



NEWSLINE

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Karen Gordon Mills Confirmed By Senate as SBA Administrator

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Photo: U.S. Senate Committee on Small Business & Entrepreneurship

Karen Gordon Mills was confirmed as Administrator of the U.S. Small Business Administration on April 2, 2009.



Click the logo for
updated information
about the Recovery Act
of 2009 or go to:
www.sba.gov/recovery

San Diego District Office
550 West C Street, Suite 550
San Diego, CA 92101
(619) 557-7250 Office
(619) 727-4883 Reception
www.sba.gov/ca/sandiego

On April 2nd, the U.S. Senate confirmed by unanimous consent President Barack Obama's nomination of Karen Gordon Mills as the 23rd Administrator of the U.S. Small Business Administration.

"Small business is the backbone of the American economy," Mills said upon her confirmation. "The SBA has a vital role to play in supporting our nation's small businesses so that they can be the key driver in getting our economy moving again. I look forward to leading this critical agency at this important time.

"I want to thank President Obama for this opportunity to serve as a voice for our nation's small business owners and entrepreneurs," Mills said. "I would also like to express my appreciation to Darryl Hairston for his leadership as Acting Administrator during this transition, along with everyone at

the SBA for the hard work they are doing to implement the important programs of the Recovery Act."

In testimony on April 1 before the Senate Committee on Small Business and Entrepreneurship, Mills discussed her hands-on experience managing and helping to grow small businesses.

"I was there on the factory floor in Arkansas and Ohio working to weather the recession of the early '90s," she said. "Those experiences give me a deep understanding of what our small businesses need today to survive this downturn and to prosper in the years ahead. Since then, I have helped grow companies in organic food, and women's media, and spent time in rural Maine working with our boat builders and composite technology to help them compete throughout the globe.

"The sum of my experience is this: I am a believer in American small business. I am a believer in America's ability to manufacture goods and services that are world class, and I am a believer in America's spirit of entrepreneurship. This spirit is one of our country's greatest assets and we need to cultivate it today, more than ever."

As Administrator of the SBA, Mills will direct a federal agency with more than 2,000 full-time employees, with a leading role in helping small business owners and entrepreneurs secure financing, technical assistance and training, and federal contracts. SBA also plays a leading role in disaster recovery by making low interest loans.

Mills, of Brunswick, Maine, was president of MMP Group and has a 25-year career of investing in and growing small businesses.

(See Mills page 2)

EVENTS AROUND SAN DIEGO



L to R: Mr. Frank Dinsmore, President/CEO Resource Capital, DD Ruben Garcia, SBA, and Mr. John Osborn, National Marketing Sales Manager, Resource Capital Corporation. Meeting held at San Diego SBA District Office.



L to R: Nick Macchione, SD County Healthcare, Ruben Garcia, SBA, Susan Davis, Congresswoman, Dr. Alan Gin, Professor, USD, and Sue Reynolds, Community Housing Works. Panelists at Economic Forum held at USD.



L to R: SBA DD Ruben Garcia and DDD Anthony Vigil joined by attendees at the San Diego North Chamber of Commerce Economic Stimulus Conference.



L to R: Kimberly Nguyen, SDNCC, Ruben Garcia, SBA District Director, Tony Vigil, SBA Deputy DD, Matt Sanford, Business Support Specialist, SDNCC and Debra Rosen, President and CEO, San Diego North Chamber of Commerce.

(Mills continued from cover)

In 2007, she was appointed by Maine Gov. John Baldacci as chair of the state's Council on Competitiveness and the Economy, where she focused on attracting investment in rural and regional development initiatives. She also co-authored a Brookings Institute paper on competitive clusters.

Mills is also a member of the Council on Foreign Relations and has served as vice chairman of the Harvard Overseers. She holds a degree in economics from Harvard University and an MBA from Harvard

Business School, where she was a Baker Scholar. Mills and her husband Barry Mills,

president of Bowdoin College in Brunswick, Maine, have three sons.

Link to Mills' Statement to the Senate Committee on Small Business and Entrepreneurship:

http://sbc.senate.gov/hearings/testimony/09_04_01_Mills_hearing/Mills_statement.pdf

SBA Administrator Mills' Bio available at:

<http://www.sba.gov/aboutsba/administrator/biography/index.html>

SBA Announces Senior Level Appointments Following Administrator Mills' Confirmation by Senate

Recently appointed members of the team include:

♦ **Meaghan Burdick**, SBA's White House Liaison.

♦ **Christopher Chan**, Special Assistant to the Administrator and Scheduler.

♦ **Darryl K. Hairston**, Associate Administrator of the Office of Management and Administration.

♦ **Subash S. Iyer**, Special Assistant to the Administrator.

♦ **Joseph G. Jordan**, Associate Administrator of Government Contracting and Business Development.

♦ **Ginger E. Lew**, Counselor to the Administrator and Liaison to the National Economic Council.

♦ **Sara D. Lipscomb**, SBA's General Counsel.

♦ **Ana M. Ma**, Administrator's Chief of Staff.

♦ **Toby J.G. McGrath**, Associate Administrator for the Office of Field Operations.

♦ **Kimberly A. Peyser**, Confidential Assistant to the Administrator.

♦ **Penny K. Pickett**, Senior Adviser to the Administrator, and Acting Associate Administrator for the Office of Entrepreneurial Development.

♦ **Jonathan L. Swain**, Assistant Administrator for Communications and Public Liaison.

♦ **Eric R. Zarnikow**, Associate Administrator for Capital access.

For additional information visit: http://www.sba.gov/idc/groups/public/documents/sba_homepage/news_release_09-22.pdf



A MAKEOVER CAN FRESHEN UP A STALE BUSINESS

Have those good ideas stopped coming? Do your employees appear to be doing little more than going through the motions? Are your competitors making splashes in the media that you can't answer?

If so, a makeover could be just the thing to re-energize your business. It need not be a major overhaul; some minor tweaks may be enough. What's important is that you recognize the need for action, and learn all you can to make informed decisions.

In order to identify where changes are most needed, you'll have to dig for details

about various aspects of your business. Remember to focus not just on the individual elements, but also how they all fit together.

For example, has your customer base changed since you first started? Is it broader or narrower? Older or younger? More upscale or less? You may need a new image, revved-up branding or perhaps just a rewrite of your marketing materials to address the needs of this changing customer base.

Take a hard look at whether your products or services are performing to customer expectations. Remember that your goal should be to exceed expectations, not simply meet them. Perhaps competitors are doing a better job, or maybe they've created add-on products and services that you haven't. Your own custom-

ers can help with your makeover if you ask them for feedback.

If your marketing message has never changed, perhaps it's time to reevaluate and devise a new one. Try revisiting your original business plan. You might be able to recapture some of the insight and enthusiasm you originally had from that document. Think back to your most successful promotions, presentations or sales efforts. Rather than reinventing the wheel, you might be able to update and expand an approach that has already worked for your business.

Don't be afraid to seek out other perspectives. After all, you may be "too close" to the issues to understand the sources and solutions. Meet and brainstorm with your trusted advisors, mentors,

friends, partners, employees, and outside consultants. Ask customers to give you a frank assessment of what you're doing, how you're doing it, and what you can do to better serve their needs. The more ideas you receive, the more options you'll have for getting your business back on the fast-track.

For more business makeover ideas, contact SCORE "Counselors to America's Small Business." SCORE is a non-profit organization of more than 10,500 volunteer business counselors who provide free, confidential business counseling and training workshops to small business owners. Ask SCORE your question. Email score@score-sandiego.org or visit www.score-sandiego.org for additional information.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 HELPS SMALL BUSINESSES

Congress approved and the President signed new economic recovery legislation, the American Recovery and Reinvestment Act of 2009 (ARRA) two months ago. Here are some key tax highlights for small businesses and their employees:

Net Operating Loss Carryback

Small businesses with deductions exceeding their income in 2008 can use a new net operating loss tax provision in ARRA to get a refund of taxes paid over the past five years

instead of the usual two.

To accommodate the change in tax law, the IRS has updated Publication 536, Net Operating Losses (NOLs) for Individuals, Estates and Trusts, as well as the instructions for Form 1045 and Form 1139, which small businesses will use to take advantage of the carryback provision.

An IRS news release and question-and-answer document have more information on the net

operating loss carryback provision.

Technical information is contained in Revenue Procedure 2009-19.

Section 179 Deduction

A qualifying taxpayer can choose to treat the cost of certain property as an expense and deduct it in the year the property is placed in service instead of depreciating it over several years. This property is frequently referred to as section 179

property.

Under ARRA, qualifying businesses can continue to expense up to \$250,000 of section 179 property for tax years beginning in 2009. Without ARRA, the 2009 expensing limit for section 179 property would have been \$133,000. The \$250,000 amount provided under the new law is reduced if the cost of all section 179 property placed

(See ARRA page 4)

Meet a San Diego District Office Employee

Maria Hughes—Lender Relations Specialist

Maria is responsible for marketing SBA's financial and management assistance programs in San Diego and Imperial counties. Her other responsibilities include assisting with Government Contracting program and oversight of the Small Business Development Center Program as Project Manager and working with the SBA Surety Bond Program. Maria has been with SBA for the last 18 years. Prior to SBA, Maria worked for the Navy at Naval Ocean Systems Center (currently known as SPAWAR) as a contract negotiator.

Additionally, she has experience in the insurance industry as a medical reviewer. She is certified as a legal nurse consultant through UCSD. She earned her Bachelor's Degree in Finance as well as an MBA/JD from National University.



SUCCESS STORY



Sweetfields' founder and president, John Clemons, has been the leading grower of fresh edible flowers (Sunset Farms) since the 1980s. In the mid 1990s, Clemons came across a flower crystallization recipe and decided to try it. The art of crystallizing flowers by hand has been around for hundreds of years. Anyone who has experience with this art form can probably attest to the fact that it time-consuming. There are many people and businesses that do

not have the time, resources, or skill to yield quality crystallized flowers, yet would love to have them readily available to garnish desserts, entrees, cakes or beverages. This is where Clemons recognized a huge business opportunity.

In April 1995, Clemons sold his first crystallized flower but it took him about ten years to perfect the art and science to take flower crystallization from a very tedious process into mass production. His technique enhances the natural beauty of the flower while enabling a much more even application of the solution than traditional methods. Upon identifying the components of the perfect recipe and steps to achieve a picture-perfect, mouth-watering crystallized flower, Clemons applied for both domestic and international patents. Soon after, he

amended the patent to include glazed flowers, gold and silver-dusted flowers, chocolate dipped crystallized flowers and new concepts that will be introduced to the market at a later date.

In May 2007, Sweetfields, Inc., received a \$20,000 SBA guaranteed line of credit through U.S. Bank to help fund expansion efforts. Today, Sweetfields is a family owned and operated business that delivers beautiful candied, edible flowers to worldwide customers. In addition, the business has recently been expanded to include a line of jewelry called Blooming Jewels. Real pansies, violas and rose petals are used to make pendant style necklaces. Different jewelry designs such as rings, bracelets, belt buckles and hair ties will soon be added to the collection. All of the flowers

originate from Sunset Farms, the family-owned 33-acre farm in the foothills of Jamul, CA, where they're grown using organic principles, then transformed into edible works of art. Clemons grew up on the farm and continues to call it home.



Diane Richards, VP and Shanna Johnson, CEO

National Small Business Week 2009 Events in Washington, D.C. May 17 - 19

<http://www.nationalsmallbusinessweek.com>

SAVE The Date! May 27, 2009

San Diego Small Business Awards Luncheon For Details Visit:

<http://www.sdchamber-members.org/SmallBusinessConference.htm>

(ARRA continued from cover)

in service by the taxpayer during the tax year exceeds \$800,000.

The new law does not alter the section 179 limitation imposed on sport utility vehicles, which have an expense limit of \$25,000.

More Help for Small Business

The Recovery Act also includes the following business-related provisions:

Reduction of Estimated Tax Payments: Normally, small businesses have to pay 110 percent of their previous year's taxes in estimated taxes. The Recovery Act permits small businesses to reduce their estimated payments to 90 percent of the previous year's taxes.

Extension of Bonus

Depreciation Deductions Through 2009: Bonus depreciation is extended through 2009, allowing businesses to take a larger tax deduction within the first year of a property's purchase.

Capital Gains Tax Break for Investment in Small Business: Investors in small business who hold their investments for five years can exclude from taxation 75 percent of their capital gains.

Other Provisions for Employers and Employees

Increased Transportation Subsidy: Employer-provided benefits for transit and parking are up in 2009 (see related article).

Up to \$2,400 in Unemployment Benefits Tax Free

in 2009: Individuals should check their tax withholding.

COBRA: Health Insurance Continuation Subsidy: The IRS has extensive guidance for employers, including an updated Form 941, as well as information for qualifying individuals.

First-Time Homebuyer Credit Expands: Homebuyers who purchase in 2009 can get a credit of up to \$8,000 with no payback requirement.

Enhanced Credits for Tax Years 2009, 2010: Details available on the earned income tax credit, additional child tax credit and American Opportunity Credit, a new higher education benefit.

Payroll Checks Increased This Spring: The Making Work Pay Tax Credit will mean \$400 to

\$800 for many Americans. The IRS has issued new withholding tables for employers (see related article on withholding).

Money Back for New Vehicle Purchases: Taxpayers who buy certain new vehicles in 2009 can deduct the state and local sales taxes they paid. IRS

The [IRS's American Recovery and Reinvestment Act of 2009 Web site](http://www.irs.gov/newsroom/article/0,id=204335,00.html) at www.irs.gov/newsroom/article/0,id=204335,00.html has more information and links to all of this information.

Subscribe to [e-News for Small Businesses](http://www.irs.gov/businesses/small/article/0,id=154825,00.html) at <http://www.irs.gov/businesses/small/article/0,id=154825,00.html> to get the latest information about IRS's ARRA implementation and other IRS news and information.

SAN DIEGO DISTRICT OFFICE FISCAL YEAR 2009 ACTIVITY OCTOBER 1, 2008 THROUGH MARCH 31, 2009

	Number of Loans	Dollar Amount
7(a) Loans	167	\$46,452,000
504 Loans	47	\$30,951,000
Total	214	\$77,403,000

Wells Fargo Bank, NA	40	\$12,621,400
CDC Small Business Finance Corporation	33	\$18,946,000
Borrego Springs Bank, NA	21	\$1,380,000
US Bank, NA	15	\$4,920,900
EDF Resource Capital, Inc.	11	\$8,737,000
La Jolla Bank, FSB	9	\$4,309,000
Temecula Valley Bank	7	\$5,072,900
Superior Financial Group, LLC	7	\$72,500
California Bank & Trust	6	\$816,400
Union Bank, NA	5	\$110,000

Training Calendar

A list of events from SBA and our resource partners may be found at www.sba.gov/ca/sandiego under Training Calendar.

May 15 - Women's Breakfast: "5 Seconds to a Magnificent First Impression" presented by SCORE in San Diego, CA.

May 20 - QuickBooks Workshop presented by the NCSBDC in Oceanside, CA.

May 21 - IRS Tax Workshop presented by the SBDITC in National City, CA.

Click here to request the May Workshops presented by the Imperial Valley SBDC in El Centro, CA.

SBA San Diego Management Staff

[Ruben R. Garcia](#)

District Director

[Anthony J. Vigil](#)

Deputy District Director

[Terrill K. Ashker](#)

District Counsel

[Rosa M. Rodarte](#)

Lead Business Dev. Specialist

[Juliane Talley](#)

Lead Business Dev. Specialist

The U. S. Small Business Administration was created in 1953 to maintain and strengthen the nation's economy by aiding, counseling, assisting, and protecting the interests of small businesses and by helping families and businesses recover from national disasters.

SBA's San Diego District Office is your small business resource for access to capital, counseling services, training, and government contracting opportunities, to help start or grow a small business in San Diego and Imperial counties. Our programs and services are delivered through participating lenders and our resource partners, SCORE: Counselors to America's Small Businesses and Small Business Development Centers.

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Send questions or comments to the Newsline Editor, Cynthia Harris, Business Development Specialist, at Cynthia.Harris@sba.gov.