

The Biz

Credit & Collection News from Caine & Weiner

Volume 8 Issue 4

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Caine & Weiner

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Excellence in Global Receivables Solutions
Professional Service, Personal Attention—Proven Results

Spending Time Chasing Your Money?

Time is money... Let us help you use it wisely.



West Coast



Midwest



Mid-South



Northeast

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Holiday Greetings!

Woodland Hills, CA—As 2008 comes to a close, we look back on a year that has presented many obstacles to the global business community and households suffering from deteriorating home equity, job losses and concerns about the uncertainty of what lies ahead.

As an enterprise whose beginning was in 1930 during the Great Depression, we have experienced the several downturns in the economy and like the others, the present one is not permanent and eventually will end.

In the meantime we are grateful to our valued clients for the opportunity they have given us to provide assistance to them and increase their cash flow, enabling them to remain competitive in the market place. We remain steadfastly committed to their best interests and will continue to give them top priority.

We also wish to acknowledge our appreciation to our alliance partners, with whom we share core values, and mutual goals.



Chris and Matt, Cami (front), Zac, Jake and Greg Cohen

Our loyal team members are genuinely appreciated and we are thankful for their dedication, devotion and exemplary performance.

Best wishes to all, for a joyful holiday season and prosperous new year.

Greg A. Cohen
President & CEO
Caine & Weiner

Thriving underground economy is a multi-billion dollar business

According to a report released by Symantec Corp., about \$276 million worth of passports, bank account credentials and credit card information were available on web forums and chat rooms for sale from July 2007 to June 2008.

Credit card information was promoted most often, accounting for 31 percent of the underground economy.

Card numbers could be purchased from a few cents up to \$25 per card.

Stolen information remains popular because of the versatility it affords and merchants find it difficult to track.

The servers listing the stolen information are constantly changing to evade prosecution.

**Caine & Weiner
continues expansion**

Caine & Weiner has increased its production team to maintain its high level of file-handling for the record number of accounts placed for collection activity. Delinquent debt has soared as a result of the declining global economy, resulting in the critical need for cash flow for businesses to remain stable.

With additional employees, office space has been added to accommodate them.

On December 5th, the Mid-South Center located in Louisville, KY. made a cross-town move to the upscale Corporate Campus



Mid-South Center
9960 Corporate Campus Drive
Suite #1600
Louisville, KY 40223

Center.

Following the Mid-South move, the Northeast center in Buffalo, NY. relocated on December 19th to larger offices approximately two miles from their former site.



Northeast Center
1127 Wehrle Drive
Suite #30
Buffalo, NY 14221

The moves to expanded facilities follow similar ones undertaken by Caine & Weiner's other centers. In January, 2007, the West Coast Center in Van Nuys, CA. relocated to Woodland Hills, CA. In April of this year the Midwest center in Schaumburg, IL. moved to larger facilities in the same general area.

"Our decision to acquire larger facilities for our expanding production team is in keeping with

our core commitment to give top priority to the ongoing needs of our valued clients," said Greg Cohen, President and CEO of Caine & Weiner.

"For nearly eight decades we have faithfully served them during the cyclical economy. We take considerable pride in being able to generate critically needed cash flow for them and be attuned to their ever changing priorities."

Don't walk away from debts

Homeowners, faced with a short sale assume it is preferable to give up and walk away. Bankers are encouraged to accept short sales for the following reasons:

- The lender avoids court costs
- The lender avoids maintaining the property and associated Costs
- Legal fees are significantly lower
- There will be fewer repairs since the home owner will be less inclined to trash the property
- The net loss for the lender is less

Retail sales continue downward

Consumer spending, the backbone of the U.S. economy, has been battered, if not broken.

The worsening recession is now in a self-reinforcing downward spiral, as the weak economy leads to reduced spending and tighter credit, leading to further job losses and even less spending.

"The sharp slide in economic activity that began in October looks to have

deepened in November," wrote Seamus Smyth, an economist for Goldman Sachs.

"The holiday season is upon us," wrote economists at Wachovia, "But consumers are feeling strapped by declining wealth, growing worries about their job and reduced access to credit. For many retailers, the two months at the end of the year should be the busiest and most wonderful

time of the year. The sharp contraction in spending is coming at the worst possible time for them."

The chain-store sales index probably overstated the weakness. Because Thanksgiving fell so late in the month, fewer holiday shopping days were included in the November report. However, the government's report does adjust for the timing of the holiday.

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U.S. recession could last into 2010

The National Bureau of Economic Research, the private body charged with determining the onset of a recession as well as its endpoint, reported that the current downturn met its definition of a recession: "a significant decline in economic activity spread across the economy, lasting more than a few months."

The downturn began, the bureau said, at the end of last year as businesses started slashing jobs, which they have done every month

this year.

The group did not say how long the recession might last, but the stock market reflected widespread pessimism. After a widely followed index of U.S. manufacturing activity fell to its lowest level in 26 years, the Dow Jones industrials tumbled 679 points, or 7.7%, and the Standard & Poor's 500 index plunged 8.9%.

"This downturn promises to be the worst since the Great Depression in the 1930's," said Joshua Shapiro, chief U.S. economist at forecasting firm MFR Inc. "We've only just got started. I can't see bottoming out until sometime in

2010."

A psychology of fear has gripped businesses and consumers and is likely to prolong the recession, said Lee Ohanian, a professor of economics at UCLA.

"This one has a potential to be longer and deeper than other postwar recessions," he said. "People are very, very scared and worried. In my opinion the government has created much more uncertainty about the economy than it should have done, so it's really hard to tell how long this recession could last."

Government officials reiterated that they would do what was required to turn the economy around.

"While we are making progress, the journey ahead will continue to be a difficult one," Treasury Secretary Henry M. Paulson said.

Federal Reserve Chairman Ben S. Bernanke, addressing the Austin Texas, Chamber of Commerce, pledged to use the central bank's full resources to repair the credit markets and prime the economy.

"But despite the efforts of the Federal Reserve and other policymakers," he said, "The U.S. economy remains under considerable stress.

The Fed has lowered its benchmark interest to between zero and .25%, down from 1 percent, a level that was already the lowest target rate in a half century.

"I am not suggesting the way forward will be easy," Bernanke said. "But I believe that the policy responses taken will help to restore confidence in our financial system."

East West Bank executives visit Caine & Weiner



Greg Cohen, Ken Tang, Van Tran, Steve Simon, Art Escobedo and Lou Wills

Woodland Hills, CA—On December 5th, Caine & Weiner hosted representatives from East Coast Bank's Risk Management Division. The VIP's included; Art Escobedo, Vice President, Ken Tang, Assistant Vice President and Van Tran, Manager.

The Caine & Weiner hosts included, Greg Cohen, President and CEO, Steve Simon, Vice President-Operations Services and Lou Wills, Manager-Client Services.

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TheBiz

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Caine & Weiner—Since 1930, providers of world-class accounts receivable management solutions to the global business community

Established in 1930 by Sidney Caine and Charles Weiner the firm has offices strategically located across the country to service its 2,500 clients.

FDIC study finds steep fees charged for overdraft protection

According to a new FDIC study of 462 banks, more than three-fourths automatically enroll you in the most expensive type of overdraft protection.

The most costly plan is an automated plan, also known as "courtesy overdraft" or "bounce protection." With these, banks use computerized programs to honor your overdraft if the transaction qualifies. But the fees are steep.

Expect to pay from \$10 to \$38 each time you overdraw your account, the FDIC says. The mean or mid-point fee for this service is \$27. Plus, about one-quarter of banks charge additional fees or interest on

your resulting negative balance. Sometimes you can't even opt out of this type of protection, which became popular at most banks after about 2001.

There's another, less obvious way banks increase their overdraft protection fees. About 54% of large banks and 25% of all banks polled process overdraft transactions from largest amounts to smallest. This tactic triggers more fees.

Here's how it works: Say you make a mistake totaling your checking account balance. You write checks for a \$15 magazine subscription, followed by a \$200 roof repair. If you have more than

\$15 in your account, you'd think that check would clear. But by processing the larger \$200 check first, your bank is more apt to hit you with two overdraft fees rather than one if funds don't cover both.

Accounts held by customers in low-income areas were more likely than accounts from high-income areas to incur overdraft charges, the FDIC says. Recurrent overdrafts also were more likely in this group.

There are other, cheaper overdraft-protection products available at many banks. But unlike the automated programs, you must request them.

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