

**408.00**  
Dow Jones  
11,734.32

**103.14**  
Nasdaq  
2,414.10

**36.01**  
S&P 500  
1,296.32

### BEST PERFORMERS OF THE WEEK

STANDARD & POOR'S 500			
<b>FIS</b>	FidelityNat.Info	Close: \$23.21	<b>+21.3%</b>
<b>RL</b>	Polo R. Lauren	Close: \$71.23	<b>+20.7%</b>
<b>COH</b>	Coach Inc.	Close: \$29.89	<b>+20.3%</b>
ASBURY PARK PRESS/BLOOMBERG 75			
<b>CAL</b>	Continental Air.	Close: \$16.48	<b>+26.4%</b>
<b>CAR</b>	Avis Budget	Close: \$7.43 +	<b>23.2%</b>
<b>M</b>	Macy's Inc.	Close: \$20.73	<b>+14.1%</b>

### QUOTE OF THE WEEK

"As we speak to people in the (Ocean County) area, many are older and retired and don't have many new things to try."

**BOB PELLEGRINO,**  
CO-OWNER OF VANITY  
FARE CATERERS,  
LAKEWOOD



### WORST PERFORMERS OF THE WEEK

STANDARD & POOR'S 500			
<b>FRE</b>	Freddie Mac	Close: \$5.90	<b>-26.1%</b>
<b>FNM</b>	Fannie Mae	Close: \$9.05	<b>-23.4%</b>
<b>MEE</b>	Massey Energy	Close: \$59.03	<b>-21.7%</b>
ASBURY PARK PRESS/BLOOMBERG 75			
<b>SIX</b>	Six Flags	Close: \$1.02	<b>-8.93%</b>
<b>FWLT</b>	Foster Wheeler	Close: \$51.96	<b>-7.35%</b>
<b>WSTG</b>	Wayside Tech.	Close: \$8.10	<b>-5.59%</b>

**COMING UP TUESDAY**  
**NETWORKING GROUP** The Networking Professionals of Monmouth and Ocean Counties meets at FirstEnergy Park, Lakewood, from 12 to 1:30 p.m. on the second Tuesday of each month. Call (732) 232-3842 for information.



ASBURY PARK PRESS | SUNDAY, AUG. 10, 2008

# SUNDAY BUSINESS

SECTION B

## MONEY MATTERS

### Watch your financial planner

By **DAVE CARPENTER**  
THE ASSOCIATED PRESS

CHICAGO — Telephone calls began flooding in to financial planners early last month as the pain of June 30 account statements hit home.

For many clients who had relied on advisers to steer them through a turbulent market, steep drops in the value of their portfolios from as recently as a month earlier came as a double-digit shock.

"That's when the phone calls start — when the market goes bad and they get a statement," said Ed Gjertsen, a certified financial planner in Glenview, Ill.

Most people simply want to be reassured that their investments will be OK, he said. But many may wonder privately about the wisdom of the advice they are paying for and ask themselves how they would know if their adviser is at least partly to blame.

There's no simple litmus test for a consumer to use; performance of the portfolio is only one indicator.

"To know if you have a bad planner is often not easy," said Gjertsen, vice president of Mack Investment Securities. "You may not know till it's too late, and that can be scary."

Sometimes a planner's actions are transparent and lapse into the unethical. George Hallinan of Leawood, Kan., spotted a problem with his account. During the market's bull run in the late 1990s, he watched his monthly statements with increasing concern as his new financial planner routinely bought and sold stocks in his account.

"The net result was I was only about even after six months because he was making commissions on all the sales," said the retired insurance broker, 86. He and his wife called the planner to task.

The Hallinans changed advisers after a financial planning instructor at a local college agreed that their account was being milked.

Clients disturbed by excessive losses in a bear market may be inclined to do the same. But changing advisers should not be based on emotion, says Mike Stanfield, chief executive of VSR Financial in Kansas City.

"You've given a financial planner all your financial data and

See **Planner**, Page B2

For a stock quote, send text message with the ticker symbol (e.g. GCI) to 44636 (4INFO).

CELL PHONE CHARGES MAY APPLY



Staff members, left to right: Lisa Fischer, Pat Ragucci, Karen Leschak and Faye Alba, owner of Barter Pays Inc., a Howell company that allows merchants to barter with each other for services. Photos by SHAWN HUBER, STAFF PHOTOGRAPHER

## STOCK OUTLOOK

### Investors eye retail sales, oil

By **MADLEN READ**  
THE ASSOCIATED PRESS

NEW YORK — The dollar's rebound and oil's tumble breathed some serious optimism into Wall Street last week. But no one knows for sure yet whether the two trends are truly antidotes for what's been ailing the stock market.

This week, investors will be focusing again on the U.S. currency and the energy markets, but also on retail industry reports to gauge consumer spending.

Consumers would certainly benefit from lower food and fuel costs, but they also still face falling home prices, huge debt loads and an uncertain job market. If it appears that they are struggling severely, the recent decline in energy prices might not be enough to sustain a stock market rally.

On Wednesday, the Commerce Department reports on retail sales in July, after spotty sales figures released by individual retailers last week. According to the median estimate of economists surveyed by Thomson Financial/IFR, the data is likely to show flat sales for the month compared with June, when retail sales jumped by 1 percent.

Some major retailers are also releasing their quarterly results this week. Those companies include Wal-Mart Stores Inc., Macy's Inc., JCPenney Co., Kohls Corp., Abercrombie & Fitch Co. and TJX Cos., which operates T.J. Maxx and Marshalls.

Last week, the Dow Jones industrial average rose 3.60 percent, the Standard & Poor's 500 index rose 2.86 percent, and the Nasdaq composite index rose 4.46 percent. All three major indexes posted their biggest weekly gains since April.

A huge chunk of the gains came Friday, when the U.S. dollar soared against its main rival currencies. That helped drive the stock market's rally, and a sell-off in commodities ranging from crude oil to gasoline to corn to soybeans.

A big rally came earlier in the week, too, on Tuesday, after the Federal Reserve said "economic activity expanded in the second quarter, partly reflecting growth in consumer spending and exports."

But as any investor will tell you, the markets have been extremely volatile, and calling a top or a bottom to a market is a tough endeavor.

Moreover, there are many economists who say the weak

See **Trial**, Page B2

# CASHING OUT

Small-business owners at the Shore who are short of cash are turning to a thriving barter economy.

By **MICHAEL L. DIAMOND**  
BUSINESS WRITER

**L**eslie Nolan, an artist at heart, knows the merits of bartering.

When times are tough, artists can always pay off a debt by offering a priceless painting, a hand-crafted sculpture or a home-made necklace.

So when Nolan started her

graphic-design business, the idea made perfect sense. She joined a local barter network and built up enough currency that it has helped defray the cost of her wedding next month.

"Now it's opening a bunch of different doors to other industries I might need," said Nolan, 45, of Belmar.

Nolan is one of hundreds of small business owners in central New Jersey who are members of BarterPays! Inc., a not-so-underground economy where an exchange of goods and services is every

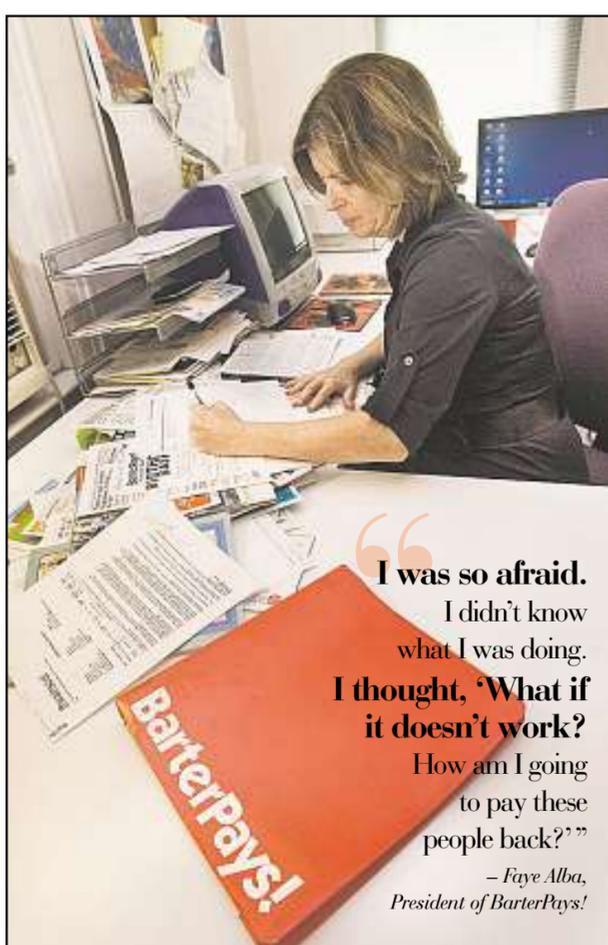
**STORYCHAT**  
**CARE TO COMMENT?** Visit our Web site at [www.app.com](http://www.app.com) and click on this story in **Business** to discuss **the barter economy**.

See **Bartering**, Page B2

**Are you thinking about participating in barter economy? Here's what you should know:**

- The idea works best for business owners who have excess inventory.
- Members paid with barter dollars need to report the exchange as taxable income to the government.
- Continue to get paid in cash when you can. The government, utilities and banks, to name a few, still want to get paid in cash.

Source: Linda W. Ross, professor of management, Rowan University



**I was so afraid. I didn't know what I was doing. I thought, 'What if it doesn't work?' How am I going to pay these people back?"**

— Faye Alba, President of BarterPays!

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## SOCIAL SECURITY

# Claim your benefits on Web

**Q.** Can I apply for disability benefits online?

**A.** Yes, you can apply for disability benefits online at [www.socialsecurity.gov](http://www.socialsecurity.gov). On the Web site, you'll also find our Disability Starter Kit, which will help you get ready for your disability interview and help you complete the online application. Kits are available in English and Spanish for adults and for children under age 18.

For more information, go to [www.socialsecurity.gov](http://www.socialsecurity.gov) and visit the "Applying for Disability Benefits" link. Or call us toll-free at (800) 772-1213 (TTY 800-325-0778).

**Q.** I receive Social Security disability benefits. Will my Social Security benefits change when I turn full retirement age?

**A.** When you reach full retirement age, the amount of your benefit will not change. For Social Security purposes, your benefits will be called retirement benefits instead of disability benefits. You do not need to take any action.

"Social Security" appears Sundays. Joanne Crane is district manager of the Social Security office at 3310 Route 66, Neptune, NJ 07753. Call (800) 772-1213 for information.

# Many face foreclosure despite bailout law

Congressional leaders and regulators have to be feeling a little like the superhero Batman, as depicted in the stunning blockbuster "The Dark Knight."

Although they have enormous power to borrow and legislate, government crusaders may put only a modest dent in the U.S. foreclosure wave.

The huge mortgage and housing-bailout bill signed by President Bush recently won't immediately halt 8,500 American homes a day from slipping into foreclosure.

This leveraged bailout of quasi-government mortgage enterprises and strapped homeowners will rescue 400,000 facing home loss at most, although more than 2 million are imperiled.

In trying to do the right thing in an election year, the law provides modest incentives. It will do nothing to restore equity for those in the worst markets. Those who need loan modifications to stay in their homes may not get the break they need.

Falling home prices are forcing a writedown of home values in neighborhoods in which foreclosures are most pronounced. "Cash-out" corridors in Arizona, Florida, Michigan, Nevada and Ohio are stung because homeowners can't refinance. They have little or no equity and poor credit ratings.

It's not surprising that the International Monetary Fund stated recently that "a bottom for the housing market is not visible." Foreclosure filings more than doubled in the second quarter over the previous year because millions are falling behind and can't handle higher payments on adjustable loans.



JOHN F. WASIK

## The law's shortcomings

All of the congressional lifelines thrown to homeowners come with catches. Some of the highlights include:

■ Tax write-off and credit. A standard deduction of \$500 for single filers and \$1,000 for joint filers will be offered to the 28 million taxpayers who don't itemize mortgage interest on their federal returns.

■ First-home buyers will be given a refundable tax credit of as much as \$8,000 "to help reduce the existing stock of unoccupied homes." This is little or no help to those currently struggling with payments or foreclosure. It's actually an interest-free loan that has to be paid back.

■ Refinancing into Federal Housing Administration-guaranteed fixed-rate loans. If distressed borrowers qualify, they will have to share their equity gains — if any — with the government. Only owner-occupied homes without additional loans qualify. The voluntary program doesn't start until Oct. 1.

■ Grants for "assistance." Some \$4 billion is earmarked for "communities hardest hit by foreclosures and delinquencies," although it's not clear how this money will be spent. Pre-foreclosure counseling will be funded through a \$180 million provision.

To bolster the secondary mortgage market, the new law props up mortgage enterprises Fannie Mae and Freddie Mac. The U.S. Treasury will have broad authority to buy their stock and bonds. A new, tougher watchdog agency will police their recovery.

Originally chartered to insure and buy mortgages, the two companies may see their equity wiped out if they can't reverse their slide. Together, they hold \$5.2 trillion in housing debt.

Will the law's emergency powers restore confidence in the mortgage giants? While the legislation puts American taxpayers on the hook if Fannie and Freddie don't recover, it will probably do nothing to spur home sales or stop price erosion.

## Still on the market

There's about a 10-month supply of unsold homes on the U.S. market. Raising the limits on loans that federal mortgage insurers can buy to \$625,500 will mostly help creditworthy borrowers in expensive and coastal markets, yet it will probably do nothing to brake the slide elsewhere.

If Congress was serious about saving the maximum number of homeowners, any meaningful bailout should have involved a massive writedown of billions in equity in the worst markets. Loan modifications for non-speculators that lowered monthly payments also would have been helpful.

Homeowners will need more help to keep their properties, and this law won't provide it because much of the assistance is voluntary, and people aren't getting the aid they need from

the financial-services industry.

It's estimated that some 70 percent of homeowners who are seriously delinquent in their mortgage payments aren't being helped by lenders or servicers. That's according to the State Foreclosure Prevention Working Group, a coalition of state attorneys general and regulators.

## \$5 trillion could be lost

Much more pressure needs to be put on creditors to lower payments, extend terms, and to accept forbearance and deeds in lieu of foreclosure. These options are all ways to keep people in their homes and are alternatives for anyone in this situation.

If the government can't slow the foreclosure rout, then prices will continue to fall. That means huge damage to the local and national economies and evaporation of personal wealth.

Should home values drop 25 percent from the 2005 market peak — as many analysts predict they could — that's about \$5 trillion in lost wealth, according to a report by James Lardner, a senior fellow at Demos, a New York-based research organization.

In order to battle the housing crisis aggressively, Congress need not employ any heroism. But a tough dose of economic reality will certainly bolster the cause.

John F. Wasik, author of "The Merchant of Power," is a columnist for Bloomberg News.

**ON THE WEB:** Visit our Web site, [www.app.com](http://www.app.com), and click on this story for a link to a bonus William Pesek column.

## LOCAL BRIEFS

### Howell woman joins health-care facility

Kim Ubrico of Howell, a registered nurse with advanced practice nurse certification, has joined the staff of Ocean Health Initiatives, Lakewood and Toms River.

Before joining the center, Ubrico was a women's health nurse practitioner at the Family Planning Center of Ocean County for five years; she was responsible for the assessment, planning, diagnosis and treatment of patients.

### Batistoni, Boyle promoted to partners

Dianne Batistoni and Peter Boyle have been promoted to partners at Amper, Politziner & Mattia, Certified Public Accountants and Consultants, Wall. They are both members of the American Institute of Certified Public Accountants.

Batistoni, a partner in the firm's insurance industry service group, has more than 20 years of public accounting experience. She is a member of the New Jersey and New York Societies of Certified Public Accountants and the New York Insurance Association.

Boyle, with more than 14 years of public accounting experience, is a partner in the firm's audit and accounting department. Prior to joining Amper, he was a senior manager/audit at Ernst and Young. He is a member of the Pennsylvania Institute of Certified Public Accountants.

### Ticketmaster opens Toms River outlet

Ticketmaster has opened an outlet at Ocean County Mall's Guest Services booth in Toms River. Shoppers will have access to event information and ticket purchases for a variety of area attractions and entertainment, including sporting events, museums, theatrical performances and more. Shoppers can purchase tickets online at [www.ticketmaster.com](http://www.ticketmaster.com) for in-mall pickup.

Ticketmaster also will offer the OnSpot Digital Network, which will provide up to date information on the latest Ticketmaster events via the mall's digital, high definition screen positioned in high traffic locations throughout the mall.

Guest Services is open from 10 a.m.-9:30 p.m. Monday through Saturday and from 11 a.m.-6 p.m. Sundays.

### Manalapan man joins Howell dental practice

Dr. Jason Goldberg of Manalapan has joined Dr. Peter P. Lewis's cosmetic and family dental practice, Howell Dental Associates in Howell.

He received his dental degree from the University of Maryland at Baltimore. He is a member of the American Dental Association, the New Jersey Dental Society, Jersey Coast Dental Forum and the Seattle Study Club.

### Business center to host seminars

The New Jersey Association of Women Business Owners' Women's Business Center will offer its three-hour "Are You an Entrepreneur?" seminar and its 12-hour "Start Right!" seminar at Main Office Executive Suites, 12 Christopher Way, Suite 200, Eatontown.

The entrepreneur seminar is an overview for those exploring the possibility of starting a new business that highlights personality, business knowledge, experience and the proper time, place and financing for opening a new business. Start Right focuses on everything you want to know about opening a business right such as preparing a formal Business Plan.

Start Right will be held on Aug. 21 and 28 and Sept. 4 and 11. The "Are You an Entrepreneur?" class will be held on Sept. 18. All sessions are from 10 a.m. to 1 p.m. and are free of charge and open to the public.

To register, contact the Women's Business Center at (973) 507-9700 or visit the Web site [www.njwbo.org/wbc](http://www.njwbo.org/wbc).

Local Briefs are compiled by Renee Freeman. Information on new businesses, expansions, trade association awards and business notes on people may be mailed to her attention at [rffreeman@app.com](mailto:rffreeman@app.com) or to the Asbury Park Press, 3601 Route 66, P.O. Box 1550, Neptune, NJ 07754-1551.

## Planner

FROM PAGE B1

probably invested quite a bit of time and effort," he said. "So be careful — make sure you're changing for the right reason."

Here are five warning signs that suggest it might be time to replace your planner:

### Poor communication

When times are good, your calls may be returned promptly and communication is fine. But if you are stuck with a bad planner, you may get the runaround or not hear much of anything in a downturn.

Stanfield says most people who leave their adviser do so not because of poor performance but because of limited access or some other breakdown in communication.

Not getting return phone calls or e-mails, or finding it difficult to schedule a face-to-face meeting may mean it's time to deliver the pink slip.

### Abrupt changes

If the long-term strategy your adviser worked out with you is cast aside when the market tanks, that could be a problem.

Experts say some changes may be warranted in a down market, particularly with taxable accounts, but not wholesale ones. For example, it might be worth taking some tax losses by moving money from holdings that have declined in value into similar assets.

"The correct strategy is not to sell out and go to cash, it's to say 'This too shall pass' and say what your strategy is for the next time the market's up," said Richard Salmen, vice president and senior adviser at GTrust Financial Partners in Overland Park, Kan. "A bad adviser is going to blow with the wind a little bit more."

### No clear strategy

In a bull market, a sub-par financial planner might be able to produce good results, without any defined strategy. But more than just cruise control is

needed at times like this.

Whether it's sitting tight or looking for under-valued stocks, any strategy needs to be well-thought-out and consider both the short and long term.

"If the adviser doesn't have a strategy they can articulate to you, you can pretty much guarantee that you'll have poor results," said David Twibell, president of wealth management for Colorado Capital Bank in Denver.

### Too many transactions

Excessive transactions may be easy to spot if stocks are bought and sold in your account nearly every day, as happened with Hallinan.

But Dan Moisan, a certified financial planner with the fee-only management firm Moisan Fitzgerald Tamayo in Melbourne, Fla., says it's the unexplained transactions that merit looking into.

Is the planner doing something different than she was before? What was the thinking behind the transaction? An investor is wise to ask the adviser questions if he doesn't understand something on the account statement.

### Transient planner

If you have a planner you like but he moves to a new firm, be wary of the reasons.

Perhaps the planner is moving up and looking for higher pay. But there's always a possibility there were issues with the services he was offering clients, forcing him to leave.

Find out the rationale behind the move — ask more questions.

Choosing a planner or adviser wisely to start with can help head off the hassle of having to fire one.

The Certified Financial Planner Board of Standards' Web site ([www.cfp.net](http://www.cfp.net)) has a list of 10 questions to ask when choosing a planner, including queries about experience, qualifications, services offered, approach, cost and whether another person may be working with you. It also tells how to check on someone's disciplinary history with any of five regulatory agencies.

Last month, the Commerce Department said the trade gap narrowed in May thanks to record-high exports. The department on Tuesday releases its June reading on the trade deficit, which is expected to have widened again.

In other economic data, the Labor Department on Thursday releases its index of consumer prices for July — economists are anticipating a rise of 0.4 percent, or 0.2 percent after stripping out food and energy prices.

And on Friday, the University of Michigan reports on consumer sentiment for the first part of August. Economists predict a modest rise.

## Bartering

FROM PAGE B1

bit as valuable as cash.

Without forking over so much as a dollar, dentists can pay for meals at restaurants, restaurants can pay for exterminators, and exterminators can pay for a marketing campaign.

But the barter economy isn't without flaws. Banks, for example, are unlikely to waive a monthly mortgage payment in exchange for a car repair.

"It would be appealing if you had more inventory than you had customers," said Linda W. Ross, professor of management at Rowan University in Glassboro. "You start thinking about, 'How can I place this? Is there someone, somewhere who has a service I need? You could buy some of my inventory.' And you begin to get very creative. There are lots of businesses in the same situation."

BarterPays! is a network of 650 businesses that charge each other the market value of their goods and services but agree to be paid in barter dollars instead of cash. Business owners can use the barter dollars in their account at any of the other members. And BarterPays! gets a commission of up to 10 percent.

Example: An exterminator in the network needs a root canal. He visits a dentist, who also is in the network. The dentist charges him \$500 and gets paid in barter dollars. The dentist then can use the barter dollars anywhere in the network — at a restaurant, an eye doctor, an auto mechanic.

BarterPays! oversees the network carefully. It doesn't hesitate to freeze the accounts of bad operators. And it sends financial statements to members at the end of the year, since barter sales are taxed as income by the government.

"We hold on to barter dollars, similar to a bank account," company President Faye Alba said.

Alba owned a graphic-design business and was a single mother of twin, 10-year-old daughters in 1993, when she heard about a barter program in northern New Jersey. She talked incessantly about how she wished someone in central New Jersey would do the same thing, until her friends convinced her to start the business herself, she said.

She had no capital and her credit card with a \$1,000 limit was maxed out, she said. But she borrowed a computer from a friend. The company that sold her specialized software told her she wouldn't have to pay if she failed. And she began to convince local business owners to participate in an alternative economy.

"I was so afraid," said Alba,



Faye Alba is the owner of BarterPays!, a network of 650 businesses who charge each other the market value of their goods and services, but agree to be paid in barter dollars instead of cash. (STAFF PHOTOS: SHAWN JUBER)

### BarterPays! oversees the network carefully. It doesn't hesitate to freeze the accounts of bad operators. And it sends financial statements to members at the end of the year, since barter sales are taxed as income by the government.

now 51 and a Belmar resident. "I didn't know what I was doing. I thought, 'What if it doesn't work? How am I going to pay these people back?'"

It never reached that point. The company, based in Howell, has four employees and annual sales of \$1 million, making the barter economy managed by BarterPays! worth \$10 million. By comparison, New Jersey's Gross Domestic Product was \$391 billion last year.

Bartering is a concept easily grasped by children everywhere who have been taught about cavemen who traded tools for food.

But advanced economies have used cash, in part because it doesn't require a perfect match between buyers and sellers, and makes the economy work more efficiently, said Jack Worrall, professor of economics at Rutgers University School of Business at Camden.

In that respect, BarterPays! has elements of both. Business owners trade their goods and services, but they aren't limited to one trade partner. And they have the advantage of eliminating middlemen and operating with other business owners they trust, Worrall said.

Tim Murphy, the owner of Spargo's Grille in Manalapan, joined BarterPays! eight years ago, thinking it would help him advertise his restaurant. He's paid by members in barter dol-

lars. And he's used members' services for human resources, electricians, plumbers and exterminators.

Murphy said he worried that members would spend more barter dollars at his restaurant than he would ultimately use. But he since has expanded his reach to buy personal services; he recently paid a moving company in barter dollars.

"I look at it as advertising," he said. Unlike a utility bill to be paid in cash, "This is kind of nice, where you will get customers from it and you will have money to use in the barter system."

Rowan University's Ross said bartering makes the most sense for business owners with excess inventory, whether it is a restaurant owner with unused tables or an accountant with extra time after tax season. They can get something in return through the barter network, she said.

But it also comes with risks. Namely, members who rely too much on the barter network may not generate enough cash to pay their rent or taxes to the government. It could leave them with plenty of access to jewelry or medical services, but not the basics, she said.

"A piece of advice is to watch their cash flow," Ross said. "They need to make sure they are not crafting deals that will put them into bankruptcy status."

Leslie Nolan has used BarterPays! as something of a savings account that she has tapped into to pay for her wedding. She has paid for invitations, flowers, a photographer, a caterer and bridesmaid dresses, all with barter dollars.

What it won't cover is her mortgage, she noted. "It is important for me to always have cash clients. I can't live on barter alone," Nolan said. "But I love barter."

Michael L. Diamond (732) 643-4038 or [mdiamond@app.com](mailto:mdiamond@app.com)

## Trial

FROM PAGE B1

dollar has actually been what's keeping the United States from sliding into a severe recession. The reason is exports — when the dollar is low, U.S. goods are cheap to foreigners.

"The main source of support for the U.S. economy in recent quarters has been the strength of net exports," wrote Bernard Connolly of Banque AIG Research in a note Friday. "But the world economy has fallen off the edge of a cliff."