



CONFIRMED
Eric Holder OK'd as Attorney General | **A7**

Bainbridge's Anna Wood
a Sparkplug on the High School
Basketball Court | **B1**



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CENTS

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COULD STATE FERRY BIDS GO NATIONAL?

Local Bank Loses \$12M in 4th Quarter



State Rep. Christine Rolfes, D-Bainbridge Island, center, chats with Gordon Baxter, representing the Puget Sound Metal Trades Council, and his friend, Gwen Fraser, after a ferry bill hearing in Olympia on Monday. Rolfes is a sponsor of a bill that would allow out-of-state shipyards to compete for bids to build ferries for the state of Washington. Baxter testified against the bill during the hearing.

Revised Plan Will Give Southworth Riders Their Own Ferries

Another revision backs off a controversial plan, which suggested that counties should provide foot-ferry service to compensate for state cutbacks.

By ED FRIEDRICH | EFRIEDRICH@KITSAPSUN.COM

Southworth would get its own ferry routes to Fauntleroy and Vashon Island under Washington State Ferries' revised long-range plan.

The plan, released late Saturday, changes a previous draft plan, based on testimony given at 10 public hearings and 800 submitted comments. It states that draft Plan A didn't adequately address growth and operational issues of the Southworth-Vashon Island-Fauntleroy route.

Most sailings between Southworth and Fauntleroy now make a stop at Vashon, and 70 percent of the car decks are reserved for Vashon drivers. Fifty-one sailings run among the three destinations every day, only 17 run directly between Southworth and Fauntleroy.

Under the revised Plan A, two boats would run between Vashon Island and Fauntleroy and another between Southworth and Fauntleroy. A fourth — the 34-car Hiyu — would shuttle between Southworth and Vashon.

Under the revised Plan B, only two boats would run on the existing triangle route.

The state announced two draft long-range plan options in late December. Washington State

SEE REVISED | **A3**

Rep. Christine Rolfes says her bill, which would open construction bids to out-of-state firms, would allow the state to pursue federal funding.

By ED FRIEDRICH | EFRIEDRICH@KITSAPSUN.COM

OLYMPIA

Ferry customers and shipyard industry officials came down on opposite sides of a bill Monday that would open up construction bids for some vessels to out-of-state firms.

Rep. Christine Rolfes, D-Bainbridge Island, who introduced House Bill 1652 on Monday, believes her proposed legislation would allow Washington to receive stimulus and other federal funds, and perhaps more competitive bids. Riders, who want more boats now, side with her. Shipyard executives and union reps want to guarantee that the work stays in the state to create its own economic stimulus.

Rolfes also sponsored another ferry bill, HB 1209, which would allow the state Department of Transportation to purchase five passenger-only ferries. Rep. Jan Angel, R-Port Orchard, testified in favor of the bill.

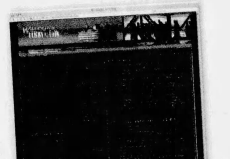
The state hasn't added a new ferry in a decade, though the Legislature has provided money. Current law requires that they be built here, but Todd Pacific Shipyards in Seattle was the only one to bid on the past two jobs, and its prices came in much higher than the state estimated.

Washington State Ferries wants to build three 64-car ferries in the next three years and seven 144-car boats after that. That's contingent on the Legislature and governor providing the funds. It already has a contract with Todd to build the first 64-car boat for the Port Townsend-Keystone route.

Bidding must be open nationwide for a state to receive federal funds.

"If our shipyards compete for funding to build a second boat, we can bring millions of federal stimulus dollars to our state and create more jobs for a longer period of

SEE BILL | **A3**



Hearing Highlights: For video highlights of Monday's House Transportation Committee hearing, click on this story at kitsapsun.com.

Talk It Over: Got a bone to pick with the ferry plans? Discuss the WSF's future with other riders, go to www.washingtonferrytalk.com.

READER'S GUIDE

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TODAY'S WEATHER

Fog in the morning, partly sunny. High: 54.
Low: 36. | **B10**

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FOR THE RECORD

Wrong Title: Robin Henderson is chairman of the board of Learning Tree Child and Family Center. An article Saturday gave the wrong title. Also, the Learning Tree board has been discussing the possibility of closure since mid-December, not Jan. 20.

The CEO of Westsound Bank, in which its parent company lost \$33 million last year, said it is all part of a rebuilding strategy.

By RACHEL PRITCHETT
RPRITCHETT@KITSAPSUN.COM

BREMERTON

WSB Financial Group, the parent company of Bremerton-based Westsound Bank, has announced a \$12 million fourth-quarter loss and a \$33 million loss for all of 2008.

President and Chief Executive Officer Terry Peterson said the losses are part of a two-pronged strategy to shrink the bank's assets and aggressively collect on risky home-construction loans that soured.

"As we enter 2009, we are continuing to execute our plan to collect on our problem assets, shrink the balance sheet and position the franchise to return to health," he said.

Peterson, hired last year to put the bank back on sound footing, predicts the current quarter also will result in losses, though not as steep.

After that, he said, Westsound Bank will emerge as a smaller bank ready to refocus its attention on lending.

"We will do that in a safer and sounder way ... that represents

SEE BANK | **A4**

TO LEARN MORE

To read the entire fourth-quarter statement by the parent of Westsound Bank, visit www.westsoundbank.com, then click on "investors" and "press releases."

4 Arrested for Suspected Prostitution on Bainbridge

Two of the women arrested at an island hotel early Saturday are from Bremerton.

By TRISTAN BAURICK
FOR THE KITSAP SUN

BAINBRIDGE ISLAND

Four women, two of them Bremerton residents, were arrested on misdemeanor prostitution charges early Saturday at a Bainbridge Island hotel.

Additional felony charges — including promotion of prostitution and providing a venue for prostitution — could be filed when the investigation is complete, according to Bainbridge police. The suspects were booked and released from the Kitsap County jail over the weekend.

Police believe the suspects are part of larger sex-trade rings that regularly operate in the area.

SEE STING | **A4**

Obama Nominates King County Exec to Housing Post

By GENE JOHNSON
ASSOCIATED PRESS

SEATTLE President Barack Obama announced Monday that he will nominate Ron Sims, the top elected official in Washington state's most populous county, as the second-in-command at the U.S. Department of Housing and Urban Development.

If confirmed by the Senate, Sims will oversee day-to-day operations at an agency with 8,500 workers, a nearly \$39 billion budget and a thorny problem: millions of foreclosures threatening homeownership nationwide. He told a news conference he was honored to have been chosen and would carry out the president's commitment to improving the lives of people in the nation's cities and closing the gap between the haves and have-nots in American society.

"We all need to own the reality of inequity," Sims said. "I do not believe that these inequities are either natural or inevitable. I have devoted my life to reversing these courses."

Sims, 60 and a native of Spokane, is the state's most prominent black politician. He was appointed King County executive in 1996 after his predecessor, Gary Locke, was elected governor. He won election in the next year and was re-elected in 2001 and 2005. Also a former county councilman, he has lost two statewide races — for Senate in 1994 and for the Democratic primary for governor in 2004.

He didn't ask for the job, he said, but he wasn't going to pass up the chance to be part of the new administration, either — especially after gushing with praise upon meeting Obama in Chicago last November.

The president-elect said Sims would serve in his cabinet. Sims said he replied that "no one is going to tell the president no, and no one is going to tell you in particular no."

As King County executive, Sims has championed conservation and mass transit while maintaining the county's triple-A bond rating. He proudly noted that King County's jails hold fewer people now than they did in 2000.

"Ron's track record as an innovative leader with an exciting vision for the future of our nation's communities make him the perfect deputy secretary candidate as we tackle the nation's housing crisis amidst the biggest economic downturn in decades," newly minted housing Secretary Shilpa Donovan said in a statement.

Sims, who had been running for re-election, urged the King County Council to appoint a "caretaker" executive to replace him — someone who's only interested in serving through the November election. He said he has no political advantage to any candidate. He said he gave the council the names of people who would serve well in that role, but declined to say whom he suggested.

BANK Bad Loans Have Hurt the Financial Institution

FROM A1 the entire community and not just the home-construction industry," he said. That process could start in the next four to six quarters, he said.

The bank shrunk its assets by about 25 percent, or about \$124 million, in 2008. It will need to shrink assets by another \$100 million before it can turn its attention to making new loans, Peterson said.

Meanwhile, Westsound Bank is working the collection end of the business, bringing in \$92 million on bad loans in 2008.

Collecting on bad loans is hard work, and the key appears to be patience and perseverance.

"There's not a bad loan that you can't work through," Peterson said. "Peterson said the bank is six months ahead of some others in the collection process, because its problems were apparent sooner. A previous administrator was too aggressive in making shaky home-construction loans, the bank's

bad loans became more "concentrated" and a solution had to be worked toward faster.

According to Kitsap Sun archives, Westsound Bank got into trouble when it made home-construction loans that didn't require income verifications. The loans were based on a program offered by secondary-market player Countrywide Financial Corp. But after authorities questioned some of the loans, Countrywide pulled its program, and left Westsound without an exit strategy to sell the loans. According to past reports, there were 146 loans to about 135 borrowers totaling \$90 million.

Besides Bremerton, Westsound Bank has eight locations on the Kitsap and Olympic peninsulas and in Federal Way. It was started in 1999.

WSB Financial Group was trading at 56 cents a share on the composite exchange late Monday.

STING Investigation Is Ongoing in Sex Trade

FROM A1 Bainbridge Police Detective Trevor Ziembra believes it is the first prostitution-related arrest on the island in more than 15 years.

Bainbridge police made the arrests following a joint investigation with the Bremerton Police Department, Seattle Police Department's vice squad, Washington State Patrol and the Naval Criminal Investigation Service. An informant played a key role in the investigation, police said.

Police would not disclose the suspects' names or ages, but confirmed that they are older than 18. Two are from Bremerton and two are from Seattle.

Police also declined to name the hotel where the arrests occurred. Hotel management cooperated with police to set up the sting, police said. Undercover police officers, posing as would-be

clients, logged on to the alleged prostitutes' promotional Web sites to invite them to Bainbridge. Ziembra said the promotional Web sites are "very common, very public and very blatant."

The island's wealth and the perception that it is free of serious criminal industries make it an enticing place for prostitutes to operate, police said.

Ziembra understands that the presence of a sex trade may surprise some islanders. But "based on the intelligence we gathered, we know this is not the first time these girls have been to the island," he said.

The four women likely represent only a fraction of the island's illicit sex trade, he said. "If we had more time and resources I think people would be horrified surprised by the number of arrests we could have made," Ziembra said.

OBITUARIES



Donald Campbell

OF ISSAQUAH
JAN. 10, 1932
TO JAN. 11, 2009
VETERAN

Don Campbell, former Executive Director of the Bremerton Area Chamber of Commerce, lost his fight with leukemia on January 11, 2009, the day after his 77th birthday.

He was born in Spokane, the son of Don and Rose Campbell. He was a 1954 graduate of the U.S. Naval Academy. He retired as a Captain after serving 26 years in the Navy.

Don's civilian occupations: Director of Architectural Operations for Pentron; Director of West Coast Operations for Goult; Executive Director of both the Bremerton and the Sequim Chambers of Commerce.

He is survived by his wife, Phyllis, the former Phyllis Jean Olsen, whom he married in 1955. Phyllis is the sister of Don's roommate at the Naval Academy, J.J. Olsen. Also surviving are his daughters Casey (Todd) Davis and Kim (David) Sanders and son Brad (Trista) Campbell and his four grandchildren: Rhya and Dakota Sanders, Laina Campbell and Cameron Davis and his brother Jim Campbell.

A celebration of his life will be held January 16th at Flintofts Funeral Home in Issaquah, WA. Remembrances may be made to the Fisher House c/o www.fisherhouse.org. Friends are invited to share memories and sign the family's online guest book at www.flintofts.com.



Paula Stiles

OF BREMERTON
MARCH 25, 1927
TO JAN. 17, 2009

Paula Ruth Stiles was born 3/25/1927 in Lavoye, Wyoming, to Paul and Ruth Urpman.

Paula married Donald Stiles 5/8/48 in Coeur d'Alene, Idaho. They were married 55 years until his death on 10/20/2003. The family moved to Washington in 1941, where Paula raised 3 sons and was a well-loved staff member of Brownsville Elementary for 28 years, until retirement in 2002. Paula was a Brownsville Friend of the Library and was dedicated to support and enrich the library's growth.

Paula enjoyed travel, camping and was an avid reader. She loved to garden and was well-known for her delicious baked goods, which she generously shared to the delight of many. She loved to spend time with her dog, Dudley, and Bert, Tony, who adored her. Her friends and family member her for her sense of humor and quiet, steadfast loyalty.

Survivors include sons David, Ronald (Becky), and James, brothers Bob (Charlene) Urpman, Frank Urpman, Roy (Linda) Urpman, and grandsons Joseph Stiles, Zachary Stiles, Matthew Stiles, and nine nieces, twelve nephews, and three great-grandchildren.

A memorial will be held on Saturday, February 7, 2009, at 2 p.m. at the Brownsville Methodist Church, 8811 Illahe Road NE, Bremerton.

Dale Fox

OF BAINBRIDGE ISLAND
JAN. 8, 1927
TO JAN. 29, 2009
VETERAN

Dale Norman Fox, a resident of Bainbridge Island for 60 years, died Jan. 29, 2009, at Hospice Care Center in Bremerton. He was 82 years of age.

He was born Jan. 8, 1927, in Yakima to Norman and Esther (Strong) Fox. The family moved to Seattle when he was a toddler, and lived for a time during the Depression with his grandparents in a houseboat on Lake Union, long before houseboats were fashionable.

He is survived by his daughters, Penny (Tom) Lamping and Becky Fox Marshall; all of Bainbridge Island; grandchildren Kate (Jeremy) Brown of Bainbridge Island, David (Christin) Lamping of Seattle, Abby Marshall of Las Vegas, Nev., and Claire Marshall of St. Paul, Minn.; numerous nieces and nephews; and his great-granddaughter, Lucy Rebecca Lamping Brown of Bainbridge Island — the last person to whom he spoke and for whom he smiled.

The family wishes to thank the staff at Hospice Care Center of Kitsap County in Bremerton for their compassionate care.

Services will be private. Please sign the online Guest Book for the family at: www.cookfamilyfuneralhome.com. Memorials are suggested to Hospice of Kitsap County, P.O. Box 3416, Silverdale WA 98383.

Donna Palmer

OF SILVERDALE
MAY 2, 1919
TO JAN. 27, 2009
VETERAN

Donna L. Franklin Palmer, 89, passed away January 27th at the Kitsap County Hospice Care Center of natural causes. She was born on May 2, 1919 to A. Grant and Mayme R. Franklin in Mt. Vernon, WA.

She earned her B.A. in Education and a Master's Degree in Library Science. She worked as a teacher and librarian in the Oak Harbor School District and the Edmonds School District, retiring in 1979. She also spent one year teaching in Nuremberg, Germany during American Military Base from 1953-1954.

Donna proudly served in the United States Marine Corps from 1943 until 1944.

Donna was married 46 years to Harold Palmer who passed away in 2003. She moved to Bremerton in 1987, her remaining years near her niece Vickie Barton and her husband Roy and nephew Brian Holt and their families.

Theodore (Ted) Orwiler

OF CHENY
OCT. 27, 1920
TO JAN. 25, 2009

Ted F. Orwiler, 88, passed away Jan. 25 at his residence in Cheney, WA.

He was born to Floyd and Lucy Orwiler near Rosalia, WA. The family later moved to the Silverdale area, where Ted attended school. He graduated from Silverdale High School in Silverdale, WA, in 1939. He worked at PNSN during World War II, after the war, Ted moved to Eastern WA and worked in the farming industry. There he met and married his first wife, Ann. They had one son, Alvin. Ted later retired as a maintenance foreman from a Spokane creamery. He enjoyed his life on his farm and fishing with friends & family. He will be remembered as having a quick wit and dry humor. He was known for



Daniel Davis

OF MESA, AZ
MARCH 28, 1921
TO JAN. 10, 2009
VETERAN



Former Bremerton resident Daniel T. "Dave" Davis passed away January 10, 2009.

Dave served 21 years in the U.S. Navy and retired from the Puget Sound Naval Shipyard.

He was preceded in death by his former wife, Gladys in 1992. He leaves behind his current wife, Marjorie; his two adopted children, Tom Woodford and Terry Davis of Bremerton; and his daughter, Toni Gonzalez of San Diego.

At his request, there will be no service.

Warren Beckett

OF KINGSTON
SEPT. 27, 1926
TO JAN. 20, 2009
VETERAN

Warren A. Beckett, age 82, passed away on Jan. 20, 2009 at the VA Hospital in Seattle, Washington.

He was a military veteran who proudly served his country in World War II. As a civilian he spent many years as a heavy equipment mechanic in Seattle.

Later in life after retiring from the Rent-It Center in Poulsbo, Warren spent his time fishing with his son Robert and tinkering with his tractors.

Warren always took time out to help a friend in need. He is survived by his wife, Marilyn Beckett; two sons, Dan and Robert; a daughter, Tina Beckett; and stepchildren Tom, Ervin and Patricia Rains. Also grandchildren Jerad, Nathaniel, Chrissy, Opal, Viola and great-granddaughter Lillian.

A memorial service will be held at 12:30 p.m., Feb. 6th at Tahoma National Cemetery in Kent, Washington. A wake will be held at 1:30 p.m., Feb. 7, 2009, at the Kingston Christian Church.

OBITUARIES

The Kitsap Sun publishes obituaries of area residents or former residents free of charge. Free obituaries are limited in length to about 215 words (1,200 characters). Obituary contributors are responsible for the accuracy of information provided.

Photos that accompany obituaries must show the deceased person's face.

Accompanying photos are published at no cost. Obituary information should be submitted using an online form at www.kitsapsun.com. We do not accept information for obituaries over the phone.

PAID OBITUARIES

Families who wish to publish items that exceed the length limit for a free obituary must pay for the additional space required. The online form gives you this option and calculates the exact cost for you as you add more words.

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