

Dimon Survives Vote On Chairmanship

BY TAMARA LUSH AND PALLAVI GOGOI
Associated Press

TAMPA, Fla. — The CEO of JPMorgan Chase survived a shareholder push Tuesday to strip him of the title of chairman of the board, five days after he disclosed a \$2 billion trading loss by the bank.

CEO Jamie Dimon also won a shareholder endorsement of his pay package from last year, which totaled \$23 million, according to an Associated Press analysis of regulatory filings.

Dimon, unusually subdued, told shareholders at the JPMorgan annual meeting that the company's mistakes were "self-inflicted." Speaking with reporters later, he added: "The buck always stops with me."

Most of the shareholder ballots were cast in the weeks before Dimon revealed the trading loss.

His pay package passed with 91 percent of the vote. The vote to strip him of the chairman's title won only 40 percent support. The bank did not announce separate results from before and after the loss was revealed.

Dimon was confronted at the meeting by shareholders upset about the trading loss, which has rattled investor confidence in the bank and complicated JPMorgan's efforts to fight tougher regulation of Wall Street.

Rev. Seamus Finn, representing shareholders from the Catholic organization Missionary Oblates of Mary Immaculate, said that investors had heard Dimon apologize before for the foreclosure crisis and other problems.

"We heard the same refrain: We have learned from our mistakes. This will never be allowed to happen again," Finn said. "I can't

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LISA LINDSLEY

help wondering if you are listening."

Lisa Lindsley, director of capital strategies for an influential union of public employees that is also a major JPMorgan shareholder, said independent board leadership was in shareholders' best interest.

"An all-powerful CEO is his own boss," she said. "Looking for an infallible CEO is a fool's errand."

Investors have pummeled JPMorgan's stock price since the loss was revealed. The stock lost 12 percent in two trading days and lost almost \$20 billion in market value. It bounced back on Tuesday, rising 3 percent.

Dimon said he did not expect the trading loss to jeopardize JPMorgan's quarterly stock dividend, which is 30 cents per share.

A law enforcement official said that the FBI's New York office is heading an inquiry by the Justice Department into the JPMorgan loss. The official, who was not authorized to speak about the decision, spoke on condition of anonymity.

The official characterized the inquiry as preliminary.

There was a heavy police presence at the meeting, in an office park east of downtown Tampa. Protesters were there as well, including some who threw eggs at a poster with Dimon's picture on it.

"We wanted to let Jamie Dimon know how

we feel about what big banks have done to our economy," said Marilyn Lyday, a member of the protest group Occupy Orlando.

Dimon got something of a vote of confidence from President Barack Obama, who appeared on ABC's "The View" for an episode airing Tuesday. Obama used the appearance to press for tighter regulation of Wall Street.

"JPMorgan is one of the best-managed banks there is," the president said. "Jamie Dimon, the head of it, is one of the smartest bankers we got, and they still lost \$2 billion and counting."

Obama said the bank was "making bets" in the market for the complex financial instruments known as derivatives. Dimon has said the bank was hedging against financial risk.

A part of the 2010 financial overhaul legislation known as the Volcker rule would restrict banks from some trading for their own profit. Dimon and critics of the industry have disagreed over whether JPMorgan's trading would have violated that rule.

In Washington, Treasury Secretary Timothy Geithner said JPMorgan's trading loss strengthens the case for tougher rules on financial institutions, as regulators continue writing rules from the 2010 law.

Geithner said that the Federal Reserve, the Securities and Exchange Commission and the Obama administration are "going to take a very careful look" at the JPMorgan incident as they implement the rules.

"I'm very confident that we're going to be able to make sure those come out as tough and effective as they need to be," Geithner said. "And I think this episode helps make the case, frankly."

Edwards, Mistress Could Still Be Called To Testify

MICHAEL BIESECKER
Associated Press

GREENSBORO, N.C. — Attorneys for John Edwards indicated Tuesday their case was winding down, but they were not yet saying whether they will call to the witness stand the former presidential candidate or his mistress.

Defense attorneys said they would make a decision later Tuesday, but it was not immediately clear when they would make it public.

After testimony ended for the day with the trial still focusing on financial records, Edwards team said they had not made a final decision on whether to call Edwards, his oldest daughter Cate or his mistress, Rielle Hunter. They could also recall Edwards' once-close confidant and aide, Andrew Young.



SHAWN ROCCO/RALEIGH NEWS & OBSERVER/MCT
John Edwards and his daughter Cate Edwards leave the federal courthouse in Greensboro, North Carolina on Tuesday, May 15, 2012. The defense continues in Edwards' campaign corruption trial.

Lead defense lawyer Abbe Lowell said they may call some or all of the remaining potential witnesses.

"We may also very well be done tomorrow," Lowell told the judge overseeing the case.

Edwards is accused of masterminding a plan to use about \$1 million from two wealthy donors to hide his pregnant mistress as he ran for the White House in 2008. Edwards has pleaded not guilty to six counts of campaign finance violations. He faces up to 30 years in prison if convicted.

Records introduced Tuesday at the corruption trial show his campaign finance chairman paid the candidate's mistress a \$9,000

monthly cash allowance, on top of providing flights on private jets, stays at luxury resorts and a \$20,000-a-month California rental mansion.

Wealthy Texas lawyer Fred Baron is one of two political supporters who combined gave about \$1 million to help hide Hunter. Evidence showed Baron was making regular deposits into Hunter's checking account, the sum totaling \$74,000.

The deposits began in June 2008 — several months after Edwards ended his White House run — and continued until December 2008, two months after Baron died. Edwards' defense

has argued any money spent after his bid cannot be a campaign contribution. Prosecutors claim Edwards was still seeking the Democratic vice presidential nomination or a spot as attorney general.

Edwards' attorneys have said he did not know about the money from Baron and wealthy heiress Rachel "Bunny" Mellon — and that even if he did, the cash was not a campaign contribution because it was intended to hide Hunter from Edwards' wife, not the public.

According to financial records introduced Tuesday, the Youngs received \$1.07 million from Baron

and Mellon in 2007 and 2008. The couple later amended their tax returns for those years to indicate they spent about \$191,000 on Hunter, paying gift taxes on the money. Defense attorneys argue that number is likely inflated.

Financial records for the couple show most of the money the Youngs received from Mellon and Baron was spent on the the couple's \$1.6 million dream home in North Carolina.

Earlier Tuesday, Edwards' former lawyer Wade Smith testified about conversations he had with Alex D. Forger, an attorney for Mellon. Forger had earlier testified for prosecutors, saying he told Smith that Edwards acknowledged some of the "Bunny Money" had been given for his benefit.

Smith said Forger misunderstood the conversation they had. "I would not ever quote my client to someone else," Smith testified, saying that would violate attorney-client privileged.

On Monday, Edwards' attorneys began his defense by attempting to shift the focus away from the sex scandal to the technical issue of whether Edwards' alleged behavior violated campaign finance laws.

Before winning a U.S. Senate seat in 1998, Edwards made a fortune as a personal injury lawyer renowned for his ability to sway jurors. But his testimony would expose himself to a likely withering cross-examination about his past lies and personal failings.

Romney Blasts Obama For Feeding Debt

DES MOINES, Iowa (AP) — Republican Mitt Romney said Tuesday President Barack Obama's support for increased federal debt has put the economy on a disastrous course, portraying himself in a speech in battleground Iowa as the defender of fiscal responsibility and his opponent as reckless.

Calling for sharp spending cuts and a long-term budget discipline, Romney is trying to frame the campaign against the Democrat as a contest of fairness versus irresponsibility.

"A prairie fire of debt is sweeping across Iowa and our nation and every day we fail to act we feed that fire with our own lack of resolve," Romney said, according to excerpts of a speech he's scheduled to deliver on his first trip to Iowa since January.

The White House promptly dismissed Romney's critique. Press secretary Jay Carney blamed federal overspending primarily on Romney-backed tax cuts for the wealthy that were enacted during President George W. Bush's administration and on the wars in Iraq and Afghanistan.

Carney said Romney wants to repeat policies that led to high deficits and the recession and repeal Obama policies "that reversed the cataclysmic decline on our economy and that now has us growing for 11 straight quarters."

Boehner: We Must Offset Increase In Debt Limit

WASHINGTON (AP) — House Speaker John Boehner said Tuesday that when Congress raises the nation's borrowing cap he will again insist on spending cuts and budget reforms to offset the increase.

In remarks Tuesday afternoon at a budget conference in Washington, the Ohio Republican said he welcomes another wrenching debate on increasing the so-called debt limit because it forces a Congress and White House plagued by gridlock to make difficult decisions.

Boehner also said that the GOP-controlled House will vote to extend Bush-era tax cuts due to expire at the end of the year and that the House will act next year on "broad-based tax reform that lowers rates for individuals and businesses while closing deductions, credits and special carveouts."

According to Treasury Secretary Tim Geithner, the government will hit its borrowing cap later this year, but Treasury can use accounting maneuvers to buy time for the newly elected Congress to deal with the issue early next year.

About a year ago, Boehner made a similar promise demanding spending cuts spread over a decade exceed the amount of increase in the debt limit, which at the time was discounted by some in official Washington.

Fla. Mom Kills Her 4 Children, Then Herself

PORT ST. JOHN, Fla. (AP) — A Florida mother who fatally shot her four children before killing herself Tuesday called three of the kids who had sought help from a neighbor back to the house before firing the fatal shots, authorities said.

Thirty-three-year-old Tonya Thomas fatally shot her four children, who ranged in age from 12 to 17, said Lt. Tod Goodyear, a spokesman for the Brevard County Sheriff's Office.

Three of the children had gone to a neighbor's front door before dawn to say their mother had shot them.

The mother then called the children back to the house and killed them, Goodyear said.

"From what the neighbors said, she was very calm. She walked out and called them back. They turned around and walked back to the house," Goodyear said.

The neighbor then heard gunshots and called 911.

Alzheimer's Focus Shifts To Testing Earlier

WASHINGTON (AP) — Look for a fundamental shift in how scientists hunt ways to ward off the devastation of Alzheimer's disease — by testing possible therapies in people who don't yet show many symptoms, before too much of the brain is destroyed.

The most ambitious attempt: An international study announced Tuesday will track whether an experimental drug can stall the disease in people who appear healthy but are genetically destined to get a type of Alzheimer's that runs in the family. If so, it would be exciting evidence that maybe regular Alzheimer's is preventable too.

A second study will test whether a nasal spray that sends insulin to the brain helps people with very early memory problems, based on separate research linking diabetes to an increased risk of Alzheimer's.

The new focus emerges as the Obama administration adopts the first national strategy to fight the worsening Alzheimer's epidemic — a plan that sets the clock ticking toward finally having effective treatments by 2025.

"We are at an exceptional moment," with more important discoveries about Alzheimer's in the last few months than in recent years, Dr. Francis Collins, director of the National Institutes of Health, declared Tuesday.

Poll Shows Low Opinion Of Facebook; May Hurt Ad Sales

NEW YORK (AP) — Facebook's reach is wide but not deep. Few users surveyed in an Associated Press-CNBC poll say they click on the site's ads or buy the virtual goods that make money for it.

More than 40 percent of American adults log in to the site — to share news, personal observations, photos and more — at least once a week. In all, some 900 million people around the world are users. But many of them don't have a very high opinion of Facebook or trust it to keep their information private.

If Facebook the company were a Facebook user, it would have a lot of virtual friends but not many real ones, the poll suggested.

Users' distrust limits the value of the site's ads. Advertisers want to target their messages to the people most likely to respond to them. And the more Facebook knows about us, the better it will be at tailoring those ads to our interests.

Yet in the poll of U.S. adults published Tuesday, only 13 percent said they trust Facebook "completely" or "a lot" when it comes to keeping their personal information private. A majority, or 59 percent, said they trust Facebook "only a little," or "not at all."



AM 1450

MORNING COFFEE

WEEKDAYS MONDAY-FRIDAY

Wednesday, May 16

7:40 am Servant Hearts Clinic (Dr. Mark Mabee)

8:15 am Hy-Vee Foods (Chef Staci)

8:45 am Historic Downtown Yankton (Hanna Sitting Crow)

Thursday, May 17

7:40 am Yankton Chamber (Carmen Schramm)

8:15 am Yankton Conv/Vis Bureau (Lisa Scheve)

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