

# BUSINESS SUNDAY

**5** things you will learn inside this section

## Lazy writers

Spelling and grammar errors make the boss think you're incompetent. **E2**

## Income taxes

A big refund costs you money, so change your withholding at work. **E4**

Points paid on mortgage refinancings must be written off over several years. **E5**



## Medical costs

A health savings account could protect workers who can't afford insurance. **E5**

## Creating jobs

A special deduction for manufacturing firms could stimulate hiring. **E7**

## DAVID NICKLAUS



### New stock-trading rule puts a price on investor trust

**O**FTEN, THE SIMPLEST principles can be hardest to codify.

Nobody would disagree, for instance, that investors deserve the best available price when they buy or sell stocks. But words like "best" and "available" mean different things to different people, which is why this principle has proved divisive for the securities industry and the Securities and Exchange Commission.

Last week, the SEC voted 3-2 to impose its version of a best-price rule, called Regulation NMS, on the securities markets. It did so over the opposition of several influential market players, including Fidelity Investments and Charles Schwab.

So, if Jane wants to buy 10,000 shares of XYZ Co. and Joe is offering 10,000 shares at \$20 each, filling both orders sounds like a no-brainer. But what if, at the same time, John offers to sell 100 shares at \$19.98 each?

Under the new regulation, Jane's broker would be required to buy John's shares first and then try to fill the rest of her order. Critics say it's inefficient and unfair: Markets move in rapid-fire fashion, and in the moment it takes Jane and John to conclude a trade, someone else might snap up Joe's shares. Jane might end up paying a higher price to fill the bulk of her order.

Stocks listed on the New York Stock Exchange have been subject to a best-price rule, also called a trade-through rule. It has been criticized for being slow and unwieldy — creating windfall profits for exchange specialists — because it gives floor traders a 30-second window during which they can improve on the best price for a stock.

The new SEC regulation reduces the time to one second, taking away most of the unfair advantage, but it also extends the trade-through rule to shares listed on the Nasdaq Stock Market. Vincent Phillips, chief executive of the Schwab subsidiary Cyber Trader, sees this as a problem.

"Letting the technological forces push on the markets has led to a very efficient market at the Nasdaq and has led to lower trading costs," Phillips said. For investors trading Nasdaq stocks, he thinks the rule will lead to higher cost and slower execution.

Firms like Schwab will be forced to make changes in their trading systems, and Phillips says the cost will be passed to clients. "We'd rather spend that money developing ... something that would be of value to the client," he said.

Supporters of Regulation NMS say the cost of implementation is the price we pay to maintain investor confidence. "To me, this is a very important issue," says Ronald J. Kruszewski, chief executive of Stifel Nicolaus & Co. in St. Louis. "The investor has to believe that the brokerage firms are going to the market that provides the best price. This is a step toward improving market structure."

John Wheeler, head of equity trading at American Century Investments in Kansas City, has been a critic of the New York Stock Exchange and its trade-through rule. But he endorses Regulation NMS, saying all exchanges should have to play by the same rules.

Wheeler says that the regulation will cause few changes for the Nasdaq but that it will force the NYSE to allow more electronic trading, reducing the role of specialists and floor brokers.

The arguments over Regulation NMS boil down to this: Either you think the market is full of ethical, intelligent traders who can figure out which combination of price, order size and execution speed is best, or you think the market is full of sharks waiting to take advantage of someone.

Let's face it: The average investor has a fear of sharks. Without trust, there's no market, and this rule is a reasonable way to keep the average investor's trust.

E-mail: [dnicklaus@post-dispatch.com](mailto:dnicklaus@post-dispatch.com)  
Phone: 314-340-8213

"I'm so very excited that you've brought all of this paperwork on April 6th."

Darlene Davis, owner of Davis Associates, speaking with a client



PHOTOS BY KEVIN MANNING / POST-DISPATCH

Darlene Davis, who owns Davis Associates in Florissant, walks new client Matthew Hudson through the intricacies of tax law. She's working seven days a week this time of year.

## TAXING TIME

Local accountants are faced with a pile of files and a mess of stress.

BY SHERA DALIN  
Of the Post-Dispatch

As the income-tax deadline looms, pity the accountant who must resort to bowling with soda cans, howling in the wind or chugging coffee — lots of coffee — to survive the stress.

Accountants across the land are under the gun to get personal and business returns filed by Friday. How do they cope?

"I indulge in my favorite desserts. Ben & Jerry's and Häagen Dazs are no stranger around here," said Janet Katz, a certified public accountant in Creve Coeur who owns Katz and Associates. "It beats crying."

St. Louis-area accountants say they're logging 70 and 80 hours a week to meet the deadline. Their offices are stacked with towers of paper and folders. Coffee pots burble, and lights burn late at night, especially at the big accounting firms, where the nuttiness can get out of hand.

"You do crazy things to stay awake on the drive home. One guy would roll down his windows, turn up the radio, hang his head out the window and howl."

See Taxes, E6



Janet Katz, owner of Katz and Associates in Creve Coeur, deals with a client over the phone in her home office, surrounded by work. "I live in a home with an office. But this time of year, I live in an office that is also my home," she says.

### Facts of federal returns (through April 2)

**Total returns filed:** 81 million

**Number filed electronically:** 52 million, or 65 percent

**Missouri returns filed:** 1.7 million, including 1.1 million electronically

**Illinois returns filed:** 3.4 million, including 2.2 million electronically

**Total filed in 2003 nationwide:** 103 million

**Typical number of returns filed in April:** 30 percent

Source: Internal Revenue Service



Boeing will be ready if its St. Louis-made fighter needs to fill gaps in struggling Lockheed Martin programs.

## Super Hornet waits in the wings

BY TIM McLAUGHLIN  
Of the Post-Dispatch

Boeing Co.'s locally made F/A-18 Super Hornet has never looked so good to Pentagon accountants.

The program is under budget, and deliveries to the Navy are three months ahead of schedule. What's more, the latest version of the plane has capabilities that next-generation fighter programs can tout only

on paper.

This is particularly important after a government report highlighted the numerous setbacks suffered by two next-generation fighter programs. The combined programs, run by Lockheed Martin Corp., have a potential future investment of more than \$240 billion, according to the Government Accountability Office.

This month, when Boeing unveils

a souped-up version of the Super Hornet for the Navy, it will roll out a fighter jet that could fill the gaps created by any stumbles in the Joint Strike Fighter and F/A-22 Raptor programs run by Lockheed Martin.

"The Navy is easily the least-enthusiastic JSF participant," said Richard Aboulafia, an aerospace analyst at Teal Group Corp. in Fairfax, Va. "If there's a JSF slip, the Navy

See Boeing, E6

## LAMBERT BUSINESS PARK

### Old rivals score big project on specifics

Selection process shows the government panel dealing with developers from a position of power.

BY ERIC HEISLER  
Of the Post-Dispatch

Promises to lure 12,000 jobs and build a new MetroLink station helped a local development team to beat out several real estate giants for the rights to a highly coveted business park.

In a hotly contested race, NorthPark Partners edged out Duke Realty to build the 600-acre park near Lambert Field, said John Temporiti, chairman of the public commission that selected the winner. NorthPark, he said, also boasted another major advantage, a decade of experience at the site.

In an interview last week, Temporiti provided an inside look at the competition and selection process for the \$460 million industrial and office park.

The peek at the process indicates a government commission that dealt with private developers from a position of power, casting aside those that didn't follow its rules. Also, the process provides a look at how developers compete for public projects, where they fall short and how they court government officials.

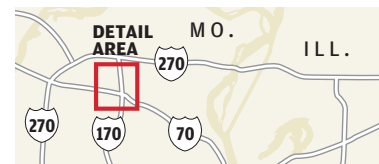
And it illustrates how government can hold the cards when it controls a prized piece of land.

"I think we got a good deal on this project because we had so much leverage," Temporiti said last week. "Where else are you going to find land like this? In St. Louis County? Are you kidding me?"

"The whole time we negotiated with NorthPark, we were keeping in touch with Duke, and we said, 'Please understand, we need you to keep your team in place,'" Temporiti said. "We held that over NorthPark as significant negotiating leverage."

Temporiti discussed the failed bids, too. Most were doomed by critical errors, he said. Among the rejected plans, some promised big-box retail. Others asked for too much public money. Others made unrealistic pledges, he said.

See Park, E6



### NorthPark's plans

**Size:** 600 acres

**Investment:** \$460 million

**Jobs:** 12,000

**Public funding:** \$14 million in local tax increment financing, \$15 million in state tax increment financing

**Development team:** McEagle Development, TriStar Business Communities and Claycorp

LAST WEEK'S MARKETS

▲ DOW JONES INDUSTRIALS  
+57.04 | 10,461.34

▲ STANDARD & POOR'S 500  
+8.28 | 1,181.20

▲ NASDAQ COMPOSITE  
+14.54 | 1,999.35

▲ BLOOMBERG ST. LOUIS  
+0.04 | 477.93

like a wolf," said Jason Duffner, a senior tax manager at PricewaterhouseCoopers, recalling a colleague at a previous employer.

One night after a desk-side dinner, a group of wired young CPAs decided to try bowling with unopened soda cans and a pool ball. "We made our own little bowling alley. The cans were spraying everywhere. That mysterious stain just happened to appear on the wall," Duffner said.

He recalled a 2 a.m. game of three-on-three Nerf basketball with a hoop attached to a framed piece of art. During an aggressive dunk, the frame's glass shattered. Seconds later, a manager appeared. "I don't want to know. Just make it disappear," Duffner recalled him saying.

Katz remembered a manager at her former firm driving golf balls in the snow to relieve the stress. Another time, she saw a colleague kick an automatic teller machine that was moving too slow for him.

"Your patience is running pretty thin by now. You tend to crack up a little," she said.

But it's not just accountants who feel the pressure. Support staff gets squeezed too, said Darlene Davis, owner of Davis Associates in Florissant.

"I'm going crazy, and people around me say I'm driving them crazy," she said with a laugh. "I've been working nonstop, which probably isn't a good thing. I haven't figured out how to say no when I've hit capacity."

Davis, a mother of three young children, is working seven days a week. Her two oldest children have learned that fun has to wait during tax season. She has promised to take the kids to Disney World once the season ends.

"Now, they say: 'Go to work Mom. We want to go to Florida,'" she said. "We work hard, but we play hard, too."

Stephen Young, a CPA in Chesterfield, said getting a solid jolt of java -- three cups every morning -- is his method of coping. He tries not to work past 9 p.m. And when he gets home, Young reads a magazine or watches a movie that has "nothing to do with taxes."

Duffner tries to avoid working on Sundays and plays with his three kids. "They make me laugh. They help me keep perspective," he said.

Electronic filing has made their jobs faster and easier. There's no need to run for the post office before midnight.

But what about clients who call April 15?

"I'll file an extension for them. Then, you know that's summer work," Katz said. "I just think it's funny to go downtown at midnight" to see last-minute filers.

Don't expect to discuss your return with a CPA late on Friday afternoon. It's when the parties begin.

"People would bring beer into the office. Things would get out of control," Young said.

Accountants aren't likely to be around April 16, either.

"I'm heading to the Ozarks to go turkey hunting," Young said.