

IN WEEKEND: A NICE CHAT WITH A DROID

SECTION D

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Major financial overhaul passes

Goldman Sachs will pay \$550 million fine

By MARCY GORDON AND DANIEL WAGNER
THE ASSOCIATED PRESS

WASHINGTON — Goldman Sachs & Co. has agreed to pay \$550 million to settle civil fraud charges that the Wall Street giant misled buyers of mortgage-related investments.



The SEC's Robert Khuzami announces settlement.

The settlement was announced Thursday by the Securities and Exchange Commission hours after Congress gave final approval to the stiffest restrictions on banks and Wall Street since the Great Depression.

The deal calls for Goldman to pay the SEC fines of \$300 million. The rest of the money will go to compensate those who lost money on their investments.

The penalty was the largest against a Wall Street firm in SEC history. But the settlement amounts to less than 5 percent of Goldman's 2009 net income of \$12.2 billion after payment of dividends to preferred shareholders — or a little more than two weeks of net income.

Word that Goldman had settled began leaking about a half hour before stock markets closed and appeared to please investors. Goldman had been trading at about \$140 a share. The stock rose to close at \$145.22, up \$6.16, and shot up to \$153.60 in after-hours trading.

The settlement involves charges that Goldman sold mortgage investments without telling buyers that the securities had been crafted with input from a client that was betting on them to fail.

The securities cost investors close to \$1 billion and helped Paulson and Co., a Goldman client, capitalize on

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Democrats say the sweeping legislation will prevent bailouts and protect consumers. Republicans argue it hands the government too much power.

By JIM PUZZANGHERA
LOS ANGELES TIMES

WASHINGTON — Nearly two years after a financial crisis triggered the worst recession since the Great Depression, the Senate approved bold and controversial legislation aimed at preventing a repeat — and set the stage for a showdown over the issue in this fall's midterm elections.

The 60-39 vote Thursday was a major victory for President Barack Obama and Democratic leaders and marked the second landmark overhaul — the first was health care — that the administration has pushed through Congress this year.

Obama is expected to sign the financial reform bill next week in an elaborate ceremony touting it as evidence that Democrats are standing up for Main Street against the powerful financial industry and its Republican allies.

Supporters said it gives the government desperately needed tools to



President Obama is expected to sign the bill next week.

CAROLYN KASTER - AP

avoid future corporate bailouts and prevent financial companies from gouging consumers on mortgages and other financial products.

"Because of this reform, the Amer-

TAR HEEL TALLY

How North Carolina senators voted in a 60-39 roll call Thursday by which the Senate passed legislation that imposes new regulations on Wall Street and creates new protections for consumers.

Democrat Kay Hagan: Yes
Republican Richard Burr: No

Q&A: How does the financial overhaul affect consumers? ▶12A

ican people will never again be asked to foot the bill for Wall Street's mistakes," Obama said. "There will be no more taxpayer-funded bailouts, period."

But the sweeping, 2,300-page legislation carries risks for Democrats, who hope to build this fall's midterm election campaign on their tough crackdown on Wall Street.

Just as with health care overhaul, Republicans have portrayed the fi-

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MORE NEWS

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NCAA INVESTIGATES UNC ATHLETES

Two football players were involved with sports agents. The school's athletic director promised full cooperation. 1C

TRIANGLE'S SPRING HOME SALES SURGED

They were up 24 percent for the three months that ended June 30. The government tax credit moved the market. 1B

TALIBAN SHOW NEW SOPHISTICATED

Fresh tactics are forcing American and Afghan forces to adapt to their attacks. They have hit bases in Kandahar, Bagram and Jalalabad. 3A

PROBLEM NURSES AVOID PUNISHMENT

A 24-state licensing compact that includes North Carolina has allowed them to put patients in jeopardy. They go from state to state. 4A

CORRECTION

A story on Thursday's front page incorrectly reported attendance at the North Carolina Zoo. In the year ending June 30, 749,627 people visited, the most in 13 years.

WEATHER

Today: Sun, then storms, then mere rain tonight. High 94, low 72.

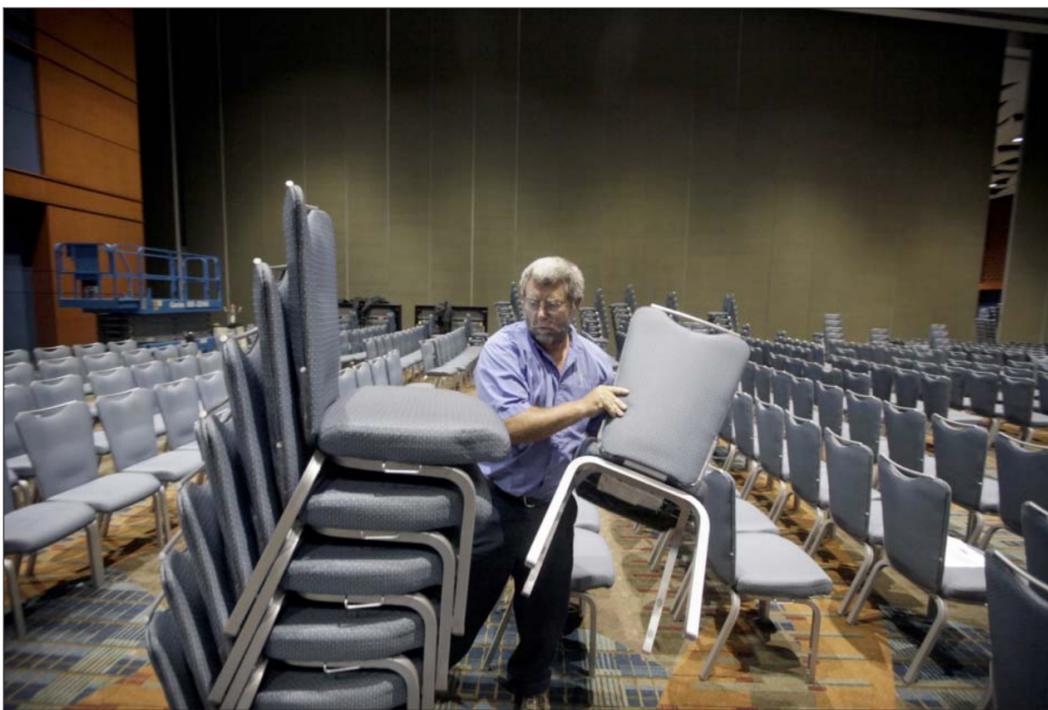
Saturday: Stormy weather. High 92, low 72. 8B

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Coming conventions will put Raleigh's readiness to the test



Mark Henson unloads another dolly of the almost 2,600 chairs needed for this weekend's African Methodist Episcopal Zion Church quadrennial convention at the Raleigh Convention Center.

SHAWN ROCCO - srocco@newsobserver.com

6,500 are expected in the next 10 days; it's a trial run for downtown

By SARAH OVASKA AND DAVID BRACKEN
STAFF WRITERS

RALEIGH — When Raleigh tore down its old civic center, it was with the promise that a sparkling new building would attract thousands of people, and their wallets, to downtown hotels and restaurants.

Nearly two years after opening, the new convention center is bracing for one of its busiest stretches.

Starting today, two major groups, the African Methodist Episcopal Zion Church and the Omega Psi Phi fraternity, will bring at least 6,500 people to town during the next 10 days. Because downtown still lacks enough hotel rooms to accommodate these groups, attendees will be shuttled from the convention center to their hotels and other events.

The logistics will be similar to what will occur on a much larger scale in January, when the National Hockey League All-Star Game comes to Raleigh, a major boost for the area

BY THE NUMBERS

Cost to build Raleigh Convention Center: more than \$220 million.
Record attendance: Animazement in May, with 7,500 attendees.
Listed price to rent 32,000-square-foot ballroom: \$5,500.
Listed price to rent 147,000-square-foot exhibition hall: \$12,000.

SOURCES: RALEIGH CONVENTION CENTER DATA AND STAFF, NEWS REPORTS.

that could bring anywhere from \$20 million to \$30 million to local businesses. The last All-Star game, held in 2008 in Atlanta, had more than 23,000 people traveling to the city.

Getting Raleigh ready for the All-Star game has meant moving up the opening of a new terminal at the Raleigh-Durham International Airport and forming a committee that will consider how to handle the influx of people, and how to show

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Oil stops spewing in Gulf

Next 48 hours will be crucial

By COLLEEN LONG AND HARRY R. WEBER
THE ASSOCIATED PRESS

NEW ORLEANS — The oil has stopped. For now.

After 85 days and up to 184 million gallons, BP finally gained control over one of America's biggest environmental catastrophes Thursday by placing a carefully fitted cap over a runaway geyser that has been gushing crude into the Gulf of Mexico since early spring.

Though a temporary fix, the accomplishment was greeted with hope, high expectations — and, in many cases along the beleaguered coastline, disbelief.

From one Gulf Coast resident came this: "Hallelujah." And from another: "I got to see it to believe it."

If the cap holds, if the sea floor doesn't crack and if the relief wells being prepared are completed successfully, this could be the beginning of the end for the spill. But that's a lot of ifs, and no one was declaring any sort of victory beyond the moment.

The oil stopped flowing at 3:25 p.m. EDT when the last of three valves in the 75-ton cap was slowly throttled shut. That set off a 48-hour watch period in which — much like the hours immediately after a surgery — the patient was in stable, guarded condition and

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Doctor's kit helps mothers tap their valuable cord blood

By ERIC FERRERI
STAFF WRITER

DURHAM — To donate the stem cell-rich umbilical cord blood produced during the birth of her daughter, Jaime Feaster of Lake Charles, La., would have had to drive more than two hours to the nearest hospital equipped to collect it.

That's a long way to go when you're in labor.

Instead, Feaster turned to a fledgling Duke University Medical Center program that provides collection kits to



Kurtzberg wants kits to spread.

mothers and their doctors. When Feaster's daughter, Kadde, arrived last month, the cord blood was collected, packaged and quickly

shipped to a blood bank at no cost to Feaster and with minimal commitment of time and expertise from her doctor.

WANT TO DONATE?

Eligible donors must be at least 18 and pregnant with a single baby. Call the CCBB Public Kit Collection Program at 668-2071.

Duke doctor Joanne Kurtzberg wants to replicate Feaster's experience on a large scale.

Kurtzberg hopes that an easier donation process will trigger a surge in donations of blood cells so valuable they've



The umbilical cord blood collection kit is reusable.

SEE KITS, PAGE 10A