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## CREDIT & COLLECTION MATTERS

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*The New Breed of Debt Collection Professionals ...*



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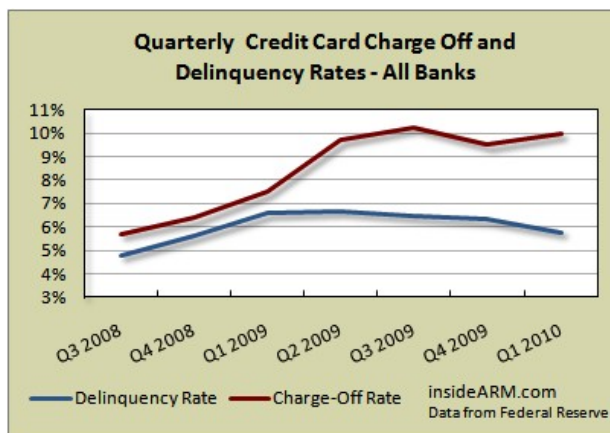
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### FIRST QUARTER CREDIT CARD CHARGE-OFFS INCREASE Credit Card Delinquencies Decline

The jury may still be out on U.S. consumer credit card charge-offs trends. The latest data from the Federal Reserve shows that the seasonally adjusted credit card charge-off rate trended higher in the first quarter of 2010, up 5 % from the fourth quarter 2009. Meanwhile, the total charge-off and delinquency rates on all loans reached an **all time high** during the quarter. The average credit card charge off rate reported by all banks in the first quarter was 9.95 %, up from the 9.47 % rate reported in the fourth quarter of 2009. The



delinquency rate for credit cards dropped to 5.78 % in the first quarter, the lowest rate since the fourth quarter of 2008. Delinquencies are defined as loans past due thirty days or more.

The numbers were a departure from the short trend established in the fourth quarter of 2009. The charge off rate that quarter was down sharply from the 10.25 % rate reported in the third quarter of 2009, the highest rate in Fed records.

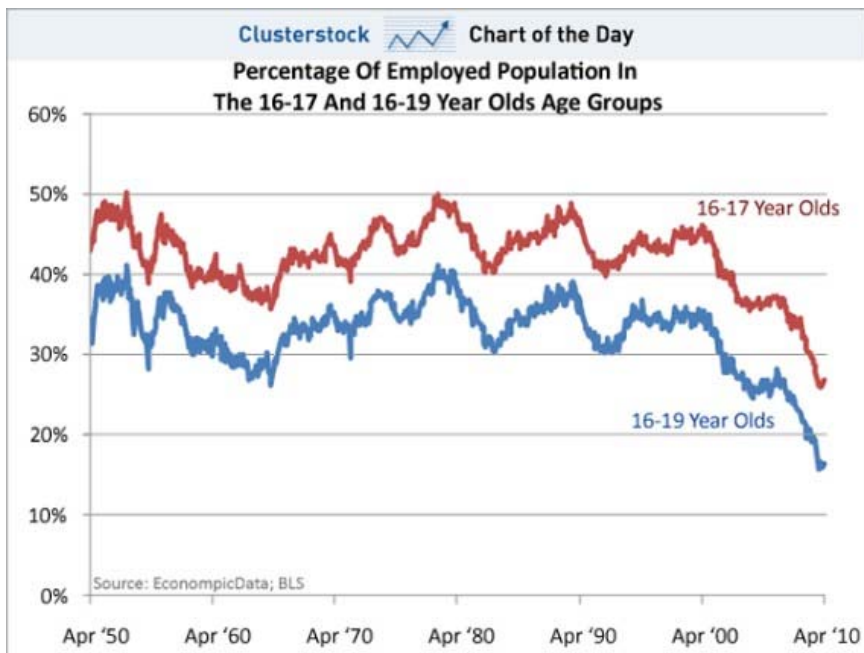
In contrast to the Fed numbers, Fitch Ratings said last month that charge-off rates for credit cards declined in the first quarter, though the average charge-off rate for credit cards was still above 10 %.

Fitch Ratings Managing Director Michael Dean said the ratings agency still believes credit card charge offs will remain elevated and near historical highs through year's end. But he said delinquencies appear to be softening because of steps lenders began taking in late 2008 to purge troubled accounts from their portfolios.

The Fed said the charge-off rate for all loans increased one percent during the first quarter ending March 2010 to 2.96 %. But charges-offs were up nearly 43 % from the first quarter of 2009. Total delinquencies on all loans increased 2.7 % to 7.36 %, and were up 30.7 % points from first quarter 2009.

Source: Inside ARM

**REMEMBER WHEN TEENAGERS USED TO WORK OVER SUMMER VACATION?**



Like a rite of passage, when June begins and May ends, it's time for teenagers to get out of school and look for a summer job. Be it pizza place or camp or McDonalds, a job is key in both learning experience and cash reserves.

But this year, the job market for teens will become more congested and competitive. EconomPic points out that this could be the worst summer for jobs for teenagers since the Great Depression: "...while the unemployment rate among 16-17 year olds is 29.1% (from a 1980's peak of 27.1%), that rate is missing the fact that high school age kids quite simply are no longer bothering to look for jobs, thus are not counted in the unemployment rate."

Thus the proper way to look at things is the percentage of the employed population comprised of said age group, and when looking at it that way, you can see why there will be plenty of idle hands this summer.

Source: The Business Insider

## HOW DOES YOUR SALARY COMPARE?

In The Wall Street Journal's annual survey of 200 big companies with revenue over \$4 billion, median total direct CEO compensation declined slightly -- 0.9% to \$6.95 million, mainly because of smaller equity awards and corporate belt-tightening. But plenty of CEOs still scored big paydays. Here's a list of the top ten by total direct compensation, which includes salary, annual incentives and long term incentives.

1. Ray Irani, Occidental Petroleum Corp. - **\$52.2 million**

This doesn't include the \$96.5 million that Mr. Irani gained last year through exercising stock options and vesting of restricted stock.

2. Rober A. Iger, Walt Disney Co. - **\$20.8 million**

Mr. Iger's pay award fell 59% from 2008, when he received an additional stock-option grant valued at \$25 million tied to the renewal of his contract. Mr. Iger's \$20.8 million package in 2009 wouldn't have ranked among the top 10 in 2008.

3. Samuel J. Palmisano, International Business Machines Corp. - **\$20.1 million**

This primarily came from \$13.5 million in stock awards linked to the company performance.

4. William Weldon, Johnson & Johnson - **\$19.8 million**

5. Jay Fishman, Travelers - **\$19.5 million**

6. Randall Stephenson, AT&T - **\$19.4 million**

7. Robert Stevens, Lockheed Martin - **\$19 million**

8. Miles White, Abbott Labs - **\$18.8 million**

9. John Stumpf, Wells Fargo - **\$18.7 million**

10. James McNerney Jr., Boeing - **\$16.8 million**



Source: Wall Street Journal

## SALDUTTI SALUTES ...

### Saldutti Firm Runs in Honor of Fallen Marine

Robert Saldutti, Principal, and John Healey, Litigation Specialist, recently participated in the Jeremy Kane Benefit Run in Cherry Hill, New Jersey. Sponsored by Veterans for Education, a Rutgers University veteran's organization, the race paid tribute to all Rutgers students and alumni who sacrificed their lives while serving our nation in Afghanistan and Iraq. Jeremy Kane, a Cherry Hill resident, was killed in January by a suicide bomb attack while on patrol in Afghanistan's Helmand Province. The 22-year old was a lance corporal in the U.S. Marine Corps and was a criminal justice major at the Camden Campus of Rutgers University. Funds raised from the benefit run will be used to design and build a memorial at the Rutgers-New Brunswick Campus that will honor Rutgers graduates who died in combat during the wars.

In addition to his position at Saldutti, LLC, John Healey acts as a Veteran Advisor for Rutgers University - Camden. According to the former U.S. Marine Corps Sergeant, "The campus memorial comes at a poignant time - as the war enters its eighth year. We can finally honor the brave students and graduates who given their all, so that we might be free."



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