



Cards, Express set to clash in VBL first round
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Weather, A10

Court strikes down Va. gay marriage ban

By Michael Felberbaum
The Associated Press

RICHMOND — Virginia's same-sex marriage ban was ruled unconstitutional on Monday in the first such decision by a federal appellate court in the South.

"We recognize that same-sex marriage makes some people deeply uncomfortable. However, inertia and

apprehension are not legitimate bases for denying same-sex couples due process and equal protection of the laws," Judge Henry F. Floyd wrote.

The 2-1 ruling applies throughout the circuit that also includes West Virginia, Maryland, and the Carolinas, where the attorneys general split Monday on what they'll do next. Virginians voted 57 per-

cent to 43 percent in 2006 to amend their constitution to ban gay marriage. Virginia laws prohibit recognizing same-sex marriages performed in other states. Floyd said such measures "impermissibly infringe on its citizens' fundamental right to marry."

The 4th U.S. Circuit Court of Appeals in Richmond is the second federal appellate court to overturn

gay marriage bans, and the first to affect the South, a region where the rising tide of rulings favoring marriage equality is testing concepts of states' rights that have long held sway.

Gay marriage proponents have won more than 20 legal decisions around the country since the U.S. Supreme Court struck down part of the federal

Defense of Marriage Act last year. Most are still under appeal. More than 70 cases have been filed in all 31 states that prohibit same-sex marriage. Nineteen states and the District of Columbia allow such marriages.

The U.S. Supreme Court could have at least five appellate decisions to consider if it takes up gay marriage again in its next

term, beginning in October.

The 6th Circuit in Cincinnati will hear arguments on Aug. 6 for Ohio, Michigan, Kentucky and Tennessee. The 7th Circuit in Chicago is set for arguments on Aug. 26, and the 9th Circuit in San Francisco for Sept. 8. The 10th Circuit in Denver overturned Utah's ban in June.

BAN, A2



Former Virginia first lady Maureen McDonnell, center, flanked by daughters Rachel, left, and Cailin, right, heads into the Federal Courthouse in Richmond.

Ex-gov. corruption trial begins

By Larry O'Dell
The Associated Press

RICHMOND — The corruption trial of former Virginia Gov. Bob McDonnell, once a rising star in the Republican Party, and his wife began Monday in federal court with jury selection.

Bob and Maureen McDonnell are charged in a 14-count indictment with accepting more than \$165,000 in gifts and loans from the CEO of a dietary supplements company in exchange for helping promote his products. Their trial is expected to last at least five weeks.

Before the trial's opening, federal prosecutors filed a list of 61 potential witnesses, including Maureen McDonnell and the couple's three children, Sean, Rachel and Bobby.

The defense filed a list that includes 121 potential witnesses, many of them overlapping with the prosecutors' list. Potential defense witnesses include Bob McDonnell, former Virginia Gov. L. Douglas Wilder, former Virginia

Attorney General Ken Cuccinelli and Virginia House Speaker William J. Howell.

Bob McDonnell was considered a possible Mitt Romney running mate in 2012 before the federal investigation ruined his political future.

In court, U.S. District Judge James Spencer asked a pool of 150 potential jurors routine questions, including whether they knew or were related to any of the people involved in the case.

Ten days after leaving office in January, McDonnell was indicted. Before the indictment, he apologized for what he described as bad judgment and said he repaid about \$120,000 in gifts and loans, but he denied breaking any laws. He and his lawyers have argued that prosecutors are trying to criminalize routine and long-accepted political courtesies, such as hosting receptions and arranging meetings, that fall short of more tangible rewards historically associated with bribery. Prosecutors have coun-



Former Virginia Gov. Bob McDonnell and one of his defense attorneys, John Brownlee, a former federal prosecutor, prepare to enter the U.S. District Courthouse in Richmond.

tered that the McDonnells' willingness to help former Star Scientific Inc. CEO Jonnie Williams on "an as-needed basis" and Williams' expectation of something in return,

regardless of whether he received it, is enough to support a conviction. If the jury agrees, the McDonnells could face decades in prison.

TRIAL, A2

Dollar Tree to purchase rival Family Dollar

By Candice Choi and Michelle Chapman
The Associated Press

NEW YORK — The fight for penny pinchers is intensifying.

Dollar Tree said Monday it is buying rival discount Family Dollar for \$8.5 billion, significantly broadening its reach as it looks to fend off Wal-Mart, which has been stepping up its courtship of lower-income customers.

The deal makes Dollar Tree the biggest player in the dollar store segment, with its more than 13,000 combined locations eclipsing current leader Dollar General Corp., which has about 11,300.

Dollar stores grew during the recession as people across income groups searched for cheaper options. To attract a broader array of customers, they also expanded their offerings to include more groceries and brand-name products, instead of just the

party favors and other knickknacks people often associated with them.

More recently, however, sales at dollar stores have been suffering because the lower-income customers who go to them are facing persistent job instability and slow wage growth in the aftermath of the recession. Wal-Mart Stores Inc. and Kroger Co. also have been opening smaller store formats to directly compete with dollar stores. During its current fiscal year, Wal-Mart plans to open 270 to 300 smaller outlets designed to cater to shoppers looking for more convenience.

Brian Sozzi, CEO and chief equities strategist at Belus Capital Advisors, said because the Dollar Tree deal will allow the company to lower expenses by merging its operations, it will ultimately be able to lower prices to better compete with Wal-Mart.

BUYS, A2

Warehousing, logistics company plans expansion

By Katie Demeria

InterChange Group Inc., a warehousing and logistics company based out of Harrisonburg, is planning on expanding its Front Royal location.

According to president Devon Anders, the company is hoping to receive a permit to build a 126,000 square-foot building across the street from its current 48,000 square-foot facility at 190 Torray Drive.

Anders said the company has been hoping to make this expansion for several years — they have owned the property since 2006. "We've always been sup-

porters of Warren County," Anders said. "It's been a good locality in terms of development, permitting and construction. When we first built in 2006, it was a very smooth process."

The company is in the process of receiving a conditional use permit, Anders explained, which is necessary because the building is greater than 50,000 square feet. They will attend the next planning commission meeting on Aug. 13, during which a public hearing may be scheduled.

There are no definite plans in place as of yet

EXPANSION, A2

Report: Medicare's own health looking better

By Stephen Ohlemacher and Ricardo Alonso-Zaldivar
The Associated Press

WASHINGTON — Medicare's financial future is looking brighter despite a growing wave of baby boomers reaching retirement.

Getting relief from a slowdown in health care spending, the program's giant hospital trust fund won't be exhausted until 2030, the government said

Monday. That's four years later than last year's estimate.

As for Social Security, its massive retirement program will remain solvent until 2034, although disability benefits are in more immediate danger. The disability trust fund now is projected to run dry in just two years. At that point, unless Congress acts, the program will collect only enough payroll taxes to pay 81 percent of benefits.

MEDICARE, A2



Palestinians gather at the scene of an explosion that killed 10 people, 9 of them children, at a park at Shati refugee camp in the northern Gaza Strip.

Netanyahu: Be ready for 'prolonged' Gaza war

By Karin Laub and Tia Goldenberg
The Associated Press

GAZA CITY, Gaza Strip — Signaling an escalation of Israel's Gaza operation, Prime Minister Benjamin Netanyahu told Israelis Monday to be ready for a "prolonged" war, and the military warned Palestinians in three large neighborhoods to leave their homes and head immediately for Gaza City.

The warnings came on a day of heavy Hamas-Israeli

fighting in which nine children were killed by a strike on a Gaza park where they were playing, according to Palestinian health officials — a tragedy that each side blamed on the other.

Israeli tanks also resumed heavy shelling in border areas of Gaza, killing five people, including three children and a 70-year-old woman, and wounding 50 in the town of Jebaliya, which was among the areas warned to evacuate, the Red Crescent said.

GAZA, A2



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