

## APPENDIX 1 – REGIONAL PERFORMANCE INFORMATION AND SUCCESS STORIES

Appendix 1 spotlights the accomplishments of the SBA District Offices, operating under the 10 Regional Offices. These serve as SBA's feet on the street. The District Offices work closely with resource partners – SCORE, Small Business Development Centers, and Women's Business Centers – to match local resources to local needs.

Just as importantly, through the Office of Field Operations, they represent to Headquarters the interests of small businesses in their regions. They provide input into all policy formation and participate in policy deliberations that are critical to field activity.

The brief write-ups that follow display the outcomes of the efforts of the field offices. These appear not only in the statistics, in the dollar value of loans and financing, in the numbers of clients counseled and trained. They also are evidenced in the 10 success stories featured. These few are examples of the thousands of successes brought about every year by the work and commitment of the employees of SBA, their partners, and entrepreneurs across the Nation.

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The data in the tables, as indicated in the following notes, come from these sources:

- a. Data derived from Loan Accounting Tracking System.
- b. Data derived from reporting by Small Business Investment Companies on Form 1031. The SBICs financings reflect the total amount the small Businesses received.
- c. Data obtained from Federal Procurement Data System. FY 2004 Data was not available from this source at the time the FY 2005 PAR document was produced.
- d. Data derived from Office of Entrepreneurial Development estimates. BICS were not functional in FY 2005.
- e. Data obtained from Federal Procurement Data System for FY 2004 and FY 2005 was not available from this source for Puerto Rico at the time this document was produced.

## REGION I

Region I had another banner year of lending. For the fourth consecutive year, the SBA guaranteed loans totaling almost \$1 billion to small businesses throughout the Northeast. This year's combination of 7(a) and 504 loans represents a 13% increase over FY 2004.

The SBA has become a significant contributor to the New England economy by providing record amounts of capital to the region's small businesses. Regionally, the six New England states approved over \$467 million in financing to small businesses.

The region recorded a total of almost 63,000 clients counseled or trained. This performance indicator reflects the new definitions for these elements implemented this year. This redefinition caused a marked difference in program data when compared to previous years. FY 2005 will be used as the baseline for future performance measures.

Region I States	Approved 7(a) and 504 Loans Funded (millions of dollars) <sup>a</sup>		SBIC Financings (millions of dollars) <sup>b</sup>		Federal Procurement Contracts (millions of dollars) <sup>c</sup>		Clients Counseled/Trained in SBDC, SCORE, WBC, BIC <sup>d</sup>	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2003	FY 2004	FY 2004	FY 2005
Connecticut	\$176	\$215	\$50	\$43	\$8,294	UNAVAIL	19,761	17,102
Maine	\$57	\$79	\$25	\$14	\$1,238	UNAVAIL	12,435	10,216
Massachusetts	\$303	\$340	\$158	\$363	\$7,726	UNAVAIL	26,352	18,444
New Hampshire	\$142	\$153	\$16	\$21	\$665	UNAVAIL	10,149	6,707
Rhode Island	\$91	\$93	\$6	\$22	\$602	UNAVAIL	8,304	5,701
Vermont	\$58	\$56	\$4	\$4	\$528	UNAVAIL	5,671	4,624
<b>Totals</b>	<b>\$827</b>	<b>\$936</b>	<b>\$259</b>	<b>\$467</b>	<b>\$19,053</b>	<b>UNAVAIL</b>	<b>82,672</b>	<b>62,796</b>



### SBA LIGHTENS SINGLE MOTHER'S LOAD

In 1995, Carol Mulready found herself a single parent needing to support herself and her three young children. She had worked in the concrete business since she was 18, and with that as her principal asset, she established CBJ Foundations, LLC, which specializes in pouring concrete foundations, footings, wall forms and slabs for the residential construction industry.

Mulready borrowed \$30,000 from her sister to purchase two used trucks and hire two experienced workers.

In 2003, she attended an open house at Newtown Savings Bank where she learned of the business counseling available through the **SBA** and **SCORE**. Meeting with volunteers Gerald Casiello and Al Benoit of the Danbury office of **SCORE**, they suggested she consolidate and refinance her business loans with an **SBA guaranteed loan**. They helped her prepare to approach the bank with a comprehensive business plan.

In February 2004, she obtained **SBA guaranteed financing** and since that time has been able to expand her business, and more than double her workforce to 13 employees and eight trucks.

## REGION II

FY 2005 was a milestone year for SBA lending in Region II, with a record high number of loans totalling over \$1.676 billion.

In the region’s district offices, more lenders utilized the Agency’s SBAExpress loan program – 59% of the District’s loans were approved under this program for an average amount of \$63,800. The region expects SBAExpress loan volume to increase significantly next year.

This year’s changes in the definitions for client counseling and training are reflected in the lower totals, therefore, no direct comparison can be made with the FY 2004. The FY 2005 figures, totaling more than 136,000 clients, will be used as the baseline for future performance measures.

Region II States <sup>e</sup>	Approved 7(a) and 504 Loans Funded (millions of dollars) <sup>a</sup>		SBIC Financings (millions of dollars) <sup>b</sup>		Federal Procurement Contracts (millions of dollars) <sup>c</sup>		Clients Counseled/ Trained in SBDC, SCORE, WBC, BIC <sup>d</sup>	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2003	FY 2004	FY 2004	FY 2005
New Jersey	\$490	\$605	\$127	\$184	\$4,656	UNAVAIL	41,010	35,379
New York	\$594	\$920	\$397	\$680	\$6,606	UNAVAIL	97,689	110,467
Puerto Rico	\$132	\$151	\$3	\$9	UNAVAIL	UNAVAIL	17,522	16,022
<b>Totals</b>	\$1,216	\$1,676	\$527	\$873	\$11,262	UNAVAIL	156,221	136,271

### SBA HELPS SPEED RECOVERY

In 1996, 13 years after leaving her native Guyana, Elizabeth Gonsalves formed Jos-El Care, Inc. to provide nurses and medical-care attendants to hospitals and private patients in the New York area. Despite Gonsalves’ initial lack of business experience, the business eventually built a multimillion-dollar annual revenue stream, a significant accomplishment considering most sales are based upon the slim profit margins provided by Medicaid.

By 2003, Gonsalves needed to move her operation to larger quarters, and to acquire the building she wanted, she turned to the **York College SBDC**. With the SBDC’s help, she secured a \$344,000 bank loan, and in combination with her own investment of \$173,000, purchased the building that February.

Jos-El continued to grow until 9/11. As with many other area businesses, sales nose-dived. Once again, in December 2003, Gonsalves sought the help of the **SBDC** to secure a \$250,000 loan from the **World Trade Center Business Recovery Loan Fund**. Gonsalves put those funds to work by opening a downtown Manhattan office and employing 50 more people.



### REGION III

At the end of FY 2005, the seven district offices of Region III are backing significantly more loans than in FY 2004, and total 7(a) and 504 loan dollars reflect a 20% increase over last year – now more than \$1.3 billion. Investments in small businesses have grown by 56%. The district offices have also supported a robust Faith-Based and Community Initiative, a Presidential special interest program. Enlisting the help of local and state elected officials and the advisory council is another proactive step Region III has taken toward ensuring success.

Educating entrepreneurs about the SBA is an absolute priority, and the region’s SBDC, SCORE and WBC program counseled and trained over 112,000 clients. This figure cannot be compared to previous years’ totals because the client definitions have changed. The FY 2005 will be the new baseline against which future performance will be measured.

Region III States	Approved 7(a) and 504 Loans Funded (millions of dollars) <sup>a</sup>		SBIC Financings (millions of dollars) <sup>b</sup>		Federal Procurement Contracts (millions of dollars) <sup>c</sup>		Clients Counseled/ Trained in SBDC, SCORE, WBC, BIC <sup>d</sup>	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2003	FY 2004	FY 2004	FY 2005
Delaware	\$32	\$28	\$10	\$22	\$206	UNAVAIL	5,959	4,887
Washington, DC	\$24	\$23	\$7	\$23	\$11,100	UNAVAIL	18,323	20,494
Pennsylvania	\$515	\$678	\$99	\$158	\$7,382	UNAVAIL	62,502	77,227
Maryland	\$195	\$262	\$61	\$99	\$15,055	UNAVAIL	24,427	12,176
Virginia	\$261	\$303	\$67	\$88	\$29,604	UNAVAIL	20,706	19,044
West Virginia	\$35	\$31	\$13	\$12	\$569	UNAVAIL	9,865	9,086
<b>Totals</b>	\$1,062	\$1,325	\$257	\$402	\$63,916	UNAVAIL	141,782	112,854



### SBA HELPS INJECT NEW LIFE INTO NEIGHBORHOODS

Through his vision and drive, and the support of an SBA loan, Mukesh Majmudar has brought new commercial life to a Maryland neighborhood.

Majmudar emigrated to the U.S. for graduate school, worked with NASA, and later with Computer Services Corporation. But in 1994, he switched fields to launch Star Hotels, a hospitality management company established to acquire, construct, reposition and operate hotels. And he made a strategic decision to take on difficult projects that would better a neighborhood.

He was approved for an **SBA loan** and purchased a rundown hotel in Catonsville, MD, and worked for a year to rehabilitate the two profitable buildings on the hotel property. He then worked with Baltimore County leaders to change zoning laws in the neighborhood to allow more flexibility for business development.

In the late 1990s, Majmudar bought and renovated several more hotels, and his properties have helped spur development throughout the community. He now has eight hotel properties, directly employs 74 people, and has annual revenues of \$8 million. He also gives students hands-on training in his hotels through internship and mentoring programs. Majmudar sums up his success: “Anyone who has big dreams and the strong support of an organization like SBA can make the American dream come true.”

## REGION IV

Region IV experienced continued growth in 7(a) and 504 loan activity – up 18% – as well as notable increases in investment financing in 2005. Total approved loans saw a dollar total increase of 25.5%, to more than \$2.7 million. SBIC financing reached \$373 million, an increase of more than 20% over FY 2004.

In South Florida, almost 182,000 applications for disaster assistance were received for the four devastating hurricanes that hit Florida in 2004, with almost 54,000 of them approved for over \$1.8 billion. However, South Florida 504 loan volume also was up – 11.5% and 35% in dollars over the third quarter last year. The 7(a) loan guaranty program volume was up 1%, with the dollar amount up 27%. This year, almost 227,000 clients received counseling and training from Region IV’s SBDC, SCORE and WBC programs.

Region IV States	Approved 7(a) and 504 Loans Funded (millions of dollars) <sup>a</sup>		SBIC Financings (millions of dollars) <sup>b</sup>		Federal Procurement Contracts (millions of dollars) <sup>c</sup>		Clients Counseled/ Trained in SBDC, SCORE, WBC, BIC <sup>d</sup>	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2003	FY 2004	FY 2004	FY 2005
Alabama	\$122	\$139	\$30	\$8	\$6,571	UNAVAIL	27,226	32,039
Florida	\$867	\$1,122	\$51	\$126	\$10,016	UNAVAIL	68,828	54,233
Georgia	\$474	\$628	\$98	\$87	\$4,817	UNAVAIL	30,976	29,225
Kentucky	\$110	\$119	\$17	\$14	\$3,758	UNAVAIL	17,526	16,329
Mississippi	\$122	\$111	\$9	\$25	\$2,522	UNAVAIL	6,798	10,163
North Carolina	\$232	\$278	\$38	\$55	\$3,177	UNAVAIL	22,007	31,288
South Carolina	\$103	\$144	\$16	\$17	\$3,452	UNAVAIL	14,874	16,207
Tennessee	\$127	\$167	\$50	\$41	\$5,510	UNAVAIL	32,154	20,542
<b>Totals</b>	\$2,157	\$2,708	\$309	\$373	\$39,825	UNAVAIL	220,389	226,931



### SBA IS THERE, WHERE THE RUBBER MEETS THE ROAD

Rubber Wholesalers, Inc. was started nine years ago by Terry Harris as a wholesale producer of scrap rubber buffings, the rubber that is ground off treads of old tires by tire retread shops. After studying the industry for four years, he created a line of products made from recycled rubber, including rubber walking trails, Flex Curbs and safety surfaces for playgrounds. The company’s lead product is a colored rubber mulch.

The **SBDC** in Dalton, GA, started working with Harris in late 2000, when the company had about 20 employees. After being turned down by several lenders who were unfamiliar with the recycling industry, Jerry Sims, **SBDC** director in Dalton, worked with Harris on a business plan that he used in meeting with Omni Bank. “He had enough cash flow to handle the loan and he was doing a good job of managing his company.”

The **SBDC** also helped Harris improve his internal accounting, cash flow management and strategic planning. Revenues for 2003 closed at some 47% above the previous year, with major improvements in operating income. Two recent **7(a) loans** have helped finance growth and expanded production. In 2004, sales hit \$4 million and are projected to reach \$8 million-plus this year. The company has added over 45 plant jobs in the last five years and will reach over 80 workers by the end of the year.

## REGION V

Region V saw increased lending, financing and counseling services this fiscal year. SBIC financing for Midwest entrepreneurs more than doubled this fiscal year, to \$564 million. Total 7(a) and 504 loan amounts grew by almost 31%, to over \$3 billion.

The region's offices have been working on several programs to enhance outreach in the rural and urban small business communities. The Rural Radio Initiative is a public service program designed to better inform Region V rural residents about the wide range of financial products and programs that the SBA can offer to the rural business community. Through the Minority Affiliate Initiative, SBA is analyzing the assets of minority entrepreneurs throughout the Midwest. Once these assets are determined, SBA will then establish a process to address those needs. The SBA Faith-Based and Community Initiative continues to make tremendous inroads in the region, with over 3,000 brochures recently distributed on the program.

Region V States	Approved 7(a) and 504 Loans Funded (millions of dollars) <sup>a</sup>		SBIC Financings (millions of dollars) <sup>b</sup>		Federal Procurement Contracts (millions of dollars) <sup>c</sup>		Clients Counseled/ Trained in SBDC, SCORE, WBC, BIC <sup>d</sup>	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2003	FY 2004	FY 2004	FY 2005
Illinois	\$451	\$613	\$122	\$345	\$4,775	UNAVAIL	52,495	49,147
Indiana	\$211	\$283	\$10	\$22	\$2,985	UNAVAIL	21,091	17,637
Michigan	\$413	\$526	\$34	\$62	\$3,389	UNAVAIL	29,965	34,472
Minnesota	\$423	\$512	\$36	\$68	\$2,046	UNAVAIL	23,041	24,869
Ohio	\$437	\$603	\$38	\$37	\$5,958	UNAVAIL	37,131	40,601
Wisconsin	\$359	\$466	\$37	\$30	\$1,745	UNAVAIL	19,703	27,257
<b>Totals</b>	<b>\$2,294</b>	<b>\$3,003</b>	<b>\$277</b>	<b>\$564</b>	<b>\$20,898</b>	<b>UNAVAIL</b>	<b>183,426</b>	<b>193,983</b>

### SBA ENSURES THIS BUSINESS BELONGS



Belonger Corporation is a complete mechanical contractor in the specialty trades service industry, providing commercial and industrial heating, ventilation, air conditioning and refrigeration applications. Jean Marie Thiel launched the company in March 2000 from her basement. Belonger is the only American Indian woman-owned mechanical contracting firm in Wisconsin.

SBA helped in a number of ways: through an **8(a) certification**, by providing **SBA guaranteed bonding**, and with an **SBA loan guarantee** providing working capital. The **SBA district office** offered CCR, FAR compliance and procurement assistance, as well as marketing development and business seminars. The Wisconsin SBA office reviewed their 8(a) application, their **Mentor Protégé Agreement** and assisted with joint venture development.

Now the company, which initially could not get COD accounts – and sometimes were even refused cash sales – has over 100 vendors with open account credit. Where it could not get bonding in the first years, it now has bonding with no aggregate limit. Where the firm could not secure health insurance, it can now maintain basic coverage. And where it began with three owner-operators, Belonger's employee base now covers 11 states and one foreign country.

Belonger can now take on complex projects, often serving as a prime contractor. It also provides counseling support to four minority-owned firms in the construction trades as the first **SBA-approved mentor-protégé** in Wisconsin.

## REGION VI

Region VI posted strong gains in its major small business programs in the recently completed FY 2005. Region VI's accomplishments this past year have helped thousands of Americans start or expand their small businesses while creating or retaining thousands of jobs as a result of the SBA loan volume.

Over 164,000 clients received counseling or training through the SBDC, SCORE and WBC programs in the region. This figure will become the new baseline for measuring future performance in this area.

Region VI States	Approved 7(a) and 504 Loans Funded (millions of dollars) <sup>a</sup>		SBIC Financings (millions of dollars) <sup>b</sup>		Federal Procurement Contracts (millions of dollars) <sup>c</sup>		Clients Counseled/ Trained in SBDC, SCORE, WBC, BIC <sup>d</sup>	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2003	FY 2004	FY 2004	FY 2005
Arkansas	\$91	\$107	\$13	\$23	\$754	UNAVAIL	12,252	10,167
Louisiana	\$91	\$130	\$11	\$17	\$3,009	UNAVAIL	19,445	16,895
New Mexico	\$68	\$106	\$10	\$18	\$5,742	UNAVAIL	16,542	14,839
Oklahoma	\$146	\$170	\$11	\$23	\$2,164	UNAVAIL	15,134	13,258
Texas	\$1,279	\$1,448	\$230	\$184	\$28,803	UNAVAIL	145,552	109,122
<b>Totals</b>	<b>\$1,675</b>	<b>\$1,961</b>	<b>\$275</b>	<b>\$265</b>	<b>\$40,472</b>	<b>UNAVAIL</b>	<b>208,925</b>	<b>164,281</b>



### SBA HELPS GLOBEX WORK GLOBALLY

When Stacy Weiland had the opportunity to commercialize diamonds from the Republic of Sakha, an autonomous state in Russia, he knew there was a lot he didn't know about importing goods into the U.S. He had an MBA, an idea, and, according to Weiland, "many unanswered questions, and not a lot of money."

Weiland's research took him to the **International Trade Small Business Development Center**, a specialty center of the North Texas SBDC. In April 2000, after four months of business counseling, Weiland opened Globex International, Inc.

Purchasing diamonds from Russia required approval from the Russian government and obtaining the rights from the Republic of Sakha, as the former Communist state was struggling to convert to a free-market economy. "The **SBDC** was crucial in answering all my questions on how to import, the proper agencies to contact, ensuring I knew all my costs involved before I negotiated price, etc.," said Weiland. "The process I went through to answer all these questions enabled me to put together a comprehensive business plan that laid out all the risks and rewards and then bypass loans and find myself an angel investor."

Globex now specializes in trading for corporations that need goods produced overseas. In addition, the company has been very successful in finding partnerships to facilitate complete turnkey production of the manufacturing, retail packaging and retail sales. Today, this small business records over \$2 million in sales.

The firm continues working with the International **SBDC**. "The help from the **SBDC** was invaluable. It was as if I had a very experienced CEO without having to pay the salary for all that experience," said Weiland.

## REGION VII

The economy of Region VII is primarily agriculture, manufacturing, mining, and services, and a high level of agricultural and food exports. Surpassing all records during FY 2005, guaranteed 7(a) and 504 loans totaled \$733 million to Midwestern small businesses, a 20% jump over the previous year. In addition, the office approved over \$91 million dollars in investment financing, representing a 21% boost.

Through their district offices, the region focused on partnerships with lenders using the Microloan program, increasing SBA-backed international trade loans, and making Military Reservist Economic Injury Disaster loans to small businesses to cover operating costs that cannot be met because of the loss of a key employee called to active duty in the Reserves or National Guard. The offices also supported the matching of small businesses with Federal procurement specialists, large contractors and other governmental buyers by hosting Matchmaking events, offering training sessions in government contracting, and arranging individual appointments with small business owners for contracting.

Region VII States	Approved 7(a) and 504 Loans Funded (millions of dollars) <sup>a</sup>		SBIC Financings (millions of dollars) <sup>b</sup>		Federal Procurement Contracts (millions of dollars) <sup>c</sup>		Clients Counseled/ Trained in SBDC, SCORE, WBC, BIC <sup>d</sup>	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2003	FY 2004	FY 2004	FY 2005
Iowa	\$129	\$180	\$22	\$20	\$941	UNAVAIL	25,634	17,863
Kansas	\$132	\$149	\$4	\$16	\$1,837	UNAVAIL	4,014	5,217
Missouri	\$257	\$303	\$47	\$50	\$7,644	UNAVAIL	39,007	21,731
Nebraska	\$92	\$101	\$2	\$5	\$486	UNAVAIL	14,687	8,531
<b>Totals</b>	\$610	\$733	\$75	\$91	\$10,907	UNAVAIL	83,342	49,504

### SBA AIDS KINGSTON WITH MAJOR CLEANUPS



Kingston Environmental Services, Inc. started as a general construction contractor in the early 1980s, but the took on their first clean-up project in 1987. Since then, the Native American-owned company has established the first mold and mildew identification laboratory in the Kansas City region, and is the only minority contractor with its own trucks and services able to transport and dispose of hazardous waste.

Initially, the business was sufficient to support the staff of about eight. It focused mainly on removing small underground storage tanks. But the company had difficulty growing.

In July 1998, when Tom Cason became Kingston's new president and CEO, he looked to

expand Kingston's market into government contracting and add asbestos and lead-based paint abatement services. After becoming **8(a) certified**, the company secured its first large **sole source 8(a) contract** from the Army Corps of Engineers to provide asbestos abatement at Bell Hall in Fort Leavenworth, KS.

The company's revenue has grown from \$3.1 million in 1998 to more than \$10.7 million in 2004. The company now has 70 fulltime employees, operations in three states, and more than 100 projects on the books.



## REGION VIII

Region VIII, with six district offices, is the most rural region in the Nation. The region includes 27 separate tribal nations and over 500,000 square miles of territory.

SBA's Region VIII office, headquartered in Denver, CO, has a loan portfolio of over 3,500 loans valued at nearly \$1.0 billion. In FY 2005 7(a) and 504 loans saw a 15% increase over the dollar total for FY 2004. SBIC financings for the region increased almost 35%

Counseling and training for the region's small businesses are provided by 24 chapters of SCORE and 50 Small Business Development Centers. This year, 65,587 clients received these services.

Region VIII States	Approved 7(a) and 504 loans (millions of dollars)		SBIC Financings (millions of dollars) <sup>b</sup>		Federal Procurement Contracts (millions of dollars) <sup>c</sup>		Clients Counseled/ Trained in SBDC, SCORE, WBC, BIC <sup>d</sup>	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2003	FY 2004	FY 2004	FY 2005
Colorado	\$424	\$485	\$73	\$94	\$4,810	UNAVAIL	22,043	22,143
Montana	\$68	\$76	\$0	\$0	\$450	UNAVAIL	8,227	7,623
North Dakota	\$74	\$72	\$0	\$0	\$360	UNAVAIL	7,431	6,695
South Dakota	\$43	\$41	\$8	\$3	\$340	UNAVAIL	7,310	6,500
Utah	\$225	\$297	\$48	\$76	\$2,590	UNAVAIL	23,671	17,344
Wyoming	\$39	\$36	\$0	\$0	\$182	UNAVAIL	5,021	5,283
<b>Totals</b>	<b>\$873</b>	<b>\$1,007</b>	<b>\$129</b>	<b>\$173</b>	<b>\$8,733</b>	<b>UNAVAIL</b>	<b>73,703</b>	<b>65,587</b>



### WHEN OPPORTUNITY KNOCKS, SBA ANSWERS

Jose R. Arteaga was born in Guanajuato, Mexico, and at 16, emigrated to the U.S. to fulfill his dream of owning a business. In 1991, he arrived in St. George, UT, and worked at local restaurants as a dishwasher until he eventually landed a job as a cook.

When Arteaga and his wife moved to Salt Lake City, he began working for Chile Verde Mexican Burrito, was made the restaurant's manager, and realized that he could have a future in the food industry. He took classes at Salt Lake Community College and later became a hotel housekeeping manager, where he received training in management, problem resolution and employee relations. Meanwhile, the Chile Verde location that he had once managed was closed.

Then a new opportunity presented itself: Arteaga was offered the Chile Verde at the Salt Lake Community College food court. Shortly afterwards, Arteaga decided that he would be the one to reopen the old Chile Verde location. After being turned down by several lenders, he met Luis Soltero at Zions Bank. Soltero guided him through the process of getting an **SBA 7(a) Express Loan**. Today, Arteaga owns three Chile Verde restaurants and is looking to open three more locations in the Salt Lake City area.

## REGION IX

For the past several years, Region IX, which includes nine district offices and one branch office, has led the Nation in the number of loans processed and the total value of the loans. In FY 2005, the region saw a 13% increase in the dollar amount of 7(a) and 504 loans, from \$4.1 to \$4.6 million.

Region IX used Alternate Work Sites to extend its reach to SBA customers in Arizona.

During the past three fiscal years the Los Angeles District Office, through its many economic development initiatives, was responsible for the creation and/or retention of 79,419 jobs in its service area.

The Central California and the Coastal areas office closed the fiscal year with a record loan production, approving a total of 1,134 loans for a total loan dollar amount of \$367 million, a 16% increase over the total dollar figure for FY 2004. Especially noteworthy this fiscal year was the lending to minority-owned small businesses, which saw significant increases.

Region IX States	Approved 7(a) and 504 Loans Funded (millions of dollars) <sup>a</sup>		SBIC Financings (millions of dollars) <sup>b</sup>		Federal Procurement Contracts (millions of dollars) <sup>c</sup>		Clients Counseled/ Trained in SBDC, SCORE, WBC, BIC <sup>d</sup>	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2003	FY 2004	FY 2004	FY 2005
Arizona	\$533	\$552	\$29	\$28	\$8,330	UNAVAIL	35,287	28,481
California	\$3,369	\$3,840	\$609	\$609	\$35,344	UNAVAIL	177,485	149,455
Hawaii	\$45	\$40	\$0	\$0	\$1,933	UNAVAIL	19,988	9,711
Nevada	\$181	\$241	\$5	\$8	\$1,386	UNAVAIL	11,690	12,195
<b>Totals</b>	<b>\$4,128</b>	<b>\$4,673</b>	<b>\$643</b>	<b>\$645</b>	<b>\$46,992</b>	<b>UNAVAIL</b>	<b>244,450</b>	<b>199,841</b>



### SBA IS BARBECUE'S SECRET INGREDIENT

Ask Larry Kowalski about barbecue and you're apt to hear that good barbecue, like good business, takes time, attention, and the right ingredients at the right time. For Kowalski, the right ingredient at the right time was an **SBA loan**.

Mo's Smokehouse BBQ of San Luis Obispo, Kowalski's company, opened 11 years ago, received an SBA loan from First Bank of San Luis Obispo at a critical time in the company's development.

First Bank of San Luis Obispo provided an SBA loan at a critical time in the company's development. Kowalski used the proceeds to make tenant improvements, including installing a complete smokehouse kitchen for his second location. Mo's Smokehouse BBQ now has four locations, a full service catering business, and concessions at the California Mid-State Fair. Mo's bottles its own barbecue sauce, which it sells on its website and through major chains and specialty stores in California. Mo's recently sold its BBQ gift packs at Costco.

"Larry Kowalski has been our customer for over 23 years. We have watched with pride and interest as he has transformed his business from a start-up into a very successful restaurant operation with multiple, strategic locations," said Reese Davies, president and COO of First Bank of San Luis Obispo.

## REGION X

Through the efforts in Region X, loans totaling \$891 million were pumped into the Pacific Northwest and Alaska economy during FY 2005. In total, Region X approved 3,250 7(a) loans and 397 Section 504 loans compared to their goal of 4,023 7(a) loans and 345 Section 504 loans. Perhaps more significant than loans is the fact that over 21,470 jobs were created and retained as a direct result those loans. SBIC financings in the region jumped 63% to \$137 million.

Additionally, regional loan records for African Americans, Hispanics, Asians, Native American, women and veterans show loan dollars totaling \$1.795 billion.

Almost 65,000 prospective and/or established small business owners received counseling and training from SBA and its resource partners throughout the region during this fiscal year.

Region X States	Approved 7(a) and 504 loans (millions of dollars)		SBIC Financings (millions of dollars) <sup>b</sup>		Federal Procurement Contracts (millions of dollars) <sup>c</sup>		Clients Counseled/ Trained in SBDC, SCORE, WBC, BIC <sup>d</sup>	
	FY 2004	FY 2005	FY 2004	FY 2005	FY 2003	FY 2004	FY 2004	FY 2005
Alaska	\$23	\$43	\$0	\$0	\$1,627	UNAVAIL	4,441	5,576
Idaho	\$121	\$157	\$1	\$5	\$1,481	UNAVAIL	9,640	6,537
Oregon	\$217	\$220	\$36	\$61	\$1,046	UNAVAIL	32,765	26,764
Washington	\$393	\$471	\$47	\$71	\$3,341	UNAVAIL	39,640	25,616
<b>Total</b>	<b>\$754</b>	<b>\$891</b>	<b>\$84</b>	<b>\$137</b>	<b>\$7,495</b>	<b>UNAVAIL</b>	<b>86,486</b>	<b>64,492</b>



### SBA FIRES UP WARM SPRINGS PRODUCTS

Warm Springs Composite Products is a tribally owned enterprise, a specialty manufacturer of components for fire doors. It is one of only two companies in the U.S. currently producing fire-rated and certified products for fire doors.

The business began 11 years ago with five employees, limited technical support, no trained personnel, and limited capital. Today they employ 34 staff, with sales exceeding \$4 million. Eighty percent of the work force are Native American or are married to a Tribal member.

The company has its own research and development department and maintains a fire testing facility. From their base product, they have developed several value-added products including a patented fire-rated doorjamb system, special products for the fire door systems, pre-banded door cores, and pre-coating applications. Each of these systems requires special machinery and specific employee training. All products are produced under a patented process and are fire- certified for use in fire-rated door systems.

Robert Macy, chairman of Warm Springs Composite Products, also owns and operates a family grocery/dry goods store. He has served on boards and committees of several tribal-owned enterprises and is a past general manager of Warm Springs Forest Products.