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Briefly

BofA up for award for support of Guard, Reserves

Bank of America Corp. is a semifinalist for a national award honoring employers for their support of National Guard and Reserve employees.

The Charlotte-based bank is one of three North Carolina companies selected as semifinalists for this year's CHAR**s Secretary of Defense Employer Support Freedom Award.

Nominations come directly from Guard and Reserve members or family members, the department said.

The award recognizes employers that go above and beyond what CHAR**s required by law to support those workers, including developing internal military support networks, providing full benefits to employees fulfilling military obligations, caring for families of deployed workers and granting additional leave to those preparing to deploy or returning.

The other North Carolina semifinalists are the city of Hickory Fire Department and Raleigh law firm Smith, Anderson, Blount, Dorsett, Mitchell & Jernigan. The Defense Department will announce 30 finalists in May.

Burger King joins cage-free trend for eggs, pork

The movement toward more humane treatment of animals experienced a whopper of a shift Wednesday when Burger King announced that all of its eggs and pork will come from cage-free chickens and pigs by 2017.

The decision by Burger King, which uses hundreds of millions of eggs and tens of millions of pounds of pork annually, could represent a turning point in the egg and pork supply business as a huge new market opens for humanely raised food animals.

Earlier this year, McDonald's and Wendys announced, without setting a timetable, they asked their pork suppliers to outline plans for elimination of gestation crates.

CommScope names two execs to new positions

Hickory-based CommScope Inc. has named two executives to new positions, the communications infrastructure provider said this week.

Kevin St. Cyr is assuming the job of senior vice president for enterprise solutions. He replaces Morgan Kurk, who will become senior vice president of wireless. Ric Johnson will continue as senior vice president of broadband.

McClatchy reports 1Q loss, lower advertising revenue

The McClatchy Co. reported a net first-quarter loss on Wednesday due to declining advertising revenue.

Meanwhile, the nation's CHAR**s third-largest newspaper company also reported an increase in digital advertising and decreases in compensation and other costs.

The Sacramento, Calif.-based owner of The Charlotte Observer, The (Raleigh) News & Observer, The (Rock Hill) Herald, Miami Herald, Sacramento Bee and other newspapers said it lost \$2.1 million, or 2 cents per share, in the January-March period.

That compares with a loss of \$2 million, or 2 cents per share, a year ago.

Advertising revenue fell 7 percent to \$209.8 million, from \$225.1 million. Digital advertising revenue grew by 3 percent and accounted for about 22 percent of total ad revenue, the company said.

McClatchy said that its circulation revenue increased by just under

The Vue heads to foreclosure

Deposits may be lost on uptown condos, and judgments go unpaid

By KERRY SINER ksinger@charlotteobserver.com

The Vue condominium tower in uptown could be sold to a new owner as early as mid-June, potentially leaving hundreds of buyers with no condo and without their deposits.

Even people who won court judgments against the Vue are now less likely to get their mon-

ey back, say attorneys familiar with the Vue.

The Vue's developer, MCL Cos. of Chicago, defaulted on its loan, and the current owner of the debt started foreclosure proceedings this week, according to court filings.

The current debt holder, identified in court papers as NWSF LLC, intends to put the property up for sale. A Delaware limited liability company, NWSF lists its address as Northwood Investments in New York.

Northwood Investments paid

around \$100 million for the project's \$95 million construction loan, industry publication Real Estate Alert has reported.

Some buyers have successfully sued the Vue and its developer to get their deposits returned as the real estate market soured and home values fell.

Last fall, a federal judge ruled one couple was owed their \$145,000 deposit back. But the foreclosure filings mean it's less likely they will get that money because a new owner would not

SEE VUE, 3B



In 2005, buyers started signing contracts for Vue units for less than \$200,000 to more than \$2 million.

JEFF SINER jsiner@charlotteobserver.com



JEFF WILLHELM - 2009 CHARLOTTE OBSERVER FILE PHOTO

The increase in passenger traffic at Charlotte Douglas International Airport was fueled largely by the growing number of US Airways flights. The airline's flights account for 90 percent of the airport's total number.

US Airways lays out its AMR merger strategy

American parent CEO calls offer 'easy way out,' insists airline will retain independence

By ELY PORTILLO elyportillo@charlotteobserver.com

Having won support for a merger from bankrupt American Airlines' three largest unions, US Airways is now seeking support from the rest of American's creditors, CEO Doug Parker said Wednesday.

Tom Horton, CEO of American's parent company, AMR Corp., has said repeatedly that American intends to exit bankruptcy a stand-alone company.

But US Airways CEO Doug Parker said his company will continue to pursue a merger.

"While we would prefer to work in concert with AMR and their board and hope to before too long, we understand where their focus is," he said. "So instead, we're working with the employees and creditors at AMR."

After winning over the nine-member creditors committee, which includes the unions, bondholders, the Pension Benefit Guaranty Corp., Boeing and Airbus, Parker said US Airways would look to engage AMR's board of directors in a "cooperative process."

US Airways also reported its first-quarter earnings Wednesday. The carrier eked out a profit, as revenue rose and proceeds from a transaction with Delta Air Lines offset higher jet fuel costs. Revenue was up 10.3 percent compared with the same quarter last year, at \$3.27 billion.

US Airways' first-quarter profit was \$48 million, up from a \$14 million loss in the same quarter last year. The company recognized a \$70 million gain from a swap of takeoff and landing slots at airports last year with Delta. Without the slot swap money,



TODD SUMLIN - 2009 CHARLOTTE OBSERVER FILE PHOTO

US Airways' first-quarter revenue increased 10.3 percent from 2011.

US Airways would have posted a \$22 million loss - still better than analysts had forecast.

The Tempe, Ariz.-based carrier SEE MERGER, 3B

Watchdog report: TARP will not turn a profit for taxpayers

By JIM PUZZANGHERA Los Angeles Times

WASHINGTON — The government's watchdog for the \$700 billion Troubled Asset Relief Program disputes suggestions the bailout fund would turn a profit for taxpayers, and warns that many small banks are still struggling to repay.

"It is a widely held misconception that TARP will make a profit," said a report Wednesday by Christy Romero, the special inspector general for the TARP program, known as SIGTARP. The Obama administration has said

TARP has turned a profit on about \$205 billion injected into banks, but still projects losses for the entire fund.

The report to Congress said one recent cost estimate put TARP losses at about \$68 billion and noted that banks and other financial institutions still owe \$18.5 billion.

Romero and her predecessor in the watchdog position, Neil Barofsky, have been highly critical of the way the Treasury Department has run TARP. And they have pushed back strongly against the administration's positive stance on TARP's impact and

financial outlook.

Last week, administration officials predicted that the U.S. likely would make a profit of as much as \$163 billion in the next decade on all the bailout initiatives that began in 2008 to rescue the financial industry.

That result largely would be caused by \$179 billion in excess profit from the Federal Reserve in the next 10 years, from its extraordinary expansion of its balance sheet to help bail out the industry and stimulate the economy.

The Treasury Department did not project a profit for the entire TARP

program. The administration estimated in February that lifetime losses from TARP would be \$67.8 billion, largely because of the bailouts of General Motors and Chrysler, as well as mortgage assistance programs.

Last month, the Congressional Budget Office estimated that TARP would lose \$32 billion.

Treasury officials have said the government has made a small profit on the TARP money invested in banks. Most large banks have repaid their money, and the profit comes from div-

SEE TARP, 3B

Carolinas Inc.

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STOCK FOOTNOTES: If = late filing with SEC. n = New in past 52 weeks. pf = Preferred. rs = Stock has undergone a reverse stock split of at least 50 percent within the past year. rt = Right to buy security at a specified price. s = Stock has split by at least 20 percent within the last year. DIVIDEND FOOTNOTES: a = Extra dividends were paid, but not included. e = Amount declared or paid in last 12 months. f = Current annual rate, which was increased by most recent dividend announcement. m = Current annual rate, which was decreased by most recent dividend announcement.

Table with 12 columns: Name, Close, Chg, YTD %Chg, Div, and 12 individual stock entries.

Playground builders swing shovels to a special beat

Winding Springs Elementary's drum line entertains at Paw Creek

BY STEVE LYTTLE
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A group of Charlotte volunteers has spent the past decade building 10 playgrounds — and a marching band.

The Business Volunteer Council gathered Wednesday at Paw Creek Elementary School for its 10th annual one-day construction of a children's playground. Group members toiled in rain for part of the day, but they succeeded in completing a playground and outdoor research area for Paw Creek's 560 students.

They also were entertained by a drum line, made up of students from the school that received last year's playground. The drum line, its leaders say, owes its existence to the people behind the annual playground build.

"There was some money left over last year after we built the playground at Winding Springs Elementary," explained Charlotte Center City Partners' Moira Quinn, who has played a prominent role in the effort. "We thought about rolling the money over to this year, but it was donated for 2011. So we asked the school what it would like to do with the money."

Winding Springs Principal

Myrna Meehan and music teacher Karl Stolz suggested a marching band. Stolz has organized part of that band, the drum line, and it won an award in the St. Patrick's Day Parade in Charlotte last month. The horn and woodwind sections are in training, and the band soon will get uniforms — after landing a grant from the Jimmie Johnson Foundation.

"The students are having a fabulous time," said Winding Springs staff member Rena Morton, who has worked with Carolina Crown Drum and Bugle Corps and helped lead the drum unit Wednesday.

The music provided a lift for Paw Creek's students and staff, and for the volunteers who

worked much of the day in drizzle and under cloudy skies.

"This playground will make a big difference for us," Paw Creek Principal Mary Jo Koenig said. "We have worked hard on our academics. But you need physical activity to accompany the academics."

She said students helped design the playground and equipment, and they've learned the value of hard work.

"It's a wonderful day for our school," she said.

Quinn said this year's effort included 174 volunteers and 53 Charlotte-area companies. In all, the companies donated \$72,000 in cash or materials.

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TODD SUMLIN - tsumlin@charlotteobserver.com
James Jackson tightens bolts on a new swing set at Paw Creek Elementary School. Hundreds of volunteers came out for the 10th annual event, which builds a new playground in one day.

Charlotte-area Morehead-Cain Scholars

These are the eight Charlotte-area winners of the Morehead-Cain Scholarship, which pays all expenses for four years of study at UNC Chapel Hill.

- **Will Almquist**, a senior at Charlotte Latin School, is the son of Perry and Robert Almquist of Charlotte. He is editor of the school newspaper and captain of the varsity football team. Will serves on Charlotte Latin's CHAR'S honor council and is a member of the Cum Laude Society. He also recently earned his scuba-diving certification.
- **Samantha Forlenza**, a senior at South Mecklenburg High School, is the daughter of Julie and David Forlenza of Charlotte. She is senior-class president and captain of the varsity tennis team. She is a leader in her church youth group and frequently tutors fellow students.
- **Emily Grohs**, a senior at St. Andrew's CHAR'S School in Middletown, Del., is the daughter of Lara Troy and Detlef Grohs of Charlotte. She is school co-president and head of the Gay-Straight Alliance. Emily volunteers after school at the local Boys & Girls Club and is head of the St. Andrew's CHAR'S vestry service group. She also has served as stage manager for school musicals.
- **Neha Kukreja**, a senior at Providence Day School in Charlotte, is the daughter of Atul and Neeta Kukreja of Waxhaw. She is a class officer in student government and captain of the varsity dance team. Neha founded the school's CHAR'S Ping-Pong club and served as emcee for Charlotte's CHAR'S Festival of India.
- **Hunter Latimer**, a senior at Gray Stone Day School in Misenheimer, is the daughter of Harrison and Carol Latimer of Salisbury. She is senior president of the student council and captain of the track and cross-country teams. Hunter is an active member of her church youth group and a volunteer for the Rowan Youth Services Bureau, where she worked with at-risk teenagers.
- **Ariana Luterman**, a senior at Myers Park High School, is the daughter of Leona Miller and Joel Luterman of Charlotte. She participates in a variety of organized dance (ballet, hip-hop, jazz, Flamenco, modern, African). Ariana has led fundraising efforts for a Sierra Leone school and for pancreatic cancer research. She also won the National Council of Teachers of English essay contest.
- **Brent McKnight**, a senior at Covenant Day School, is the son of Beth McKnight and the late Brent McKnight Sr. He is senior-class president and a member of the National Honor Society. Brent helped establish two computer labs in Haiti as part of the school's CHAR'S mission trips. Brent, an Eagle Scout, also received the Boy Scouts National Heroism Award for saving a man's CHAR'S life.
- **Kacey Williams**, a senior at Piedmont High School, is the daughter of Karen and John Williams of Monroe. She serves as president of student government and captains the varsity soccer

FBI: Serial bank robber may be in Charlotte area

BY MEGHAN COOKE
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A 60-year-old man wanted in connection with a series of bank robberies in the Asheville area has been spotted recently near Charlotte, according to the Federal Bureau of Investigation.

Authorities said the suspect, Clyde Allen Nixon, should be considered armed and dangerous. Nixon has an extensive criminal record dating back to the 1970s in North Carolina.

The Charlotte Division of the FBI, Asheville police and the Buncombe County Sheriff's Office are searching for Nixon. Authorities said they have three outstanding

warrants for his arrest.

The FBI said Nixon is a suspect in the robberies of four banks: a Wells Fargo Bank in Asheville on Feb. 9, a RBC Bank in Candler on Feb. 24, a First Citizens Bank in Asheville on March 20 and a First Bank in Candler on March 30.

Nixon has friends and family across the Carolinas and has been recently seen in Buncombe, Carteret, Cleveland, Craven, Gaston and Mecklenburg counties, the FBI reports.

In North Carolina, his criminal convictions include assault and battery, armed robbery, breaking and entering, and communicating threats, records show. In the 1970s,

he was accused of trying to escape from prison.

He was convicted of assaulting an officer in 2004 and in 2007. A judge ordered him to comply with the recommended treatment for a "cocaine problem" following a 2004 incident, according to records.

He most recently spent time in a North Carolina prison for felony larceny. He was released in January 2011 after serving about a year and a half, according to the N.C. Department of Correction.

Authorities said Nixon is a white

man with brown hair and blue eyes. He is 6 feet 3 inches tall, about 230 pounds and has several tattoos, including a dragon on his left leg and a rose on his right arm. He may use the alias Thomas Carl Nixon, authorities said.

Anyone with information about Nixon's whereabouts is asked to call Asheville police at 828-252-1110, the Buncombe County Sheriff's Office at 828-255-5050 or the Charlotte Division of the FBI at 704-672-6100.

Authorities said anyone who sees Nixon should call 911 rather than approaching him. — STAFF RESEARCHER MARIA DAVID CONTRIBUTED.

Cooke: 704-358-5067



Nixon

Slain Charlotte teen's family to meet with Columbus DA

Relatives think bullet that killed Jasmine Thar, 16, wasn't shot accidentally

Observer Staff Reports

The family of a 16-year-old Charlotte high school student who died of a gunshot wound two days before Christmas while visiting friends near the coast traveled to Columbus County Wednesday, hoping to convince authorities to

file charges.

Carletta McNeil, the mother of Jasmine Thar, plans to meet Thursday with the district attorney in Columbus County to press her case. She will be joined by other family members and by Charlotte civil rights activist John Barnett.

McNeil says she believes her

daughter's death was racially motivated.

Thar, a sophomore at Ardrey Kell High School, died when she was struck by a bullet Dec. 23 at her grandmother's house in Chadburn. The same bullet wounded her grandmother and a friend. Police in Chadburn say the bullet came from a Remington 700 rifle owned by James Anthony Blackwell, 23, who lives across the street.

Blackwell says the gun fired acci-

dently. But McNeil says she believes the shooting wasn't an accident and might have had racial overtones.

Blackwell is white; the three people shot were African-American.

Several reports published Wednesday said that civil rights attorney Willie Gary of Florida has agreed to take Thar's case. Gary has been involved in a number of high-profile cases. According to reports, he plans to file a wrongful death civil suit in the case.



Thar

CRIME

from 1B

icides follows a year in which the department saw its lowest number of killings since 1988.

"There never is a good number" of crimes, said Gallant, who is CMPD's acting deputy chief for the south patrol. "I think we need to continue to evaluate our strategies."

Judy Williams, a founder of Mothers of Murdered Offspring, said she was shocked by the first-quarter statistics, but said it's a reminder that police, prosecutors, community groups and others need to stay vigilant to fight crime. She said that's important even while conceding that neither police nor others can stop all crimes.

"We can put the numbers out there, but we can't get comfortable with any numbers," Williams said. "When they're down, we stay vigilant still."

Gallant said police review crime trends on a regular basis to see if any changes ought to be made, including making officers more visible whenever an increase in crime has been observed. He said the department also has been targeting violent felons, and he also praised its domestic violence counseling programs that try to get potential victims out of bad relation-

ships.

Gallant also touted the department's efforts to partner with other groups within the community and even in city government. For example, CMPD's North Tryon Division worked with the city's code enforcement department to target hotels and motels.

Wednesday's briefing served as a way to highlight another partnership: that between the Hickory Grove Division and Cortland Partners of Atlanta, which owns two apartment complexes off Harris Boulevard in northeast Charlotte.

The department did a site analysis at the company's request and recommended several changes to improve the property, such as increased lighting, landscaping and trash removal.

The company also had police review its roster of tenants to see who had a criminal background. Many flagged for having a conviction were evicted, said Angela Phifer, property manager for the Delta Crossing and Cameron at Hickory Grove apartments.

Cortland officials said they're starting to see improvements at the complexes. Renewals have increased, and residents have started referring people to open units.

Bethea: 704-358-6013

VUE

from 2B

be required to pay that claim.

The Vue spent the deposits when building the tower. But federal court judgments are considered liens on the property, so proceeds from future condo sales were expected to pay the liens.

That's not the case anymore because of the foreclosure, which cancels those debts.

"We were cheering for (the developer's) success," said Celie Richardson, a Chapel Hill attorney who won judgments against the Vue for her clients. "We were hoping they would start selling units and stay in business so we'd get paid."

She declined to comment about the foreclosure proceedings.

The 409-unit building has struggled since it was finished in 2010. When sales started in the mid-2000s, the building was touted as one of uptown's most luxurious residences, offering the highest-quality amenities, an Olympic-sized swimming pool and tennis courts.

Buyers have closed on 19 units.

Real estate professionals say the building could be ripe for a conversion to apartments. Other uptown condo projects have been changed into rentals after the real estate market fizzled.

As the Charlotte housing market has struggled, more people have turned to renting versus buying a home, fueling interest in the apartment market.

Vue marketing and sales director Anne Miller said in an email that the

developer declined to comment.

Charlottean Rob Cummings owns a unit in the Vue. He said homeowners are worried the building could turn into rentals, something Dan McLean of MCL Cos. promised residents he would never let happen.

One possible upside, Cummings said, is a new owner would have less debt and possibly be able to sell the units for less than the current sales prices.

The Vue's condos started selling from just under \$200,000 to more than \$2 million. Buyers paid 10 percent of the contracted sales price as a deposit. McLean repeatedly said he would not lower prices, despite falling real estate values regionwide.

Real estate attorney Bob Turner with Horack Talley is familiar with the Vue contracts and said renters would have to sign seven-month leases. They would also have to abide by the same rules as owners, such as limiting the size and number of pets.

A new property owner could also try to enforce existing purchase agreements, something Turner said he didn't think was likely.

"It's all about what the intentions of the new owner are," Turner said.

Analyst Andrew Jenkins of research firm Kames said it makes sense to turn the Vue's unsold units into apartments.

"From a seller point of view, it'd be better to sell all units at one time for a discount than to try to sell to individuals in this market," he said.

Vue marketing and sales director Anne Miller said in an email that the

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MERGER

from 2B

has been pursuing a merger with bankrupt American Airlines for months. On Friday, US Airways said it had reached post-merger contract agreements with unions representing more than 50,000 American pilots, flight attendants, and mechanics and ground personnel.

But management at American, which lost \$1.7 billion in the first quarter, is fending off any merger talk. The company is in bankruptcy court this week trying to win permission to void union contracts and begin cutting 13,000 jobs, along with wages and benefits.

In a letter to American employees this week, Horton called US Airways' proffer "the easy way out," and insisted that American will pursue its plan to emerge from bankruptcy as an independent company.

Parker said Wednesday that a merger plan would be a better

deal for employees of both companies. Parker has said his plan could save 6,200 jobs.

The combined company would cut duplicate costs to give remaining workers pay and benefits equal to larger competitors United Continental Holdings and Delta, executives said. Savings would come from cutting redundant facilities, reducing management, combining information technology systems, freezing pensions and other sources.

Even with higher wages and fewer job cuts, US Airways executives said a merged airline would generate an additional \$1.2 billion a year.

Any merger plan would have to be approved by the bankruptcy judge, American's creditors and American's board of directors, and American retains the exclusive right to submit a reorganization plan until the end of September.

Demand high

US Airways reported strong

demand for travel in the first quarter. On average, 79.3 percent of seats were filled, up from 78 percent in the same quarter last year.

Executives said Charlotte Douglas International Airport and Philadelphia International Airport have seen the strongest revenue growth in the first quarter, driven by their higher mix of business travel. Revenue from corporate accounts jumped 29 percent in the first quarter, US Airways said.

They also said Charlotte Douglas is the airline's second-most profitable hub. Only Reagan Washington National has a higher profit margin.

US Airways operates 630 daily flights from Charlotte Douglas International Airport, about 90 percent of the airport's total. In addition to a direct flight to Sao Paulo, Brazil, on the horizon, executives said US Airways could add more service to small markets from Charlotte Douglas.

US Airways has more than

7,000 employees based in Charlotte.

Operating expenses in the quarter rose 69 percent, to \$3.2 billion. The high cost of jet fuel was the main driver, US Airways said. The company paid \$160 million more for fuel than it did in the same quarter last year, a 16.3 percent increase.

US Airways also bolstered its war chest, with \$2.54 billion in cash and investments, compared with \$2.31 billion this time last year. The company has outstanding long-term debt of \$4.23 billion.

Rival Delta also reported a first-quarter profit Wednesday. The airline had net income of \$24 million, mostly due to gains from fuel hedges that offset rising jet fuel costs. Excluding special items, Delta would have lost \$39 million in the quarter.

US Airways stock closed up 29 cents, more than 3 percent, at \$9.60 a share.

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TARP

from 2B

ident payments and the buy-back of stock warrants granted to the government.

Still, 351 of the 707 banks that received bailout money had not repaid as of March 31, with taxpayers still on the hook for about \$157 billion, the report said. Most of those banks — 330 of them — received less than \$100 million each in bailout money.

"They may be virtually unknown outside their immediate communities, but many of these small banks play a critical role in providing loans and cash management services to local employers as

well as services such as checking accounts and auto loans to local residents," the report said.

It cited Saigon National Bank in Westminster, Calif., which caters to Vietnamese immigrants, as one of the smallest banks that has yet to repay its TARP money.

The bank has \$59 million in assets and has missed 13 dividend payments totaling \$265,328 on the \$1.6 million it received in bailout money in late 2008.

"Despite the dramatic efforts to expedite the exit of the largest banks from TARP, there appears to be no corresponding plan for community banks' exit from TARP," the report said.

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