

The Biz

Credit & Collection News from Caine & Weiner

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Caine & Weiner to take active role in NACM's 117th Credit Congress & Exposition

Woodland Hills, CA—As a dedicated alliance partner of NACM Connect, comprised of NACM Midwest, NACM Gateway Region and NACM Upstate New York, the Caine & Weiner team is looking forward to supporting the National Association of Credit Management's (NACM) 117th Annual Credit Congress & Exposition.

This year's event, being held May 19-22 at the Rio Hotel in Las Vegas, is expected to attract more attendees than at last years conference held in Grapevine, TX. which set a five year attendance record by attracting over 1000 credit and collection professionals.

As a long time contributor to this major industry event, Caine & Weiner will support it as an exhibitor and, with NACM Connect, co-host a hospitality suite.

The hospitality suite, which is by invitation only, will take place from 6:00 P.M. to 8:00 P.M. on Sunday, May 19th in the Miranda Room 1 & 2, at the Rio Hotel.

The NACM Credit Congress is the largest annual gathering of business credit professionals in the United States.

Caine & Weiner's team will be on hand to renew existing relationships and introduce proven accounts receivable management solutions to business professionals who are interested in increasing their revenue and lowering their DSO.



The Rio Hotel, Las Vegas

United States: Top 10 bankruptcies of 2012

By Charles M. Oelleman, Mark G. Douglas and Scott J. Friedman
Jones Day

In 2012, unlike in many previous years, when bank holding and financial services companies undone by the financial crisis dominate the Top 10 list for public company bankruptcy filings, only a single financial services company and two banking entities made the year's Top 10.

The remainder of the list was populated by companies in the imaging, energy, publishing, aircraft and shipping industries. Each company on the top 10 list checked

into Chapter 11 with both assets and liabilities exceeding \$1 billion.

Minneapolis, Minnesota-based real estate finance company, Residential Capital, LLC ("ResCap") grabbed the brass ring for the largest public bankruptcy case in 2012 when it filed for Chapter 11 protection in May 14 in New York with \$15.7 billion in assets and \$15.3 billion in debt.

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U.S. Banks had second-best earnings ever in 2012, FDIC says

By Jesse Hamilton
Bloomberg News

U.S. banks had \$141.3 billion in net income last year, the second-best on record behind the \$145.2 billion total reported for 2006, on non-interest income and lower loss provisions, the Federal Deposit Insurance Corp. said.

Fourth-quarter net income was \$34.7 billion, a 37 percent increase from the year-earlier period, the FDIC said today in its Quarterly Banking Profile. The total for the three-month period that ended Dec. 31 was a decline from \$37.6 billion in the third quarter, the FDIC said.

Industry profits were widespread with 60 percent of banks reporting increases from the prior year even as interest-income margins tightened, according to the agency's report. Lenders set aside \$15.1 billion for bad loans -- a 24.6 percent reduction from the year earlier -- and the \$18.6 billion in charge-offs marked the 10th consecutive quarter of declines.

"When you look back to where we were just a few years ago, the progress made to date is meaningful," FDIC Chairman Martin Gruenberg said today in a briefing on the report. "But troubled loans, problem banks and bank failures remain at elevated levels,

while growth in lending and revenue remains sluggish."

Banks bolstered profits by using reductions in money set aside for bad loans as the Federal Reserve's low interest rate policy squeezed margins. Fourth-quarter loan-loss provisions were the smallest since 2006, according to the report.



"Going forward, we think the industry earnings are really going to depend on increased credit," Gruenberg said.

Total loan balances rose \$118.2 billion, or 1.6 percent, in the quarter, led by 3.7 percent growth in commercial loans, according to the FDIC.

"There's not a lot of great opportunities out there at these rates," American Bankers Association Chief Economist

James Chessen said today in reference to the interest rate environment. Business-lending demand is showing recovery and "you'll start to see more consumer lending," he said.

Deposit growth increased by a record \$313.1 billion in the fourth quarter even as the FDIC wound down unlimited backing for so-called transaction accounts, according to the report. Deposits in such accounts, used for payrolls and other business and government expenses, rose by 3.3 percent, the FDIC said.

"It appears that the transition from temporary full insurance to the basic \$250,000 coverage proceeded in an orderly manner," Gruenberg said.

The FDIC's confidential list of "problem" banks -- those among the more than 7,000 insured institutions deemed to be at greater risk of collapse -- fell to 651 from 694 in the fourth quarter, the smallest since before the 2008 credit crisis. In 2012, 51 banks failed, compared with 92 in 2011.

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Payrolls rise as U.S. jobless rate reaches four-year low

By Alex Kowalski
Bloomberg News

Job growth surged last month as automakers, builders and retailers pushed the unemployment rate to a four-year low, defying concerns that budget battles in Washington would harm the economic expansion.

Employment rose 236,000 last month after a revised 119,000 gain in January that was smaller than first estimated, Labor Department figures showed today in Washington. The median forecast of 90 economists surveyed by Bloomberg projected an advance of

165,000. The jobless rate dropped to 7.7 percent, the lowest since December 2008, from 7.9 percent.

"It really should cause people to rethink their weak first-half growth estimates," said Drew Matus, deputy U.S. chief economist at UBS Securities LLC in Stamford, Connecticut, who correctly forecast the unemployment rate. "People counted out the U.S. consumer a little too easily on the payroll-tax increases."

Stocks, the dollar and Treasury yields all rose on signs the world's largest economy is gaining strength in the face of federal budget cuts and higher payroll taxes. The report may fuel debate among Federal Reserve policy makers considering how long to maintain record stimulus to boost growth and employment.

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Poll: Small businesses want transparency

By Nicole Debevec
United Press International

Eighty percent of small business owners said they believe Wall Street and financial companies should be subject to rules and enforcement that hold them accountable for the practices that helped push the country into recession several years ago, results of the survey released last week indicated.

About two-thirds of the companies said they thought the level of government oversight for financial companies was either about right or should be increased.



Additionally, 84 percent said they back the Consumer Financial Protection Bureau, the watchdog agency created by the 2010 Dodd Frank Act to protect people from abusive lending practices.

"We're starting to dig out of the recession," said John Arensmeyer,

founder and chief executive officer of the Small Business Majority. "Small businesses, along with our economy, are getting stronger, but they're certainly not immune to the lingering effects of our financial meltdown."

Results of the survey indicate "now is not the time" to ease back on Wall Street oversight, Arensmeyer said last week during a conference call on the survey.

All small businesses ask of their financial institutions are transaction transparency, clear rules, fair play and that the institutions play by the rules, he said.

In an area that can quickly become political, Arensmeyer noted the majority of the 500 small business owners who participated in the Internet survey -- 52 percent -- identified themselves as Republicans. He said 24 percent said they were Democrats and the rest identified themselves as independents.

The poll indicated nearly six in 10 entrepreneurs agree Wall Street banks and financial companies "wrote their own rules," leaving small businesses and consumers in vulnerable positions without any real recourse.

It is almost thievery

By David Potts
The City wire

Past due accounts receivable has to be one of the most aggravating problems a business owner must confront. As a business owner, you perform the work, incur significant costs, and deliver your product or service to a customer, trusting this person will keep his word and pay you for the work performed. Unfortunately, in business, you soon find some people aren't trustworthy.

With that said, keep in mind most people are trustworthy. If that wasn't true, all business would be cash business and all businesses would operate much like the way I imagine the illicit drug trade operates.

People pay bills late. That is just life. But people buying on credit need to think about how a creditor thinks about them if they pay their bills late. If you are a business owner, you work both sides of the fence. Have you considered how your vendors think about you?

As a CPA, I've worked with business owners for more than 30 years and I know how most think.

When a business owner reviews their accounts receivable, they generally don't pay much attention to specific accounts unless they are 45 days past due.

[Click here for full story](#)

More companies reporting cyber security incidents

By Ellen Nakashima and Danielle Douglas
Washington Post

At least 19 financial institutions have disclosed to investors in recent weeks that their computers were targets of malicious cyber assaults last year, a sign of growing openness among corporations about the breadth of cyber security incidents plaguing the private sector.

In their annual financial reports to the Securities and Exchange Commission, major banks such as Bank of America, Citi, Wells Fargo and JPMorgan Chase,

along with smaller institutions, have reported that their systems were hit with computer disruptions or intrusions.

Almost all reported that they were targeted in last year's highly publicized "distributed denial of service attacks" (DDOS) — efforts to disrupt access to Web sites by barraging servers with computer traffic. The assaults, which are ongoing, made headlines in the fall when U.S. officials

said they believed they were launched by the Iranian government in retaliation for sanctions imposed because of Tehran's nuclear program.

The disclosures are significant in that for years, companies, including banks, have been loath even to acknowledge that they have been victims of such incidents.

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The Biz

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Caine & Weiner—Since 1930, the world-class accounts receivable management solution for the global business community

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

Consumer Bank Card delinquencies are lowest since 1994, ABA says

By Gregory Mott
Bloomberg News

U.S. bank-card delinquencies fell to the lowest level in 18 years as consumers strengthened their personal finances amid uncertainty over the nation's economy, the American Bankers Association said in a quarterly report.

Bank-card accounts at least 30 days overdue dropped to 2.75 percent of all accounts in the third quarter from 2.93 percent in the second quarter, the ABA said today in its Consumer Credit Delinquency Bulletin. The rate, the lowest since 1994, was below the 15 year average of 3.89 percent,

the ABA said in a statement.

ABA Chief Economist James Chessen said the improvement in bank-card delinquencies reflects consumers' efforts to better manage their finances. He said it was a bright spot in a report that failed to show improvement across eight installment-loan categories tracked by the Washington-based industry group.

"The lack of broad-based improvement remains a cause for concern," Chessen said in the statement. "Some categories have reached

historical lows leaving little room for improvement. In addition, slow job growth, continued uncertainty and falling consumer confidence could signal rising delinquencies in the year ahead."

Delinquencies in two home-related loan categories rose in the third quarter, Chessen said.

"While there are strong signs that the housing market has turned a corner, it will take several quarters before delinquency numbers begin to reflect those trends," he said.

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