

Taking Sides In a Divorce, Chasing Profit

Firms Cover Legal Cost for Cut of Winnings

By BINYAMIN APPELBAUM

BEVERLY HILLS, Calif. — Michelle Pont and her husband amassed millions of dollars in properties and investments from a freight-hauling business that they started with one stake-bed truck in 1991. They bought a four-bedroom home, then a second home, a vacation home, a motor home and half a dozen cars.

But when Ms. Pont decided to seek a divorce last year, she quickly ran out of money. She had no job. Her husband controlled the family's investments. A few months of legal bills maxed out

BETTING ON JUSTICE

Bankrolling Break-Ups

her credit cards and drained her retirement account.

She wrestled with accepting a smaller settlement than she considered fair. Then a lawyer referred her to Balance Point Divorce Funding, a new Beverly Hills lender that offers to cover the cost of breaking up — paying a lawyer, searching for hidden assets, maintaining a lifestyle — in exchange for a share of the winnings. In October, Balance Point agreed to invest more than \$200,000 in Ms. Pont's case.

"It's given me hope," Ms. Pont said. "I don't view it as a loan; I view it as an investment in my future. They are helping me to get what is rightfully mine."

With some in the financial world willing to bet on almost anything, it should be no surprise that a few would see the potential to profit from the often contentious and emotional process of ending a marriage.

So far, the number of companies investing in divorce is small

Continued on Page 29

Senate Rejects President's Plan On Tax Breaks

By DAVID M. HERSZENHORN

WASHINGTON — The Senate on Saturday rejected President Obama's proposal to let tax rates rise for the highest-income Americans, as Republicans held firm in their push to continue all of the expiring Bush-era tax cuts.

The White House and Congressional leaders are now discussing a deal to extend the reduced tax rates at all income levels, at least temporarily, perhaps for two years.

But with Senate Democrats and the White House badly splintered, and some lawmakers increasingly angry at the idea of sustaining President George W. Bush's economic policies, the prospects of a compromise remained uncertain.

The floor action on Saturday highlighted the volatility of the issue. Mr. Obama's plan, approved by the House on Thursday, would have extended the lower rates on income up to \$250,000 a year for couples and \$200,000 for individuals, but Democrats did not have the 60 votes required under Senate rules to muscle it forward.

Nor could they muster the votes needed for an alternative proposal, championed by Senator

Continued on Page 24



An Internet cafe in Taiyuan, China. A report by China, cited in a leaked cable, hails its Internet controls and surveillance.

Vast Hacking by a China Fearful of the Web

Cables Depict Google Shock, Censorship and Cyberattacks

By JAMES GLANZ
and JOHN MARKOFF

As China ratcheted up the pressure on Google to censor its Internet searches last year, the American Embassy sent a secret cable to Washington detailing one reason top Chinese leaders had become so obsessed with the Internet search company: they were Googling themselves.

The May 18, 2009, cable, titled "Google China Paying Price for Resisting Censorship," quoted a well-placed source as saying that Li Changchun, a member of China's top ruling body, the Politburo Standing Committee, and the country's senior propaganda official, was taken aback to discover that he could conduct Chinese-language searches on Google's main international Web site. When Mr. Li typed his name into the search engine at google.com, he found "results critical of him."

That cable from American diplomats was one of many made public by WikiLeaks that portray China's leadership as nearly obsessed with the threat posed by

the Internet to their grip on power — and, the reverse, by the opportunities it offered them, through hacking, to obtain secrets stored in computers of its rivals, especially the United States.

Extensive hacking operations suspected of originating in China, including one leveled at Google, are a central theme in

State's Secrets

DAY 7

the cables. The operations began earlier and were aimed at a wider array of American government and military data than generally known, including on the computers of United States diplomats involved in climate change talks with China.

One cable, dated early this year, quoted a Chinese person with family connections to the elite as saying that Mr. Li himself directed an attack on Google's servers in the United States, though that claim has

been called into question. In an interview with The New York Times, the person cited in the cable said that Mr. Li personally oversaw a campaign against Google's operations in China but the person did not know who directed the hacking attack.

The cables catalog the heavy pressure that was placed on Google to comply with local censorship laws, as well as Google's willingness to comply — up to a point. That coercion began building years before the company finally decided to pull its search engine out of China last spring in the wake of the successful hacking attack on its home servers, which yielded Chinese dissidents' e-mail accounts as well as Google's proprietary source code.

The demands on Google went well beyond

Continued on Page 18

An Afghan-Pakistani Response

Leaders of the two countries dismissed the leaked-cables revelations. Page 20.

Pushing a Right to Bear Arms, The Sharp and Pointy Kind

By MARC LACEY

PHOENIX — Arizona used to be a knife carrier's nightmare, with a patchwork of local laws that forced those inclined to strap Buck knives or other sharp objects to their belts to tread carefully as they moved from Phoenix (no knives except pocketknives) to Tempe (no knives at all) to Tucson (no knives on library grounds).

But that changed earlier this year when Arizona made its Legislature the sole arbiter of knife regulations. And because of loose restrictions on weapons here, Arizona is now considered a knife carrier's dream, a place where everything from a samurai sword to a switchblade can be carried without a quibble.

Arizona's transformation, and the recent lifting of a ban on switchblades, stilettos, dirks and daggers in New Hampshire, has given new life to the knife rights lobby, the little-known cousin of the more politically potent gun



HOOGU MASUIKE FOR THE NEW YORK TIMES

Illegal knives from a crackdown in New York City.

rights movement. Its vision is a knife-friendly America, where blades are viewed not as ominous but as tools — the equivalent of sharp-edged screw drivers or hammers — that serve useful purposes and can save lives as well as take them.

Sure, knife fights and knife attacks are a concern. No knife-lover would ever deny that. In fact, Todd Rathner, the lobbyist

Continued on Page 4

As Bullies Go Digital, Parents Play Catch-Up

By JAN HOFFMAN

Ninth grade was supposed to be a fresh start for Marie's son: new school, new children. Yet by last October, he had become withdrawn. Marie prodded. And prodded again. Finally, he told her.

"The kids say I'm saying all these nasty things about them on Facebook," he said. "They don't believe me when I tell them I'm not on Facebook."

But apparently, he was. Marie, a medical technologist and single mother who lives in Newburyport, Mass., searched Facebook. There she found what seemed to be her son's page: his name, a photo of him grinning while running — and, on his public wall, sneering comments about teenagers he scarcely knew.

Someone had forged his identity online and was bullying others in his name.

Students began to shun him. Furious and frightened, Marie contacted school officials. After expressing their concern, they told her they could do nothing. It was an off-campus matter.

But Marie was determined to find out who was making her son miserable and to get them to stop. In choosing that course, she would become a target herself. When she and her son learned who was behind the scheme, they would both feel the sharp sting of betrayal. Undeterred, she would insist that the culprits be punished.

It is difficult enough to support

one's child through a siege of schoolyard bullying. But the lawlessness of the Internet, its potential for casual, breathtaking cruelty, and its capacity to cloak a bully's identity all present slippery new challenges to this transitional generation of analog parents.

Desperate to protect their child

Continued on Page 26



Violence and Confusion in Ivory Coast

The police tried to control protests in the city of Abidjan after two rival candidates both claimed to be president. Page 10.

Pushing a Right to Bear Arms, The Sharp and Pointy Kind

By MARC LACEY

PHOENIX — Arizona used to be a knife carrier's nightmare, with a patchwork of local laws that forced those inclined to strap Buck knives or other sharp objects to their belts to tread carefully as they moved from Phoenix (no knives except pocketknives) to Tempe (no knives at all) to Tucson (no knives on library grounds).

But that changed earlier this year when Arizona made its Legislature the sole arbiter of knife regulations. And because of loose restrictions on weapons here, Arizona is now considered a knife carrier's dream, a place where everything from a samurai sword to a switchblade can be carried without a quibble.

Arizona's transformation, and the recent lifting of a ban on switchblades, stilettos, dirks and daggers in New Hampshire, has given new life to the knife rights lobby, the little-known cousin of the more politically potent gun



HIROKO MASUIKE FOR THE NEW YORK TIMES

Illegal knives from a crackdown in New York City.

rights movement. Its vision is a knife-friendly America, where blades are viewed not as ominous but as tools — the equivalent of sharp-edged screw drivers or hammers — that serve useful purposes and can save lives as well as take them.

Sure, knife fights and knife attacks are a concern. No knife-lover would ever deny that. In fact, Todd Rathner, the lobbyist

Continued on Page 4



PHOTOGRAPHS BY JOSHUA LOTT FOR THE NEW YORK TIMES

D'Alton Holder, a longtime knife maker, said, "It's ridiculous to talk about the size of the knife as if that makes a difference."

Pushing a Right to Bear Arms, Sharp and Pointy

From Page 1

for Knife Rights Inc., an advocacy group based in Arizona that is now in its third year, was mugged twice in New York City before moving to Tucson, once — "ironically," he said — at knifepoint.

But the problem is with the knife wielder, not the knife itself, the knife lobby says, sounding very much like those who advocate for gun rights.

In fact, knife advocates contend that the Second Amendment applies to knives as well as guns. They focus their argument elsewhere, though, emphasizing that knives fill so many beneficial roles, from carving Thanksgiving turkeys to whittling, that they do not deserve the bad name they often get.

"People talk about how knives are dangerous, and then they go in the kitchen and they have 50 of them," said D'Alton Holder, a veteran knife maker who lives in Wickenburg, Ariz. "It's ridiculous to talk about the size of the knife as if that makes a difference. If you carry a machete that's three feet long, it's no more dangerous than any knife. You can do just as much damage with an inch-long blade, even a box cutter."

As for the pocketknife he carries with him every day, Mr. Holder said: "I use it for everything — to clean my fingernails, to prune a tree or carve, even to eat dinner with. I never think about the knives that I carry or the knives that I make as weapons."

Jennifer Coffey, the New Hampshire state representative who led the effort to overturn the state's switchblade ban, is also an emergency medical technician who uses knives to extract people from vehicles after accidents. Even when switchblades were outlawed, there were exceptions for emergency workers and others who might use them on the job, but Ms. Coffey still consid-



Todd Rathner, the lobbyist for Knife Rights Inc., was mugged twice before moving to Tucson, once at knifepoint. Left, a knife made by Mr. Holder.

ered the law outrageous.

"We had certain knives that were illegal, but I could walk down the street with a kitchen knife that I used to carve a turkey and that would be legal," Ms. Coffey said. "I'd be more scared of a kitchen knife than a switchblade."

She said switchblade bans were passed in the 1950s because of the menacing use of the knives in movies like "West Side Story" and "Rebel Without a Cause." Her legislation drew the support of an array of knife-related entities: Knife Rights, a young upstart in knife advocacy; the American Knife and Tool Institute, a group based in Wyoming that represents knife manufacturers, sellers and owners; and publications like *Blade*, *Cutlery News Journal* and *Knife World*.

The effort to lift the ban on switchblades in New Hampshire

they can be concealed and brandished," Mr. Vance said of the illegal switchblades and gravity knives, which require a wrist flip to open instead of a switchblade's spring, that were bought by undercover agents.

Mr. Vance's offensive drew the ire of the American Knife and Tool Institute, which issued an "action alert" and offered to assist New York retailers and individuals charged with knife violations with their legal defenses.

The knife lobby similarly rose up in 2009 when the federal Customs and Border Protection agency issued a proposal that would have reclassified many pocketknives and pocket tools as switchblades and thus made them illegal for import or sale across state lines under the 1958 federal Switchblade Act. In the end, Congress intervened and blocked the change.

A case now unfolding in Seattle shows how volatile knives continue to be. A police officer there fatally shot a man in August after, the officer said, he ordered the man several times to drop a knife that he was carrying. But the legitimacy of the shooting has been questioned by the Police Department, partly because the knife, which had a three-inch blade, was found in a closed position near the body of the dead man, who had been using it to carve a piece of wood.

Knife advocates are hoping that, just as Arizona's immigration law has led to a national debate on that topic, its move to end knife restrictions will lead more states to take up the cause.

"Arizona is now the model when it comes to knives," said Mr. Rathner, who was a National Rifle Association lobbyist before he switched to knives. "We're now going to be moving to other states, probably in the Rocky Mountains and the Southeast. There's probably half a dozen or more places that are ripe for this."

even won the support of the New Hampshire Association of Chiefs of Police.

In Arizona, however, police groups were more circumspect about lifting all of the local knife laws. The Arizona Association of Chiefs of Police opposed the move, saying local jurisdictions ought to set their own knife restrictions. The Phoenix Law Enforcement Association remained neutral.

In much of the country, especially in urban areas, knives are still viewed as weapons in need of tight control.

District Attorney Cyrus R. Vance Jr. of Manhattan announced in June that his office had pressured retail stores that were selling illegal knives to remove them from their shelves, forfeit profits from the knives made over the last four years and help finance a campaign to educate people against illegal knives.

"What makes these knives so dangerous is the ease with which