

# The Day

Workers say a methane gas bubble triggered the disastrous Gulf oil spill **Page A4**

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"It could be awhile before they figure it out because they have to sift through everything trade by trade. And humans are a lot slower than machines."

SAN DIEGO STATE UNIVERSITY FINANCE PROFESSOR DAN SEIVER, WHO HAS FOLLOWED THE MARKETS FOR 52 YEARS

## What happened on Wall Street?

Regulators looking for answers to mystery of Thursday's market plunge; sorting it all out expected to take some time



By STEVENSON JACOBS and BERNARD CONDON  
AP Business Writers

**New York** — Regulators and Wall Street officials went through millions of trades one by one Friday and canceled thousands as they sought to explain a record plunge in the stock market, undo damage and keep it from happening again.

It wasn't clear how long the laborious process would take or if it would even solve the mystery behind Thursday's harrowing trading session that saw the Dow Jones industrial average fall hundreds of points and then recover, all in a matter of minutes. The chaotic slide — some stocks briefly fell to near zero — brought back memories of the darkest days of the financial crisis.

The Securities and Exchange Commission and the Commodity Futures Trading Commission were investigating. But on the day after, there were more questions than answers:

- Did a single trader mistakenly punch in the wrong number of shares when making a sell order, maybe mistyping "billion" instead of "million" and setting off a market-wide panic that at one point pulled the Dow down almost 1,000 points?

- Did high-speed computerized trading systems that are supposed to make markets work smoothly go haywire, sending stocks into a nose-dive?

- Most important to anyone with money in the stock market: Could it happen again?

Maybe the scariest part was that no one could unravel what happened. That left executives at the major stock exchanges pointing fingers at each other, and the public wondering if the hidden world of high-frequency, computerized trading that fed the panic posed a threat to their 401(k)s.

"It could be awhile before they figure it out because they have to sift through everything trade by trade."

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## Market bump rattles American investors

Thursday Wall Street tumble spawns caution, but advisers also see opportunity for some

By LEE HOWARD  
Day Staff Writer

Stock advisers are fond of saying it's best to invest when blood flows in the streets. But a day after the Dow Jones industrial average gyrated wildly — and

with images of bloody riots in Greece fresh in their minds — few American investors had the stomach to heed such advice, local advisers said Friday.

The result was another down day for the Dow, which finished Friday off nearly 140 points, or about 1.3 percent. But the market meandered harmlessly compared to Thursday's crazy gyrations — blamed partly on technical glitches in computer-trading programs — that left the Dow

staring at a 1,000-point abyss before recovering its balance and finishing with a nearly 350-point loss.

Bill Middleton, principal of Sound Portfolio Advisors in Mystic, said many people watching market events unfold this week are undoubtedly still conjuring up thoughts of the shocking losses from last year's gyrations that left the key New York Stock Exchange bellwether at a narrow

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Traders work on the floor of the New York Stock Exchange on Friday. Stocks had another volatile day, swinging widely before closing sharply lower.

RICHARD DREW/AP

## New London Port Authority back in business to get harbor moving

Goal is to examine ways city can benefit from its deep-water port, piers

By KATHLEEN EDGECOMB  
Day Staff Writer

**New London** — The city's Port Authority, which has been dormant for several years, is back with new members and a new commitment to look at how the city can benefit from its deep-water port and piers.

"The goal is to create activity in the harbor," said City Manager Martin H. Berliner, who also serves on the authority.

The authority, which held an organizational meeting last week, elected Peter Costas chairman.

"A lot of people have an interest in seeing this be a viable port,"

said Costas, a lawyer and recreational boater. The port authority will look at commercial and recreational boaters and see what can be done to accommodate both, he said.

New London is one of the few shorelines communities that does not have a harbor management plan, according to Berliner.

Deputy Mayor Adam Sprecace, who is the City Council's liaison on the authority, said the authority is like a circle that surrounds various interests in the harbor. "We have to insert our selves into that circle," he said.

Activities such as bringing more commercial ships into Adm. Harold E. Shear State Pier could generate income that could be used to establish moorings off City Pier

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"We could probably use an out-of-town company for a plain vanilla house. But I think it makes a lot of sense to use local appraisers, especially for unusual properties ... and rural areas."

RHEO BROUILLARD, PRESIDENT AND CHIEF EXECUTIVE OF WILLIMANTIC-BASED SAVINGS INSTITUTE

## Home-appraisal rule changes not getting the expected results, local experts contend

Business is getting tougher for some as lowest bidders now get much of the work

By LEE HOWARD  
Day Staff Writer

Bob Dixon of Niantic has been appraising houses in southeastern Connecticut for nearly two decades, but he fears a reform movement born out of the two-year-old real estate crash will put him out of business.

"It's killing me," said Dixon, owner of Appraisal Associates of New

England. "You have to work twice as hard to make the same amount."

Rules first implemented last May now encourage that home valuations be done through appraisal management companies. These companies put appraisals out to bid and inevitably choose the lowest bidder, Dixon said.

It was hoped the new system would break up the often cozy relationships between mortgage companies and appraisers that sometimes led to inflated valuations. In the past, according to regulators, some appraisers would provide val-

ues for homes as directed by mortgage companies — with many of these appraisals later tied into various scams, including the mortgage fraud committed a few years ago by Jose Guzman in New London.

"Mortgage companies interested in making a deal might not be interested in getting the most accurate appraisals," said Bob Silverstein of Miner & Silverstein Appraisal Co. in New London.

Appraisal management companies act as middlemen, essentially

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## PECKINPAUGH TO SEEK GOP NOD FOR COURTNEY'S 2ND DISTRICT SEAT

Former news anchor Janet Peckinpugh will seek the Republican nomination for Congress in eastern Connecticut's 2nd District, she confirmed Friday.

Peckinpugh, who will formally announce her candidacy Tuesday at the state Capitol in Hartford, joins at least two other potential Republican challengers to Democratic Rep. Joe Courtney.

The former TV journalist served as an anchor at the Connecticut affiliates of ABC, CBS and NBC during a

30-year career. Since then, Peckinpugh has launched a public relations firm, and is currently running the campaign of Lisa Wilson-Foley, a Republican candidate for lieutenant governor.

Two other Republicans have filed papers with the Federal Election Commission in hopes of taking on Courtney in the fall: Daria Novak and Matthew M. Daly.

Connecticut Republicans will hold their nominating convention May 21 and 22.

## Submariner



Bob Ballard, the undersea explorer, recently took questions on [theday.com](http://theday.com). Read what he had to say. See **DAYBREAK**

## COMING SUNDAY

**NEWS:** Over the past five years, the story of Venture Smith's life has been rediscovered and researched in depth by historians. Last week, Fishers Island focused its attention on this long-dead temporary resident and the island's role in who he became.

**DAYBREAK:** For Mother's Day, we're running your pictures of Mom — at holidays, graduations, weddings and backyard barbecues.

**BUSINESS:** Students and faculty from Three Rivers Community College are helping the Atlantic Packaging Group in Norwich boost productivity and profits.

## WEATHER

Today, a.m. clouds, chance of a shower, partly sunny. High 71. Sunday, partly sunny and windy. High 57. **Page B6**

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