



Small Business Finance

2009
ANNUAL
REPORT

CERTAINTY

DELIVERED

CERTAINTY. *Delivered.*

Amid the unprecedented challenges of 2009, CDC Small Business Finance focused on creating and **delivering certainty** to small business owners, lending partners and the CDC industry. Here's the way it unfolded...

◆ Small business owners banked on CDC financing to grow and expand their operations and create jobs. As a result, **over 7,800 jobs were created and preserved** in California, Arizona and Nevada.

◆ Lending partners relied on CDC to drive our mutual SBA-504 projects to completion and then stay in touch with our shared borrowers, which now number 3,661.

◆ Lenders benefitted from CDC's delivery of innovative ways to meet the needs of their small business clients.

◆ The CDC industry counted on us to advocate for the SBA-504 program at a time in history when small businesses need it most.

Every year, CDC Small Business Finance approves and closes more loans than any other CDC in the country. 2009 was no different. CDC approved 429 SBA-504 loans, providing \$781 million in project capital to small businesses. That's \$364 million (46%) more than our closest competitor. CDC's success continues because we remain committed to our craft, to learning, to innovating. And we deliver. Our expertise, service and reliability breed certainty and trust in small business owners, lenders, brokers and community leaders.

CDC is ever confident in the power of the 504 loan program and SBA's critical role in America's economic recovery. CDC's products remain reliable business tools for lending institutions to accelerate credit, minimize risk and create jobs in their communities.



Alan Mittleman
President & CEO
Custom Logos



Kurt Chilcott
President & CEO
CDC Small Business Finance

P.S. We'd appreciate your thoughts on how CDC can provide even more value to small businesses. E-mail either of us – alan@customlogos.com or kchilcott@cdcloans.com.

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FY09 Highlights- CDC Small Business Finance

- ▶ **7,800: Total jobs created and preserved**
- ▶ **\$753 million: Total real estate financing provided**
- ▶ **\$369 million: Total 1st trust deed capital generated via 504 projects**
- ▶ **\$98.1 million: Total financing provided to minority-owned small businesses**

More CDC Highlights

- Increased direct lending to small businesses by 42% over 2008, providing \$1.7 million in capital via SBA microloans and multi-bank consortiums.
- Via leadership positions on the NAGGL board and within NADCO, advocated to the new SBA administration about changes to SBA programs that will lead to improved access to capital for small businesses.
- Delivered timely educational forums to SBA lending partners based on CDC's expertise in SOP changes and "Green 504" best practices.
- Contributed \$63,000 to non-profits and other organizations as part of CDC's ongoing reinvestment in the communities it serves.

Capital Provided by CDC in FY09 (in millions)

Market	Total Financing Provided	SBA-504 Loan Financing	1st Trust Deed Capital via CDC-partner Projects
San Diego	\$129	\$49	\$65
Inland Empire	\$92	\$33	\$46
Orange County	\$89	\$33	\$44
Los Angeles/Ventura	\$288	\$104	\$147
Sacramento	\$38	\$14	\$18
Bay Area	\$31	\$10	\$15
Arizona	\$63	\$30	\$22
Nevada	\$23	\$8	\$12

Top CDCs – FY09 National Ranking

SBA-504 Natl. Rank FY09	CDC	FY09 # Loans	FY09 \$ Amt Loans
1	CDC SMALL BUSINESS FINANCE	429	\$303,077,000
2	Florida Business Dev. Corp.	360	\$206,136,000
3	EDF Resource Capital	220	\$158,391,000
4	Granite State Economic Dev. Corp.	217	\$76,247,000
5	Empire State CDC	204	\$124,980,000
6	Small Business Growth Corp.	173	\$118,364,000
7	Florida 1st Capital Finance Corp.	165	\$76,584,000
8	Mountain West Small Business Finance	165	\$87,245,000
9	TMC Development	152	\$109,625,000

FY09 National CDC Rankings as published by NADCO



Santiago Pozo and Andrew Mort

“Whether I’ve got a straightforward deal or something complex, CDC has the expertise to close my loans. They provide certainty in uncertain times.”

Andrew Mort
Senior Vice President
Bank of America



GROWING BY BLOCKBUSTER

As head of **Arenas**, the largest Latino film production and marketing company in the entertainment industry, Santiago Pozo doesn’t shrink from big deals. He found a \$3.7 million office building close to his major Los Angeles clients – Disney, Universal Studios, Warner Brothers – and financed the purchase with a SBA-504 loan from CDC and a conventional loan delivered by Andrew Mort of **Bank of America**.

With projected growth, Arenas intends to hire 10 new people.

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Partner: Bank of America

Total Project: \$3.7 million

Jobs Created/Preserved: 32

THREE 504'S A CHARM

The SBA-504 loan has worked so well for Laurie Campbell, she's done three of them over the course of 18 years to boost the growth of **Campbell Certified, Inc.**, her structural/architectural steel fabrication company in San Diego County. This year, working with Jay Suntrup of **Wells Fargo Bank** and CDC, she bought a \$1.7 million facility which has allowed her to expand operations to do general contracting work and create an anticipated 10 additional new jobs.

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Laurie Campbell and Jay Suntrup

"In each phase of our growth, we've relied on SBA-504. It's enabled us to preserve cash for ongoing operations and invest in our company."

Laurie Campbell
Partner
Campbell Certified, Inc.

Partner: Wells Fargo Bank

Total Project: \$1.7 million

Jobs Created/Preserved: 50



Lan Ward and Behzad Cohan

SUCCESS TO GO

Behzad Cohan didn't need Entrepreneur magazine to tell him that Subway is the #1 franchise in the nation. He already knew it was a winner. In fact, he owns 31 Subway stores as head of **C.G. Investments**. Constrained by a 2,000-square-foot headquarters, Cohan teamed up with Lan Ward of **California Bank & Trust** and CDC to purchase a 9,200-square-foot building in Los Angeles for \$2.4 million. Given acquisition of additional restaurants, Cohan plans to add 5 more people to his 15-member headquarters team.

"I use the 504 program because it's good for my clients. I use CDC Small Business Finance because they're reliable and provide excellent service. I trust them to get my deals done."

Lan Ward
Senior Vice President
California Bank & Trust



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Partner: California Bank & Trust

Total Project: \$2.4 million

Jobs Created/Preserved: 20

CARING AND DARING TO GROW

Physical therapists Paul and Donna Hamel and Edith Arguelles wake up every day with a mission: to provide quality, compassionate care to their patients and enhance their lives.

But to help more patients, they needed more room at **North Coast Physical Therapy**. They found it in Oceanside, California

– a \$1.2 million, 2,500-square-foot office building, financed with the assistance of CDC and Steve Black of **Torrey Pines Bank**.



Steve Black and Paul Hamel

“We’ve worked hard to remain the #1 community bank SBA-504 lender in San Diego. Our partnership with CDC and the collective expertise has been instrumental in maintaining that distinction.”

Steve Black
Senior Vice President – SBA Lending
Torrey Pines Bank

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Partner: Torrey Pines Bank

Total Project: \$1.2 million

Jobs Created/Preserved: 6

AH, SWEET EXPANSION!

Watsonville may be known as the strawberry capital of the world, but it also boasts one of the highest quality, technologically advanced bakeries in the nation. Family-owned since 1975, **Freedom Bakery & Confections** specializes in printing full-color, edible images on cookies, chocolates and other treats with its internally developed machinery. With demand for the bakery's products increasing, owner Paul Liu and family had to find a larger, more efficient production/office facility. Enter Joe Baker of **Comerica Bank** who partnered with CDC Small Business Finance to assemble the SBA-504 and conventional financing to purchase the bakery's two new office condominiums for \$865,000.



Anna and Paul Liu with Joe Baker

"When it comes to helping our small business clients grow, the 504 program is one of our most valued tools."

Joe Baker
Vice President – SBA Dept.
Comerica Bank

Partner: Comerica Bank

Total Project: \$865,000

Jobs Created/Preserved: 10

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CDC SMALL BUSINESS FINANCE
TOP-VOLUME
LENDING PARTNERS 2009

Bank of America
Merrill Lynch



UnionBank



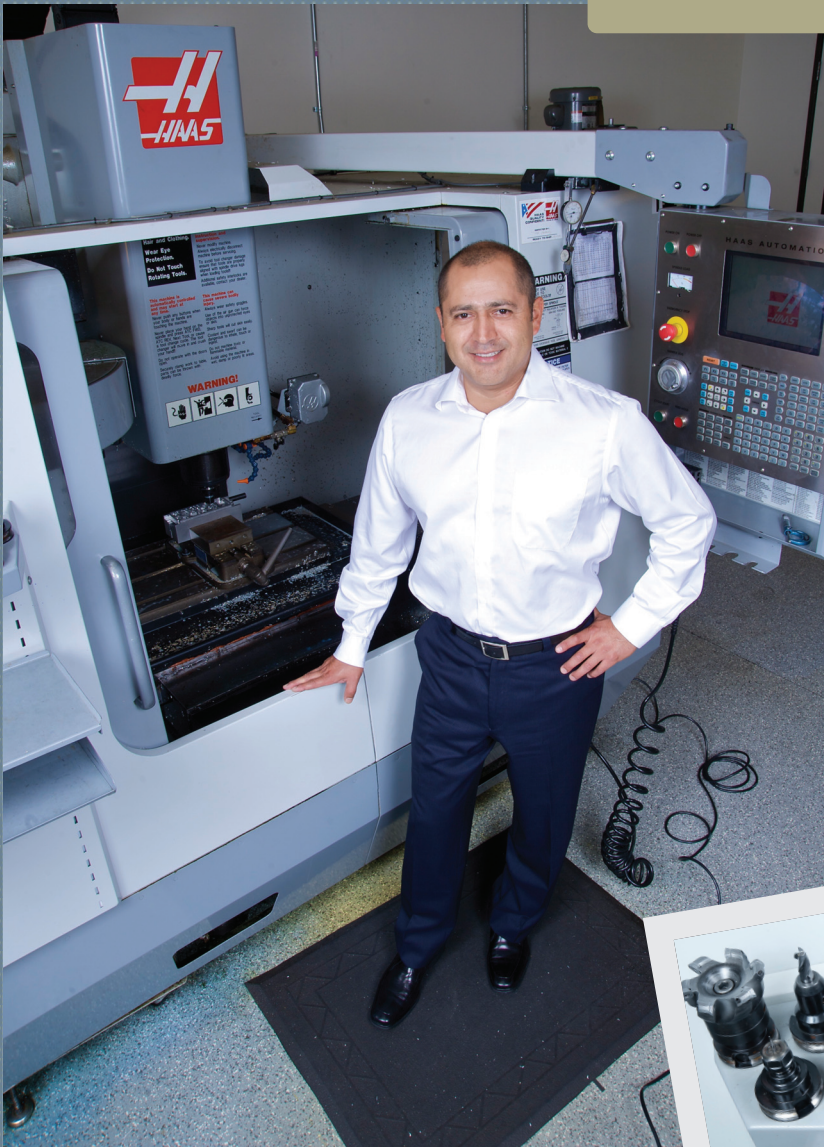
TORREY PINES BANK

IronStone Bank

Business Community Capital

CDC IS PROUD TO HAVE PARTNERED IN FY09
WITH THESE LENDERS COMMITTED TO SBA FINANCING

1st Bank of Arizona
Alliance Bank of Arizona
Bank of America
Bank of the West
Bank of Escondido
Bank of Las Vegas
Business Community Capital
California Bank & Trust
California Business Bank
California Community Bank
Cathay Bank
Chino Commercial Bank
CIT Lending Services Corporation
Citibank
Citizens Business Bank
City National Bank
Comerica Bank
Community Bank
Community Bank of Nevada
Community First Bank
Community Valley Bank
Compass Bank
Excel National Bank
Farmers & Merchants Bank
First National Bank of Muskogee
First Pacific Bank of California
First Republic Bank
First Security Thrift
First U.S. Community Credit Union
FirstBank
Five Star Bank
Fort Collins Commerce Bank
Friendly Hills Bank
Fullerton Community Bank
Gateway Business Park
GBC International Bank
Great Western Bank
HSBC Bank
IronStone Bank
JPMorgan Chase Bank
Lehman Brothers Bank
Lighthouse Bank
Mechanics Bank
MidFirst Bank
Mission Oaks National Bank
Mission Valley Bank
Nevada Commerce Bank
North Island Federal Credit Union
North Valley Bank
Pacific Capital Bank
Pacific Commerce Bank
Pacific Western Bank
Plaza Bank
Premier Commercial Bank
Rabobank
Regents Bank
REM Capital Group Inc.
RepublicBankAZ
Seacoast Commerce Bank
Security Bank of California
Security Business Bank of San Diego
Sonoran Bank
Spectrum Commercial Lending
Sunrise Community Bank
Surf City Bank
Temecula Valley Bank
Torrey Pines Bank
U.S. Bank
Union Bank
United Western Bank
Wachovia SBA Lending
Wachovia Small Business Capital
Wedbush Bank
Wells Fargo Bank
Zions First National Bank



Eliazar Gaytan

MANUFACTURING PROSPERITY

Someone forgot to tell Eliazar Gaytan there was a recession in 2009.

His company, **Surfacemode Inc.**, enjoyed its sixth year of consecutive growth – manufacturing defense and aerospace parts. With rising demand for Surfacemode's expertise, Gaytan needed additional capital to purchase new equipment and finance day-to-day operations.

He turned to **CDC Small Business Finance** and secured a \$35,000 SBA Microloan.



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Total Project: \$35,000

Jobs Created/Preserved: 9

COMMITMENT TO DELIVERING CAPITAL, CREATING JOBS

With a mission to provide small businesses access to capital, CDC Small Business Finance responded in 2009 by increasing direct lending through several of its Community Loan programs, including the SBA Micro Loan and two multi-bank consortiums.

In fact, CDC's direct lending has increased over 200% since 2007. In all, CDC provided over \$5 million in funding to 107 small businesses in 2009.

Innovation was the key to expanding capital delivery in Southern California. SoCal CDFI, one of CDC's multi-bank consortiums, partnered with the City of Riverside to provide financing to

businesses in distressed neighborhoods. SoCal CDFI also established a microloan pool for lending to micro-businesses in Orange County. Additionally, CDC strengthened its servicing department to better serve small business clients facing a myriad of challenging issues.

CDC remained committed to communities and community organizations. For example, in Phoenix CDC contributed to Local First, a business membership organization committed to supporting and advocating for local businesses. In 2009 Local First was successful in changing the City of Phoenix's procurement policy to allow local, small businesses access to public and municipal contracts. In addition, CDC extended its supportive partnership with Pacific Community Ventures throughout California.

Highlights

- 646 jobs created and preserved in small businesses
- 107 loan fundings for \$5 million
- 35% of loan fundings were made to businesses in low-moderate income neighborhoods

2009 Technical Assistance Supporters

CDC's Technical Assistance Program fields over 1,400 inquiries and reviews over 200 loan requests annually.

The following institutions provided financial support to this program in 2009:

- *Bank of America*
- *Citibank*
- *Comerica Bank*
- *Union Bank*
- *U.S. Bank*



Small Business Finance

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RELIABILITY



EXPERTISE



SERVICE

CDC Mission Statement

We champion the growth of diverse small companies in our communities by drawing on our unparalleled expertise in delivering unique capital solutions.

We exceed the expectations of our partners through teamwork, integrity and creativity.

We make a difference in the communities we serve through unwavering advocacy and reinvestment.