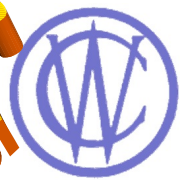


The Biz

Credit & Collection News

Collecting America's
Debt Since 1930!



Caine & Weiner
Companies

3rd Quarter, 2001

Volume 1 Issue 3



Now Available: State-by State Interest Rates

Remember the last time you were preparing an interest-bearing note for an out-of-state customer and you didn't know where to obtain the rate of interest that could legally be charged in their state.

Allowable interest, as most lawyers and accountants know, varies by state. In Michigan, Wisconsin and Iowa, the maximum amount that can be charged is 5%. New York debtors can be charged up to 16%.

For a state-by state listing of interest and other helpful data for accounts receivable management professionals, visit the Resource Center page on our website

www.caine-weiner.com

24/7 Account Status Now Available

Access to your debtor files can be made from your PC

Van Nuys, CA-- From the convenience of their desk-top PC, Caine & Weiner clients can now have free 24/7 access to the accounts they've placed for collection.

In keeping with Caine & Weiner's on-going efforts to insure that their clients receive quality service, this new internet feature, referred to as CUConnect, enables them to obtain information within seconds about the debtors they've placed for collection.

Such information is helpful when a debtor who was placed for collection is attempting to re-order merchandise. By having direct access to their collection file at Caine & Weiner, the Credit Manager can immediately determine if the delinquent balance was paid in full.

"The feature gives me up-to-the-minute status of my accounts, making my job much easier," commented Meredith Wade, Director of Finance for Santa Cruz-based Prosperpoint.com, a high-tech company who provides e-commerce solutions for small merchants. "I always know what's happening. The information is as close as my keyboard", she said.

Although clients can also obtain a faxed report of their debtor's file on a request basis, "This method", said Greg Cohen, Caine & Weiner's President and Chief Operating Officer, "is generally used by clients without internet resources or if the time frame isn't an issue".

"Moreover", he said, "Because of the high priority we place on client confidentiality and security, those using the internet access cannot access the debtor files of other C&W clients".

An assigned ID and Password is the only way a user can access the system.

Once the user is logged on, they

(Please see next page)





an international organization conducting business throughout the world from its offices across the United States. Annual sales exceed \$100 million.

“This award”, Caine said, “Recognizes and reinforces our commitment to the business community and to the San Fernando Valley”.

To receive the award, the recipient must be sponsored and exemplify community involvement and business leadership.

In addition to this award, California Senator, Barbara Boxer commended Caine for his outstanding accomplishments, presenting him with a Certificate of Appreciation. Other recognition included a Commendation for Dedicated Service *to the affairs of the community and civic pride* from Board of Supervisor members’ Michael Antonovich and Zev Yaroslavky.

Additional acknowledgment of Caine’s contributions came from California’s Speaker of the House, Robert M. Hertzberg for “his valuable service provided to the San Fernando Valley”,

and from Senator Richard Alarcon of the 20th District, who presented him a Certificate of Recognition.

Caine is the past President of the El Portal Center for the Arts, a grass-roots organization responsible for re-energizing equity theatrical productions in North Hollywood. He is also a past Chairman of the Agency Section of the Commercial Law League of America and past board member of the league.

He resides with his wife, Sunny, in Sherman Oaks. They have two children and five grandchildren.

Van Nuys, CA-- Robert E.Caine, Chairman and Chief Executive Officer of Caine & Weiner Company, Inc., was recently honored by the United Chambers of Commerce of The San Fernando Valley (California).

In a ceremony held June 8th at the Airtel Plaza in Van Nuys, he was a recipient of this year’s Small Business Award for 2001.

The prestigious award, given to him for outstanding service to the community and the Valley Economic Development Center was in recognition of his support and dedication to the industry and his community involvement in the San Fernando Valley.

Caine’s father, Sidney and his associate, Charles Weiner, founded the organization bearing their names in 1930. Today it is

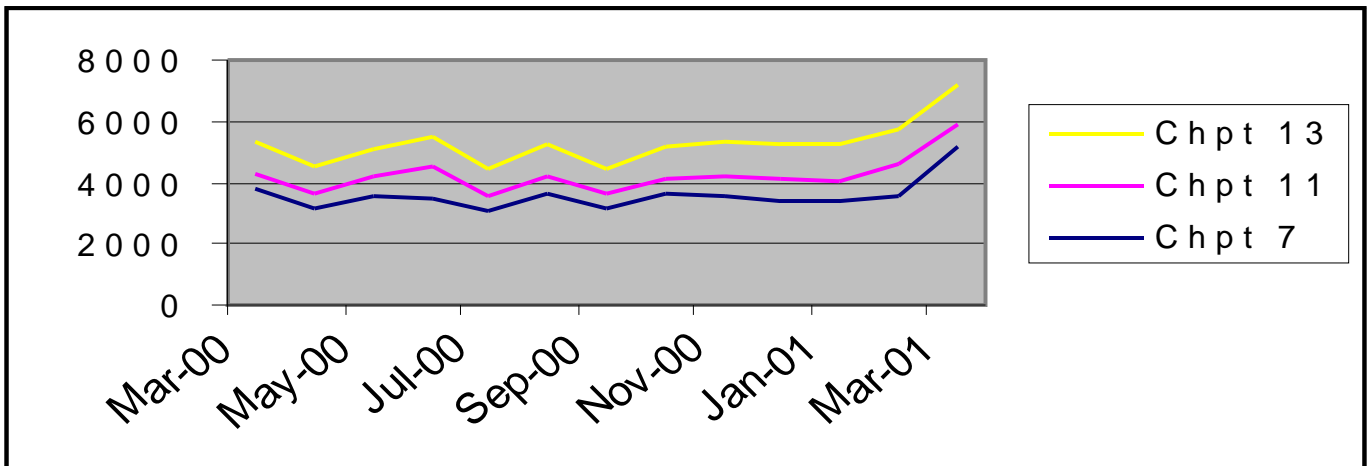
(24/7 continued)

can access the information several ways. The search methods include; the account name, client number, C&W account number, the debtor’s social security number or telephone number.

Visitors can also access the collectors notes, providing them with a running commentary of the debtors progress and view status reports.

For your ID and password contact your Client Relations Manager or JoNeda Rizzo at jonedar@caine-weiner.com.

Commercial Bankruptcy Filings--March, 2000 through March, 2001



Bumpy Road Ahead

After a decade of meteoric growth, the red-hot U.S. economy is cooling down.

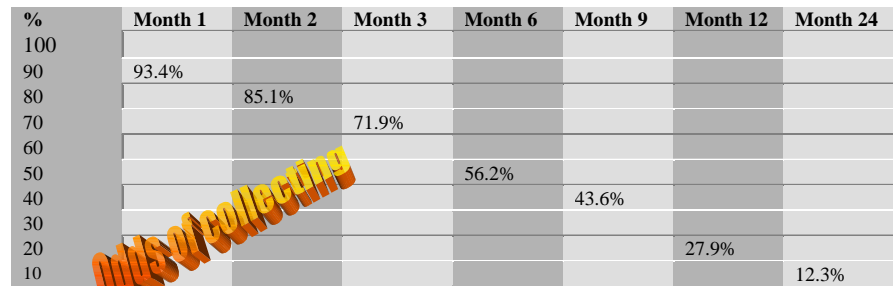
Estimates of the Gross Domestic Product, for the first quarter of 2001 have been scaled back to an anemic 1.3%. Business bankruptcies during the first quarter of 2001 rose 5.8% from a year earlier. The Federal Reserve reported that the 41 corporate bond defaults were a record high.

Non-performing commercial loans and delinquent accounts are expected to saturate the market through the rest of the year.

Depending on who you talk to, the reasons for the slowdown include the new administration in the White House, the slowing global economy, the energy crisis, the predicted downside of unbridled high-tech growth and others. Whatever the reason, accounts receivable experts agree that tighter control of their receivables is essential.

“The most prudent course of action”, said Greg Cohen, Caine & Weiner’s President, “Is to *avoid* sustaining the loss. The best remedy is to exercise due diligence at the beginning of the transaction. This can be accomplished by carefully reviewing the credit application. If necessary, ask your customer to provide a financial statement.

It’s OK, to refuse credit”, he said. “Often saying no is the right business decision!”



Is The Credit Industry Over Regulated?

Robert E. Caine, Chairman & CEO

In the mid-sixties, Ralph Nader's newly published book, *Unsafe At Any Speed* targeted Detroit automakers for manufacturing unsafe vehicles. It skyrocketed to the top of *The New York Times* best sellers list, immediately galvanizing consumer awareness. Many feel this was the beginning of the consumer movement.

Since then, much legislation has been passed, much of it addressing the creditor/debtor aspect of consumerism. Some think the laws are weighted in favor of the debtor, *not* the creditor. Among them are Credit Managers, Collection Attorneys and Collection Agencies, who each year find themselves having to comply with more regulations in their pursuit of delinquent debt.

Laws regulating the credit industry include; The Consumer Credit Protection Act, The Truth in Lending Act, Tax reform Act of 1986, Right to Financial Privacy Act, Regulation M, Fair Credit and Charge Card Disclosure Act, Fair Credit Reporting Act, Fair Debt Collection Practices Act, Federal Bankruptcy Code, Real Estate Settlement Procedure Act, Home Equity Loan Consumer Protection Act, Financial Institutions Reform, Recovery and Enforcement Act and others.

Recently added to the list is the Gramm Leach Bliley Act (GLBA), which requires that customers be notified of the firm's privacy policies regarding personal information and be

regarding personal information and be given a choice if that information can be shared with third parties.

In order to comply with GLBA and other laws such as The Health Insurance Portability and Accountability Act, which restricts patient's medical records, some companies are appointing compliance managers. Companies who have created this position include AT&T, American Express and Prudential Insurance.

Adhering to privacy issues and compliance with the plethora of federal and state laws is taken serious by American industry. In a recent *Los Angeles Times* story, businesses are expected to shell out over \$1.5 billion in the next two years for privacy-related services.

The question is, at what point does regulation become a detriment? No one really knows, but it is a reality in today's business world and will continue to be in the future.

One could argue that the industry would probably be better served through aggressive self-policing by the industry leaders, thereby obviating the need to have laws rolled out of Washington by those detached from the day to day realities of the industry.

