

LOAN REPORT AS OF MAY 31, 2011

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Helping small businesses
start, grow and succeed.



Your Small Business Resource

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7(a) and 504 Loans Combined

Bank	Number Approvals	Dollars (In Thousands)
Huntington National Bank	445	\$72,487
KeyBank	76	\$25,752
JPMorgan Chase Bank	63	\$12,727
Charter One Bank/RBS Citizens	44	\$4,426
FirstMerit Bank	41	\$11,594

504 Loans

Bank	Number 504 Approvals
FirstMerit Bank	17
Huntington National Bank	16
KeyBank	8
JPMorgan Chase Bank	7
Westfield Bank	4

CDC	Number 504 Approvals	Dollars (In Thousands)
Growth Capital Corp.	27	\$15,853
Cascade Capital Corp.	13	\$5,704
Lake County SBAC	13	\$4,115
Mahoning Valley Economic Dev. Corp.	10	\$3,506
Stark Development Board	5	\$3,261
West Central Partnership	3	\$3,080
Mentor Economic Assistance Corp.	2	\$877
SEM Resource, Inc.	2	\$978
Ohio Statewide	1	\$369

SBA HONORS SEVEN AS PART OF SMALL BUSINESS WEEK

CLEVELAND – **Steven L. Marks and Harvey S. Nelson**, the Co-CEOs of **Feature Foods, Inc., dba Main Street Gourmet** of Cuyahoga Falls, Ohio, have been named the **2011 Small Business Persons of the Year** by the Cleveland District Office of the U. S. Small Business Administration (SBA). “Steven, Harvey and their company exemplify the critical role that small businesses play in growing our economy through the creation of jobs,” said **Gil Goldberg**, District Director of SBA’s Cleveland District Office. “It is with great pride that we offer our congratulations to them on this well-deserved honor.” Goldberg noted that nominees for this award are judged on several criteria, including growth in number of employees; increase in sales and/or unit volume; strong current and past financial reports; innovativeness of product or service offered; response to adversity; and contributions by nominee to aid community-oriented projects.



SBA Cleveland District Director Gil Goldberg with Steven L. Marks and Harvey S. Nelson of Feature Foods, Inc., 2011 Small Business Persons of the Year



(left to right) Steve Piekarski, Ken Piekarski, Maple Heights Mayor Jeffrey Lansky, Gil Goldberg, Dave Piekarski, Scott Piekarski, and Bob Flauto of the Cuyahoga County Department of Development

The Piekarski family, owners of **Peck Distributors, Inc.** of Maple Heights, has also been honored as recipient of the **Ohio Jeffrey Butland Family-Owned Business of the Year Award**. This award honors a family-owned and operated business which has been passed on from one generation to the next and has a minimum 15-year track record of success. Peck Foods, Inc., founded in 1954 by Steve Peck, Sr., is North America’s largest distributor of ice cream products. “It is always gratifying to honor family-owned firms that are passed on from generation to generation,” stated Mr. Goldberg.

William C. Kennedy, Sr., CEO of **Redex Industries, Inc.** of Salem, has been honored as recipient of the **Ohio Small Business Exporter of the Year**. Redex Industries manufactures the Udderly Smooth line of skin care products, which is exported to customers in 11 countries.



Gil Goldberg, SBA Business Development and Women’s Business Specialist Sonya Wagasky with Rita Singh, Women in Business Champion of the Year



SBDC Midwest and Ohio Excellence and Innovation Award winner Bill Wersell and his SBDC team

SBA has also honored several small business advocates with SBA Champion Awards. Awardees are individuals that have used their professional expertise or personal talents to further the understanding and awareness of small business. These individuals have taken an active role in creating opportunities for small business. This year’s Champion awardees are: **Small Business Development Center Service Excellence and Innovation Award –William M. Wersell**, Director, the Ohio SBDC at the Toledo Regional Chamber of Commerce (SBA Midwest and state of Ohio winner) **Women in Business Champion of the Year –Rita N. Singh**, founding managing partner of **S&A Consulting Group LLP**

Finally, SBA recognizes **Jay Mellon and Jim Laber**, owners of **AtNetPlus Partners** of Stow, as the **runner-up Small Business Person of the Year**, and **Larry Gidley, Brian Gidley and Lois Gidley**, owners of **LBL Printing** of Painesville, as the **runner-up Family-Owned Business of the Year**.

This year we are delighted to recognize these awardees significant contributions to the small business community of Northern Ohio,” Mr. Goldberg stated. “They exemplify small business at its best.” Every year since 1963, the President has proclaimed National Small Business Week to recognize the contributions of small businesses to the economic well-being of America. Each year, the U.S. Small Business Administration recognizes this special impact made by outstanding small business owners, and by champions of America’s entrepreneurs.

6TH ANNUAL CLEVELAND BUSINESS TO BUSINESS MATCHMAKER HELD

The SBA Cleveland District Office, working with the Council of Smaller Enterprises (COSE), held its 6th annual Cleveland Business to Business Matchmaker 2011 on May 4th & 5th at Cleveland Indians Progressive Field. The matchmaker event brought together various small businesses and buying organizations for one-on-one meetings, workshops, and networking opportunities. This year buying organization representatives had their individual meetings with small businesspersons in the facility's suites and loges, overlooking the beautiful baseball park.



SBA Cleveland District Director Gil Goldberg and Fatou Ndiaye of the State of Ohio Department of Development Entrepreneurship and Small Business Division



Stephen A. Millard, Executive Director and President of COSE, which co-sponsored the event with the SBA

The Matchmaker event provided buyers and sellers the opportunity to have pre-arranged fifteen minute appointments, allowing both sides to explore potential business relationships. More than forty buying organizations were on hand, including buyers from the City of Cleveland, Cuyahoga County, NASA, U.S. Coast Guard, Ohio Department of Transportation, U.S. Department of Housing and Urban Development, The Cleveland Clinic, the sports teams Cleveland Cavaliers and Indians, and Caesars Entertainment. In addition, other buyers, notably utility companies, universities, local and state governments and private firms were present. ♦

SBA CLEVELAND REPRESENTED AT LAKE COUNTY SMALL BUSINESS SYMPOSIUM

The SBA Cleveland District Office participated in the 4th annual Small Business Symposium "Road to Success... Learn from the Experts" event, which was held on May 17, 2011 at Lakeland Community College in Kirtland, Ohio. This business symposium gave the 150 plus attendees expert small business advice and the opportunity to learn from experienced business owners and about diverse topics.

The symposium included eighteen different track sessions on marketing, social media, business toolbox, and entrepreneurial launchpad. Break-out sessions included Access to Capital (including the SBA loan programs), Email and No-Budget Marketing, Developing a Business Plan, Facebook and LinkedIn for Business, Twitter for Business, and Time Management.



SBA Cleveland District Director Gil Goldberg and an attendee.

SBA Cleveland District Director Gil Goldberg provided the opening remarks and gave an overview of SBA programs and services. Dr. Morris Beverage Jr., President of Lakeland Community College, provided welcoming comments. Local agencies, financial institutions, and small businesses

had vendor tables at the symposium. The event was a cooperative venture of SBA, Lakeland Community College, Lake County Port Authority Small Business Development Center, COSE, and Mentor Economic Assistance Corporation. ♦

"The mobile app will help users connect with SBA district office staff and SBA-affiliated counselors and mentors who can provide free, personalized small business assistance."

SBA MOBILE APPLICATION NOW AVAILABLE

Smart phone users interested in starting or growing a small business can now find helpful resources at their fingertips via a new SBA mobile application from the U.S. Small Business Administration. Developed and donated as a gift by Palo Alto Software, Inc., the SBA mobile app will make the search for extensive resources more efficient, whether users are starting a new business or taking an existing business to a new level.

The mobile app will help users connect with SBA district office staff and SBA-affiliated counselors and mentors who can provide free, personalized small business assistance. The user-friendly format of the app will help answer questions such as: How do I start a business? Where can I go in my area to get free help with writing a business plan? And where do I begin finding funding for my business?

The SBA mobile app also features a built-in startup cost calculator to help estimate the costs associated with getting a business off the ground, plus an SBA partner locator to help users find SBA offices, Small Business Development Centers, Women's Business Centers and SCORE.

Users will also have mobile access to SBA video content and social media alerts to provide them with tips on the go. This will include live updates from the SBA's YouTube channel and from SBA's Twitter feeds. The free mobile app can be downloaded from the SBA's website at www.sba.gov/content/sba-mobile-app. ♦

THE EXPORT MARKET CONTINUES TO GROW!

LENDERS: IS YOUR INSTITUTION POSITIONED TO TAKE ADVANTAGE OF THIS TREND?

In January of 2010, the National Export Initiative was announced with goal of doubling U.S. exports in five years. Exports grew nearly 17% in that first year... and they continue to increase. The U.S. Bureau of Economic Analysis released trade statistics on May 11, 2011 documenting March exports of U.S. goods and services reaching a new monthly high of \$172.7 billion, almost 15% higher than 2010 and 4.6% above February's level!

In addition, exports for the first quarter of 2011 are nearly 15% higher than the first quarter of 2010. The Comptroller of the Currency highlighted the U.S. government's Export Working Capital Programs in its April 2011 *Insights* Publication. The report includes:

- *Description of Ex-Im Bank's and SBA's Export Working Capital Programs*
- *How and Why Lenders should participate*
- *Legal Lending Limits and Capital requirement implications*
- *New Business Development Opportunities*
- *Side-by-side cost Comparisons*
- *Case Study*
- *Concerns About Lengthy Processing times and Guarantee Claims*

The complete report is available www.occ.gov/static/community-affairs/insights/insights-sba-export-import-working-capital-loan-programs.pdf

The SBA continues to place a high priority on helping small business exporters. All three of SBA's export loan programs were recently enhanced.

If you would like to learn more, e-mail Pat Hayes, Regional Manager, SBA Export Solutions Group, U.S. Export Assistance Center at Patick.Hayes@sba.gov.

You may talk to him about the programs in general, a specific deal, or even set up an in-house training session for your bank.♦

"The SBA continues to place a high priority on helping small business exporters. All three of SBA's export loan programs were recently enhanced."

SBA LENDER RELATIONS SPECIALIST PARTICIPATES IN GRAND OPENING

Sunshine and warm weather greeted the grand opening of Scooterz-N-Shooterz at Town Center in the City of Green on May 28.

Co-owners Ken Williams and Kevin Ivey joined with their wives, Robin Williams and Gloria Ivey, to cut the ribbon before a crowd of about 75 well wishers. Mark Hansel, SBA Lender Relations Specialist, spoke about the company's success and SBA loan programs.

Jim Griggy from the Akron Small Business Development Center was on hand to wish the owners well. Williams and Ivey praised Griggy for his work on their business plan and lining up an SBA loan from Huntington Bank.



Left to right are Scooterz-N-Shooterz partners Kevin Ivey, Gloria Ivey, Robin Williams and Ken Williams

Attending the grand opening was Greg Holcomb, representing Congresswoman Betty Sutton's office. Williams and Ivey, both veterans, also mentioned the spark supplied by SBA Cleveland Business Development Specialist John Renner at the Veterans Business Symposium held at Kent State in November 2010. Scooterz sells motorcycle parts, equipment, apparel, and firearms – plus cigars. Altogether it was a great way to start the Memorial Day weekend.♦

NEWS FOR OUR LENDING PARTNERS

On March 1, 2011, Small Business Administration (SBA) released the 504 Post Debenture Purchase Loan Accounting Report on-line through the Certified Development Company (CDC) On-Line System at www.colsonservices.com/cdconline/cdcloginscreen.html.

CDCs are now able to access payment history information from this website on accelerated loans with debentures that have been purchased. This new report replaces the PMQD11 screen that was provided by the Centers to CDCs.

The Post Debenture Loan Accounting Report was created for CDCs to provide accurate payment history information on "5" account loans after debenture purchase. SBA's Denver Finance Center will continue to provide individual loan transcripts upon request. To access the report follow these steps:

- Access CDC On-Line website.
- Enter the original 504 loan number.
- The Loan Detail report appears.
- Loan Status will show as "ACCELER". There will be a link "Debenture (loan number)" on the left side of the report, above the payments list. —Click on that link.

The Post Debenture Purchase Loan Accounting Report will appear. If you have any questions on this Notice, please contact the Centers directly.(which includes the Boilerplate and Wizard).

Version 2011 has been programmed to function in both Microsoft Office Word .

Version 2011 of the Export Working Capital (EWCP) Authorization is being Released

SBA announces the release of Version 2011 of the National EWCP Loan Authorization a2003 (11) and 2007 (12). SBA has not programmed a Wizard Version 2011 in Microsoft Office Word 2010 (13) at this time. As a result, there will be two editions of the 2011 Authorization for EWCP loans available to all users on the SBA website. Since both editions will have the same 2011 identifier, SBA will add a notation on the web site where they can be accessed saying which edition is compatible with which version of Microsoft.

Please note that an same terms, conditions, and processes. The only difference is the compatibility of each edition with only one appropriate Microsoft programming platform. As such, the use of either edition is satisfactory to SBA when an authorization for an EWCP loans is being written.

The "About the 'EWCP' Wizard" section in the Boilerplate in both editions now has a more thorough explanation of compatibility with the different versions of Microsoft Office.

The "What's New" sections in the Boilerplate are the same for both editions and outline the principal changes made between Version 2011 and the

previous Version 1.4. The "What's New" section of the National EWCP Loan Authorization for Version 2011 has been included as an attachment to this Notice.

Both editions of Version 2011 of the National EWCP Loan Authorization will be available at www.sba.gov beginning on the effective date of this Notice. The Authorization webpage address to find either edition of the National EWCP Loan Authorization is: www.sba.gov/content/ewcp-authorization-wizard

Small Business Jobs Act of 2010: Collection/Payment of Ongoing Servicing Fee for Export Working Capital Program Loans

Currently, on a monthly basis, a Lender must submit the Lender's 1502 Report on all 7(a) loans in the Lender's portfolio, along with payment of the ongoing servicing fee on all of the Lender's 7(a) loans with an outstanding balance, to SBA's Fiscal and Transfer Agent, Colson Services Corporation (Colson). For EWCP loans approved after September, 27, 2010, the Lender may choose one of the following options for payment of the EWCP Ongoing Fee only. Either option (monthly or annually) will result in payment of the same total amount of EWCP Ongoing Fee on each EWCP loan.

Regardless of which EWCP Ongoing Fee payment option is chosen, the Lender must continue to submit, on a monthly basis, the Lender's 1502 Report on all 7(a) loans in the Lender's

If you have any questions on these or any SBA loan matters, please contact our Lender Relations division at 216-522-4180.

NEWS FOR OUR LENDING PARTNERS

(continued from page 6)

portfolio, including all EWCP loans. It is essential that the 1502 Report continue to be submitted on a monthly basis for all 7(a) loans so that SBA will continue to have current information on all loans.

Option 1 – Monthly Payment of EWCP Ongoing Fee
Option 1 allows Lenders to continue to pay the EWCP Ongoing Fee monthly along with other 7(a) loan ongoing servicing fees to Colson with the required 1502 Report. SBA is aware that EWCP loans may be a small percentage of the Lender's 7(a) portfolio, thus many Lenders with large 7(a) loan portfolios may prefer to avoid any changes to their current monthly 1502 reporting and ongoing servicing fee payment process. As a result, SBA will allow Lenders to voluntarily continue to pay the EWCP Ongoing Fee on each EWCP loan on a monthly basis as they currently do along with the rest of their 7(a) portfolio.

Option 2 – Annual Payment of EWCP Ongoing Fee
Lenders may pay the EWCP Ongoing Fee on each EWCP loan annually by selecting Option 2. Lenders selecting Option 2 will receive an annual invoice on each EWCP loan from SBA's Denver Finance Center (DFC). The EWCP loan balance reported by the Lender on the monthly 1502 Reports for the EWCP loan will allow DFC to compute the EWCP Ongoing Fee amount to be billed annually. The vast majority of EWCP loans have

a maturity of 12 months or less, however EWCP loans may have a maturity of up to 36 months. For EWCP loans with a maturity of 12 months or less, Lenders will receive one EWCP

Ongoing Fee invoice after maturity. For EWCP loans with a maturity in excess of 12 months and not more than 24 months, Lenders will receive a EWCP Ongoing Fee invoice 12 months after closing and again after maturity. For EWCP loans with a maturity greater than 24 months, Lenders will receive a EWCP Ongoing Fee invoice 12 months after closing, 24 months after closing and again after maturity.

The DFC will mail the Lender an EWCP Ongoing Fee invoice on each EWCP loan within 60 days of each 12-month interval on the EWCP loan and payment will be due within 30 days of the date of the invoice.

The invoice will be for the EWCP Ongoing Fee amount owing for the previous 12 months, or shorter period for loans maturing prior to the end of the 12-month period. Lenders will be given instructions on the invoice to make payment using the Pay.gov online payment process.

Colson will send monthly EWCP reports to DFC and SBA's Office of International Trade (OIT).

This report will track information on each EWCP loan by Lender, including but not limited to the following:

- Whether the Lender is submitting 1502 Reports on EWCP loans as required;
- When annual invoices are to be sent; and
- The accrued amount to be billed for the EWCP Ongoing Fee for each EWCP loan.

The DFC will send a monthly report to OIT and SBA's Office of Credit Risk Management reporting any Lenders that are delinquent on payments of invoiced EWCP

Ongoing Fees. OIT will be responsible (through delegation to the USEAC Regional Managers) for monitoring Lenders in regards to submitting the required 1502 Reports and the payment of the required EWCP Ongoing Fees.

A lender's failure to pay any of the fees (and any interest and penalties that are subsequently charged by SBA due to a lender's delinquent payment) may result in SBA's decision to suspend or revoke a lender's eligibility to participate in SBA's 7(a) program or to limit a lender's delegated authority.

If you have any questions on this or any SBA loan matter, please contact our Lender Relations division at 216-522-4180.♦

SBA Cleveland District Office Program Staff:

Gil Goldberg,
District Director ext 207

Business Development:

Jim Duffy, ext. 218

Vanessa Behrend,
ext. 220

John Renner, ext 211

Sonya Wagasky, ext 202

Lender Relations:

Jim Donato, ext. 215

Tim Ensich, ext 213

Mark Hansel, ext 230

Tom Sangrik, 214

Government contracting meeting briefings take place at the Cleveland District Office on the second Friday of each month from 10:00 am to noon. No registration is necessary.

Loan program briefings take place the third Thursday of each month from 10:00 am to noon. Registration is required. To reserve your seat, call 216-522-4180.