

## 2010 Annual Report



Small  
Business  
Finance

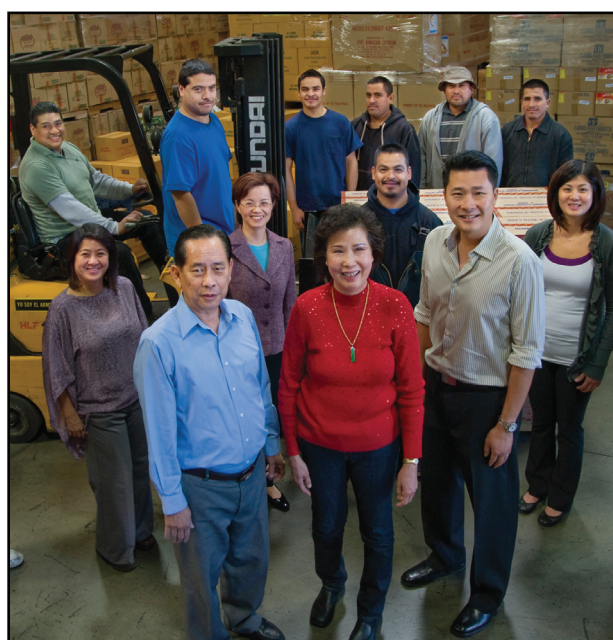
# Making a difference



one  
JOB...



one  
SMALL  
BUSINESS...



one  
COMMUNITY...

at a  
time

CERTAINTY  
**DELIVERED**

# MAKING A DIFFERENCE

## DELIVERING CERTAINTY AND JOBS



**Alan Mittleman**

Small businesses are the backbone of our economy. They are the force behind new jobs and economic development amid uncertain times.

While some businesses faced extreme challenges in 2010, many more began to recover and are leading us out of the recession. CDC Small Business Finance has played an integral role in this process, partnering with SBA and banks to deliver certainty in the form of new capital to companies.

By approving 438 SBA-504 loans in 2010, CDC put \$771 million in project capital into the hands of small businesses to help them expand as well as create and preserve nearly 7,000 jobs. CDC also funded 123 smaller loans (e.g. microloans, working-capital loans) totaling \$5 million that generated 694 more jobs.

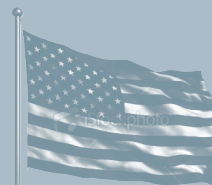
In 2010 CDC allocated unprecedented staff resources to working with existing borrowers facing economic challenges. From providing third-party business counseling to modifying loan terms, CDC found successful solutions to preserve jobs and keep businesses open during trying times.

2010 also marked the passage of the Small Business Jobs Act, which CDC aggressively advocated for and implemented promptly – which saved our borrowers millions of dollars in loan fees and infused our communities with needed capital.

As the largest loan-producing CDC in the nation with a \$1.9 billion portfolio under management, we continue to lead through innovation of new products and services that create new opportunities and certainty for small businesses.

**Alan Mittleman**

*Chairman, CDC Small Business Finance  
Growth Strategist*



**“Small businesses are the anchors of our main streets. It is critical that we make more loans available to entrepreneurs... to help small businesses open up, hire and expand.”**

*President Obama  
at Sept. 28 signing of  
Small Business Jobs Act  
2010*

**Kurt Chilcott**

*President & CEO  
CDC Small Business Finance*

# C D C S M A L L B U S I N E S S F I N A N C E

## CDC MADE A DIFFERENCE IN FY10...

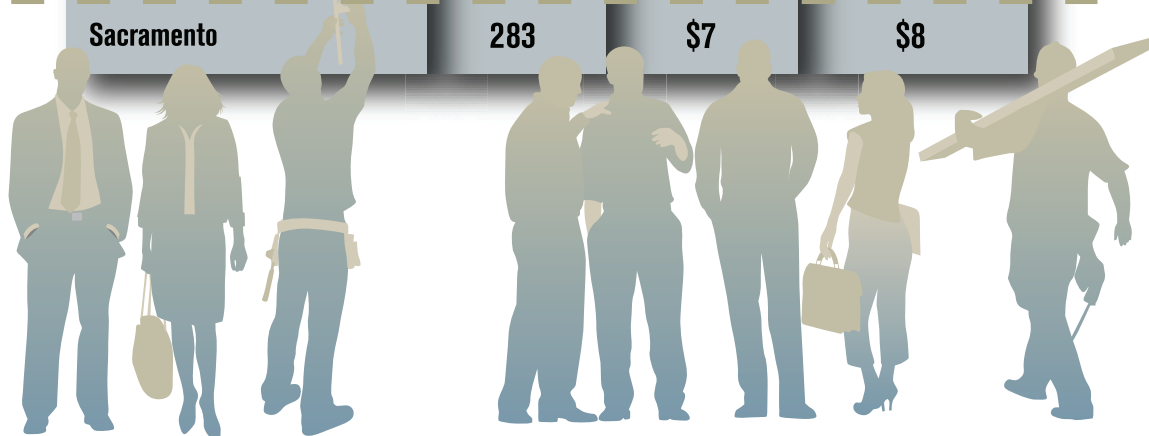
- ◆ **Total jobs created/preserved – 7,575**
- ◆ **Total capital provided – \$776.5 million**
- ◆ **Total 1st Trust Deed capital generated via 504 projects – \$441.4 million**

*CDC also:*

- ◆ *Formed and sold the first pool of 504 First Trust Deed liens under the SBA's new first mortgage pooling program.*
- ◆ *Provided industry leadership and advocacy through NAGGL Board involvement, NADCO committee involvement which resulted in beneficial provisions for 504 and 7a lending in the Small Business Jobs Act as well as SBA's new Standard Operating Procedures for their loan programs.*
- ◆ *Provided over 250 small business owners with assistance in their business finance management via workshops and presentations.*

## FY10 JOBS AND CAPITAL PROVIDED BY MARKET

	Jobs Created and/or Preserved	SBA-504 Loan Financing (millions)	1st Trust Deed Capital via CDC Partners (millions)
Los Angeles / Ventura	2,682	\$132	\$177
Orange County	1,471	\$62	\$86
San Diego / Imperial	833	\$47	\$58
Inland Empire	881	\$43	\$53
Arizona	368	\$14	\$18
Bay Area	188	\$11	\$16
Nevada	175	\$11	\$20
Sacramento	283	\$7	\$8





## MAKING A DIFFERENCE

### THINKING BIG

When it comes to growth, Advantage Mailing thinks big. Big clients like Von's, Kaiser, CVS, Kohl's, Petco and the State of California. Big volume, as in printing and mailing one to three million pieces per day. Big space needs, too. This dynamic commercial printer, mailer and marketer, after acquiring six companies in three years, needed to consolidate facilities. With its second SBA-504 loan, Advantage owner Tom Ling bought a 155,000 square-foot building in Anaheim for \$11 million. Now the company can run multiple shifts for their staff of 270 that works around the clock to fulfill client projects and outrace the competition.

**"CDC Small Business Finance provided a turn-key solution and timely service."**

*Brett Noss  
Chief Financial Officer  
Advantage Mailing*

***JOBS***  
*created and/or  
preserved:*  
**110**

***PARTNER:***  
***Bank of America***

***TOTAL PROJECT:***  
***\$11.1 million***



*Brett Noss (left), chief financial officer, and Tom Ling, owner, Advantage*



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## C D C S M A L L B U S I N E S S F I N A N C E

## RELENTLESS GROWTH VIA IMPORT

Filipino food has never looked better to the Tan family. Stella and Kim Tan founded G.L. Food Wholesales in Los Angeles and began importing pre-packaged foods in 1991. Since then they've enjoyed phenomenal growth in becoming one of the dominant importers of Filipino dry, canned and frozen foods in the country. In 1997, when son Randy began managing the business, sales were \$300,000 a month. They now top \$2.8 million a month. With growth at this pace, expansion was inevitable. Using SBA-504 financing, the company recently purchased land and is now building a state-of-the-art, 100,000 square-foot facility (including an 18,000 square-foot freezer), which will nearly double their current space.

**"CDC was the key to us getting what we consider a 'killer' deal. Loan officer Dean Aloe and other CDC staff were honest, straightforward and always quick to respond."**

*Randy Ling Tan  
General Manager  
G.L. Food Wholesales*



*Kim (left), Stella and Randy Tan, owners, G.L. Food Wholesales*

***JOBS  
created  
and/or  
preserved:  
65***

***PARTNER:  
Chase Bank***

***TOTAL PROJECT:  
\$10.3 million***



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## MAKING A DIFFERENCE

### BLOOMING SUCCESS

In 1992, the plant-nutrient brew Treg Bradley concocted behind his retail store in Phoenix, Arizona turned into one of the hottest selling products on the market and accelerated the growth of Botanicare, a company he owns with partner Kayla Sharp. Committed to making self-sustaining gardening a practical part of every home, the company developed hydroponic trays and reservoirs for plants. The growing product line made it possible to start a companion company – Spectre Industries – and purchase a 21,000 square-foot building for manufacturing the items. Reeling from 76% growth, Treg and Kayla project revenues to hit \$26 million for 2010.

**“We were confident in our business plan and put our faith in the high-energy people at CDC.”**

*Kayla Sharp  
Chief Executive Officer  
Spectre Industries*

***JOBS  
created  
and/or  
preserved:  
40***

***PARTNER:  
Wells Fargo Bank***

***TOTAL PROJECT:  
\$1.7 million***



*Kayla Sharp, chief executive officer, Spectre Industries*



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# CDC SMALL BUSINESS FINANCE

## CDC PARTNERED WITH THESE LENDERS TO PROVIDE CAPITAL THROUGH SBA FINANCING

1st Bank of Arizona  
1st Enterprise Bank  
Alerus Financial  
Alliance Bank of Arizona  
Bank of America  
Bank of Nevada  
Bank of the West  
Bridge Bank  
California Bank & Trust  
California Community Bank  
Cathay Bank  
Center Bank  
Chase Bank  
Citibank  
Citizens Business Bank  
City National Bank  
Comerica Bank  
Community 1st Bank  
Community Bank  
Community Valley Bank  
Compass Bank  
Del Mar Commercial Finance  
East West Bank  
First Bank  
First Business Bank  
First Pacific Bank of California  
Five Star Bank  
Fullerton Community Bank  
GBC International Bank  
Heritage Bank of Commerce  
Heritage Oaks Bank  
IronStone Bank

Manufacturers Bank  
Mechanics Bank  
Mercantile Capital Corporation  
MidFirst Bank  
Midwest Business Capital  
Mutual of Omaha  
Orange County Business Bank  
Pacific Alliance Bank  
Pacific Commerce Bank  
Pacific Mercantile Bank  
Plaza Bank  
Plumas Bank  
Premier Commercial Bank  
Premier Financial Enterprises, Inc.  
Premier Service Bank  
Provident Savings Bank  
Regents Bank  
Santa Ana Business Bank  
Security Bank of California  
Security Business Bank of San Diego  
Spectrum Commercial Lending  
Sunrise Community Bank  
Surf City Bank  
The Independent Bankers Bank  
Torrey Pines Bank  
Union Bank  
U.S. Bank  
Valley Community Bank  
Wells Fargo Bank  
Western Commercial Bank  
Wilshire State Bank  
Zions Bank

**Top job-producing  
banks via  
SBA-504 loans**

**Bank of America  
Merrill Lynch**



**CHASE**

**UnionBank**

**Fullerton  
Community Bank**

**COMMUNITY BANK**  
Partnership Banking®



## M A K I N G A D I F F E R E N C E

# COMMITMENT TO CREATING JOBS, REVITALIZING COMMUNITIES

CDC reinvests in the communities it serves by providing eligible small businesses with necessary capital via multiple lending programs. Services include providing microloans, packaging SBA 7a Community Express loans and arranging commercial real estate mortgages. CDC teams up with SBA resource and bank partners to deliver community loan programs aimed at financing businesses that traditional loan programs can't.

### 2010 COMMUNITY LOAN PROGRAM ACHIEVEMENTS

- Financed 123 small businesses for over \$5 million
- Created/retained 694 jobs
- 68% of funds provided were to women, veteran or minority-owned small businesses
- Raised \$149,000 in grants to support technical assistance to small businesses
- Assisted nearly 2,000 businesses via one-on-one counseling or workshops
- Bankers Small Business CDC of San Diego, a CDC for-profit, was honored for outstanding performance by the California Economic Development Lending Initiative
- 2010-11 recipient of the Wells Fargo Bank \$100,000 Technical Assistance Grant

The following committed institutions provided financial support to CDC technical assistance and community loan programs in 2010:

- Bank of America
- Capital Source Bank
- Chase Bank
- Comerica Bank
- Union Bank
- U.S. Bank
- Wells Fargo Bank

## C D C S M A L L B U S I N E S S F I N A N C E

## A DREAM HATCHED IN A GARAGE

Some of the country's greatest companies started in a garage – Google, Hewlett Packard, Apple. Jim Martin is under no pretense that his Martin's Motorcycle Specialties will become the next Google, but he doesn't care. He's living his dream. After getting laid off from his construction job, Jim converted his 35-year hobby of fixing motorcycles into his own entrepreneurial venture. Hatched in his garage, the business soon grew to where he needed more space. He knocked on the door of CDC Small Business Finance and got a \$35,000 SBA Microloan to lease a building in Santee, California and buy necessary inventory.

**"This shop fit my vision  
and the loan allowed me  
to realize my dream."**

*Jim Martin*  
*Owner*  
*Martin's Motorcycle*  
*Specialties*



*Jim Martin, owner, Martin's Motorcycle Specialties*

***JOBS***  
*created*  
*and/or*  
*preserved:*  
**4**

***TOTAL PROJECT:***  
***\$35,000***



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## CDC BOARD OF DIRECTORS AND OFFICERS-2010

### OFFICERS

**ALAN MITTLEMAN**  
CHAIR  
Growth Strategist

**HANK CUNNINGHAM**  
IMMEDIATE PAST CHAIR  
Community Redevelopment  
Consulting

**BILL SOMMER**  
VICE CHAIR  
Regional Director  
Senior Vice President  
Zions Bank

**RICK BENITO**  
TREASURER  
Senior Vice President  
Global Product Delivery  
Bank of America

**DAN E. WILKENS**  
SECRETARY  
Consultant

**KURT CHILCOTT**  
President/Chief Executive Officer  
CDC Small Business Finance

### DIRECTORS

**ALAN AIELLO**  
Principal  
Evergreen Wealth Management LLC

**KRISTINE CHUNG**  
Executive Vice President  
Security Bank of California

**STEVEN DOSS**  
Vice President, Regional Sales  
Manager  
Wells Fargo SBA Lending

**JOAN EARHART**  
Senior Vice President/SBA Manager  
Business Community Capital

**HEATHER ENDRESEN**  
Senior Vice President/Manager  
SBA & Government Lending  
Union Bank

**DON A. HOLBROOK**  
Principal  
Don Allen Holbrook LLC

**JANE McVEY**  
Director, Economic Development  
City of Oceanside

**TORY NIXON**  
Executive Vice President/San Diego  
Division President  
California Bank & Trust

**TYLER ORION**  
Chair  
CONNECT Foundation

**KEVIN PALMER**  
Principal Account Manager  
City of Riverside Public Utilities

**WAYNE SCHELL**  
President and CEO  
California Association for Local  
Economic Development

**MICHAEL STULL**  
Director  
Inland Empire Center  
for Entrepreneurship  
California State University  
San Bernardino

**STEVEN STULTZ**  
President  
Stultz Financial

**THOMAS TOPUZES**  
President and CEO  
Thomas Topuzes and Associates, LLC

**GARY YOUMANS**  
Banking Consultant





## CALIFORNIA

### **San Diego Region**

2448 Historic Decatur Rd., Ste. 200  
San Diego, CA 92106  
toll free: 800.611.5170  
phone: 619.291.3594  
fax: 619.243.8671

### **Inland Empire Region**

1650 Iowa Ave., Ste. 150  
Riverside, CA 92507  
toll free: 800.611.5170  
phone: 951.905.5700  
fax: 951.905.5717

### **Orange County Region**

2390 E. Orangewood Ave., Ste. 560  
Anaheim, CA 92806  
toll free: 800.611.5170  
phone: 714.550.5444  
fax: 714.550.5434

### **Sacramento Region**

1545 River Park Dr., Ste. 530  
Sacramento, CA 95815  
toll free: 800.611.5170  
phone: 916.565.8100  
fax: 916.925.5593

### **Bay Area/Central California**

2603 Camino Ramon  
2nd Floor, Ste. 200  
San Ramon, CA 94583  
toll free: 800.611.5170  
phone: 408.799.7093  
fax: 408.516.8420

### **Los Angeles/Ventura Region**

80 S. Lake Ave., Ste. 528  
Pasadena, CA 91101  
toll free: 800.611.5170  
phone: 626.529.0700  
fax: 626.229.0860

## ARIZONA

### **Phoenix**

2910 E. Camelback Rd., Ste. 185  
Phoenix, AZ 85016  
toll free: 800.611.5170  
toll free: 800.817.4505  
fax: 602.393.2682

## NEVADA

### **Las Vegas**

6053 South Fort Apache Rd., Ste. 110  
Las Vegas, NV 89148  
toll free: 800.611.5170

RELIABILITY



EXPERTISE



SERVICE



Small Business Finance

## **CDC SMALL BUSINESS FINANCE PASSION STATEMENT**

To make a difference one job, one small business, one community at a time

**CERTAINTY**  
**DELIVERED**