

The Biz

Credit & Collection News from Caine & Weiner

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Happy Holidays



During this holiday season and as we look forward to another New Year, I wish to convey my heartfelt appreciation to our clients, who represent every major worldwide industry, for their unwavering trust in our over eight decades of expertise, industry leadership and commitment to excellence. We take great pride in their confidence and sincerely appreciate their support and loyalty throughout the years and the opportunity to provide our innovative accounts receivable management solutions.

I also wish to acknowledge and convey my deep gratitude to our respected stakeholders, trusted alliance partners, our international partner - Global Credit Solutions with whom we have a shared vision, similar core values and a unified commitment to best-in-class service and unmatched performance. We're honored to align ourselves with this elite group of highly esteemed domestic and worldwide partners.

I'm so proud of our amazing team of dedicated professionals. They are the critical core of our enterprise existence and they are to be commended for their loyalty, selfless dedication and daily commitment to excellence. Their unique ability to work together to create, provide value, think out of the box and generate results our clients expect is without question a testament to our longevity and employee satisfaction.



Jake, Greg, Chris, Matt, Zac and Cami Cohen

As we approach the final days of 2012, the Caine & Weiner family is eager to move forward in 2013 with high hopes of a rebounding global economy. We are encouraged by the opportunities that lie ahead and look forward to the challenge of providing greater prosperity for all.

Warm wishes to you and your families for a peaceful holiday season and a happy new year!

Greg A. Cohen

President & CEO
Caine & Weiner



FedEx overcharged customers for years, sealed E-Mail says

By Margaret Cronin Fisk
Bloomberg News

FedEx Corp. (FDX) has been “systematically overcharging” customers by billing businesses and government offices at higher residential rates, a company sales executive said in an internal e-mail unsealed in a lawsuit.

“I have brought this to the attention of many people over the past five or six years, including more than one managing director, and no action has been taken to address it,” Alan Elam wrote in an e-mail on Aug. 2, 2011. “My belief is that we are choosing not to fix this issue because it is worth so much money to FedEx,” Elam said in a separate e-mail that day.



The e-mails were unsealed yesterday in a class-action, or group, lawsuit claiming FedEx Corp. and FedEx Corporate Services Inc. overcharged commercial and government customers as much as \$3 each for millions of packages delivered. The plaintiffs, who claim violations of federal civil racketeering laws, seek three times the amount of the alleged overcharges in their lawsuit.

“We allege that FedEx has and continues to engage in a pattern of intentionally charging its customers residential delivery fees for deliveries to obviously non-residential addresses such as courthouses, government offices and banks,” Steven J. Rosenwasser, a lawyer for the plaintiffs, said in an interview.

FedEx, based in Memphis, Tennessee, has charged residential rates for deliveries to the U.S. Citizenship and Immigration Office, Bank of America Corp., Toyota Motor Credit Corp. and the National Passport Processing Center, according to the

amended complaint filed yesterday in the lawsuit.

“Perhaps most telling, on at least 70 separate occasions, FedEx improperly charged a residential delivery surcharge to its customers for deliveries to FedEx’s own headquarters,” according to the complaint.

The lawsuit, filed in federal court in Memphis in 2011 seeking to represent a national class of consumers, also asks for an injunction barring FedEx from charging commercial customers at residential rates. The Elam e-mails were among 11 documents unsealed and attached to the amended complaint yesterday.

“These 11 documents do not tell the entire story of this case,” Sally Davenport, a FedEx spokeswoman, said in an e-mail today. “We will continue to defend these allegations in a court of law and not the media.”

[Click here for full story](#)

Online sales taxes a question in Washington, state legislatures

By Billy Hesterman
Daily Herald

Your daughter desperately wants the hottest toy of the year for Christmas, but you procrastinated buying it. You finally stop at a local store, and you find it's sold out.

But it's less than a month before Christmas. So what do you do? You scour the Internet and finally find it on a website of a store that's not in Utah and you're especially happy because you won't have to pay sales tax.

But guess what? You owe the sales tax to Utah anyway. And if you don't fess up by declaring the purchase on your income tax return, and by paying the tax at that point, you will have broken the law.

And you're in good company. Enforcement is virtually impossible, and a great many other consumers who shop online don't pay the required sales tax either. Odds are that 99.999 percent of online shoppers either have no idea that they owe the tax, or they have no interest in paying since most will never get caught by a state tax audit.

Lawmakers in states across the country are scratching their heads trying to figure out how to collect the money owed under sales tax laws that have been on the books for decades.

Inside the state, it's easy: just require the business selling the goods to remit



the tax. But interstate sales via the Internet present thorny problems -- starting with the fact that all sales tax laws are not created equal, and some states collect no sales taxes at all.

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Foreign holdings of U.S. debt hits record

USA Today

WASHINGTON—Foreign ownership of U.S. Treasury securities rose to a record level in October, a sign that overseas investors remain confident in U.S. debt despite a potential federal budget crisis.

Total foreign holdings of U.S. Treasuries hit \$5.5 trillion in October, the Treasury Department said Monday, up 0.1% from September. However, the monthly increase of \$6 billion was the weakest since total holdings fell in December 2011.

China, the largest holder of U.S. government debt, increased its holdings slightly to \$1.16 trillion. Japan, the second-largest holder, boosted its holdings by a smaller amount to \$1.13 trillion. Brazil, the country with the third-largest holdings, increased its total to \$255.2 billion.

The new figures show investors still seeking the perceived safety of U.S. Treasuries, even as lawmakers and President Obama remain at odds over whether to raise the U.S. borrowing limit as part of a broader deal to avert the so-called "fiscal cliff."

Economists also said the slowdown in purchases of Treasury securities suggests that investors are more willing to buy other debt, including from European governments. That

might indicate fears of a financial catastrophe in Europe are easing. The federal government is expected to hit its borrowing limit of \$16.4 trillion by the end of December. Treasury Secretary Timothy Geithner has said he would resort to the same financial maneuvers he used in the last debt standoff in 2011 to keep the government from defaulting on its debt.

After the last debt standoff, credit rating agency Standard & Poor's downgraded the government's credit rating on long-term securities one notch from the highest level of AAA to AA+. It was the first-ever downgrade of U.S. government debt.

Last month, debt rating agency Fitch Ratings said Obama will need to reach a budget agreement with Congress before year-end or risk losing Fitch's AAA rating on U.S. debt

[Click here for full story](#)

Top 10 foreclosures by state

RealtyTrac

Foreclosure filings were down by 3 percent nationally from October to November, according to RealtyTrac, a California-based firm that tracks foreclosures. The states listed had the highest rates of foreclosure in November. Nationally, 1 in every 728 housing units received a foreclosure filing in November.

State	Average Price	Ratio*
Florida	122,658	3.46
Illinois	109,807	3.43
Michigan	80,179	3.40
California	267,354	3.39
Ohio	63,132	3.37
Nevada	147,374	3.36
Arizona	161,914	3.42
Georgia	94,677	3.35
Indiana	84,161	3.34
So. Carolina	104,840	3.29

* Ratio is based on the total number of properties entered into RealtyTrac's database during the month, broken out by type of filing.



Payday lending startup plans to use Facebook, Twitter to vet borrowers

By Sean Albert
Microbilt

A new payday lender is challenging the way the sector does business and the metrics it uses to assess creditworthiness.

Startup payday loan provider LendUp.com has announced that its company algorithms will utilize information found on the Facebook and Twitter profiles of borrowers to better understand their trustworthiness and the probability of them paying back the loan, Time magazine reports.

LendUp will use the websites to verify certain information such as address and the borrower's current city of residence. Additionally, it will check to see if there are frequent changes to contact information, which could be a red flag, the news source explains.

However, the startup doesn't plan to stop there, it will evaluate the strength of relationships and friends. "What we're looking at is the strength of your ability and your willingness to have

longer-term cohesive social interactions," CEO Sasha Orloff told Time.

Similar to employers looking at applicants' Facebook profiles, LendUp will be unable to base any decisions on pictures or any group connections, as this could open up allegations of bias against particular races, genders, religions and/or ethnic groups.

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The Biz

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Est. 1930

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.

9 in 10 small businesses believe credit access is a problem

By Phillip Burgess
Microbilt

Credit markets largely dried up during the recession and have only recently begun to show signs of improvement. However, much of the business lending activity in recent months appears to have been reserved for high-growth, low-risk enterprises. Small businesses, on the other hand, are struggling to access credit.

A survey released this week by the American Sustainable Business Council, Main Street

Alliance and Small Business Majority shows as many as 90 percent of polled small business owners believe credit access is a problem, while 61 percent say loans are now more difficult to acquire than they were four years ago. This may be reflective of stricter consumer credit risk management

The same number of respondents claimed they support community banks and credit unions being able to lend more to small firms, and 82 percent support tighter

credit card regulations.

"Loans that will help small businesses grow and create jobs are harder and harder to come by," said John Arensmeyer, founder and CEO of Small Business Majority. "With banks' lending portfolios shrinking and small businesses' dependence on credit cards growing, lawmakers need to look for smart ways to revamp the credit landscape."

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