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DOWJONES SATURDAY/SUNDAY, JUNE 23 - 24, 2012 **WSJ.com**

What's

World-Wide

■ A jury convicted a senior Catholic Church official. The verdict in Philadelphia was a sharp rebuke of the church's handling of allegations of sexual abuse by its priests. It was the first time that a high-level church official was convicted of not taking steps that could have prevented further attacks. A3

Msgr. William Lynn was found guilty of child endangerment. He was acquitted of two other charges.

- Jerry Sandusky was convicted on 45 counts of child sex abuse Friday night by a jury in Pennsylvania. A3
- **Protests erupted** across Egypt after military officials moved to consolidate their power and delayed announcing election results. A6
- **Syrian forces shot down** a Turkish military aircraft over Syrian waters, in a significant escalation of strains between the two former allies. A1
- Taliban insurgents used rifles and grenades to kill 18 people at an Afghan resort. A8
- Obama told Latino leaders that there are solutions to the immigration problem and blamed Republicans for blocking progress. A5

* * * Business & Finance

- **■** Four European leaders pledged to defend the euro. They remained divided over how to shore up debt markets of Italy and Spain. A9
- The ECB will widen the range of securities it will accept from euro-zone banks in exchange for its loans. A9
- **■** The Dow industrials were up 67.21 points, or 0.5%, to 12640.78 Friday. The Dow fell 126.39 points, or 1%, on the week, despite gains by banks and health-care shares. B4
- Google said CEO Larry Page has lost his voice, but won't disclose much more about the matter. B1
- **Moody's defended** its downgrade of 15 banks with big trading operations. **B1**
- A Massachusetts court rejected a challenge from a homeowner who was contesting her foreclosure. B2
- **■** Companies are battling for rights to manage Web address endings, including .app, .home and .book. B3
- New accounting rules could set off another round of overhauls for pension plans administered by state and local governments. A1
- Airline mergers continued, with the takeover of Brazil's TAM by Chile's LAN. **B3**

ELECTION2012

- ◆ Campaign Journal: What do the dentists want?... ♦ Obama courts Latinos...... A5
- ◆ Noonan: Romney can win if he shows meaning...... Opinion, A13

Opinion..... Sports...... A14 Stock Listings.... B11,13 D6,8 Corporate News.... B1,3 Style & Fashion... D3-4 D1-2 Travel....



Germany Celebrates Greek Exit

NO. 1 FAN: German Chancellor Angela Merkel cheered after Germany scored in a 4-2 soccer win over Greece on Friday. The quarterfinal of the Euro 2012 championships was rich with euro-crisis undertones. A9, A14

Syrian Forces Shoot Down Turkish Jet

By Joe Parkinson AND AYLA ALBAYRAK

ISTANBUL—Syria said its defense forces shot down a Turkish military jet over Syrian waters, in an unprecedented incident between the two former allies that raised the threat of armed con-

The Syrian Defense Ministry said the Turkish plane was hit over Syria's territorial waters on Friday morning after it crossed into its territory about half a mile offshore, Syrian state media reported. The ministry said it discovered the plane was Turkish only after it had been shot

Syrian officials characterized the shooting down of the jet as a protocol response to a violation of airspace, not an act of aggression against Turkey.

Turkey confirmed the jet was shot down. "After the incident is completely clarified, Turkey will put forth its final stance and take the necessary steps in a decisive manner," the office of Turkish Prime Minister's Recep Tayyip Erdogan said in a state-

The Turkish and Syrian navies continued a joint search for the crew of the missing aircraft, an F-4 warplane, which Syria said fell into the Mediterranean Sea about six miles west of the Syrian village of Umm al-Tuyour.

Relations between Turkey and Svria, which share a 565-mile

border, began to dissolve last year when Turkish officials began to criticize Syrian President Bashar al-Assad for refusing to end the crackdown against domestic opposition to his regime.

The incident puts Turkey under intense pressure to take action against Syria after Ankara's increasingly harsh statements against the crackdown.

Some analysts in Turkey said the incident could give Turkey the right to take action against the Assad regime, if Ankara

"I believe that it is Syria who will get in trouble because of professor Mesut Casin from Yeditepe University said in a late-night debate on the incident on Turkish TV channel NTV, adding he expected the North Atlantic Treaty Organization would have to get involved.

The U.S. Defense Department declined to comment on the inci-

In April, when Turkey accused Syrian forces of firing at dissidents inside Turkey, Mr. Erdogan raised the prospect that NATO member Turkey could call on the military alliance to protect Turkey's border against incursions by Syrian forces. The incident didn't prompt NATO military ac-

How the downing of the jet plays out could depend in large part on Syria's response, analysts said. "If Syria assumes all

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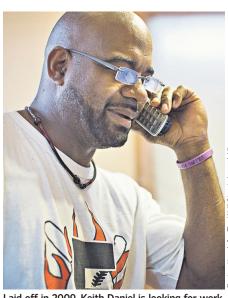
For Middle-Aged Job Seekers, A Long Road Back

By Ben Casselman

CHICAGO—By this point in his life, Keith Daniel thought he would be saving for retirement, helping his daughter through college and slugging his way to glory in his local softball league.

Instead, the 52-year-old is burning through his savings and working odd jobs to make ends meet. He hasn't held a fulltime job in over three years.

Much of the attention during the prolonged U.S. employment crisis has been on high rates of joblessness among young people. Less noticed, but no less significant to many economists, has been the plight of the middle-aged. More than 3.5 million Americans between the ages of 45 and 64 were unemployed as of May, 39% of them for a year or more—a rate of long-term unemployment that is unprecedented in modern U.S. history, and far higher than among younger workers. Mil-



Laid off in 2009, Keith Daniel is looking for work.

lions more have quit looking for work or, like Mr. Daniel, have taken part-time jobs to get by.

"I try not to think that this is the end and I'm just going to have to shut everything down," Mr. Daniel says. "My mind doesn't work that way. I think that if I can get up I'll find something. I've got to keep

moving." The two decades between 40 and 60 are meant to be workers' prime years for earning and building wealth, the period when they buy homes, send children to college and save for retirement. Unemployment, especially for an extended pegriod, can short-circuit that process. The effect can span generations, because middle-age workers are more likely to be supporting retired parents, sending their children to college or supporting adult

Part of what set the most recent reces-Please turn to page A10

States Face Pressure on Pension **Shortfalls**

By Michael Corkery AND MICHAEL RAPOPORT

New accounting rules are likely to show that public pension plans could face hundreds of billions of dollars in additional liabilities, putting fresh pressure on state and local governments to act.

The revamped rules expected to be approved Monday by an accounting-standards group will force governments to record pension costs sooner than they did before and disclose shortfalls more prominently. The changes also will force some public pension funds to calculate retirement benefits using more conservative assumptions.

The new rules could hit pension plans in states like Illinois and New Jersey particularly hard, and even raise borrowing costs for certain municipalities, analysts say. "This could be the event that incites a bigger policy response than what we've seen so far," says Matt Fabian, managing director at Municipal Market

Advisors, a research firm. The exact impact of the new rules by the Governmental Accounting Standards Board isn't clear. According to researchers at Boston College, pension liabilities at 126 state and municipal pension plans would jump by roughly \$600 billion, or about 18%. The estimate is based on 2010 financial data and doesn't reflect the stock market's recent rebound or moves by many U.S. states to rein in pension costs.

Even with those improvements, the accounting changes Please turn to the next page

It's Easy to Be Cowed When Trying to Milk a Water Buffalo

Entrepreneurs Hoping to Make Mozzarella Coax Curds From Herds; 'They're in Charge'

By Ben Worthen

TOMALES, Calif.—Craig Ramini couldn't stop dreaming of mozzarella, so he bought a herd of water buffalo to milk.

But the beasts haven't been team players, and more than two years later, the cheese is still mostly in his dreams. Mr. Ramini first ate buffalo

mozzarella as a teenager visiting Italy. It was porcelain-white and melted in his mouth, as it does when freshly made in the Italian fashion from water-buffalo milk.

He couldn't forget it. As an adult, he couldn't find anything

as divine in the U.S., where domestic mozzarella is mostly from cow's milk and imported mozzarella is sometimes cut with cow's milk or frozen.

So the former software consultant took matters into his own hands in late 2009, buying five water buffalo. Mr. Ramini, now 54 years old, founded a little dairy here 55 miles north of San Francisco to make mozza-

But the buffalo, Mr. Ramini discovered, don't produce much milk and don't much like being milked. He has been thrown by his beasts, teased by other



dairymen and spent a lot of time worrying about the creatures' feelings. "If I've learned one thing it's that you can't rush these animals," he says. "They're in charge of making decisions."

Pizzeria in Petaluma, Calif., who hung a painting of one of Mr. Ramini's buffalo on a restaurant wall. But there are good bovine

Two and a half years later, he

Buffalo believers are eager for

has eked out enough milk to pro-

Mr. Ramini to figure out his

cheese. Chefs in the San Fran-

cisco Bay area routinely visit

him to ensure they'll get mozza-

rella when it's ready. "Everybody

wants it," says John Franchetti,

co-owner of the high-end Rosso

reasons, Mr. Ramini found, that

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duce a ball of cheese.

Will low rates last?

Top Fidelity portfolio managers discuss where interest rates are headed and opportunities for income in investing in today's markets.

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