

THE BUSINESS OF NEW JERSEY



How I avoid turnover

MICHAEL SIMON: President of Simon Holdings in Linden

WHAT I DO: Founded a privately held real estate investment, development and management company with 21 employees and properties worth about \$35 million

"We focus on retention of both staff and tenants. The key is appreciation. You appreciate a good tenant who pays his rent and does not create problems. And you appreciate a staff person who shows up and takes pride in what they do. You also need to be flexible. If a tenant has outgrown his space, you can relocate them to another property. With staff, I like to delegate and give people responsibility to take charge."

CIT snags HSBC portfolio for \$1 billion

BY BETH FITZGERALD
STAR-LEDGER STAFF

CIT Group is buying the \$1 billion U.S. factoring portfolio of HSBC Bank USA, thus further enhancing its role as the leading player in the nation's \$95 billion factoring industry.

Factors are asset-based lenders. In a typical transaction, an apparel manufacturer sells a dress line to a retailer and receives immediate cash from Livingston-based CIT,

CIT Group
\$35.95 ▲ \$0.68

which in turn collects on the accounts receivable from the retailer.

"We are essentially managing the collection process and the accounts receivable bookkeeping process for the manufacturer," said Ann-Margret Crater, vice president of CIT Commercial Services.

The portfolio CIT is acquiring is valued at \$1 billion before assumed liabilities that result in net assets of about \$270 million. Terms of the sale were not disclosed.

The deal continues an ongoing trend toward consolidation in the asset-based lending industry, according to Matt Emerson,

spokesman for the Commercial Finance Association.

"HSBC was one of the top five in the factoring business, so this is a pretty major transaction for our industry," Emerson said.

CIT is the largest player in the U.S. factoring market, estimated at \$95.7 billion in assets in 2002. HSBC Bank USA is the U.S. subsidiary of London's HSBC Holdings.

Crater said CIT Commercial Services, the company's factoring unit, had managed assets of \$5.7 billion at Sept. 30, out of CIT's total managed assets of \$49.3 billion.

CIT has been in the accounts receivable and inventory financing business since the 1920s, the company said.

"This addition to our existing portfolio reinforces CIT's commitment to the various industries that sell into retail channels of distribution," said John Daly, president of CIT Commercial Services, which specializes in serving the apparel, footwear, furniture, home furnishings and consumer electronics industries.

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MOVERS & SHAKERS

Comcast



(CMCSA) +\$0.54, 1.7%

5-day change +1.30%

30-day change +2.93%

Earnings per share -\$0.60

Comcast has long wanted to cash out its stake in Time Warner's cable television unit. A filing with regulators now suggests a sale could be near.

Merck



(MRK) +\$0.70, 1.5%

5-day change +4.50%

30-day change +0.549%

Earnings per share \$3.654

Merck is under pressure to develop medicines, so investors welcomed news it is seeking approval for Arcoxia, a follow-up to the blockbuster Vioxx arthritis drug.

Nymox



(NYMX) +\$0.15, 4.6%

5-day change +19.01%

30-day change +10.25%

Earnings per share -\$0.164

A medical journal presents a study showing evidence a company testing system works in detecting a link between a brain protein and Alzheimer's disease.