

## Locker makeovers

Students find ways to individualize their school lockers.

HOME & STYLE, B5



## Red Lion starts over

School's team rebuilds from scratch after tumultuous season

SPORTS, C1



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Details, A4

THURSDAY, AUG. 30, 2012

FINAL EDITION

# The News Journal

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TOP STORY **DELAWARE COURT SYSTEM**

## \$2 billion judgment is upheld

\$304 million in lawyers' fees signals plaintiffs might now find a friendlier court in Del.

By Sean O'Sullivan  
The News Journal

WILMINGTON — The Delaware Supreme Court this week upheld one of the largest judgments in the history of Delaware's Chancery Court — \$2 billion — and an equally unprecedented \$304 million in fees for the plaintiffs' attorneys.

That works out to an hourly rate of more than \$35,000 per hour for attorneys, according to court papers, and at least one legal expert believes the ruling

will be interpreted as a signal that the state's nationally known judiciary is now more plaintiff-friendly.

For some, a staggering fee award was only to be expected on such a large judgment.

"I don't think either element was terribly surprising," said Lawrence A. Harmesh, professor of corporate and business law at Widener Law School.

But others were taken aback. "I'd retire early," said attorney Peter N. Letang. "Wow. That is unbelievable.



Columbia Law professor John C. Coffee Jr.

Can you imagine that much money?"

Columbia Law School professor John C. Coffee Jr., who organized a November conference on Delaware's Chancery Court in New York City, said he fully was expecting the Delaware Supreme Court to uphold the record-setting \$2 billion

award, but not the \$304 million in fees.

It seems to mark a significant shift in how much Delaware is willing to award in fees to plaintiffs' attorneys in big corporate cases, he said.

"Some will suggest that both the Chancery Court ruling and the Supreme Court affirmation are a product of a growing migration of major [corporate] cases out of Delaware to state and federal courts elsewhere," Coffee said.

See COURT, Page A5

NEWS WATCH



### Isaac dumping heavy rains on Gulf Coast

Isaac lashes New Orleans with heavy rains even as it is downgraded to a tropical storm. In the city, the newly-fortified levee system is holding, though power lines are down. **NATION, A3**

» NATION

#### SEAL book says bin Laden was shot, killed on sight

A firsthand account of the Navy SEAL raid that killed Osama bin Laden contradicts previous accounts, raising questions as to whether the terror mastermind presented a clear threat when SEALs first fired upon him. **A2**

» WORLD

#### Syria's Assad says regime struggling against rebels

Syrian President Bashar Assad says his regime needs more time to win the civil war, acknowledging his forces are struggling in the fight to contain the rebel challenge. **A3**

» BUSINESS

#### High-voltage electrical line project officially canceled

The regional power grid operator has formally canceled the high-voltage electrical line project proposed by Delmarva Power's parent company to bring current from Virginia into the Mid-Atlantic states. **A10**

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INDEX

Business	<b>A10</b>	Lotteries	<b>B3</b>
Classified	<b>D1</b>	Movies	<b>B7</b>
Comics	<b>B4</b>	Obituaries	<b>B8</b>
Crossword	<b>B6</b>	Scoreboard	<b>C9</b>
Dear Abby	<b>B6</b>	Sports	<b>C1</b>
Editorial	<b>A12</b>	Stocks	<b>A11</b>
Letters	<b>A12</b>	TV Listings	<b>B6</b>



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COASTAL ECONOMY

## SNEAK PEEK INTO RESORT'S FUTURE



Jim Baeurle, executive director of Dewey Beach Enterprises, expects construction to finish at the Ruddertowne hotel-condominium complex by the end of May. The upscale units will be priced from \$500,000 and \$1.5 million **GARY EMEIGH/THE NEWS JOURNAL**

### Upscale Ruddertowne stirs thrills, chills

By James Fisher  
The News Journal

DEWEY BEACH — By next summer, the vast parking lot that fronted Ruddertowne will be replaced by a sleek five-story building, with large swaths of glass facing Highway One, topped by million-dollar condominiums.

On Wednesday, the company developing the project, Dewey Beach Enterprises, released a new image of how the hotel-condominium complex will look and gave real estate brokers a sneak peek at a model condo unit, complete with iPad-controlled climate system. The model unit opens today for viewing by appointment.



An artist's rendering shows how the Ruddertowne project facing Highway One will look once completed.

Jim Baeurle, one of the project's three owners, said the Hyatt-branded hotel and 12 upper-floor condominium units are on schedule to open Memorial Day. A second phase of construction will demolish the existing Ruddertowne complex of restaurants, bars and shops in September 2013 and re-

place it with a new mixed-use building set to open by summer 2014.

"It's really a product that has never been introduced into Dewey," Baeurle said of the penthouse condos that will command ocean and bay views.

See DEWEY, Page A2

GOP CONVENTION



"We will not duck the tough issues. We will lead," Paul Ryan tells the GOP delegates in his speech.

## Ryan: Hard work ahead

Touts Romney as man to get the job done

By Philip Elliott  
Associated Press

TAMPA, Fla. — Seizing the Republican National Convention spotlight, vice presidential candidate Paul Ryan welcomed "the calling of my generation" to help lead the country in tough times Wednesday night and pledged that Mitt Romney will not duck the difficult decisions needed to repair the economy if he gains the White House this fall.

"After four years of getting the run-around, America needs a turnaround, and the man for the job is Governor Mitt Romney," the 42-year-old Wisconsin lawmaker told cheering delegates in a packed hall and a prime time television audience at home. He spoke at a convention dogged by Tropical Storm Isaac, downgraded from a hurricane but still inflicting misery on millions along the nearby northern Gulf Coast.

"We will not duck the tough issues; we will lead," Ryan said, adding that

» Gingrich stops by to chat with Delaware's delegates. **A6**  
» Delaware's Priscilla Rakestraw enjoying her 10th convention. **A7**

See RYAN, Page A7

STATE INVESTIGATING

## 'Red flags' raised over contract at Pencader

By Nichole Dobo  
The News Journal

Leaders of Pencader Charter Business and Finance High School are considering contracting with a company affiliated with the school's departing board president, a move that concerns the state Department of Education.

The school board meets today and is expected to accept the resignation of its president, Vincent DiMauro. The school is consider-

ing an arrangement where it would enter into a business relationship with DiMauro's firm to do consulting work that might include corporate governance and financial advice.

"I just want to make it clear we all want what's best for the school," DiMauro said.

The charter school has been advised by the DOE that the arrangement with a former board member raises some "red flags"

See PENCADER, Page A2

COMING SUNDAY



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# Dewey: Some in town still have concerns

Continued from Page A1

Clint Mann, vice president of the real estate marketing firm McWilliams Ballard, said two-bed, two-bath units in The Residences at Rudder-towne would be offered at prices starting in the upper \$500,000s. Corner units, with four bedrooms and private terraces, would start at \$1.5 million.

The developments may bring an end to the political drama that has consumed Dewey Beach since 2007, when Rudder-towne announced ambitious plans to build a multi-story complex that would reach to 68 feet in height.

After years of legal battles, and DBE suing the town several times after the town council rejected its plans, the developer and the town came to an agreement last year on a five-story structure, about 46 feet high. To sweeten the deal, the com-

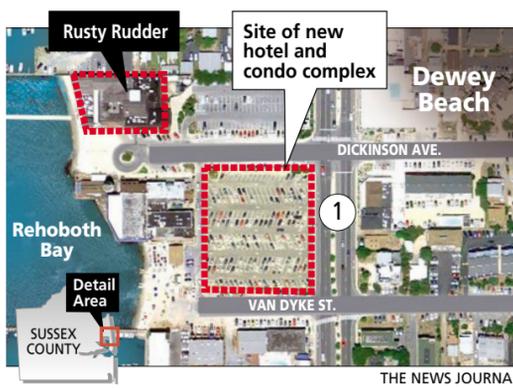
pany agreed to build public restrooms, a convention center and a waterfront walkway open to anyone.

The Ruddertowne redevelopment, touted as one of the largest private-sector construction projects under way in Delaware, will be an unmissable economic jolt for a resort town where most tourists drain away long before Thanksgiving and don't return until April or May, Baeurle said.

The existing Rudder-towne employs about 200 people, and he said many of those jobs will be converted from part-time jobs to full-time positions.

"Throughout this saga, what's been forgotten is, there's people who live here and work," Baeurle said.

"We're gonna be able to maintain a good portion of our kitchen staff throughout the winter, which is very exciting, not only for me as an employer, but for



THE NEWS JOURNAL

them," he added.

Many agree the project will prop up Dewey's business climate, especially in the southern end of town.

"This end of town has suffered because so many of the hotels [have] turned into condos," said E.J. "Sharky" Shindedecker, who owns Sharky's Grill, a breakfast and lunch spot featuring open-air seating. A renovated Rudder-towne, he said, "is going to bring a tremendous

amount of employment to this county. We've been struggling with trying to keep this community going. This isn't going to do anything but help."

For some residents and rental property owners, though, the way the development was approved — after a protracted legal battle — and its imposing size, covering a full city block, are still sore points. Some of the town council's decisions that paved the

way for the project were done in meetings that the Delaware Attorney General's Office has said violated the state's freedom of information laws. Dewey has said it is a second-home haven for many professionals from Washington, D.C., to Philadelphia — Ruddertowne's opponents have not gone quietly.

"All the decisions were made behind closed doors and in executive sessions," said Joan Claybrook, a retired attorney from the Washington, D.C. area who owns a condo in town. "It left a bad taste in the mouths of many, many Dewey Beach property owners."

Marty Seitz, a town commissioner, said he shared many of the opponents' concerns, although he looks forward to seeing people use the public amenities that DBE promised to provide.

He figures the vehemence of the opposition

means it's unlikely any other taller-than-the-normal buildings will be proposed for Dewey anytime soon.

"There still is a concern that the whole town doesn't go to a mini-Ocean City, with multiple tall buildings. I'm satisfied that's not happening," Seitz said.

"The community's pretty solid in wanting their low-profile town. I think that's recognized by developers. It's not an easy path," he added.

With bulldozers moving earth on the site, the project is no longer a legal battleground.

"It's going to bring new jobs and new blood to the area," said James Przygocki, a former commissioner who lives in Dewey year-round. "I think it's just going to make Dewey look brighter."

Contact James Fisher at 983-6772, on Twitter @JamesFisherTNJ or jfisher@delawareonline.com.

# Pencader: State offers ruling to help resolve issue

Continued from Page A1

that must be addressed, according to an email sent Monday to the school board from Dan Cruce, deputy secretary of education.

"That information raises many red flags for me. Frankly, the red flags are ones that I raised as potential when we last met and that I counseled you all to avoid," Cruce wrote in the email. "I'm surprised to see that they have come to fruition."

Cruce said in an interview that he was awaiting more information from the school regarding his concerns. That information is expected by Saturday.

While all details of the possible arrangement have not yet been decided or made public, the school has communicated to the DOE that the firm, Wilmington-based Integrate LLC, charges up to \$245 an hour, according to Cruce's email. The school intends for the entire contract to be for less than \$50,000, according to the email.

DiMauro told The

News Journal that the rate varies depending on what services are provided, and it was not yet known what kind of rate would be charged. His firm provides a variety of services and has experience working with schools, he said.

The company is registered in DiMauro's name, according to Department of State records. However, DiMauro says he is a partner in the business and that it has provided some free consulting services regarding finances.

DiMauro said he could not speak to what direction the Pencader board or leadership might take. His resignation from the board was effective Aug. 16, and he is not taking part in board discussions, he said. He stressed that there are good things happening at the school, and that's important for the public to know.

It is not clear if the consulting arrangement is being considered by the school board or by the school's leader, Ann Lewis. Efforts to reach school board members for comment were unsuccessful.

**IF YOU GO**  
The Pencader Charter Business and Finance High School board of directors will meet at 5:30 p.m. today at the school, 170 Lukens Drive, New Castle. The meeting is open to the public. The agenda indicates that public comment will not be taken until after the board concludes its business, which includes an executive session.

Cruce said there are questions regarding the consulting arrangement that should be answered by asking the opinion of the state Public Integrity Commission, which offers free advice to former and current state employees and public officials on such matters.

DiMauro said he was open to obtaining such an opinion. However, he said it is premature because the school board and administration have made no decision on the contract.

Pencader is required to have a state-approved plan to manage its finances, which up until recently has included help from outside consultants. Pencader had been contracting with a Wilmington-based nonprofit, Innovative Schools, for financial management services until recently.

Cruce said the school was doing a good job managing a difficult financial situation that nearly caused its closure last year. The state is monitoring the charter school, which remains on probation.

While she would not comment specifically about Pencader, Janet Wright, the Public Integrity Commission's counsel, said there are rules that apply to a former state official — including a charter board member — who seeks to do business with a public agency. What rules apply to the situation depends on many factors, including who approves the contract in

question and what role a person had as a state official.

It is not clear if the Pencader school board intends to vote on the contract. Some types of contracts must be publicly bid and voted on by the board. Others do not require a bid and can be entered into with the approval of the school leadership.

Another question remains, DiMauro said: Was he a legal school board member?

Two board members — Abe Jones and Judi Kennedy — voted July 2 to seat six new board members, including DiMauro. It is not clear if the two board members could legally call a meeting to appoint a new board.

The board's bylaws call for a minimum of five board members and the state open meetings law requires a quorum of a board to hold a meeting. In the case of Pencader, three of five members need to be present for a quorum.

There's an outstanding Freedom of Information Act complaint regarding the meeting where DiMauro and other board members were voted into office. Elizabeth Scheinberg, who worked in the Pencader cafeteria and is a Christina School Board member, filed a complaint that the meeting was not properly advertised. The notice had incorrect information regarding the meeting date.

That complaint is being investigated by the

state Attorney General's Office. No opinion has been published yet.

Other issues remain at the school. Lewis, the school leader, is working without a contract. The school board has not yet addressed whether she will remain.

Kennedy recently addressed Lewis' \$84,000-a-year contract in an email dated Aug. 20. Kennedy started the letter, obtained through a FOIA request, by stating she was expressing her opinion as a member of the board. It is not signed by other board members, and it does not mention other board members.

"I hope these matters are resolved on a positive basis in the very near future," Kennedy said in the letter addressed to Mrs. Ann Lewis. "In the meanwhile, there has been the need to handle Pencader's day to day affairs and prepare for the new school year. I believe your continued involvement as School Leader exercising all of the duties of a School Leader is essential during this difficult interim period. I believe we are following the proper path with you having continued in the role of

School Leader and I expect your contract will be addressed by the Board at the earliest possible opportunity."

Lewis drew attention earlier in the summer when a News Journal investigation revealed she had obtained a doctorate degree from Westfield University, an entity that experts described as a diploma mill. The website for that school, westfield-university.com, became inoperable after it was featured in the news story.

Westfield University is not affiliated with Westfield State University, which is an accredited school in Massachusetts.

The Ph.D. and title of Dr. have not been used on recent correspondence and official documents from the school. Lewis, who does not need a doctorate to work as the school's leader, previously promised that a transcript from the school had a "ship date" of late June that would prove she earned a Ph.D., but no transcript from the university has been provided yet.

Contact Nichole Dobo at 324-2281 or ndobo@delawareonline.com.

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# Bin Laden shot on sight, book says

By Kimberly Dozier  
Associated Press

WASHINGTON — A firsthand account of the Navy SEAL raid that killed Osama bin Laden contradicts previous accounts, raising questions as to whether the terror mastermind presented a clear threat when SEALs first fired upon him.

Bin Laden apparently was shot in the head when he looked out of his bedroom door into the top-floor hallway of his compound as SEALs rushed up a narrow stairwell in his direction, according to former Navy SEAL Matt Bissonnette, writing under the pseudonym Mark Owen in "No Easy Day." The book is to be published next week by Penguin Group (USA)'s Dutton imprint.

Bissonnette says he was directly behind a point man going up the stairs in the pitch-black hallway. Near the top, he said, he heard two shots, but the book doesn't make it clear who fired them. He wrote that the point man had seen a man peeking out of a door on the right side of the hallway.

The author writes that the man ducked back into his bedroom and the SEALs followed, only to find the man crumpled on the floor in a pool of blood with a

hole visible on the right side of his head and two women wailing over his body. Once they wiped the blood off his face, they were certain it was bin Laden.

Bissonnette says the point man pulled the two women out of the way and shoved them into a corner. He and the other SEALs trained their guns' laser sights on bin Laden's still-twitching body, shooting him several times until he lay motionless. The SEALs later found two weapons stored by the doorway, untouched, the author said.

Administration officials briefing reporters in the days after the May 2011 raid in Pakistan said the SEALs shot bin Laden only after he ducked back into the bedroom because they assumed he might be reaching for a weapon.

National Security Council spokesman Tommy Vietor would not comment on the apparent contradiction late Tuesday. But he said in an email Wednesday, "As President Obama said on the night that justice was brought to Osama bin Laden, 'We give thanks for the men who carried out this operation, for they exemplify the professionalism, patriotism and unparalleled courage of those who serve our country.'"

"No Easy Day" was due out Sept. 11, but it will now be available a week early, Sept. 4.