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## IN BRIEF

### Judge plans to issue order in loan dispute

U.S. District Judge Robert Jones on Monday said he planned to order Donna Cangelosi to stop usurping the rights of Compass Partners to service loans of bankrupt USA Capital, a private lender that failed in April 2006 while holding \$962 million in assets for 6,000 investors.

Speaking at a packed hearing attended by 100 people, Jones said he would void the assignment of rights made by investors to companies established by Cangelosi and the Lenders Protection Group.

Cangelosi, who invested \$2.6 million in loans brokered by USA Capital, was trying to replace Compass Partners, a New York private equity firm, as the loan servicing agreement company for USA Capital loans. Loan servicers distribute payments made by borrowers to lenders.

The federal judge said Cangelosi violated bankruptcy court orders, violated federal and state trade laws, and lacked a Nevada license to service loans. Attorney Alan Smith said Cangelosi had selected a broker who was licensed to service loans.

Jones said he will order Compass Partners to make disclosures to investors in loans it is servicing and not to give itself priority over investors in distributing payments. Compass lacks a license to service loans in Nevada, but Jones seemed willing to accept Compass' selection of Consolidated Mortgage to service USA Capital loans.

### Retailer sees home market staying down

Home Depot, the world's largest home-improvement chain, doesn't expect the U.S. housing market to improve until late next year.

Home Depot hadn't expected housing inventory to rise to a 15-year high, Chief Financial Officer Carol Tome said in an investor presentation monitored on the company's Web site.

The collapse of the subprime-mortgage market "is impacting the housing environment," Tome said. "We don't think we'll see an improvement in that until the back half of 2008."

Slowing home sales and declining house prices are making owners hesitant to invest in new bathrooms or kitchen cabinets, hurting Home Depot sales.

The retailer on Monday revised its profit forecast to a decline of 7 percent to 9 percent this year from 2006, compared with a 15 percent drop projected earlier, after buying back 289.3 million of its shares.

SAN JOSE, Calif.

### Apple sells millionth iPhone after price cut

Apple sold its millionth iPhone over the weekend, days after it slashed the price by a third to spur sales.

The milestone was reached weeks earlier than expected and sent shares of Apple up \$4.94, or 3.75 percent, to \$136.71. The stock regained some of the ground it lost after the price cut spooked investors as a sign of weak demand and slimmer margins.

It took just 74 days for the combination cell phone-iPod to hit the 1 million mark, which Apple had said it would achieve by the end of September. By comparison, it took two years for the company to sell 1 million iPods, Apple CEO Steve Jobs noted in a statement.

WASHINGTON

### **Consumer credit growth rate slows**

Consumers kept charging at a rapid pace on their credit cards in July although their overall borrowing slowed.

The Federal Reserve reported that consumer credit rose at an annual rate of 3.7 percent in July, down from a 5.9 percent growth rate for consumer debt in June.

The slowdown reflected a big drop in borrowing in the category that includes auto loans. The category that includes credit cards saw an increase as consumers continued to turn to their credit cards to finance purchases now that home equity lines of credit are becoming harder to obtain.

### **Sahara has tentative deal with unions**

The Sahara on Monday reached a tentative accord on a new collective bargaining agreement with Culinary Local 226 and Bartenders Local 165.

The agreement, the fifth to be reached in this year's contract negotiations between the unions and Las Vegas casino operators, will affect 700 workers at the property.

Details of the accord were not available pending a ratification vote by the workers scheduled for Saturday.

The deal comes two days before a Wednesday strike authorization vote by Culinary union workers. The vote would give their negotiating committees authorization to call a strike at hotels that have not settled new collective bargaining agreements.

WASHINGTON

### **FCC chief pushes for rules for transition**

The cable TV industry has promised that when broadcasters shift to digital-only transmission in 2009, cable subscribers who are not equipped to receive a digital signal will still see a picture.

But Federal Communications Commission Chairman Kevin Martin isn't taking their word for it.

He is trying to persuade his fellow commissioners to pass rules that will force the industry to keep that promise. The issue is scheduled for a vote today.

"Unless the commission acts, some cable customers may actually be harmed by the transition and lose the ability to view some of these channels," Martin said Monday in a statement.

WASHINGTON

### **Interest rates decline in Treasury auction**

Interest rates on short-term Treasury bills fell in Monday's auction to the lowest levels in three weeks.

The Treasury Department auctioned \$20 billion in three-month bills at a discount rate of 3.8 percent, down from 4.35 percent last week. Another \$15 billion in six-month bills was auctioned at a discount rate of 4.02 percent, down from 4.38 percent last week.

NEW YORK

### **Treasury prices rise as investors seek safety**

Treasury prices closed with sharp gains Monday after investors again turned to low-risk assets.

The benchmark 10-year Treasury note closed up 0.5 points at 103.41 with a yield of 4.27 percent, down from 4.42 percent late Friday.

The 30-year long bond finished 1.03 at 105.75, while its yield was 4.64 percent, down from 4.75 percent on Friday.

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