

MARKET'S BIG GAIN

The Dow rose more than 181 points yesterday, as investors looked on the bright side. Page 21



THE PLOT THICKENS

A trustee of MF Global may sue individuals within the failed brokerage over breach of fiduciary duty. Page 21

	YEST CLOSE		CHNG	PCT
DOW JONES	12,986.58	▲	+181.19	+1.4%
NASDAQ	3,055.55	▲	+39.09	+1.3%
S&P 500	1,387.57	▲	+18.86	+1.4%
DOLLAR	.7581	●	-0.00	0.0%
CRUDE OIL	\$103.64	▲	+\$0.94	+0.9%



ASK THE BIZ BRAIN

Q. I have a question about student loan consolidation. Back in September 2009, I was a co-signer for a friend to help him out in a tight bind. Now, I regret making that decision. Upon his graduation in the fall of 2011, he was told I could get off the loan by simply writing a release form. Soon after, he told me this wasn't possible since he was making just interest-only payments. The lender is Sallie Mae, and the loan is a Smart Option Student Loan in the amount of \$18,000. I was hoping he could consolidate the debt or possibly even refinance. We're both starting to realize the effects of co-signing because he's trying to do his best, but I'm still on the hook. Any ideas?

— Dan Debtor

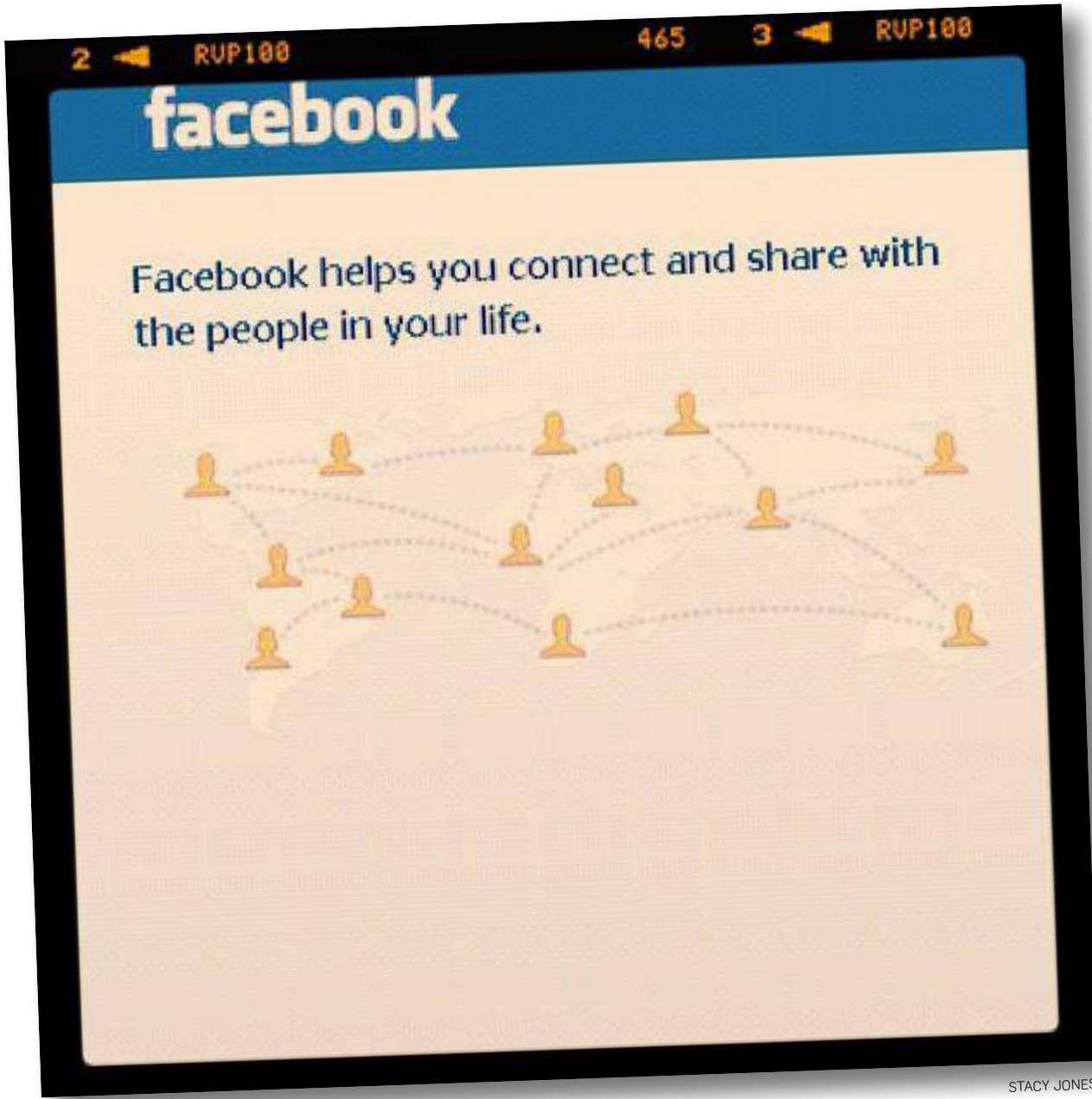
Q. When you co-sign a loan, you agree to share in a financial risk that the lender would not take on without you. It may be unusual for a friend to step up and accept this responsibility. It's not unusual for the co-signer to later regret that decision and look for a way to exit that agreement.

I discussed your situation with Patricia Christel, a spokeswoman at Sallie Mae. Her assistance was invaluable in helping me to frame this reply.

Private education loans, such as the Sallie Mae Smart Option Student Loan, are unsecured consumer loans — not backed by the government or secured by a tangible asset such as a car or home. The loan approval and the actual interest rate are determined by the borrower's and co-signer's creditworthiness. When the co-signer signs the promissory note (i.e., the loan contract), he agrees to be "jointly and severally" liable for the loan, which means that the co-signer can be expected to step up to the plate regardless of the primary borrower's ability or willingness to pay.

Co-signer release may be available once the primary borrower demonstrates a history of successfully making on-time payments and meets credit criteria. The primary borrower needs to demonstrate that he has the tools, knowledge and experience to be successful in repayment on his own. After graduation, the primary borrower may apply for co-signer release after making 12 consecutive monthly on-time principal and interest payments.

If your friend graduated in the fall of 2011, he's still in what Sallie Mae calls the "separation" period and is allowed to make interest-only payments for six months. That will end soon, and he will start making principal and interest payments on his loan. At that time, the clock will start, and within 12 months he'll potentially be able to release you from your co-signer responsibilities. Bankrate.com
E-mail your questions to askbiz@starledger.com.



STACY JONES

Picture still perfect?

Worries arise over how Facebook will shape Instagram

Here's a multiple-choice question for you: Your favorite startup is acquired by Facebook for a whopping \$1 billion. Should you be:

- (a) happy for the company's founders and employees,
- (b) worried about the startup's future,
- (c) looking elsewhere for a service you've come to know and love,
- (d) all of the above.

I choose (d). This is not a hypothetical. My own favorite startup, Instagram, was acquired by Facebook for just that price tag earlier this week — a bombshell for the 30 million users of Instagram's iPhone app for taking photos, applying filters to them, and sharing images in a community built around photography. The news came just a week after Instagram released an Android version of the app.

You might think a \$1 billion acquisition would be reassuring to Instagram devotees. If one of the technology world's uber-brands sinks \$1 billion into your much-loved app, doesn't it mean the startup will survive and thrive?

It does not. In fact, history tells us otherwise. Apple, Facebook, Google, Microsoft — they're all known for acquiring companies, mining them for brilliant employees or valuable patents (or just as a way to quash a

TECHNOLOGY
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nj.com/business



potential competitor), and then allowing the once-promising, world-changing startup to languish and die. Have you used Gowalla lately? I didn't think so. Facebook bought it, and now it doesn't exist.

There are exceptions, YouTube being the obvious one. (The company is a Google subsidiary; like Instagram, the company was acquired about 18 months after it was founded.) But being acquired, though a boon for the company's founders, sometimes turns into a boondoggle for the service's users.

Will this acquisition be any different?

I certainly hope so. Facebook founder Mark Zuckerberg, posting at his Facebook Timeline, essentially said this wasn't just any acquisition for Facebook. He said Facebook was "committed to building and growing Instagram independently," including the "ability to have followers and follow people separately from your friends on Facebook."

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ALLAN HOFFMAN

"THERE ISN'T ANYTHING IN THE WORLD THAT CAN'T BE MADE BETTER." — JACK VALENTI

Taxpayers get more time to file, but deadline looms Tuesday

By **Eve Mitchell**
MCT NEWS SERVICE

Tax time is almost here, but you get a bit of a reprieve this year because the traditional April 15 filing deadline falls on Sunday and Monday is a legal holiday in Washington, D.C.

So the filing deadline this year for both federal and state taxes is Tuesday.

Rules for requesting an extension to file a return don't change, despite the later deadline.

You still have to pay any federal or state income taxes owed by the April 17 filing deadline to avoid penalties and interest

for late payments.

Taxpayers can go to www.irs.gov/freefile to request a six-month extension online for federal income taxes. Or they can download an IRS Form 4868 and mail it in.

E-filing has increased over the years, and most taxpayers are expected to file electronically this year. More than 112 million federal income tax returns were e-filed last year, or about 77 percent of individual returns.

Households with a modified adjusted gross income of \$57,000 or less in 2011 can electronically file federal returns at no charge

by going to www.irs.gov/freefile. The Free File program is a partnership between the Internal Revenue Service and 15 participating tax software companies.

Not all companies offer the same deal. For example, some have age restrictions as to who can qualify. Some will charge for state returns. Not all will offer free extensions for those who are not ready to file a return. So it's important to read carefully what the companies offer — or don't offer — before making a selection.

Taxpayers can also e-file their

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ISTOCK

Report hammers N.J. jobs program

Think tank says Jersey waging 'economic war'

By **Sarah Portlock**
STAR-LEDGER STAFF

One of New Jersey's economic development financial incentive grants has disbursed more money in tax rebates than similar programs nationwide and is engaging in an "economic war" with other states over jobs, a Washington think tank charged in a report released yesterday.

The study, by Good Jobs First, outlines 22 programs in 16 states that redirect a portion of a worker's withheld state personal income tax as a way to encourage companies to relocate or stay in that state. New Jersey's Business Employment Incentive Program "is far and away the most expensive" program, said one of the report's authors, Philip Mattera.

The Economic Development Authority, which administers the program, has awarded \$1.5 billion to 475 projects since it was created in 1996 through March 31, according to its website. In fiscal year 2011, EDA approved 33 BEIP grants worth \$73.2 million over their terms.

"New Jersey stands out negatively both because of the highest cost of any state program, but also a program which — like some of the others — is openly involved in interstate piracy in which some of the deals are known to be simply companies moving jobs across the Hudson River," said Greg LeRoy, executive director of the Washington, D.C.-based group.

Qualified companies that expand or relocate in New Jersey can receive a BEIP grant worth up to 80 percent of the total amount of state withholding taxes generated by the newly created jobs for up to 10 years. The state retains the balance of withholding tax revenue generated by the new jobs. A company must create at least 25 new jobs — 10 if it is in the high technology or biotechnology industries — and stay for at least 1.5 times the number of years of the grant, according to the EDA.

Good Jobs First said that states should consider abolishing the personal income tax-based subsidy programs, or at least require companies to disclose to workers the details of how much money is going where. The nonprofit organization describes itself as nonpartisan and promotes corporate and government accountability in economic development and smart growth, its website said.

In an EDA annual report about BEIP, the authority said it "continues to be a vital economic tool" for the state in today's challenging economy. Over the life of the program, the state's investment of more than \$1.5 billion has resulted in an estimated \$12.5 billion in planned capital investment in New Jersey, the EDA said.

"Our Business Employment Incentive Program is creating new

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BUSINESS OF NEW JERSEY

STATEWIDE

Insurance veteran picked for N.J. business center

An executive from New Jersey Manufacturers Insurance Company was tapped by Lt. Gov. Kim Guadagno yesterday to serve as acting executive director of the New Jersey Business Action Center.

Michael Van Wagner of Ewing will leave his role as vice president of legislative affairs for the insurer to head up the Business Action Center, which serves as a "one-stop" shop to grow, retain and attract business to New Jersey. Van Wagner worked for

NJM for 29 years and served as a division manager of underwriting and vice president of reinsurance. "I know his extensive business experience will help (the Business Action Center) excel as an instrument to grow our state's economy and create

jobs for New Jerseyans," Guadagno said in a statement. She thanked outgoing acting Executive Director Linda Kellner, who took almost two years leave of absence from New Jersey Resources to set up the center. Eliot Caroom

Hoffman

CONTINUED FROM PAGE 22

But what's the upside for someone like me — or you, or anyone who is enthralled with the possibilities for mobile photography? As far as I can tell, there is none — unless, that is, you're really keen on having Facebook intrude in yet another area of your life.

Facebook already wants to serve as a universal login, the keeper of your personal history, and as a storehouse of your personal thoughts, memories and interactions with "friends."

All of the ways the two

services might enjoy a synergy from Facebook's ownership would appear to make Instagram less, not more, appealing to me.

The addition of Facebook "like" buttons, the chance to "tag" my Facebook friends in Instagram photos, the ability to log in to Instagram with a Facebook ID — I want none of that. Instagram is a streamlined app that's thrillingly easy to use.

Now it seems destined to be mucked up with the mess of interface crud and privacy-invading gunk that is Facebook.

That's why, even if I take Zuckerberg at his word,

the whole affair essentially leaves me with a sinking feeling.

I'm not doubting Facebook's intentions, or those of Instagram's founders, but intentions have a way of fading in the face of economic realities. Facebook, remember, will soon be a public company.

"The Instagram app will still be the same one you know and love," Kevin Systrom, Instagram's founder and CEO, wrote in his "Instagram + Facebook" blog post.

But it can't remain "the same" for long, can it? Even if it had stayed indie, or been courted by another suitor,

Instagram would need to evolve — and think about how to make money.

I don't plan to quit Instagram anytime soon, as some longtime Instagram fans have vowed. There's no sense in that. It's still at the center of my own social media universe, and it'll stay there for a while — unless Facebook really fools with it.

And the people who made Instagram deserve kudos: They built something great, and they did it, for much of these past 18 months, with just a handful of employees. Photography is undergoing a revolution, shifting to a world of smart phones and apps, and Instagram has played a big role in defining the possibilities for this new era.

As for the future, well, it's still unclear whether Instagram will turn out to be a blip in photographic history or a company with years of innovation ahead of it.

Let's hope for the latter. Allan Hoffman may be reached via his website, allanhoffman.com.

Economy

CONTINUED FROM PAGE 22

jobs in New Jersey, and without it, those jobs would not be here," Maureen Hassett, senior vice president for governance and communications of the EDA, said in response to yesterday's report. "These policies have positioned New Jersey for business expansion, economic growth and job creation as our economy recovers."

Good Jobs First was critical of other states' programs as well. Twelve programs divert 75 percent or more of withholding taxes, including 100 percent in the EDGE tax credits in Illinois and Indiana. Eighteen programs provide 10 or more years of subsidies, including 25 years for Mississippi's Withholding Rebates grant.

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NEW JERSEY'S TOP 100

The 100 largest companies in the state, ranked by market capitalization. Listings are arranged alphabetically. Prices and rankings are updated daily.

Table with columns: NAME, SYN, NJ RANK, 52-WK HIGH, HIGH DATE, 52-WK LOW, LOW DATE, VOL (000), YEST CLOSE, YEST CHG, % CHG. Lists top 100 companies like ADP Inc, Alexandrs, AmWtrWrks, etc.

Sym = ticker symbol; NJ rank = Ranking based on market capitalization among all publicly traded companies with headquarters or significant presence in New Jersey; 52-wk high = The highest trading price of shares in the past 52 weeks (or one year) of trading; High date = The dates shares hit their 52-week high; 52-wk low = The lowest trading price of shares in the past 52 weeks (or one year) of trading; Low date = The dates shares hit their 52-week low; Vol. = Volume, or number of shares traded; Yest. close = The closing, or last price, at which shares traded before the 4 p.m. close; Yest. chg. = The gain or loss from the previous close; % chg. = The percent change during the session.

DATA SOURCE: Bloomberg as of 4:30 p.m.

Taxes CONTINUED FROM PAGE 22 federal income tax forms for free through the Free File Fillable Forms program, which is also found at www.irs.gov/efile. FILING TIPS File electronically. The IRS has processed more than 1 billion individual tax returns safely and securely since 1990.

For more information or to purchase tickets or sponsorships, please contact Lauri Masur at 973-696-3783 or lauri@cdkevents.com. Or visit our website at www.newarkschoolofthearts.org. Area businesses interested in donating product for our Silent Auction, please also contact Lauri Masur.

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