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CREDIT & COLLECTION MATTERS

July 2010

Top Dog Collectors ...



SALDUTTI, LLC LEADS THE WAY ...



The firm recently announced its sponsorship of the Rangers Lead the Way Fund by participating in the ING New York City Marathon on November 7, 2010. The Lead the Way Fund, Inc. is a non-profit organization established to raise funds in support of disabled U.S. Army Rangers and the families of Rangers who have died, been injured or are currently serving around the world. The group provides spouses and children of deceased, disabled or active duty Rangers with assistance for health and wellness programs and other services vital to the family's well-being.

Lead the Way was created in honor of Sgt. James J. Regan who was killed in Iraq in February of 2007 while serving with Charlie Company, 3rd Battalion, 75th Ranger Regiment. Hailing from Manhasset, New York, Sgt. Regan was an exemplary scholar-athlete at Chaminade High School where he was recognized for his academic, sports and community achievements.

As a result of his academic record and his All-American achievement on the lacrosse field, Jimmy Regan was recruited by Duke University on a lacrosse scholarship. While there, he led the Duke team to two ACC championships. He graduated with a degree in economics and was poised on the brink of a happy and fulfilling life when he answered the

call to defend his country.

Deeply affected by the terror attacks of 9/11, Sgt. Regan rejected lucrative Wall Street job opportunities and law school scholarships to volunteer for military service and entered the Army in February 2004. Graduating first in his class in infantry basic combat training, he received the distinction of "Soldier of the Cycle." Moving on through the Basic Airborne course and Ranger Indoctrination Program at Fort Benning, Jimmy served in the 3rd Battalion as machine gunner and gun team leader, and finally fire team leader, serving in Iraq when he was killed.

Please join us in our support of this wonderful foundation. Consider a corporate or personal donation - all contributions are tax-deductible. Visit our fundraising site at www.firstgiving.com/robertsaldutti.

Watch upcoming newsletters for updates on the firm's training and fundraising efforts. For more information on the Lead the Way Fund or to participate in an upcoming event, visit <http://www.leadthewayfund.org/>.

AMERICANS' CREDIT SCORES SINK TO NEW LOWS

Nearly 26% of Consumers Have a Credit Rating of 599 or Below

Issue 27

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The credit scores of millions more Americans are sinking to new lows. Figures provided by FICO Inc. show that 25.5% of consumers - nearly 43.4 million people - now have a credit score of 599 or below, marking them as poor risks for lenders. It's unlikely they will be able to get credit cards, auto loans or mortgages under the tighter lending standards banks now use.

Because consumers relied so heavily on debt to fuel their spending in recent years, their restricted access to credit is one reason for the slow economic recovery.

FICO's latest analysis is based on consumer credit reports as of April. Its findings represent an increase of about 2.4 million people in the lowest credit score categories in the past two years. Before the Great Recession, scores on FICO's 300-to-850 scale weren't as volatile. Historically, just 15 percent of the 170 million consumers with active credit accounts, or 25.5 million people, fell below 599, according to data posted on MyFico.com.

More are likely to join their ranks. It can take several months before payment missteps actually drive down a credit score. The Labor Department says about 26 million people are out of work or underemployed, and millions more face foreclosure, which alone can chop 150 points off an individual's score. Once the damage is done, it could be years before this group can restore their scores, even if they had strong credit histories in the past.

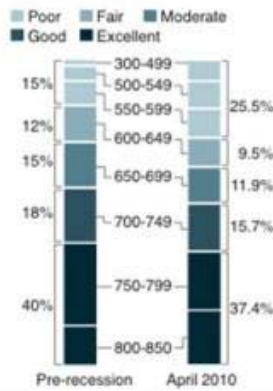
On the positive side, the number of consumers who have a top score of 800 or above has increased in recent years. At least in part, this reflects that more individuals have cut spending and paid down debt in response to the recession. There's also been a notable shift in the important range of people with moderate credit, those with scores between 650 and 699. The new data shows that this group comprised 11.9% of scores.

Source: Associated Press

Failing credit

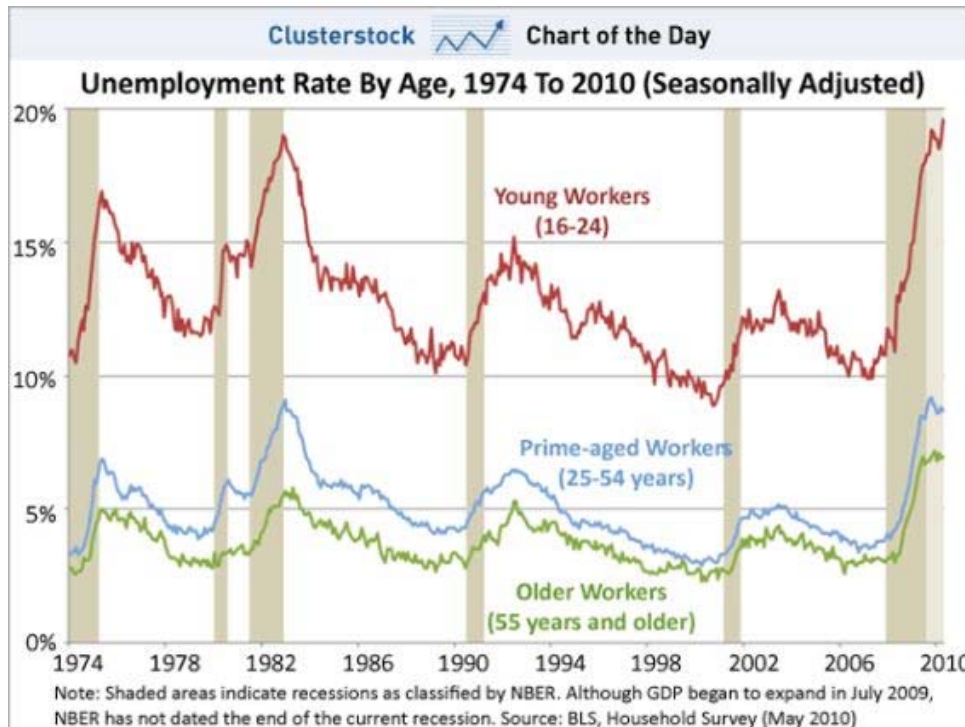
More than 43 million people, now have a credit score of 599 or below, marking them as poor risks for borrowing money.

Credit scores



SOURCES: FICO Inc.; myfico.com AP

YOUNG AMERICANS FIND IT HARD TO SECURE JOBS



While the U.S. has experienced some job creation during the rebound so far, unemployment for America's youngest job seekers continues to get worse, not even slightly better. That's because the new jobs of today aren't open to them, according to a study called "Unemployment Among Young Workers" by the U.S.

Congress Joint Economic Committee.

Employers added over half a million jobs in the last four months, yet the unemployment rate for young workers reached a record 19.6 % in April 2010, the highest level for this age group since the Bureau of Labor Statistics began tracking unemployment in 1947.

The chart shows how the unemployment rate for America's youngest (in red) continues to get worse, while other age groups' unemployment rates have plateaued or slightly declined (in blue or green). The rebound so far, however small, hasn't even started for the young.

One reason is that older workers are now taking jobs previously reserved for the youngest due to a shortage of opportunities. Another is that industries which employed young workers, such as retail and hospitality, were hit particularly hard during the downturn. Education is also now more important than ever in securing an available job, with higher education massively reducing one's probability of being unemployed.

For many of America's budding job seekers, hitting the pavement and trying to work has proven itself completely futile. Take it as a lesson from the New Normal.

Source: The Business Insider

CELEBRITY BANKRUPTCIES: WHAT WE CAN LEARN FROM THEM

If you're looking for a financial role model, this is not the article for you. Take a look at these five celebrities who ended up in crippling debt because of poor spending choices and you'll know what to avoid once if and when you make it big financially:

U Can't Pay This

Stanley Burrell, also known as rapper MC Hammer, ran into financial troubles when he could no longer support his lavish lifestyle. Hammer, best known for his hit single "U Can't Touch This," fell \$13 million into debt. It didn't help that he had multiple lawsuits filed against him by members of his almost 300-person entourage.

Real World Lesson: *Do not promise people money you don't have or you could owe double that amount in lawyer fees later.*

Georgia on Her Mind

In 1989, actress Kim Basinger partnered with the Ameritech Pension Fund to buy the town of Braselton, Georgia, for \$20 million. Afterwards, Basinger made the poor business decision to back out of a film she had agreed to star in. Consequently, she was ordered to pay \$8.5 million in damages after a lawsuit. Basinger soon declared bankruptcy and sold her share of Braselton for the small sum of \$1 million dollars.

Real World Lesson: *Prepare for the possibility of unforeseen expenses. It is smart to always have some financial cushion.*

That's Not Hot

Ten years ago, celebrity blogger Perez Hilton (real name Mario Lavandeira) was in college. Like most students, Hilton relied heavily on his credit card – for everything from a trip to Spain to financing a New York apartment that he couldn't afford. Soon, Hilton found himself with over \$50,000 dollars in credit card debt. He was able to get out of debt and now runs the successful website perezhilton.com.

Real World Lesson: *Don't use your credit card unless you can safely pay off what you owe each month.*

Girls Just Wanna Not Be in Debt Anymore

Early in her career, 80s pop icon Cyndi Lauper was forced into bankruptcy by a lawsuit filed by her band's manager. The band, titled Blue Angels, released an album that flopped quickly after. Blue Angels decided to break up and fire their manager, which led to the \$80,000 lawsuit. Luckily, Lauper found great success and was launched into stardom a few years later.

Real World Lesson: *Read all the fine print of any contract you sign, and do not release bad albums.*

Four Score and Several Bills Ago

Abe Lincoln was not as good a businessman as he was a politician. In 1832 he decided to buy a general store located in Salem, Ill. Due to poor store credit and low sales Lincoln became liable for \$1,000 in back payments (a large sum at the time). He was taken to court and had to give up all of his assets: a horse and surveying gear. It took Lincoln more than eight years to completely pay off the debt he had accumulated.

Real World Lesson: *Leave the business endeavors to the professionals. If you don't know how to run a business don't try it.*

Source: MyBankTracker.com



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