



**The Higher Price
Of Overpacking**
PERSONAL JOURNAL D1



**Inside the Company
Behind Beef Recall**
MARKETPLACE B1



**The Street Feels
The Fear of Firing**
THE GAME C1

THE WALL STREET JOURNAL.

DOW JONES

TUESDAY, MARCH 11, 2008 - VOL. CCLI NO. 58

★★★★ \$1.50

DJIA 11740.15 ▼153.54 -1.3% NASDAQ 2169.34 ▼2.0% NIKKEI 12532.13 ▼2.0% DJ STOXX 50 3023.25 ▼1.1% 10-YR TREAS ▲28/32, yield 3.438% OIL \$107.90 ▲\$2.75 GOLD \$969.90 ▼\$2.30 EURO \$1.5352 YEN 101.73

What's News—

◆ Business & Finance

◆ World-Wide

The Dow industrials fell 153.54 points, or 1.3%, to 11740.15 as worries about the health of key financial companies escalated. The financial sector's woes are a sign that a series of rate cuts by the Fed and moves by a number of banks and brokerage firms to raise capital have done little to assuage investors. The S&P 500 was off 1.6%. **C1, C2**

■ **Carlyle Capital** sought a moratorium on more forced sales of assets after about \$5 billion of the fund's \$21 billion in holdings was liquidated. **C2**

■ **Shares of Fannie Mae** and Freddie Mac plunged amid fears that defaults will force them to raise more capital. **A3**

■ **Blackstone** swung to a quarterly loss on noncash costs tied to its IPO. The firm expects credit markets to continue to struggle. **C3**

■ **Rising inflation** is putting more stress on the dollar as

■ **Spitzer was implicated in a prostitution scandal.** The New York governor hired a prostitute in Washington on Feb. 13 and paid her \$4,300, according to a federal complaint and a lawyer briefed on the case. In a brief appearance, Spitzer apologized to his family and the public without addressing specifics. He is likely to resign soon, which would effectively end his political career. **A1**

Many opponents of Spitzer, who made his name prosecuting Wall Street titans, exulted in his fall from grace.

■ **Obama scoffed** at Clinton's suggestion that he be her running mate and said it contradicts her argument the Illinois senator lacks experience. **A4**

■ **More Republicans** say they are satisfied with McCain than Democrats are with either Obama or Clinton. **A4**

■ **Cheney will travel** to the

Spitzer Engulfed in Sex Scandal

New York Governor, Known as Crusader, Sees the Tables Turn

BY LAURIE P. COHEN
AND AMIR EFRATI

Eliot Spitzer, the onetime nemesis of Wall Street, has fallen from grace after stumbling into a mess of his own making.

The New York governor hired a prostitute in Washington on Feb. 13 and paid her \$4,300, according to a federal complaint and two lawyers briefed on the case. The lawyers said Mr. Spitzer is one of the clients mentioned in a federal complaint unsealed last week charging four other people with managing an international prostitution ring.

As the news rocketed around trading desks and political offices, the 48-year-old governor made a brief appearance to apol-

Greatest Hits

Eliot Spitzer's major cases against Wall Street

2002: Forces major Wall Street firms into a \$1.4 billion settlement for allegedly tainted stock research

2003: Launches investigation into fraudulent trading in the mutual-fund industry

2004: Charges former New York Stock Exchange boss Dick Grasso with receiving excessive compensation after Mr. Grasso was ousted over the issue. Mr. Grasso is still fighting those charges.



Gov. Spitzer addresses media with his wife, Silda, yesterday.

2004: Charges Marsh & McLennan Cos. with cheating corporate clients by rigging bids and collecting huge fees from major insurance companies for throwing business their way

ogize to his family and the public, without addressing specifics. "I have disappointed and failed to live up to the standard I expected of myself," he said, with his wife at his side. "I must now dedicate some time to regain the

trust of my family."

Mr. Spitzer is likely to resign, perhaps as early as today, according to a person close to him, which would effectively end his political career just 16 months after he was elected New York's governor by a

wide margin. "But first he's dealing with this personal tragedy at home," this person said.

Still unclear is whether state or federal authorities will seek to prosecute him for his involvement.

It was an astounding fall for a man often mentioned as a future Democratic presidential contender. As New York's attorney general, he invoked moral absolutes as he pummeled Wall Street kingpins such as former American International Group Inc. Chief Executive Maurice "Hank" Greenberg.

In an advertisement during his gubernatorial campaign, Mr. Spitzer declared that as attorney general, "I had a simple rule. I never asked if a case was popular or unpopular. I never asked if it was big or small, hard or easy. I simply asked if it was right or wrong."

The description in the federal complaint of the activities of "Client-9"—identified as Mr. Spitzer by the lawyers briefed on the

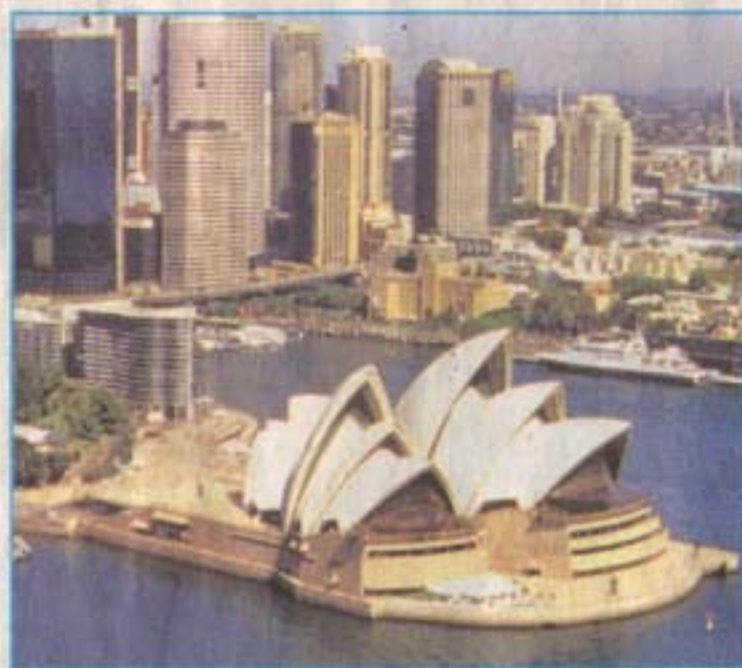
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Wall Street Cheers

As Its Nemesis

Weak Dollar Feels New Stress

GLOBAL BUSINESS TRAVEL



Whether you're globetrotting for business every month or infrequently, most aspects of getting there and back are fraught with snags and snafus. But in an effort to deliver a more personalized experience, a host of airports, airlines, five-star hotels and luxury-lifestyle travel services have recently come up with some pretty impressive services and amenities that seem tailor-made for discerning business travelers. Here's a selection of those who are making good on their promises.



For road warriors seeking the ultimate time-saver when it comes to planning business trips abroad, consider lap-of-luxury services from companies such as the South American-based Blue Parallel. The firm will expedite you through airports, provide cell phones the moment you get into the limo (you'll know the number in advance), set you up with secretaries or personal assistants, arrange stays at top-notch hotels - and even arrange off-site corporate meetings.

BY LAUREN PRICE

RAISING THE BAR ON BUSINESS TRAVEL

At Your Service

For road warriors seeking the ultimate time-saver when it comes to planning business trips abroad, consider lap-of-luxury services from companies such as the South American-based Blue Parallel. The firm will expedite you through airports, provide cell phones the moment you get into the limo (you'll know the number in advance), set you up with secretaries or personal assistants, arrange stays at top-notch hotels — and even arrange off-site corporate meetings. Quintessentially offers members similar services from 40 offices around the world, including its London base. As a member, your personal account manager can see to all the pesky details that are part of any business trip, be it flight reservations, booking preferential rates at the best hotels, a table for two at an always-booked restaurant in Paris, or a box at the opera house in Sydney.

Beverly Hills-based Mansour Travel Company maintains a top-secret client list that reads like a Who's Who of global glitterati and blue-chip travelers. Membership in their International Concierge Service includes 24/7 access to Gary Mansour, VIP treatment at airports (you can be driven from the tarmac and expedited at passport control), and negotiation over no-fly zones with local governments. They can minimize media leaks, too, by using different names on paperwork going through company approval systems. So, even if someone is tempted to tip off the paparazzi, the information is incorrect. You can rely on Mansour's talent for snagging hotel rooms in no time flat, including ones at the booked-solid Ritz during Paris Fashion Week. In fact, assistance is available for nearly anything you need, including hard-to-get theater tickets in London, a Lamborghini for motoring along the Grand Corniche to Monte Carlo and private dinners at the Great Wall of China.

For those traveling onward from Vienna, Austrian Airlines invites its premium-class passengers to hop aboard a private jet to virtually any airport in Europe in connection with their transatlantic flight. With a mere 48-hours' notice, travelers can book Austrian Business Jet in and out of the Vienna Airport.

Flat Beds and Fine Cuisine

The latest buzzword for long-haul flights is "flatbed." Providing an opportunity to stretch out, the latest "new generation of seats" do indeed increase your prospects for a good night's sleep. A restful sleep depends on all the angles of repose. Is the bed at a tilting angle or fully flat at 180 degrees? Can you curl up and snooze on your side? What's the maximum length (the longest ones come in at 78 inches)? And more importantly, how cushy is the seat? For checking out comfort levels of any airline seats, go to Skytrax's www.flatseats.com. The world's leading air travel research firm, Skytrax can also give you a look at their airport ratings and lounge reviews. Some of the highest seat ratings go to Qantas, Emirates, Air France, British Airways, EOS, Japan Airlines, Singapore Airlines, All Nippon Airways, Cathy Pacific, Japan Airlines and Virgin Atlantic.

Multi-course meals prepared in partnership with celebrity chefs in premium-class cabins are on the rise, too. Silverjet's food offerings are designed by Le Caprice, one of London's most beloved restaurants, while snack attacks are remedied with bowls of fresh strawberries and thick Jersey Cream. Qantas gets it done with Neil Perry from Rockpool restaurants in Sydney and Melbourne. Singapore Airlines has pooled the talents of star chefs such as Gordon Ramsey, Alfred Portale (New York's Gotham Bar & Grill) and Nancy Oakes (Boulevard in San Francisco), while Delta's international BusinessElite customers enjoy menus created by Michelle Bernstein (Michy's in South Beach).

In 2007, Austrian Airlines won first place in a worldwide comparison of business-class catering conducted by Skytrax, most likely because its six-course, business-class meals are prepared by an on-board chef and served restaurant-style.

"We also serve wonderful wines from Austria's wine-growing regions," says Paul Paflik, general manager of the Americas. "Some of our flight attendants are trained by world-class sommeliers, so they are well-informed when

it comes to helping passengers pair the right wine with a particular course."

Emirates' selection of top-quality wines, including champagne and vintage port, is specially chosen each year by the Guild of Masters of Wine in the U.K., a world authority on wines. And for premium-class passengers at JFK's lounge, the wines are different than the selections found on the aircraft. "That was a deliberate decision," said Nigel Page, senior vice president, Commercial Operations, the Americas. "Wine lovers never pass up an opportunity to try different wines."

Entertainment systems can now include high-resolution LCD screens as large as 23 inches, high-tech noise-canceling headphones and USB ports for charging personal MP3 players. Emirates' first-class WiFi suites feature 23-inch, high-definition monitors; and digital cameras can be plugged in for up-close-and-personal viewing. One thousand on-demand channels provide an extensive movie and music selection, including every single album recorded by The Beatles.

A Smattering of the Most Select

International cities are paying attention to making life a bit easier for business and luxury travelers, be it ways to zip through their airport checkpoints or tips for beating the traffic. Hotels, too, are upping the business-amenity ante. Offerings such as club lounges and round-the-clock business centers are now as common as 24-hour room service. In this cyber day and age, premium-level hotels are stepping up by adding complimentary troubleshooting by well-trained techies for computers, iPhones or whatever hand-held gizmo is the newest, latest and greatest. They also attend to hassle-free airport pick-ups minus insanely long lines for clearing customs and mile-long taxi queues.

In Bangkok, a city famous for its maze of narrow canals, crowded street markets, royal residences, Buddhist temples and dining experiences, hopping on the Skytrain

Continued on following page



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*New York flights make one stop in Los Angeles. Available on all B747-400 and A330-300 transpacific flights to Australia and New Zealand. Subject to last minute change of aircraft.



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