



California-based Wells Fargo has been negotiating with federal regulators over penalties for its auto loan and mortgage costs.

AP / BEN MARGOT

Bank facing likely \$1B fine for loan abuses

The Associated Press

Federal regulators plan to fine Wells Fargo as much as \$1 billion as early as Friday for abuses tied to its auto-lending and mortgage businesses, The New York Times and other news outlets reported, citing unnamed sources.

The potential \$1 billion fine would be the largest ever imposed by the Office of the Comptroller of the Currency, the bank's main national regulator, and the Consumer Financial Protection Bureau, the federal watchdog bureau set up after the Great Recession.

The fine against Wells Fargo had been expected. San Francisco-based Wells Fargo said last week it was negotiating with federal regulators to pay as much as \$1 billion in fines to settle various charges.

A CFPB spokesman declined to comment, as did a spokesman for the Comptroller's Office and a spokeswoman for Wells Fargo.

The problems with Wells Fargo this time are not tied directly to its well-known sales-practices scandal, where the bank admitted its employees opened as many as 3.5 million bank and credit card accounts without getting customers' authorization. But they do involve significant parts of the bank's businesses: auto lending and mortgages.

Last summer, Wells Fargo

admitted that hundreds of thousands of its auto-loan customers had been sold auto insurance they did not want or need. In thousands of cases, customers who could not afford the combined auto-loan and extra insurance payment fell behind on their payments and had their cars repossessed.

In a separate case, Wells Fargo also admitted that thousands of customers were charged unnecessary fees to lock in interest rates on their home mortgages. Wells Fargo is the nation's largest mortgage lender.

This would be the first fine against a bank by the Trump administration since Mick Mulvaney, acting director of the CFPB, took over the bureau in late November.

While banks have benefited from looser regulations and lower taxes under President Donald Trump, Wells Fargo has been called out specifically by Trump as a bank that needs to be punished for its bad behavior.

"Fines and penalties against Wells Fargo Bank for their bad acts against their customers and others will not be dropped, as has incorrectly been reported, but will be pursued and, if anything, substantially increased. I will cut Regs but make penalties severe when caught cheating!" Trump tweeted in December.

LI FIRM OPTING FOR INDIA, VIETNAM

BY JAMES T. MADORE
james.madore@newsday.com

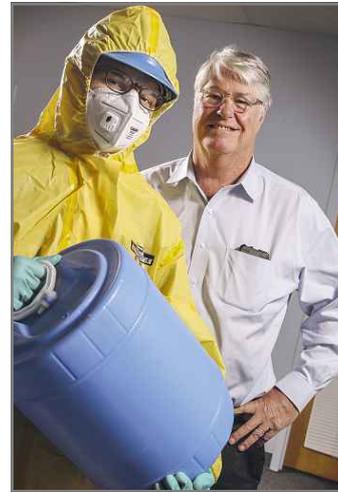
A Ronkonkoma-based maker of protective clothing has opened factories in Vietnam and India "to offset increasing manufacturing costs in China," executives said this week.

Lakeland Industries Inc. said in securities filings, "We have initiated startup manufacturing operations in Vietnam . . . and India."

The company will continue to make products in China but mainly for sale there. It first opened a Chinese plant in 1995 after struggling for years to find seamstresses in the United States.

CEO Christopher J. Ryan recalled that a shortage of seamstresses on Long Island led first to the opening of a factory in Alabama in the 1970s and then one in Mexico after NAFTA.

"Believe me, we couldn't hire anybody in the United States to do sewing, and we still can't," he told Newsday in 2014.



NEWSDAY / JOHN PARASKEVAS

Christopher Ryan leads Lakeland Industries, a protective-clothing maker based in Ronkonkoma.

He said this week that the Vietnam and India plants "will provide for lower-cost manufacturing as compared with the majority of our products made in China and Mexico."

Lakeland employed 1,072 peo-

ple as of Jan. 31, with the lion's share at overseas facilities. About 100 people work at the Alabama factory and Ronkonkoma headquarters, according to the securities filings.

The company's protective clothing is used in chemical plants, industrial operations and by firefighters. Some are disposable, and some can be used for limited time periods.

Lakeland reported a profit of \$440,000 for the fiscal year ended Jan. 31 compared with \$3.9 million a year earlier. The 2018 profit was narrowed by a noncash charge of \$5.1 million tied to the federal tax overhaul in December 2017.

Lakeland's sales for the 12-month period totaled \$96 million, up 11 percent from fiscal 2017. The gain was due in part to the resurgence of the oil and natural gas industries.

"Having served the company for nearly 32 years, I can say with complete confidence that we have never been in a better position," Ryan said.

Brokerage cited for 'ingenious' deal

BY VICTOR OCASIO
victor.ocasio@newsday.com

Commercial real estate brokerage Colliers International Long Island took home the honor of arranging the "most ingenious deal of the year" at the annual awards dinner of the Association for a Better Long Island and the Commercial Industrial Brokers Society Wednesday night.

The award, presented at the 23rd annual Long Island Real Estate Dinner, held at the Heritage Club at Bethpage, formerly Carlyle on the Green, was given to Colliers for its sale of the former Pall Corp. building at 25 Harbor Park Dr. in Port Washington to Kiss Nail Products Inc. for \$30 million.

Kiss, which received tax assistance from the Nassau County Industrial Development Agency, purchased the 272,000-square-foot building last year. As part of the sale, Pall agreed to lease 90,000 square feet of space.

The property, which was used as a laboratory and office space for Pall, presented challenges to brokers when marketing the building. Previous plans called for dividing its interior



BARRY SLOAN

Colliers International was honored at a trade dinner this week for the way it handled the sale of Pall Corp.'s building in Port Washington.

into multitenant office spaces before Kiss came along looking to transform the building for industrial and warehouse use.

The local Colliers team included Gus Nuzzolese, Darren Leiderman, Jason Meietta and Ken Enos.

Rechler Equity Partners of Plainview was also honored, taking home the developer of the year award for its \$250 million development of Greybarn Amityville, a multifamily, mixed-used rental complex on

the site of the former Frontier Park residential trailer park in North Amityville. The first two phases of the project are complete, accounting for 205 rental units, and the third is expected to be complete this summer.

"For decades, the leadership at Rechler Equity Partners have been at the forefront of Long Island real estate development, Greybarn being their latest example," Kyle Strober, executive director of ABLI, said in a statement.