ECONOMY

High gas prices may be costing jobs

Relentlessly-rising prices at the gas pump may be affecting jobs as applications for unemployment benefits spiked over the past month.

BY CHRISTOPHER S. RUGABER

WASHINGTON — A renewed rise in layoffs is the latest sign that higher fuel prices may be slowing

the economy. A 23 percent spike in applications for unemployment benefits over the past month suggests that hiring may be weaker as the government issues the April jobs report Friday.

Most analysts agree the economy has strengthened enough to keep growing this year. But gas prices have risen for 44 straight days. Consumers are spending more to fill the tanks, leaving them with less to spend elsewhere. As a result, many companies are feeling less certain about the economy's health, which could delay hiring

"We have found that higher gas

prices can lead to a slowdown in sustainable job growth. the pace of hiring," said Daniel Silver, an economist at JPMorgan

Applications rose last week to a seasonally adjusted 474,000, an eight-month high. A Labor Department spokesman said the spike was largely the result of unusual factors, including a high number of school systems in New York that closed for spring break.

Still, the level of applications is nearly 100,000 higher from February's three-year low of 375,000 — a figure typically consistent with

The third rise in four weeks also contributed to a sell-off on Wall Street. The Dow Jones industrial average fell 139 points to close down at 12,584 for the day, although the decline was also influenced by a drop in oil prices.

"The trend is clearly upward, so that's disconcerting," said Kurt Karl, chief U.S. economist for Swiss Re. "When you get three or four weeks in a row of special factors, they're no longer so special."

Most economists are sticking with their prediction for Friday's

employment report. The consensus view is the economy added 185,000 jobs in April and that the unemployment rate was un-changed at 8.8 percent. But the weaker data on layoffs and other recent reports have stirred concerns that the gains could shrink in the coming months.

A private trade group said the U.S. service sector, which employs 90 percent of the work force, grew last month at the slowest pace since August. And the National

• TURN TO UNEMPLOYMENT, 10B

INVESTMENT FRAUD



A MESS: Construction crews work in the area of Biscayne Boulevard around Second Avenue and 18th Street. The Florida Department of Transportation project is hurting business such as Rumeur Spa and Boutique at 275 NE 18th Street, below.

■ Business owners along Biscayne Boulevard are struggling as a major construction project drives away many of their customers.

SERENA DAI sdai@MiamiHerald.com

The sprawling construction on downtown Biscavne Boulevard is an unquestionable nuisance to drivers. From surprise detours to a maze-like route, the road can be difficult to

But the bright yellow machinery also hides restaurants, salons and other small businesses. Not only can customers breeze by without spotting them, but regulars struggle to find parking due to closed access to lots and dayto-day shifts in street parking.

Some businesses have lost 20 to 50 percent in sales as a result. Others have shut their doors forever.

In a twist of irony, road and drainage up-

• TURN TO BISCAYNE, 10B



Stanford facing fewer charges

BY ANDREW HARRIS AND LAUREL BRUBAKER CALKINS

R. Allen Stanford, the Texas financier accused by U.S. prosecutors of leading a \$7 billion investor fraud scheme, was indicted again and accused of seven fewer counts than previously.

Prosecutors filed a revised charging document yesterday in U.S. District Court in Houston. Stanford, who has denied all allegations of wrongdoing, has been in federal custody since June 2009 awaiting trial.

Stanford is accused of defrauding investors who bought certificates of deposit issued by his Antigua-based Stanford International Bank Ltd. by misleading them about the investments and their regulatory oversight. Stanford, who issued certificates of deposit from his Antigua-based bank, also had an office in Miami

The original indictment contained 21 criminal counts. The new one contains 14, including conspiracy to commit money laundering, obstruction of a U.S. Securities and Exchange Commission investigation, wire fraud and mail fraud.

Two wire-fraud counts were dropped as were five mail-fraud charges. Conviction on any count could result in a maximum sentence of 20 years in prison for Stanford, 61.

"I don't think anything of relevance has been dropped right now," said Ali Fazel, one of Stanford's criminal-defense lawyers.

Laura Sweeney, a spokeswoman for the U.S. Justice Department, declined to immediately comment on the revamped indictment, citing a judicial gag order in the case.

Stanford is at the hospital at the Butner Federal Correctional Complex in North Carolina, where he is being treated for a prescription drug addiction he developed in prison. His trial has been postponed pending his treatment.

TELEVISION

Reality-TV's 'Miami Ink' makes a move to New York

A 'Miami Ink' spin-off in New York leaves most of the cast behind, but gives Ami James a second shot at reality-TV branding.

BY DOUGLAS HANKS

Former Miami Ink star Ami James has put aside bad blood with his former reality-TV bosses to step before the cameras in a new tattoo series set in Manhattan.

NY Ink debuts next month on Discovery Communications' TLC, but the drama has been playing out since the cable network dropped Miami Ink in 2008 after three years on the air. At the time, James and co-star Chris Nuñez said they had tired of their Miami Ink run, with James telling The Miami Herald, "I will never work for Discovery again.'

Now James is back with the network, but Nuñez and most of his co-stars and coworkers from South Beach's old Miami Ink tattoo studio weren't invited to join the new

cast. Instead, the show will focus on James — always portrayed as the hard-nosed leader in South Beach - managing a new group of artists in New York's SoHo district.

"As much as I wanted to have my boys come up with me [TLC] wanted to start something fresh and new," James said. "Because we were best friends already for 16 years, it was hard for us to make drama."

The popularity of Miami Ink made the Washington Avenue tattoo parlor a tourist attraction. Fans snapped photos of the front window so often that at peak times of the day it rivaled the former Versace mansion as the most photographed spot in South

But friction between the stars and the show mounted as James and Nuñez plotted their post-Ink business strategy. Discovery owns the rights to "Miami Ink," so the two started a second shop on the same block with a name they own, Love Hate Tattoos. The show ended shortly after the new shop opened. A new travel series based on them

exploring tattoo traditions around the globe folded before the episodes aired, James said.

James and Nuñez split as partners about six months ago, with James buying out his longtime friend's shares in both the tattoo shop and a Love Hate bar they opened off Fifth Street. "I'm going to be opening my own space in the near future" in Miami, Nu-

ñez said this week. Of the Miami Ink cast, only James and late-addition Tim Hendricks will be appear in the New York spin-off. TLC ordered eight episodes of NY Ink, and shooting is scheduled to end within two weeks. The show premieres June 2, and James said new Discovery management convinced him to rejoin TLC.

NY Ink will unfold in a shop James opened in the SoHo section of Manhattan. It's currently called the Wooster Street Social Club, but James said Wednesday the name might change before the show airs.

He wouldn't provide details, but said the problem centers on a familiar source of ten-



MIAMI HERALD FILE, 2007 LEAVING SOBE: 'Miami Ink' star Ami

James settled differences with TLC.

sion in James' television career: branding. "I am having some issues with the name of the shop and trademark" issues, he said. "I can't even talk about it."

James added: "The name on the shop will be my business, which I will always own."

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THE BUSINESS REPORT | BUSINESS STARTS ON 12B

FORTUNE 500

Wal-Mart remains atop list

Despite seven straight quarters of declines in revenue at stores open at least a year, Wal-Mart remains atop the Fortune 500 list.

BY CHRIS KAHN

Wal-Mart Stores Inc. remains atop the Fortune 500 list even as it struggled to keep its U.S. customers coming in the door.

The world's largest retailer held onto the top spot for the second year in a row thanks to gains at its international stores. The company's U.S. division has had seven straight quarters of declines in revenue at stores open at least a year compared with the same periods the year before.

Fortune Magazine, which ranked companies based on revenue for 2010, released its annual list on Thursday. It was filled with examples of how rising fuel prices are affecting the economy. Wal-Mart was followed by the three largest American oil companies: Exxon Mobil Corp., Chevron Corp. and ConocoPhillips.

Fortune said that America's top companies profited by boosting productivity and cutting jobs.

Like Wal-Mart, they also relied on growing opera-

tions overseas. The strategy helped them increase earnings 81 percent to \$318 billion. That's the third-largest combined profit gain in the list's history.

The largest jump in profit came in 2004, when Fortune 500 companies reported a more than six-fold increase in earnings. Companies that made last year's list increased profits by more than four-fold.

Fannie Mae jumped from 81st last year to round out this year's top five companies, though the rise was mostly due to new accounting rules and continued support from the federal government.

The housing finance giant also faces an investigation by the Securities and Exchange Commission, which is looking into statements that former CEO Daniel Mudd made about the mortgage giant's exposure to risky loans.

The top 10 companies also included General Electric Co., Berkshire Hathaway Inc., General Motors Co., Bank of America Corp. and Ford Motor Corp.

Ten companies cracked the list for the first time this year. Nineteen others, including Chrysler and Fidel-National Information Services, returned to the Fortune 500 this year.

EMPLOYMENT

Job seekers find hope in healthcare

BY MARCIA HEROUX POUNDS

Ten out of 13 industries had more job postings in April than in any other month this year, according to Indeed.com's industry employment trends search. Trends in new jobs include:

growth in transportation.

• Demand continues to grow for HR professionals, Miami) are: including recruiters.

• Job postings for healthcare were nearly double that of any other industry.

Indeed.com, an aggregator of online job boards, reports that companies with • 25 percent quarterly the most job postings cur-

rently available in South Florida (within 50 miles of

• Memorial Healthcare System — 342 • Broward Health — 286

• CVS — 285

• McDonald's — 205

Ross Stores — 150Humana — 124

• HCR ManorCare — 101

• Advance Auto Parts - 85 Indeed.com says the job titles with the most current postings include: retail sales associate, shift supervisor, sales representative, registered nurse, pharmacy technician, customer service. crew and merchandiser.

• Cleveland Clinic — 100

• AT&T — 100

SMALL BUSINESS

Road work threatens businesses

• BISCAYNE, FROM 12B

grades intended to improve business in this district now threaten their survival. With tough economic times, small businesses worry about staying open long enough to enjoy the potential of nicer streets and increased pedestrian traffic when construction finishes this August.

"It's been a nightmare," said Emilio Fontan, owner of Café Rincon Escondido. "I don't think they care too much about business."

The stretch of Biscayne in the downtown area. from Northeast 14th Street to 38th Street has been under construction since August 2009, part of a larger Florida Department of Transportation revitalization of Biscayne Boulevard that started at Northeast 87th Street in 2006. The project is now in its final phase in the downtown

Fontan opened his restaurant near Northeast 27th Street two months ago after the landlord told him construction wouldn't be much of a problem. But at dinner time on a recent Friday, nobody was there—or at any of the neighboring restaurants.

Around the corner, at the 21-year-old Adelita's Café, closed side streets completely blocked off the entrance for weeks, causing a 50 percent decrease in sales, manager George Trejo said. Trejo was forced to cut employee hours. Not even the recession hit them that hard,

"On Fridays, it's usually filled with people," Trejo said. "Now it is empty."

The maze of orange cones also degrades delivery service, and downtown blockage affects all businesses on Bis-



ROBERTO KOLTUN/EL NUEVO HERALD **UNDER CONSTRUCTION:** The project is in its final phase

cayne as drivers detour to kitchen or dish room, which will cost about \$16 million parallel roads like Miami Avenue and Northeast Second Avenue. Daily Creative Food Company near 20th

Street, known to customers as "The Daily," has suffered a 20 to 22 percent decrease, said owner Adam Meltzer. He understands that the

reconstruction may be revitalizing and appreciates the weekly updates from FDOT. But he's not sure the result will make up for all that the businesses have had to suffer from a messy, disorganized construction job, he

"I call it the reconstruction of Biscayne Boulevard and the deconstruction of local businesses," he said.

SHUTDOWN

Such troubles forced Frankie Crupi, now a coowner of Dogma Grill at Northeast 71st Street, to shut down his once-popular restaurant called Frankie's Big City Grill near 86th street, where construction finished in 2008.

When the machines arrived, they blocked his front entrance. Customers were

dropped his customer count to zero, he said. And the neighboring mom-and-pops also all gone, he said.

"There wasn't much happening [as far as business], and we were one of the first people over there," he said.

RENAISSANCE

Entrepreneurs like Crupi spurred a renaissance of this famed thoroughfare. Payby-hour motels and seedy crack dens have given way to Starbucks, health clubs, boutiques, bodegas, bike shops and restaurants some a byproduct of highrises between Biscayne and the bay that were built during the boom. Publix even started constructing a new supermarket at 18th Street mid-March. They plan to open it next year.

But the same businesses that drove the rebirth must now survive the project's dust. FDOT will award the contractor a \$10,000 per day bonus if they complete on time. If contractors don't finish on time, there's a \$10,000 per day penalty.

forced enter through the blocks farther north — from couldn't get to me.'

38th to 89th Street — started in January 2006 and finished on time 17 months later. The southern end of the project, from 38th to 14th Street, is taking longer because it simply needed more work, said Monica Diaz, the project's spokesperson.

"The facility was extremely old," said Monica Diaz, the project's spokesperson, in an email. "FDOT expects safety and rideability improvements in the roadway system will impact positively in the economic growth of the area."

The southern section of the federally funded project and is intended to improve the roads and fix the drainage system. Aesthetic improvements, such as landscaping and lighting, are collaborations with the City of Miami.

Many business owners said they feel like construction is dragging. But FDOT says there haven't been major delays. Any missed deadlines of smaller sections have occurred due to "unforeseen underground conflicts with utilities and added work of sewer manhole replacement by Miami-Dade Water and Sewer," Diaz said.

Diaz tries to notify business owners and landlords of any changes in road closings through a weekly update and regular alerts. Only final layering, signage, lighting and landscaping should be required in July and August, she said.

Until it's complete, Biscayne entrepreneurs must either wait it out or fizzle.

"We got rave reviews; we won awards; and then we were really growing," Crupi Construction on the said. "Then people just

FLORIDA BRIEFS

COURTS

Guilty plea entered in \$16M wire fraud

The U.S. Attorney's Office said Thursday that Marika Tolz, 64, of Hollywood pleaded guilty to one count of conspiracy to commit wire fraud in a \$16 million conspiracy. For more than 20 years, Tolz had been a Chapter 7

trustee, required to collect property of bankruptcy estates and convert them to cash. She was required to safeguard the assets, keep detailed and accurate financial records of funds received and disbursed, and make reports of activities occurring in administration of the estates.

According to the U.S. Attorney's Office, from 2003 through May 20, 2010, Tolz and her co-conspirators conspired to misappropriate money from bankruptcy estates and receiverships by writing unauthorized checks from various fiduciary accounts.

INA PAIVE CORDLE

• Storm-surge damage potential estimated: If a major hurricane and storm surge strike South Florida, damage to homes and condos could reach \$44 billion, according to a report released this week by real estate research firm CoreLogic. That total which reflects damage to some 247,000 properties is second only to Long Island, N.Y., which is vulnerable to \$99 billion in property damage.

The areas most vulnerable to damage, according to the report, are Pinecrest, Palmetto Bay, Jupiter, Palm Beach and Palm Beach Gardens.

TOLUSE OLORUNNIPA • Museum deal launched: Museums throughout Miami-Dade are offering deals to get potential patrons in the door as part of Miami Museum Month. The Greater Miami Convention & Visitors Bureau started the initiative in 2009 and added four muse-

ums this year for a record number of 17 participants. Museums are offering buy-one-get-one-free admission and giving free entry to anyone who is a member of one of the other participating museums through May 31. Participants include Bass Museum of Art, the Haitian Heritage Museum, HistoryMiami, Miami Art Museum, Miami Children's Museum and the Wolfsonian-FIU. A full list can be found at www.MiamiMuseumMonth.com.

HANNAH SAMPSON

• Shula's comes to MIA: Miami International Airport has a new restaurant — and it bears a name familiar to South Floridians. Shula's Bar & Grill, in Concourse D of the new North Terminal, is named for former Miami Dolphins coach and Pro Football Hall of Famer Don Shula. The restaurant, which serves breakfast, lunch and dinner, has been up and running since April 18. A grand opening ceremony with Shula in attendance was held Thursday. Shula's Bar & Grill is a new concept designed for airports. HANNAH SAMPSON

 Carnival, Live Nation team up: Concerts and cruising will go hand in hand — on land — in a new marketing partnership between Carnival Cruise Lines and Live Nation Entertainment, which includes event ticketing giant Ticketmaster.com, the companies announced this week.

Carnival becomes the "Official Concert Series Sponsor" at four Live Nation concert venues that are short drives from year-round Carnival home ports: Aaron's Amphitheatre at Lakewood in Atlanta, Jiffy Lube Live in Washington D.C., Cynthia Woods Mitchell Pavilion in Houston and Superpages.com Center in Dallas. The Miami-based operator will also be the "official cruise line" sponsor at Susquehanna Bank Center near Philadelphia.

HANNAH SAMPSON

NATIONAL/INTERNATIONAL

Commodities drop puts markets on edge

A free-fall in commodities and an unexpected jump in unemployment claims put financial markets on edge, dragging the stock market lower. Oil prices fell nearly \$10, or 9 percent, to close below \$100 a barrel for the first time since mid-March. Silver and gold also fell steeply. Stock indexes fell as concerns grew that Friday's

jobs report may be worse than originally thought. The Dow Jones industrial average lost 139 points, or 1.1 percent, to 12,584. The S&P 500 dropped 12, or 0.9 percent, to 1,335. The Nasdaq composite fell 14, or 0.5 percent, to 2,815.

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ECONOMY

Pain at the gas pump may be hurting jobs

• UNEMPLOYMENT, FROM 12B

Federation of Independent Business said Thursday that nearly twice as many firms cut jobs in April than added workers. The number of firms planning to create jobs over the next three months was also weak.

"Apparently, customers aren't showing up," said Bill Dunkelberg, chief economist at the NFIB.

Gas prices are weighing on consumers. The national average was \$3.99 a gallon on Thursday, according to AAA. That is 30 cents higher

sustained surge is siphoning cut its U.S. production by money away from other purchases. Silver, the JPMorgan ana-

lyst, said higher gas prices are one reason why he expects the economy added only 165,000 new jobs in April. That would be down from gains of 216,000 in March and 194,000 for February. Temporary shutdowns in the auto industry are another, Silver said.

The earthquake in Japan created a parts shortage that is affecting automakers. Honda has reduced production at 10 of its U.S. and Cathan a month earlier. The nadian plants. Toyota has the year, according to a sep-

Edition: 1st

two-thirds. Both have said they aren't laying off workers. Most analysts agree the

economy has strengthened enough in recent months to keep growing. Auto sales have risen at a healthy clip this year. And retailers said Thursday that sales surged in April, though some that cater to low-income shoppers warned that their customers are struggling with higher gas prices.

U.S. companies squeezed more work out of their staffs in the first three months of

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arate Labor report. But the overall gain in productivity was much slower than in the previous three months.

A slowdown in productivity growth is bad for the economy if it persists for a long period. But it can be good in the short term when unemployment is high because it signals companies must hire more workers in order to make further gains.

"We still think that hiring will pick up this year as companies can't continue to milk the productivity cow as fast as in recent years," said Sal Guatieri, an economist at BMO Capital Markets.

DIVIDENDS

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IRREGULAR	Hou	rate	lecolu	anie	Eastman Chem	ň	.47	6-15	7-1
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BGC Partners	Q	.17	5-16	5-26	Microchip Tech	Q	.346	5-19	6-2
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Expeditors Intl	Š	.25	6-1	6-15	NorthWestern	Q	.36	6-15	6-30
Houston Wi&Cab	Q	.09	5-13	5-27	Occidental Petrol	Q	.46	6-10	7-15
Knoll Inc	Q	.10	6-15	6-30	Oppenheimer A	Q	.11	5-13	5-27
Medallion Financl	Õ	.17	5-20	5-31	PS Busines Parks	Q	.44	6-15	6-30
Pool Corp	Q	.14	5-16	6-1	Pennichuck Corp	Q	.185	5-16	6-1
RLI Corp	ŏ	.30	5-31	6-20	Penna REIT	Q	.15	6-1	6-15
Reliv Intl	Q	.03	5-16	5-26	Phillips-VanHusn	Q	.0375	5-19	6-24
Textainer Group	0	.31	5-16	5-23	ProLogis	Q	.1125	5-16	5-25
INITIAL	٠				Pulse Electronics	Q	.025	7-8	7-22
Chrch & Dwt new	Q	.17	5-16	6-1	QC Holdings	Q	.05	5-17	5-31
SUSPENDED	٠				QCR Holdings	Q	.04	6-23	7-7
Ducommun Inc	Х	*	*	*	QR Energy LP	Q	.4125	5-9	5-13
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REGULAR					Six Flags Entertn	Q	.06	5-31	6-13
AMB Prop	Q	.28	5-16	5-25	Sotheby's Inc	Q	.05	6-1	6-15
Alcoa Inc	Q	.03	5-16	5-25	Sterling Bancorp	Q	.09	6-15	6-30
Amer Cmpus Cmt	Ŏ	.3375	5-17	5-27	Sunoco Inc	Q	.15	5-19	6-10
Archer Dan Midl	Ò	.16	5-19	6-9	Tellabs Inc	Q	.02	5-13	5-27
Avon Products	Q	.23	5-19	6-1	Tyco Intl	Q Q Q	.00	7-28	8-24
AXIS Cap hold	Ò	.23	6-30	7-15	UPS	Q	.52	5-16	6-1
Bemis Co	Q	.24	5-18	6-1	Union Pacific	Q	.475	5-31	7-1
Broadcom Corp	Ò	.09	5-20	6-6	US Physicl Thrpy	Õ	.08	5-20	6-30
CNA Financial	Ò	.10	5-16	6-1	Wendy's/Arby's	Õ	.02	6-1	6-15
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