 percent in December 2012 compared to November 2012, CoreLogic said.

In the Memphis market, though, year-over-year prices, including distressed sales, were down 0.2 percent. And month-over-month prices fell by 0.7 percent, the property information, analytics and services provider reported.

Distressed sales include short sales and real estate-owned (REO) transactions.

Of the top 100 housing markets, only 16, including Memphis, saw home prices slide in December.

Most economists expect prices across the U.S. to keep rising this year. Sales of previously occupied homes reached their highest level in five years in 2012 and will likely keep growing. Homebuilders, encouraged by rising interest from customers, broke ground last year on the most new homes and apartments in four years.

Mueller reports higher sales, profit

The return of the nation's housing market is helping the bottom line at Mueller Industries Inc.

The Memphis-based manufacturer reported Tuesday a 26.5 percent jump in fourth-quarter earnings on slightly higher sales.

Net income for the quarter ended Dec. 29 was \$16.4 million, or 58 cents per diluted share, compared with net income of \$12.9 million, or 34 cents, in the year-earlier period.

Net sales were \$504.0 million for the period, up 2.6 percent from year-earlier sales of \$491.4 million.

"Mueller's business is significantly dependent on the housing and commercial construction industry," Mueller CEO Greg Christopher said in a statement. "After more than five years of decline and stagnation, the industry finally appears to be gaining positive momentum."

Mueller is a leading maker of copper tube and fittings, brass rod and forgings and other metal prod-

See COFFEE, 4C

“If you're an entrepreneur in Memphis ... and your startup makes it, you're better equipped for success.”

Kyle Sandler, co-founder of nibletz.com



MIKE BROWN/THE COMMERCIAL APPEAL

Kyle Sandler, co-founder of nibletz.com, planned "Everywhereelse.co - The Startup Conference" Downtown, and the three-day event outgrew expectations.

SNOWBALL Startup conference that started small expects thousands

By James Dowd
dowd@commercialappeal.com
901-529-2737

Sitting behind his desk in the sparsely decorated nibletz.com headquarters in the Emerge-Memphis building on Tuesday, company cofounder Kyle Sandler acknowledged that the last few weeks have been rife with challenges.

But now that his ambitious plan to launch a three-day conference in Memphis devoted to startups is nearing fruition — the event runs from Sunday to Tuesday — Sandler is breathing a little easier.

Not easy, just easier. "Until recently, it seemed like I was busy putting out fires every 90 seconds, but things are settling down a little bit now," Sandler said. "Now it's like every three hours, but the good news is that it's almost here. And people are really excited."

The event that's generating so much buzz, including "must attend" status by the folks at Forbes.com, is the inaugural "Everywhereelse.co — The Startup Conference" that will be held at the Memphis Cook Convention Center. Originally scheduled to play out at The

Peabody, soaring ticket sales forced a rethink and the conference shifted locations in late January.

"When we first thought about doing this, it was going to be in December, we were going to call it 'Pitchmas' and thought we might get around 300 people to attend," Sandler said. "Then interest sort of snowballed and ticket sales took off, and we knew right away that this was going to be bigger than we imagined. We expanded our plans and now here we are."

See STARTUP, 4C

Israeli delegation seeking growth opportunities here

■ Companies could partner with U.S. firms with needs

By Toby Sells
sells@commercialappeal.com
901-529-2742

Israeli trade officials met Tuesday with representatives of Memphis companies to open a dialogue that could lead to more business between the Middle Eastern country and the Mid-

South city.

A trade group led by Eli Groner, Israel's minister for economic affairs to the United States, and Tom Glaser, president of the American-Israeli Chamber of Commerce Southeast region, met with medical device makers, FedEx Corp. and others.

"We're looking to connect companies that are in Israel and have growth needs," said Ernest Strickland, economic development director for the Greater Memphis Chamber, which helped organize the trip.



Eli Groner

phus Chamber at the Memphis Marriott East.

Groner said Israeli companies are indeed looking for expansion investment, but they're also

looking for pathways to growth, such as integration into a company or finding a U.S. partner with exposure to customers.

So cities or states looking to land Israeli companies should, yes, give tax breaks and investment leverage, Groner said, but it's also about "playing up your competitive advantage in a way that makes it compelling to Israelis that there's really a potential for growth opportunities."

In turn, Israeli companies could provide solutions for Memphis companies — in, say,

cybersecurity — with their technological prowess.

"I'd like to bring 15 Israeli companies (to FedEx) that would touch on various hot points that FedEx is really concerned about," Glaser offered as an example.

Israel is already an important trade partner with Tennessee.

The state exported \$53.7 million worth of goods to the country in 2011, up 10 percent from 2010, according to the American-Israel Cooperative Enterprise.

Pringles sales push Kellogg to robust 4Q

Associated Press

NEW YORK — A boost from Pringles and strong international results helped Kellogg's fourth-quarter earnings surpass expectations.

Kellogg's, known for breakfast food such as Froot Loops, Eggo waffles and Pop Tarts, has been seeking to improve its results by investing in its supply chain after several product recalls and by expanding its salty snacks business.

It acquired Pringles from Procter & Gamble in February 2012. The brand, made in Jackson, Tenn., provided a boost in the fourth quarter, with Pringles revenue up 5 percent

in the U.S. and 1 percent in Europe.

For the year, net income rose 11 percent to \$961 million, or \$2.67 per share. That compares with \$866 million, or \$2.38, in the prior year. Revenue rose nearly 8 percent to \$14.2 billion from \$13.2 billion in 2011.

The company, based in Battle Creek, Mich., stood by its outlook for 2013, with sales expected to increase by about 7 percent. Full-year earnings per share are expected to grow between 5 percent and 7 percent.

In addition to its chip plant in Jackson, Kellogg makes cereal in Memphis and Eggo's in Rossville, Tenn.



RICHARD DREW / ASSOCIATED PRESS

Trader Eric Schumacher works on the floor of the New York Stock Exchange on Tuesday, where stocks got back much of Monday's loss. A spike in home prices and strong earnings reports from Kellogg and other U.S. companies drove the rally.

Magazine questions 'turbo' car engines

Associated Press

DETROIT — Consumer Reports is warning car buyers that turbocharged engines may not deliver the speed or fuel economy they expect.

The magazine said Tuesday that its tests showed turbocharged models from Ford, Hyundai and Kia are less efficient than competitors. It also said the turbocharged Chevrolet Cruze got little extra power or fuel economy than a non-turbocharged engine.

The magazine did praise a turbocharged four-cylinder from BMW.

Turbochargers pump extra air into engines so more fuel can be added to boost power. Carmakers charge more for them, promising

extra power.

Consumer Reports said a new Ford Fusion with an optional 1.6-liter EcoBoost engine was slower and got lower fuel economy than a Toyota Camry, Honda Accord or Nissan Altima with regular engines.

Ford said it can't speak for Consumer Reports' tests, but its surveys show EcoBoost customers are satisfied with their fuel economy.

A General Motors spokesman says the Cruze turbocharged engine provides more power and better acceleration when compared with the non-turbocharged engine. She said people who drive with a heavy foot on a turbocharged engine won't see a lot of gas mileage benefits.

Rollercoaster stock market heads higher

Associated Press

NEW YORK — The stock market bounced back Tuesday following a surge in U.S. home prices and signs of recovery in Europe's economy. Strong earnings reports also helped power the gains.

The Dow Jones industrial average ended the day 99.22 points higher at 13,979.30, erasing a large part of its loss from Monday. The index traded above 14,000 during the day before falling back in the last hour.

The Standard & Poor's 500 gained 15.59 points to 1,511.29. The Nasdaq composite was up

40.41 points to 3,171.58.

The rise follows two days of whiplash. On Monday, the Dow dropped 129 points, its worst sell-off of the year so far, as fears about Europe's finances resurfaced.

On Friday, the index gained 149 points, closing above 14,000 for the first time since 2007. The Dow is now 185 points below the record high of 14,164 it reached on Oct. 9, 2007.

After strong gains for stocks this year, investors are wondering whether they should sell now, or wait and see if the rally still has legs, said Brad Reynolds, chief investment officer at LJPR, Inc.

"The market is extremely skittish right now, that's why we're seeing such big moves," said Reynolds.

Stocks have gotten off to a strong start this year. The

Dow advanced 5.8 percent in January, its best start to the year since 1994, according to data compiled to S&P Dow Jones indexes. The S&P 500 rose 5 percent last month.

Lance Roberts, chief economist at StreetTalk Advisors in Houston, Texas, said that's related more to the Federal Reserve's commitment to keep money cheap than to companies' performance.

If earnings are beating estimates, he said, it's largely because expectations were so low.

"If you lower the hurdles enough, companies can get over them," Roberts said.

The fact that individual investors are starting to return to stocks, as they have in recent weeks, is another sign that the market is due for a correction, Roberts and other analysts have said.

Health benefits influence retirement plans

By Sarah Kliff

Washington Post

WASHINGTON — The Employee Benefits Research Institute recently surveyed workers and retirees on how health care benefits factored into the timing of their retirement. The short answer: a lot.

Three-quarters of retirees said they worked longer than they would have otherwise to

maintain access to their health plan. A majority of current workers agreed with a statement that said they "planned to work longer than you would like in order to continue receiving health insurance through your employer."

Study author Paul Fronstin argues that the health care law will change all that by ending denials of coverage for pre-existing conditions and subsidizing health insurance for low- and middle-

income Americans.

"It completely changes the playing field," he said. "You don't need the employer to fill the gap."

Another question in Fronstin's survey found that more than a quarter of Americans say they would consider an earlier retirement date, should they have guaranteed access to health benefits. That number has slowly ticked upward over the past de-

cade, from 15 percent in 2003.

One factor that could temper enthusiasm for early retirement: prices. While retirees will have guaranteed access to health benefits, they may find that buying a benefits package becomes increasingly expensive when an employer isn't kicking in a contribution.

The Affordable Care Act does include some provisions aimed at reining in prices; insurers

cannot charge older Americans more than three times what they charge younger subscribers. For those earning less than 400 percent of the federal poverty level — about \$45,000 for an individual — their premium will be capped as a percentage of their income.

Even in a post-Obamacare world, there will still be trade-offs in leaving the employer-sponsored insurance market.

787 investigation finds evidence of 'thermal runaway' in batteries

Associated Press

TOKYO — An investigation into a lithium-ion battery that overheated on a Boeing 787 flight in Japan last month found evidence of the same type of "thermal runaway" seen in a similar incident in Boston, officials said Tuesday.

The Japan Transportation Safety Board said that CT scans and other analysis found damage to all eight cells in the battery that overheated on the All Nippon Airways 787 on

Jan. 16, which prompted an emergency landing and probes by both U.S. and Japanese aviation safety regulators.

They also found signs of short-circuiting and "thermal runaway," a chemical reaction in which rising temperature causes progressively hotter temperatures. U.S. investigators found similar evidence in the battery that caught fire last month on a Japan Airlines 787 parked in Boston.

Photos distributed by

the Japanese investigators show severe charring of six of the eight cells in the ANA 787's battery and a frayed and broken earthing wire — meant to minimize the risk of electric shock.

All 50 Boeing 787s in operation are grounded as regulators and Boeing investigate the problem. The Japanese probe is focusing on flight data records and on the charger and other electrical systems connected to the damaged battery.

Lithium-ion batteries are more susceptible to catch-

ing fire when they overheat or to short-circuit than other types of batteries. Boeing built in safeguards to gain safety certification for use of the relatively light and powerful batteries to power various electrical systems on the 787, the world's first airliner made mostly from lightweight composite materials.

U.S. regulators with the Federal Aviation Administration confirmed Tuesday they are evaluating a Boeing request to conduct test flights of its 787s.

Ex-TVA official indicted for Iran investments

Associated Press

KNOXVILLE — Prosecutors say a former Tennessee Valley Authority vice president has been indicted on a charge of sending more than half a million dollars to Iran for financial investment purposes, which is barred under U.S. economic sanctions against Iran.

Federal agents arrested 57-year-old Masoud Bajestani as he arrived at the airport in Atlanta on Sunday.

The U.S. Attorney's Office in Knoxville said

on Tuesday that a federal grand jury in December indicted Bajestani for violating the International Emergency Economic Powers Act and making false statements to the TVA.

Bajestani was a vice president at the Watts Bar Unit II nuclear power plant during its construction phase.

The indictment alleges he took \$1.5 million from his deferred compensation account and conspired with others to send \$600,000 to Iran.

Disney shares poised for record even as earnings fall

Associated Press

SAN FRANCISCO — Disney won over more fans on Wall Street with its latest quarterly performance, despite a slight drop in its earnings.

The downturn announced Tuesday was less pronounced than the modest dip analysts expected as Walt Disney Co. digested higher programming costs at its ESPN television network and dealt with a less appealing lineup of home video releases in its movie studio. Higher costs for distributing box-office hits such as "Lincoln" and "Wreck-It-Ralph" also created a drag during the holiday-season quarter.

The Burbank, Calif., company offset some of those problems with an advertising upturn at its ABC network, higher spending at its theme parks and a reversal of an operating loss in its video games division.

It was good enough to set the stage for Disney's stock to hit a new high

in Wednesday's trading. The shares gained \$1.48, or 2.7 percent, to \$55.77 in Tuesday's extended trading after release of the financial results. If the stock reaches that level Wednesday, it will top its previous peak of \$54.87, which the shares hit just last week.

When Disney does well, it tends to lift spirits throughout the stock market. That's because Disney is one of the 30 companies that make up the Dow Jones industrial average and also is part of the Standard & Poor's 500 index that serves as a basis for many investment funds. The Dow and S&P indexes are nearing their all-time highs reached in 2007.

Although he didn't make a concrete forecast, Disney CEO Robert Iger painted a bright picture for analysts during Tuesday conference call.

"We're confident about the year ahead, as well as our ability to create continued long-term growth," Iger said.

First Tennessee expands bond unit in Texas

The Commercial Appeal

FTN Financial Capital Markets on Tuesday announced a Texas expansion.

FTN, the 500-employee investment arm of Memphis-based First Tennessee Bank, said its public finance department has added Rogelio Rodriguez in San Antonio and Don Henderson in Austin to handle negotiated municipal bond transactions.

FTN said its dedicated municipal sales group, formed in 2012 to complement its long-established municipal bond trading and underwriting departments, participated in four deals last month, including the solely underwritten \$88 million refunding issue for La Joya Independent School District, near McAllen, Texas.



Jason Lee / MBA Class of 2013 CFO, Orion Federal Credit Union

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STORY STOCKS

Stocks rebounded Tuesday and the Dow Jones industrial average once again inched closer to its record high. Technology stocks had some of the day's biggest gains following the announcement of a \$24.4 billion deal to take personal-computer maker Dell private.

Macy's M
Close: **\$39.85▲1.13 or 2.9%**
A Citi analyst upgraded shares of the retailer to a "Buy" rating saying that its home goods sales may rise as the economy improves.

Vol.: **7.0m (1.3x avg.)** PE: **12.5**
Mkt. Cap: **\$15.75 b** Yield: **2.0%**

Yum Brands YUM
Close: **\$62.08▼-1.86 or -2.9%**
The owner of KFC warned that its 2013 profit will fall as it continues to reel from a controversy over its chicken suppliers in China.

Vol.: **29.1m (5.6x avg.)** PE: **18.3**
Mkt. Cap: **\$28.05 b** Yield: **2.0%**

Arch Coal ACI
Close: **\$6.04▼-0.89 or -12.8%**
The St. Louis-based coal producer reported a larger-than-expected fourth-quarter loss as it dealt with a large impairment charge.

Vol.: **36.0m (3.2x avg.)** PE: ...
Mkt. Cap: **\$1.28 b** Yield: **2.0%**

Revlon REV
Close: **\$18.31▲2.81 or 18.1%**
Thanks to stronger sales of its makeup and hair color, the cosmetics company's fourth-quarter net income rose 28 percent.

Vol.: **494.2k (7.8x avg.)** PE: **23.8**
Mkt. Cap: **\$901.44 m** Yield: ...

Baidu BIDU
Close: **\$96.37▼-10.83 or -10.1%**
The Chinese Internet search company released fourth-quarter earnings that prompted at least two analysts to downgrade its shares.

Vol.: **17.6m (3.5x avg.)** PE: **97.4**
Mkt. Cap: **\$33.69 b** Yield: ...

Denny's DENN
Close: **\$5.26▲0.28 or 5.6%**
A Wedbush analyst started coverage with an "Outperform" rating saying that sales may rise as its food quality improves.

Vol.: **697.2k (1.6x avg.)** PE: **4.8**
Mkt. Cap: **\$493.09 m** Yield: ...

Information compiled by and all graphics produced by Associated Press

MARKET SUMMARY

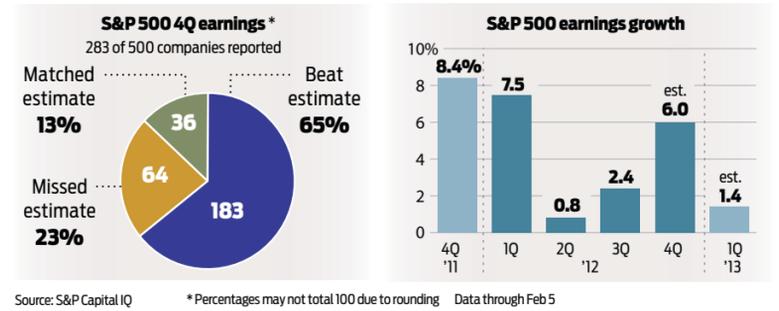
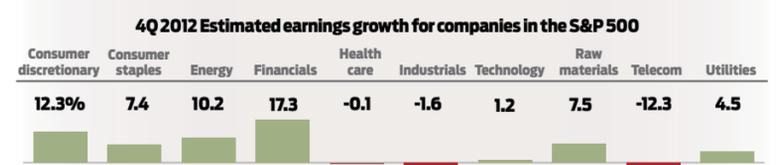


STOCKS RECAP

	HIGH	LOW	CLOSE	CHG.	%CHG.	WKMOQTR	YTD
DOW	14013.60	13880.08	13979.30	+99.22	+0.71%	▲▲▲	+6.68%
DOW Trans.	5895.11	5820.31	5884.39	+64.08	+1.10%	▲▲▲	+10.88%
DOW Util.	474.33	471.36	472.52	+1.16	+0.25%	▼▲▲	+4.29%
NYSE Comp.	8938.57	8883.89	8920.13	+67.31	+0.76%	▼▲▲	+5.64%
NASDAQ	3178.53	3136.83	3171.58	+40.41	+1.29%	▲▲▲	+5.04%
S&P 500	1514.96	1495.71	1511.29	+15.58	+1.04%	▲▲▲	+5.97%
S&P 400	1101.08	1091.27	1099.30	+8.03	+0.74%	▲▲▲	+7.73%
Wilshire 5000	15986.51	15794.41	15953.65	+159.24	+1.01%	▲▲▲	+6.39%
Russell 2000	909.61	902.38	908.22	+8.94	+0.99%	▲▲▲	+6.93%

The stock market has had its best annual start to a new year in decades, but corporate profits continue to show more modest improvement. Fourth-quarter earnings season is roughly half over — 57 percent of the companies in the Standard & Poor's 500 index have reported results. Profit growth is expected to be up 6 percent over the fourth quarter of 2011, according to S&P Capital IQ. Although that's better than the two previous quarters, it's a slowdown from robust growth during most of the quarters since the recession ended. Earnings growth is expected to slow to 1.4 percent in the first quarter. Corporations continue to lower investor expectations. Of the 69 companies that have issued earnings guidance for the first quarter, more than two-thirds have reduced estimates.

Earnings halftime report: Slow and steady



MUTUAL FUND CATEGORIES

SPECIALTY FUNDS	PERCENT RETURN				VALUE	BLEND	GROWTH
	YTD	1YR	3YR	5YR			
Conservative Allocation (CA)	1.857	5.55	8.34	4.61	6.8	LV	4.0
Moderate Allocation (MA)	3.46	9.40	9.95	4.28	15.4	LB	12.5
Health (SH)	8.55	20.36	15.96	9.24	13.4	LG	14.4
Natural Resources (SN)	4.72	-1.86	8.05	-0.16	1.6	MB	6.1
Real Estate (SR)	3.37	11.61	20.83	5.82	8.6	MV	7.6
Technology (ST)	4.96	5.16	12.29	6.58	17.3	MB	12.0
BALANCED					15.8	MG	18.0
Target-Date 2000-2010 (TA)	1.75	6.89	8.31	3.74	6.3	SB	5.8
Target-Date 2011-2015 (TD)	2.12	7.92	9.17	3.69	7.8	SV	7.1
Target-Date 2016-2020 (TE)	2.52	8.68	9.94	3.71	15.3	SG	9.8
INTERNATIONAL					17.8		19.2
Divers. Emerging Mkt. (EM)	1.94	6.31	7.97	0.39	9.3		7.6
Europe Stock (ES)	4.26	13.10	8.50	-1.06			
BOND FUNDS							
Foreign Small/Mid Val (FA)	4.38	12.98	9.31	2.28	-0.41		5.16
Foreign Large Blend (FB)	3.39	11.48	7.89	-0.61	0.45		2.03
Foreign Large Growth (FG)	3.51	10.47	9.72	0.71	0.45		4.23
Foreign Small/Mid Gr. (FR)	3.83	14.61	13.42	3.00	1.01		10.97
Foreign Large Value (FV)	3.52	10.53	6.85	-1.24	0.36		8.72
World Allocation (IH)	2.27	7.06	8.99	3.28	0.68		5.33
World Stock (WS)	4.88	11.54	10.63	2.20	0.20		1.40
Muni National Interm (MI)					6.14		5.56
Muni National Long (ML)					2.03		4.44
Muni Short (MS)					0.20		1.40

INTEREST RATES



The yield on the 10-year Treasury note rose to 2.00 percent Tuesday. Yields affect interest rates on consumer loans.

TREASURIES	YEST	PVS	NET CHG	WK MO QTR	1YR AGO
3-month T-bill	.06	.06	...	▲▼	.07
6-month T-bill	.11	.11	...	▲▼	.09
52-wk T-bill	.14	.13	+0.01	▲▼	.11
2-year T-note	.26	.25	+0.01	▼▲	.23
5-year T-note	.86	.83	+0.03	▼▲	.76
10-year T-note	2.00	1.96	+0.04	▲▲	1.91
30-year T-bond	3.21	3.16	+0.05	▲▲	3.10

PRIME RATE

PRIME RATE	FED FUNDS
YEST	3.25
6 MO AGO	3.25
1 YR AGO	3.25

BONDS

BONDS	YEST	PVS	NET CHG	WK MO QTR	1YR AGO
Barclays LongT-Bdldx	2.812	2.812	+0.05	▲▲▲	2.56
Bond Buyer Muni Idx	4.034	4.02	+0.01	▲▼	4.57
Barclays USAggregate	1.901	1.93	-0.03	▲	2.11
Barclays US High Yield	5.895	5.88	+0.01	▲▲	7.39
Moody's AAA Corp Idx	3.903	3.93	-0.03	▲▲	3.93
Barclays CompT-Bdldx	1.141	1.12	+0.02	▲▲	1.00
Barclays US Corp	2.82	2.85	-0.03	▲▲	3.43

COMMODITIES

FUELS

FUELS	CLOSE	PVS.	%CH.	%YTD
Crude Oil (bbl)	96.64	96.17	+0.49	+5.3
Ethanol (gal)	2.41	2.44	...	+10.0
Heating Oil (gal)	3.19	3.15	+1.18	+4.8
Natural Gas (mm btu)	3.40	3.32	+2.53	+1.4
Unleaded Gas (gal)	3.04	3.01	+0.86	+8.0

METALS

METALS	CLOSE	PVS.	%CH.	%YTD
Gold (oz)	1672.40	1675.30	-0.17	-0.1
Silver (oz)	31.86	31.70	+0.50	+5.6
Platinum (oz)	1707.20	1698.10	+0.54	+11.0
Copper (lb)	3.76	3.76	+0.08	+3.3
Palladium (oz)	765.05	757.40	+1.01	+8.9

AGRICULTURE

AGRICULTURE	CLOSE	PVS.	%CH.	%YTD
Cattle (lb)	1.28	1.27	+0.42	-1.8
Coffee (lb)	1.44	1.44	-0.21	+0.2
Corn (bu)	7.29	7.34	-0.72	+4.4
Cotton (lb)	0.82	0.82	-0.28	+8.5
Hogs, lean (lb)	0.88	0.88	+0.28	+3.0
Lumber (1,000 bd ft)	379.00	369.00	+2.71	+1.4
Orange Juice (lb)	1.22	1.20	+1.20	+5.0
Soybeans (bu)	14.96	14.89	+0.45	+5.4
Wheat (bu)	7.58	7.63	-0.72	-2.6

COTTON

50,000 lbs.- cents per lb.

YESTERDAY: Sales: 41,488 Open Interest: 212,402, ▲ +2088.00

MONTH	OPEN	HIGH	LOW	SETTLE	CHG
Mar 13	81.70	81.88	80.79	81.51	-23
May 13	82.51	82.72	81.73	82.46	-11
Jul 13	83.19	83.45	82.50	83.24	-13
Sep 13				81.91	+42
Oct 13	82.32	82.70	82.32	82.70	+82
Dec 13	81.35	82.00	81.20	81.91	+42
Mar 14	82.39	82.91	82.25	82.91	+42
May 14				83.35	+55
Jul 14				83.62	+41
Oct 14				82.75	-04

FOREIGN EXCHANGE

MAJORS	CLOSE	CHG.	%CHG.	6MO. AGO	1YR. AGO
USD per British Pound	1.5663	-0.0103	-0.66%	1.5645	1.5824
Canadian Dollar	.9960	-0.0021	-0.21%	.9996	.9932
USD per Euro	1.3584	+0.0064	+0.47%	1.2377	1.3153
Japanese Yen	93.36	+98	+1.05%	78.59	76.55
Mexican Peso	12.6220	-0.0612	-4.8%	13.1447	12.6766

COMMERCIAL APPEAL'S MOST WATCHED

NAME	TICKER	CLOSE	CHG	%CHG	WK MO QTR	%CHG(1000S)	P/E	DIV
Allstate	ALL	44.31	+38	+0.9	▼▲▲	+10.3	1885	8
BkofAm	BAC	11.88	+40	+3.5	▲▲▲	+2.31	181226	46
Cisco	CSCO	21.08	+26	+1.2	▲▲▲	+7.3	24192	14
Citigroup	CM	42.92	+71	+1.7	▼▲▲	+8.5	23628	13
Comcast	CMCSA	39.24	+105	+2.7	▲▲▲	+5.0	16228	21
ExxonMbl	XOM	89.74	+59	+0.7	▼▲▲	+3.7	11329	11
GenElec	GE	22.54	+23	+1.0	▼▲▲	+7.4	30462	16
HomeDp	HD	66.39	+03	...	▼▲▲	+7.3	6972	24
Intel	INTC	21.18	+25	+1.2	▲▲▲	+2.7	27632	10
JohnJn	JNJ	74.66	+55	+0.7	▲▲▲	+6.5	10005	19
KimClk	KMB	90.24	+94	+1.1	▲▲▲	+6.9	2068	20
Lowe's	LOW	38.33	+39	+1.0	▼▲▲	+7.9	8572	23
Microsoft	MSFT	27.50	+06	+0.2	▼▲▲	+2.9	34697	15
MorgStan	MS	23.40	+52	+2.3	▼▲▲	+22.4	23748	cc
Pfizer	PFE	27.51	+34	+1.3	▼▲▲	+9.7	26979	14
ProctGam	PG	75.70	+45	+0.6	▼▲▲	+11.5	14623	19
Starbucks	SBUX	56.20	+32	+0.6	▼▲▲	+4.8	3715	30
WalMart	WMT	70.77	+114	+1.6	▲▲▲	+3.7	10439	15
Walgrn	WAG	41.33	+132	+3.3	▲▲▲	+11.7	7828	19

For an explanation of footnotes used in the stock table, go to <http://markets.ap.org/footnotes>.

Briefly

Atlanta airport is still world's busiest

ATLANTA — Atlanta's airport, the home of Delta Air Lines, is keeping its title as the world's busiest. Airport officials on Tuesday said passenger traffic increased by more than 3.1 million passengers in 2012 — making 2012 the busiest year ever for Hartsfield-Jackson Atlanta International Airport. Authorities said the 2012 total of 95.5 million passengers is 3.35 percent higher than the previous record of 92.4 million passengers, set in 2011. Air cargo decreased by about 2.5 percent, from 663,162 in 2011 to 646,481 metric tons in 2012. Officials said the decline reflected a global decrease of consumer purchases and reduced manufacturing.

Spill-related costs dampen BP profit

LONDON — Oil and gas giant BP says its profit fell nearly 80 percent in the fourth quarter, dragged down by payouts related to the Gulf of Mexico oil spill. BP said Tuesday that net profit fell to \$1.62 billion in the quarter ending Dec. 31, down from \$7.69 billion in the same period the year before. BP took a loss of \$3.85 billion for its settlement of all federal criminal charges with the U.S. government. Nevertheless, the results topped analysts' predictions, and BP said its downstream activities — refining and sale of petroleum products — earned a record amount for the year.

HCA 4Q profit sinks; tops expectations

NASHVILLE — HCA Holdings Inc.'s fourth-quarter earnings plunged compared to the final quarter of 2011, when the hospital operator booked a big acquisition gain, but results from the most recent quarter beat analyst expectations.

Toyota profit rise boosts forecast

TOKYO — Toyota Motor Corp. raised its fiscal-year profit forecast Tuesday to triple what it eked out for the disaster-struck previous year, as the world's top automaker continued on a comeback as sales surged, especially in the U.S. Toyota's October-December profit jumped 23 percent to \$1.09 billion, compared to the same period the previous year. Quarterly sales edged up 9 percent to \$58 billion.

S&P
from IC

Connecticut, Delaware, the District of Columbia, Illinois, Iowa and Mississippi who have filed or will file separate, similar civil fraud lawsuits against S&P.

Tennessee also announced Tuesday it was taking action against S&P and its parent company, McGraw-Hill Companies. The state's complaint alleges that investors relied on the company to provide "independent and objective" analysis, Tennessee Atty. Gen. Bob Cooper said in a statement. Instead, Cooper said, the company's "ratings of mortgage-backed securities and collateral debt obligations were influenced by the desire to continue earning lucrative fees."

S&P called the lawsuits "meritless" in a lengthy statement.

"Hindsight is no basis to take legal action against the good-faith opinions of professionals," the company said. "Claims that we deliberately kept ratings high when we knew they should be lower are simply not true."

Rating agencies are widely blamed for contributing to the financial crisis that caused the deepest recession since the Great Depression. They gave high ratings to pools of mortgages and other debt assembled by big banks and hedge funds, suggesting there was little risk for investors. That gave even risk-averse investors the confidence to buy them.

Some investors, including pension funds, can buy only investments that carry high ratings. In effect, rating agencies like S&P greased the assembly line that allowed banks to push risky mortgages out



JACQUELYN MARTIN / ASSOCIATED PRESS

"Put simply, this alleged conduct is egregious — and it goes to the very heart of the recent financial crisis," U.S. Atty. Gen. Eric Holder says at a news conference Tuesday. It's the government's first major action against a credit rating firm.

the door.

When the housing market collapsed in 2007, the agencies acknowledged that mortgages issued during the bubble were far less safe than the ratings indicated. They lowered the ratings on nearly \$2 trillion worth, spreading panic that spiraled into a crisis.

The federal complaint includes a trove of embarrassing e-mails and other evidence that S&P analysts saw the market's problems early:

■ In 2007, an analyst who was reviewing mortgage bundles forwarded a video of himself singing and dancing to a song written to the tune of Talking Heads' "Burning Down the House": "Going — all the way down, with/Subprime mortgages." The video shows colleagues laughing at his performance.

■ A PowerPoint presentation that year said being "business friendly" was a core component of S&P's ratings model.

■ In a 2004 document, executives said they would poll investors as part of the process for choosing a rating. One executive replied, asking, "Does this mean we are to review our proposed criteria changes

with investors, issuers and investment bankers? ... (W) e NEVER poll them as to content or acceptability!" The executive's concerns were ignored, the government said.

■ Also that year, an analyst complained that S&P had lost a deal because its criteria for a rating were stricter than Moody's. "We need to address this now in preparation for the future deals," the analyst wrote.

S&P said the e-mails were "cherry-picked," were "taken out of context, are contradicted by other evidence, and do not reflect our culture, integrity or how we do business."

If S&P is eventually found to have committed civil violations, it could face fines and limits on how it does business. The government said in its filing that it's seeking financial penalties.

There are no criminal charges, which would require a higher burden of proof and carry the threat of jail time.

Christina Rexrode reported from New York. AP writer Pete Yost in Washington and AP business writer Bree Fowler in New York contributed to this report.

The office will provide residential appraisals in Fayette, Haywood, Shelby and Tipton counties. Its Nashville branch opened in 2006.

"Having had a branch in Nashville for the past seven years, Memphis is definitely a market that has been on our expansion shortlist for quite some time," said president and CEO John Forsythe. "It's one of the few major metro areas in the middle portion of the country that we did not have a presence in, so we are extremely pleased to finally launch this new branch in Memphis."

The Memphis branch is managed by Chuck Seagle, a certified appraiser with more than two decades of industry experience in many areas of West and Middle Tennessee.

The University of Memphis graduate was a member of the city of Bartlett Planning Commission from 2003 to 2007.

Securities and Exchange Commission shows that total electricity sales increased by a slight 0.2 percent and total operating expenses were 4 percent higher than the same period last year, driven by a 24 percent increase in fuel expense.

The utility, which powers the Memphis market, said those expenses were offset by a decline in purchased power expenses as TVA used more of its own generation sources to meet demand. Also, the utility had a \$111 million increase in expenses from nuclear refueling outages in the first quarter.

Appraisal firm comes to Memphis

Forsythe Appraisals, which provides residential real estate appraisals, has opened in Memphis its second branch office in Tennessee.

STARTUP
from IC

And that means ticket sales exceeding 2,100, a Startup Village of nearly 100 small companies from across the country — the majority of them outside Memphis and several from around the globe — a startup pitch contest and an entrepreneurial all-star lineup of speakers that includes Scott Case, CEO of the Startup America Partnership.

On top of all that, more than 100 local and national investors will be on hand to check out the startups at the conference and one company will win a cash prize of \$25,000 for participating in a pitch contest.

The event will run from 10 a.m. to 4 p.m. on Sunday and 9 to 5:30 p.m. on Monday and Tuesday. A variety of daytime sessions have been scheduled, and there will be evening events offered to ticket holders such as a Grizzlies game and a night of socializing and networking on Beale Street.

And while the startup community here and throughout the world has traditionally been mostly a boys' club, the number of female entrepreneurs continues to grow and one of the conference's panel discussions will be devoted to women-led startups.

"We're proud that some of our female entrepreneurs will be part of Startup Village and that we're helping bring attention to the reality that Memphis is a great place to start a company if you're a woman," said Elizabeth Lemmonds, chief brand officer for LaunchYourCity. "It's wonderful that so many entrepreneurs and investors will be seeing Memphis in this context. We're making a deliberate effort to fuel women's innovation and female entrepreneurship here."

Selecting Memphis as the home base for his online media company that covers news of startups outside Silicon Valley has been a tremendous success, Sandler said. Because of the challenges facing so many entrepreneurs here, he believes that companies

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What: Conference for entrepreneurs, investors and startup supporters, including pitch contests, educational forums and keynote address by Scott Case, CEO of Startup America and founding chief technology officer of Priceline
Where: Memphis Cook Convention Center, 255 N. Main
When: Feb. 10-12
Cost: \$59 for three-day pass to all events
Details: everywhereelse.co

that succeed stand a solid chance of survival.

"Memphis isn't like Silicon Valley or New York where some investor is going to plunk down \$30 million for some tech startup," Sandler said. "If you're an entrepreneur in Memphis, and this is true for a lot of other cities across America, and your startup makes it, you're better equipped for success. You've earned every bit of it because you've faced and overcome challenges that aren't quite the same in some of the larger entrepreneurial ecosystems."

It's that kind of enthusiasm for and his passionate belief in Memphis that made persuading Sandler to move his company here so vital, said LaunchYourCity co-president Eric Mathews. Attracting a young creative with a social media megaphone could only prove beneficial for local entrepreneurship.

"Several years ago we didn't have all this in place, but now there is so much entrepreneurial innovation going on in Memphis and it's wonderful to see the rest of the world starting to take notice," Mathews said.

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And now after years of continued research all across the globe, over 1000 new vinegar super-remedies and tonics are available in the brand new 208-page *Vinegar Anniversary Book* by famed natural health author, Emily Thacker.

Author of the very first book of its kind since the 1950's, Ms. Thacker brings her unique wisdom, experience and down-home flavor to this complete collection.

From the Bible to Cleopatra to the fierce Samurai warriors of Japan, vinegar has been documented as a powerful tonic to ensure strength, power and long life.

In China, the health system that has been in place for thousands of years recognizes the value of vinegar. Traditional Chinese Medicine (TCM) oversees the health of millions of Chinese — not with modern drugs — but with proven remedies that include vinegar.

Today's research studies and scientific reports continue to praise the healing powers of vinegar to maintain good health and well being.

Even grandma knew that her old remedies worked even if she wasn't able to explain why. And scientific research confirms this.

For instance, grandma said putting diluted vinegar in the ears would ward off infections. The American Academy of Otolaryngology's doctors — who specialize in treating infections like swimmer's ear — now recommend using a vinegar mixture as a preventative.

The Yale-New Haven hospital uses vinegar as a hospital disinfectant. When after-surgery eye infections became a problem, their Department of Bacteriology solved it with vinegar.

Food poisoning? Some doctors suggest that regular vinegar use can prevent it!

The 208-page *Vinegar Anniversary Book* will amaze you with its over 1000 natural remedies, secrets, tonics and cure-alls for a healthier, happier life. You'll get easy recipes that mix vinegar with other common household items to help:

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- Arthritis pain
- Make hiccups disappear
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- Boost memory
- Reduce sore throat pain
- Relieve itchy skin
- Lower blood pressure & cholesterol
- Eliminate bladder infections
- Chase away a cold
- Treat burns
- Reduce infection
- Aid digestion
- Improve memory
- Soothe sore feet
- Treat blemishes & age spots
- Remove corns & calluses
- Replace many household cleaners

And that's just the beginning of the over 1000 new and improved hints and tips that you'll get.

50 years ago a daily dose of an apple cider vinegar and honey tonic was used to ease arthritis. During the last 30 years or so, many wonder drugs have replaced this time-tested home remedy. Now vinegar, along with countless other old-time tonics, have new supporters including many medical professionals. *The reason?* Almost everybody has experienced the negative side of some of the powerful new drugs.

Strep and Staph infections? Vinegar is a powerful antiseptic and kills even these dangerous bacteria on contact.

Headaches will fade away with this simple vinegar concoction.

Feel good and look good with these hair and skin-friendly vinegar remedies.

You'll learn when you should *and should not* use vinegar.

Can apple cider vinegar really do all this? The answer is yes because it is such a marvelous combination of tart good taste, germ-killing acid and an assortment of

important vitamins and nutrients.

Join readers like L.S. of Monroe, N.C. who says "*Thanks, this book is wonderful. A real life saver for me!*"

Find different ways to combine vinegar with common foods like lemon juice, blueberries, onion, strawberries, garlic, honey, ginger and more to create recipes to help improve health and quality of life.

All new ideas to put vinegar to work around the home to clean, disinfect and eliminate mold and mildew. Great for those with allergies or asthma!

Save money as you put Emily's latest discoveries to the test!

There's even 365 additional tidbits to take you through the year beginning with January's winter snows through the dog-days of summer and into the golden leaves of autumn.

Yes that's over 1000 tried-and-true remedies and recipes in this handsome collector's edition and it's yours to enjoy for 90-risk free days. That's right, you can read and benefit from all 208-pages without obligation to keep it.

To get your copy of the *Vinegar Anniversary Book* direct from the publisher at the special introductory price of \$19.95 plus 3.98 shipping and handling (total of \$23.93, OH residents please add 6.25% sales tax) simply do this:

Write "Vinegar Anniversary" on a piece of paper and mail it along with your check or money order payable to: James Direct Inc., Dept. VA2072, 500 S. Prospect Ave., Box 980, Hartsville, Ohio 44632.

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COFFEE
from IC

ucts. For the full year, net income was \$82.4 million, or \$2.31 per diluted share, on net sales of \$2.19 billion. That was down from \$86.3 million, or \$2.26, on sales of \$2.42 billion in fiscal year 2011. The drop in sales largely reflected the lower price of copper, a key raw material used by Mueller.

TVA reports loss amid flat sales

The Tennessee Valley Authority reported a net loss of \$245 million on operating revenues of \$2.58 billion in the first quarter of fiscal year 2013 as electricity sales were flat and fuel expenses increased.

TVA said in a news release Tuesday that their quarterly filing with the

John Beifuss, movie critic for The Commercial Appeal, has been analyzing nominees for best picture, best actor and other top awards categories.

On February 24, he's going to announce his picks to win in 10 of the categories.

If you outguess him, you win a chance to get 20 free Malco movie tickets.

All voting will be online. You can vote at gomemphis.com or Beifuss' blog, thebloodshoteye.com. The deadline to vote is 11:59 p.m. Friday, Feb. 22, 2013.

On Sunday, Feb. 24, look in the M section of the paper or online at gomemphis.com and thebloodshoteye.com and read Beifuss's picks.

That night, watch the presentations and see how you did. If you were right in more categories than our movie critic, you Beat Beifuss.

We'll take the ballots of the Beifuss Beaters and select up to 10 at random who will receive 20 Malco movie tickets.

Winners must make an appointment to pick up tickets within 30 days.

No purchase necessary. Void where prohibited. Begins 12:01 AM CT 1/18/2013 through 11:59PM CT 2/22/2013. Winners determined 2/25/13. To enter, for Official Rules and details, go to www.gomemphis.com/beatbeifuss. Must be 18 years of age or older, a legal US resident residing in the Commercial Appeal distribution area which includes only: county in the state of AR: Crittenden; counties in the state of MS: Desoto, Marshall, Tate, Tunica; counties in the state of TN: Fayette, Shelby, Tipton, and are not a Sponsor employee, families or household members. Odds of winning depend on number of entries received, the entrant's selections and the outcome of the award winners. Once notified, winner has 3 business days to respond. Ten (10) First Prizes — each winner will receive twenty (20) Malco Theatres VIP movie passes, each valid for one admission to a movie at participating Malco Theatres (ARV: \$160/winner). Sponsor: Memphis Publishing Company, 495 Union Avenue, Memphis, TN 38103.

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Confederate Park, named to honor Civil War veterans such as Capt. J. Harvey Mathes, a journalist, has been renamed Memphis Park.

City Council renames Forrest, Confederate and Jefferson Davis parks

By Jody Callahan
callahan@commercialappeal.com
901-529-6531

Fearful that legislators in Nashville might intervene in the controversy surrounding Memphis park names, the City Council hurriedly voted Tuesday night to rename three Confederate-themed parks in the Downtown area.

By a 9-0 vote with three abstentions, the council approved changing Forrest Park's name to "Health Sciences Park," because of its proximity to the University of Tennessee Health Science Center. Confederate Park will become "Memphis Park," and Jefferson Davis Park will be "Mississippi River Park."

Council members Jim Strickland,



MIKE BROWN/THE COMMERCIAL APPEAL

City Council members William Boyd and Wanda Halbert are two of the nine who voted in favor of changing the park names.

Kemp Conrad and Bill Morrison abstained from voting while Reid Hedgepeth did not attend the meeting.

The council also approved creating a committee to further study the naming issue. That committee will include two council members, two university professors, a representative from the NAACP, a

member of the Shelby County Historical Commission and the city parks director.

All three parks have stirred repeated controversy because of their Confederate themes, particularly the one at Union and Manassas that contains the grave of Nathan Bedford Forrest. In addition to being a Confederate cavalry leader, Forrest was a slave trader before the Civil War and the first grand wizard of the Ku Klux Klan after it.

"The parks are changed. It's done," said Councilman Lee Harris, who initially proposed renaming the parks after nearby streets. "We removed controversial names and named them something that is less controversial."

The decision angered some who came to the meeting.

"I'm very upset," said Katherine Blalock. "They're trying to get rid of history. They're trying to rewrite it."

See PARKS, 2A

Suburbs take school concerns to legislators

Officials test options, support

By Clay Bailey
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and Richard Locker
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615-255-4923

NASHVILLE – Officials representing all six of Shelby County's suburbs huddled behind closed doors with state officials Tuesday to discuss their options through the Tennessee legislature for creating their own school systems.

The mayors and other officials from Arlington, Bartlett, Collierville, Germantown and Millington and the city manager of Lakeland met in state House Speaker Beth Harwell's conference room with all of Shelby County's suburban legislators, the legislature's chief staff attorney and the lead staff attorney on education. Lawmakers declined a reporter's request to sit in

See SUBURBS, 2A

Boomers are 'not as healthy as we think'

Sicker than previous generation, study finds

By Nicole Ostrow
Bloomberg News

Baby boomers have more chronic illness and disability than their parents, as their sedentary habits and expanding girth offset the modern medicine that enables them to live longer, a study said.

Baby boomers, the 78 million Americans born from 1946 through 1964, engage in less physical activity, are more overweight and have higher rates of hypertension and high cholesterol, according to a study released Monday in JAMA Internal Medicine.

The study, among the first to compare the generations, shows that baby boomers aren't as healthy and active as most would believe, said Dr. Dana King, the lead author. They become

See BOOMERS, 2A

Computer maker Dell will go private in \$24.4B buyout

By Aaron Ricadela
Bloomberg News



CEO Michael Dell will take back majority control of the company he started almost three decades ago.

Dell is taking back majority control of the company he started almost three decades ago.

The stock has lost more than half its value since January 2007, when Dell resumed his role as CEO, amid investor dismay with management's failure to cope with upstart competitors in mobile and cloud computing.

By going private, Dell gains more leeway to cut jobs and change strategy without having to answer to public shareholders.

"They obviously see the writing on the wall," said Daniel Morgan, a senior portfolio manager at Synovus Trust Co. in Atlanta. "They understand what the challenges are and realize they need to refo-

resh what they are doing."

It's unclear how the buyout will affect shareholders like Memphis-based Southeastern Asset Management Inc., which said in a recent regulatory filing that it estimated Dell shares to be worth in the "low \$20s."

Southeastern started buying Dell in the third quarter of 2005, and had

a 7.5 percent stake in the computer maker, or about 130 million shares, as of Sept. 30. That made it Dell's second-largest shareholder, according to data reported to the U.S. Securities and Exchange Commission.

Founded in Memphis in 1975, Southeastern man-

See DELL, 2A

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DRONE PROGRAM

Democrats in Congress are looking to limit America's authority to kill suspected terrorists, even U.S. citizens.

NATION, 3A

MILITARY MOVES

Pentagon considers extending certain benefits to same-sex partners of gay military service members.

NATION, 3A

FIRST CLASS

University of Memphis football coach Justin Fuente says he likes how his second-year program is evolving.

SPORTS, 1D



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BUSINESS, 1C

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BOOMERS
from 1A

sicker earlier in life than the previous generation, are more limited in what they can do at work and are more likely to need a cane or walker, the research found.

“The results of this study say you become sicker sooner and you are burdened with chronic disease and are taking medications yet you live longer,” King, a professor of family medicine at West Virginia University School

of Medicine in Morgan-town, said. “We are not as healthy as we think. There needs to be a new emphasis and continued attention to programs to improve healthy lifestyles in this age group.”

Researchers in the study analyzed data from the U.S. National Health and Nutrition Examination Surveys from 2007 to 2010, looking at baby boomers, and from 1988 to 1994, evaluating the previous generation. They focused on people ages 46 to 64 years during the survey periods. The researchers

compared the two groups’ lifestyle, health status, presence of chronic disease and disability.

Almost 40 percent of the boomers are obese, compared with 29 percent a generation ago. Fifty-two percent said they got no regular physical activity versus 17 percent of their parents, the study found.

The results are a “wake-up call,” said Susan Reinhard with AARP’s Public Policy Institute in Washington. “We have to cherish the longevity we’ve been given as a gift,” she said. “We have to fight to

live well, not just live long. We’d like to believe that 60 is the new 40, but you can’t be that 40-something if you are just sitting on the couch.”

The mortality rate of those age 59 in 2005, the leading edge of the baby boom, was 14 percent lower than 59-year-olds in 1997, according to a previous study.

While fewer baby boomers were smoking or had emphysema than their parents’ generation, more had high blood pressure and high cholesterol and were taking medicines to

treat those conditions, according to the study. Reinhard said the cholesterol finding may be skewed because doctors didn’t routinely test for cholesterol 20 years ago.

King said more studies are needed to find how to improve boomers’ health. Previous generations grew up with fewer electronics and labor-saving devices, and walked or rode bikes more regularly.

“Do we need more availability of fitness classes at work, do we need more bicycle lanes in more cities,” he said.

PARKS
from 1A

Added Becky Muska: “We continue to fight, whatever it takes. If it takes taking it into court, that’s a decision the historical groups will make at the appropriate time.”

The park names have stirred controversy for years, but the commotion erupted anew in early January after the city removed a marker at Forrest Park. The Sons of Confederate Veterans had paid for and installed the half-ton granite marker at a cost of about \$10,400.

Still, it’s likely the council wouldn’t have acted so fast Tuesday if two Nashville legislators hadn’t hurriedly introduced a bill that, if passed, would have removed the city’s ability to rename such parks. In fact, the council originally considered passing an ordinance that would have required three readings, but switched to a resolution on the issue because its effect is immediate.

The council also voted to approve its minutes Tuesday, which will prevent the measure from being reconsidered at the next meeting.

The “Tennessee Heritage Protection Act of 2013,” sponsored by Rep. Steve McDaniel (R-Lexington) and Sen. Bill Keatron (R-Murfreesboro), passed its first reading Monday. If approved, the measure would prevent cities from altering any “statue, monument, memorial, nameplate or plaque” erected for a number of military events, including the “War Between the States,” in the bill’s language.

“I’m not going to accuse them of being ... meddlers, but you get the picture,” Councilman Harold Collins said. “There is no reason for these people in Nashville and East Tennessee to be in our business.”

Added Councilwoman Janis Fullilove: “We cannot allow Republicans in Nashville to sit up and dictate to us in the city of Memphis what we should do.”

It’s possible Health Sciences, Memphis and Mississippi River won’t be the final names of the parks, though. Even Harris called the names “bland,” and other council members agreed. Future names would likely come out of the committee that was established Tuesday night.



BRYNJAR GAUTI/ASSOCIATED PRESS

Herring apocalypse in Iceland

Dead herring worth millions float Tuesday in Kolgrafafjordur, a small fjord in west Iceland, for the second time in two months. Between 25,000 and 30,000 tons of herring died in December and more now, due to lack of oxygen in the fjord thought to have been caused by a landfill and bridge constructed across the fjord in December 2004. The current export value of the estimated 10,000 tons of herring amounts to \$9.8 million, according to Morgunbladid newspaper. Scientists say many more dead herring are on the floor of the tainted fjord.

SUBURBS
from 1A

on the meeting.

But when the officials filed out after the hourlong meeting, they confirmed they discussed how to proceed on legislation that would allow the municipalities outside Memphis to operate or control their own schools.

“We had a good meeting. We just wanted to be sure that options for good-quality education existed for our cities where we can have some local control, and I think we’re headed in the right direction towards that,” said Bartlett Mayor Keith McDonald. “What exactly that will look like will just be a matter for debate during the (legislative) session, but I think they clearly understand our desire to have some kind of local control.”

“Whether it’s charter schools or municipal schools, either one of those require tweaking (existing state law) because of the roadblocks that we’ve faced in Shelby County to date — people not wanting us to have local control,” McDonald said the legislative staff

attorneys attended “to keep us from going down a path that we would be less likely to be able to support in a lawsuit.”

Both Senate Republican Leader Mark Norris, R-Collierville, and Rep. Curry Todd, R-Collierville, attended. They sponsored the original 2011 legislation that opened the door to new municipal school districts in Shelby County following unification of the Memphis City and Shelby County Schools.

Todd said after the meeting that new legislation could include altering the 2011 legislation to allow the creation of new municipal school districts statewide.

That approach drew the opposition of school districts and legislators from outside of Shelby County, but its chances may be improved now.

The new chairman of the House Education Committee, Rep. Harry Brooks, R-Knoxville, also attended the meeting.

“We’re looking at all the different options on the table for us now,” Todd said. “Our folks voted to form the school systems. They voted to elect folks down there, and they stepped up

to the plate and said this is what they wanted to do with regards to that. I think all things are on the table right now that we’re looking at. We’ve got to represent our constituent base, and that’s what we’re looking to do, whatever it takes.”

“This is an economic and community development issue also for the county. Folks will leave the county over this, and we’ll be really hurting then.”

Rep. Ron Lollar, R-Bartlett, said flatly that, “It looks like we’re going to be filing a couple of bills.”

Earlier in the day, Shelby County Commissioner Chris Thomas, debating the emerging high cost of the merged Memphis and Shelby County school system, tweeted: “We will get legislation to get our own schools.”

Tuesday’s events were part of the ongoing battle over the future of schools in Shelby County. Suburban cities have longed for municipal schools, and many over the past week — from government leaders to parents to educators — have expressed concerns about initial budget numbers for the unified school system.

Hewlett-Packard and Lenovo Group in the PC market, saw its stock plummet 31 percent last year as it struggled to adapt to the industrywide shift to smartphones, tablet computers and cloud computing services.

Consumers and companies are shunning PCs in favor of mobile devices made by Apple and Samsung, and Dell lags behind Oracle, Cisco Systems and IBM in data-center hardware, software and services.

Dell has seen its fortunes rise and fall since it held an initial public offering in 1988. Michael Dell,

who founded the company with \$1,000 in 1984 in his University of Texas dorm room, was viewed as an industry wunderkind, demonstrating that he could sell complex products more efficiently and conveniently than was thought possible.

By cutting out middlemen and honing manufacturing so companies and consumers got exactly the PC configuration they wanted, Dell grabbed share and piled up profit even with lower operating margins than rivals like IBM and Compaq, fueling an almost two-decade boom. Eight years after

They believe the cuts and possible personnel impacts will negatively affect those schools outside of Memphis.

School board member David Reaves, on a blog he has begun posting, said he was impressed with the turnout of his constituents and their positions at a Monday night meeting on the budget. “It has not been often in the past that we have had to fight so hard to protect a system that we love so dearly,” Reaves wrote.

The suburbs already have suffered a defeat in trying the legislative route. Legislation passed last year that allowed the suburbs to pursue municipal schools was ruled unconstitutional in late November by U.S. Dist. Judge Samuel “Hardy” Mays. Two other arguments against the suburban municipal schools remain in limbo, awaiting a ruling from Mays.

“I want all options open,” Bartlett’s McDonald said of discussions. “We’ve been through this. We know doors shut and windows open. I want to be ready no matter what they have going on regarding any legislation.”

the IPO, Dell’s stake was worth more than \$1 billion.

Dell ceded the CEO role to chief operating officer Kevin Rollins in 2004, only to come back to the helm in 2007 after the company lost its top PC spot to Hewlett-Packard and earnings fell short of estimates. The company was also beset at the time by an accounting scandal that later resulted in a \$100 million settlement with the U.S. Securities and Exchange Commission.

Since his return, Dell has talked publicly about “pruning” his PC business while using the cash it generates to snap up

companies in computer networking, storage, and enterprise software. Global PC sales fell 3.5 percent last year to 352.7 million units, market researcher Gartner Inc. said. Dell’s market share fell 12.3 percent to 10.7 percent.

Dell’s transaction, if completed, would be the biggest leveraged buyout since Blackstone Group LP’s \$26.2 billion acquisition of Hilton Worldwide Inc., which was announced in July 2007.

That deal was struck just as credit markets were seizing up amid a surge in subprime mortgage defaults.

Lottery

MEGA MILLIONS: TUESDAY

2-5-10-26-44 46

JACKPOT: \$19 million

POWERBALL: SATURDAY

11-16-33-40-41 34

JACKPOT: \$208 million

TENNESSEE CASH: MONDAY

20-22-23-27-33 2

CASH 3: TENNESSEE

Midday 1-0-4

Evening 4-7-2

CASH 4: TENNESSEE

Midday 6-8-8-4

Evening 9-4-9-9

CASH 3: ARKANSAS

Midday 5-4-8

Evening 6-0-2

CASH 4: ARKANSAS

Midday 6-5-1-8

Evening 1-7-5-6

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ANNIE’S MAILBOX **2M**

BILLY GRAHAM **4M**

BRIDGE **2M**

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COMICS **6M**

CROSSWORD **2M**

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CORRECTIONS

The Commercial Appeal tries to correct factual errors or clarify misleading information. We regret any errors. To report an error or need for clarification, call 901-529-2490.

Business

Tuesday, February 5, 2013

★★

**Money
& Markets**
Roundup, 3C

▼
DOW JONES
13,880.08
-129.71

▼
NASDAQ
3,131.17
-47.93

▼
S&P 500
1,495.71
-17.46

▲
6-MO T-BILLS
.11%
+0.1

▼
30-YR T-BONDS
3.16%
-0.06

▼
CRUDE OIL
\$96.17
-1.60

▲
GOLD
\$1,675.30
+5.90

▼
EURO
1.3520
-0.0142

■ **Happy fish:** McDonald's is adding its first new entree to its kid-focused Happy Meals. Fish McBites will be offered at its U.S. restaurants through March, to coincide with Lent. **2C**



New calls to curb U.S. banks

■ Institutions growing larger despite law ending 'too big to fail'

By Craig Torres and Cheyenne Hopkins
Bloomberg News

WASHINGTON — Top U.S. bank regulators and lawmakers are pushing for tougher laws to regulate the size of banks to ensure that taxpayers won't be forced again to rescue a major financial institution.

Officials leading the effort, including Federal Reserve governor Daniel Tarullo, Dallas Fed president Richard Fisher and Sen. Sherrod Brown, share the view that the 2010 Dodd-Frank Act failed to curb the growth of large banks

after promising in its preamble to "end too big to fail."

Strategies under consideration include new laws and regulations to cap the size of big banks and discourage mergers.

The push for revisiting the law or writing new rules "is absolutely driven by a sense that Dodd-Frank did not end 'too big to fail,'" said Mark Calabria, director of financial-regulation studies at the Cato Institute in Washington and a former congressional aide.

Three of the four largest U.S. banks — JPMorgan

Chase, Bank of America and Wells Fargo — are bigger today than they were in 2007, heightening the risk of economic damage if one gets into trouble. JPMorgan's 2012 trading loss of more than \$6.2 billion from a bet on credit derivatives raised questions anew about whether the largest institutions have grown too complex for oversight.

That loss is among events that "have proven 'too big to fail' banks are also too big to manage and too big to regulate," said Brown, an Ohio Democrat. "The question is no longer about whether these megabanks should be restructured, but how we should do it."

Brown and fellow Sen-

ate Banking Committee member David Vitter, a Louisiana Republican, are considering legislation that would impose capital levels on the largest banks higher than those agreed to by the Basel Committee on Banking Supervision and the Financial Stability Board, which set global standards. Brown also plans to reintroduce a bill he failed to get included in Dodd-Frank or passed in the previous Congress that would cap bank size and limit nondeposit liabilities.

The two senators have asked the Government Accountability Office to look into the economic benefits, including lower borrowing costs, that banks with more than \$500 billion in assets receive as a result

of federal deposit insurance, access to the Fed's discount window and investor perceptions that they'll be rescued in times of trouble.

Momentum for revisiting Dodd-Frank, whose Democratic authors, Sen. Christopher Dodd and Rep. Barney Frank, are no longer in Congress, is driven by both parties. Still, lawmakers are nowhere near consensus on what approach to take — whether raising capital standards, limiting the size of institutions or curbing subsidies.

The push by regulators may encourage Congress to take another look at the law, said Camden Fine,

See **BANKS, 4C**

COFFEE BREAK Pinnacle leader Spanjers to retire

Pinnacle Airlines said Monday that president and CEO John Spanjers will retire and be succeeded by former Comair president Ryan Gumm upon the company's emergence from bankruptcy.

The company named Gumm senior vice president and chief operating officer, effective Tuesday.

Gumm was previously executive vice president and chief operating officer of Delta Private Jets. Before that, he was at Comair, a Delta-owned regional that closed last year.

Spanjers succeeded Sean Menke as CEO in April 2012. Menke followed Donald Breeding, who served as interim CEO after Phil Trenary, who grew the airline and moved it to One Commerce Square, resigned in March 2011.

Memphis-based Pinnacle announced late last month that it is moving its headquarters to Minneapolis in May. Its local flight crew base will close on April 1.

16 area groups to get arts grants

First Tennessee Foundation said grants totaling \$391,000 will go to 16 Memphis and Shelby County arts groups.

The foundation, an arm of Memphis-based First Tennessee Bank, announced Monday the Arts-First awards, saying Arts-Memphis helped select the recipients.

They are: Ballet Memphis, Blues Foundation, Brooks Museum, Creative Aging, Dixon Gallery and Gardens, Hattilo Theatre, Levitt Shell, Memphis College of Art, Memphis Symphony Orchestra, Metal Museum, New Ballet Ensemble, the Orpheum, Playhouse on the Square, Stax Music Academy, Theatre Memphis and Tennessee Shakespeare Company.

Barr Brands signs Lenox Park lease

Barr Brands International Inc., which sells specialty cleaning products, has signed a new lease for 15,000 square feet of office space at 6750 Lenox Park Court.

"Some of the existing tenants were kind enough to share with us their thoughts on the property and its management," Barr Brands CEO Richard Loomis said in a statement. "We were impressed with their testimonials and

See **COFFEE, 2C**



Stock traders work at the New York Stock Exchange on Monday, where the Dow Jones industrial average dropped as much as 143 points in afternoon trading. After the euphoria of soaring stocks Friday, stocks spiraled down on Monday. The Dow closed down 129.71, or 0.9 percent, at 13,880.08.

Dow Down

■ After crossing milestone, stocks careen off course

By Daniel Wagner
Associated Press

NEW YORK — Stocks hit a big milestone, then promptly spun off the road.

Major indexes dived the most this year on Monday, the first trading day after the Dow broke 14,000 and closed at its highest level since the financial crisis.

The Dow Jones industrial average dropped as much as 143 points in afternoon trading. It closed down 129.71, or 0.9 percent, at 13,880.08.

The Standard & Poor's 500 index fell 17.46 points, or 1.2 percent, to 1,495.71. The Nasdaq composite index lost 47.93, or 1.5 percent, to 3,131.17.

Monday's declines were the big-

gest drops this year for all three indexes. They followed a surge Friday that pushed the Dow over 14,000 for the first time since 2007.

Wall Street's celebratory mood was a distant memory Monday, as U.S. stocks followed European markets lower. France's CAC-40 closed down 3 percent, Germany's DAX 2.5 percent.

"It started to look like things in the market are maybe getting a little ahead of themselves, compared to some of the data we've seen," said Bill Stone, chief investment strategist at PNC Asset Management Group. He said problems in Europe are also beginning to affect U.S. markets after several quiet months.

See **MARKETS, 2C**

Dunavant pokes fun at language of logistics

By Thomas Bailey Jr.
baileytom@yourappeal.com
901-529-2388

Memphis residents live in a place that specializes in warehousing and distributing products.

But do locals know what a 3PL is, or the difference between logistics and supply chain?

The city's huge logistics industry has its own dense language, which one company is using as a foil to help separate from the pack.

Dunavant Logistics Group has just launched a website, logisticslingo.com, for a marketing campaign that pokes fun in an

interactive way at its own industry's nomenclature.

"Ever feel like the logistics industry has more long-winded terminology than a crossdocked goose-neck chassis has destuffed LTL intermodal carriers?" the site asks.

"Next thing you know, even your job title could be logistified."

The site invites readers to click on a button that randomly assigns them their own confusing job title.

Among the made-up titles that pop up with each click: Assistant Customer Safety Advocate, Lead Sustainable Execution Principal, Assistant Renewable Solutions

Specialist, Assistant Intermodal Freight Forwarding Expert, Assistant Tactical Food Safety Assessor, Junior Industrial Resources Supplier, Managing Renewable Customer Service Liaison and Assistant Intermodal Customer Service Auditor.

"It's a little overwhelming if I'm a (customer)," said Mark Genereaux, whose own title at Dunavant is more straightforward: vice president for business development and marketing.

The logistics company strives to keep things simple, Genereaux said.

"Getting stuff from here to there can be complex and exas-

perating from time to time," he said. "What we try to do here is focus on keeping it simple."

The advertising firm Doug Carpenter & Associates helped Dunavant develop a marketing theme about simplicity. "When we first started we did a great deal of research," Doug Carpenter said. "The whole industry has its own vocabulary. It seemed to be layered with a lot of extraneous things."

Dunavant, he said, "didn't seem to wrap themselves in all the vernacular that seems to confuse and muddle things."

Genereaux said a logistics company must do three things well: Move freight; move infor-

mation about the freight; and move money, as in paying carriers, invoicing carriers, paying custom fees, duties and taxes.

The new website is a fun way to send a message that keeping things simple is the better way.

"If we're not having fun, we're not doing it right," Genereaux said.

As for "3PL," that means third party logistics, which occurs when a shipper uses another company to move freight, he said. It's a type of outsourcing.

And "logistics" is the activity of moving freight, while "supply chain" is the strategy of moving things where they need to be, he said.

Chickasaws back out of acquiring DiamondJacks

■ Casino group says contract breached

By Jeff Amy
Associated Press

JACKSON, Miss. — An Oklahoma Indian tribe with deep roots in the Mid-South is no longer planning to spend \$125 million to buy the bankrupt DiamondJacks casinos in Bossier City, La., and Vicksburg, Miss., from Legends Gaming.

Global Gaming Solutions, a unit of the Chickasaw Nation of Oklahoma, wrote in court papers filed Jan. 25 that the DiamondJacks operations had run further downhill since owner Legends Gaming filed for Chapter 11 bankruptcy reorganization in July in Shreveport, La.

“To put it bluntly, the debtors’ business today is but a shell of what existed only a few short months ago, is not the business that Global Gaming agreed to purchase, and cannot generate the financial performance necessary to allow Global Gaming to comply with the covenants and requirements of the acquisition financing,” a lawyer for Global wrote.

Legends, based near Chicago, accuses Global of breaking its purchase contract. Even after an earlier bankruptcy, the company owes lenders \$298 million, almost all in secured debt.

Global had planned to borrow nearly \$100 million, in ad-

dition to a cash contribution of \$27.5 million. But it says it can’t make the debt payments on that amount of money.

Global cited a report from casino consultant Randall Fine that said the casinos are losing their share of shrinking markets, that the larger Bossier City casino is threatened by the planned 2013 opening of the \$197 million Margaritaville Casino Resort there and that the casinos are “extremely outdated” and in “woeful” condition.

Global also wrote in court papers that Legends had lied about its finances to the court.

“Apparently to the debtors, it was fine for them to disclose to the court and creditors false information through a disclosure statement, but a breach of con-

tract for Global Gaming to provide true ‘actual’ information,” a lawyer for Global wrote.

William McEnery owns 92 percent of Legends shares. His Chicago-area gas station group — Gas City — was sold off in bankruptcy court in 2011. McEnery has been forced into personal bankruptcy as well.

“We are disappointed with the actions that Global has taken with respect to its obligations under the purchase agreement,” Legends President Raymond Cook said in a Jan. 31 news release. “In view of those actions, we believe that it is in the best interest of the Company to move forward with an alternative plan of reorganization, with the full support of our creditors.”

Legends did not immediately respond Monday to questions about what alternatives it would pursue. Global did not immediately respond to a request for comment.

Cook said the Bossier City and Vicksburg casinos would continue to operate and that employees would not be affected.

Employment at the Vicksburg property has fallen to 342 as of Sept. 30, the third-smallest of the four casinos currently operating there. A fifth casino closed and filed for bankruptcy in Vicksburg, traditionally Mississippi’s third-largest casino market.

A Louisiana state report from last year says 685 people worked then at the Bossier City DiamondJacks.

LOCAL GAS PRICES UP

Gas prices have been trending higher in recent weeks although they’re still below year-ago levels.

In the Memphis market, the average price of regular unleaded was \$3.275 per gallon, the AAA Fuel Gauge Report said Monday.

That’s nearly 15 cents higher than the month-ago average of \$3.131, but below the year-ago average of \$3.363.

The average U.S. pump price rose a penny to \$3.52 Monday. The average price has risen 20 cents in 10 days. The average price is a nickel more than a year ago.

Costs of fuel pinch families’ incomes

■ Gas adds up to ‘second car every 15 years’

By Ronald D. White
Los Angeles Times

Fuel costs are taking a big bite out of household budgets, according to separate reports Monday from the Energy Department and the Union of Concerned Scientists.

The Energy Department said U.S. households spent an average of \$2,912 on gasoline, or almost 4 percent of their pretax income, the highest percentage in 30 years.

That’s despite the fact that Americans consumed less fuel in 2012 for a variety of reasons, including more efficient driving habits and higher-mileage vehicles.

“The effect of the higher prices in 2011 and 2012 outweighed the effect of reduced consumption,” the Energy Department said.

In fact, researchers at the University of Michigan said Monday that the average fuel economy for new vehicles sold in the U.S. reached a record 24.5 mpg in January — up 0.4 mpg from a revised figure for December.

Meanwhile, the Union of Concerned Scientists reported that most Americans “are likely to spend almost as much on gasoline over the life of their vehicle as its original cost.”

“You’re basically paying for a second car every 15 years. The only thing really benefiting from your oil use is oil companies’ bottom line,” said Joshua Goldman, the report’s author and a policy analyst for the advocacy group.

MARKETS

from IC

Borrowing costs for Italy and Spain rose Monday, Stone noted, reflecting concerns among bond investors that those countries may be unable to meet their financial obligations.

“It kind of restarts some of the old worries that we’ve been able to ignore



STEVEN SENNE/AP FILE PHOTO

Although traffic was flat, Delta Air Lines saw strong revenue numbers in January because it reduced capacity. That meant the planes it flew were fuller.

Delta flies less, profits more

■ Cites reduced transatlantic flights for improved revenues

Associated Press

ATLANTA — Delta Air Lines Inc. said a key measure of revenue rose 5.5 percent in January as corporate fliers paid more and more people per flight rode across the Atlantic.

Airlines measure how much money they collect for each seat flown one mile. Delta’s increases have consistently been

stronger than most competitors.

On Monday it said that January traffic was flat, as measured by paying passengers flown one mile.

But Delta reduced the amount of flying it did by 2.4 percent. The result was planes that were fuller. Its occupancy rose 1.9 percentage points to 79.4 percent.

Delta and its European

flying partner Air France-KLM have been struggling to avoid offering too many seats across the Atlantic. Delta cut Atlantic flying by 10.4 percent in January. Traffic across the Atlantic fell 6.4 percent, so planes on those routes saw occupancy rise 3.3 percentage points, to 77.5 percent.

Delta cited “improved Transatlantic performance” as one reason for its revenue gains last month.

Dahlman Rose analyst Helene Becker wrote on Monday that airlines in general have taken

flights off of low-demand days and added them on higher-demand days and times.

Memphis already has felt the brunt of Delta’s cuts with service cut by nearly 20 percent last month.

Delta, which became the Memphis hub airline after its 2008 merger with Northwest Airlines, now offers 94 peak-day flights at Memphis International Airport.

Just before the merger, Northwest and Delta together operated 238 daily flights in Memphis.

COFFEE

from IC

were inspired to become a part of the Lenox community.”

Michael Morgan and Kelly Truitt of CBRE Memphis’ tenant advisory group represented Barr in the lease.

CBRE Memphis’ office leasing team represented the landlord,

Highbrook Investment Management. Highbrook acquired four of the seven Lenox Park buildings in May.

Morgan Keegan wins arbitration

An arbitration panel has rejected the Urban Child Institute’s claim that Morgan Keegan & Co. owes it \$9.6 million.

The Memphis nonprofit agency filed for arbitration after the 2008 collapse of mutual funds created by the investment firm.

The Financial Industry Regulatory Authority panel voted 2-1 in favor of Morgan Keegan. The panelists did not explain their votes.

Memphis-based Morgan Keegan was purchased in April by Raymond James Financial Inc. of St. Petersburg, Fla.

for quite some time,” Stone said.

In New York, Merck & Co. was among the Dow’s biggest losers, dropping 98 cents, or 2.3 percent, to \$40.85. The pharmaceutical company said Friday that its earnings declined in the fourth quarter and 2013 might be weaker than analysts had hoped.

McGraw-Hill Cos. plunged \$8.04, or 13.8 percent, to \$50.30 after mid-

day news reports that the Justice Department plans to file civil charges against the company’s Standard & Poor’s credit rating unit. The government charges are expected to question S&P’s high ratings of mortgage bonds that helped fuel the financial crisis.

Moody’s Corp., another rating agency, followed McGraw-Hill down, even though there is no evi-

dence that the government will charge that company. Moody’s closed down \$5.90, or 10.7 percent, at \$49.45.

The two rating agencies had the biggest percentage declines in the S&P 500 index.

In Europe, political jitters about Spain and Italy pushed stocks lower. Some indexes had their worst day in months.

Concerns over Europe’s

debt crisis have eased since last summer, in part because of efforts by the Spanish and Italian governments to get their finances under control.

An upcoming election in Italy places some of those reforms in doubt. The Spanish government, meanwhile, is embroiled in a corruption scandal that’s raising questions over the future of Prime Minister Mariano Rajoy.

Happy Meal entrees go fish

■ McBites offer tests kid waters

By Candice Choi
Associated Press

NEW YORK — McDonald’s says it is offering its first new Happy Meal entree in a decade: Fish McBites.

The world’s biggest hamburger chain said the Fish McBites will be widely available at U.S. restaurants starting this week through March, to coincide with Lent. The Happy Meals will come with seven pieces of Fish McBites, french fries, apple slices and a drink.

The company had already announced last month that the Fish McBites would be sold on the standard menu in three sizes — snack (10 pieces), regular (15 pieces) and shareable (30 pieces).

Fish McBites, which are fried pieces of fish, will use the same Alaska pollock used in the fast-food chain’s Filet-O-Fish.

The launch marks the start of what McDonald’s says is a bigger pipeline of new limited-time offers for the year ahead. By adding more variety to its menu, the company is hoping it can fend off intensifying competition and tempt customers to eat out more at a time when many are being more careful about their spending.

Brian Irwin, director of marketing for McDonald’s USA, said the Fish McBites are a twist on the popular Chicken McBites that were introduced as a limited-time offer last year. He said the company thought they’d work well in Happy Meals because there’s a “fun, poppable” aspect to them. That’s why McDonald’s sells more Happy Meals with Chicken McNuggets than hamburgers or cheeseburgers, he said — there’s something about the dipping that kids like.

Additionally, Irwin said the company’s internal research showed that moms wanted more seafood options on the menu.

Although the Fish McBites will be offered temporarily, Irwin said the company might bring them back periodically if they perform well.

Depending on which drink is selected, McDonald’s says the Happy Meals with Fish McBites have between 385 calories and 415 calories.

McDonald’s, often a target for health advocacy groups that say Happy Meals encourage kids to eat junk food, in 2011 began adding apple slices and reduced the portion of french fries in the meal boxes.

For adults, the Fish McBites will come with tartar sauce and be served in cartons that make them easy to share or eat as a snack on the go, which Irwin said is an important attraction for customers.

“It fits in your cup holder in the car,” he said.

The big question is whether they can boost sales in the months ahead. In the last quarter of 2012, McDonald’s managed to eke out a higher profit in part by touting its Dollar Menu.

MONEY & MARKETS

Go to commercialappeal.com/news/business for up-to-the-minute stock listings, portfolios, investment advice and more.

STORY STOCKS

Stocks fell Monday and the S&P 500 had its biggest drop since November. Stocks fell as soon as trading began, following European markets lower amid worries about political uncertainty there. Growth in U.S. factory orders in December was weaker than expected.

Panasonic PC
Close: **\$77.2** ▲ **0.84** or **12.2%**
Shares of the electronics maker continued to rise after it said last week that it returned to a profit in the third quarter.



Vol.: **1.3m (1.8x avg.)** PE: ...
Mkt. Cap: **\$17.85 b** Yield: ...

Cash America CSH
Close: **\$47.56** ▼ **1.25** or **-2.6%**
A Janney Capital Markets analyst downgraded the pawn shop and payday lender's shares to "Neutral" from "Buy" citing its valuation.



Vol.: **487.4k (2.2x avg.)** PE: **12.6**
Mkt. Cap: **\$1.38 b** Yield: **0.3%**

Sysco SY
Close: **\$31.23** ▼ **0.86** or **-2.7%**
The food distributor's fiscal second-quarter net income fell 11.6 percent due to higher costs related to turning around the company.



Vol.: **10.2m (3.3x avg.)** PE: **16.6**
Mkt. Cap: **\$18.36 b** Yield: **1.3%**

Humana HUM
Close: **\$78.86** ▲ **3.51** or **4.7%**
The health insurer posted a 3.5 percent drop in fourth-quarter net income, but its results still beat Wall Street expectations.



Vol.: **5.7m (2.7x avg.)** PE: **10.5**
Mkt. Cap: **\$12.48 b** Yield: **1.3%**

BlackBerry BBRY
Close: **\$14.98** ▲ **1.96** or **15.0%**
Citing its new BlackBerry 10 phone, a Sanford Bernstein analyst upgraded the smartphone maker's stock rating to "Outperform."



Vol.: **82.2m (1.5x avg.)** PE: **2.7**
Mkt. Cap: **\$7.85 b** Yield: ...

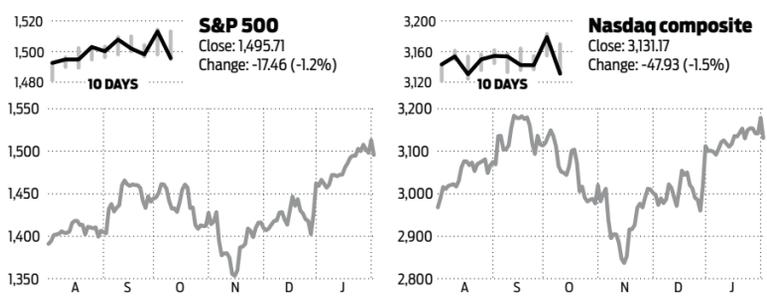
Deckers Outdoor DECK
Close: **\$41.39** ▲ **1.47** or **3.7%**
A Jefferies analyst kept his "Buy" rating on the footwear maker's stock, saying that its Ugg boots are still a winter favorite.



Vol.: **2.7m (1.2x avg.)** PE: **10.3**
Mkt. Cap: **\$1.46 b** Yield: ...

Information compiled by and all graphics produced by Associated Press

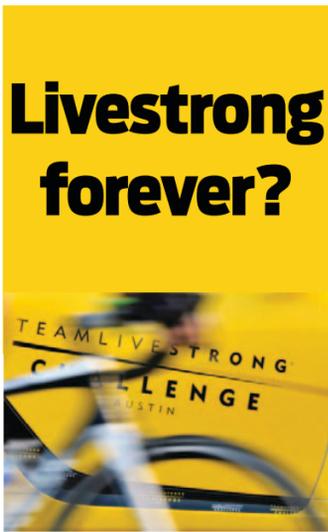
MARKET SUMMARY



STOCKS RECAP

	NYSE	NASD
Vol. (in mil.)	3,298	1,819
Pvs. Volume	3,813	1,962
Advanced	660	575
Declined	2406	1914
New Highs	127	129
New Lows	14	13

	HIGH	LOW	CLOSE	CHG.	%CHG.	WKMOQTR	YTD
DOW	14009.79	13866.83	13880.08	-129.71	-0.93%	▼▲▲	+5.92%
DOW Trans.	5868.19	5800.30	5820.31	-36.92	-0.63%	▼▲▲	+9.68%
DOW Util.	474.53	471.00	471.36	-3.17	-0.67%	▲▲▲	+4.03%
NYSE Comp.	8910.00	8848.10	8852.82	-112.30	-1.25%	▼▲▲	+4.85%
NASDAQ	3169.63	3130.57	3131.17	-47.93	-1.51%	▼▲▲	+3.70%
S&P 500	1513.17	1495.02	1495.71	-17.46	-1.15%	▼▲▲	+4.87%
S&P 400	1101.59	1089.12	1091.27	-10.32	-0.94%	▼▲▲	+6.94%
Wilshire 5000	15979.16	15786.19	15794.41	-184.75	-1.16%	▼▲▲	+5.33%
Russell 2000	911.18	898.36	899.28	-11.92	-1.31%	▼▲▲	+5.88%



On target? Morningstar gives the 10 Livestrong funds an overall rating of "above average," second-best on a five-level scale. Here's a snapshot look at three. Each requires a minimum investment of \$2,500.

LIVESTRONG FUND	Target-date category	YTD	1-yr	3-yr*	Assets	Expense ratio
2020 (ARBMX)	2016-2020	2.7%	9.6%	9.6%	\$798 million	1.08%
2030 (ARCMX)	2026-2030	3.4	10.9	10.4	\$730 million	1.13
2040 (ARDMX)	2036-2040	4.2	12.5	11.5	\$497 million	1.20

Source: Morningstar Returns through Feb. 1, 2013 *annualized

MUTUAL FUND CATEGORIES

SPECIALTY FUNDS	PERCENT RETURN			YTD	VALUE	BLEND	GROWTH
	YTD	1YR	5YR				
Conservative Allocation (CA)	1.65	7.34	8.29	4.37	5.6	LV	2.7
Moderate Allocation (MA)	2.94	8.86	9.76	3.73	14.2	LB	11.1
Health (SH)	7.34	19.03	15.35	8.50	13.0	LG	14.2
Natural Resources (SN)	4.24	-2.43	7.93	-1.09	0.6	SV	5.2
Real Estate (SR)	3.54	11.79	21.63	5.18	7.7	MB	6.6
Technology (ST)	3.71	3.91	12.13	5.60	16.2	MG	10.9
BALANCED					15.5	SB	17.7
Target-Date 2000-2010 (TA)	1.53	6.65	8.21	3.33	5.6	SG	4.9
Target-Date 2011-2015 (TD)	1.87	7.61	9.08	3.18	6.9	SV	6.0
Target-Date 2016-2020 (TE)	2.23	8.36	9.86	3.15	14.4	SB	8.6
INTERNATIONAL					17.7	SG	18.9
Divers. Emerging Mkt. (EM)	1.62	5.82	7.26	-0.31	8.6		6.6
Europe Stock (ES)	3.64	12.50	7.45	-2.28	6.1		6.0
Foreign Small/Mid Val (FA)	4.18	12.88	8.71	1.61	10.9		8.6
Foreign Large Blend (FB)	2.96	11.03	7.23	-1.52	16.5		18.9
Foreign Large Growth (FG)	3.19	10.12	9.13	-0.21	7.1		6.6
Foreign Small/Mid Gr. (FR)	3.58	14.34	12.82	2.18	5.6		6.6
Foreign Large Value (FV)	3.05	10.03	6.19	-2.15	6.2		5.66
World Allocation (IH)	2.06	6.73	8.67	2.48	0.29		4.52
World Stock (WS)	4.23	10.85	10.15	1.35	1.04		8.75
BOND FUNDS					1.24		11.80
Interm-Term Bond (CI)	-0.29	5.30	6.23	5.66	1.24		10.51
Interm. Government (GI)	0.36	2.12	4.34	4.52	1.24		10.51
High Yield Muni (HM)	1.04	11.00	8.75	4.70	1.24		10.51
High Yield Bond (HY)	1.24	11.80	10.51	8.64	1.24		10.51
Muni National Interm (MI)	0.39	3.92	5.37	4.69	1.24		10.51
Muni National Long (ML)	0.69	6.47	6.83	5.24	1.24		10.51
Muni Short (MS)	0.19	1.40	2.17	2.40	1.24		10.51

INTEREST RATES



The yield on the 10-year Treasury note fell to 1.96 percent Monday. Yields affect interest rates on consumer loans.

TREASURIES	YEST	PVS	NET CHG	WK MO QTR	1YR AGO
3-month T-bill	.06	.06	...	□ □ ▼	.08
6-month T-bill	.11	.10	+0.01	□ □ ▼	.09
52-wk T-bill	.13	.13	...	▼ ▼ ▼	.11
2-year T-note	.25	.27	-0.02	▼ ▼ ▼	.23
5-year T-note	.83	.89	-0.06	▼ ▼ ▼	.77
10-year T-note	1.96	2.02	-0.06	□ ▲ ▲	1.92
30-year T-bond	3.163	3.22	-0.06	▲ ▲ ▲	3.12

PRIME RATE

PRIME RATE	FED FUNDS
YEST 3.25	.13
6 MO AGO 3.25	.13
1 YR AGO 3.25	.13

COMMODITIES

The price of crude fell with global stock markets. Signs that the U.S. and Iran may restart nuclear negotiations also calmed worries about potential disruptions to oil supplies.

BONDS	YEST	PVS	NET CHG	WK MO QTR	1YR AGO
Barclays LongT-BdIdx	2.762	2.80	-0.04	▲ ▲ ▲	2.61
Bond Buyer Muni Idx	4.024	4.00	+0.02	▲ ▼ ▼	4.54
Barclays US Aggregate	1.931	1.90	+0.03	▲ ▲ ▲	2.05
Barclays US High Yield	5.885	5.87	+0.01	▲ ▼ ▼	7.45
Moodys AAA Corp Idx	3.933	3.90	+0.03	▲ ▲ ▲	3.79
Barclays CompT-BdIdx	1.121	1.13	-0.01	▼ ▼ ▼	1.02
Barclays US Corp	2.85	2.82	+0.03	▲ ▲ ▲	3.38

FUELS	CLOSE	PVS.	%CH.	%YTD
Crude Oil (bbl)	96.17	97.77	-1.64	+4.7
Ethanol (gal)	2.44	2.49	...	+11.4
Heating Oil (gal)	3.15	3.16	-0.21	+3.6
Natural Gas (mm btu)	3.32	3.30	+0.42	-1.1
Unleaded Gas (gal)	3.01	3.05	-1.38	+7.1

METALS	CLOSE	PVS.	%CH.	%YTD
Gold (oz)	1675.30	1669.40	+0.35	+0.0
Silver (oz)	31.70	31.94	-0.76	+5.1
Platinum (oz)	1698.10	1687.70	+0.62	+10.4
Copper (lb)	3.76	3.78	-0.45	+3.2
Palladium (oz)	757.40	756.00	+0.19	+7.8

Cotton 50,000 lbs.- cents per lb.
YESTERDAY: Sales: 43,521 Open Interest: 210,314, ▲ +1633.00

MONTH	OPEN	HIGH	LOW	SETTLE	CHG
Mar 13	82.61	82.90	81.30	81.74	-1.24
May 13	83.15	83.41	81.95	82.57	-98
Jul 13	83.49	83.75	82.30	83.37	-51
Sep 13				81.49	+03
Oct 13	81.75	81.88	81.75	81.88	-41
Dec 13	81.08	81.60	80.43	81.49	+03
Mar 14	82.19	82.51	81.49	82.49	+09
May 14	81.86	82.80	81.86	82.80	+35
Jul 14	82.51	83.21	82.51	83.21	+71
Oct 14				82.79	+34

FOREIGN EXCHANGE

MAJORS	CLOSE	CHG.	%CHG.	6MO. AGO	1YR. AGO
USD per British Pound	1.5766	+0.052	+3.3%	1.5645	1.5824
Canadian Dollar	.9981	+0.010	+1.0%	.9996	.9932
USD per Euro	1.3520	-0.014	-1.0%	1.2377	1.3153
Japanese Yen	92.38	-.36	-3.9%	78.59	76.55
Mexican Peso	12.6832	+0.688	+5.4%	13.1447	12.6766

COMMERCIAL APPEAL'S MOST WATCHED

NAME	TICKER	CLOSE	CHG	%CHG	WK MO QTR	YTD VOL	%CHG(1000s)	P/E	DIV
Allstate	ALL	43.93	-91	-2.0	▼▲▲	+9.4	3057	8	0.88
BkofAm	BAC	11.48	-23	-2.0	▼▼▼	-1.1	134033	44	0.04
Cisco	CSCO	20.82	-81	...	—	+6.0	31452	13	0.56
Citigroup	C	42.21	-81	-1.9	▼▼▼	+6.7	24914	13	0.04
Comcast	CMCSA	38.19	-41	-1.1	▼▲▲	+2.2	16037	20	0.65
ExxonMbl	XOM	89.15	-89	-1.0	▼▲▲	+3.0	13000	11	2.28
GenElec	GE	22.31	-31	-1.4	▼▲▲	+6.3	34800	16	0.76
HomeDp	HD	66.36	-94	-1.4	▼▲▲	+7.3	4698	24	1.16
Intel	INTC	21.16	-20	-0.9	▼▼▼	+2.6	36979	10	0.90
JohnJn	JNJ	74.11	-87	-0.1	▼▲▲	+5.7	9112	19	2.44
KimbClk	KMB	89.30	-71	-0.8	▼▲▲	+5.8	1444	20	2.96
Lowe's	LOW	37.94	-62	-1.6	▼▲▲	+6.8	8483	22	0.64
Microsoft	MSFT	27.44	-49	-1.8	▼▲▲	+2.7	46846	15	0.92
MorgStan	MS	22.88	-63	-2.7	▼▲▲	+19.7	25769	cc	0.20
Pfizer	PFE	27.17	-46	-1.7	▼▲▲	+6.0	30418	14	0.96f
ProctGam	PG	75.25	-67	-0.9	▼▲▲	+10.8	10892	19	2.25
Starbucks	SBUX	56.09	-77	-1.4	▼▲▲	+4.6	3786	30	0.84
WalMart	WMT	69.63	-86	-1.2	▼▲▲	+2.1	10167	14	1.59
Walgrn	WAG	40.01	-30	-0.7					

Weather

commercialappeal.com/weather

LATEST FORECAST:

For the current local and national forecasts, visit commercialappeal.com/weather

Today's forecast



Wednesday



Thursday



Friday



Saturday



Sunday



AIR QUALITY: Good

Good	Moderate	Unhealthful
0-50	51-100	151-300

Source: www.airnow.gov

HUMIDITY: 60%

Low	Moderate	High
0-35	35-65	65-100

POLLEN: Not available

Low	Moderate	High
0-35	35-65	65-100

Source: Allergy and Asthma Care

River/Lake Stages

As of 7 a.m. yesterday

MISSISSIPPI 3-DAY FORECAST				OHIO RIVER	
City	Today	Wed	Thu	Flood	Yest. +/-
St. Louis	0.70	0.70	0.50	Cairo	40 34.56 +1.26
Cape Girardeau	14.20	13.50	12.30		
New Madrid	24.00	25.10	26.00		
Caruthersville	25.10	25.80	26.60		
Memphis	18.20	19.20	19.60		
Helena	25.20	26.60	27.60		
Arkansas City	21.50	22.80	23.90		
Greenville	32.20	33.10	34.30		
Vicksburg	28.90	29.00	29.80		
Natchez	37.80	36.90	36.90		
New Orleans	10.00	9.60	9.10		

MISSISSIPPI RIVER				MISS. RESERVOIRS	
City	Flood	Yest. +/-	City	Flood	Yest. +/-
St. Louis	30	318 +1.05	Arkabutla	238	224.06 -0.33
Cape Girardeau	34	14.53 -0.47	Sardis	281	247.17 -0.36
New Madrid	34	22.52 +1.64	Erid	268	238.46 -0.34
Caruthersville	32	23.49 +1.64	Grenada	231	209.95 -0.23
Memphis	34	16.70 +1.60			
Helena	44	23.60 +1.00			
Arkansas City	37	20.70 -0.70			
Greenville	48	32.10 -1.10			
Vicksburg	43	29.90 -1.30			
Natchez	48	39.00 -1.20			
New Orleans	17	10.30 -0.30			

TENNESSEE RIVER				ARKANSAS RESERVOIRS	
City	Flood	Yest. +/-	City	Flood	Yest. +/-
Pickwick	418	413.49 +0.65	Bull Shoals	654	647.17 +0.06
Tailwater	-	375.86 +0.41	Greens Ferry	461	462.89 -0.02
Savannah	381	370.88 +0.18	Norfork	552	541.88 +0.16
Kentucky Lake	375	355.41 +0.65			

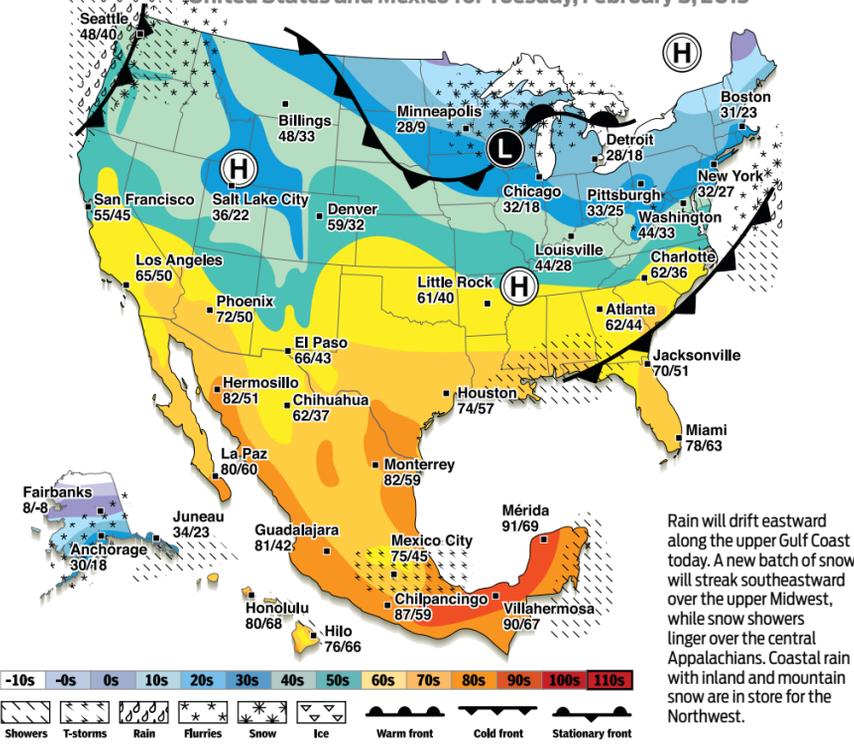
Almanac

TEMPERATURES			MONDAY'S LOG		
Time	Temp.	rh	Time	Temp.	rh
Through 10 p.m.			Midnight	39	64
Monday	59/38		2 a.m.	41	55
Normal	52/34		4 a.m.	40	55
Last Year	62/50		6 a.m.	42	50
Record high	76-2008		8 a.m.	42	52
Record low	4-1996		10 a.m.	45	49
			Noon	51	42
			2 p.m.	58	34
			4 p.m.	54	44
			6 p.m.	50	80
			8 p.m.	49	77
			10 p.m.	48	86

The Sky

Sunrise:	6:56 a.m.	
Sunset:	5:33 p.m.	
Moonrise:	2:34 a.m.	
Moonset:	12:54 p.m.	

United States and Mexico for Tuesday, February 5, 2013



Rain will drift eastward along the upper Gulf Coast today. A new batch of snow will streak southward over the upper Midwest, while snow showers linger over the central Appalachians. Coastal rain with inland and mountain snow are in store for the Northwest.

National

City	Today			Wednesday			City	Today			Wednesday		
	Hi	Lo	W	Hi	Lo	W		Hi	Lo	W	Hi	Lo	W
Akron, OH	28	23	sf	30	14	s	Miami	78	63	s	80	67	s
Albuquerque	59	32	s	59	31	s	Milwaukee	29	12	sn	29	24	pc
Anchorage	30	18	s	30	21	c	Minneapolis	28	9	sf	31	25	sn
Atlanta	62	44	c	65	43	s	Newark, NJ	32	29	sf	42	24	sn
Atlantic City	39	27	sf	42	21	pc	New Orleans	72	55	r	72	59	c
Austin	76	54	c	75	59	sh	New York	32	27	sf	40	26	sn
Baltimore	40	28	c	43	24	pc	Norfolk	52	39	pc	51	33	pc
Billings	48	33	c	48	27	pc	Oklahoma City	65	41	s	67	51	s
Boise	43	25	c	40	21	pc	Omaha	44	21	s	41	30	pc
Boston	31	23	c	35	21	sf	Orlando	76	53	pc	79	59	pc
Buffalo	24	19	sf	28	13	sf	Philadelphia	37	28	c	42	26	pc
Charleston, SC	70	45	s	70	46	s	Phoenix	72	50	s	72	49	s
Charleston, WV	40	30	sf	40	25	pc	Pittsburgh	33	25	sf	32	16	sf
Charlotte	62	36	pc	60	35	s	Portland, ME	24	14	pc	34	11	sn
Cheyanne	52	33	s	50	20	s	Portland, OR	50	29	r	48	36	pc
Chicago	32	18	sn	32	26	pc	Providence, RI	32	23	sf	38	21	sf
Cincinnati	37	23	c	35	21	pc	Raleigh	60	37	pc	57	34	s
Cleveland	28	23	sn	28	15	c	Rapid City	48	26	pc	51	27	pc
Columbus, OH	34	24	sf	32	17	pc	Reno, NV	56	26	pc	50	27	s
Dallas	69	51	pc	72	57	sh	Richmond	54	35	pc	51	28	s
Denver	59	32	s	56	23	s	Salt Lake City	36	22	pc	37	18	pc
Des Moines	38	16	s	37	27	pc	San Antonio	79	55	c	76	64	sh
Detroit	28	18	sn	29	20	pc	San Diego	62	50	pc	61	49	pc
El Paso	66	43	s	68	44	s	San Francisco	55	45	pc	55	46	s
Fargo	22	5	sf	30	12	c	San Juan, PR	83	71	s	81	72	pc
Hartford	38	23	c	38	15	sf	Seattle	48	40	r	47	39	pc
Honolulu	80	68	pc	80	68	pc	Spokane	41	29	sf	38	30	pc
Houston	74	57	c	75	59	sh	St. Louis	51	27	pc	45	33	s
Indianapolis	36	20	c	32	21	pc	Springfield, MO	58	31	s	58	39	s
Jacksonville	70	51	pc	71	55	pc	Syracuse	24	20	c	29	5	sf
Juneau	34	23	i	34	28	c	Tampa	73	59	pc	77	61	pc
Kansas City	52	27	s	54	39	pc	Topeka	54	26	s	59	38	pc
Las Vegas	66	47	pc	64	43	s	Tucson	70	44	s	70	42	s
Lincoln	46	22	s	46	29	pc	Tulsa	63	36	s	67	50	s
Los Angeles	65	50	pc	63	49	pc	Vail, CO	41	12	c	37	8	s
Louisville	44	28	pc	42	29	pc	Washington, DC	44	33	c	47	31	pc
Lubbock	68	38	s	71	37	pc	Wichita	60	32	s	62	43	pc
Madison	28	9	sn	29	24	pc	Winston-Salem	58	35	pc	54	33	s

YESTERDAY'S NATIONAL EXTREMES

For the 48 contiguous states
High: 88 at McAllen, Texas **Low:** -38 at Embarrass, Minnesota

Mexico

City	Today			Wednesday		
	Hi	Lo	W	Hi	Lo	W
Acapulco	89	71	pc	89	69	pc
Cancun	84	73	pc	84	73	pc
Guadalajara	81	42	s	83	41	s
Mazatlan	85	66	s	84	63	s
Merida	91	69	pc	90	70	s
Mexico City	75	45	pc	76	43	pc
Monterrey	82	59	pc	81	57	c
Tampico	80	69	pc	82	69	pc
Veracruz	83	69	pc	85	70	s

International

City	Today			Wednesday		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	4.0	3.3	sn	39	34	pc
Athens	62	48	c	62	50	pc
Baghdad	69	51	pc	72	55	pc
Beijing	35	16	sf	33	1	s
Berlin	37	27	sn	35	28	c
Cairo	74	55	pc	64	54	s
Geneva	43	31	sh	37	23	sn
Hong Kong	78	67	c	75	66	pc
Jerusalem	67	54	pc	57	42	r
Johannesburg	74	57	t	72	57	t
Kabul	41	22	c	46	23	s
London	41	36	pc	44	32	pc
Madrid	57	36	s	52	32	pc
Montreal	13	5	pc	16	5	sn
Moscow	30	23	sf	33	25	c
New Delhi	66	51	r	71	45	t
Paris	40	36	sn	41	32	t
Rio de Janeiro	82	73	r	83	73	t
Rome	56	42	c	54	39	sh
Seoul	36	28	c	32	8	c
Sydney	78	63	sh	81	62	c
Tel Aviv	76	60	pc	65	54	r
Tokyo	49	41	pc	43	35	r
Toronto	26	13	sf	29	12	pc

Weather(W): s=sunny, pc=partly cloudy, c=cloudy, sh=showers, t=thunderstorms, r=rain, sf=snow flurries, sn=snow, i=ice, Pcp=precipitation, Tr=trace.

Mid-South

City	Yesterday			Today			Wednesday		
	Hi	Lo	Prec	Hi	Lo	W	Hi	Lo	W
Batesville	56	35	0.06	60	42	c	61	50	pc
Blytheville	49	36	0.05	54	35	pc	55	41	s
Clarendon	55	40	0.14	60	42	pc	60		

Dow dives

After crossing a milestone, stocks veer off course.

BUSINESS, 1C



NEXT BIG THING

For Memphis-area middle schools, a surprisingly intense basketball scene. SPORTS, 1D

THE COMMERCIAL APPEAL

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★★ 75¢

'World-class' schools could cost \$95M more

By Michael Kelley
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901-529-2785

Even after laying off 170 central office employees, closing schools and rolling back some employee benefits, the preliminary 2014 budget for the unified school district is still short by some \$80 million. District administrators on Monday shared the draft budget, outlining reve-

■ Budget draft bounced for revision after protest

nue challenges and rising costs at Shelby County and Memphis City Schools.

Their presentation was followed by a round of protests from parents, teachers and others who filled every seat in MCS Teaching and Learning Academy auditorium, clapping and cheering the succession of speakers.

Although the district hasn't proposed

cuts to programs for gifted students, many of the speakers Monday worried that CLUE in MCS and APEX in SCS programs could suffer in the unified district and that school staffing levels would be unacceptable.

"We want education fully funded. Not just the pretties and the nice-to-haves. We want it all," parent Sharon Farley said,

summing up the prevailing sentiment.

Keith Williams, president of the Memphis Education Association, complained that the merger process had wasted money on consultants who "have put us in this quagmire." Existing resources are more than adequate, Williams said, to create a world-class education system.

A similar public session is scheduled for

See SCHOOLS, 2A

'Our one shot'



MIKE BROWN/THE COMMERCIAL APPEAL

Jeremy Allen, with Jetstream Ground Services, loads luggage into the cargo hold of AirTran flight 1609 at Memphis International Airport. Southwest Airlines' AirTran subsidiary announced it will add service to Chicago, Orlando and Baltimore out of Memphis beginning Aug. 11.

AirTran expands lower-cost flights out of Memphis

By Wayne Risher
risher@commercialappeal.com
901-529-2874

AirTran Airways will grow in Memphis in advance of Southwest Airlines' arrival, adding flights to Chicago, Orlando and Baltimore.

The expansion, effective Aug. 11, was hailed Monday as a step toward restoring shrinking service at Memphis International Airport and perhaps a harbinger of more low-cost options to come at one of the country's highest-fare venues.

Because AirTran is a Southwest subsidiary, airport and civic officials said the airport is finally on the verge of realizing benefits from the two airlines' merger, announced in 2010.

Although their merger was final in May 2011, Southwest and AirTran have continued to operate as separate airlines while integrating operations on a city-by-city basis. Southwest has indicated the changeover in Memphis should occur this fall, but hasn't said for sure. Integration is expected to be complete nationally by 2015.

See AIRTRAN, 2A

For Richard III, the winter of his disinterment

By Henry Chu
Los Angeles Times

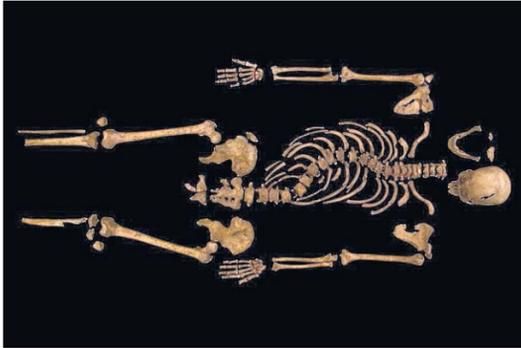
LONDON — More than 500 years after his death in battle, scientists announced Monday that they had definitively identified a skeleton unearthed in northern England last summer as that of Richard III, the medieval king portrayed by William Shakespeare as a homicidal tyrant who killed his two young nephews in order to

ascend the throne.

DNA from the bones, found beneath the ruins of an old church, matches that of a living descendant of the monarch's sister, researchers said.

"Rarely have the conclusions of academic research been so eagerly awaited," Richard Buckley, the lead archaeologist on the excavation, told a phalanx of re-

See REMAINS, 2A



The skeleton declared Monday to be the long-lost remains of England's King Richard III, missing for 500 years, shows the curvature of the spine that matched contemporary descriptions of Richard's appearance.

UNIVERSITY OF LEICESTER ASSOCIATED PRESS

At a late Monday news conference, authorities declined to elaborate on how they had observed Dykes or on how he died, citing the pending investigation.

Dale County Sheriff Wally Olson said Dykes was armed when officers entered the bunker to rescue the child. He said the boy was threatened, but declined to elaborate.

"That's why we went inside — to save the child," he said.

Authorities said the boy has been reunited with his mother and appears to be OK.

See HOSTAGE, 2A

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MAKING HIS CASE

President Obama goes on the road to tout his gun violence proposals, speaking at the Minneapolis Police Department.

NEWS, 3A

LOOSER POT LAWS?

An effort is building in Congress to change U.S. marijuana laws, including moves to establish a federal pot tax.

NEWS, 4A

SCORING SLUMP

Grizzlies forward Zach Randolph says it's his worst since 2003, but offers no excuses for his recent lack of offense.

SPORTS, 1D



HOLDING THE LINE

University of Memphis says ticket prices will be the same for football and basketball in its first season in the Big East.

SPORTS, 1D



60°/39°
More weather
4C

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The Commercial Appeal



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CURRENT JACKPOT:

\$208 MILLION

NEXT DRAWING WEDNESDAY NIGHT!

POWERBALL

BIGGER. BETTER. MORE. AND JUST \$2.



THE COMMERCIAL APPEAL

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AIRTRAN
from 1A

The four daily flights, two to Chicago Midway and one apiece to the other cities, could qualify AirTran for as much as \$375,000 from an airport fund created last summer to spur new or competing service. So far, the \$1 million incentive program has gotten no takers.

Memphis-Shelby County Airport Authority officials warned the new flights won't last if consumers don't buy tickets.

"Really, this is our one shot at the dance," said authority chairman Jack Sammons. "This is a single-elimination game here, and if these flights aren't successful, we're not going to be able to go back to them in six months and say, 'Hey, give us some more or reconsider.'"

Sammons warned against a repeat of the city's dalliance with Frontier Airlines. "They offered \$29 introductory nonstop flights to Denver and Fort Lauderdale. Delta came in and doubled frequent-flyer miles and matched the fares. Frontier flew empty airplanes to those locations. They packed up and went home. We can't let that happen this time."

Round-trip fares available for booking Monday at airtran.com showed lows of \$254 for Chicago, \$196 for Orlando and \$192 for Baltimore/Washington. There were indications Delta Air Lines was lowering some of its fares.

Sammons, elected in December to lead the airport board, called the news "a home run for travelers in our region hungry for affordable flight options."

Said Memphis Mayor A C Wharton: "It's good news. It's a significant step in the direction that we realize we have to go. We have a long way to go to get to where we want to be. It will help us as we try to develop a customer base here, so that folks will choose to fly out of Memphis."

Tom Jones, a leading critic of Memphis' high fares and service cuts by Delta, said, "It's a big first step in the right direction and becomes a foundation on which the Sammons administration can begin the transition from where the airport is to what it needs to be. As Mr. Sammons has said, the ultimate goal is affordable airfares, and hopefully, these flights create new momentum and attract other carriers to take a fresh look at (Memphis)."

Delta has steadily deflated the Memphis hub since taking over Northwest Airlines in 2008, dropping to 94 flights a day last month from 238 combined Delta and Northwest flights pre-merger.

The expansion announcement came a week after airport officials had dinner with top Southwest executives in Dallas.

Southwest previously said it expected to make service improvements at Memphis this fall, but Airport Authority president and CEO Larry Cox said, "We encour-



AirTran flight 1609 lifts off at Memphis International Airport heading for Atlanta. Southwest Airlines' AirTran subsidiary announced it will add service to Chicago, Orlando and Baltimore from Memphis beginning Aug. 11.

aged them to do something before the brand changeover, because there's such demand here."

Sammons said Southwest considered the incentives "important ... but not sustainable. They said, 'We'll come. It makes the tea sweeter, so to speak, but we're not going to stay unless your traveling public takes advantage of this.'"

Shelby County Mayor Mark H. Luttrell Jr. and Greater Memphis Chamber president John Moore commended airport leadership, and Moore called the four flights "just the beginning of Southwest's presence in Memphis."

AirTran has served Memphis since it came to the city as Valujet in 1993. It offers five daily flights,

all to Atlanta, the No. 1 destination for passengers flying out of Memphis.

The expansion didn't surprise airline industry observers, owing to Southwest's emphasis on Chicago Midway and Baltimore/Washington.

"This is just shifting AirTran resources," said Mike Boyd, an aviation consultant with Boyd Group International. "But do keep in mind that Southwest is a higher-cost carrier than AirTran, and will not have the market flexibility that AirTran does now."

Said Seth Kaplan, managing director of Airline Weekly: "I wouldn't read this as the beginning of a huge Southwest operation at Memphis."

HOSTAGE
from 1A

Richardson said he had been to the hospital to see the boy and he was laughing, joking, eating and "doing the things you'd expect a normal 5- or 6-year-old to do."

Michael Senn, pastor of a church near where reporters had been camped out since the standoff began, said he was relieved the child had been taken to safety. However, he also recalled the bus driver, Charles Albert Poland Jr., who had been hailed as a hero for protecting nearly two dozen other children on the bus before being shot by Dykes.

"As we rejoice tonight for (the boy) and his family, we still have a great emptiness in our community because a great man was lost in this whole ordeal," Senn said.

The rescue capped a long drama that drew national attention to this town of 2,400 people nestled amid peanut farms and cotton fields that has long relied on a strong Christian faith, a policy of "love thy neighbor" and the power of group prayer. The child's plight prompted nightly candlelight vigils.

Throughout the ordeal, authorities had been speaking with Dykes though a plastic pipe that went into the shelter. They also sent food, medicine and other items into the bunker, which apparently had running water, heat and cable television, but no toilet. It was about 4 feet underground, with about 50 square feet of floor space.

Authorities said the kindergarten appeared unharmed. He was taken to a hospital in nearby Dothan.

Melissa Knighton, city clerk in Midland City, said a woman had been praying in the town center Monday afternoon. Not long after, the mayor called with news that Dykes was dead and that the boy was safe.

"She must have had a direct line to God because shortly after she left, they heard the news," Knighton said.

Ronda Wilbur, a neighbor of Dykes who said the man beat her dog to death last year with a pipe, said she was relieved to be done with the stress of knowing Dykes was patrolling his yard and willing to shoot at anyone or anything that trespassed.

"The nightmare is over," she said. "It's been a long couple of years of having constant stress."

Jo Appleby of the University of Leicester, who led the exhumation, discusses the skull of Richard III Monday. The English king was slain in battle, and Appleby said the skull bears wounds of several blows, including two from bladed weapons, either of which would have been fatal.

RUI VIEIRA ASSOCIATED PRESS

REMAINS
from 1A

porters Monday. "Beyond reasonable doubt, the individual exhumed ... is indeed Richard III, the last Plantagenet king of England."

The dramatic announcement capped a brief hunt for Richard's remains whose progress has been closely charted by international media and whose success has been barely short of miraculous.

Working from old maps of Leicester, about 100 miles northwest of London, archaeologists from the local university had less than a month to dig in a small parking lot — one of the few spaces not built over in the crowded city center. The team stumbled on the ruins of the medieval priory where records say Richard was buried, then found the bones a few days later last September.

"It was an extraordinary discovery that stunned all of us," Buckley said.

The nearly intact skeleton bore

obvious traces of trauma to the skull and of scoliosis, a curvature of the spine that matched contemporary descriptions of Richard's appearance. The feet were missing, almost certainly the result of later disturbance, and the hands were crossed at the wrist, which suggests that they may have been tied.

Scientists at the University of Leicester, which pioneered the practice of DNA fingerprinting, were able to extract samples from the bones and compare them to a man descended from Richard III's sister Anne. The match through the maternal line was virtually perfect.

"The DNA evidence points to these being the remains of Richard III," said Turi King, the project's geneticist.

Richard reigned from 1483 to 1485, and occupies a unique place in England's long line of colorful rulers. He was the last king to be killed in combat, at the Battle of Bosworth Field, by his successor, Henry VII. His death ended the Plantagenet dynasty and ushered in the long era

of the Tudors, including Henry VIII and Elizabeth I.

Jo Appleby, an osteologist at the university, said the skeleton belonged to an adult male in his late 20s to late 30s; Richard III was 32 when he died. The man would have stood 5-foot-8 at full height, but the curved spine would have made him appear shorter.

The skull was riddled with wounds strongly indicative of death in battle, including two blows from bladed weapons, either of which would have been fatal, Appleby said.

Richard III is one of England's most controversial monarchs, reviled by some as a bloodthirsty despot who stopped at nothing to gain power, but revered by others who insist that he has been unfairly maligned. His supporters note that the repugnant portrait of Richard in today's popular imagination is based almost entirely on accounts from the time of the usurping Tudors, especially Shakespeare's indelible characterization of him as a "deform'd, unfinish'd" man without scruples.

SCHOOLS
from 1A

6 p.m. Tuesday at the 2485 Union facility.

Earlier Monday, members of the unified Memphis and Shelby County school board, reluctant to impose the cuts in the preliminary budget, asked district administrators to come up with a more robust spending plan to take to the County Commission on Feb. 23.

Urged by Commissioner Tomeka Hart and others to focus on what it would take to fund a district true to its educational mission, administrators agreed to go back to the drawing board and create a "world-class" alternative to the preliminary budget, but they warned that the exercise could spill as much as \$95 million in additional red ink.

Faced with severe financial headwinds that include the loss of \$68 million in city funding, falling

enrollment, rising retiree health care costs, dwindling reserves and the like, administrators drafted a preliminary budget with some features that aren't being met with enthusiasm, especially in the suburbs where school staffing levels would shrink.

"My question to administration would be: Where was the consideration around and what would be the impact (of the cuts) to the achievement of students?" Hart said.

"I think it's too easy a way out to say, 'Let's just keep cutting to make the numbers look right without having any kind of discussion about the effect on the students. ... I understand we have to look at this as a budget, but our core business is academic achievement.'"

"I want to know," Hart said, "if we had all the money we need, what would staffing look like? ... We need to take the gap to the County Commission ... and say 'Here are the things you

can cut, and if you don't want to fund it you do the cutting.'"

"Is this the optimal staffing formula? Absolutely not," said Tim Setterlund, assistant superintendent of Shelby County Schools. An optimal staffing formula, he said, would require "an investment of \$95 million more than what we're proposing through these documents. The question is, what do you want to take to the County Commission?"

Commissioner Mary Anne Gibson suggested that the goal of local officials should not be to "adequately fund our children's education, but to abundantly fund it."

Commissioners not only must appeal to the County Commission, she said, but go the community and say, "Folks, this is our time."

"... For our children to have a future, for my grandchildren that I don't even have yet, to come back to our community and live here, this is what we have to do."

Lottery

- MEGA MILLIONS: FRIDAY**
1-30-32-40-41 17
JACKPOT: \$19 million
- POWERBALL: SATURDAY**
11-16-33-40-41 34
JACKPOT: \$208 million
- TENNESSEE CASH: FRIDAY**
4-5-15-25-27 4
- CASH 3: TENNESSEE**
Midday 5-4-2

- Evening 1-7-0
- CASH 4: TENNESSEE**
Midday 7-6-8-5
Evening 9-0-0-3
- CASH 3: ARKANSAS**
Midday 0-1-4
Evening 8-8-9
- CASH 4: ARKANSAS**
Midday 4-2-9-2
Evening 6-9-7-4

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CORRECTIONS

- The building that houses Memphis Catholic Middle and High School opened in 1950. A story Saturday was incorrect.
- "A Community Called Orange Mound," a new documentary, screens at 9 p.m. Tuesday on WKNO2 in addition to 3 a.m. Friday. Incomplete information appeared Sunday in the M section.

The Commercial Appeal tries to correct factual errors or clarify misleading information. We regret any errors. To report an error or need for clarification, call 901-529-2490.

Business

Monday, February 4, 2013

4B**

“I said I’m going to go into the restaurant business and my wife said you’re crazy.”

Charles Cavallo, owner of the Cupboard restaurant

SMALL BUSINESS

Catching up



ALAN SPEARMAN/THE COMMERCIAL APPEAL

“We got our first computer two years ago,” said Charles Cavallo, owner of the Cupboard. Now the 70-year-old restaurant has a website and Facebook page and the “meat and three” menu, which changes daily, is posted online.

■ The Cupboard looks to the Web to spread Southern-style cooking

By Jonathan Devin
Special to The Commercial Appeal

After 70 years, the Cupboard is catching up with the times.

Though the restaurant’s menu is something of a time-honored tradition, owner Charles Cavallo said it’s time for the down-home, Southern restaurant to enter the Digital Age.

“We’ve been so far behind for so long,” Cavallo said. “We got our first computer two years ago. We were doing everything manually before that. We’d spend two days doing payroll and now we shoot it out in 20 minutes.”

Cavallo’s mother, known as “Miss C” to staffers, was doing payroll back then for the restaurant’s 40 employees. She still works at the Cupboard every day along with one of Cavallo’s two sons.

The menu offers 20 cooked vegetables, 80 percent of which are brought in fresh every morning. In the summer, that includes 25-pound cases of fresh tomatoes every day.

The Cupboard first opened in 1943 in a first-floor bay of Kimbrough Tower, with seating for 42 people. The restaurant was seized 20 years ago by the IRS for nonpayment of taxes, and Cavallo, who owned a produce company and supplied vegetables for the restaurant, bought it.

“I said I’m going to go into the restaurant business and my wife said you’re crazy,” Cavallo said. “The only thing I did was add a lot more fresh vegetables to the menu. About a year after, business was so good that I knocked a hole in the wall and we went to about 88 seats. We filled up the first day and never looked back.”

In 2000, Cavallo bought a

closed Shoney’s 200-seat restaurant across the street for \$870,000. He invested \$300,000 more, but was again full for lunch the first day.

Now between 800 and 1,000 people eat there every day, paying between \$8 and \$12 a ticket on average.

“It’s a ‘meat and three,’” said Cavallo meaning a meat and three vegetables. “We’re Southern, it’s down-home cooking. There’s not many of us left in town.”

“You can eat our foods every day. You can’t eat Italian every day, or Mexican food every day. We have people who eat lunch and dinner with us every day. This is their home.”

That includes Greer Collins, who eats lunch at the Cupboard five days a week. He’s been going there since Cavallo bought it.

“You can select from healthy choices,” Collins said. “I believe I’m healthier than I would be if I wasn’t eating at the Cupboard. I was raised on vegetables and that’s what I like. I never get tired of it. It’s more than a place to get good food. There’s a friendliness about the place.”

Cavallo tried two second locations, one Downtown on Madison Avenue and the second in West Memphis. He closed the Downtown location after trolley construction ran off business, and the Arkansas restaurant just never took off.

Now he’s set his sights on a national audience.

In July, the Cupboard launched a new and improved website and Facebook page with daily menus posted, and in the coming months will offer cookbooks and prepared dishes via the Internet with FedEx shipping across the country, some-

THE CUPBOARD

Owner: Charles Cavallo
Address: 1400 Union
Phone: 901-276-8015
Online: thecupboardrestaurant.com
Employees: 40

thing that’s growing more common with American families.

According to Statista, (non-grocery) food and beverage sales represent less 3 three percent of e-retail, but is expected to grow steadily between now and 2016.

Cavallo and his staff are still just realizing the potential.

“We had a website before, but it was set up by someone who abandoned ship on us,” said Kathy Brewer, Cavallo’s accounting manager. “Now we have someone who’s sticking with us. You can do so much with the Internet. It’s the way to go. We used to have to tell people our entire menu on the phone. We spent so much time. Now it’s less time consuming.”

Cavallo also plans to capitalize on the restaurant’s potential as a tourist destination. He noted that the Cupboard already has a following with out-of-towners who visit family members in Memphis during the holidays.

And several years ago Cavallo joined forces with Corky’s Ribs and BBQ to sell chicken fried chicken milk gravy on home shopping channel QVC, which was successful for about a year.

The Cupboard has already reached a deal with Southern Magnolia Tours beginning in May and is working on a promo deal with the Memphis Convention and Visitor’s Bureau.

Inside the restaurant though, Cavallo doesn’t plan on changing a thing.

“I’m finished, I’m staying right here,” Cavallo said. “I’m not going anywhere else.”

New LaunchLounge serves mix of social, business networking

Straight up with a twist. That’s how the Launch-Memphis folks might describe their programming for entrepreneurs during 2013, which includes a remixed version of a house special that pairs social networking with business after hours.

Formerly known as Tech Cocktails, the monthly gathering has been re-branded as LaunchLounge and it takes place from 5:30 to 8 p.m. on Wednesday at Local Gastropub in Overton Square, 2126 Madison.

For a \$5 cover, you can enjoy happy-hour drink and food specials and know your dollars will make a difference because all proceeds go to support LaunchMemphis programs. No need to sign up, just show up and spend time with some of the brightest creatives in the region. If you want to learn more, visit launch-memphis.com.

If your afternoon schedule is free on Wednesday, then before you head over to LaunchLounge you’ll definitely want to drop by EmergeMemphis to hang out with LaunchYourCity folks as they welcome leaders with Austin-based startup Aunt Bertha, which is an online one-stop community for people seeking governmental or philanthropic services. On hand to discuss entrepreneurship and the challenges and rewards of startups will be company founder Erine Gray and Shea Sulkin, who works as product manager and lead designer at Aunt Bertha.

The afternoon chat is free but please RSVP to info@launchmemphis.com to let the hosts know how many to expect.

If you’re an early riser and tech is your thing, then before you head out for cocktails and conversation make plans to start your Wednesday off with Interactive Expedition from 7:30 to 9 a.m. at the Holiday Inn at the University of Memphis, 3700 Central.

Designed as a collaborative cohort of technology buffs as well as those who’d like to be, the event features a breakfast buffet and a casual program aimed at updating attendees on the latest in technology trends.

Feel free to drop by for as long as you’re able to stay and contribute to the conversation if there are any neat tech tricks or online tools you’d like to share. Cost is \$20, or \$15 each for you and a friend if you bring a first-timer.

Registration is requested, so visit meetup.com/social-expedition for details.

Also on Wednesday morning is this week’s Talk Shoppe workshop,



JAMES DOWD

STARTUP MEMPHIS

LEARN MORE

Visit startupmemphis.com, a website devoted to small businesses and entrepreneurship in Memphis, sponsored by The Commercial Appeal.

“Build Wealth Buying Real Estate,” from 9 to 10 a.m. at the Better Business Bureau, 3693 Tyndale, featuring presenters Don and Holly Swogger. The program is free, but organizers need to plan for seating so please contact Jo Garner at 901-482-0354 or jogarner@mindspring.com by noon on Tuesday to get your name on the list.

Whether you’re a total blog geek or a questioning newbie wondering if the blogosphere is right for you, make sure to check out WordPress Memphis to meet some kindred spirits. The group regularly offers tips on maximizing blogs for business and personal usage and for lots of entrepreneurs and small business owners, blogging can be a great promotional tool and an easy way to engage with customers.

WordPress Memphis meets at 6 p.m. on Thursday at EmergeMemphis, 516 Tennessee.

The program is free and open to the public, but organizers would like to get a head count for seating purposes, so please sign up ahead of time. To save your spot, visit meetup.com/WordPress-Memphis.

And on Friday, Helen Brett Enterprises will sponsor its “Small Business Revenue Generator Boot Camp” from 11 a.m. to 4 p.m. at the Memphis Cook Convention Center, 255 N. Main.

The program is being held in conjunction with the Memphis Gift and Jewelry Show and will feature several sessions to help entrepreneurs and small business owners craft effective marketing and sales strategies to boost profits.

Attendance is reserved for those attending the jewelry show and there is no additional charge for the entrepreneurship sessions. Participants may attend any or all of the forums.

Preregistration is required and seating is limited. To save your spot, visit bootcamp.helenbrett.com.

E-mail James Dowd at dowd@commercialappeal.com

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Mickelson deserved praise for pointing out anti-growth tax concern

In America, there are 20 million small business owners who can be further classified as independent contractors.

These entrepreneurs are sole proprietors, consultants, freelancers, or anyone who works alone, without a net, on the marketplace high-wire. When the person coined the term, “Eat what you kill” he was talking about this hardy group. On the scale that measures financial and professional risk, with 10 being “made in the shade,” and 1 being “OMG,” ICs begin with a

JIM BLASINGAME

SMALL BUSINESS ADVOCATE

0.1 rating and 90 percent never get above a 2.

One of these ICs is Phil Mickelson, professional golfer.

Mickelson, 42, is a very successful IC: World Golf Hall of Fame, shortlist of “Greatest Golfers of All Time” and the greatest left-handed player. “Lefty” has won 40 PGA tournaments, including four majors, career prize

money over \$67 million and annual endorsements estimated at \$50 million.

Just like other ICs, and unlike NFL, MLB and NBA players, Mickelson has no guaranteed contract. If he plays poorly the first two days of a tournament he is “cut” and leaves without a paycheck. And if his poor play continues long enough, not only do tournament earnings diminish, but endorsements as well. “Phil the Thrill” has earned his wealth.

Recently this native Californian made news by voicing concerns about

his state’s increasing income tax rates, that with federal rates, conservatively puts him well above the 50 percent level. He lamented that he might have to move, or maybe even retire. If he lived in a state with no income tax, like Texas or Florida, his tax bill would drop more than \$7 million.

Many in the press were critical of Mickelson for his comments, saying he shouldn’t complain since after all, how many millions does anyone need? But this is America; we have the liberty to earn

and keep as much as we can, the right to voice our displeasure when the government is taking too much, and not apologize for either.

Small business owners agree with Phil and Supreme Court Justice Louis Brandeis, who wrote that while tax evasion is illegal, tax avoidance is commendable. Mickelson’s comments on high taxes were commendable, honest and courageous — too bad he later apologized.

We have just learned the U.S. economy had negative growth in the fourth quar-

ter. One big reason we may now be slouching toward a double dip recession is because small business owners, like Mickelson, are shrugging in response to anti-growth tax and regulatory policies.

WRITE THIS ON A ROCK ...

A small-business owner’s motivation to take risks is in direct proportion to the level of government interference.

Jim Blasingame hosts The Small Business Advocate Show, SmallBusinessAdvocate.com.

Business

Sunday, February 3, 2013

★★

■ What a start!

By historical standards, the stock market's sizzling performance in January indicates 2013 will be a good year for investors. Will it? **2C**



The Med has new message for Memphis

■ Ad campaign part of strategy to polish hospital's public image

By Toby Sells
sells@commercialappeal.com
901-529-2742

The Regional Medical Center at Memphis has launched a new ad campaign to "reawaken" its brand and change patients' minds when they wake up at the hospital.

A series of three televi-

sion ads started running about a week ago. Quick-paced and dramatic music pushes medical teams through high-pressure trauma situations in two of the ads. The other plays sweet and tender as a mother and doctor fawn over a newborn baby. Billboards around Memphis mirror the TV spots.

"We wanted to reintroduce the Regional Medical Center to the public," said Med CEO Dr. Reginald Coopwood.

"It's more than just the hospital where people go if they got shot overnight."

The ads come after a "quiet period" for The Med as Coopwood aimed to reduce the hospital's media profile, which was pronounced and largely negative in the era of its financial troubles before his arrival nearly three

years ago.

A company's public image has to be maintained on a regular basis, said Doug Carpenter, principal at Memphis advertising and public relations firm Doug Carpenter & Associates. It's especially important, he said, in a time of positive change.

"The Med is a ridiculously huge and valuable asset to our community and our economy," Carpenter said. "As they evolve, it is critical to let

people know how they are growing and advancing as they move forward."

In the quiet period, the hospital building was spruced up outside with fresh coats of paint and landscaping. Inside, waiting rooms were renovated and all patient rooms were made private. Employees were trained to be friendlier and more professional. Those who refused to get on board were fired and "quite a few people lost their jobs because they

didn't think we were serious," Coopwood said.

Services also were added to attract better-paying patients for elective procedures, those surgeries not requiring a quick ride to the hospital in an ambulance from the scene of a car accident or shooting.

Yes, The Med is good at treating trauma patients, Coopwood said, but many would transfer immediately to another hospital

See MED, 5C

Staying independent



Nic Getske checks out the chrome lining of a shotgun's barrels at Tommy Bronson Sporting Goods.

ALAN SPEARMAN/THE COMMERCIAL APPEAL

■ How local sporting goods retailers are competing against the chains

By Peggy Reisser Winburne
Special to The Commercial Appeal

When the bright green neon sign went up on a building in East Memphis near the intersection of Poplar and Yates late last year, it was a nod to the past and a jump-start toward the future for Tommy Bronson Sporting Goods.

The move east to 964 June Road from the Poplar Plaza for the roughly 87-year-old sporting goods store doubled the retail floor space, allowed for expanded inventory and put the business near the interstate, boosting its position as a regional destination retailer, said owner Cliff Hunter. All

of which, he said, along with continued emphasis on customer service and a specialized inventory, positioned the independent business to grow and compete in a world of bigger chain outdoor and sporting goods retailers.

Another longtime local independent sporting goods retailer, Dowdle Sporting Goods, has gone a different way. Dowdle's inventory was sold to the national chain LIDS in September, but the business continues as an e-commerce sporting goods retailer, dowdlesports.com. For Bill Dowdle Jr., owner of the online business and descendant of the man who founded the store as a hardware store in 1909, the formula

for success is "having a light inventory and low overhead" and an enlarged customer base through the Internet.

At Outdoors Inc., another local independent outdoor gear and equipment retailer, co-owner Lawrence Migliara said, "the way we've typically competed is with better customer service and knowledgeable employees." Co-owner Joe Royer adds to that formula a community focus and attention to staying up with the technical side of sports and equipment. "We're pretty optimistic about the future," Migliara said.

All the owners said they have their eyes on their businesses and their customers more than on what the big guys are doing. All have scoped out their specific recipe for success. And

See SPORTING, 5C

CEO leaving gas firm in lurch

■ Falling prices hurt Chesapeake

By Joe Carroll
Bloomberg News

Chesapeake Energy's departing chief executive officer will leave to his successor a shrunken, cash-starved version of what was once the preeminent natural gas producer in the world's biggest market for the fuel.

Aubrey McClendon's agreement to resign effective April 1 culminated a shareholder revolt by Carl Icahn and O. Mason Hawkins, head of Memphis-based Southeastern Asset Management, that earlier had cost the CEO the chairmanship he'd held for more than two decades. McClendon also relinquished his annual bonus and saw executive perks curtailed amid federal investigations of a portfolio of personal loans that topped \$840 million.

Chesapeake lost as much as 43 percent of its market value in 2012 as scrutiny of McClendon's financial transactions destroyed investor confidence in management and cratering gas prices drained the company of cash. Unfinished tasks facing the next CEO include raising \$8 billion from asset sales this year to plug a funding shortfall, and converting a company that pumps enough gas to supply 20 percent of American household demand into an oil producer.

"Companies have life cycles, and during various stages it can make sense for some people to leave," Philip Weiss, an analyst at Argus Research Corp. in New York, said in a telephone interview. "Aubrey McClendon was very good at accumulating land, but now that Chesapeake is moving into an asset-harvesting mode, they must have decided they needed someone with another set of skills."

An internal board inves-

See ENERGY, 5C

Bullish on Memphis: Real estate analyst sees ingredients for growth

By Thomas Bailey Jr.
baileytom@yourappeal.com
901-529-2388

If you're down on Memphis and want to keep the feeling, don't come hear KC Conway next week.

The Atlanta resident is bullish on what's about to happen in the economic development of Memphis, but not as a cheerleader.

As managing director for real estate analytics at the real estate firm Colliers International, businesses and investors pay for his guidance, including on where to put their facilities, employ-

ees and money.

"Memphis is one of my favorites," said Conway, the featured speaker Thursday at the 2013 Commercial Property Forecast Summit of the Realtors' Commercial Council.

"I'm really high and bullish on Memphis. A lot of people are surprised at that. They tend to think of Memphis as a little sleeper: job growth numbers, housing foreclosures and defaults. Those don't always compare favorably, so people tend to put Memphis in the 'negative' bucket."

But as he drove his two

children around Atlanta during an interview, Conway cited a number of reasons why Memphis has become the place to be, especially for logistics.

Conway was born into commercial real estate — his father was the land guy in developing Vail's ski resort. He attended Emory University and worked as an appraiser, underwriter, lender and credit officer before joining the Federal Reserve from 2005 to 2010.

There, Conway held several jobs that included briefing Federal Reserve chairman Ben Bernanke and the

board of governors monthly about real estate during the financial meltdown. His work earned him recognition from the Federal Reserve and Federal Financial Institutions Examination Council that included "Key Player" and "Meritorious Service" awards.

Now, "key player" and "meritorious" are how Conway might describe Memphis to clients wanting to improve their supply chains.

"I try to help people understand the recipe work-

See GROWTH, 5C

2013 COMMERCIAL PROPERTY FORECAST SUMMIT

What: An overview of commercial real estate and economic trends from a national and local perspective presented by the Commercial Council of Memphis Area Association of Realtors

When: Thursday, light breakfast at 8 a.m., program at 8:30

Where: Germantown Performing Arts Centre Theatre, 1801 Exeter Road

Cost: \$50 for members of Memphis Area Association of Realtors, \$70 for public

Featured speaker: KC Conway, executive managing director, real estate analytics, Colliers International

Speakers with local perspective: Office market, Kemp Conrad of Cushman & Wakefield/Commercial Advisors; industrial, Brad Kornegay, Colliers International | Memphis; retail, Shawn Massey, The Shopping Center Group; multifamily, Rick Fogelman, Fogelman Properties; land, Jim Rainer, Grubb & Ellis | Memphis; Memphis, Tommy Pacello, Mayor's Innovation Delivery Team; and financial, Jeremy Chism, First Horizon Capital Markets

Summit chairman: Andrew Phillips, Colliers International | Memphis

THE WALL STREET JOURNAL SUNDAY.

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THE WEEKLY GUIDE TO MANAGING YOUR MONEY

WSJ.com/Sunday

The Market's Blowout Woos Investors From Sidelines

By VERONICA DAGHER

Three-fourths of the time the old Wall Street adage holds true: "As goes January, so goes the rest of year."

So, given last month's Super Bowl-style market performance, the odds are good that 2013 will be a plus year for stock investors.

After languishing in cash and low-yielding bonds for seemingly ages, some small investors are thinking about getting back into stocks while others are already back in, helping propel the Dow up 5.8% in January.

And the rally is carrying over into February. The Dow rose another 149 points on Friday, breaking through the 14000 mark, and pushing the year-to-date bounce to 6.9%.

Likewise, the Nasdaq Composite closed Friday up 5.3% for the year, and the Standard & Poor's 500-stock index is up 6.1%.

Fed Sticks to Game Plan

Thanks, in part, to a late-December deal in Washington to avoid the worst of the fiscal cliff, a recent lack of really bad news and the continuation of the Federal Reserve's easy-money policies, up appears to be the path of least resistance for stocks right now.

"You can't fight the Fed," says Liz Ann Sonders, chief investment strategist at Schwab Center for Financial Research.

On Wednesday, the Fed said it would maintain its \$85-billion-a-month bond-buying program designed to boost the economy by lowering long-term interest rates.

January is generally a good month for stocks and its performance is often indicative of the rest of the year.

Although January's performance has predicted the outcome of the full year about 75% of

time, it's not necessarily something to base investing decisions on.

January 1987 was terrific, for instance, and the year ended modestly in the black. But the defining moment of the market that year was the "Black Monday" market crash of Oct. 19 when the Dow fell 23%.

(By the way: If you prefer odd market predictors, you'll be rooting for the San Francisco 49ers today because the Super Bowl indicator says the market goes up when old, pre-merger NFL teams win the big game. That's also true about 75% of the time.)

And the last time the Dow ended with the high of the year in January was in 2000, at the pinnacle of the Internet-bubble bull market of the late 1990s.

Last week, investors weighed a raft of mixed economic data.

The market on Wednesday largely shrugged off an unexpectedly weak first-take reading on fourth-quarter gross domestic product.

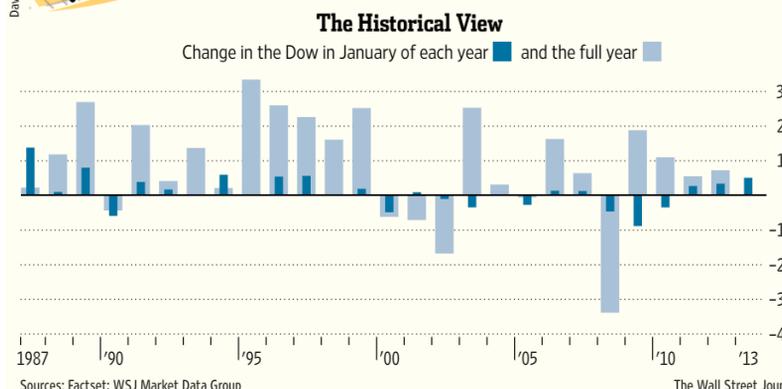
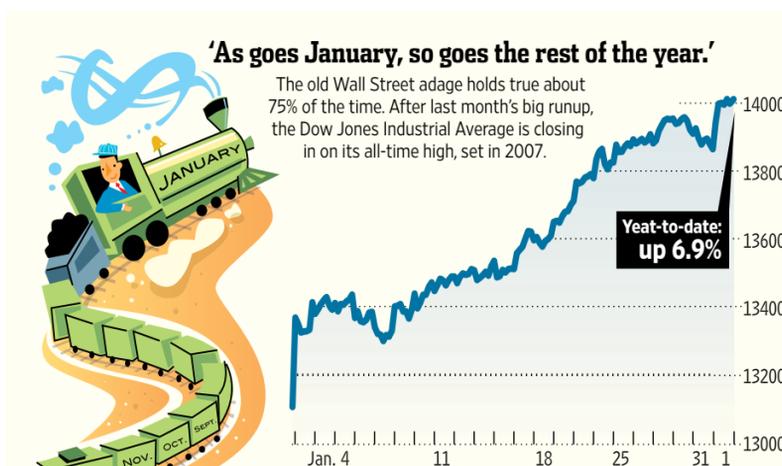
On Friday, the Labor Department reported last month's unemployment rate ticked up to 7.9%, from 7.8% in December. But market participants focused on news that late-2012 job growth was better than initially reported, and that January factory activity expanded.

Investors Scramble

And despite the apparent disconnect between Main Street and Wall Street (read: millions of Americans are still unemployed and underemployed), there's no shortage of bullish stock-market sentiment.

Investors poured \$12.71 billion into equity funds, including exchange-traded funds, for the week ended Jan. 30,—their second-largest weekly net inflows since Sept. 14, 2011, according to fund tracker Lipper.

The bulls point to the gradu-



clients into shorter duration bonds, says Nathan Kubik, principal at Carnick & Kubik, a financial planning firm in Colorado Springs.

He's also boosting some clients' stake in dividend-paying stocks such as **ConocoPhillips** (COP).

Financial adviser Greg Zandlo, president of North East Asset Management, likes large multinationals with strong, "battleship" balance sheets and the ability to generate and distribute money to shareholders, such as **3M** (MMM) and **Johnson & Johnson** (JNJ).

Andy Kapyrin, director of research at RegentAtlantic Capital, likes "unloved and undervalued" cyclical companies, such as **General Motors** (GM), **Chevron** (CVX) and **Intel** (INTC). All three companies trade at a discount of about 35% to the market at large, he says.

Audible Plays

Investors should expect more volatility in the months ahead, says Jeff Fishman, owner of JSF Financial. He suggests using market dips as buying opportunities to scoop up high-quality companies. He's especially fond of large-cap dividend-paying stocks in the technology sector.

Investors should be thinking about their specific financial goals such as their retirement, college for their children and care of their aging parents and start investing accordingly, says Ric Edelman, chief executive of Edelman Financial Services. Recognize the risk of not investing solely because you may be afraid of the next negative headline. "Keeping money in cash where it earns virtually nothing is a certain way to go broke due to inflation over long periods," says Mr. Edelman.

Email: veronica.dagher@wsj.com

INVESTOR'S CALENDAR

THIS WEEK

◆ **Hearing:** The confirmation hearing of John Brennan, the nominee for director of the Central Intelligence Agency, is slated for Thursday.

◆ **Party Planning:** Senate Democrats are set to hold a strategy retreat this week to consider options for averting automatic spending cuts scheduled for March 1.

Wall Street Journal Sunday writers regularly contribute to the Journal's weekday "Your Money Matters" personal-finance podcast. Listen at WSJ.com/Podcasts

◆ **Euro Meeting:** European Union leaders gather Thursday and Friday, when they'll try to reach a compromise on a budget for the 27-nation bloc.

◆ **Going Public:** The initial public offering of plywood maker Boise Cascade is set for Wednesday, with shares going for between \$16 and \$18 each.

◆ **Looming Strike:** Boeing's unionized engineers will begin voting on a strike authorization Tuesday. The union's leadership recommended last week to reject the company's "best and final" contract offer.

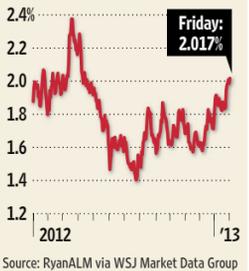
◆ **More Space:** An iPad with twice the storage of its largest model goes on sale Tuesday, with a starting price of \$799.

◆ **Earnings:** News Corp., Walt Disney, UBS, Visa, Time Warner and CVS Caremark report.

◆ **Indicators:** Trade-deficit figures for December are due out Friday.

Rising Interest

Rates on the benchmark 10-year Treasury note hit the 2% mark last week, the highest since April of last year.



LAST WEEK

◆ **Slower:** The U.S. economy shrank in the fourth quarter. But strength in consumer spending and business investment suggests the economy will grow, albeit slowly, in 2013.

◆ **Jobless Rate:** The unemployment rate for January ticked up to 7.9% from 7.8%.

◆ **More Time:** The Senate passed a bill extending the U.S.'s borrowing authority until mid-May.

◆ **New Plans:** President Obama proposed an immigration-reform plan similar to one unveiled by a Senate group.

◆ **Opt Out:** The Obama administration outlined options for religious universities, hospitals and charities to opt out of the contraception requirements in the health-care law.

◆ **Results:** Facebook's fourth-quarter profit sank 79%, but revenue jumped 40%. Boeing's profit fell 30%; Amazon.com's was off 45%. Ford Motor posted a profit of \$1.6 billion.

THE AGGREGATOR

Risky Student Debt Is Starting to Sour

The number of student loans held by subprime borrowers is growing, and more of those loans are souring, the latest signs that a weak job market and rising debt loads are squeezing recent graduates.

In all, 33% of subprime student loans in repayment were 90 days or more past due in March 2012, up from 24% in 2007, according to a report released last week by TransUnion.

Meanwhile, the credit-reporting firm found that 33% of the almost \$900 billion in student loans outstanding was held by subprime, or the riskiest, borrowers as of March 2012, up from 31% in 2007.

—Rachel Louise Ensign and Ruth Simon
The Wall Street Journal

Office for Rent

Microsoft has started offering consumers a new version of Office that for the first time comes with an option to "rent" the software for a monthly fee.

Office 365, as the subscription version is known, has an upfront annual fee of \$99.99, or \$9.99 a month for a pay-as-you-go option. (People buying Office along with a new computer can pay a \$79.99 annual subscription for Office 365.)

Until now, consumers paid once to buy Office to install on a computer hard drive. That option is still available, for \$139.99 and up, on a new version called Office 2013.

Microsoft says subscription Office users will get first crack at new features and updated services as often as every three months, and it's giving those users more Web-friendly options, including larger on-line-file storage capacity and free minutes on Microsoft's Skype video-calling service. All Office users can access Office files on computers with a Web browser.

—Shira Ovide
The Wall Street Journal

Preparation Fees

The National Society of Accountants surveyed its members to determine average tax-return preparation fees by form and by region.

Stat of the Week

Bets On: Nearly 40% of U.S. adults surveyed have bet on the outcome of the Super Bowl, up from 31% last year. U.S. adults who have ever bet on a Super Bowl:

	LOST	AMOUNT	WON
60	10%	\$0	20%
		1-25	33
	15	26-99	4
	7	100	16
	3	101-249	5
	6	250+	12
		501+	10

Note: Total more than 100% due to rounding. Source: Harris Interactive survey conducted for CouponCabin of 2,050 adults from Jan. 14-16. The Wall Street Journal

The group has 11,000 members, most of whom are sole practitioners or work at smaller firms. They have various credentials, including CPA, IRS enrolled agent and accredited tax preparer.

According to the survey, the average cost to prepare an itemized Form 1040 with a Schedule A (for itemized deductions) and a state tax return is \$246. The average rate for a return without itemized deductions is \$143.

—Laura Saunders
Total Return Blog
WSJ.com

Filing Extension

The Internal Revenue Service announced an extension in the filing deadline for many people who qualify as farmers or fishermen.

The IRS said it will waive penalties for the 2012 tax year for these taxpayers who miss the March 1 deadline, as long as they file their returns and pay the tax due by April 15.

Many of these taxpayers typically file by March 1, under special rules that allow them to avoid making quarterly tax payments during the year. But the delayed fiscal-cliff deal has

affected the IRS's ability to process some of the forms that farmers and fishermen must use, particularly those for depreciation.

—John D. McKinnon
The Wall Street Journal

Parents Know Best

Parents think their adult children are making loads of financial mistakes, according to a study released last week by Fidelity Investments.

The top three money mistakes that parents think their children have made are:

◆ Racking up credit-card debt (42%).

◆ Not saving early enough for retirement (38%).

◆ Not building a large enough emergency fund (36%).

By contrast, the adult children idealize their parents' financial knowledge, with 47% saying their parents haven't made such errors, the study found.

—Kelly Greene
Total Return Blog
WSJ.com

The Aggregator, edited by Cristina Lourosa-Ricardo, features news and commentary from The Wall Street Journal and other publications. Email: cristina.lourosa@wsj.com

Government Pushes Paperless Payments

By RACHEL LOUISE ENSIGN

The deadline to switch over to electronic Social Security payments is looming—but it's not as firm as it once was.

March 1 is the official deadline for those receiving paper checks for

benefits, including Social Security, veterans and Supplemental Security Income, to switch to an electronic-payment method. But the about five million recipients who have yet to make the switch won't see their checks cut off if they don't meet the deadline, says Walt Henderson, a spokesman for the Treasury Department.

"There's a law to

switch. The law is well established, we're just taking a softer approach to get people to comply," says Mr. Henderson.

The government website promoting the shift (godirect.org) says the department may issue pre-paid debit cards to people who don't sign up by the deadline. But in reality, those who don't sign up will, as of now, continue getting paper checks after the deadline, but will keep getting entreaties asking them to switch, says Mr. Henderson.

"We're not going to stop their check payment," he says, but "we want to encourage people to comply."

And the Treasury Department has discretion

to stop sending paper checks in the future, so check recipients will want to look into the electronic options.

You can either set up direct deposit into a bank account or have the money loaded onto a pre-paid debit card, called Direct Express, says Mr. Henderson. You can sign up at godirect.org or by calling 800-333-1795.

Like other pre-paid cards, Direct Express comes with fees. Cardholders get one free ATM withdrawal each time they receive a benefit payment. After that, they pay 90 cents per withdrawal, plus any fee charged by the ATM operator, according to Mr. Henderson.

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THE JUGGLE ON SUNDAY

Do-It-Yourself? How About You Don't.

By LAURA KREUTZER

Not too long ago, I walked into our kitchen to find what looked like the carnage from a battle between home-improvement stores. The lower half of my husband's body stuck out from underneath the kitchen sink, surrounded by rags fashioned out of an old T-shirt and a scattering of tools and cleaning products. "I saw this scene in a sitcom once," I said squatting down. "It didn't end well." "I'm trying to get in here to tighten these washers," Clay half shouted from under the sink. "But everything is so close together, I can't get my hands up in there. I may need to turn off the water." Uh-oh.

I have always taken pride in my husband's home-improvement abilities. I love telling friends that I married a modern Renaissance man, someone as facile with the works of James Joyce and Raymond Carver as he is with those of Black & Decker. During the roughly two decades he spent working as a painting contractor, including more than a dozen years managing his own business, Clay picked up some handy skills. I have seen the man successfully repair pieces of antique furniture, snake clogged drains, replace parts of a broken toilet and skim coat an old plaster wall until it was as smooth and pristine as Justin Bieber's complexion. But there are moments—no doubt familiar to many people with a do-it-yourself spouse—when I question whether his confidence might exceed the limits of even his prodigious skill set. One of those moments came after we noticed that the kitchen faucet in our new home began to resemble a miniature version of the fountain show at the Bellagio Hotel every time we ran it for more than a few



Omer Hoffman

seconds. After poking around, Clay wanted to fix the sink on his own. "I would hate to end up paying \$180 to a plumber just to tighten something that I could have tightened myself," he said. I, on the other hand, believed that this was probably a case when paying money upfront would save us money in the end. What if Clay's attempts to fix the sink ended up creating an even bigger problem? There was also the matter of time. Even if Clay did eventually figure out how to fix the leak, the process could take days, if not weeks. Meanwhile, we would be rinsing things in the decidedly chillier and smaller downstairs bathroom sink. The dead of a New England winter is not exactly the time of year that I want to be getting my pioneer woman on. But I think there was more at stake for my husband than just a leaky faucet. These types of repairs enable him to continue using the skills that he honed over the course of his career, and to stay connected to that career while being a stay-at-home dad. At the same time, he takes pride in his ability to contribute to the value of our home in a way that is easily quantified. Admittedly, the various home-improvement projects he has

embarked upon so far would easily have cost us hundreds, if not thousands, of dollars if we had outsourced them. I consulted two sets of friends for advice on how they handle this type of situation. Both are as skilled with a hammer and compound saw as Clay. One friend said she and her husband, a vice president at a wealth-management firm, ran into a similar discussion when they were refinishing their basement several years ago. They did nearly all of the job themselves—laying the flooring, painting and installing built-in bookshelves. Although it took several months, they saved thousands of dollars tackling these tasks on their own, and still managed to achieve results that looked professional. However, they disagreed over whether they should install recessed lighting in the ceiling on their own. After some back and forth, they decided not to risk it. "We had just bought the home and I was afraid we would ruin it," my friend said. From that point on, she said they set a new ground rule: "If it can cause a flood or fire, we call in an expert." Another friend said that he will tackle most carpentry jobs, or very minor electric repairs like replacing an elec-

tric socket plate, on his own. However, for anything that could potentially damage the house, such as the gas, the wiring or the pipes, he calls in the experts. "If my house breaks, I want it to be on someone else's license," he said. After some discussion, we came to a compromise. Clay would conduct some of his own research to find out exactly what fixing the faucet would entail. If he still wants to tackle the job, we will create an estimate of the time and materials that would be required to complete it. However, we will also get some estimates from professional plumbers to get their take on the situation. If the job doesn't require replacing the entire sink or create the potential for broader damage to house, we will tackle it ourselves (or rather Clay will tackle it, and I will stand by nervously as he shouts for tools from under the sink). However, if it seems like a bigger task than he can handle, he has agreed to call in the cavalry, music to any pioneer woman's ears. Laura Kreutzer is assistant managing editor of private equity in the newsletter group at Dow Jones. Write to her at SundayJuggle@wsj.com. You can also join the conversation at WSJ.com/Juggle.

AL'S EMPORIUM

Black-Eyed BlackBerry

By AL LEWIS

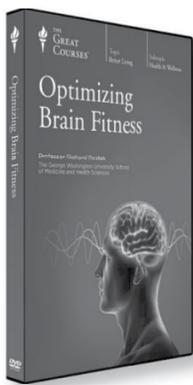


Here's what I think of the new BlackBerry: It's a phone. Nobody is going to camp out in front of a store, like some rock-band groupie, to buy it. Nobody is going to win a happy-hour debate over which phone is better: the BlackBerry Z10, the Apple iPhone 5, the Galaxy S III by Samsung, the Lumia 920 by Nokia, or even the Nexus 4, which runs Google's Android operating system. They are all cool. They all have apps and features most people will never use. Smartphone technology has swiftly reached the point where most future improvements will be incremental. This means that from now on launches of new smartphones will be about as exciting as the latest operating system from Microsoft. This means the primary reason to buy a new smartphone is because you just dropped yours in the toilet. I have long hoped someone would come out with a smartphone with a built-in Taser. If some long-unemployed thug tries to rob you because he needs to eat, too, you reach for your cellphone, because you can still afford to sign a wireless contract, and zap him. This is my answer to gun control. Unfortunately, it's a bit flawed since most consumers would probably pick up the phone when it rang and tase themselves in the head. Research In Motion—perhaps in one of its last dying gasps—unveiled two new smartphones last week, the Z10 and the Q10, which run on its BB10 operating system. For the most part, tech-savvy reviewers say these are pretty cool phones. For the most part, market-savvy analysts say they are too late to market. "Expect a muted consumer response due to [RIM's] damaged brand image," wrote an-

alysts at Evercore Partners. RIM stock slid 12% on Wednesday, the day of its big launch, and continued to soften through the week. The company's plans to change its name to BlackBerry drew a collective yawn. What's a BlackBerry, again? Apple had nearly driven the BlackBerry to extinction, so this was like renaming the company Betamax. What really soured the market was the announcement that the new BlackBerries would not be available in the U.S. until March. Typically, technology is obsolete the second you buy it off the shelf. March? Unlike most analysts and market observers, though, I would like to applaud RIM for at least trying to stage a comeback. Lesser companies would have rolled over and died by now. Still, I think they would have had a better shot if their new products were available in the next few days following the Super Bowl. SquareTrade, a cellphone protection-plan provider based in San Francisco, released a study last week showing that 23 million Americans have damaged cellphones or tablets while watching sports. This is mostly due to fumbles, which break down like this: The standard drop from the hand, 33%; liquid drops, including toilets, sweat and water spills, 18%; beer drops, 13%; passion drops, or devices thrown in anger or excitement, 12%; bar drops, or devices falling from bars or tables, 8%. Ravens fans are most at risk for a fumble. The study said they are 14% clumsier than 49ers fans. It said 27% of Ravens fans have had a cellphone accident in the past 12 months versus 23% for 49ers fans. This is a huge market opportunity. BlackBerry just missed it. Al Lewis is a columnist for Dow Jones Newswires in Denver. He blogs at telltatto.com; his email address is al.lewis@dowjones.com

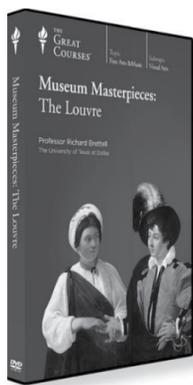


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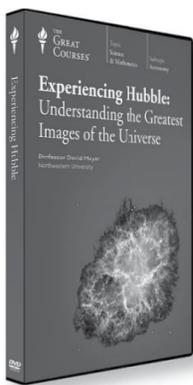
In **Optimizing Brain Fitness**, award-winning Professor of Neurology Richard Restak teaches you how to improve your memory, sharpen your attention, enhance your learning and creativity, and even fine-tune your sensory acuity—all by using one of the most revolutionary discoveries in modern neuroscience. And the good news is, you can improve and enhance your brain's incredible powers at *any* age. This engaging 12-lecture course shows you how to take advantage of the basic principles of brain operation to build the brain you want to live with for the rest of your life.

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Course 7175 12 Lectures (30 min/lecture)
Available exclusively on DVD



In **Experiencing Hubble: Understanding the Greatest Images of the Universe**, Professor David M. Meyer, Director of the Dearborn Observatory, reveals secrets of the universe as discovered through the Hubble Space telescope. In 12 spectacularly illustrated lectures, he gives you his "Top 10" list of the telescope's most landmark images in a visual feast that includes many of the greatest discoveries in astronomy during the 1990s and 2000s. You'll use these iconic pictures as a jumping-off point to explore different aspects of the cosmos that Hubble has revealed.

Course 1884 12 Lectures (30 min/lecture)
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In **The History of the Bible: The Making of the New Testament Canon**, *New York Times* best-selling author and Professor Bart D. Ehrman reveals the history behind the making of the New Testament, including how and when each book was written and why it was chosen to be included. Whether you're a Christian or you simply appreciate the cultural importance of the New Testament, you'll find a wealth of information in this 12-lecture course that explains where the New Testament came from, what it contains, and how it was transmitted down to us today.

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BY CHARLES PASSY

What's cooking behind the chrome-plated exterior?

1 "We're not as popular as you think."

Diners have been part of the American way of life for more than a century, and have been celebrated in movies, sitcoms—even museum exhibits. But these popular restaurants, known for their vast menus of comfort-food favorites, low prices and neighborhood vibe, are no longer the dominant force they once were.

Many famous older diners have closed their doors. Indeed, one of the country's best-known manufacturers of prefabricated diners, Kullman Building, ceased operations in 2011.

"The segment isn't doing well," says Bret Thorn, senior editor of Nation's Restaurant News, a leading industry journal. Simply put, while Americans may love the idea of them, old-fashioned diners are losing out to newer eateries.

2 "We're suffering from an identity crisis."

These days, some "diners" are more like full-scale shrines to gourmet feasting than your everyday hash house. Consider Atlanta's Buckhead Diner, which promises "an American dining experience unlike any other" and has a menu that runs the gamut from crispy rock shrimp tacos to veal ricotta meatballs.

Chicago's diner-inspired Au Cheval notes that it's "not your typical greasy spoon diner," as evidenced by its drink menu alone, which features 30-plus international beers on tap, specialty cocktails and "a rockin' wine list." But purists insist the modern interpretation creates confusion, if not an outright identity crisis. "This is not really a diner in the classic sense," says restaurant historian Richard J.S. Gutman.

3 "We're old-fashioned—but hardly old."

The classic diner can be a study in Art Deco design and features such familiar elements

... Diners Won't Tell You

as counter seating and an open kitchen. But in recent years, such styling can be seen in many eateries constructed anew as part of what might be dubbed the retro-diner craze.

At Southwest Diner in St. Louis, for instance, co-owner Jonathan Jones fitted the eatery with secondhand chrome fixtures and says customers "think we've been here a long time, when we've been only open seven months."

4 "We take all sorts of cooking shortcuts."

There's a reason diner chefs are often called short-order cooks: They've mastered the art of preparing a meal in a time-efficient manner. But making quick work of a burger or scrambled eggs on a hot flat-top grill is one thing, say culinary pros. Letting precooked food, often made early in the morning, sit in a steam table for hours is another. Yet, many diners do just that. "Once food is sitting in a steam table for two or three hours, you start losing the good flavors," says Bobby Orfanos, owner of Zorba's Taverna in Delray Beach, Fla.

5 "Made from scratch? Not quite."

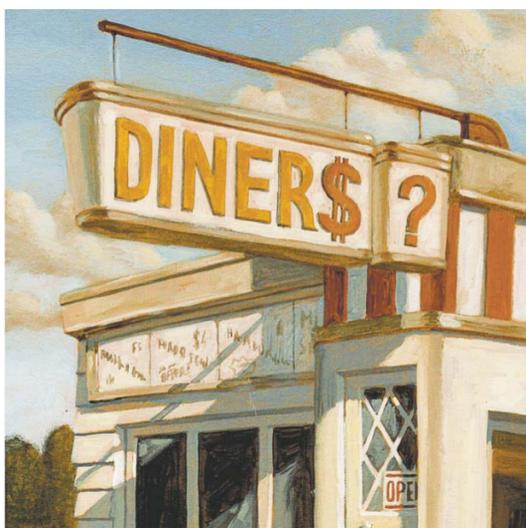
Perhaps the biggest shortcut diner operators take is relying on already prepared foods. Much of diner "cooking" is "opening a lot of No. 10 cans," says San Diego diner proprietor Cecelia Moreno, referring to the industrial-grade size. Frozen products also are widely used. Unless an item is a daily special, there's a chance it's coming from the icebox.

And those towering desserts you see proudly displayed in cases situated at the front of many diners? You can often thank a local bakery for providing them, says Mr. Thorn.

6 "You see a plate of eggs. We see dollar signs."

Even the least-expensive diners will have a few higher-ticket items—say, a steak or salmon entree for \$20. But that's not necessarily where diners make their real profits. If anything, their business model is built around that \$5 plate of eggs.

It all comes down to basic math—popular breakfast items



Maurizio Quarello

like eggs, pancakes, cereal, toast and coffee cost a fraction of what lunch and dinner items do. Restaurant pros say food costs for breakfast run about 20% of the total check price; at lunch and dinner, that figure can jump as high as 40%.

7 "Want to eat healthy? You're at the wrong place."

No one orders a cheeseburger deluxe at a diner thinking they're stinting on calories. Indeed, many diner favorites—from onion rings to milkshakes—are popular because of the sheer indulgence factor.

But nutrition experts and diner insiders say customers might be surprised to learn how more "innocent" diner foods are often loaded with extra calories and fat grams. Almost anything prepared on the flat-top grill—from eggs to grilled-cheese sandwiches—gets quite a bit of added fat from the oil used to keep the food from sticking to the surface.

8 "We've got our eyes on expansion."

Just about everyone is familiar with the mega diner-style chains, such as IHOP and Denny's. But a wave of smaller, and often regional-oriented, chains are starting to make their presence known.

Restaurant pros say such growth can bring a certain sacrificing of individuality and quality. "It can be very easy to lose sight of the things that

made a diner successful in the first place when multiple locations are opened," says David Bakke, a former restaurant manager who's now a writer and editor at Money Crashers, a personal-finance advice site.

9 "In the late-night hours, come at your own risk."

One of the reasons diners are so beloved is that many of them are open round-the-clock, giving revelers a place to seek late-night sustenance after hitting the bars or clubs. But some of those revelers can cause problems, too: The situation has gotten so troublesome that some diners have taken to hiring late-night security staff.

"When people have a few drinks, they can get rowdy," says Michael Carlos, manager of an IHOP in New York City's East Village neighborhood that has brought in security.

10 "For a true diner experience, eat at home."

As much as Americans love diner fare, they don't necessarily have to head to a diner to enjoy it. Unlike the cuisine served at fancier eateries—say, classic French—the traditional diner menu isn't intended to be complicated.

If anything, says famed chef Emeril Lagasse, "when I look at diner food, I almost look as if I'm going to eat at someone's home." So, he suggests, why not just prepare the food at home?

CAREERS

Surviving as a Specialist

BY DENNIS NISHI

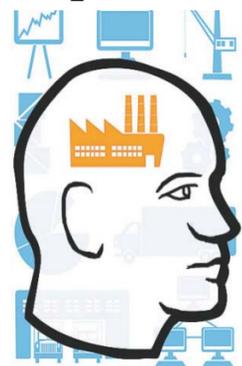
Lee Martin was a search consultant who found job candidates for companies in commercial construction and real estate. But the recession sapped 2.2 million jobs out of construction, forcing the Dallas recruiter to refocus his niche or look for another job.

After doing research and connecting with his network to get introductions and references, Mr. Martin began to aggressively pursue government building contracts. It was a smaller and more specialized market but there was a wartime construction boom of military bases and infrastructure that helped to carry Mr. Martin's recruiting firm through a few tough years. Mr. Martin is now a managing partner at his recruiting firm.

In whatever field you work in, specializing is one tactic that can be used to improve your odds of surviving layoffs if you can correctly anticipate future company and industry needs, say career experts. Specialization also pays better and is a more attractive pitch to those employers that are cautiously hiring again and looking for specialized candidates to fill new growth areas or restore old ones.

"It sounds counterintuitive but the specialist tends to be the higher-valued employee because of their specific competency and because they have broad training that allows them to back out and take on more general roles as needed," says Jeff Kaye, co-chief executive of Kaye/Bassman International, a Dallas-based recruiting firm. "And when things improve, the specialist can return to the work that they were originally hired to do. It's not the same for the generalist who may require additional training."

Taking on a specialty or a subspecialty can also be a way to reinforce your value to the company. Andrew Kratky weathered several big layoffs at a Chicago manufacturing firm by volunteering for unpopular assignments—including an extended stint in Brazil. He also made some lateral moves out of staff-reduced departments and



Dennis Nishi

worked with a mentor, which led to a deeper understanding of finance, operation and business development.

"Now, when I deal with companies, I can really understand what drives their business," says Mr. Kratky, who is now director of procurement. "A lot of procurement people don't understand this and don't have a real appreciation for it, but it helps significantly when negotiating."

Avoid being caught in a dwindling niche like offset print stripping. It's important to closely monitor your industry through trade publications, industry networking and analyst commentary, since most career niches won't disappear overnight. They'll evolve in predictable ways that you can adapt to. But once you make a decision, you must act quickly. Many travel agents, for example, have narrowed their focus to serve corporate clients or offer specialties like adventure travel.

In many cases, it's up to you to pursue additional training, certifications and experience since so many companies still have slashed training budgets and no plans to restore them, says Tim Honn, founder of Fortis Recruiting Solutions in Lisle, Ill. "For college students who are having a hard time finding a job, that may mean getting a masters or Ph.D. so you can do research for companies and become more specialized in your field. You need to bring something that differentiates you from everybody else to the table."

Email: sjdnishi@gmail.com

Scott Anderson

INVESTING BASICS

Before You Retire, Try Rehearsing

BY CAROLYN T. GEER

How do you know how much money you can afford to invest? Or whether you've accumulated enough money to retire?

Most of us struggle with questions like these from time to time. Occasionally, we crunch some numbers to try to approximate some answers, but often those answers leave us feeling more uncertain and anxious than when we started.

In the most extreme cases, paralysis sets in and we fall further behind on our investing goals.

One solution is to take fear out of the equation and replace it with a quotient of fun, says Holly Kylen, a Lititz, Pa., financial adviser. Her recommendation to clients who want to know if they have enough money to retire or whether they can afford to risk \$10,000 in an emerging-market exchange-traded fund: Go home and play.

As a retirement coach for ING Financial Partners, Ms. Kylen has seen many an investor reduced to tears at the mere thought of losing money on an investment or running out of funds in retirement—so many that she keeps a big box of tissues on her desk.

So about 10 years ago, Ms. Kylen came up with a game that has clients simulating their financial plan before implementing it. "If you simu-

Take the husband and wife, both 60 years old, with a combined income of \$100,000. He'd just had knee surgery so his days as a factory supervisor were numbered. She was a kitchen worker for a school district that was offering early-retirement packages.

Ms. Kylen estimated that, based on the couple's pensions, Social Security and savings to date, they could retire at age 62 on \$50,000 a year.

But could they live on that? "It'll never work," said the wife, panicked.

Ms. Kylen sent them home to play the retirement game.

For the next six months, they pretended they only earned half of their actual income, piling up the balance in a savings account.

To the wife's amazement, the smaller income turned out to be more than enough for their "have-to" costs, such as utility bills, and their "want-to" costs, such as entertainment. The grateful husband presented Ms. Kylen with a box of chocolates.

One retiring corporate executive and his wife came to the opposite conclusion, deciding they wanted more income than their investments could produce. For one thing, they wanted to be able to continue taking their grown children and grandchildren on a cruise every year.

They decided to sell their million-dollar house (which prior to playing the game they were adamant about keeping) and buy a smaller

time. "He really doesn't have to work," says Ms. Kylen, "but he has to do something more for the lifestyle he wants."

There are simulation games for new investors, too. Take the 22-year-old kindergarten teacher who wanted to start investing some money outside of her 403(b) retirement plan at work.

Ms. Kylen explained that she would need to set up three buckets of money: one for emergency savings, one for medium-term savings for a house or a car, and one for long-term investments.

But how much money could she afford to put in each bucket? The teacher didn't have a clue.

Based on her professed expenses, it looked like she was clearing about \$500 a month. So Ms. Kylen had her stash \$200 a month in a savings account temporarily and try not to touch it.

After three months, the teacher checked in. Did she touch the money and, if so, why? Yes, she had to raid the account once, for \$50 to cover the cost of a visit to a walk-in medical clinic.

Ms. Kylen had her step down her savings to \$150 a month and repeat the exercise for three more months. Eventually she settled on \$125 a month—\$50 for her emergency savings, \$50 for her medium-term savings and \$25 for her long-term investing.

"It's a powerful thing to simulate before you act," says Ms. Kylen. "It gives you the confidence and sometimes the

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ENERGY from IC

tigation of McClendon's use of his stakes in thousands of company-owned wells to secure personal loans so far has found nothing improper, Chesapeake said in a statement last week.

In an e-mail to Chesapeake employees, McClendon attributed his imminent departure to "certain philosophical differences" between him and the board without elaborating.

McClendon, 53, led Chesapeake from its 1989 inception in Oklahoma City, amassing U.S. gas and oil fields that cover an area equivalent to half the size of New York state. As one of the first explorers to embrace horizontal drilling and hydraulic fracturing, McClendon helped usher in a revival of U.S. gas and oil production with discoveries such as the Haynesville Shale in Louisiana and Utica Shale in Ohio.



Aubrey McClendon led Chesapeake from its 1989 inception in Oklahoma City.

The success of the drilling methods led to a glut of North American gas that drove prices to a 10-year low in early 2012, causing Chesapeake to cut jobs, curtail capital spending and sell about \$11 billion in oil fields and pipelines to help close a gap between cash flow and drilling expenses. The company lost \$1.07 billion during the first three quarters of last year, and net debt ballooned by 56 percent during that period to \$16.1 billion.

Chesapeake lagged U.S. energy producers like Devon Energy in shifting rigs from gas fields to higher-profit oil prospects, leaving the company more vulnerable to slumping gas prices.

"You can be the smartest guys in the room, but you

may be in the wrong room," McClendon said during a March interview in a restaurant on the company's Oklahoma City campus. "It's not enough to be the smartest guys in the room. Sometimes you have to be hungry, sometimes you have to be lucky, and you have to be open to change."

McClendon's fall from grace began in April after media reports spotlighted personal loans he obtained using minority stakes in company-owned wells that he had been allowed to gather for his private portfolio. Chesapeake stock lost 20 percent of its value that month as scrutiny of McClendon's personal transactions compounded the impact of free-falling prices on a company whose output was more than 80 percent gas.

Under an executive perk designed to align McClendon's personal interests with those of the company, the CEO acquired stakes as large as 2.5 percent in almost every well Chesapeake drilled during the past 24 years. McClendon

took out loans backed by his well stakes to fund his portion of costs. At the end of 2011, he owed \$846 million on those loans, the company reported on April 26.

Some of the loans came from companies that were involved in separate financial transactions with Chesapeake. The Internal Revenue Service and U.S. Securities and Exchange Commission began probes.

In addition to depositing McClendon from the chairmanship, Icahn and Hawkins installed new board members to intensify oversight of a management team that outspent cash flow in 19 of the past 21 years. Chesapeake said last year it would halt the well-investment program at the center of McClendon's loan portfolio next year rather than the original termination date at the end of 2015.

Edward Klump in Houston, Jim Polson and Zachary R. Mider in New York and Mike Lee in Dallas contributed to this report.

"If we are good enough to save your life, then we have to be good enough to see you through your whole process (of care)."

Dr. Reginald Coopwood, Med CEO

MED from IC

when they woke up and realized where they were. And this, he said, was an insult.

"If we are good enough to save your life, then we have to be good enough to see you through your whole process (of care)," Coopwood said. "But millions of dollars over the years were probably lost because of transferring patients."

More television ads will follow the first batch and they'll be targeted at telling potential customers what else the Med is good at, Coopwood said.

The hospital has also been working to change more than perception in

the last few months with big moves to make way for the future of its Downtown campus and beyond.

The hospital is in the midst of a \$32.4 million renovation and construction plan to finish out three floors of Turner Tower and to expand the Elvis Presley Memorial Trauma Center. It has also closed on property near its campus for temporary office space to ready the Adams Building for demolition, which would make way for a new women and children's tower on the corner of Jefferson and Dunlap.

The hospital also closed last year on the \$3.4 million purchase of 49 acres at the corner of Bill Morris Parkway and Kirby for a new East Memphis outpatient location.

GROWTH from IC

ing in Memphis," he said.

One ingredient is Chicago, which has become the distribution bottleneck in the U.S., he said. "It now takes 27 hours to move a freight train through Chicago," he said. More and more companies are asking, where's the bypass?

The answer is Memphis and Indianapolis, Conway said. Memphis combines tremendous infrastructure — air cargo, intermodal yards, rail, interstate highways, Mississippi River — with its FedEx hub, he said. That's a great blend for e-commerce, which is growing so fast. Nike recognized the city's assets in its decision last year to make a \$300 million expansion of its distribution



KC Conway, executive managing director, real estate analytics, Colliers International

center here.

"They said, 'Hey, you've got air cargo, intermodal, a great distribution market. We're going to come here. That's really what's going on,'" Conway said.

Memphis may be among the most expensive places in the U.S. for passenger flights, but for cargo "it's the opposite," Conway said.

Not only is Memphis an east-west bypass around Chicago, it is also north-south stop for goods flowing to and from Latin America, he said. Latin American countries are

growing stronger and developing a middle class that will demand more products. "It's like the U.S. was in the 1950s," he said.

OSCAR is another ingredient working for the Memphis recipe, he said. More and more companies are starting to notice Memphis because of the new Ocean Shipping Container Availability Report, published monthly since late last year by the U.S. Department of Agriculture. For the first time, the report tracks the movement of empty and available intermodal shipping containers as they move to and from ports.

Manufacturers need to know where the containers are and whether their cargo can get to the port in time, he said. "We never had that information available until December.

Memphis is one of only 18 markets to achieve that stature," Conway said.

"In Memphis now, you are running almost 50 percent the equivalent of all of Chicago," he said. "It's an amazing number. No one would have known that except for that report."

OSCAR reports that this week in Memphis, for example, 289 20-foot-long containers, 388 40-foot-long containers and 17 40-foot-long refrigerated containers are available.

"You guys are hitting on all cylinders now," Conway said. He acknowledged the city has started giving more incentives to companies to move here.

"Alabama is giving tons away," he said. "You've got to play in that league. You guys have been very strategic in the entities you go after."

not be here, you've got to be so involved in the business to be able to make it successful."

ing."

COMMUNITY-MINDED

The Outdoor Industry Association's Stonich said keeping longtime and knowledgeable employees and cultivating a sense of community also help independent retailers succeed.

Both are strong focuses for Outdoors Inc., with three stores and an outlet in Memphis, a store in Jackson, Tenn., and a growing e-commerce site, outdoorsinc.com. "We don't hire anyone unless they are really into two or more of the sports we represent," Migliara said. "We're not just hiring them to be warm bodies."

Royer, 64, said there is a concerted effort to keep Outdoors employees up with the latest technical information on clothing and equipment. "A lot of it is continuing to stay current with the latest information on fitting and comfort and performance," said Royer, who just returned from a trade association meeting armed with up-to-the-minute information on various kinds of winter equipment, waterproof breathable garments and the fit of running shoes.

"We feel like we do have a niche here in Memphis and that we do have pretty loyal customer base here in Memphis," Migliara said. "And we really try and take care of people."

Migliara also said Outdoors is "a pretty good source of information for outdoor activities," hosting classes and sponsoring events like the Outdoors Inc. Canoe and Kayak race for more than 30 years.

"We're like a little grass roots business that stayed engaged with the community and the people that shop with us," Migliara said.

Hammond said more sporting goods stores, large and small, are using social media to keep up with customers and create loyalty.

Hunter, who does all the buying for Bronson's, sums up succinctly the responsibilities of growing and sustaining an independent retail business today. "There's very few like us left across the country," he said. "And part of the problem is it's rewarding, but it's almost like an ownership of a restaurant. You can't just own it and

ing products and other merchandise and to host classes or events.

"We have a very loyal customer base," said Hunter, 43, who started working in the store in college and bought it in 2006. "Just our product mix and our service have allowed us to grow. ... To be able to compete against the box stores, you have to grow."

Customer Chris Canale, who said he's been a customer for three or four decades, came in recently for new waders after his "sprung a leak."

"When I walk in there (the chain stores), the owner doesn't say, 'How are you doing?' Cliff does," Canale said. "It makes a big difference."

And while the new location doesn't front on Poplar, Hunter said the neon logo, patterned off the original 1920s logo, is helping draw drive-by traffic. "I call it 'ocean view' instead of 'ocean front,'" he said. "This building is probably not for everybody, but it fits us perfectly."

Dowdle, 41, has found that location is irrelevant to the success of his business. He operates dowdle-sports.com out of the old Dowdle location at 981 N. Germantown Parkway, for now. "The key would be having a light inventory and low overhead, and that's part of how you compete with the big-box stores," he said. He will soon be moving the online operation and will open a small store, which will not have the Dowdle name, mainly to satisfy vendors that require a brick-and-mortar presence. From there, he will target the baseball business at First Tennessee Fields, some football business and stock some camouflage clothing and returns from his online sales.

He said his focus will be the online business, which lets him compete globally, like selling football equipment to Russia. "That's the other piece of the puzzle as far as competing with box stores," Dowdle said. "Obviously, by selling online you're increasing your potential customer base by the millions, tens of millions, if not hundreds of millions, and so if you combine low overhead that we have with an enlarged or increased potential customer base, that's basically the formula for compet-

SPORTING from IC

while their inventories and their strategies both vary and overlap, from a national perspective they are right in line with what other independents are seeing as the way to survive and grow in a world with giant competitors like Bass Pro, Sports Authority, Dick's Sporting Goods and others.

"The smaller guys are actually faring pretty well, because they are providing that niche service," said Avery Stonich, communications manager with the Outdoor Industry Association. While they may struggle to compete in price, she said, the niche for the small independent specialty store "is providing a high level of personal service and expertise you can't find in the large stores."

FIVE KEYS

Bruce Hammond, marketing and communications director with the National Sporting Goods Association, described five things any retailer, independent or chain, should do to be successful. They include: Having excellent customer service, knowing what your customer wants and putting it on the shelves so they can purchase it easily, running your business efficiently, having excellent product knowledge and being competitive in terms of pricing.

"Really, what any retailer is trying to do is get and keep customers," Hammond said. "All of these five things will help you do that."

For Hunter, opening the new Tommy Bronson store in the old Arthur's Wine and Liquor location on Nov. 1, meant going from 4,100 square feet to 8,200. This gives him room to expand his fly-fishing equipment and accessories; get back into better-quality freshwater fishing equipment and spinning tackle, something he sees the chain stores neglecting; expand the women's outdoor clothing department and add a high-end gun room with guns that can cost \$15,000 to \$20,000. There is also space to expand his regular inventory that includes technical hunting gear and clothing, hunting guns, dog train-



Jason Lee / EMBA Class of 2013 CFO, Orion Federal Credit Union

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New breed of ethanol refineries to use corn alternative

By David Pitt
Associated Press

DES MOINES, Iowa— After decades of talk, the ethanol industry is building multi-million dollar refineries in several states that will use corn plant residue, wood scraps and even garbage to produce the fuel additive. The breakthrough comes at a key time for the

industry, after the drought heightened criticism about the vast amount of corn used to brew up ethanol rather than be transformed into animal feed or other foods. The corn crop already was smaller than expected because of drought last year, and livestock groups were especially critical of how 40 percent of the crop being

diverted toward ethanol caused corn prices to soar. The new cellulosic ethanol technology could quiet that criticism while also making use of material largely seen as worthless. Experts said it hasn't been easy. "You're fighting against millions, perhaps hundreds of millions of years

of evolution and that's sort of going against the word of God," said C. Ford Runge, a University of Minnesota professor of applied economics and law. Making ethanol from corn is relatively simple, as kernels are cracked and fermented. But to produce ethanol from the woody and fibrous parts of plants,

scientists had to figure out a way to break lignin — the tough fibers that plants have developed through evolution to make stems, trees and corn stalks stiff — from the cellulose. High oil prices and the government incentives, including \$1 billion in the 2008 farm bill, helped push the development of cellulosic ethanol.

What to Do

MONDAY

Engineers' Club of Memphis meeting: 11:30 a.m., Holiday Inn - University of Memphis, 3700 Central. Speaker: Elizabeth Simpson, school director. Topic: "Grizzlies Prep School." Fee: \$15.

TUESDAY

Memphis Rotary Club: noon, University Club, 1346 Central. Speaker: Troy Keeping, Southland Gaming and Racing. Fee: \$18. E-mail taylor@memphisrotary.org.

Midtown Memphis Rotary: 5:45 p.m., University Club, 1346 Central. Speakers: Dr. David Arellano, U of M chapter of Engineers without Borders. E-mail harrymfreeman@earthlink.net.

Lunch seminar: 11:30 a.m. to 1:30 p.m., Marriott Memphis East, 5795 Poplar. Speaker: Eli Groner, Israel's Minister for Economic Affairs. Topic: Israel's Economic Miracle: Potential for Tennessee. Fee: \$15 (dietary laws observed). Call 404-843-9426.

WEDNESDAY

Talk Shoppe: 9-10 a.m., Better Business Bureau, 3693 Tyndale.

Kiwanis Club of Memphis: noon to 1 p.m., University Club of Memphis, 1346 Central. Speaker: Mayor Mark Luttrell. Fee: \$18.

THURSDAY

Intellectual property law round-table: noon to 1 p.m., Baker Donelson, First Tennessee Building, 165 Madison. Title: "Already, LLC (Yums) v. Nike — When Can You Sue to Cancel a Competitor's Trademark?" Register via e-mail to rsvp@bakerdonelson.com.

Memphis College of Art Visiting Artist Lecture Series: 7:30 a.m., Callicott Auditorium. Sculptor Blane de St. Croix from Brooklyn, N.Y.

BUSINESS AS USUAL by Sam Ray



People in Business



Jonathan A. Lindsey



Laurinda Ingram



Danette Hamby



Nathan Stevens



Byron N. Brown



Kacey L. Faughnan

■ **Jonathan A. Lindsey** has joined Martin, Tate, Morrow & Marston as an associate, focusing on litigation.

■ **Laurinda Ingram** has been promoted to director of estate and gift tax services for Reynolds, Bone & Griesbeck Certified Public Accountants and Advisors.

■ **Danette Hamby** has joined Central Defense Security as human resources assistant.

■ **Nathan Stevens** has joined Reynolds, Bone & Griesbeck Certified Public Accountants and Advisors as an audit manager

■ **Byron N. Brown IV, Kacey L. Faughnan, Jordan E. Reiffer and Kristen Mistretta Wilson** have been elected partners for Wyatt, Tarrant & Combs.

■ **Christopher E. Mandel** has joined Sedgwick as senior vice president, strategic solutions.



Jordan E. Reiffer



Kristen Mistretta Wilson



Darold Londo

■ **Darold Londo** was recently named senior vice president and regional general manager of Caesars Entertainment Mid-South Region overseeing Harrah's, Horseshoe and Tunica Roadhouse casinos in Tunica.

E-mail items and photos for People in Business to cabiznews@commercialappeal.com.

CONTACTING THE BUSINESS DEPARTMENT

BUSINESS EDITOR
Roland Klose • 901-529-5893 • klose@commercialappeal.com

BUSINESS NEWS, PEOPLE IN BUSINESS & WHAT TO DO
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■ **Fast start** Auto sales showed surprising strength in January with all three of the domestic manufacturers — General Motors, Ford and Chrysler — reporting double-digit gains. **4C**



Task force selects aviation consultant

By **Wayne Risher**
 risher@commercialappeal.com
 901-529-2874

A Washington consultant that helped Pittsburgh, Portland and others woo airlines has been selected to craft a community-supported push for better service in Memphis.

The Mid-South Air Service Task Force, formed by area mayors and business executives last fall, chose aviation economics consultant Campbell-Hill Aviation Group LLC for an \$85,000 study.

■ Firm to help city improve air travel options

The firm was one of two that responded to a request for proposals in January. Campbell-Hill won out over InterVistas, a consultancy that crafted the Memphis-Shelby County Airport Authority's current \$1 million incentive program.

Campbell-Hill co-founder Brian Campbell advised Memphis Mayor A C Wharton on aviation issues last summer at the suggestion of FedEx founder Frederick

W. Smith.

Campbell briefed Wharton and regional mayors in July about the dire situation facing Memphis air travelers after years of declining service at Memphis International Airport. The airport has suffered a 51 percent reduction in capacity and a 60 percent reduction in daily flights since a peak of 285 daily departures in 2000.

At the task force's introduc-

tion, Campbell stood before assembled news media outside City Hall and recited the difficulties of a small market like Memphis supporting a hub and the conventional industry wisdom, unpopular among many Memphians, that low fares and well-connected hub service rarely go hand in hand.

Wharton convened the mayors at a time when public anger was boiling over about Memphis

hub operator Delta Air Line's repeated cuts of flights serving the city, while the city remained one of the highest-fare airports in the country.

The mayors have since coalesced into a task force and been joined by leading business people. The request for proposals is part of their effort to organize and put forward a comprehensive, regionwide strategy for gaining and supporting more flights and lower fares.

The consultant will recom-

See **AIRLINES, 4C**

Acadia buys Delta Medical

■ Plans for staff growth, development

By **Toby Sells**
 sells@commercialappeal.com
 901-529-2742

Acadia Healthcare Co. has purchased the 243-bed Delta Medical Center hospital in Memphis for an undisclosed amount.

The purchase was finalized Thursday and made public Friday morning.

Delta Medical Center's new market CEO, Bill Patterson, said there are no plans for staff reductions at the hospital, which employs about 450. Instead, he said, Acadia is bringing in resources for staff growth and development.

Delta Medical Center is the first purchase in the Memphis market by Franklin, Tenn.-based Acadia, which specializes in psychiatric and chemical dependency services. Patterson said the company hopes to expand its presence in the Memphis market but could not share any details of those plans.

Delta was attractive to Acadia because more than 50 percent of its clinical services are in behavioral health but also because of its medical resources, Patterson said.

"The purchase of Delta Medical Center represents a great opportunity for Acadia to enter the Memphis market with a high quality facility and an outstanding medical staff," Acadia CEO Joey Jacobs said in a statement. "It also gives us the opportunity to treat acute inpatient psychiatric patients with medical complications."

Acadia operates a network of 44 behavioral health facilities with more than 3,400 licensed beds in 21 states.

Heating up



ADRIAN SAINZ/ASSOCIATED PRESS

Jack Truong, president and CEO of Electrolux Major Appliances North America, recently led area dignitaries on a tour of the 750,000-square-foot plant.

■ As Electrolux plans to open Memphis plant, company's cooking appliance sales increase

By **Thomas Bailey Jr.**
 baileytom@yourappeal.com 901-529-2388

In a quarterly report now more relevant to Memphis, Electrolux Major Appliances North America grew its sales 18 percent, to \$1.1 billion, and improved its profit by more than 350 percent over the same quarter in 2011, the president and CEO said.

The growth occurred through greater market share because the appliance market for all brands in North America shrunk 1.7 percent, Jack Truong told The Com-

mercial Appeal in an interview from the North American headquarters in Charlotte, N.C.

His explanation: "We spend a great amount of our time and resources and organization focused on understanding consumers better than anyone else."

Truong cited as an example the company's new Frigidaire Gallery Symmetry Oven, a free-standing range that will be made in Memphis and has two ovens large enough to separately cook two 28-pound turkeys.

"Life is so busy. For a mom

with kids it allows her to cook the main dish and dessert at the same time," Truong said.

By May, Electrolux is to start making its high-end cooking appliances in a new \$266 million, 750,000-square-foot plant at Frank C. Pidgeon Industrial Park.

The sales figures Truong cited comprised all the appliances Electrolux sells in North America, including ovens, refrigerators, dishwashers, washers and air-conditioners.

The North American division

See **ELECTROLUX, 4C**

Drive-through eatery serves up love along with veggie cuisine

By **Peggy Reisser Winburne**
 Special to The Commercial Appeal

A new drive-through restaurant opening soon in East Memphis aims to help you love yourself more.

The appropriately named Love Shack, a vegetarian and vegan restaurant, smoothie and juice bar and artisan tea and coffee shop, is opening at 2886 Walnut Grove in the space that was formerly occupied by Vito's To Go.

Finishing touches are in the works at the small building that sits near the underpass of the Poplar viaduct, but development manager Chris Conner said Love Shack will have a soft opening next week and a grand opening within the month.

"I just think Memphis needs this," said Conner, 42, who was development manager for Vito's, which closed in September. "There's a large demographic in the city that is

“This is a marriage of Midtown meets East Memphis.”

Chris Conner,
 development manager

fluent with what we're doing here."

The theme of the quick-serve spot is "Love your body, love your mind, love your spirit," Conner said. A group of local restaurateurs, farmers and business people are behind the venture, he said.

"We'll try to source locally," he said. "We're working with as many local vendors as we can."

See **LOVE SHACK, 4C**

Viking Range lays off 140, to shut cooking school here

Associated Press

GREENWOOD, Miss. — Viking Range Corp.'s new owner is laying off one-fifth of the company's workers.

Middleby Corp., based near Chicago, said it laid off about 140 of Viking's 700 employees Thursday.

Also, Viking founder and CEO Fred Carl Jr. announced his retirement. Carl earlier said he likely would lead the company for several more years and cited Middleby's pattern of leaving managers in place after buying companies.

Layoffs are effective immediately, with a majority in Viking's hometown of Greenwood. Spokeswoman Darcy Bretz said she didn't know if fired workers will get severance pay.

Viking also said it will close cooking schools in Memphis and Ridge-land, Miss. The Middleby school, at 1215 Ridgeway, opened in 2006. It is offering classes through March.

Middleby announced Dec. 31 that it was buying Viking for \$380 million from its shareholders, including Carl and Arkansas'

Stephens family.

Bretz said the layoffs were spread across the company, but were heavier in some departments. She gave no explanation for Carl's resignation. Viking sales had fallen to \$200 million from a peak of \$400 million in 2006-2007, Middleby told investors after the purchase.

Carl and Viking have worked to revitalize Greenwood's downtown, including the Alluvial Hotel and a cooking school there. Those operations will stay open.

TIME & MONEY

BETTER BUSINESS

Scammers prey on those seeking a chance to earn

By Randy Hutchinson
rhutchinson@bbbmidsouth.org

In these times of high unemployment, scammers who take advantage of those desperate for work remain fully employed. A perennial entry on the Better Business Bureau's list of New Year's Resolutions is to be skeptical of job offers that promise high earnings with little effort or experience.

The Federal Trade Commission amended its Business Opportunity Rule last year to provide additional protections for people looking for a work-at-home or other self-employment opportunity. The rule requires sellers of business opportunities to provide documentation for earnings claims, any cancellation or refund policy, and other information that will help the buyer make an informed decision.

In November, the FTC announced seven new law enforcement actions in cases involving job opportunity scams. The director of the FTC's Bureau of Consumer Protection said, "The scam artists the FTC shut down lied to people trying to make an honest buck, and robbed them of their money as well as their hopes."

These are some of the companies the FTC landed on:

■ Shopper Systems LLC allegedly offered mystery shopping jobs that would earn people an average of \$50 per assignment, with no limit to the number of assignments. People who responded to the offer were charged \$49.95 per month for a list of interested merchants, who really weren't interested at all.

■ American Business Builders LLC promised to help consumers set up a credit card processing business for fees ranging from \$295 to \$495. Consumers who bought into all of the company's services paid as much as \$40,000. The FTC alleged that they didn't earn any income.

■ Career Advancement Group ran a job scam that's been around for years. They placed ads in newspapers and on job search websites that appeared to be postings for jobs with the U.S. Postal Service. Consumers who responded to the ads were tricked into paying over \$100 for a booklet containing only general advice for job seekers, according to the FTC.

■ Rebate Data Processor allegedly claimed consumers could earn \$200 to more than \$1,000 a day processing applications for rebates or credit cards. One marketing piece said that people could earn "\$15,526 in 29 days." All the company provided, if anything, was information on how to become an affiliate marketer by creating Internet ads for credit card offers. Consumers would only earn income if someone saw an ad and made a purchase, which wasn't likely.

The Idaho Attorney General obtained a settlement in the strangest business opportunity case I've read about. Operating under various business names, the defendants advertised that consumers could earn as much as \$40,000 a year breeding genetically superior reptiles. People paid thousands of dollars to buy bearded dragons, geckos, tortoises, and other animals, only to have many die or fail to breed. There was no evidence that the animals were genetically superior to those sold in pet stores.

Job seekers and people aspiring to become self-employed should check out any business opportunity with the BBB. Walk away from promoters who fail to provide the information required by the Business Opportunity Rule and don't take it at face value if they do.

Randy Hutchinson is president and CEO of the Better Business Bureau of the Mid-South.

YOUR FUNDS

Most employers are bad at choosing 401(k) funds

By Chuck Jaffe
cjaffe@marketwatch.com

Let's be blunt: Chances are that your employer sucks at picking mutual funds.

You might not be much better at it, but before you even get a chance to decide which offerings from your 401(k) or other retirement plan you are going to use, your fortunes ride on your employer's ability to supply you with a good plan.

According to new findings from the Center for Retirement Research at Boston College, most employers do a pretty bad job of that task. The study done by Edwin Elton, Martin Gruber and Christopher Blake showed, not surprisingly, that 401(k) plan administrators choose mutual funds that lag comparable indexes. When changing plan offerings, administrators routinely chase returns

and do not improve performance.

About the best thing the study could say for employers' fund-picking ability was that the index-lagging issues they chose perform "better than comparable, randomly selected funds." In plain English, that means that the administrators' fund-picking ability is marginally better than nothing, barely surpassing the level of a monkey with darts, a random-name generator and Rusty, the stock-picking steer.

To make matters worse, the inability of administrators to properly select funds is compounded by plan participants' tendencies to follow investment strategies that add no value, and to chase returns.

In short, it's "Garbage in, garbage out," at least if the result you were hoping for was superior investment returns.

That does not mean in-

vestors should drop their plans or curtail retirement savings. Tax rules, employer matching funds and other incentives can make even a bad, costly 401(k) saddled with poor funds into a reasonably effective savings vehicle. Besides, if this is what your employer offers, it may be the only retirement-savings option available.

The study's authors stopped short, however, of drawing what should be the obvious conclusion, the take-away that applies for any investor with a 401(k). It goes like this: If your employer stinks at picking funds, the minute you no longer are required to be in the plan should be the moment you remove your money.

That does not mean cashing out, but rather transferring your plan assets into a self-directed individual retirement account (IRA), a tax-deferred

savings plan you control, and where you choose the investment options rather than relying on what a plan administrator offers.

Gruber, a scholar in residence at New York University's Stern School of Business, said that's precisely what he did upon leaving past employers, rolling his savings into a self-directed IRA at a low-cost, big-name fund shop. "You have two issues," he said, "starting with 'Are the plan administrators selecting the right funds?' Even if they are, you have to wonder if they are charging you more to own it because of the record-keeping costs and other expenses that come from being part of the plan."

If you like the funds you own inside your plan, Gruber said, chances are you will like them even more outside of the plan, because you will own them at a lower cost.

WORKING BEST

Worried about job? Take action

By Bill Repp
billrepp@rochester.rr.com

Q: I seem to be worrying a lot more than usual — about my job, the stock market, my career, my finances. I don't think it's serious enough to need counseling, but I wonder if there are some strategies I can use to put some of these thoughts in perspective. — Helen M.

A: With the current economic and world political situation, there's good reason to be concerned. The trick is to keep worry in the proper perspective. Several years ago I was concerned about my job, because business was falling off. I told my boss I was worried. He said, "I don't want you to worry. I think we have some good plans in place for new business and I'm confident we'll continue to do well." I felt great, and stopped worrying.

A month later, a co-worker came to my office and apologized that he had to be the one to tell me (the boss was conveniently out of town) that business was bad and there was no more work for me. I was shocked and felt betrayed. When my emotions settled, I realized what the boss had really said to me: "Bill, I don't want you to worry." He wasn't actually promising me anything; he just said not to worry. All he really did was tell me his own thoughts (although misleading) about the business.

That was a hard lesson for me, but I think a good one: worrying won't do much good.

A better solution is to look at the issues, weigh the pros and cons, and do something about the situation. Now I use the fact that I'm worried about something to create some action steps to fix the problem. It seems to work better for me, because what I'm worried about is often outside of my control anyway.

Try writing down exactly what you're worried about. Then consider your anxiety from the physical, intellectual, emotional, social and spiritual aspects. Describe your symptoms and your feelings, such as restlessness/feeling "keyed up"; easily fatigued; difficulty concentrating; muscle tension; irritabil-

ity; insomnia; panic. For an extra check the reality of your perceptions, ask others close to you what they've noticed.

Once you've identified the symptoms, force yourself to stop worrying and take some action:

Challenge irrational thoughts. Does the boss really have it in for you? Is the business situation really hopeless? Is there really no one you can turn to for advice and support? Probably none of these ideas is completely true.

Learn to relax physically. Play sports; enjoy a hobby; listen to music; read a book; take time to relax — just for yourself.

Confront the fears. List them, ask if they're real and, if they are, develop another set of action steps to confront them. The great motivational speaker, Zig Ziglar, says fear is really an acronym meaning "False Evidence Appearing Real." Is your evidence real or false? If it's real, you have another opportunity to define the

problem and take some action.

Focus on something else. Once you've started taking action, deliberately and forcefully focus your thoughts on something else besides the worry: your loving family and friends; your feeling of self-worth and personal happiness; the good things about your boss, your friends and your company.

Get support from friends and family. Share your concerns with others close to you..

Echols set to appear at startup conference

■ First local interview on Feb. 11

The Commercial Appeal

In his first extended public interview with local media since being released from prison, Damien Echols will participate in a "fireside chat" during the "Everywhereelse. co: The Startup Conference" at 5 p.m. Feb. 11.

Echols, who recently spent time on the best-seller lists with his "Life After Death" memoir, will participate in the inaugural entrepreneurship conference in Memphis that's being coordinated by Nibletz.com founder Kyle Sandler.

Rather than focus on his trial and imprisonment, Echols will talk about his life today and how it differs — dramatically — from the time two decades ago when he was convicted and sentenced to death in Arkansas for the murders of three boys, Stevie

Branch, Christopher Byers and Michael Moore.

Echols, who was convicted along with Jason Baldwin and Jessie Misskelley, was released from prison in 2011. The trial and subsequent sentences for the three teenagers drew the attention of a number of high-profile supporters and celebrities — among them rock group Pearl Jam's Eddie Vedder, actor Johnny Depp, country artists the Dixie Chicks and director Peter Jackson — who campaigned for the trio's release.

Conference attendees are invited to submit online questions for Echols at crowdhall.com, beginning at noon on Feb. 8. Echols will select several to answer during the program.

Registration is required for the event. To find out more, visit <http://everywhereelse.co/>.

CONTACTING THE BUSINESS DEPARTMENT

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BUSINESS NEWS, PEOPLE IN BUSINESS & WHAT TO DO
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BUSINESS AS USUAL by Sam Ray



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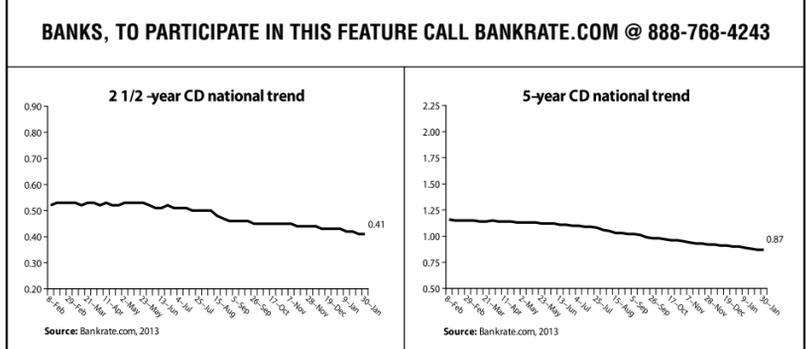
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MMA/Savings account	Phone	Min. to earn int.	Yield (APY)
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Barclays	888-720-8756	0	1.00
CIT Bank	877-505-9926	2500 1.00	
ableBanking	877-505-1933	1000 0.96	
Ally Bank	888-906-2559	0	0.90

1-year CD

Institution	Phone	Min. to earn int.	Yield (APY)
Colorado Federal Savings Bank	877-484-2372	\$ 5000	1.05
ableBanking	888-426-2253	1000 1.00	
The Nat'l Republic Bank of Chicago	312-738-4900	1000 1.00	
Ally Bank	888-906-2559	0	0.99
Doral Bank	855-513-6725	500	0.98

5-year CD

Institution	Phone	Min. to earn int.	Yield (APY)
Barclays	888-720-8756	\$ 0	1.85
Nationwide Bank	866-353-4291	500	1.71
Discover Bank	888-728-3151	2500	1.65
The Nat'l Republic Bank of Chicago	312-738-4900	1000	1.61
First Internet Bank of Indiana	888-873-3424	1000	1.60

BEST BASIC CREDIT CARD DEALS
These were the best standard credit card deals available among U.S. banks surveyed by Bankrate.com® as of January 29:

For people who carry balances	Annual % rate	Grace fee	Annual period
Amalgamated Bank of Chicago	800-723-0303	7.50 V	37 25 B
Citizens Trust Bank	404-659-5959	9.25 V	0 25 B
First Command Bank	888-763-7600	10.25 V	0 25 B
IBERIABANK fsb	800-217-7715	10.25 V	0 25 B

For people who pay off balances

Institution	Phone	Annual % rate	Grace fee	Annual period
Citizens Trust Bank	404-659-5959	9.25 V	0	25 B
First Command Bank	888-763-7600	10.25 V	0	25 B
IBERIABANK fsb	800-217-7715	10.25 V	0	25 B
Simmons First Nat'l Bank	800-636-5151	10.25 V	0	25 B

For more information visit www.bankrate.com

Rates are for standard credit cards, and information applies to purchases only. Cash advances frequently are charged interest from the date of transaction. Additional fees may be charged such as for exceeding a credit line, making an ATM transaction, or if a check is returned. B=Billing, T=Transaction, P=Posting, V=Variable rate, F=Fixed.

Deposit Trend

NATIONAL YIELD
National average is based on 100 largest institutions in the top 10 U.S. markets.

CALCULATE THE RETURN ON YOUR DEPOSIT
See how earnings on your certificates of deposit are performing against the Bankrate National Index by using the chart below.

Deposit term	Average rate	Interest earned
\$1,000 Deposit		
6 Mo CD	0.17%	\$0.85
1 Yr CD	0.27%	\$2.70
5 Yr CD	0.86%	\$43.94
\$100,000 Deposit		
1 Mo Jumbo CD	0.12%	\$10.00
3 Mo Jumbo CD	0.13%	\$32.51
6 Mo Jumbo CD	0.19%	\$95.04

Home equity loan: fixed rate, 5-year term, secured loan based on \$30,000 at 80% LTV; **New car:** \$22,000 fixed rate, 48-month term, 10% down payment; **Used car** (3 years old): \$10,000 fixed rate, 36-month term, 20% down payment. Credit Unions have membership requirements.

MONEY & MARKETS

Go to commercialappeal.com/news/business for up-to-the-minute stock listings, portfolios, investment advice and more.

STORY STOCKS

Encouraging economic reports sent the Dow Jones industrial average above the 14,000 level for the first time since 2007. The Dow is now just 1.1 percent below its record, set on Oct. 9, 2007, which was two months before the start of the Great Recession.

Merck MRK
Close: **\$41.83 ▼-1.42 or -3.3%**
The drugmaker said that its fourth-quarter profit fell 7 percent because of hits from generic competition and one-time charges.

Vol.: **\$37.6m (2.8x avg.)** PE: 19.1
Mkt. Cap: **\$127.17 b** Yield: **4.1%**

Panasonic PC
Close: **\$6.88 ▲ 0.27 or 4.1%**
The Japanese electronics maker returned to the black in the third quarter as it cut costs. A weaker yen also helped results.

Vol.: **\$1.5m (2.1x avg.)** PE: ...
Mkt. Cap: **\$15.9 b** Yield: ...

National Oilwell NOV
Close: **\$71.26 ▼-2.88 or -3.9%**
Shares of the oil rig parts and services firm fell after saying that its fourth-quarter profit rose 16.4 percent on higher demand.

Vol.: **\$12.6m (3.3x avg.)** PE: 12.7
Mkt. Cap: **\$30.42 b** Yield: **0.7%**

Legg Mason LM
Close: **\$26.79 ▼-0.86 or -3.1%**
The money manager posted a loss for its fiscal third quarter after it wrote down the value of some of its assets.

Vol.: **\$3.4m (2.1x avg.)** PE: 21.1
Mkt. Cap: **\$35.3 b** Yield: **1.6%**

LyondellBasell LYB
Close: **\$61.37 ▼-2.05 or -3.2%**
The company, which refines oil and makes chemicals and plastics, said that it returned to a profit in its fourth quarter.

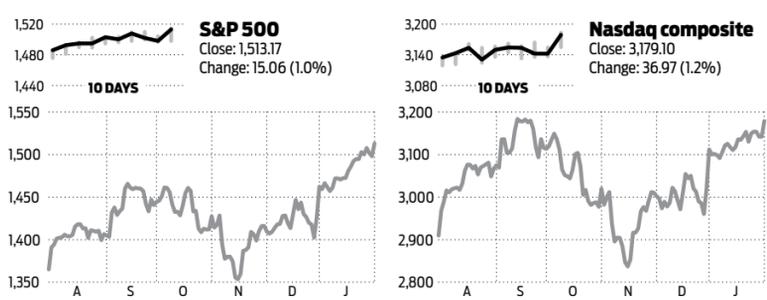
Vol.: **\$8.4m (2.0x avg.)** PE: ...
Mkt. Cap: **\$35.3 b** Yield: **2.6%**

Brink's BCO
Close: **\$27.75 ▼-2.07 or -6.9%**
The armored car cautioned that it will be hard to match its 2012 earnings this year because of more productivity investments.

Vol.: **\$1.3m (4.8x avg.)** PE: 17.1
Mkt. Cap: **\$13.3 b** Yield: **1.4%**

Information compiled by and all graphics produced by Associated Press

MARKET SUMMARY



STOCKS RECAP

	NYSE	NASD
Vol. (in mil.)	3,813	1,962
Pvs. Volume	3,863	2,105
Advanced	2345	1796
Declined	708	684
New Highs	422	274
New Lows	13	23

	HIGH	LOW	CLOSE	CHG.	%CHG.	WKMOQTR	YTD
DOW	14019.78	13860.58	14009.79	+149.21	+1.08%	▲▲▲	+6.91%
DOW Trans.	5871.63	5804.23	5857.23	+53.00	+0.91%	▼▲▲	+10.37%
DOW Util.	476.12	474.00	474.53	+0.53	+0.11%	▲▲▲	+4.73%
NYSE Comp.	8970.32	8919.97	8965.12	+81.34	+0.92%	▲▲▲	+6.18%
NASDAQ	3183.14	3154.91	3179.10	+36.97	+1.18%	▲▲▲	+5.29%
S&P 500	1514.41	1498.11	1513.17	+15.06	+1.01%	▲▲▲	+6.10%
S&P 400	1103.54	1093.40	1101.59	+8.19	+0.75%	▲▲▲	+7.95%
Wilshire 5000	15992.68	15824.32	15979.16	+154.84	+0.98%	▲▲▲	+6.56%
Russell 2000	912.76	905.39	911.20	+9.11	+1.01%	▲▲▲	+7.28%

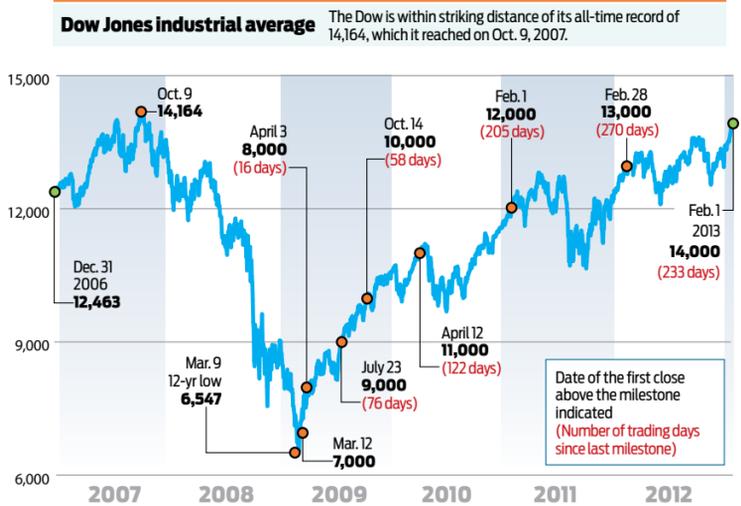
The ride to 14,000

The Dow Jones industrial average closed above 14,000 on Friday for the first time since Oct. 17, 2007. The stock market index has blown through 1,000-point milestones since hitting a 12-year low of 6,457 on March 9, 2009.

But market watchers are divided over what Dow 14,000 means. To some, it's important psychologically. It helps make investors feel optimistic and thus more willing

to bet on the market. To others, though, 14,000 is nothing but a number. It's more a sign of how traders feel than of a strengthening economy.

What's undeniable is that it's a rare event: Before Friday, the Dow had closed above 14,000 just nine times in its history. The first time was in July 2007; the rest were in October of that year.



MUTUAL FUND CATEGORIES

SPECIALTY FUNDS	YTD	PERCENT RETURN			VALUE	BLEND		GROWTH
		1YR	3YR	5YR		LV	LB	
Conservative Allocation (CA)	2.02	8.47	8.13	4.41	6.0	6.6	3.2	
Moderate Allocation (MA)	3.66	10.81	9.50	3.82	16.7	19.9	14.7	
Health (SH)	8.77	21.79	15.20	8.77	12.6	14.7	14.1	
Natural Resources (SN)	5.28	1.47	6.78	-0.91	1.0	5.6	5.6	
Real Estate (SR)	3.82	14.03	20.25	5.12	7.6	6.7	6.2	
Technology (ST)	5.28	7.98	11.69	5.60	20.3	17.6	14.3	
					15.1	19.2	17.2	
					6.3	8.4	5.6	
BALANCED	YTD	1YR	3YR	5YR	SV	SB	SG	
Target-Date 2000-2010 (TA)	1.97	7.82	7.94	3.28	7.0	5.6	5.3	
Target-Date 2011-2015 (TD)	2.33	8.93	8.64	3.08	19.3	15.2	13.1	
Target-Date 2016-2020 (TE)	2.79	9.86	9.39	3.10	17.0	15.8	18.0	
					9.5	7.8	7.3	
INTERNATIONAL	YTD	1YR	3YR	5YR	BOND FUNDS			
Divers. Emerging Mkt. (EM)	2.38	8.46	6.60	0.04	0.03	5.03	6.27	
Europe Stock (ES)	5.57	16.85	6.95	-1.69	-0.43	5.03	6.27	
Foreign Small/Mid Val (FA)	5.42	16.05	8.18	1.65	Interm-Term Bond (CI)	-0.43	5.03	
Foreign Large Blend (FB)	4.54	14.59	6.77	-1.22	Interm. Government (GI)	0.50	1.80	
Foreign Large Growth (FG)	4.54	13.78	8.57	-0.01	High Yield Muni (HM)	1.01	10.83	
Foreign Small/Mid Gr. (FR)	4.53	17.64	12.36	2.44	High Yield Bond (HY)	1.39	12.43	
Foreign Large Value (FV)	4.81	13.61	5.81	-1.84	Muni National Interm (MI)	0.37	3.82	
World Allocation (IH)	2.80	8.74	8.68	3.22	Muni National Long (ML)	0.67	6.32	
World Stock (WS)	5.55	14.16	9.67	1.54	Muni Short (MS)	0.18	1.44	

INTEREST RATES



The yield on the 10-year Treasury note rose to 2.02 percent Friday. Yields affect interest rates on consumer loans.

TREASURIES	YEST	PVS	NET CHG	WK MO QTR	1YR AGO
3-month T-bill	.06	.07	-0.01	▼ □ ▼	.08
6-month T-bill	.10	.11	-0.01	□ ▼ ▼	.09
52-wk T-bill	.13	.13	...	□ □ ▼	.12
2-year T-note	.27	.27	...	▼ □ ▼	.23
5-year T-note	.89	.88	+0.01	▲ ▲ ▲	.71
10-year T-note	2.02	1.99	+0.03	▲ ▲ ▲	1.82
30-year T-bond	3.23	3.17	+0.05	▲ ▲ ▲	3.00

COMMODITIES

The price of crude oil, copper and other metals rose alongside global stock markets. Expectations for demand in the commodities increased following encouraging economic reports.

BONDS	YEST	PVS	NET CHG	WK MO QTR	1YR AGO
Barclays LongT-BdIdx	2.80	2.76	+0.04	▲ ▲ ▲	2.49
Bond Buyer Muni Idx	4.00	4.00	...	▲ ▼ ▼	4.54
Barclays US Aggregate	1.90	1.91	-0.01	▲ ▲ ▲	2.08
Barclays US High Yield	5.87	5.77	+0.10	▲ ▼ ▼	7.47
Moodys AAA Corp Idx	3.90	3.93	-0.03	▲ ▲ ▲	3.80
Barclays CompT-BdIdx	1.13	1.13	...	▲ ▲ ▲	.96
Barclays US Corp	2.82	2.83	-0.01	▲ ▲ ▲	3.41

FUELS	CLOSE	PVS.	%CH.	%YTD
Crude Oil (bbl)	97.77	97.49	+0.29	+6.5
Ethanol (gal)	2.49	2.46	+0.85	+13.7
Heating Oil (gal)	3.16	3.13	+1.34	+3.8
Natural Gas (mm btu)	3.30	3.34	-1.14	-1.5
Unleaded Gas (gal)	3.05	3.03	+0.72	+8.6

METALS	CLOSE	PVS.	%CH.	%YTD
Gold (oz)	1669.40	1660.60	+0.53	-0.3
Silver (oz)	31.94	31.34	+1.94	+5.9
Platinum (oz)	1687.70	1675.40	+0.73	+9.7
Copper (lb)	3.78	3.72	+1.40	+3.7
Palladium (oz)	756.00	745.30	+1.44	+7.6

AGRICULTURE	CLOSE	PVS.	%CH.	%YTD
Cattle (lb)	1.27	1.28	-0.41	-2.2
Coffee (lb)	1.48	1.47	+0.68	+2.9
Corn (bu)	7.36	7.41	-0.61	+5.4
Cotton (lb)	0.83	0.83	+0.04	+10.4
Hogs, lean (lb)	0.88	0.88	+0.06	+2.3
Lumber (1,000 bd ft)	362.70	352.70	+2.84	-3.0
Orange Juice (lb)	1.22	1.20	+1.71	+4.9
Soybeans (bu)	14.74	14.69	+0.39	+3.9
Wheat (bu)	7.65	7.80	-1.86	-1.7

Cotton 50,000 lbs.- cents per lb.
YESTERDAY: Sales: 33,921 **Open Interest:** 208,681, ▲ +3236.00

MONTH	OPEN	HIGH	LOW	SETTLE	CHG
Mar 13	82.72	83.45	82.30	82.98	+0.3
May 13	82.87	83.80	82.50	83.55	+4.0
Jul 13	83.25	84.00	82.80	83.88	+4.4
Sep 13				81.46	+3.1
Oct 13				82.29	+6.0
Dec 13	80.95	81.50	80.51	81.46	+3.1
Mar 14	81.87	82.43	81.76	82.40	+2.5
May 14	82.05	82.45	82.00	82.45	-1.5
Jul 14	82.06	82.50	82.05	82.50	-5.5
Oct 14				82.45	-4.5

FOREIGN EXCHANGE

MAJORS	CLOSE	CHG.	%CHG.	6MO. AGO	1YR. AGO
USD per British Pound	1.5714	-0.145	-9.2%	1.5552	1.5836
Canadian Dollar	.9971	-0.005	-0.5%	1.0042	.9985
USD per Euro	1.3662	+0.088	+6.4%	1.2233	1.3158
Japanese Yen	92.74	+1.36	+1.47%	78.47	76.22
Mexican Peso	12.6144	-1.068	-8.5%	13.3474	12.9120

COMMERCIAL APPEAL'S MOST WATCHED

NAME	TICKER	CLOSE	CHG %CHG	WK MO QTR	YTD %CHG(1000S)	P/E	DIV
Allstate	ALL	44.84	+94	+2.1	▲▲▲	+11.6	3053 8 0.88
BkofAm	BAC	11.71	+39	+3.4	▲▲▲	+0.9155381	45 0.04
Cisco	CSCO	20.83	+26	+1.3	▲▲▲	+6.0	25489 13 0.56
Citigroup	C	43.02	+86	+2.0	▲▲▲	+8.7	34459 13 0.04
Comcast	CMCSA	38.60	+52	+1.4	▲▲▲	+3.3	15225 21 0.65
ExxonMbl	XOM	90.04	+07	+0.1	▲▲▲	+4.0	15332 11 2.28
GenElec	GE	22.62	+34	+1.5	▲▲▲	+7.8	43090 16 0.76
HomeDp	HD	67.30	+38	+0.6	▲▲▲	+8.8	4902 24 1.16
Intel	INTC	21.36	+32	+1.5	▲▲▲	+3.6	30618 10 0.90
JohnJn	JNJ	74.18	+26	+0.4	▲▲▲	+5.8	9863 19 2.44
KimClk	KMB	90.01	+50	+0.6	▲▲▲	+6.6	2908 20 2.96
Lowe's	LOW	38.56	+37	+1.0	▲▲▲	+8.6	10995 23 0.64
Microsoft	MSFT	27.93	+48	+1.7	▲▲▲	+4.6	54237 15 0.92
MorgStan	MS	23.51	+71	+3.1	▲▲▲	+23.0	31514 cc 0.20
Pfizer	PFE	27.63	+35	+1.3	▲▲▲	+1.2	34511 14 0.96f
ProctGam	PG	75.92	+76	+1.0	▲▲▲	+11.8	12035 19 2.25
Starbucks	SBUX	56.86	+74	+1.3	▲▲▲	+6.0	4768 31 0.84
WalMart	WMT	70.49	+54	+0.8	▲▲▲	+3.3	6276 15 1.59
Walgrn	WAG	40.31	+35	+0.9	▲▲▲	+8.9	5372 18 1.10

For an explanation of footnotes used in the stock table, go to <http://markets.ap.org/footnotes>.

Briefly

Sharp narrows loss in latest quarter

OSAKA, Japan — Sharp Corp. on Friday reported better-than-expected results for the October through December quarter, but stuck to its prediction of a massive loss for the fiscal year ending in March.

The Osaka-based company, like other Japanese electronics makers, has been battered by plunging prices for gadgets and stiff competition from red-hot rivals like Apple and Samsung.

Sharp said its net loss for the most recent quarter shrank to 36.7 billion yen (\$399 million) from 173.6 billion yen a year earlier. And it managed to post an operating profit for the period, the first in five quarters, thanks to a recovery in liquid-crystal panel TVs and devices for smartphones.

January car sales surprisingly strong

By Jerry Hirsch
Los Angeles Times

Auto sales showed surprising strength in January with all three of the domestic manufacturers — General Motors, Ford and Chrysler — reporting double-digit gains.

GM, the nation's biggest automaker, said its January U.S. sales rose by a strong 15.9 percent to 194,699 vehicles, compared with the same month a year earlier.

"The year is off to a very good start for General Motors," said Kurt McNeil, the company's

Most automakers see double-digit gains

vice president of U.S. sales operations. "There's a sense of optimism among our dealers that only comes when you pair a growing economy with great new products."

Ford said its January sales jumped 21.8 percent to 166,501 vehicles, its best January since 2006.

"Ford is off to a strong start this year, with Fusion and Escape delivering January sales records and F-Series (pickup

trucks) seeing a particularly strong reception this early in the year," said Ken Czubay, Ford vice president of U.S. marketing, sales and service.

Chrysler Group had its best January in five years. Its sales rose 16 percent to 117,731 vehicles compared with the same month a year earlier.

Volkswagen had its best January since 1974. Its U.S. sales rose almost 7 percent to 29,018 vehicles.

Toyota Motor Sales U.S.A. said its monthly sales rose 26.6 percent to 157,725 vehicles.

Automakers sold about 1.1 million vehicles in January, a 15 percent gain from a year earlier, but down more than 22 percent from December 2012, according to estimates by TrueCar.com.

The numbers were especially good given that January, with its cold weather and lack of specials, tends to be one of the slower months for auto sales.

In addition, many shoppers had purchased new cars in December to take advantage of year-end clearance events that were no longer available in January, said Alec Gutierrez, an analyst for Kelley Blue Book.

Gutierrez said he expects sales to remain strong in the coming months, in part because of the availability of newly designed models. During the past two model years, nearly every vehicle in the mid-size car, compact car, subcompact car and small crossover segments were significantly redesigned, he said.

AIRLINES from IC

mend feasible courses of action that the Memphis region can take "to close the gap between existing air service and the demands of local public and private sector customers at fares that more closely align to national averages."

Campbell-Hill will engage the business community through regional chambers of commerce and survey businesses about unmet air service needs and the businesses' willingness to help provide incentives to airlines bringing in new service. It will support the task force in setting realistic expectations for air service in the current environment and offering a variety of strategies that can be pursued.

The firm has done similar business surveys for U.S. airports including Austin, Pittsburgh, Hartford, Baltimore-Washington International and Kansas City. Other current clients are Portland, Reno, Oakland, San Diego, Milwaukee, and recent clients include Atlanta, Richmond and Spokane.

The firm says it helped secure key service at Pittsburgh, San Diego, Austin, Portland and Milwaukee.

A public-private partnership came together in

Pittsburgh to subsidize a Pittsburgh-Paris nonstop, which was reduced to seasonal after the subsidies ended. Campbell-Hill also worked with a regional group to win new international services in Portland, including a nonstop to Japan.

Campbell-Hill was chosen by the task force's executive steering committee.

It consists of Wharton, Shelby County Mayor Mark Luttrell and mayors Chip Johnson of Hernando, Larry Bryant of Forrest City and Chuck Cariker of Tunica, along with private sector's Gary Shorb, Methodist; Paul Karre, International Paper; Clint Hermes, St. Jude; Robert Gordon, Baptist; and Chris Richards, FedEx.

Economic Development Growth Engine of Memphis and Shelby County president Reid Dulberger, Greater Memphis Chamber president John Moore and airport president Larry Cox also serve on the task force. EDGE provided seed money for the feasibility study and serves as the group's fiscal agent.

InterVistas created an air service incentive program that has yet to bear fruit for the airport authority. Under Federal Aviation Administration rules, airport-funded incentives have to be carefully targeted so that they are open to all carriers.

ELECTROLUX from IC

generated \$56 million in profit for the quarter, compared to \$12 million in the year-earlier period. It totaled \$232 million in profits for 2012, compared to \$40 million in 2011.

Globally, Electrolux AB reported its net income for the fourth quarter rose 32 percent to 291 million kronor (\$46 million). Revenue rose 2.9 percent company-wide to 29.2 billion kronor (\$4.6 billion), thanks largely to the jump in sales of major appliances in North America.

Electrolux is looking for strong growth in North America and emerging markets to make up for

LOVE SHACK from IC

The restaurant's compost will go to neighborhood gardens.

The menu will feature vegan green smoothies. Often used as meal replacements, the smoothies are made with fruits and vegetables, wheatgrass and grain-based proteins, and are sugar-free and gluten-free. "It's like a V8 on steroids without salt," Conner said.

There will be vegan soups geared to the seasons, squash in the fall and

the continuing weakness in Europe, where many nations are in recession.

"Operations in North America and Latin America, which currently account for 50 percent of total sales, showed strong sales and earnings growth, primarily attributable to a continued positive volume trend and improvements in price/mix," Keith McLoughlin, chief executive officer of the Stockholm-based manufacturer, said in a statement. "In 2013, we believe that the weak market in Europe will be offset by growth in North America and the emerging markets."

Electrolux, the world's second-biggest appliance maker behind Whirlpool,

gaspacho in the summer; sprouted-grain salads; organic juicing; orange juice and limeades, and eventually vegan sushi. A juice detox cleansing program will also be available. Artisan teas and coffee and herbal teas are on the menu, along with soy milk, rice milk, in-house-made almond milk and other options.

A small breakfast menu will include Ezekiel Bread (sprouted grain bread), nut butters and oatmeal "soup," Conner said, "for the commuter that wants a healthy alternative to McDonald's." There will also

be kid-friendly offerings.

Love Shack has no dine-in seating, but there are a few chairs for waiting on orders. Customers can call in an order or use the drive-through window.

The funky décor has broken slate flooring, exposed duct work, orange and green pendant lighting and wheat grass growing in trays as wall decoration.

And since the building is on one end of the Shelby Farms Greenline, "You can ride up and get smoothies if you are on your bike," Conner said.

"This is a marriage of Midtown meets East Mem-

phis. Everybody drives down Walnut Grove," he said. "In our community, there's this huge movement, and nationally, to go local and to change the way that people eat, but it's got to be good. You can't force people to eat Brussels sprouts and alfalfa sprouts. It doesn't work, so we deal in live food, we deal in sprouted food, we deal in a plant-based menu. ... Once you start looking at the way this food looks next to over-processed, overcooked and heavy cream, people don't go back, if they have an alternative."

Quite a few suppliers have committed to come to Memphis, Truong said. "As we get more and more into production in Memphis we should see more and more suppliers coming down," he said.

Quite a few suppliers have committed to come to Memphis, Truong said. "As we get more and more into production in Memphis we should see more and more suppliers coming down," he said.

SUPER SAVINGS!

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<h2 style="color: red; font-size: 3em;">\$22998</h2> <p>2013 SORENTO</p> <p>29 EPA/MPG/HWY</p>	<h2 style="color: red; font-size: 3em;">\$24988</h2> <p>2012 SEDONA</p> <p>25 EPA/MPG/HWY</p>

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THE 173RD YEAR | COMMERCIALAPPEAL.COM | SATURDAY, FEBRUARY 2, 2013

COMMERCIAL APPEAL

★★★ 75¢

Policeman cleared in shooting of teen

■ Death ruled justifiable homicide

By Kevin McKenzie
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Shelby County's district attorney general on Friday announced that an off-duty Memphis police officer who shot and killed a 15-year-old boy last fall will not be prosecuted or indicted, but the facts of the case remained hidden.

Dist. Atty. Amy Weirich issued a four-sentence statement about the shooting of the teenager.

"On Sept. 24, 2012, 15-year-old Justin Thompson was shot and killed by off-duty Memphis police officer Terrance Shaw," it said.

"At my request, the Tennessee Bureau of Investigation conducted the in-

vestigation and submitted findings and reports to me.

"I have reviewed the file and will not present the matter to the Grand Jury at this time. There is insufficient evidence to create a reasonable chance for a conviction against Mr. Shaw, particularly when considered with the foreseeable defense that could be raised under the



Justin Thompson, 15, was shot Sept. 24 outside 4740 Wooddale.



Off-duty policeman Terrance Shaw, 28, fired the fatal shot.

evidence."

A spokesman for the district attorney's office, Vince Higgins, said Weirich wasn't available for further comment on Friday.

Memphis Police Direc-

See SHOOTING, 2A

Employment growth better than expected

By Christopher S. Rugaber
Associated Press

WASHINGTON — The U.S. job market is proving sturdier than expected at a time when the economy is under pressure from Washington gridlock and the threat of government spending cuts.

Employers added 157,000 jobs in January, and hiring was much stronger at the end of last

year than the government had previously estimated.

The Labor Department's estimated job gains for the final two months of 2012 — a period when the economy was being threatened by the fiscal cliff — rose from 161,000 to 247,000 for November and from 155,000 to 196,000 for December.

The mostly encourag-

See JOBS, 2A

Southern swing



BRANDON DILL/SPECIAL TO THE COMMERCIAL APPEAL

Blues aficionados dance their way down Beale

Richard Conley (left), who says he drove from "Floribama," dances Friday with Barb Hilke of Atlanta to the music of Johnny Barbato & Dwight Everett at Silky O'Sullivan's during semifinals of the 29th International Blues Challenge on Beale Street. Roughly 200 blues bands and solo artists from around the world are in Memphis for the competition, which also includes a youth showcase. The finals will be held Saturday at the Orpheum theater.

Teacher testing schemer guilty

■ Mastermind Mumford gets lower sentence

By Lawrence Buser
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901-529-2385

Last week Clarence Mumford told a federal judge that after praying for guidance, he had decided he would go to trial rather than plead guilty to charging teachers to find someone to take their certification exams.

On Friday, before the same judge, Mumford had a change of heart, taking a plea offer that likely will shorten his sentence by three years.

The former Memphis City Schools guidance counselor pleaded guilty to wire fraud and identification-document fraud, counts that carry a maximum combined sentence of seven years in prison. He will be sentenced in May by U.S. Dist. Judge John Fowlkes.

Mumford admitted charging up to \$3,000 or more for teachers and aspiring teachers to have someone else take their certification tests, a scheme repeated up to 90 times since 1995, authorities said.

Those involved were from Memphis City Schools and from other school systems in West Tennessee, Mississippi and Arkansas. None of the Memphis teachers are still with MCS, a spokesman said.

Mumford rejected the government's plea offer last week of between nine and 11 years in prison. His

See MUMFORD, 2A

Obama offers faith groups new birth control rule

By Anita Kumar and Lesley Clark
McClatchy Newspapers

WASHINGTON — After months of criticism and legal challenges, President Barack Obama's administration proposed Friday that religious institutions no longer be required to provide their employees with health insurance coverage for birth control.

Nonprofit organizations that had objected to the mandate on moral grounds, including hospitals and universities, would be able to offer plans that don't cover contraceptives, while their employees could enroll in separate insurance policies that would cover free birth control.

The contraceptives' cost would be paid for through long-term health benefits of preventive cov-

erage and fees insurers pay to participate in the health exchanges set up as part of the federal health care law passed in 2010, according to administration officials.

"The administration is taking the next step in providing women across the nation with coverage of recommended preventive care at no cost, while respecting religious concerns," Health and Human Services Secretary Kathleen

Sebelius said.

The proposal — the second change to quell criticism in a year — is part of a set of recommendations announced Friday that might be tweaked further after public input. But it still fell short of satisfying critics.

The White House has struggled for two years to strike a balance

See CONTRACEPTIVES, 2A

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SEEKING THE YOUNG

More and more churches are developing special worship services aimed at the Millennial generation.

FEATURES, 1M

BUILDING A WINNER

Former Kansas star Danny Manning brings freshmen-laden Tulsa to FedExForum to take on the Tigers.

SPORTS, 1D

'HOW'M I DOIN'?

New Yorkers were often asked that by their feisty mayor, Ed Koch, back in the 1970s and '80s. He died Friday at 88.

NEWS, 6A



GOOD QUARTER

As Electrolux moves closer to opening its Memphis plant, the company's cooking appliance sales increase.

BUSINESS, 1C

52°/36°
More weather
8D

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CONTRACEPTIVES
 from 1A

between its desire to provide free birth control through health insurance with a need to accommodate the religious freedom of employers who provide insurance but object to contraception on moral grounds. White House officials declined to answer a series of questions about the recommendations Friday, merely saying that they reflected Obama's views.

Women's groups applauded the move, saying it would ensure that women have access to contraceptives as part of basic health care coverage.

"The principle is clear and con-

“ This policy makes it clear that your boss does not get to decide whether you can have birth control.”

Cecile Richards, Planned Parenthood Federation of America president

sistent,” said Cecile Richards, the president of the Planned Parenthood Federation of America. “This policy makes it clear that your boss does not get to decide whether you can have birth control.”

Religious groups were still dissatisfied with the proposal, which also would expand the definition

of religious institutions.

The U.S. Conference of Catholic Bishops, which has been sharply critical of the mandate, said it was reviewing the changes. Others assailed them.

The Becket Fund for Religious Liberty, which has filed several lawsuits challenging the mandate, said it was “extremely disappointed” with what it called an inadequate proposal.

The contraceptive mandate spurred more than 40 lawsuits nationwide, filed by employers ranging from the Roman Catholic Archdiocese of Miami to the University of Notre Dame. Judges have dismissed many of the legal challenges, reasoning that lawsuits are premature because the mandate hasn't kicked in yet.

MUMFORD
 from 1A

attorney, Coleman Garrett, said then his client was “all prayed up,” and thought the sentence was too harsh and was adamant about going to trial.

Neither side was eager for a trial of the 63-count indictment that likely would have taken several weeks, with dozens of witnesses and numerous documents.

Mumford, who would have spent the rest of his life in prison if convicted on all counts, was the ninth defendant to plead guilty in the teacher test-taking scheme. He made no statements in court.



Clarence Mumford

Also on Friday, federal prosecutors said 18 more teachers — most of them from Mississippi — have entered into diversion agreements with the government while admitting to paying Mumford to have someone take their PRAXIS teacher certification exams.

As part of their pleas, they are barred from teaching for five years and must make restitution if they obtained teaching licenses and teaching positions as a result of arrangements made with Mumford.

In all, 36 teachers and test-takers have been identified, though federal authorities said last summer when the first indictments came down that more than 50 were involved. More indictments have not been ruled out.

In some cases, aspiring teachers went to Mumford as a last resort after having failed their exam more than a half dozen times. There is no limit to the number of times the exam can be taken, but many were teaching under temporary licenses and needed to pass the exam to keep their jobs.

Prosecutors said some who finally passed only by hiring a stand-in were denied certification anyway because their scores had changed too dramatically or handwriting discrepancies invalidated the test.

In some cases, the hired test-takers — who were paid between \$200 and \$1,000 by Mumford — did not pass the exam either. Some teachers paid up to \$6,000 for multiple exams.

“(This) guilty plea by the ringleader of this test-taking scam illustrates one of the fundamental lessons we teach our kids: cheaters never win,” U.S. Atty. Ed Stanton said in prepared remarks. “Clarence Mumford cheated both honest teachers who did things the right way and also the parents and children who deserve to have qualified teachers in the classroom — and he did it all for personal gain.”

In a raid on Mumford's home in September 2010, authorities found altered drivers' licenses with photos of test-takers pasted over the teachers' photo, lamination materials, correspondence with defendants (one teacher wrote “Thanks a Million”) and an undisclosed amount of cash.

Other documents showed Mumford's credit card was used to pay for numerous test registrations for the defendants.

Among those charged are Mumford's son, Clarence Mumford Jr., and Cedrick Wilson, who coached football at Melrose High School after an NFL career that included winning a Super Bowl ring with the Pittsburgh Steelers.

Funeral for a king



WONG MAYE-E/ASSOCIATED PRESS

Cambodians remember Sihanouk

Procession participants shield themselves from the sun with portraits of the late former Cambodian King Norodom Sihanouk in a funeral procession in Phnom Penh Friday. Thousands of mourners accompanied the gilded chariot carrying the body of Sihanouk — the dominant figure of modern Cambodia — in the funeral procession Friday to a cremation ground next to the palace where he was crowned more than 70 years ago.

JOBS
 from 1A

ing jobs report Friday included one negative sign: The unemployment rate rose to 7.9 percent from 7.8 percent in December. The rate is calculated from a survey of households, and more people in that survey said they were unemployed.

The monthly job gains are derived from a separate survey of employers.

The hiring picture over the past two years also looked stronger after the department's annual revisions. The revisions showed that employers added an average of roughly 180,000 jobs a month in 2012 and 2011. That was up from previous estimates of about 150,000.

“The significantly stronger payroll gains tell us the economy has a lot more momentum than what we had thought,” Joseph LaVorgna, chief U.S. economist at Deutsche Bank, said in a research note.

The employment report revealed a notable shift in the job market: more hiring by construction companies. They added 28,000 jobs in January and nearly 100,000 over the past four months. Those job gains are consistent with a rebound in home construction and a broader recovery in housing.

Retailers added 33,000 positions. Health care gained 23,000 jobs.

DOW NEARS RECORD

The Dow Jones industrial average closed above 14,000 on Friday for the first time in more than five years as investors cheered positive reports on jobs and auto sales.

At 14,009.79, the Dow is just 155 points away from its highest close ever.

The Dow had closed above 14,000 just nine times. The first time was in July 2007; the rest were in October of that year.

Manufacturers reported a small increase of 4,000. Restaurants and hotels added 17,000.

The solid hiring in retail, construction, restaurants and hotels suggested that such companies expect consumer spending to hold up in coming months.

“The strong and steady job gains from retail trade and construction look a lot more like a normal economic expansion,” said Scott Anderson, chief economist at Bank of the West. “This is a sign that consumer spending is playing a far more important role in this expansion than it has so far.”

The job market has remained steady despite pressure on the economy from the rift between President Barack Obama and Republicans over taxes and spending.

Across-the-board spending cuts are set to kick in March 1. Financing to run the government will expire by March 27, raising the threat of a government shutdown. And the federal borrowing cap must be raised by May 18, or the government could default on its debt.

Friday's jobs report showed that average hourly wages rose 4 cents to \$23.78 and have risen an encouraging 2.1 percent in the past 12 months. That's slightly above the inflation rate, which was 1.7 percent.

Last month's hiring should cushion the impact of the higher Social Security taxes that most consumers are paying this year. And it would help the economy resume growing after it shrank at an annual rate of 0.1 percent in the October-December quarter.

Higher Social Security taxes are reducing take-home pay for most Americans. A person earning \$50,000 a year will have about \$1,000 less to spend in 2013. A household with two high-paid workers will have up to \$4,500 less. Taxes rose after a 2 percent cut, in place for two years, expired Jan. 1.

Analysts expect the Social Security tax increase to shave about a half-point off economic growth in 2013, since consumers drive about 70 percent of economic activity.

SHOOTING
 from 1A

tor Toney Armstrong, at a news conference held in response to the announcement, said that with no criminal charges forthcoming, the department will consider the teen's shooting a justifiable homicide.

Shaw, 28, had been returned to desk duty for a short time in December, and remains off the job and relieved of duty with pay.

The police department's

next step will be to consider whether any internal, administrative charges for violating regulations would be appropriate. Armstrong declined to discuss any possible penalties for violations, but they range up to being fired.

In February 2009, about two years after becoming a Memphis police officer, while on duty Shaw fatally shot a 25-year-old man in a car he and his partner were investigating in the Raleigh area. Internal police records also showed that he shot dogs in 2008

and 2011. The TBI findings about what happened the night Justin was shot and collapsed at Wooddale and Jenkins, near South Perkins and Winchester, remained unavailable to the public.

Higgins said that by state law, TBI investigative records are confidential and are not open to the public unless in response to a subpoena or court order.

Armstrong said he had not seen the TBI findings and had not yet spoken in

depth with Weirich about them. Armstrong said he could only provide information initially available after the shooting.

“There was an encounter between Officer Shaw and this young man and during the encounter there was a robbery, during which Officer Shaw discharged his firearm, shooting that individual. And unfortunately, he lost his life,” Armstrong said.

Was Justin armed?
 “I will say that there was a firearm recovered

within close proximity of him, yes,” Armstrong said. Did Shaw and Justin know each other?

Armstrong said any answer to that question, and others, would come from the investigation by the TBI.

How much longer will it be before the public knows what happened?

“When I get it, you'll get it,” Armstrong said. But he added, “Well, let me say this, when I get legal clearance, if I'm given legal clearance to give it ... I will.”

Lottery

MEGA MILLIONS: FRIDAY
 1-30-32-40-41 17
JACKPOT: \$13 million
POWERBALL: WEDNESDAY
 14-16-32-47-52 16
JACKPOT: \$176 million
TENNESSEE CASH: WEDNESDAY
 2-26-27-31-33 5
CASH 3: TENNESSEE
 MIDDAY 7-9-9
 EVENING 7-6-1-8

CASH 4: TENNESSEE
 MIDDAY 4-7-6-0
 EVENING 7-6-3-8
CASH 3: ARKANSAS
 MIDDAY 7-3-4
 EVENING 8-2-2
CASH 4: ARKANSAS
 MIDDAY 0-1-9-2
 EVENING 7-6-1-8

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