

REGION VI NEWS

Regional Success Story Oklahoma District

Women's Business Center helps business owner

Lori Edgmand, owner of Nature's Supply in Stillwater is celebrating her sixth anniversary in the organic foods grocery business. Since day one, employees and sales have almost doubled, and plans are to add a deli section.

As the business grew, Edgmand went to SBA MicroLender Rural Enterprises of Oklahoma, Inc. for help. REI provided her with capital to expand and purchase furniture, fixtures, inventory and advertising.

Edgmand is also involved with REI's OKC Women's Business Center and is taking advantage of training and networking opportunities provided.

"REI and the SBA Women's Business Center have been a wonderful resource for me," Edgmand said. "I would strongly encourage women to take advantage of all that's available to them through this great organization and get on with their dream!"

Regional Administrator's Message

Yolanda Garcia Olivarez



SBA's Emerging 200 Program

The Emerging 200 Program (e200) has now completed its third year throughout the country. The goal of e200 is to identify 200 businesses across the country that show a high potential for growth and to provide them the network, resources and motivation required to build a sustainable business. Small businesses selected for this program engage in an intensive curriculum focused on developing a winning, expansion strategy for their business, including options for capital access and contracting. The nine-month training includes approximately 100 hours of classroom time per participant and provides the

opportunity for small business owners to work with experienced mentors, attend workshops and develop connections with their peers, city leaders and the financial community.

Results from a recent survey of past e200 graduating classes show dramatic advances for these businesses. More than half of the businesses that have participated in e200 have shown an increase in revenues and nearly 60 percent have created new jobs.

This initiative for entrepreneurs in traditionally underserved markets has been a catalyst expanding opportunities for both urban small business owners and more recently in 2010 was expanded into 12 new cities with an added emphasis on Native American communities.

This year, I am happy to report that four SBA district offices in Region VI hosted e200 classes:

- Dallas/Fort Worth District Office hosted Urban Markets in Dallas, TX
- Oklahoma District Office hosted Native American Communities in Oklahoma City, OK and Tulsa, OK
- New Mexico District Office hosted Native American Communities in Albuquerque, NM and Gallup, NM
- Louisiana District Office hosted Native American Communities in New Orleans, LA

I recently participated at the graduation ceremony in Dallas and it was rewarding to talk with these graduates and to hear their testimonials about the benefits of being able to be a part of this type of training for executives. They were excited about the valuable training, mentorship, and resources they have received during this time and cannot wait to utilize these tools in taking their businesses to the next level.

We are excited to see this program grow throughout the country and very proud that Dallas, Oklahoma, New Mexico and Louisiana were so successful in helping small business owners in their communities.

Congratulations to all of the graduates for 2010. For more information on this program go to www.sba.gov/e200.

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District News and Announcements

Arkansas District Office

Microloans are the answer

The Arkansas Delta is just about as hard as it gets and still be called America. In fact, there are some places that have already begun the transition back to Third World. In town after town, there are rows of abandoned buildings that stand testament to the obvious – “Something is broken.”

Things that are broken can be repaired and Small Business Administration (SBA) microloans are an integral part of the answer. More often than not, they are the only source of outside capital.

The Montrose Regional Development Program, led by Montrose Mayor Larry Coulter and encouraged by the success of the recent approval of .alt Consulting as the Delta’s first approved Microlender in several years, requested that Jody Raskind, Chief of Microloan Branch, come to the Delta and work on ways to improve the relationship and expand the program. Jody Raskind had lived in Arkansas before and knew first hand of the complexity of the problem. She agreed to make the tedious journey to Wilmot, Arkansas knowing there was a two and a half hour drive after the airplane landed at Little Rock.

The Microlender Forum was conducted at the Overflow Lodge at Wilmot on October 19-21. There were 15 people that attended including representatives from state and federal agencies, existing and potential microlenders from Arkansas, Texas and Louisiana and Congressional staffers.

Jody Raskind’s depth of knowledge and can-do attitude have assured the growth of microloans where they will do the most good. Mayor Coulter awarded Jody with the Arkansas Traveler Award signed by Governor Beebe. Her dedication to the mission of the SBA was greatly appreciated by all.

Dallas/Fort Worth District

Graduates of E200 Program

On Monday November 8, the Dallas-Fort Worth district held a graduating ceremony for the Emerging 200 class. The event was held in the flag room of City Hall, a venue on the upper floor which provided a panoramic view of the City of Dallas. More than 80 family members, colleagues and business associates honored the graduates with their presence. Members of the 2009 class as well as sponsors and city council members were also in attendance.

The graduates were honored with congratulatory remarks from U.S. Congresswoman Eddie Bernice Johnson, who attended the event. She also took photos with each graduate during the presentation of diplomas. It should be highlighted that the E200 program came to Dallas, thanks to the efforts of the Congresswoman. Deputy Mayor Pro Tem delivered remarks on behalf of the Mayor and Region VI Regional Administrator Yolanda

Olivarez complimented the graduating class on their achievements.

The high note of the ceremony was the presentation made by four of the graduates as they underlined the aspects of the training that impacted them the most. The 14 members of the 2010 graduation class received awards from Herbert Austin, District Director. The successful implementation of this program for a second year in a row, once more attests to the ongoing efforts of the SBA to contribute to the caliber of CEOs, thereby improving prospects for the small business community of the Dallas-Fort Worth district.

El Paso District Office

Lender group represents small business

The El Paso Association of Government Guaranteed Lenders (EPAGGL) was formed in 2003, and it is an informal organization made-up of SBA lenders from El Paso banks and credit unions. The EPAGGL group is organized by a group of lending institutions that elect a president and vice-president who serve for a term of one year.

The purpose of EPAGGL is to serve the needs and represent the interests of the El Paso small business lending community that utilizes SBA guaranteed loan programs. The group meets on a quarterly basis and they invite SBA El Paso District Office staff to provide updates on lending, marketing and outreach programs. The group has a guest speaker at each meeting who provide updates on local economic development trends, commercial development trends and SBA related information.

Guest speakers have included Yolanda G. Olivarez, SBA Regional Administrator for Region VI, U.S. Congressman Silvestre Reyes, Tony Wilkinson, President of the National Association of Government Guaranteed Lenders (NAGGL), and a representative from the El Paso Federal Reserve Bank.

Houston District Office

Foreign delegates visit Houston

The Houston District Office recently participated in two events with delegates and representatives from China and Turkey. On October 8, 2010 the Beijing Political Consultative Conference Committee Delegation visited Texas on a fact finding mission on U.S. environment protection and public policies. They requested information about the SBA and District Director Manuel Gonzalez invited the delegation of 19 members to visit the Houston District Office. DD Gonzalez and Deputy District Director Mark Winchester gave a presentation about SBA programs and services.

On October 25, 2010 DD Gonzalez and DDD Winchester attended the Investment and Trade Opportunities in Turkey seminar hosted by the Texas Turkish American Chamber of Commerce (TTACC). The keynote speaker,

His Excellency Nihat Ergun, the Minister of Trade and Industry of Turkey addressed over 250 people at the event. DD Gonzalez who made a presentation to the TTACC two years ago was invited to sit with Minister Ergun and other prominent guests at their table. Other speakers included Duaine Priestley, Director, US Commercial Service, Houston, Jim Edmonds, the Chairman of the Port of Houston Authority and Chairman of the World Trade Board, Greater Houston Partnership, Hakan Tasci, Washington DC Representative of TUSKON, The Honorable Akil Oktem, Consul General of the Consulate of Turkey, Houston, and Celil Yaka, President of TTACC.

Lubbock District Office

Dedication and persistence pays off

A local small business owner was very excited last December when he received America’s Recovery Capital (ARC) loan proceeds. This borrower was especially excited about the one year deferment period that came as a benefit of being an ARC loan recipient. This excitement came to a screeching halt when the borrower began receiving “weekly” late payment notices from the participating lender in March of this year, just three months after receiving the loan proceeds. Since the ARC program was nothing like anything SBA had ever done before, there were a few glitches in the processing of these loans within some of the bank’s automatic loan tracking systems. This apparent glitch in the system caused this ARC loan to erroneously be marked as past due.

Kim Hobgood’s steadfast determination identified part of the problem which included a missing digit in the loan number, among other things. She worked consistently with the lender wherein they discovered that the 1099 was the result of a reporting error. Most notably, Kim worked as a liaison between the lender, the borrower, and an SBA “ARC Loan Specialist” in the Buffalo Disaster Office who was very helpful in the resolution process. It was evident in a recent conference call between the borrower, Kim Hobgood and Acting District Director/District Counsel Calvin Davis that the borrower was satisfied and very appreciative of the good work of Kim and the fact that SBA was persistent in resolving the problem.

This is just one of the many issues and events that Kim Hobgood’s experience and extraordinary ability to communicate with others has resolved. She has been and continues to be an asset to the Lubbock District Office as an extremely dedicated and determined employee. Her work ethic inspires those around her and improves the morale of the entire district office thereby helping to promote SBA’s positive presence throughout the district.

Harlingen/LRGV District Office

The Coastal Bend Business Plan Competition emerged from a grass-roots effort to support economic growth in the Texas Coastal Bend region encompassing Nueces, San Patricio and Kleberg counties surrounding the city of Corpus Christi. As the idea began to form and was shared with others, a collaboration of partners organized to make this competition a reality.

This exciting competition was inspired to support the best and brightest entrepreneurial minds to start and build their businesses locally with a prize package which includes a variety of valuable professional services and expertise over a one year period. The award is designed to jumpstart the business, nurture it through mentoring, and provide professional development in the latest technology designed to improve business profitability.

The competition opened October 18, 2010 to students and to the public - to any entrepreneur team or existing business that has a new technology or technological product. This is a three-phase competition. The first phase, a 2-page business plan summary, is due December 1, 2010; phase two announces semi-finalists, leading to phase three, where a brief presentation is made before a panel of judges who select the winner(s).

A winner or winners will be awarded based on the viability of their business plan and the potential for its economic impact to the Coastal Bend's regional economy. However, every finalist will be given invaluable feedback from real investors on the viability of the business plan providing the catalyst for putting a business on the right track for success.

Organizational partners include: Texas A&M Corpus Christi, Coastal Bend Business Innovation Center, Del Mar College Small Business Development Center, SCORE Counselors to America's Small Business, Corpus Christi Evening Rotary Club, Corpus Christi Regional Economic Development Corporation, Young Business Professionals of the Coastal Bend, Del Mar College Division of Business, Professional and Technology Education, Texas A&M University - Corpus Christi, Mechanical Engineering Program, Texas A&M University - Kingsville, Frank H. Dotterweich College of Engineering and Coastal Bend Business Plan Competition Planning Committee. For additional information, contact TAMUCC CBBIC, 10201 S. Padre Island Drive, Corpus Christi, Texas 78418, 361/653-2575 or www.coastalbendinnovation.com.

San Antonio District Office

More than 400 people attend MED Week

Every year, the U.S. Small Business Administration (SBA) and the Minority Business Development Agency (MBDA) bureau of U.S. Department of Commerce sponsor the National Minority Enterprise Development (MED) Week event. Locally, the University of Texas San Antonio (UTSA) Institute for Economic Development Minority Enterprise Center (MBEC) and the SBA San Antonio District Office organized the 2010 MED Week celebration, October 18-22, 2010.

The MED Week theme was "Strategies for Growth and Competitiveness in the Global Economy." The major event was the MED Week Awards Luncheon held on Thursday, October 21, 2010, at the AT&T City Centre at San Fernando Cathedral in San Antonio to recognize and honor outstanding minority-owned firms and advocates in San Antonio, as well as provide encouragement for the 40,000 minority-owned businesses located in the San Antonio area.

The MBEC and SBA are joined by a consortium of public and private entities dedicated to minority business success in planning the San Antonio celebration. This year's Mistress of Ceremony was Karen Box, President of Southwest Minority Supplier Development Council. Opening remarks were given by the Regional Director John F. Inglehart from the Minority Business Development Agency-Dallas National Enterprise Center and Lead Lender Relations Specialist Cindy Solano from SBA San Antonio District Office.

A series of workshops and training were offered throughout the week for minority entrepreneurs and business owners. More than 400 people attended the luncheon event.

New Mexico District Office

Sixteen small businesses participating in the U.S. Small Business Administration's (SBA) **Gallup and Albuquerque Emerging 200 (e200) Initiative** were honored at graduation ceremonies held during the month of November. Seven entrepreneurs completed the Gallup e200 program and graduated on November 2nd at a ceremony hosted by the Gallup-McKinley County Chamber of Commerce. There were 9 small business owners that graduated from the Albuquerque e200 program hosted by City of Albuquerque Economic Development Department on November 4th at the Albuquerque Convention Center.

This is the third year that New Mexico was selected to deliver the executive-level e200 training program. This program has been held for the past three years in Albuquerque. This is the first year the program was offered in Gallup. Albuquerque and Gallup were two of twelve communities across the country offering the e200 Initiative with an emphasis on Native American business owners. The entrepreneurs from the Albuquerque and Gallup areas completed the 13 three-hour training sessions which started in April and ended in November. This program is offered at no cost to the participants. The course is an in-depth business education focused on areas such as organization management, financial management, growth strategies and management, market development and strategic planning.

Penny K. Pickett, SBA Associate Administrator of the Office of Entrepreneurial Development and Clara Pratte, SBA National Director of the Office of Native American Affairs joined SBA New Mexico District Director Woosley at the Gallup and Albuquerque graduation ceremonies.



(Albuquerque - LR Bottom Row: Tim Fogarty/Saigan Construction, Inc.; Jean Horstman, CEO, Interise; Sandra Duran Poole, SBA BDS; Pathira Yasotornrat-Best/Barnett-Aldon Ironworks; Charlotte Garcia/Shipping, Receiving, Fulfillment Services, Inc.; Keith Keetso/Rock Gap Engineering; Penny Pickett, SBA AA/OED; Top Row: John C. Woosley, SBA NM DD; Manuel Ortega, Jr./Ortega's Appliance Service Today; Andres V. Romero/B-Squared Technical Associates, Inc.; Gwen Lewis/Employers Pro Advantage; Brinda Ramanathan, PhD./Serafina Technical Consulting, LLC; Arian C. Gonzales/Cervantes Food products, Inc. and Marvis J. Aragon, Jr./Albuquerque e200 Instructor)



(Gallup - LR Bottom Row: Clara Pratte, SBA National Director, ONAA; Alison Berglund, Interise; Arthur P. Allison/5 Star Oil & Gas/5 Star Security, Inc.; Michael Clani, e200 Gallup Instructor; Ivan Corrales, SBA BDS; Penny Pickett, SBA AA/OED; John C. Woosley, SBA NM DD; William Overton/Navajo Tractor Sales, Inc; Top Row: Anthony Arviso/Enchantment Physical Therapy; Jynell Jones/Simple Bookkeeping; Marvin Redhorse/Redhorse PM; Michael Vidal/Powerline Technologies, Inc.; Darrell Yazzie/Round Rock Trading Post; and Merlin Herbert/Herbert's Welding, Inc.)

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Region VI Loan Numbers		
FY 2011 (Month ending 11/30/10)		
<u>Amts. Rounded to nearest \$1,000</u>		
	<u># Loans</u>	<u>\$ Approval</u>
All Loans	1,217	\$517,835
7(a)/ARC	1,126	\$469,224
504	91	\$ 48,611

News from Headquarters

Open Letter from SBA Administrator Karen Mills

Dear Small Business Owner,

I'm writing to update you on the progress that we have made regarding concerns stemming from the expanded 1099 reporting requirement in the Affordable Care Act, which could affect small businesses starting with 2012 purchases and 2013 filings.

The SBA and the Administration support the Small Business Paperwork Relief Act (introduced by Senator Baucus) which would repeal this provision.

As President Obama said on Nov. 3: "... the 1099 provision in the health care bill appears to be too burdensome for small businesses. It just involves too much paperwork, too much filing. It's probably counterproductive."¹ Our support for the Small Business Paperwork Relief Act also follows the Administration's support in September for Senate Amendment 4595² (offered by Senator Bill Nelson), which would have relaxed the reporting requirement.

All businesses that pay another individual or business \$600 or more for goods or services starting in 2012 will be required to issue 1099s. The unintended consequence of a potential paperwork burden resulting from this provision quickly came to light, and we immediately began working across the Administration to reduce the burden of these potential future reporting requirements, as I noted in a letter to small businesses in May.³ We gathered feedback and comments from the small business community through roundtables, forums, and other feedback mechanisms involving outreach from the SBA, the Treasury Department, the I.R.S. and others.

Importantly, the repeal of this provision through the Small Business Paperwork Relief Act will not **adversely** affect the Affordable Care Act, which provides important health care benefits to millions of Americans. Small businesses are already taking advantage of the new tax credits⁴ for providing health insurance to employees this year, and future benefits such as the insurance exchanges in 2013 will provide small businesses with more negotiating power and reduced administrative costs.

Thank you for the input and feedback that many of you have provided on the impact that the expanded 1099 reporting requirement could have on your business. Overall, with your help, we will continue to ensure that America's entrepreneurs and small business owners operate in an environment not burdened by excessive regulation, allowing you to continue doing what you do best: grow businesses, create jobs and lead America's economic recovery.

Sincerely,
Karen Mills
SBA Administrator

¹ Press Conference, East Room, 11/3/10.

² http://www.healthcare.gov/center/letters/treasury_hhs_1099_letter.pdf

³ "Dear Small Business Owner" letter, 5/27/10, Karen Mills.

⁴ <http://www.irs.gov/newsroom/article/0,,id=223666,00.html>