

IT'S YOUR BUSINESS

September 2010

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**SBA Small Business
Economic Survival Hotline
617-565-5627**

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Helping small businesses
start, grow and succeed.



Your Small Business Resource

SBA PROGRAM ASSISTS BUSINESSES IMPACTED BY MILITARY DEPLOYMENT

According to the Department of Defense, nearly 7 percent of National Guard members are self-employed or operate a small business. As reservist deployments continue to increase, many reservists are finding themselves away from their businesses for a year or two at a time causing them to wonder how their businesses will survive while they are gone.

The U.S. Small Business Administration (SBA) offers help through the Military Reservist Economic Injury Disaster Loan (MREIDL). Launched in April 2001 to support businesses owned by reservists and businesses that employed reservists as “essential employees” during the Kosovo conflict, the program has since been expanded to include reservists and National Guard members called to active duty in Afghanistan and Iraq.

An “essential employee” is defined as an individual (whether or not an owner of the small business) whose managerial or technical expertise is critical to the successful daily operation of the small business.

These working capital loans provide the funds to help eligible small businesses cover normal operating costs that cannot be met due to the loss of an essential employee called up to active duty in the reserves or National Guard. The business must also demonstrate “substantial economic injury” caused by the deployment of the essential employee.

“Substantial economic injury” means the company must meet one or more of the following criteria:

- Inability to meet its financial obligations as they mature
- Inability to pay its ordinary and necessary operating expenses
- Inability to market, produce or provide a service ordinarily marketed, produced or provided

Small businesses may borrow up to \$2 million to alleviate economic injury caused by the call-up of the essential employee. The actual amount of each loan is limited to the economic injury as determined by the SBA. The interest rate on the loans is 4 percent and the SBA will determine the term of each loan in accordance with the borrower’s ability to repay.

Business owners can apply for the MREIDL on the date the essential employee receives notice of expected call-up to active duty and the application deadline is one year from the date the essential employee is discharged or released from active duty.

Further information and application documents are available online at
<http://www.sba.gov/services/disasterassistance/militaryreservistsloans/index.html>

You can also contact SBA Veterans Business Development Officer Ray Milano at 617-565-8417 or
Raymond.milano@sba.gov

Social Media



Connect with the U.S. Small Business Administration (SBA) on Facebook, Twitter and Youtube.

SBA's Ready—SET—GO Community Workshops

Learn about SBA's programs & services.

10/14/2010 Quincy Career Center, 151 Parking Way, Quincy 1:00 p.m.—3:00 p.m. Call 617-745-4000 to register. Also 11/4/2010 and 12/9/2010.

10/20/2010 Career Works, 34 School St., Brockton 2:00 p.m.—4:00 p.m. Call 508-513-3400 to register. Also 11/17/2010 and 12/15/2010.

10/21/2010 Plymouth Career Center, 36 Cordage Park Circle, Ste. 200, Plymouth 10:00 a.m.—12:00 p.m. Call 508-732-5399 to register. Also 11/18/2010 and 12/16/2010.

10/26/2010 SBA, 10 Causeway Street, Room 265, Boston 10:00 a.m.—11:30 a.m. Call 617-565-5590 to register. Also 11/23/2010 and 12/28/2010.

Other Programs Available:

09/30/2010 Learn about the 8(a) Program for socially & economically disadvantaged business owners. SBA, 10 Causeway St., Room 265, Boston 10:00—11:00 a.m. Call 617-565-8510 to register. Also 10/28/2010, 11/18/2010 and 12/16/2010.

10/01/2010 Learn about Federal Government Contracting. SBA 10 Causeway St., Room 265, Boston 10:00-11:30 a.m. Call 617-565-8510 to register. Also 11/5/2010 and 12/3/2010

For a full listing of our upcoming events as well as events being conducted by our resource partners go to: www.sba.gov/ma and click on "Events Calendar"

Your Small Business and Health Care Reform

The new health reform law – the Affordable Care Act – provides both affordable health insurance coverage and tax relief for small businesses. First, it offers tax credits for small employers who pay at least half of their employees' health insurance premiums. Starting this year, businesses with fewer than 25 employees who make an average of \$50,000 or less may be eligible for a credit of up to 35 percent of the premiums they pay on their employee's behalf.

In 2014, that credit will increase to up to 50 percent. Also in 2014, health insurance "exchanges" for small businesses will open in every state. Currently, small businesses pay as much as 18 percent more than large firms for the same coverage. The exchanges will allow businesses with as many as 100 employees to pool their risk together, lower their administrative costs and negotiate more effectively with insurance companies. This could help drive down premiums by as much as 4 percent in the marketplace of small-business health plans.

Even if a small business owner with 50 or fewer employees still decides not to buy health insurance, there is no penalty. In this case, small business workers will be able to use individual tax credits to shop for insurance in the exchanges. And it's important to note that 96 percent of businesses with more than 50 employees already offer coverage. For more information about how the Affordable Care Act will help small business, visit www.healthcare.gov.



America's two premier resources for small business—SCORE and American Express OPEN—are joining forces to deliver a program designed to engage, inform, and excite entrepreneurs: the Small Business Speed Coaching Test Drive Series. Building upon the successful model introduced in five cities in 2008, Speed coach will provide exclusive groups of "in business" small business owners in select markets free, customized counseling sessions in a fun but focused environment. Participants will receive:

Free participation in a Speed Coaching Session
Free resources and materials
Free small business workshops
Free networking with other small businesses

When: Thursday, October 7, 2010

Where: Boston Convention and Exhibition Center, 215 Summer Street, 02210

To Register: <http://www.goeshow.com/coulter/SCOREBOSTON/ereg493104.cfm?clear>

For more information: http://www.score.org/OPEN_Events_2010.html



Massachusetts SCORE chapters have been recognized as a "Pocket of Exceptional Work" for their work with small businesses in a national Gallup survey. Please join us in congratulating Massachusetts SCORE on their accomplishments.



CWE invites you to join us for Destination Success, our premiere educational and networking event for entrepreneurs and business owners. Come to our event to:

Learn from our expert panelists
Network with other entrepreneurs
Meet Fortune 500 who want to do business
Exhibit your product to an audience of over 250 people

When: Friday, October 22, 2010 from 10/22/2010 at 7:30 am

Where: Babson College 231 Forest St., Babson Park, MA 8:00 am to 3:00 PM

To Register: Contact Katie Mendez at 617-532-0225 or <http://cweonline.org/content/view/509/#reg>

Tip of the Month for Massachusetts' Medicare

On August 10th the U.S. Department of Health and Human Services Secretary Kathleen Sebelius announced that the third round of one-time, tax-free \$250 rebate checks have been mailed to eligible Medicare beneficiaries whose drug costs are so high they have reached the Medicare Part D prescription drug coverage gap known as the "donut hole." In Massachusetts, about 16,000 seniors and persons with disabilities who rely on Medicare for access to health care have received help with their prescription drug costs to date, thanks to the Affordable Care Act.

For more information on the \$250 Rebate check contact 1-800-MEDICARE or

New SBA Lenders

Needham Bank
Marblehead Bank
Washington Savings
Bank
Village Bank
Mutual Bank
Central One Federal
Credit Union
St. Mary's Credit Union
Southbridge Credit
Union

New SBA Microlender

RCAP Financial
Solutions, Inc.

E.P. LEVINE LLC: FOCUSED ON THE FUTURE



EP Levine of Boston opened its doors in 1954. Known over the years for their personal service and extensive inventory of new and used professional photo equipment, the company now services customers from around the world and offers digital imaging equipment, comprehensive rental and repair departments, studio rentals, and a complete self service digital imaging area.

However, when Mike Bard and Jay Callum took over ownership of EP Levine's in 2007, there was no way for them to predict the hardships they would face only a year later.

"The previous owner had taken his eye off the ball," Callum said. Sales were slipping but Callum and Bard, both photography

business veterans and photo enthusiasts, knew the company had big potential.

"It's the place to go for people who have a passion for photography," Bard stated.

While their doors are open to everyone, the products they offer appeal mostly to the advanced photography consumer. Callum notes that they also have the "latest high-end digital printing equipment on display" in their digital studio. In addition to selling photo equipment, EP Levine also rents out equipment and studio space for photo shoots. They currently employ 10 people.

When Bard and Callum took over, they eagerly rolled up their sleeves and got to work. They were increasing revenues and implementing new ideas until the economy took a turn for the worse.

"Everything was on an upswing until the Fall of 2008," Callum said. "That's when the bottom fell out (of the economy)."

Like other small businesses affected by the downward turn in the economy, EP Levine suffered serious losses that might not have been recoverable.

"It hurt all aspects of our markets," said Callum. Their plans to expand the business now seemed seriously out of focus.

Bard and Callum rose to the challenge and worked tirelessly. They knew that if they could simply keep the company afloat and prove to lenders that they are more than capable, then they would have the business of their dreams when the economy finally improved.

In 2010, with the help of TD Bank and the SBA's 7a loan package with fee savings, the owners obtained a \$225,000 loan. This gave them an opportunity to regroup and give the company a new direction. They used the loan to move their business to Waltham, a suburb of Boston.

The moved into a larger building that needed a lot of repair work but that held enormous potential for their expansion ideas.

"We had a vision of what the place could be," Callum noted.

Has it worked?

Today, the owners are thrilled with the progress. Their rental studio business is growing and they soon expect to be able to offer a space large enough to drive in cars for photo shoots. Bard and Callum now offer photo classes for both beginner and experienced photographers. They are reaching out to local businesses in the hopes of handling their photographic equipment and supply needs.

Their catalog reaches customers worldwide and their presence in Waltham has helped EP Levine become a place for all photographers, not just the professionals.

"We are seeing a change in the demographic of people coming in," said Bard and Callum. They have not lost any of their old customers but they are acquiring new ones daily in the new, easier-access location.

Photography has come a long way since the first permanent photograph was produced in 1826. Those early photo pioneers had the passion and the vision to produce permanent memories of single moments in time. In Waltham, Mike Bard and Jay Callum have the passion and the vision to keep EP Levine current and ready to service and supply the needs of amateur and professional photographers around the world. Thanks to TD Bank and the SBA's 7a loan program, they can continue to do just that.

You can also reach them at 617-951-1499 or 800-875-3055. In Waltham? Stop by their new 17,000 sq. ft. location at 219 Bear Hill Road.