

POSITIVE NEWS

Stocks rise as investors bet that U.S. lawmakers can avoid a fiscal cliff. Page 35



CYBER BOOM

The Monday after Thanksgiving was the biggest internet sales day in history, thanks to shoppers using tablet computers. Page 35

| | YEST CLOSE | CHNG | PCT |
|-----------|------------|-----------|-------|
| DOW JONES | 12,985.11 | ▲ +106.98 | +0.8% |
| NASDAQ | 2,991.78 | ▲ +23.99 | +0.8% |
| S&P 500 | 1,409.93 | ▲ +10.99 | +0.8% |
| DOLLAR | .7729 | ● +0.00 | 0.0% |
| CRUDE OIL | \$86.49 | ▼ -\$0.69 | -0.8% |

Hotels face charges of post-storm gouging

10 businesses cited in new round of lawsuits

By Richard Khavkine
STAR-LEDGER STAFF

Seven hotels are among 10 businesses that together committed more than 1,000 instances of price-gouging in the aftermath of Hurricane Sandy, according to Christie administration officials who yesterday announced a second round of lawsuits against companies

that raised prices in excess of what is allowed during a state of emergency.

In one instance, authorities accused the America's Best Value Inn on Route 22 in Phillipsburg of raising prices more than 200 percent, far more than the 10 percent increases allowed under the state's price-gouging law.

The new lawsuits were announced by state Attorney General Jeffrey Chiesa's office.

Three of the hotels named in the suit—a Howard Johnson on Route 3 in Clifton, a Holiday Inn on Tonnel Avenue in North Bergen and a Ramada Inn on Evergreen Place in East Orange — and one other already being sued by the state, share the same owner, Ratan Hospitality Group of North Bergen.

"This one company and its four hotels allegedly committed a staggering number of violations of the price gouging law, and each separate violation merits a penalty of up to five figures," Chiesa said in the news release announcing the new round of lawsuits. "Safe, comfortable lodging is not a luxury when people have been displaced from their homes during a state of emergency. It

is a basic necessity. We have no tolerance for businesses seeking to unlawfully profit from the desperation of others during this unprecedented storm."

The Howard Johnson is alleged to have charged as much as \$449.99 for a night's stay during the state of emergency, a 151 percent increase from its highest rate before the storm, according to the news release.

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ASK THE BIZ BRAIN

Q. Years ago, we bought a mobile home, but we lease the lot that it sits on. The lot lease was affordable but has gone up every year to the point where it is difficult to pay. The landlord had told us that the lease would go up only if the taxes did, but when I recently read the lease contract it said it would go up 5 percent every year, which it has. Is there anything we can do?

— Andy

A. Probably not. Generally, contracts can be either written or verbal, but the "Statute of Frauds" is a rule of law that requires certain types of contracts to be in writing to prevent injury from fraudulent conduct or just the uncertainty of memory. For example, contracts related to the transfer of real estate, for the purchase of goods over \$500, guaranteeing another person's debt, and contracts that can't be completed in one year must all be in writing to be valid.

In your case, the lease contract is for more than a year and therefore must be in writing. Further, most contracts contain a clause that states that the entire agreement is in writing and that any previous verbal agreements are not valid. Sometimes when a written agreement is vague, verbal comments made about the lease can be used to help the judge interpret what was agreed to, but when the written agreement is clear, as in your situation, oral evidence can't be used regarding the agreement. Because your agreement falls into the category that must be in writing and is clear about the 5 percent annual increase, it appears you are stuck with what was agreed to in the contract.

Even if the agreement was not required to be in writing, a written agreement will hold much more weight with the court than conflicting memories of what was said years ago. Still, you may want to speak with your landlord and see if you can work something out. You can move your mobile home, and the landlord may decide that a tenant paying a little less is better than an empty lot.

MCT News Service

E-mail your questions to askbiz@starledger.com

Time will tell how much Sandy hurt N.J. economy

By Ed Beeson
STAR-LEDGER STAFF

New Jersey's economy already was hurting before Hurricane Sandy struck a month ago. What clouds the superstorm will cast over the state going forward won't be clear for some time, a top federal economist told a gathering of New Jersey bankers yesterday.

The impact on the state's business sector will take some time to get a handle on, said Loretta Mester, executive vice president and director of research at the Philadelphia Federal Reserve Bank. Sandy disrupted business activity when it cut power to nearly a quarter of the state for more than a week, she said.

The storm also leveled untold numbers of smaller businesses, many of which may never return, Mester told about 130 bankers at a symposium in Manalapan hosted by the Department of Banking and Insurance.

The Christie administration yesterday raised its estimate of losses the storm caused to \$36.8 billion. But early estimates of storm losses have a tendency to grow over time, Mester said, noting that the early tabs for Hurricane Katrina eventually quadrupled. A fuller picture of the storm's impact probably won't be known until early next year, she said.

It's an unfortunate turn for a state wrestling with stubbornly high unemployment and foreclosure troubles. The jobless rate in New Jersey was 9.7 percent for October, up from 9.0 percent in March and well above the national rate of 7.9 percent for October.

"New Jersey has been showing some bad signs," Mester said with respect to its labor market.

State data for November, the first full month after Sandy, won't be known until the middle of December. But losses in October included many in the hospitality sector, a blow to many workers in Atlantic City, which is reeling from regional competition.

The jobless rate, however, should decline somewhat as federal aid flows into the state that could put people back to work, Mester said.

Nationally, Sandy isn't expected to hurt the long-term economy, which has been growing at a moderate pace. While the storm could chip away up to half a percentage point of Gross Domestic Product during the last three months of the year, the economy could make up some of those losses next year, she said.

A November survey of business outlooks showed a sudden plunge in confidence among business operators, Mester said.

"The hope is the negative in November is a hurricane effect, and that we will go back to October's positive (data)," she told the bankers.



PHOTOS BY FRANCES MICKLOW/THE STAR-LEDGER

Twenty-two loft-style apartments, located above Dinosaur Bar-B-Que in the Columbian Building, will officially open today in Newark. The apartments are part of a proposed residential and retail center called RockPlaza.

A place near the Rock

Apartments near Prudential Center will officially open today

By Tom De Poto
STAR-LEDGER STAFF

Courtney Alonzo is a hockey fan. She roots for the Pittsburgh Penguins, but admits she'd have no problem donning a Devils jersey.

And that's a good thing, because her next-door neighbor is the Prudential Center, home to the Devils. And outside her window stands a two-story stainless steel hockey player with his hockey stick.

Alonzo is among the first tenants to rent one of 22 loft-style apartments at 224-26 Market Street, Newark, adjacent to Devils Championship Plaza and the Rock.

Alonzo, who hails from Pittsburgh, is a first-year student at the Seton Hall University School of Law, just a few blocks away.

Her one-bedroom apartment features brick interior walls, exposed steel girders, 10- to 12-foot ceilings, large windows, keyless entry and a rooftop deck.



The apartment of Courtney Alonzo, who is one of RockPlaza's first tenants. The building contains 22 residential units.

SEE **ROCK**, PAGE 34

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