

# BUSINESS

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## BUSINESS TIP

New book tackles boomers' dilemma

## AT A GLANCE

United said to shift focus to Continental

## MORE INSIDE

Mad Hatter finds spot in Seymour

## REGIONAL NEWS

# Westport National 'shocked' over suit

## State seeks \$16M restitution over fraud allegations tied to Madoff's Ponzi scheme

By Ken Dixon  
STAFF WRITER

HARTFORD — The state Department of Banking and Attorney General Richard Blumenthal on Monday filed lawsuits aimed at recovering more than \$16 million for consumers defrauded by Bernard Madoff's massive Ponzi scam. The suit names the Westport Na-

tional Bank, Wilton money manager Robert Silverman and his company, PSCC Inc. of Westport, for multiple violations of state banking law.

Although Silverman's attorney did not return a request seeking comment Monday, Richard Cummings Jr., president of Westport National Bank, denied the allega-

tions and said the bank plans to "vigorously" defend itself.

Blumenthal and Banking Commissioner Howard Pitkin claim that Westport National and Silverman ignored repeated signs of fraud; overcharged consumers through miscalculations; failed to vet Madoff's tactics and investments; and failed to obtain a state invest-

ment-adviser license.

"These investors were betrayed twice, first by Madoff and then by their advisers, who charged them millions and then hurled them into the abyss," Blumenthal said. "Not only did they mislead investors, but miscalculated fees to enrich themselves."

Pitkin and Blumenthal also al-

lege that the bank, Silverman and PSCC failed to provide consumers with written information on risks and investment strategies. Consumers originally invested about \$10 million in the funds.

The suit charges that from 2000 to 2007, the bank collected about \$2.4 million in custodial fees, but

See BLUMENTHAL on C3

## AREA STOCKS

### Student Loan slides

The region's stocks slipped a fraction Monday, including General Electric Co. and Student Loan Corp.

The Hearst/Bloomberg Southwest Connecticut Index, which hit an interday low of 117.25 and a high of 118.93, dropped by 0.01 at the end of trading to 118.86, as 43 stocks fell, 27 gained and 11 were unchanged.

GE, a Fairfield-based employer of nearly 3,000 people at GE Capital headquarters in Norwalk, other financial units in Stamford and Danbury, and its Fairfield corporate headquarters, was off 3 cents to close at \$18.94.

Student Loan, a Stamford-based provider of college loans, dropped \$2.62 to close at \$31.59.

Student Loan reported a net income of \$500,000 for the first quarter of 2010, compared with a net income of \$7.5 million for the same period last year.

The gainers included Xerox Corp. and Praxair Inc. Xerox of Norwalk, the world's largest maker of photocopiers and provider of additional office products and services worldwide, gained 39 cents to close at \$10.71.

Praxair, a Danbury-based maker of industrial gases, went up 32 cents to close at \$87.13.

Praxair Mexico, a subsidiary of Praxair, has signed a contract to provide gases to a new Johnson Controls plant enabling the recovery of lead from 12.5 million lead-acid batteries per year. With this plant, Johnson Controls will have the capacity to recycle the batteries it produces in Mexico. Operations are scheduled to begin at the end of this year.

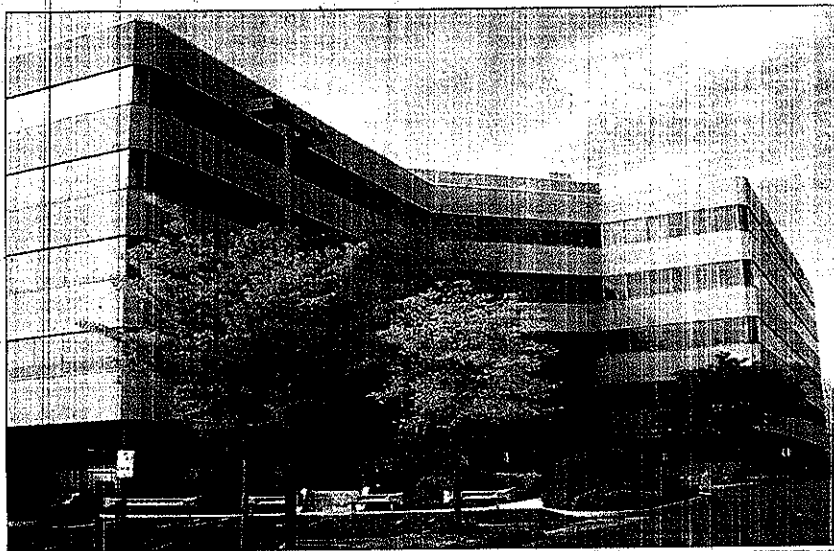
— Michael C. Juliano

## BUSINESS BRIEFS

### \$50 a car goes to scholarships

New Canaan-based Karl Chevrolet Hummer launched its 25th annual High School Scholarship Promotion this month, pledging to contribute \$50 to area scholarship programs this spring in the name of each individual or business purchasing or leasing a new or certified pre-owned vehicle from

## SIGNS OF RECOVERY



1000 Bridgeport Associates LLC, a joint venture of Abbey Road Advisors LLC in Westport and The Praedium Group in New York City, has completed leases with three new tenants and renewed a lease with an existing tenant at its 134,000-square-foot building at 1000 Bridgeport Ave. in Shelton.

# New leases liven up Shelton

By Richard Lee  
STAFF WRITER

The owner of a Shelton office building is trumpeting four leases as a sign the Fairfield County office market is showing a rebound — in no small part because landlords are being flexible in negotiating deals.

1000 Bridgeport Associates LLC, a joint venture of Abbey Road Advisors LLC in Westport and The Praedium Group in New York City, has completed leases with three new tenants and renewed a lease with an existing tenant at its 134,000-square-foot building at 1000 Bridgeport Ave.

ITT Water & Wastewater USA Inc., an international manufacturer and distributor of fluid-handling technology, leased 12,867 square feet. It was represented by Kevin Foley of Cushman & Wakefield, and the landlord by Sue Dengenis and Sean Cahill of CB Richard Ellis.

Spectrignard Acquisition, a provider of security services represented by Judd McArthur of CresaPartners, leased 2,599 square feet. The building owner was represented by Kevin Foley and Torey Walsh of Cushman & Wakefield.

Logic Technology LLC, an information technology consulting company, leased 1,829 square feet. Land-

*"The market is starting to show a little bit of life. The concessions vary — from free rent to different build-out allowances. It's a pretty competitive market."*

Alan Bates  
ABBEY ROAD ADVISORS LLC

lord and tenant were represented by Walsh.

HealthPlan One, an online health insurance brokerage, renewed a lease for 5,254 square feet. It was represented by McArthur, and the landlord by Foley and Walsh.

"The market is starting to show a little bit of life," said Alan Bates, a partner in Abbey Road, a private real estate investment firm which, like other landlords, has provided inducements to tenants. "The concessions vary — from free rent to different build-out allowances. It's a pretty competitive market."

Lease rates for the five-story building, which 1000 Bridgeport Associates has owned three years, are in the \$20-per-square-foot range.

The building is about 70-percent occupied, according to Bates, who said

several entities are mulling proposals for 30,000 square feet on the fifth floor. 1000 Bridgeport Ave. has a People's United Bank with 24-hour ATM service, a recently remodeled lobby and elevators, a cafe and on-site management provided by Albert B. Ashforth Inc.

In the first five years, Abbey Road Advisors acquired a property portfolio of about \$260 million, 1.1 million square feet and \$75 million in equity.

The Greater Valley Chamber of Commerce will host a business after-hours event at the People's branch April 28, according to Chamber President Bill Furcell, who said the building is a "significant" Class A office structure in Shelton with tenants including Ricoh, Avalon Bay and Toyota and Lexus financial services.

The Shelton office market is benefiting from an uptick in the economy and is starting to see an influx of tenants.

"There is a renewal of business and consumer confidence," he said, noting that Hubbell Inc. is moving its headquarters from Orange to Shelton and is expected to open its new headquarters this month on Waterville Drive, and Lex Products is moving from Stamford.

See LANDLORDS on C3

## TECHNOLOGY

# IT firm grows through referral

## Grapevine plans to double last year's earnings

By Michael C. Juliano  
STAFF WRITER

Fairfield-based Grapevine Technology Consulting Services has boomed over the years, in great part because of the firm's ability to provide a high level of service to companies at a reasonable price, said Walter Shaw, a former IBM executive, who founded the company with one employee in 2002.

"Some of the best people who work for me were referred to me by clients and consultants, hence the name Grapevine," said Shaw, whose company has grown to roughly 60 full-time consultants in Connecticut, Georgia, Texas and Canada doing projects for about 70 Connecticut-based firms. "Word spreads quickly."

The privately held company's annual revenue has increased more than 1,800 percent from \$1,700 in 2002 to nearly \$3.1 million in 2009, during which it posted a net income of about \$800,000. The company, which also maintains a database of 5,200 freelance consultants, has booked 15 clients this year and its earnings expectations are double last year's revenue.

See GRAPEVINE on C3

# Dodd bill takes aim at Goldman's 'shenanigans'

By Allison Vekshin  
BLOOMBERG NEWS

Senate Banking Committee Chairman Christopher Dodd said failure to enact his financial overhaul bill would

### fight gets hearing

The U.S. Supreme Court will decide whether manufacturers can use copyright laws to keep their foreign-made products off the shelves of U.S. discount stores in a case that might reshape the multibillion-dollar "gray market."

### N.Y.'s Fifth Ave. sets record with Uniqlo

New York's Fifth Avenue is claiming a city retail record: Japanese clothing store Uniqlo agreed to pay \$300 million over 15 years to bring its affordable fashions to the world's most expensive shopping area.

Uniqlo owner Fast Retailing Co., Japan's biggest apparel seller, announced the deal Monday with broker Cushman & Wakefield Inc. and landlord Crown Acquisitions disclosing the price.

### Horizontal drilling awakens Texas field

A half-century-old Texas field may become one of the most profitable U.S. natural-gas developments after new drilling techniques tapped liquid fuel deposits.

Apache Corp. and Forest Oil Corp. are among producers using horizontal drilling in so-called tight-sand formations thousands of feet below conventional oil and gas reservoirs in Granite Wash, a Texas Panhandle field where output began in 1954.

### Luxury chains bring back costly goods

Lisa Hagen bought a \$395 Diane von Furstenberg sundress at Barneys New York last week, paying 58 percent more than she did for a similar dress two years ago.

Luxury chains including Barneys and Saks Inc. are selling costlier goods after scaling back discounts and promotions they offered to attract shoppers in the recession. Tiffany & Co. raised prices across the store.

## Grapevine named for word-of-mouth promotion

Continued from C1

It's a success story," he said, adding that other companies have offered to buy Grapevine Technology. "While it's flattering, I'm too early to retire and I love what I do."

Companies often seek hourly IT help from Grapevine Technology, whose clients include ESPN, People's United Bank and XL Capital, instead of using their staff to save on full-time pay, benefits and other worker-related expenses, Shaw said.

"These big companies typically have IT projects that don't require hiring full-time employees," he said. "The talent is plentiful now, so we're able to pass the savings onto the clients."

Grapevine Technology's full-time consultants, who receive full benefits, and freelance experts are hired through a rigorous screening process that involves two face-to-face interviews, Shaw said.

The firm's prosperity also comes

from inviting customers to look at the company's books, which show that 70 percent of the cost is to pay the consultant and another 15 percent to cover administrative expenses, Shaw said.

"We make a profit of about 12 percent to 15 percent," he said, adding that other companies "fudge" their patrons by charging more than double the consultants' pay. "The integrity of this business is the most important thing we do."

Firms using Grapevine's services range in size from small "mom-and-pop" businesses to the U.S. Department of Commerce, where the company managed a Lotus Notes conversion in 2004.

The recession has caused an upswing in work for IT consultants because companies have "cut their IT departments to the bone," said Susan Tan, research director of IT services for Stamford-based Gartner Inc.

"Whenever they have additional projects, they don't have the bodies to

do them anymore," she said. "By hiring consultants, it's on a pay-as-you-go basis that makes it more affordable for the IT department."

Shaw's 28 years of professional experience includes managerial positions at The Systems Group in Glastonbury and Greenwich Technology Partners in Greenwich, in addition to IBM.

Shaw, a ranked player with the U.S. Tennis Association, has received patents for an athletic training device and a handheld language translator. In the mid-1990s, he founded start-up company Racquet Weights Inc. to market the training device.

Fairfield has become home to many successful firms, said Linda Matthews, executive assistant of the Fairfield County Chamber of Commerce.

"We can't be more pleased with these companies and that they've made Fairfield the base of their success," she said. "We hope it continues."

## Landlords see signs of life in Shelton office market

Continued from C1

Eastern Fairfield County is seen as a value location with rental rates half of what they are in Stamford, Bates said, adding that many of the uses are back-office operations, Bates said.

But Logic Technology is a startup business that allows partners who were conducting their work at home to merge into one location.

"We do custom software development for a com-

pany," said Peyman Zamani, chief executive officer and a partner in Logic Technology, which has clients in Sweden and California and a consulting team in India. The fledgling business should start operating at 1000 Bridgeport Ave. later this week with a staff of four and the goal of expanding to seven in June.

The four new leases follow an upward trend that appears to be catching on in Fairfield County, based on a first-quarter report is-

ued by the Stamford office of Cushman & Wakefield. Class A and B new office leasing activity for the quarter registered 787,989 square feet, an increase of 60.8 percent over the first quarter of 2009, but vacancy rates continued to climb and overall absorption remained negative.

The overall Class A vacancy rate countywide in the first quarter was 19.7 percent — up from 17 percent last year at the same time and 17.7 percent in the

last quarter. Asking rents for Class A space decreased for the third straight quarter, from \$35.13 per square foot on average in last quarter of 2009 to \$34.58 in the first quarter this year.

"I think we'll look back and determine that the market bottomed out in late 2009, early 2010," Jim Fagan, senior marketing director and head of Cushman & Wakefield's Westchester, N.Y., and Fairfield county regions, said in a statement.

## Health-care reform, politics frustrate Nutmeggers in survey

Continued from C1

ance State, the response has been just as critical.

Concern about health-care reform is at the "top of the mind" in the state, said Norwalk resident Marian Salzman, president in public relations for North America at Euro RSCG, referring to results of the U.S. Mind and Mood Report survey conducted in February by MicroDia-

logue and issued this month.

"In Connecticut, the breed of Weicker Republicans is really dead now. They want to go back to a previous time," Salzman said.

The online survey of 386 state residents revealed a distrust of the insurance industry and politicians, she said, but the survey showed that people understand the need for health-care reform.

"They are interested in politics but angry at politicians. Politics is a new pop culture," Salzman said, noting that 89 percent of state respondents and 87 nationally said they are registered to vote. "People who have become most interested are the ones who are most angry — people who feel most disenfranchised."

Many of those same people are

disgruntled about big business, believing that their top management are out of touch with average Americans and the challenges they face, according to Salzman, who said 386 adults also were surveyed for the national poll.

"There's a lot of dissatisfaction on the right now," she said. "It was a more conservative set of findings than I was expecting."

## Bailout provision irks legislators

Continued from C1

The SEC in suing Goldman Sachs alleged the bank created and sold collateralized debt obligations linked to subprime mortgages in early 2007 without disclosing that hedge fund Paulson & Co. helped pick the underlying securities and bet against the vehicles.

The Senate this week is scheduled to take up Dodd's legislation amid unified Republican opposition, setting the stage for a partisan standoff on the Obama administration priority. All 41 Senate Republicans last week signed a letter pledging their opposition to the bill as it currently is written.

Republicans have attacked a provision that would create a government mechanism to unwind failing financial firms whose collapse through bankruptcy would disrupt the economy. A \$50 billion industry-supported fund would cover the cost of dissolving failed companies. Republicans say the plan perpetuates taxpayer-funded bailouts, while Democrats argue the process would be used to authorize, not prop up, failing firms.

Dodd and U.S. Sen. Mark Warner, D-Va., who also spoke at the news conference, defended the language, adding they were open to considering alternatives.