

# BUSINESS

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## Digital age meets stock traders

### Employees face uncertain future with changing technology

By JOE BEL BRUNO  
THE ASSOCIATED PRESS

#### NEW YORK

Michael Rutigliano used to feel like Mickey Mantle each time he stepped on the New York Stock Exchange floor.

The longtime NYSE broker said it "felt like walking on to the field of the Yankee Stadium of the business world, complete with lights, referees, uniforms, hand signals and scoreboards. There's a palpable energy, a sense you entered the premier business arena in the world."

That arena is in the midst of radical change. The NYSE's iconic trading floor, the emblem of capitalism at work, is hurtling toward an uncharted future as the exchange embraces an electronic age.

NYSE Group Inc., the parent company that operates the exchange, is in the midst of the biggest changes in its 214-year history. The open outcry system where frenzied traders scream "buy" and "sell" has now been replaced by one where transactions are quietly processed by computers.

This new era leaves the Big Board better equipped to compete with the Nasdaq Stock Market Inc. and other electronic trading systems. For traders, the leap into the digital age drastically curtails the need for human interaction and puts all of their jobs on the line.

A once teeming exchange floor is now merely busy as big Wall Street firms cut the number of staff that man stock trading posts. The number of people on the floor has dropped to about 2,100 from 3,000 in a matter of months. Even the



Specialist Evan Solomon, second from right, directs New York Stock Exchange on Oct. 26. The electronic trading in shares of American Express on the floor of the exchange is changing how trades on the exchange take place.

wooden trading floor is missing the heaps of paper once strewn across it during the course of a day.

Although layoffs have swept the floor, the need for brokers and other stock specialists is not lost on NYSE Group Inc. Chief executive John Thain. He maintains there will always be a trading floor, in what the exchange calls a hybrid market that infuses the speed of electronic trading with the experience of seasoned professionals.

"There will continue to be a need for a person involved," Thain said. "I believe the specialist will continue to add value. They are very viable, very competent, and they add value to their customers."

Automation is the only way for the NYSE to handle far more trades and remain competitive. It means the specialist firms previously logjammed with transactions can now more easily manage thousands of trades each minute.

Transactions pumped out in a millisecond allow specialists to cut the number of computer keystrokes to 20 million from 45 million each day. The average time to complete a trade has fallen sharply, to about three-tenths of a second from nine seconds before, and the exchange plans to cut this by a further 90 percent.

Around the globe, major exchanges are for the most part

electronic institutions. The London Stock Exchange, currently the target of a hostile takeover by the Nasdaq, has traded electronically since what the British press called "The Big Bang" in 1986. Euronext, the pan-European exchange with subsidiaries in Belgium, France, the Netherlands, Portugal and a derivatives market in the U.K., trades electronically.

And, in the United States, rival Nasdaq has been the largest screen-based stock market since it launched in 1971. The exchange said its system is more open and transparent, where all trades are equal and without the influence of brokers that might have a bias.

#### BRIEFS

## BUSINESS

### Carpenter announces award winners

Carpenter Realtors recently honored 31 employees.

The employees received awards at an annual sales and awards rally conducted by the company.

The sales and listing leader awards were given to:

- Karen and Robert Rumba and Rick and Christi Coffey at the Greenwood office
  - Larry and Sharon Swickheimer at the County Line office
  - Linda Blankenship and Jeff Knollton at the South Meridian office
  - Sharon Atkinson and Stephen Bradburn at the Franklin office
- Sales production awards were given to:
- John Breck, Terry Beasley, Hazel Cooper, Mary Jo Brown, Sally Webb, Ron Weimer, Frances Booher, Tonda Hoagland and Michelle Chandler at the Greenwood office
  - Woody and Volly Burton, Susan Garver, Dave Cook, Susan Hodges, Theresa Crowe and Lyle Headington from the County Line office
  - Patrick Wilkins at the South Meridian office
  - Sue Babcock, Connie Perci-field, Andy Hemrick and Patty Boswell at the Franklin office
- Information: www.callcarpen-ter.com

### Construction manager joins Duke Homes

A Greenwood resident has joined Duke Homes.

Mark Belton was hired as construction manager for all residential properties with Duke Homes.

Belton has been in the construction industry for 22 years and has worked in residential construction for seven years.

He attends Emmanuel Church of Greenwood and is a graduate of Suburban Baptist School.

Information: www.dukehomes.com

### Hair-care franchise partners with Pacers

A hair-care franchise with businesses in Greenwood, partnered with the Indiana Pacers.

Sport Clips will be allowed to use the Pacers' logo on its marketing materials and promote its 11 Indiana stores through two e-mails to Pacers' fans and coupon distributions to people

attending two home games in Consecro Fieldhouse.

In addition, Sport Clips will coordinate a promotion to provide fans with discounts on hair-care services on pre-selected post-game days. Pacers' merchandise will be on display and for sale in all Indiana locations, with 100 percent of the proceeds going to Pacers Foundations Inc.

For more information visit or call (800) 872-4272.

### Greenwood woman opens consulting practice

A new business has opened in Greenwood.

Julie Gunn has started an independent medical-legal consulting practice, J. R. Gunn and Associates.

The practice will assist attorneys who need medical input concerning nursing or medical issues during litigation.

Gunn is certified by the National Alliance of Certified Legal Nurse Consultants.

She has more than 30 years of clinical experience as a registered nurse.

Information: 881-2562

### Salon employee attends symposium

A salon professional recently learned new skills at a Redken Symposium.

Kathy Jones, an educator at Transformations Salon and Spa, learned new cuts and techniques which she will teach during a class on March 19.

Address: 8083 Madison Ave., Suite A, Indianapolis

Information: www.transformationsalonandspa.com or 882-1773

### Training helps workers earn designation

Two Edward Jones employees received new designations.

Shane Matthews, who works for the White River Township firm, and Lisa Diehl from the Indianapolis firm achieved the title of accredited asset management specialist.

Each completed training from the Denver-based college for financial planning. Study topics included understanding the asset management process, asset allocation and strategies.

Information: edwardjones.com

To see your item listed on this page, contact Christina Terkhorn at 736-2742 or send an e-mail to clerkhorn@thejournalnet.com.

## Fed warns homeowners about loan schemes

By JEANNINE AVERSA  
THE ASSOCIATED PRESS

#### WASHINGTON

Homeowners beware: You could be victimized by a certain scam where someone tries to lure you into applying for a loan secured by your home.

The Federal Reserve put out that warning Friday in response to questions and complaints from people about direct-mail solicitation scams that describe a "Community Reinvestment Act Program" that entitles certain homeowners to cash grants or equity payments.

No such federal program exists, the Fed said.

"Some of these solicitations may be read to indicate that the Federal Reserve endorses or supports the offers they con-



**"We found that it's very difficult to write rules in advance that strike out entire practices under all circumstances."**

**Ben Bernanke**  
Federal Reserve chairman on how handling complaints about loan schemes can be challenging for regulators

tain," it said. "These solicitations appear to be a deceptive effort to encourage consumers to apply for a mortgage loan secured by the consumer's home."

The central bank didn't provide further details.

"The Federal Reserve cautions the public about loan solicitations or other offers from lenders or mortgage brokers that offer consumer cash grants or

equity disbursements as part of a 'CRA Program,'" it said in a statement.

There is, in fact, a 1977 federal law called the Community Reinvestment Act. It encourages banks and other financial institutions to help meet the credit needs of their communities, especially low-income neighborhoods. But that law does not entitle people to any grants or loans.

The Fed urged people considering taking out a loan secured by their house to shop around.

The Fed's warning came a day after board Chairman Ben Bernanke was questioned by House lawmakers about deceptive practices in consumer lending in general.

Bernanke said that handling such complaints can pose a challenge for regulators.

"We found that it's very difficult to write rules in advance that strike out entire practices under all circumstances," the Fed chief said during a House Financial Services Committee hearing Thursday.

"We find it's more effective to be flexible and work on a case-by-case basis. It's one of these things like, you know it when you see it."

## MARKETS

The Associated Press

#### Indianapolis grain

Estimated grain prices Friday at Indianapolis-area elevators: Corn: cash \$4.01, March \$3.86. Soybeans: cash \$7.42, March \$7.32. Wheat: July \$4.07.

#### Eastern Cornbelt direct hogs

Eastern Cornbelt Lean Value Direct Hogs report for Friday:

Trend: Barrows and gilts were 31 cents lower compared with previous day's close.

Base-market carcass basis plant-delivered: 0.9 to 1.1 square inches of back fat, \$61.00-\$69.00; weighted average \$65.55.

Net prices, including premiums: 0.9-1.0, \$61.00-\$71.07; 1.0-1.1, \$61.00-\$70.38; 1.1-1.2, \$61.00-\$69.00.

Daily movement estimate: 6,923.

#### Wall Street

NEW YORK — A larger-than-expected drop in housing starts gave Wall Street a narrowly mixed performance Friday, but the Dow Jones industrials had their third straight record close after spending much of the session in a decline that lacked conviction. The major indexes had their best week since mid-November.

Investors remained somewhat cau-

tious after the Commerce Department said construction of new homes and apartments sank 14.3 percent in January, the biggest drop in nearly 10 years. But there was upbeat economic news as well that lent support to the market and kept the pullback to a minimum — wholesale prices fell in January by the largest amount in three months amid retreating energy prices.

Technology stocks were weaker after Microsoft Chief Executive Steve Ballmer said late Thursday Wall Street's revenue forecasts for the Vista operating system were "overly aggressive." The stock, trading just off its 52-week high, fell more than 2 percent.

Friday's advance gave the Dow its fourth straight gain; the index added 215.02 points since Tuesday. The market's February rally has been driven by growing confidence that interest rates will hold steady as Federal Reserve Chairman Ben Bernanke battles inflation and tries to ease the economy into a soft landing.

"The Microsoft news and the housing data spooked the market," said Jim Herrick, director of equity trading at Baird & Co. "But, this is just a mild drop, not a dramatic sell-off."

The Dow rose 2.56, or 0.02 percent, to 12,767.57. It marked the Dow's 30th

record close since the start of October and the blue chips' third record close of the week.

Broader stock indicators fell. The Standard & Poor's 500 index fell 1.27, or 0.09 percent, to 1,455.54, and the Nasdaq composite index dropped 0.79, or 0.03 percent, to 2,496.31.

For the week, both the Dow and the Nasdaq rose 1.48 percent, while the S&P 500 added 1.22 percent. Stocks began their ascent Tuesday following word two companies were interested in acquiring aluminum producer Alcoa Inc. Wall Street extended its gains Wednesday after Bernanke told a Senate panel the economy should grow modestly this year and that he expects inflation will continue to ease. The testimony appeared to some investors that a reduction in interest rates might be possible this year, at the very least, it made it seem more likely the bank would keep rates stable rather than raise them to cool the economy.

Bonds rose, with the yield on the benchmark 10-year Treasury note falling to 4.69 percent from 4.71 percent late Thursday. The dollar was mixed against other major currencies, while gold prices rose.

The markets will be closed Monday for Presidents Day.

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