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The Charlotte Observer

TUESDAY, MARCH 20, 2007

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C D E F • • • | Price varies by county | 50¢

BOFA CHAIRMAN, CEO



Ken Lewis

\$97 million payout

2006 was a very good year to be Ken Lewis

BY RICK ROTHACKER
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Bank of America Corp. Chairman and Chief Executive Ken Lewis saw his total compensation skyrocket to \$97 million in 2006, spurred by a previously announced plan to cash in stock options.

Lewis made \$19.9 million from his salary, stock award, non-stock bonus and perks, a slight increase from 2005. But he also reaped \$77 million from exercising accumulated stock options, according to the bank's annual proxy statement filed Monday.

The big payday comes as investors and lawmakers have increasing concerns about executive pay packages that are roaring past the wages of the average worker. For Lewis, who took over as CEO in 2001, it was his biggest pay check since taking home \$38 million in 2003, which included \$20.3 million in option gains.

SEE BOFA | 12A

Big Pay Days

Other mega packages for Carolinas CEOs:

JOHN BLYSTONE, SPX
2002: \$55.9 million
Included \$48.9 million restricted stock grant. He lost the grant when he left the company early in 2004.

HUGH MCCOLL JR., Bank of America
1999: \$48.8 million
Included \$44.7 million stock grant.

[Sold a nightmare ■ PART THREE OF FOUR]

1 builder, hundreds of foreclosures



GARY O'BRIEN - gobrien@charlotteobserver.com

"The foreclosures have hurt my property value," says Dan Smart, who bought a home in the **Stewarts Crossing neighborhood in 2000**. That development's foreclosure rate is 34 percent, the highest of any built by Beazer Homes USA in Mecklenburg County. Smart said rotting wood began to appear just a couple of years after he moved into his house.

10 Beazer developments in Mecklenburg riddled by foreclosures

BY BINYAMIN APPELBAUM,
LISA HAMMERSLY MUNN
AND TED MELLNIK
Staff Writers

In the past decade, Beazer Homes USA built more houses in Mecklenburg County that have since foreclosed than any other builder.

Beazer built about 2,900 homes in Mecklenburg between 1997 and 2006. At least 388 have foreclosed. That is a rate above 13 percent, the highest among the county's 10 most prolific builders during that period, an Observer investigation found.

Nationwide, less than 3 percent of buyers lose homes to foreclosure.

The Beazer foreclosures are concentrated in 10 developments, each of which has a foreclosure rate of 20 percent or higher. Together they contain about 1,150 homes and at least 280 foreclosures.

The neighborhoods sit in a crescent stretching from southwest Mecklenburg through north Charlotte to the county's eastern edge. The same area contains most of Mecklenburg's foreclosures.

All were built in a similar style: Small lots holding small vinyl-sided houses set on concrete slabs. They were marketed

mostly to first-time home buyers. Prices started below \$100,000 and usually topped out just above \$150,000.

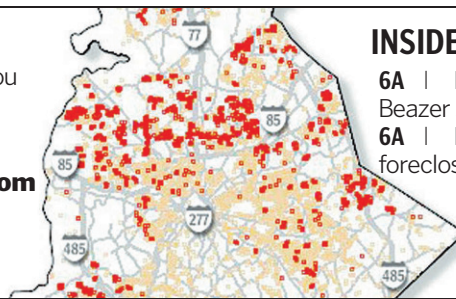
Two other similarities have produced the high foreclosure rates: Some buyers received larger loans than they could afford, and home prices generally stayed flat or declined. People who couldn't pay their loans and couldn't sell their homes fell into foreclosure.

Foreclosures are personal disasters, but it is increasingly clear that clusters of foreclosures damage entire neighborhoods. Home prices drop. Additional

SEE CLUSTERS | 6A

HOW ABOUT YOUR NEIGHBORHOOD?

Online map allows you to scan Mecklenburg developments for foreclosures.
www.charlotte.com



INSIDE TODAY

6A | Federal review of Beazer showed problems.
6A | Map of Beazer foreclosure clusters.

CATAWBA INDIAN LEADER TO STEP DOWN MARCH 31

Chief leaves complex legacy

BY DAN HUNTLEY
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ROCK HILL — Chief Gilbert Blue, the Catawba Indian leader credited with resolving a 150-year-old dispute that led to a \$50 million land claim settlement, is ending a stormy 34-year reign over South Carolina's only federally recognized tribe.

Blue, 73, said Monday that his resignation is effective

March 31; an election is set for July 21 to choose a replacement. Blue ruled the remnants of a former 144,000-acre reservation created by the King of England before there was a United States.

Although he had been considering retirement for months, the breaking point came Saturday during a contentious tribal meeting with outbursts by a group of dis-

sidents. York County Sheriff's deputies were called to maintain order, he said.

"I just decided that enough was enough, and I was tired of being harassed by some mean-spirited tribal members," said Blue.

SEE BLUE | 7A

VIDEO POKER SETBACK | 7A
The S.C. Supreme Court rules tribe not exempt.



OBSERVER FILE PHOTO

Chief Gilbert Blue of the Catawba Tribe had been considering retirement for months, but the breaking point came Saturday during a tribal meeting with outbursts by dissidents.

SALISBURY HOSPITAL

Ex-nurse: Worries ignored by VA

Man wanted surgeries halted to probe deaths, says he was forced out

BY KAREN GARLOCH
AND STELLA HOPKINS
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A former chief nurse at the Salisbury veterans hospital says he was forced to step down in 2004 after proposing to temporarily close the operating rooms to allow time to find out what was causing unexpected surgery-related deaths.

Donald Doering said he was told "to basically shut up" when he suggested canceling surgery "for a day or a week or some period of time" until hospital personnel could review procedures.

Doering, 59, was nurse executive at the Hefner VA Medical Center from February 2003 to December 2004. He retired from the Veterans Affairs system last fall and is now a staff nurse at NorthEast Medical Center in Concord.

He said he proposed the surgical "timeout" in spring 2004 after becoming aware of four or five surgery-related deaths. "I wanted to make sure that what we were doing ... had not in some way contributed to these deaths," he told the Observer.

The hospital would not confirm or deny Doering's assertions, but they coincide with the

SEE SALISBURY | 7A

IRAQ ANNIVERSARY

U.S. defense costs highest since WWII

Rising tab defies initial forecast of war expenses

BY JAMES ROSEN
McClatchy Newspapers

WASHINGTON — As the Iraq war enters a fifth year, the conflict that President Bush's aides once said would all but pay for itself with oil revenues is fueling the highest level of defense spending since World War II.

Even with past spending adjusted up for inflation, the \$630 billion provided for the military this year exceeds the highest annual amounts during the Reagan-era defense buildup, the Vietnam War and the Korean War.

When lawmakers approve a nearly \$100 billion emergency spending bill in the next few weeks, Congress will have

SEE SPENDING | 4A

INSIDE

Cloudy, warmer
Low: 45. High: 71.
Mostly cloudy this afternoon with possible showers tonight. Early drizzle Wednesday. **Forecast, 6D.**

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Local | 1B

Search crews seek missing Scout

Rescuers planned to search through the night for the 12-year-old, missing in a mountainous, heavily wooded area of Western North Carolina since Saturday.



Nation | 9A

50 years later, this 'Cat' is still cool

"The Cat in the Hat" revolutionized the way children learned to read. Dr. Seuss's classic appeared to be a simple rhyming book, but it carried a message.

Also in the News

- White House ready to fire AG Gonzales? | 8A
- Postal rates rise May 14; 'Forever' OK'd | 8A

Coming Wednesday

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