

Business briefing

New-home sales reach 2-year high

New single-family-home sales surged in May to a two-year high and prices rose from a year ago, more signs the housing-market recovery was gaining momentum. The Commerce Department said Monday that sales jumped 7.6 percent last month to a seasonally adjusted 369,000 annual rate, the highest rate since April 2010. That was well above economists' expectations for a 346,000 pace and the highest since April 2010, when sales were inflated by a homebuyer tax credit. The report was the latest evidence of a broadening recovery in the housing market even as the economy weakens. The sector had long been the Achilles' heel of the economy's recovery from the 2007-09 recession.

Reuters

Money manager will pay \$410M in Madoff lawsuit

Money manager Ezra Merkin agreed to pay \$410 million to settle a suit by New York state that accused Merkin of secretly steering client money to Ponzi schemer Bernard Madoff, according to New York Attorney General Eric Schneiderman. "By holding Mr. Merkin accountable, this settlement will help bring justice," Schneiderman said in a statement Sunday. "We have recovered over \$400 million for the investors and charities that were harmed by history's largest Ponzi scheme."

Reuters

Cyprus will seek bailout of at least 1.8 billion euros

Cyprus said Monday that it would seek a European bailout to handle fallout from the Greek crisis, becoming the fifth euro-zone country needing rescue funds hours after Spain formally requested help for its banks. Despite the spreading crisis, German Chancellor Angela Merkel dashed any hope that Europe would issue common euro-zone bonds to underpin its single currency. Cyprus, third-smallest economy in the euro zone, said it needs at least 1.8 billion euros to recapitalize Cyprus Popular Bank.

Reuters

Florida remains worst in U.S. in mortgage fraud

BY PAUL OWERS
Staff Writer

Florida continues to lead the nation in mortgage fraud.

The state had \$260 million worth of fraud under investigation at the end of the first quarter, up from \$117 million in the fourth quarter of 2011, according to MortgageDaily.com, a Dallas-based trade publication.

North Carolina was second, with \$226 million in fraud. California was third with \$208 million.

Florida has held the top spot in four of the past five quarters and has been a regular among the top five states since the index was started in early 2006.

"Florida is a high-population state; that's a big factor," Sam Garcia, founder of MortgageDaily.com, said Monday. "It's also become a state where a lot of mortgage brokers have been operating. ... You had a lot more opportunity in that state to see fraud."

The number of mortgage brokers operating in Florida plunged after the state's housing markets slumped in 2007, though during the past year lenders have been reporting a pickup in activity and have been filling new positions to handle the increase in business.

The Sunshine State's mortgage-fraud index in the first quarter was 163, which represents the number of active criminal and civil cases under investigation.

The index defines fraud as something that deceives a lender in the process of deciding whether to approve a mortgage. It does not include the kind of lender misconduct that led earlier this year to the \$25 billion nationwide foreclosure settlement between state attorneys general and five big U.S. banks, Garcia said.

peowers@tribune.com

Ag agency's new advocate will help folks avoid scams

BY DONNA GEHRKE-WHITE | Staff Writer

The state Department of Agriculture and Consumer Services has hired its first consumer advocate, to help educate Floridians about avoiding various schemes designed to cheat them out of their hard-earned money.

Ivonne Perez-Suarez is a native South Floridian who will be based in that part of the state as she establishes her new position within the Tallahassee-based agency.

"The Consumer Advocate role will expand the department's current initiatives to reach Florida's nearly 20 million residents with important messages about their rights as consumers," Agriculture Commissioner Adam Putnam said.

Perez-Suarez, former director of communications for a Miami-Dade County commissioner, said she wants to especially focus on helping the elderly avoid becoming victims of financial crimes.

"You always need to look after the most vulnerable first," Perez-Suarez said, noting that Florida's "elder population is huge." Florida has the highest percentage of senior citizens in the country, with 17.3 percent of its residents older than age 65 as of 2010, according to the U.S. Census Bureau.

Perez-Suarez said the state's elderly are targeted by con artists, and she wants to alert them to the latest ploys, such as telephone callers pretending to be bill collectors and asking for money.

Another goal: She wants to help seniors sign up for the state's now-free Do Not Call list at helpfla.com. State workers will also take their consumer complaints at 1-800-HELP-FLA or 1-800-FL-AYUDA for Spanish-speaking callers.

The state of Florida has several consumer advocates. The Department of Financial Services has a consumer advocate who represents Floridians' interests in insurance matters, while the Office of Public Counsel represents residents' interests in utility-rate cases and related issues that go before the Public Service Commission.

Perez-Suarez said she will also focus on alerting Spanish speakers how the state can give them consumer information — and protection. "There's been a language barrier," said Perez-Suarez, who speaks Spanish.

dgehrke@tribune.com

Factor complaints if picking credit cards, study suggests

BY DOREEN HEMLOCK
Staff Writer

When it comes to choosing a credit card, many consumers look at interest rates and reward programs. But a new study offers an additional indicator: complaints filed with federal authorities against credit-card issuers.

Banks with the most complaints relative to their market share include SunTrust, TD Bank, GE and Capital One, according to a new report by Miami banking analyst Ken Thomas.

Issuers with the fewest complaints relative to their share of the market include HSBC, American Express, Discover, JPMorgan Chase, Bank of America and Citigroup, the report concluded.

"When you shop for a credit card, even if you get a good rate and perks, it's good to check complaints so you know what kind of customer service to expect," Thomas said. "I think reports like this one help banks work harder to satisfy customers. That's a win-win."

Thomas analyzed 13,502 credit-card complaints filed with the federal government's new Consumer Financial Protec-

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Miami banking analyst Ken Thomas

tion Bureau. The complaints identified a specific card company and were filed from July 21, when the bureau began accepting them, to May 15. Thomas said he obtained the data through the Freedom of Information Act.

His analysis found that 18 card issuers accounted for 98 percent of complaints. Capitol One had the most — 2,713, or 20 percent — followed by Citigroup (17 percent), JPMorgan (16 percent) and Bank of America (16 percent). But Thomas had expected lots of complaints to be

filed against the nation's biggest card issuers.

What intrigued him was to see how issuers stacked up based on their share of the credit-card market. To him, that should be a better indicator of how the companies treat their customers.

When American Express and Discover proved to have very few complaints relative to their share of the market, Thomas was sure his analysis was on track. That's because American Express and Discover consistently rank high for customer satisfaction on credit-card surveys conducted by the research firm J.D. Power & Associates.

Still, Thomas was surprised that Atlanta-based SunTrust Banks, one of the largest banks operating in Florida, fared poorly when the number of complaints was adjusted for market share. That's because SunTrust had relatively few complaints for its size in a separate analysis Thomas had conducted involving a range of banking-related consumer complaints filed in 2011 with Florida authorities.

dhemlock@tribune.com or 305-810-5009



RICARDO RAMÍREZ BUXEDA/STAFF PHOTOGRAPHER

Joree Nielsen, left, of Altamonte Springs learns computer skills recently from Shirley Mayor of Senior CompuCare.

This computer help is 'for seniors, by seniors'

BY ALEXANDRIA BACA
Staff Writer

Claire Cox has two computers, but about a year ago, she didn't know how to use either.

Cox, 73, turned to an instructor at Senior CompuCare, a computer-learning company "for seniors, by seniors." The company, started by Didier Nicholas in Longwood in February 2010, enlists independent contractors to help clients 50 and older figure out how to use their computers and smartphones.

Nicholas, 47, said he came up with the idea of seniors helping other seniors because he thought clients would find it easier to learn from somebody like them.

Senior CompuCare meets clients at their homes to help one-on-one with anything from organizing digital photos to signing up for Facebook. Nicholas said he also has a certified repairman available.

"A lot of our customers don't even know how to turn on their computers, let alone check their email," Nicholas said.

Cox said she liked having someone her

age teach her. She said she didn't need to know how to do anything advanced, but she was interested in learning basic programs and navigating the Internet.

As of April, 53 percent of American adults age 65 and older use the Internet or email, and one in three online seniors uses social-networking sites such as Facebook or LinkedIn, according to the Pew Research Center's Internet and American Life Center.

"[Young people] think you [already] know something. Either that or they think you're dumb as a box of rocks," Cox said, adding that her instructor made her feel confident she could learn.

Nicholas said convincing seniors to use computers is one of the biggest obstacles his company faces. A lot of older people have an "I don't know how to use it, and I don't want to know" mentality, Nicholas said.

Nicholas discusses the convenience computers can offer to seniors, including the ability to pay bills and make doctor appointments online, videoconference with grandchildren up North and research health-related concerns. He said he finds

seniors to be skeptical, and he includes testimonials on Senior CompuCare's website.

Tom Crouch didn't even own a computer when he signed up for computer lessons from Senior CompuCare about a year ago. The 69-year-old from Astatula said he wanted to be able to search for things online and learn how to email, but he was "computer-illiterate."

An instructor helped Crouch select a Hewlett-Packard laptop to purchase and spent three hours teaching him how to use the new device. Crouch said he probably only turns on the computer once a week at most, but he likes being able to search Google.

Nicholas also wants to help seniors by giving them the opportunity to own a business; he recently started franchising Senior CompuCare, with new businesses set to open in Las Vegas and San Diego in July.

Nicholas said he has about 10 independent contractors that serve Central Florida, and lessons start at about \$35 per hour.

abaca@tribune.com or 407-420-5525

DILBERT

BY SCOTT ADAMS



Many Americans still lack enough emergency money

Nearly half of Americans — 49 percent — lack enough emergency savings to cover three months' expenses, up from 46 percent last year, research released Monday by Bankrate.com shows. Only a quarter of those surveyed said they had saved six months' expenses, the generally recommended cushion, according to Bankrate.com, a Web-based financial-content provider.

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