

Fireworks and the Phoenix dazzle crowd



DAVID WELLS | Photo Editor

Ten minutes after the conclusion of the Elon-Presbyterian game Saturday night at Rhodes Stadium, all the lights in the vicinity were shut off in preparation for a fireworks display. Colorful fireworks rocked the audience for about 20 minutes immediately after the Elon football team dazzled the same audience with an extraordinary showing of both its offense and defense. The Phoenix offense erupted for 667 yards, surpassing the previous mark of 633 yards set on Nov. 12, 1983 against Bowie State University.

Lighthouse reopens doors after months of rumors and speculation

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LINDSAY FENDT | Photo Editor

Between 400 and 500 students showed up to the grand reopening of Lighthouse Tavern Friday. The bands Three Day Weekend and Anonymous kicked off the celebration.

The first band to play was a student band called Three Day Weekend, who played covers of old favorites by Pearl Jam, O.A.R., Bob Marley and Sublime.

While the audience enjoyed the opening band, there was no mistaking the crowd's excitement when the local band, Anonymous, which used to play at Lighthouse on a regular basis, took the stage.

"LIGHTHOUSE! LIGHTHOUSE! LIGHTHOUSE!"

Anonymous's lead singer waved his hands in the air like a conductor, leading the crowd in the chants.

The audience went wild and, after an introduction, the band began its set.

"I thought they did awesome," senior Bennett Hart said. "It was definitely a good night."

Bartender and Elon senior Tim Graham said that the night was largely successful.

"It was a lot of fun in that the crowd was really into it and the show was really good," he said. "It was neat to see people come out really early right when it opened and stay around the whole night. It felt like the old Lighthouse and we didn't get a lot of complaints."

The drinks were flying off the shelves, the music was blaring, people were dancing and then, all of a

sudden...
Splash.

Due to kinks in the plumbing system, water crept out of the bathrooms and seeped across the dance floor.

Before long, there was a quickly deepening pool of water covering the floor.

Graham said that some problems on opening night were inevitable.

"As far as interest and turnout, it met our expectations," Graham said. "But the issues like how loud the music was and the plumbing were kinks we needed to work out but couldn't until opening."

Even the water didn't extinguish the optimism that many students had about the bar's future.

"Oh, I will definitely come back," Johnson said. "This is Lighthouse. I have been waiting for this for a while."

Graham estimated between 400 and 500 people came to Lighthouse throughout the night.

Not everyone was there at once, because the building capacity is 290.

The money made from cover charges (\$5 for students under 21 and \$3 for students over 21) will go back to the university's general funds to help alleviate the costs of renovations.

Wall Street crisis could have far-reaching, long-lasting impact

Kevin G. Hall
McClatchy Newspapers

WASHINGTON — Wall Street was shaken to its foundations Monday after a series of historic events that included the bankruptcy of a major investment bank, the hastily arranged sale of another and the near collapse of one of the most iconic of blue-chip companies.

The Dow Jones Industrial Average closed down 504 points, or 4.4 percent, to 10,917.51, its lowest close in two years and its steepest one-day decline in seven years. The S&P 500 fell by 4.7 percent and the technology-heavy Nasdaq was down 3.6 percent.

The colossal market drop came on an unprecedented day that featured Wall Street mainstay Lehman Brothers filing for Chapter 11 bankruptcy protection and the sudden, breathtaking sale of investment bank Merrill Lynch to Bank of America for \$50 billion.

If those events weren't enough, one of the nation's most important insurance and financial services companies, American International Group, teetered on the verge of collapse as investors bailed out and its shares lost more than 60 percent of their value in a single day.

AIG, one of the 30 blue-chip component stocks of the Dow Jones Industrial Average, is far larger than the investment banks that have failed or have been sold.

At the center of the storm is a widening credit crunch that's causing lending of virtually any kind to seize

up. Without lending, the economy faces peril.

"There's nothing like this in the postwar period," said Lyle Gramley, a veteran markets watcher who was a Federal Reserve governor during a turbulent period, from 1980 to 1985. "We aren't going into the Great Depression, no question about that. But we could get into a recession that accumulates if things don't get better in financial markets. I think we have to worry a lot that this may be the turning point that puts this economy into a very significant recession."

Wall Street fretted that AIG could be the next shoe to drop.

Late Monday, the Treasury Department and Federal Reserve rejected a request from AIG for an emergency loan and instead were pushing Goldman Sachs and J.P. Morgan Chase to create a private-sector emergency lending facility valued at least \$70 billion to help AIG stay afloat while it tries to shed valuable assets to raise capital and remain solvent.

AIG's problems underscore why Wall Street is in a state of near panic. AIG isn't insolvent; it's already raised \$20 billion this year to shore up its balance sheets.

But its falling stock is forcing it to sell assets such as its aircraft-leasing business and to plead for investment from private equity companies.

It needs to raise about \$40 billion in new capital but it can't borrow because of the credit crunch.

Absent more capital, ratings agencies could downgrade its credit, requiring even more capital to stay afloat.

"It's a perverse situation," Bill Gross, the chief investment officer of Pacific Investment Management Co., the world's largest bond fund, said on CNBC.

If AIG fails, it poses unique problems for financial markets because not only is it a conventional insurance company but it's also a big player in a complex parallel market called credit default swaps.

That's where Wall Street companies take out a form of market insurance against the risks of bond default. This unregulated market was estimated in June 2007 to have a notional value of \$42 trillion.

"The market is opaque, and it is opaque by design," said Howard Simons, the president of the economic research firm Rosewood Trading in Glenview, Ill., noting that there's no exchange or clearinghouse for unwinding these swaps if a big player goes bust. "It's going to come back and bite everybody, because now you are in an information vacuum."

Wall Street has suffered this kind of financial turbulence only a few times before, most notably during the Great Depression.

Fed. Chairman Ben Bernanke is one of the world's leading scholars on the Depression, and he's putting that knowledge to use as he tries to avoid a complete collapse of the global financial sector.

On Sunday, he broadened the collateral the Fed is willing to take as it makes emergency lending to investment and commercial banks to keep them solvent.

Stocks get shellacked

Stocks fell sharply Monday as U.S. investment banks faltered.

In New York

Daily closes on the Dow



In London

Daily closes on the FTSE 100



GRAPHIC COURTESY OF MCT CAMPUS

Stocks fell sharply Monday as the U.S. financial crisis worsened.