

PENN STATE COACH JOE PATERNO, PRESIDENT FIRED

The Birmingham News

Thursday, November 10, 2011 E M 1 2 3

READ DAILY FOR 124 YEARS



REPORTED TO THE MINUTE AT AL.COM

75¢

HOW THE COMMISSION VOTED



David Carrington
YES



Sandra Little Brown
YES



Jimmie Stephens
YES



Joe Knight
YES



George Bowman
NO

BANKRUPT

\$4.23 billion: Jefferson County collapse largest in US history

REACTION

Decision called frustrating, inevitable

By Dawn Kent

dkent@bhamnews.com

From the political center of Alabama to the suburbs that surround Birmingham, government and business leaders reacted swiftly to the Jefferson County Commission's Chapter 9 bankruptcy filing Wednesday, with some expressing deep disappointment in the move and others calling it an inevitable conclusion to years of financial tumult.

With the estimated \$4.23 billion filing, Jefferson County became the largest municipal bankruptcy in U.S. history, a stigma that could reverberate around the region when it comes to job creation and future borrowing.

Gov. Robert Bentley said he was "extremely disappointed" in the filing, which followed months of intense settlement negotiations that involved him.

"We feel everything was put into place to save the county from bankruptcy and to help the ratepayers and keep this embarrassing situation from occurring in the state of Alabama," the governor said. "What we're going to do now is to try to control the damage to our state. This should be just limited to Jefferson County, and I will try to keep this from affecting other cities in the state."

Bentley said he met with leaders of the Alabama



Jefferson County Commission President David Carrington signs the Chapter 9 bankruptcy papers in his office on Wednesday. The commission voted 4-1 to file bankruptcy.

WHAT IS CHAPTER 9?

The purpose of Chapter 9 bankruptcy is to provide a financially distressed municipality protection from its creditors while it develops a plan for adjusting its debts. The next steps in that legal process include:

- ▶ Notice of the filing is advertised in the federal register and a newspaper.
- ▶ Creditors file any objections, and the court holds hearings.
- ▶ The county develops its repayment plan.
- ▶ Creditors form a committee and make suggestions.
- ▶ The bankruptcy judge rules on the plan.

For more on Chapter 9, see Page 1B

Source: U.S. Bankruptcy Court



MORE ONLINE

- ▶ Follow this developing story at al.com/birmingham, the online home of The Birmingham News:
- ▶ County's bankruptcy documents: blog.al.com/bn/documents
- ▶ Videos: videos.al.com/birmingham-news
- ▶ Photos: photos.al.com/birmingham-news
- ▶ Live updates: al.com/jeffco

INSIDE

- ▶ What does this mean for the state? / 6A
- ▶ Timeline of events / 7A
- ▶ Reaction from the business sector / 1D

By Barnett Wright

bwright@bhamnews.com

Jefferson County, facing \$4.23 billion in debt and running short of cash, gave up Wednesday on reaching a deal with its creditors and immediately filed the largest government bankruptcy in U.S. history.

The 4-1 vote to seek protection under Chapter 9 of the U.S. Bankruptcy Code came on the 365th day since the current commission took office. That year was dominated by sometimes frantic negotiations with Wall Street banks that over the past decade loaned and refinanced more debt than the county had the ability to repay.

Supporting the move were Commission President David Carrington and commissioners Sandra Little Brown, Joe Knight and Jimmie Stephens. Commissioner George Bowman voted no.

"Bankruptcy is sometimes a measure of last resort," Knight said. "In my mind, we have reached that last resort."

At 4:29 p.m., moments after the vote, county attorneys filed the petition in U.S. Bankruptcy Court for the Northern District of Alabama. Chief Bankruptcy Judge Thomas B. Bennett will handle the case and set a hearing for 10 a.m. today.

Late Wednesday, county attorneys filed a raft of documents, listing nearly 200 pages of businesses and individuals to whom Jefferson County owes money. Those pages carried the names of more than 5,000 creditors. The largest creditor is JPMorgan Chase & Co., which owns about \$1 billion of the county's \$3.14 billion debt for sewer construction.

Besides the sewer debt, the county owes \$814 million in school-construction debt and another \$305 million in general-obligation warrants.

The bankruptcy decision came after commissioners spent about 11 hours over two days huddled behind closed doors on the fourth floor of the Jefferson County Courthouse in Birmingham with their lawyers discussing legal options,

See BANKRUPTCY, Page 7A

Oak Grove student charged with parents' shooting deaths



By Carol Robinson

crobenson@bhamnews.com

A 17-year-old Oak Grove High School student accused of fatally shooting his parents once each in the head with a .45-caliber pistol told deputies there were no problems at home and

everything was fine.

When questioned early Wednesday, just hours after the bodies of his parents, Ronnie and Barbara Thacker, were found inside their Taylors Ferry Road home, Drew Brennan Thacker told them that "he had to be the one to kill

them because no one else was home," said Jefferson County sheriff's Chief Deputy Randy Christian. "Beyond that, he offered no reason for the shooting."

The family was well known throughout western

See SHOOTING, Page 4A

INDEX

Business	1D	Health	1E
Careers	3D	Local News	1B
Classified	1F	Movies	4E
Comics	2E	Scene & Heard	2A
Deaths	4B	Sports	1C
Editorials	8A	Television	4E

For home delivery, call 205-325-4444

Printed on recycled paper



WEATHER

Details / 6B

High 56 Low 34



6 58884 10001 1