



ANNUAL REPORT

**SMALL BUSINESS
DEVELOPMENT**

CORPORATION OF ORANGE COUNTY



OUR MISSION

It is our mission to assist small businesses throughout California in accessing capital to grow their companies and create jobs. We achieve this through the administration of capital access programs in collaboration with the California Infrastructure and Economic Development Bank.



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CHAIRMAN'S REMARKS

To our valued investment partners, donors, stakeholders, and strategic resource partners:

Having completed my second year at the helm as chairman of this dynamic organization, I'm delighted to report we've closed another successful year of operations culminating 22 years since our formation as a state certified Community Development Financial Institution (CDFI) serving low-and-moderate income and underserved communities of greater need. CDFIs are mission-driven private-sector institutions that possess the ability to attract capital from both private and public-sector sources with a primary mission of serving low-income communities.

Through our valued partnerships with non-bank community development lenders and commercial banking organizations, we've deployed a plethora of mainstream capital commitments across the state and local communities with 65% of those commitments spread across Orange and Los Angeles counties and the Inland Empire leveraging \$71.4 million in direct lending commitments among small business entrepreneurs.

Our top-tier lending partners, Acelera Financial and AltCap, which are non-bank CDFI organizations and First Commercial Bank represent the bulk of transactions and

collectively assisted in creating 390 new FTE positions of which 63.0% represent ethnic minorities with three-quarters of total credit guarantee production concentrated among low-and-moderate underserved communities.

I am also particularly proud of my bank's partnership and participation in The Volunteer Income Tax Assistance grant program, an Internal Revenue Service initiative that supports free tax preparation services for underserved communities through its partnership with Small Business Development Corp of Orange County having transmitted/completed tax returns (FY2022) for low-income residents.

Our success would not be possible without the support of a very active Board of Directors and diligent staff of professionals and resource partners. As we continue our economic development mission to support California's small businesses and non-profit operators, we look forward to the challenges ahead and a new year of even greater success resulting in a healthy, growing California economy. Thank you for your support.

A handwritten signature in black ink that reads "Thanh Pham". The signature is fluid and cursive.

THANH PHAM, CHAIRMAN



PRESIDENT'S MESSAGE



Despite signs of a mild recession during fourth quarter of 2022, California's GDP totaled \$3.6 trillion representing 14.3% of the total U.S. economy. And while aggregate state tax revenues reached \$280.83 billion, the highest of any state, our marginalized population below the poverty line represented a staggering 13.3%, the highest poverty rate in the country.

It is these statistics which continue to drive our economic development mission supporting vulnerable communities and low-income populations to bridge the wealth gap and provide enhanced economic opportunities among our underserved groups.

We enjoy a diversified portfolio of over 30 bank and non-bank lending institutions where we leveraged \$55 million in credit loan guarantees to support over \$70 million in small business term-loan and lines of credit facilities within predominantly marginalized communities of color and including non-profit public benefit corporations. Our financing activities support California's public policy goals prioritizing equity, sustainability, job quality and access, and economic competitiveness and resilience.

Notwithstanding economic challenges, the agency has far exceeded credit production levels from the previous fiscal year particularly the deployment of mainstream capital facilities among low-income census tracts including minority and women-owned business enterprises creating over 390 new jobs and retaining 3,147 California jobs.

On behalf of Small Business Development Corporation of Orange County's board of directors and in partnership with the California Infrastructure and Economic Development Bank, we thank you for your continued support as we pursue our mission assisting and building up underserved small business owners and their communities.

A handwritten signature in black ink that reads "M.A. Ocasio". The signature is written in a cursive, slightly slanted style.

MICHAEL A. OCASIO, PRESIDENT/CEO



BOARD OF DIRECTORS



THANH PHAM
Chairman



PABLO OCASIO
Vice-Chairman



LARRY TRUJILLO
Secretary



CASSAUNdra JOHNSON
Treasurer



MICHAEL A. OCASIO
President/CEO



DR. GIL KEINAN



ERIC BELL



DOMINICK BETTO



DR. JOHN THOMAS



MICHAEL KARR



ABDI AHMED

EXECUTIVE STAFF



MICHAEL A. OCASIO
President/CEO



CARRIE MILLER
Chief Financial Officer



NESTOR CORREA
SVP / Commercial
Lending



RICHARD LEE
SVP / Commercial
Lending



MARIA LOPEZ
Executive Assistant



JIM ELY
Loan Committee Chair

DEMONSTRATION OF IMPACT

KEY IMPACT NUMBERS FOR FYE 22-23:

OUR IMPACT • FY2022-23

Small Business Development Corporation of Orange County continued its growth in key areas during Fiscal Year 2022-23, in the wake of interest rates that hammered all industries. An upswing occurred namely in the corporation's legacy program, the California Small Business Loan Guarantee. State guarantees through SBDC-OC increased by \$4.25 million over last fiscal year's results to reach \$57.5 million, on credit facilities that grew by more than \$700,000. See the following infographics for more details on impacts during SBDC-OC's most recent fiscal year.

State Loan Guarantees

\$4.25 million
INCREASE

Credit Facilities

\$700,000+
INCREASE

Low-Income Tract Transactions

Doubled to 4%

Asian/Indian-owned transactions

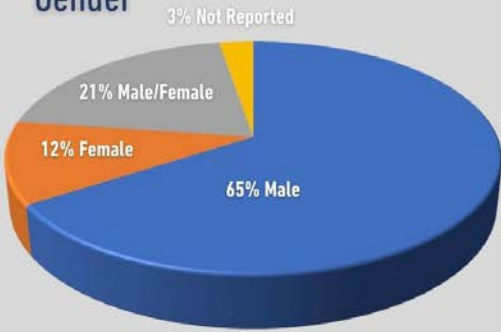
Jumped to 11%

Pacific/Asian-owned transactions

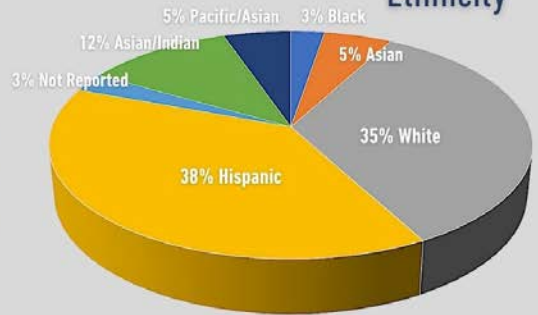
Doubled+ to 5%



Gender

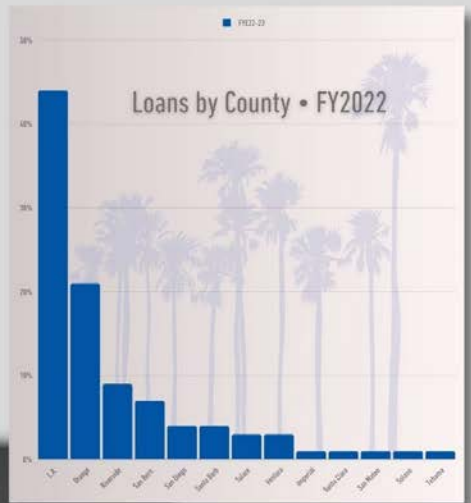
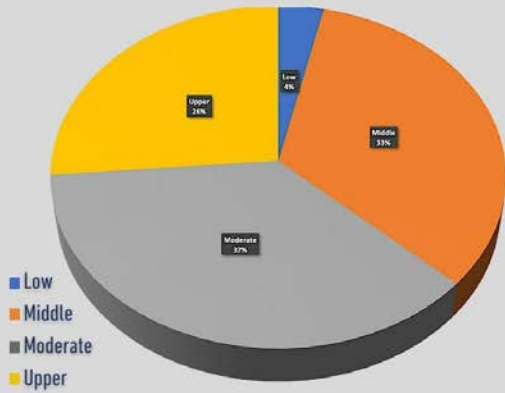


Ethnicity



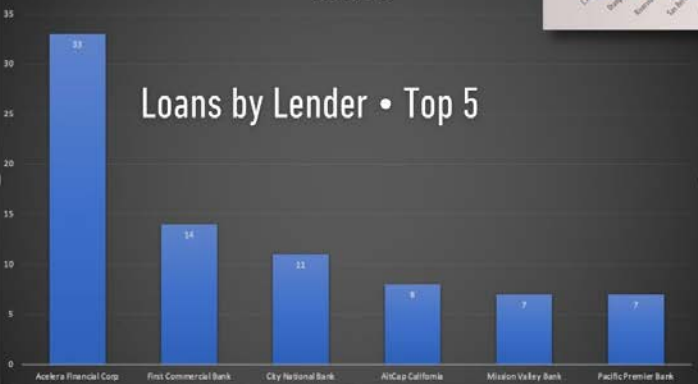
-
 Black
 -
 Asian
 -
 White
 -
 Hispanic
 -
 Not Reported
 -
 Asian/Indian
 -
 Pacific Asian

Income Census Tract



FYE 22-23

Loans by Lender • Top 5



DEVELOPMENT CORPORATION'S FY22 GRANTS VITAL TO MISSION



Left to right, SBDC-OC Chief Financial Officer Carrie Miller, president and chief executive officer Michael Ocasio, and Lisa Hill, Bank of Hope vice president and community development officer.

SANTA ANA, Calif. – Grants are essential to nonprofits' goals of serving their communities, and Small Business Development Corporation of Orange County (SBDC-OC), a nonprofit public benefit corporation, also relies on such support as it pursues its mission of aiding underserved businesses.

During fiscal 2022-2023, SBDC-OC received several grants, the largest a \$125,000 Technical Assistance award on Sept. 26, 2022 from the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund. Of 218 awardees, SBDC-OC was the only technical assistance grant recipient in Orange County following a competitive application

process.

During September and October last year the organization also respectively received a \$15,000 grant from City National under the Community Reinvestment Act and approval of its application for a \$10,000 grant from the Community Development division of First Citizens Bank in Raleigh, N.C. Funds from the awards will support SBDC-OC's mission of helping vulnerable small businesses in economically distressed areas acquire the capital they need to move forward and prosper.

The City National contribution was used for unrestricted program support and targeted

such areas as technical assistance for business owners including guidance with loan packaging and education. The funding will also provide support for the loss reserve for SBDC-



WE ARE DEEPLY GRATEFUL FOR THIS GRANT, WHICH WILL HELP US TO CONTINUE OUR MISSION OF PROVIDING CAPITAL ACCESS PROGRAMS TO SMALL BUSINESSES AROUND CALIFORNIA..." -- MICHAEL OCASIO, SBDC-OC PRESIDENT, CEO

OC's Entrepreneur Loan Fund (ELF), a micro-credit program assisting small businesses.

Additionally on Jan. 25, 2023, SBDC-OC received a \$15,000 grant from Bank of Hope,

one of the nation's leading Asian American banks. The funds were also disbursed under the Community Reinvestment Act which encourages financial institutions to help meet the credit needs of the communities in which they do business.

SBDC-OC is currently a CDFI as designated by the California Organized Investment Network, or COIN which operates within the California Department of Insurance. The classification allows the corporation to accept institutional and personal investments and in exchange, issue tax credits of up to 20%. The investments in turn allow the corporation to further its mission of assisting underserved small businesses with financial products and services unobtainable to them through the economic mainstream. ●



COMMUNITY IMPACT FEATURE: Raincross Boxing Academy

BOXING ACADEMY'S MISSION GETS BOOST FROM SBDC-OC GRANT

A Riverside boxing academy that aims to instill confidence, a work ethic and good-decision making skills in its young members recently received a financial boost from a public-benefit agency in Santa Ana that supports nonprofits and small businesses statewide.

On May 21 during an open sparring event complete with catered food, music, and a jump house for kids, Small Business Development Corporation of Orange County (SBDC-OC) administrators stood in a boxing ring and presented a ceremonial check for \$2,000 to Raincross Boxing Academy leaders. The infusion of funds is helping the nonprofit academy cover operational costs as they aim for a late summer facility expansion, and assisted the organization in sending some of its coaches and five competitive boxers to the 2023 USA Boxing National Junior Olympics & Summer Festival in Lubbock, Texas in June.

"We are excited to be able to help support Raincross Boxing Academy," said Michael A. Ocasio, SBDC-OC's president and chief executive officer. "This organization is making a significant impact in the lives of its members and providing capital for nonprofits that function as changemakers in the world, particularly in communities of need, is part of our mission."

The development corporation offers the California Small Business Loan Guarantee program and other capital access resources

for nonprofits, small businesses and entrepreneurs with a particular focus on serving people of color, women business owners, veterans, and the disabled.

"They surprised me with \$2,000. I didn't expect that at all," said Celia Miranda, Raincross Academy's chief executive officer and a co-founder. The original donation was to have been \$1,000, but SBDC-OC doubled the amount just before the contribution. "I was so grateful. I want to thank Mike and Carrie for providing this funding," she said, referring to Ocasio and SBDC-OC's Chief Financial Officer Carrie Miller who presented the check.

"It's great, It's what keeps this program going, generous donors," said academy head boxing coach Henry Ramirez, seated at a table in the academy's tutoring classroom. "But it's also [important] if they come and see what we're about, see what we're providing for the kids."

What the nine-year-old academy provides to its youth and young adult members is a framework for building healthier lives, for setting and achieving goals, and an opportunity to avoid the pitfalls that often stem from a lack of opportunities and dangers prevalent in marginalized neighborhoods. Its offerings include an afterschool program in which volunteer tutors from the University of California, Riverside help academy members keep up with their homework, a one-hour requirement before workouts. Its boxing



Nationally ranked top RBA boxers, left to right, Paolo Barredo, Jesse "Lobito" Gonzalez, and Isaiah Hughes



SBDC-OC President and Chief Executive Officer Michael Ocasio, third from left, and Carrie Miller, chief financial officer, second from right, present a \$2,000 grant to Raincross Boxing Academy in May. Far right, Raincross Boxing Academy Chief Executive Officer Celia Miranda, and Head Coach Henry Ramirez, back row, second from right.

programs including amateur and professional training and coaching and chances for participation in local, state and national events.

The academy is currently expanding into about 1,600 square feet of additional space next door to its current facility on Chicago Avenue. The extra space is needed for strength and conditioning activities and will be outfitted with exercise machines and other equipment. The expansion is also needed to accommodate growth as the organization aims to increase enrollment to 200. It's all focused on academy members' development into responsible and motivated young people and adults.

Said Ramirez, "Not every kid is going to stay with the program, but we're hoping that whatever they learned from here, whether it be in boxing or just hard work, making good decisions, dedication -- we're going to hope that kids come out of here thinking 'I am better for the experience, I am better for the time I spent there.'"

Raincross Boxing Academy was spearheaded in 2014 by Riverside police detective Mario Dorado who drew in Miranda and Ramirez to establish the organization. Around 15 university students volunteer as academy staff and plans are in the works to increase the volunteer base through connections with Riverside Community College.

The academy's coaches maintain certification with USA Boxing, noted Ramirez who has been a pro trainer and manager for more than 20 years. Miranda, also a certified boxing coach, previously co-founded a boxing club at UC Riverside while studying political science as a first-generation undergrad.

The academy is currently expanding into about 1,600 square feet of additional space next door to its current facility on Chicago Avenue. The new space is needed for strength and conditioning equipment and to accommodate current and future programming as the organization aims toward increasing enrollment to 200.

The academy's afterschool program serves between 40 and 50 youth during the school year. Around 15 young people are involved in Raincross Boxing Academy's amateur team, while 14 are professional boxers. Financial backing arrives mainly from Riverside city and county law enforcement organizations.

Jesse "Lobito" Gonzelez began his career as a 17-year-old amateur at Raincross Boxing Academy after falling in love with the sport of boxing at age 15 during high school. As part of a military family, his childhood had been burdened by frequent moves. Occasional aggression on the part of classmates sometimes required self-defense with Gonzalez besting his challengers. Now at age 21, Gonzalez is a professional boxer with eight pro bouts and a six-win, one-draw, one-loss record. He aims to move up in the ranks to pursue title championships.

"I started training with Henry and we were fighting almost every weekend, staying active, staying busy. I think it's a big impact because it kept me off the streets and keeps me focused on something," he said. "You learn a lot of discipline, a lot of respect, a lot of learning how to listen. You get really mentally strong. I learned how to push through a lot of the pain, the trouble, keep moving forward, and at the end there's always a reward."

Isaiah Hughes, a 12-year-old boxer has been enrolled at Raincross from age five. He is now a three-time national boxing championship, Junior Olympic gold medalist in his ranking category and was among the young contenders who competed at the boxing

Junior Olympics in June. "It's a good gym," he said, "boxing, it's a good kind of thing for discipline, it keeps you out of the streets."

Hughes says he focuses on training as hard as he can so that he can achieve his goals which serve as his motivation. "I want to be a world champion and take care of my family," he said.

At the Junior Olympics in Texas, Raincross Boxing Academy member, 16-year-old Paolo Barredo for the second time ranked as the national champion gold medalist in the 110-pound weight category. Over the years he has competed in and won close to 100 matches and trains at the academy gym around five hours a day, six days a week as well as runs four or five miles daily, in addition to strength and conditioning exercises. He and his father commute to Riverside from Walnut, about an hour away. It's all worth it in the pursuit of his goal of becoming a professional fighter, he says. "That's my dream. That's what I want to do," Barredo said.

Father and son pointed out how the academy has helped a naturally shy Paolo hone his social and self-defense skills while uncovering a career path. But Paolo's world opened up in an even bigger way. "Everyone here is to me my family and I love them all. And it just makes me want to improve myself, personally and in boxing." ●

LENDER PROFILE: AltCap California

NEW NONPROFIT LENDER, SBDC-OC PARTNER FILLING GAPS FOR L.A. ENTREPRENEURS

Los Angeles-based AltCap California began issuing loans in January to business owners with much of the financing backed by state loan guarantees administered through Small Business Development Corporation of Orange County (SBDC-OC) – by fall, AltCap had crossed \$4 million in deployments to nearly 40 entrepreneurs.

AltCap California is a nonprofit mutual benefit corporation and a mission-focused affiliate of Missouri-based AltCap, a federal Community Development Financial Institution that operates in Colorado, Kansas, Nebraska and Texas. The California organization's focus is to provide debt capital of \$5,000 to \$300,000 to small businesses in the greater Los Angeles area owned by people of color, women, immigrants and others who often experience difficulty landing the financing needed to build and sustain their companies.

AltCap California began operations two years ago through the efforts of its president David Desai-Ramirez and with seed funding provided by leadership of AltCap in Missouri. In early 2022, Desai-Ramirez connected with SBDC-OC's Michael Ocasio and team, and a strong partnership began.

AltCap California began lending in January with a goal of securing 50% of its loans through SBDC-OC and the state's Small Business Loan Guarantee program by year's end. By mid-October, AltCap California was approaching \$2 million in state guarantees on just over \$4 million and nearly 40 loans approved. The

organization anticipates generating over \$5 million in deployed capital by the end of the calendar year.

"AltCap California has had an excellent run out of the starting gate and SBDC-OC is privileged to assist in the achievement of their goals," said Ocasio, president and chief executive officer for Small Business Development Corporation of Orange County. "Our organizations' missions are in alignment and we look forward to continuing our collaboration toward helping entrepreneurs succeed."

Currently, SBDC-OC and AltCap California are working with the Partake Collective in Long Beach which operates and develops ghost kitchens for food entrepreneurs. They hope to roll out the new loan product by the end of 2023.

"We're trying to leverage the strength of the three partners to benefit the food entrepreneur," said Desai-Ramirez. "We are building a program together where any time these food entrepreneurs need a loan they can call us and we can finance them quickly. With SBDC-OC at the table, you start to really stretch and expand the world of possibilities for how fast and how many entrepreneurs we can support."

Noted Jim Ely, SBDC-OC loan committee chair, "We're filling a vital niche in the financial services market."

The California nonprofit lender got its start when AltCap's chief executive Ruben Alonso



AltCap California President David Desai-Ramirez

Ill conceptualized the expansion into the Golden State and built a pool of startup funds. Industry cohorts and advisors described an endless need for flexible small business loans, especially among BIPOC and female business owners in the Los Angeles area. "They saw a real gap and we are here to be as helpful as possible with that gap," Desai-Ramirez said. "This year has been about deploying capital, working on providing excellent customer service, and being a great partner to others doing similar work, all in service to our mission."

AltCap California currently leverages five contractors who provide a number of services that are crucial to getting applicants loan ready. "We have a small and mighty team," he said. Marketing is a grassroots effort through strong partnerships, in particular through the relationship with SBDC-OC.

"We want to be known for centering the needs of our borrowers," Desai-Ramirez said. "We are

here to be helpful and sometimes that includes referring an applicant to a lender that is an even better fit for them."

Next year's focus will expand to include raising some of the financial resources that AltCap California will need to continue to provide gap-filling loans in Southern California. The California lender is also aiming to become federally certified as a CDFI under the U.S. Treasury.

California's Small Business Loan Guarantee program and SBDC-OC are very mission-focused, Desai-Ramirez noted, and show dedication to businesses whose credit challenges and financial obstacles, many of which are very systemic in nature, often prevent acquisition of traditional business financing.

"SBDC-OC's staff really walk the walk on demonstrating a strong commitment to fulfilling the purpose of the loan guarantee program," he said. ●

NONPROFIT PROFILE: Unlimited Possibilities



A young client scores a basket during activities with an Unlimited Possibilities staff member

STATE LOAN GUARANTEE OPENS DOOR FOR UNLIMITED POSSIBILITIES

SANTA ANA, Calif. — Lender financing can often be a challenge for nonprofits, but a long-standing Orange County agency that provides essential services for thousands of disabled individuals and their families recently discovered one of California's best capital access tools – the Small Business Loan Guarantee program (SBLG), thanks to a connection with leadership at Small Business Development Corporation of Orange County (SBDC-OC) in Santa Ana.

In December 2022, Santa Ana-based Unlimited Possibilities, utilizing the SBLG, was able to secure a revolving line of credit from Bank of Southern California in Irvine demonstrating

their desire to continue to offer the best for the families they serve. The financing allowed the nonprofit to continue to meet the needs of children and families with disabilities in its community, especially those who are uninsured and underinsured. A state guarantee of 80% of the credit facility by SBDC-OC helped secure the funding. The guarantee program is administered by Small Business Development Corporation of Orange County on behalf of the California Infrastructure and Economic Development Bank (IBank), a unique hybrid financing agency created by the state legislature in 1994 to finance public infrastructure and private development.

"We were excited to assist Unlimited Possibilities in continuing its programming and in making plans for the future," said Michael Ocasio, SBDC-OC's president and chief executive officer. Due to a prior business relationship with the nonprofit, he was able to link Unlimited Possibilities with the state's guarantee programs. "Their services are extremely important to the region and we wish them continued success in aiding those most in need," Ocasio said.

The state's Small Business Loan Guarantee program offers collateral of up to 80% of a loan or other credit vehicle not to exceed \$5 million, covering the financing in the event of a default. Such backing is vital for small businesses and nonprofits working to meet lenders' requirements for financing. The state program, provided through SBDC-OC, possesses statewide authority to leverage public funds and along with a roster of participating lenders is often the only way by which organizations who lack significant assets can move forward with their plans and retain and create jobs.

"The state loan guarantee was vital in giving us the ability to continue to offer world-class services to our families," said Unlimited Possibilities President and Chief Executive Officer, Dr. Ramin Baschshi. An internal medicine physician and former healthcare management professional, she accepted the nonprofit's leadership role six years ago following seven and a half years as chief operating officer and interim chief executive of Make-A-Wish Greater Los Angeles.

Unlimited Possibilities this year celebrated its 71st birthday and in 2022 launched a significant shift in its brand identity that included a new name, logo, website, and marketing materials. At the time of Baschshi's arrival in 2018, the organization was known as United Cerebral Palsy of Orange County, a reference to its decades-long focus on services for those

struggling with the condition. However over time, the nonprofit had branched out to serve a variety of disabilities including autism and Down syndrome.

Today, the agency employs over 300 dedicated professionals and serves more than 3,500 children, young adults and families with physical, speech, and occupational therapy services, assisting more than 160 diagnoses. Its offerings include community-based programs of which respite care is its largest. This program involves experienced caregivers who supervise children with disabilities in their homes and assist with toileting, feeding and daily activities. Other services include assessment and assistance for children with disabilities in after-school and youth programs such as the Boys and Girls Club, helping their gradual transition into typical club activities.

Andrew Lamb, portfolio manager for Bank of Southern California received the funding referral for Unlimited Possibilities from SBDC-OC Loan Committee Chair Jim Ely last year due to Lamb's experience working with nonprofits and with a for-profit entity within the same industry.

"As with any credit decision, you look at the financial history of the company, how the company is expected to perform in the future, the management team with regard to their industry experience and vision for the business, and the reputation of Unlimited Possibilities in serving the community," Lamb said. "We also look at the makeup of the board and what they bring in terms of expertise and fundraising. Unlimited Possibilities certainly provides a much needed service to their community, and after touring their building you can see how they have put much thought into building out a facility that will provide the stimulation and care for the children using their services." ●

STATE LOAN GUARANTEE PROFILE: Varcomm

TELECOM'S GROWTH BOLSTERED BY STATE'S SMALL BUSINESS DEVELOPMENT PROGRAMS

Around 1906, farmers in southern Tulare County, California joined forces to create a small telephone network with a single telephone line. This early and determined effort to meet the communication needs of the region was the beginning of the Ducor Telephone Company, a precursor to a locally-owned California firm that today focuses on bringing high-speed fiber internet, WiFi, phone, video, and other telecommunication services to rural areas that have struggled with a lack of connectivity.



Eric Votaw

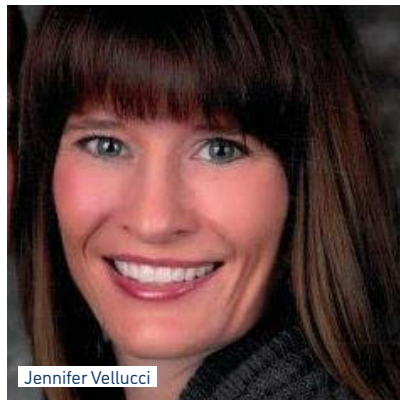
Operating as Varcomm, the Ducor Telephone Company and VARCOMM Broadband Inc. headquartered in Ducor, California is an incumbent local exchange carrier, competitive local exchange carrier and internet service provider operating in four areas in central and northern California and in Oregon with the potential to reach 5,000 homes. Over the past five years, the company has undergone significant changes and expansions including a new name and rebranding, new broadband

offerings and other technology, an addition of six employees, and a transfer of ownership in 2021 to long-time executive managers Eric Votaw and Jennifer Vellucci.

The acquisition of key assets during this time was made possible through State Small Business Credit Initiative (SSBCI) guarantees provided by Small Business Development Corporation of Orange County (SBDC-OC). Financing to facilitate ownership transfer from the founding family estates was aided by a Small Business Loan Guarantee, also administered by the development corporation.

The loan guarantee-based financing allowed the company to refinance and provided cash for building out its products, Votaw said. "Our finances are secured by everything Jim and Mike have done for us," he said, referring to Jim Ely, SBDC-OC's loan committee chair and Michael Ocasio, its president and chief executive officer.

"It is inspirational to witness the growth of this company and to be able to assist in helping



Jennifer Vellucci

its plans unfold," Ely said. "Eric and Jennifer are true entrepreneurs who are committed to their communities and are excellent examples of the types of businesses we most want to support."

Varcomm's name and brand evolved over the years from the telephone offerings of Ducor, which incorporated in 1956 under Virgil A. Roome, the son of the company's founders, to Varnet Inc. in 1993 which introduced the company's internet services. The venture became Varcomm in 2018 using an incorporation of the first letters of Roome's name, and began to rollout broadband and other technology. Varcomm is the only broadband provider in Ducor, its home base, and currently connects all of the small community's homes to the internet. The company continues to deploy more fiber throughout its territories.

"I named the company out of respect to the man who got us here," said Votaw.

Varcomm is now expanding its wireless services into Terra Bella, a census-designated area of Tulare County, and is awaiting the outcome of a federal grant application toward building out its fiber network throughout the community. The company's goal is to become the premier fiber broadband provider in the county.

As it seeks to move forward and broaden its reach into additional rural, internet-bereft regions, Varcomm continues its employee-focused operational ethos that treats staff like family. Because it hires and trains individuals from local, low-income census tract communities where most K-12 students receive government subsidized school lunches, the company assists its families when

needed during pivotal, and costly, life moments -- the birth of a child, weddings, and funerals.

"I absolutely care about my employees," Votaw said, noting that like many in the area serviced by his company, he also grew up in a predominantly Mexican community and as the child of a Mexican mother. The company hires its workers from Ducor and the surrounding agricultural fields and offers them training to become certified fiber optics splicers, opening the door for employment opportunities with telecommunications companies around the country.

Varcomm maintained its employee and community focus during the trying days of the Covid-19 pandemic and its inherent closures -- Varcomm ensured that every student in Ducor had access to free internet and that no Varcomm employee lost their jobs. The organization maintained good financial standing during this difficult time. Said Votaw, "We listen to our community's needs and then we act." ●



A VARCOMM employee on the job



NEWS:

VENTUREZEN CEO JOINS SBDC-OC BOARD

SANTA ANA, Calif. — Small Business Development Corporation of Orange County has welcomed a new director to its board whose extensive background in banking and finance will help steer the nonprofit organization in fulfillment of its mission to the small business community.

Catherine Nguyen, chief executive officer of financial planning and start-up services firm Venturezen, Inc. joined the SBDC-OC board in April, bringing the total number of directors to 12. Nguyen arrives through her connection with Thanh Pham, the development corporation's board chairman and president of California International Bank in Westminster.

"I decided to join the board due to my years of experience working in lending at various banking institutions," Nguyen said. "This role means I will be able to make a positive impact in helping fund small businesses along with providing strategic guidance and oversight to the organization."

Nguyen specializes in commercial lending and international finance with over 20 years of experience. In her position at Venturezen, she advises domestic and international companies in Southern California in traditional banking including commercial and industrial financing, asset-based lending, SBA 504 and 7a loan programs, commercial real estate, mergers and acquisition financing, and global capital markets. Prior to joining Venturezen, Nguyen served as a senior vice president in corporate banking at Umpqua Bank, and previously held senior positions in international finance

and global commercial banking respectively with Comerica Bank and Bank of America for Orange County.

She aims to use her experience in banking and finance to help Small Business Development Corporation of Orange County identify potential risk and opportunities, she said, "and to provide guidance on financial matters that may impact the organization's long-term success."

Nguyen also serves the broader community through her position as chairwoman and chief executive officer of the Vietnamese American Chamber of Commerce in Fountain Valley. She holds a bachelor's degree in finance from Cal State Fullerton, is fluent in French and can converse in Vietnamese. Through her various posts she aids in supporting and growing the region's and the state's economy. However she considers her most important role to be that of mother to her two young children, ages 26 months and seven months. Moments of free time may find Nguyen at the beach, on local hiking trails, creating art or visiting museums.

"We are delighted that Catherine has joined the board of Small Business Development Corporation of Orange County," said Michael Ocasio, SBDC-OC president and chief executive officer. "She brings a wealth of experience and skills that will prove invaluable to our organization, as well as a strong commitment to community and an understanding of the needs of small business owners and their families, particularly those that require additional support. We welcome Catherine to the SBDC-OC family." ●



SANTA ANA ECONOMIC DEVELOPMENT CORP LANDS \$125,000 FEDERAL GRANT TO FURTHER MISSION

SANTA ANA, Calif. – Small Business Development Corporation of Orange County on Sept. 26 received notice of a federal grant award that will further enable it to assist underserved small businesses and their communities.

The \$125,000 Technical Assistance award arrives via the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund as part of \$27.57 million in such awards issued to 218 organizations during fiscal year 2022. The awards are made during fiscal funding rounds for the treasury's CDFI Program and Native American CDFI Assistance (NACA) Program.

The rollout represents the largest number of technical assistance awards in the history of the two programs, according to a release from the U.S. Treasury's CDFI Fund.

Small Business Development Corporation was the only technical assistance grant awardee in Orange County following a competitive application process. The evaluation procedure for award selection included a compliance risk evaluation and business plan review.

Technical assistance funds are typically used to support such activities as analyzing target market-appropriate products and services, developing lending policies, building staff

capacity, adding new products, and innovating new ways of serving existing markets, the CDFI Fund release said. Specific examples of expenditures covered by the award include personnel services, fringe benefits, travel costs, training and education, equipment and supplies.

"We are truly grateful for this award which is so important to our overall efforts and mission of providing at-risk small businesses access to capital, educational guidance and other assistance, and in that process helping their communities move toward economic success," said Michael A. Ocasio, president and chief executive officer of Small Business Development Corporation of Orange County. "It is also exciting and humbling to be selected as a finalist for this significant competitive award, and I am grateful for our superb board leadership and skilled staff who work every day to propel us forward in successful fulfillment of our mission."

Of award recipients for the federal CDFI Fund technical assistance grant, 202 are based in 41 states, the District of Columbia and Puerto Rico and received \$25.22 million in CDFI Program awards. The remainder of the technical assistance grant allotment for fiscal 2022 was awarded to NACA Program award recipients in 10 states.

Community Development Financial Institutions have been certified by the U.S. Treasury's CDFI Fund and operate with a primary mission of serving low-income communities.



WE ARE TRULY GRATEFUL FOR THIS AWARD WHICH IS SO IMPORTANT TO OUR OVERALL EFFORTS AND MISSION OF PROVIDING AT-RISK SMALL BUSINESSES ACCESS TO CAPITAL, EDUCATIONAL GUIDANCE AND OTHER ASSISTANCE."

-- MICHAEL OCASIO

CDFIs may include credit unions, banks, loan funds and venture capital funds. Small Business Development Corporation of Orange County received state CDFI certification in fiscal year 2017-18. ●



SBDC-OC, COMERICA CELEBRATE \$1 MILLION SUPPORTING AT-RISK BUSINESSES

SANTA ANA, Calif. — Dallas-based Comerica Bank and Small Business Development Corporation of Orange County next month will celebrate Comerica's \$1 million investment in SBDC-OC's mission of helping vulnerable businesses achieve success.

Representatives of both organizations will hold an official check-signing event on Thursday, Aug. 4 marking the development corporation's receipt of the funds. The ceremony will be held at 11:30 a.m. at SBDC-OC's headquarters at 271 N. Sycamore St., Santa Ana.

Dubbed an EQ2 investment, the \$1 million outlay is an Equity Equivalent investment which will function as a deeply subordinated loan with certain features that allow it to work like equity. Such bank investments serve as tools to help community development financial institutions, or CDFIs increase lending in economically disadvantaged areas. SBDC-OC is a state-certified CDFI and Comerica's \$1 million EQ2 investment will support its activities that help small businesses successfully operate their ventures by accessing capital and receiving general management assistance and business education. The corporation's mission is particularly focused on businesses located in low-to-moderate income communities or opportunity zones and that are owned by women, people of color, the disabled and veterans.

Small Business Development Corporation, which is a nonprofit public benefit corporation,

functions as one of seven Financial Development Corporations in California operating under the state's public municipal bank, The California Infrastructure and Economic Development Bank known as IBank. Among other things, the corporations administer the long-standing State Loan Guarantee Program which provides credit guarantees for eligible small businesses seeking loans or lines of credit from lenders. The program is among many different funding and business services products SBDC-OC offers the small business community in Southern California and other parts of the state. Its offerings include the Entrepreneur Loan Fund, Disaster Assistance Loan Guarantee Program and the California Capital Access Program.

The EQ2 investment's unique features include its function as a general obligation debenture on SBDC-OC's balance sheet that is not secured by company assets. It is also subordinated to the development corporation's other creditors. The investment includes a 10-year term and fixed low-market interest rate.

"On behalf of SBDC-OC's board of directors we are thrilled and delighted to have received Comerica Bank's \$1.0 million equity investment which will be utilized to expand the agency's small business lending platform and future affordable housing initiatives," said Michael A. Ocasio, president and chief executive officer. ●

U.S. TREASURY ALLOCATION BOOSTS SMALL BUSINESS FUNDING OPPORTUNITIES

SACRAMENTO, Calif. – The state of California last fall announced the approval of \$1.1 billion in federal funds that will increase state loan guarantees made to eligible small businesses, furthering their ability to obtain even larger loans needed to grow their companies.

California Governor Gavin Newsom on Sept. 21, 2022 announced the greenlighting of the state's application for \$1.1 billion from the U.S. Treasury's State Small Business Credit Initiative (SSBCI). Half of the award will be issued to the California Infrastructure and Economic

Development Bank (IBank) under which Small Business Development Corporation of Orange County operates and administers the state's Small Business Loan Guarantee Program. This flagship IBank program assists small businesses, particularly those in underrepresented areas, obtain access to capital. The SSBCI funding will allow increased guarantees of up to 80% or a maximum \$5 million on a small business's outstanding loan, helping businesses acquire even larger loans and assuring lenders of repayment. ●

SBDC-OC ACHIEVES STATE CDFI RE-CERTIFICATION

SANTA ANA, Calif. – Small Business Development Corporation of Orange County on Sept. 21, 2022 received re-certification approval for the fiscal year 2022-23 of its standing as a COIN Community Development Financial Institution, or CDFI.

COIN stands for California Organized Investment Network which operates within the California Department of Insurance. The certification allows the nonprofit corporation to accept investments from insurance companies, institutions, and private investors

and in exchange, issue tax credits of up to 20%. The investments in turn will allow SBDC-OC to further its mission of assisting underserved small businesses and their communities with financial products and services unobtainable to them through the economic mainstream.

SBDC-OC was first COIN certified during FY 2016-17, providing an additional tool over the years that allows it to continue its important work of transforming lives and strengthening California's economy. ●



NEVADA-BASED LENDER JOINS CALIFORNIA LOAN GUARANTEE PROGRAM

SANTA ANA, Calif. – On March 27, 2023, a Nevada credit union with numerous California locations joined a pool of over 100 statewide bank and non-bank lenders that are certified to offer the Golden State’s long-standing Small Business Loan Guarantee program.

Credit Union 1, headquartered in Henderson, was approved for participation in the guarantee program by the Small Business Finance Center which operates under the California Infrastructure and Economic Development Bank, or IBank. The finance center administers the loan guarantee and other programs statewide through seven agencies including Small Business Development Corporation of Orange County. Its stated mission is to “help more people achieve their economic potential,” an objective that is in line with the goals of the California loan guarantee program which

aims to help small businesses in underserved and vulnerable communities obtain access to capital toward retaining and increasing jobs. The loan guarantees function as collateral for eligible businesses who need financing in order to sustain and expand operations.

“We are excited to welcome another lender to the family of organizations that have recognized the great value in the loan guarantee and are using it to help small businesses remain viable and to grow,” said Michael A. Ocasio, president and chief executive officer of Small Business Development Corporation of Orange County. “We hope Credit Union 1’s involvement in the Small Business Loan Guarantee program will encourage other lenders to consider the advantages and seek certification as well.” ●



ON THE MOVE:



Left to right: Genelux Corp. board directors John Thomas, Mary Mirabelli, James L. Tyree, Thomas Zindrick, and Gabriel Woodward, in March at the NASDAQ exchange.

SBDC-OC DIRECTOR NOTES TEAM-BUILDING AS KEY TO BIOPHARMA VENTURE'S SUCCESS

It's been a whirlwind ride this year for a biopharmaceutical venture in Westlake Village – an initial public offering in January, ringing of the Nasdaq opening bell in March, and this fall national news interviews amid a triple-digit percentage increase in its stock price.



"BUILD A TEAM, TRUST YOUR TEAM AND PAY YOUR TEAM. YOU DO THAT AND YOU WILL HAVE AN INCREDIBLE COMPANY."

-- JOHN THOMAS

The company, Genelux Corp. (NASDAQ: GNLX), is a late clinical-stage biopharmaceutical company focused on developing a pipeline of next-generation immunotherapies for individuals suffering with aggressive or

difficult-to-treat solid tumors. The goal of immunotherapy is to assist the immune system in recognizing and destroying cancer cells. Genelux's lead product, Olvi-Vec, is in phase three clinical trials for treatment of ovarian cancer and aims to seek regulatory approval.

Genelux was incorporated more than 23 years ago. Its co-founders include John Thomas, a board director with Small Business Development Corporation of Orange County and dean of the Zapara School of Business at La Sierra University in Riverside. Over time, the company built its team and pushed through various challenges to file its initial public offering on Jan. 26 this year. Its market capitalization and share price quadrupled following the IPO, then experienced a triple-digit percentage increase in its stock price in September. That month, Fox Business news channel conducted a livestream interview with Genelux President and Chief Executive Officer Thomas Zindrick who spoke with the interviewer from the business school following

a meeting of the Genelux board.

Thomas holds a Ph.D. in economics and politics from Claremont Graduate University and is also the Bashir Hasso Professor of Entrepreneurship at the Zapara School of Business. In his role with SBDC-OC, he helps mentor entrepreneurs, advocates for investment in education and serves on several board committees. Genelux's evolution into a tightly focused firm that has rocketed through a major milestone and into continued progress presents an opportunity for Thomas to drive home to students and others his advice on entrepreneurship derived from lessons learned during his tenure with Genelux.

"Build a team, trust your team and pay your team. You do that and you will have an incredible company," Thomas says. "Those are lessons we can put into any business venture." ●

CEO OCASIO APPEARS ON GENE VALDEZ PODCAST

On August 1, 2022, Michael Ocasio, president and chief executive officer of Small Business Development Corporation of Orange County



was interviewed by podcast host Gene Valdez on the series CEO to Rainmaker. He shared insights about state government loans.

The podcast series is a weekly small business educational show dedicated to elevating business leaders' executive skills. The podcast is available at this link: <https://bit.ly/3Q4ypLK>. ●



SMALL BUSINESS DEVELOPMENT CORPORATION'S CONTROLLER MOVES INTO NEW CFO ROLE

Small Business Development Corporation of Orange County (SBDC-OC) has created its first chief financial officer position to oversee its financial strategies as it aims for program expansion.

Beginning in August 2022, the corporation's controller, Carrie Miller, hired just a year prior, moved into the corporation's newly-minted CFO spot where she oversees development of financial policies and provides overall guidance in the financial direction of the institution.

"I think as a CFO I'm going to be able to bring perspectives that the organization hasn't had before," Miller said, noting that the corporation,

which experienced significant growth in the past year, previously did not have a role dedicated to the organization's financial health and growth.

As chief financial officer, Miller's tasks include further streamlining of the corporation's financial management functions including its transition to a paperless system, reporting to the California Infrastructure and Economic Development Bank which oversees SBDC-OC's operations, handling annual audits and tax filings, as well as expansion of accounting platforms to accommodate the corporation's growth.

Prior to arriving at SBDC-OC last year, Miller served as a manager at RP&B CPAs in Riverside for more than 20 years where her many responsibilities included working with client bookkeepers toward helping them understand the nuances of QuickBooks and other accounting software. A Certified Public Accountant, Miller was heading into retirement when she answered the call to work for SBDC-OC as its controller.

She brought to her new role knowledge and many years of experience from the world of accounting and business management which she used in smoothing out filing and operational systems. She also helped move the corporation forward in other areas including the retention of a sizable auditing firm toward aiding its efforts in securing higher level certifications and grants.

Miller has also been instrumental in the formation of an investment committee that will select an investment instrument toward achieving earnings on the corporation's funds, and led in securing a \$1 million Equity Equivalent investment from Comerica Bank this summer.

Miller holds a Bachelor of Science in business administration with a concentration in accounting from California State University, San Bernardino, and is a former member of the American Institute of Certified Public Accountants and the California Society of CPAs, Riverside. ●

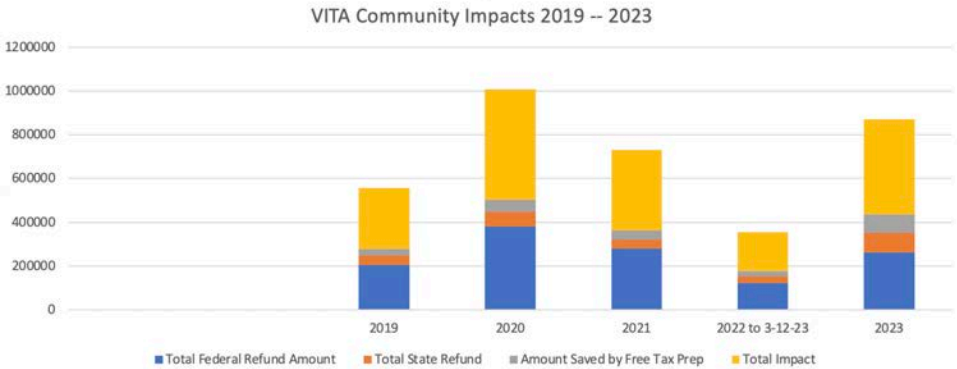
IN THE COMMUNITY:

AIDING OTHERS THROUGH IRS VITA

SANTA ANA, Calif. – Tax season can be stressful for many people, but in particular those with limited means who need their refunds but find it difficult to file their tax return documents. For the past several years, Small Business Development Corporation of Orange County has aimed to reduce such barriers through a partnership with California International Bank. SBDC-OC and California International since 2019 have participated in

the IRS's Volunteer Income Tax Assistance, or VITA program, which offers tax return preparation assistance at no cost to qualifying individuals – those who earn less than \$60,000 a year, individuals with disabilities, and limited English-speaking tax payers.

Between 2019 and 2023, staff members at California International with support from SBDC-OC prepared a total of 1,024 federal



returns, 1,000 state tax returns, as well as 289 federal Earned Income Tax Credit (EITC) returns and 223 CalEITC returns. Federal refunds for those aided by the VITA program between 2019 and 2023 totaled \$1,252,040 and state refunds totaled \$275,878. The amount community members collectively saved through the VITA program offered by

SBDC-OC and California International Bank between 2019 and 2023 amounted to \$231,187. The total impact ver five years experienced by community members participating in the VITA program, including earned income credits claimed, refunds and savings, came to \$1,759,105. ●

SBDC-OC SUPPORTS HIGHER ED WITH \$5K GRANTS

SANTA ANA, Calif. -- In fall 2022, business students at two inland Southern California universities received welcome assistance with tuition and experiential educational expenses through grants from Small Business Development Corporation of Orange County.

The Jack H. Brown College of Business and Public Administration at California State University, San Bernardino and the Tom and Vi Zapara School of Business at La Sierra University in Riverside received \$2,500 grants each from the nonprofit corporation. The schools will use the funds this academic year

to underwrite various aspects of their students' education.

"We were excited to receive the news of the grant award in September and the money in October," said Jack H. Brown College Marketing Department Chair Haakon Brown. "Tomás Gomez-Arias, dean of the Jack H. Brown College of Business and Public Administration, myself, and Marketing Department Coordinator Lisa Gordon were all involved in the check presentation.

"Lisa was the driving force behind the grant,"

Brown said. "She knows students are no strangers to high-stress situations and financial needs. The moment you step into the real world, it becomes evident that life will have its highs and lows. Lisa loves connecting our marketing students with opportunities and scholarships and regularly reaches out to organizations for support."

The recent grant is the third received by the Jack H. Brown College from the Small Business Development Corporation. Previous grant monies were used to help subsidize student travel to the American Marketing Association student conference in New Orleans a few years ago, and the new funds will be used to help sponsor experiential events, Brown said.

"Sponsorship of these events is extremely important to our Sports and Entertainment Marketing students because it helps ease the pressure on the students to run a financially successful event, allowing them to focus more on the learning aspect of the experience," he noted. "This year students will host the 9th Annual Coyotes of Comedy show on our beautiful San Bernardino campus on December 1st, 2022. More information about the event can be found at [https://](https://yotieentertainment.wixsite.com/yoties-lol)

yotieentertainment.wixsite.com/yoties-lol

"We look forward to further developing the relationship between the SBDC-OC and the CSUSB Marketing Department to find new ways to help our students," he said.

At the Zapara School of Business, the development corporation's grant was divided into five student scholarships of \$500 each which will be presented at a later date during a business colloquium. The outlay marks the second education grant the school has received from SBDC-OC.

"We will be allocating \$500 scholarships for five students who are committed to creating value and making a difference," said Zapara School of Business Dean John Thomas. "It is important for us that organizations in our community such as SBDC-OC are connected and feel vested in our university. In addition these scholarships will help students understand the meaning of community support in their educational journey. On a practical level, any funding assistance students receive is a leg up on meeting their financial obligations and is greatly appreciated." ●

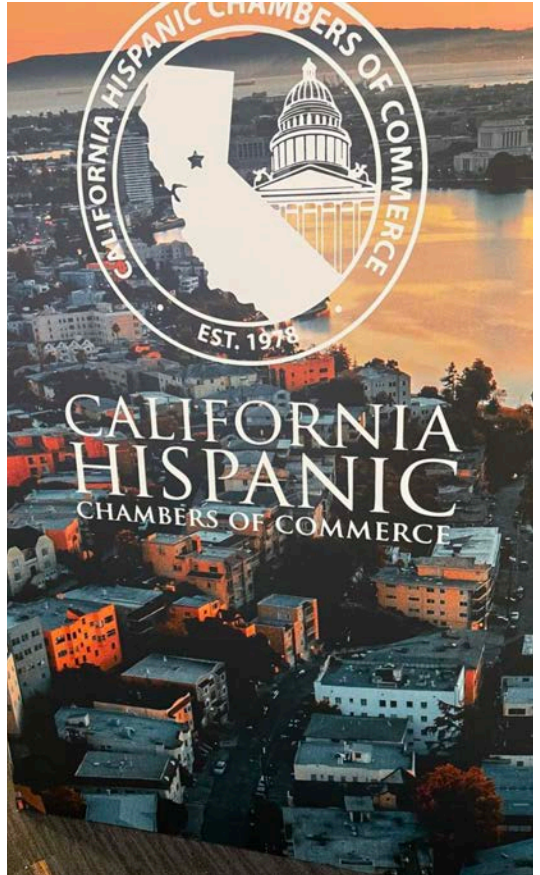
AROUND TOWN

Small Business Development Corporation of Orange County supports the work of many partner organizations while investing in its most important resource, its own staff and leadership, and working in collaboration with the California Infrastructure and Economic

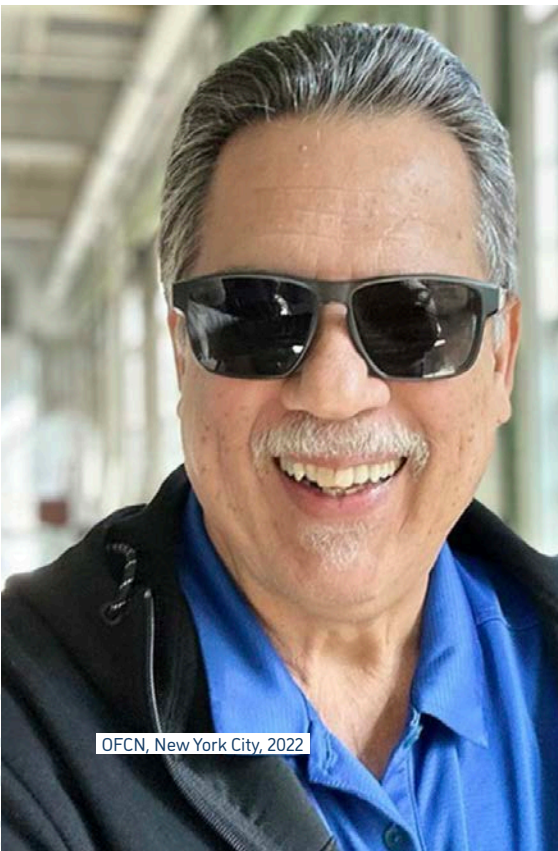
Development Bank. Following are photos from just a few of the activities in which SBDC-OC participated during the last fiscal year as a partner in the life of the communities and industries it serves while supporting its organizational members. ●



L.A. Super Summit, July 2022



CHCC 23rd Annual Convention



OFCN, New York City, 2022





San Bernardino County Economic Forecast 2022



The state capitol and photos bottom left and right from Small Business Day, Sacramento, August 2022





August 2022 Board Retreat, Catalina Island



SBDC-OC's Riverside Inaugural Mixer, January, 2023



RESOURCE PARTNERS

AGENCIES

California Association for Local Economic Development
California Association for Micro Enterprise Opportunity
California Infrastructure and Economic Development Bank
California Pollution Control Financing Authority
Governor's Office of Business and Economic Development
Black Chamber of Commerce of Orange County
Asian Real Estate Association of America, Greater Los Angeles

Small Business Borrowers' Bill of Rights
National Asian American Coalition
National Development Council
National Diversity Coalition
Downtown Inc.
Aspire Community Housing Economic-
Development Organization

SERVICES

Equipoint Capital Advisors
Government Strategies, Inc.
Law Offices of David W. Brody
Veterans Legal Institute

sbapro.com
Cecily Jackson-Zapata, Esq
Blue Mountain PR, LLC

COMMERCIAL LENDERS

AltCap CDFI
Amalgamated Bank
American Business Bank
American Lending Center
AmPac Business Capital
Bank of California
Bank of Southern California
Business Consortium Fund, Inc.
California Bank & Trust
California Business Bank
California Credit Union
California International Bank
CalWest Bank
Commonwealth Business Bank
Community Valley Bank
Clearinghouse CDFI
City National Bank
Citizens Business Bank
Commerce West Bank
Community Valley Bank
Enterprise Funding
Evertrust Bank
Farmers & Merchants Bank
First Bank
First Choice Bank
First Commercial Bank

First Foundation, Inc.
First General Bank
Five Star Bank
Hanmi Bank
Infinity Bank
Lendistry
Manufacturers Bank
Mega Bank
Mission Driven Finance
National Asian American Coalition
National Development Council
Nonprofit Finance Fund
Northern Trust Bank
Pacific Premier Bank
Pacific Mercantile Bank
Partners Bank of California
Poppy Bank
San Diego Private Bank
SCE Federal Credit Union
Seacoast Commercial Bank
Torrey Pines Bank
Tustin Community Bank
Vermont Slauson EDC



MEMBERSHIPS

- The Association of Financial Development Corporations
- California Association for Local Economic Development
- California Association for Micro Enterprise Opportunity (CAMEO)
- California Organized Investment Network (COIN)
- California State Association of Counties Finance Corporation
- Orange County Black Chamber of Commerce
- National Asian American Coalition
- National Diversity Coalition
- Responsible Business Lending Coalition



SMALL BUSINESS DEVELOPMENT CORPORATION OF ORANGE COUNTY

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