



**SMALL BUSINESS DEVELOPMENT  
CORPORATION OF ORANGE COUNTY  
ANNUAL REPORT**



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

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Michael Karr, **Treasurer**  
Michael A. Ocasio, **President / CEO**  
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Pablo Ocasio  
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Michael A. Ocasio  
Pam Finn  
Nestor Correa  
Richard Lee  
Maria Lopez

COVER PAGE: Image courtesy of Orange County School of the Arts and California School of the Arts.

For additional information on Small Business Development Corporation of Orange County, please visit our website: <http://sbfdoc.org>  
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As Small Business Development Corporation of Orange County completes 18 years of impact, I'm reminded of how fortunate I am to have served 12 years as Chairman of the Board of Directors of this prolific economic development organization residing under the California Infrastructure and Economic Development Bank (IBank). I have a five-star board of directors who represent some of the finest financial institutions, public law groups, higher education and private industry organizations in the state.

The corporation's ability to leverage over \$67 million in public dollars for developing small businesses and adding hundreds of jobs, particularly in vulnerable sectors of the economy, places us on track to become a non-profit of unsurpassed effectiveness. We are making a real difference in our communities, and I credit our success to an outstanding management team, an active Board, a strong loan and executive committees, our resource partners, and supportive investment partners.

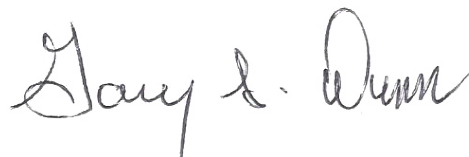
Our operating performance over the past fiscal year stands unprecedented in the corporation's history with a portfolio of 24 financial institutions, a 58.9% increase in unrestricted assets supported by strong increases in revenues over expenses and a commercial loan portfolio now in excess of \$234 million.

This past fiscal year, we delivered \$67.2 million in guarantee commitments and supported \$106 million in bank and non-bank lending to small business enterprises and non-profit institutions resulting in more than 3,634 jobs retained and the creation of 925 new FTE positions. Of fund recipients, 59.0% were women and minority-owned companies. Additionally, 60.0% of these funds were deployed among low-to-moderate income populations. We are determined to bring economic prosperity to low wealth communities and establish a more inclusive network of stakeholders including non-profit organizations. That is why in 2018, we contributed 3.6% of our surplus income to mission-driven non-profit organizations.

I'm particularly thankful to my colleagues on the Board of Directors, including the loan and executive committees for their support, governance, and leadership in helping our staff achieve such phenomenal operating results.

I firmly believe that our institutional partnerships and strategic public collaboratives have positioned Small Business Development Corporation of Orange County to become one of the leading strategic economic development organizations in the state.

We applaud you!



Gary S. Dunn, Chairman of the Board



# CHAIRMAN'S REMARKS

# PRESIDENT'S MESSAGE

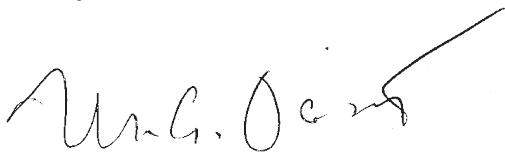
In 2018 Small Business Development Corporation of Orange County (SBDC-OC) celebrated its 18th year of operation and by far its most successful. Our unprecedented financial results are directly attributable to California's thriving economy ranking the state the fifth largest in the world – larger than the United Kingdom, France, Brazil, Italy, Canada, Korea, and Russia. California exported \$178.4 billion in goods in 2018 to over 230 foreign markets representing \$1.6 trillion of total exports and rendering the state the 28th largest in exports. We have contributed to and also maximized upon this prosperity by serving as the conduit for California's capital access programs assisting small businesses and non-profits statewide, particularly those owned by women, veterans, minorities and the disabled and those located in low-to-moderate income communities of greater need. We help bridge the financing gap for California organizations that need access to mainstream capital markets offered through institutional lenders such as banks, credit unions and non-bank Community Development Financial Institutions (CDFI).

We have an active portfolio of over 238 guarantee debentures totaling \$136.3 million in state obligations supporting \$235 million in institutional community and economic development lending. This activity ultimately benefits the California economy. In fact, the entrepreneurial spirit flourishes in the Golden State which supports 141 startups for every 100,000 residents. As such, demand for capital has been high and reflected by the organization's leverage of public dollars facilitating \$67.3 million in credit guarantee issuance supporting over \$106 million in bank and non-bank lending opportunities. This has generated some 925 new jobs in the region and retained more than 3,000 existing jobs.

Going forward, we continue to advocate for the modernization of the regulatory framework around the Community Reinvestment Act. Since 1977, the federal CRA has steered trillions of dollars in investment, lending, and services into communities, including low and moderate-income neighborhoods. We encourage our institutional resource partners to meet the credit needs of their communities and increase direct investment in economic development initiatives through our collaborative efforts and direct partnerships participating and leveraging California's capital access programs.

Your commitment allows us to expand our mission of creating and retaining jobs in California, particularly for those marginalized companies unable to access conventional capital markets but which are creating employment opportunities within disadvantaged neighborhoods, increasing the community tax base and the flow of goods and services. We thank you for your continued friendship and support as we strive to do our part in maintaining the upward trajectory and international standing of our great Golden State.

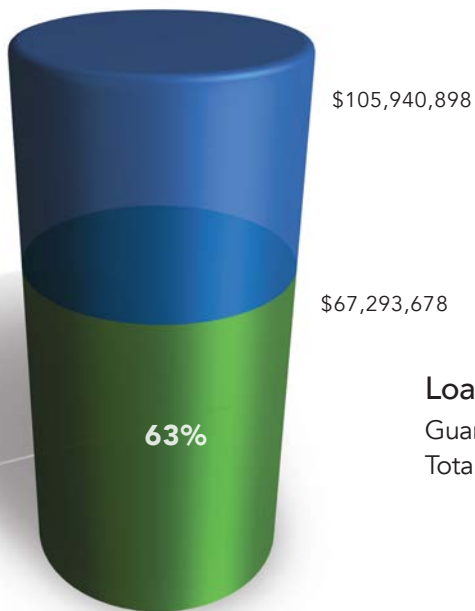
Sincerely,



Michael A. Ocasio, President / CEO

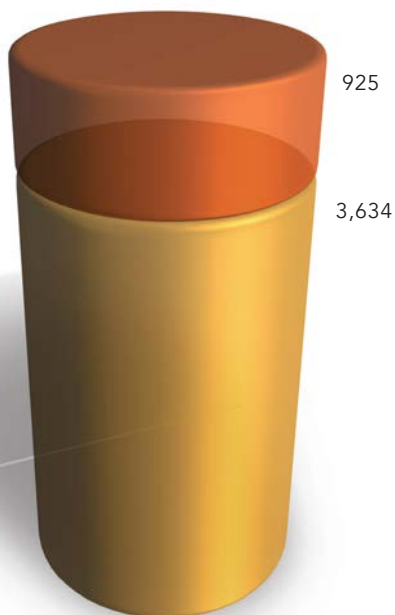


# DEMONSTRATION OF IMPACT



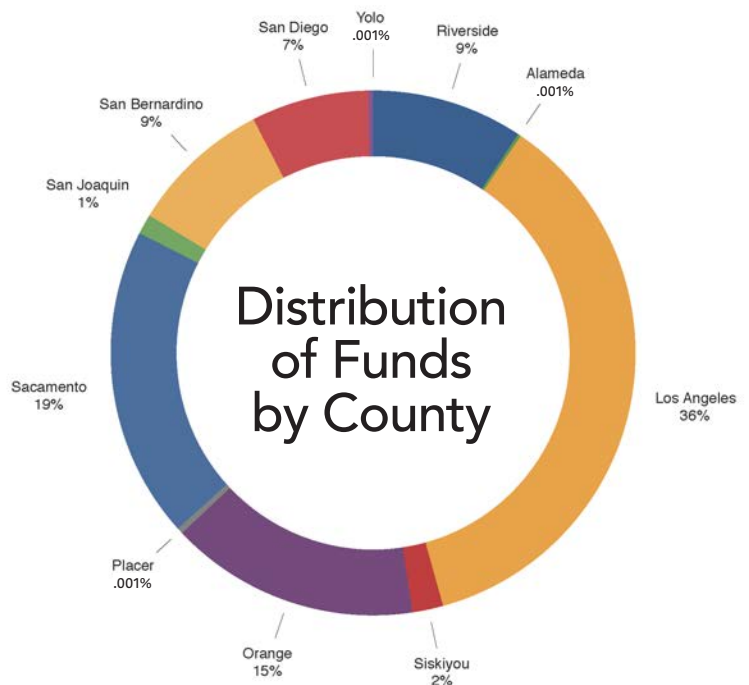
### Loans

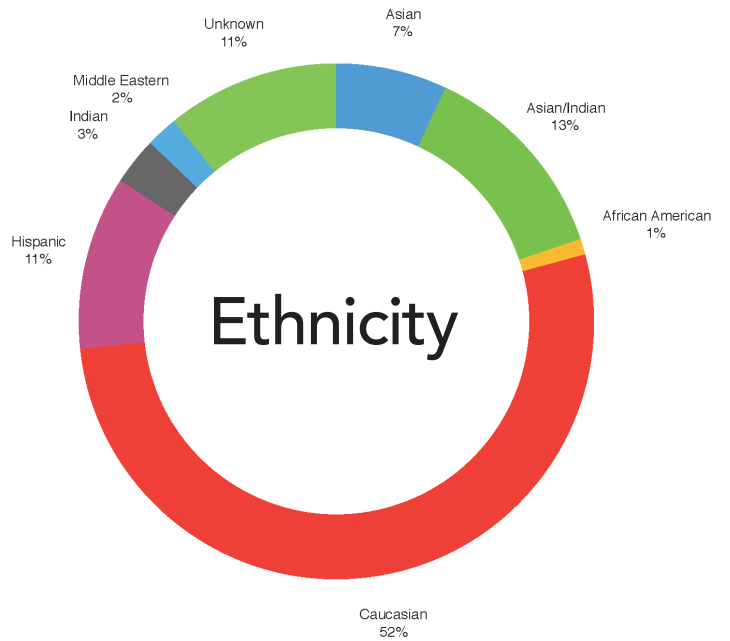
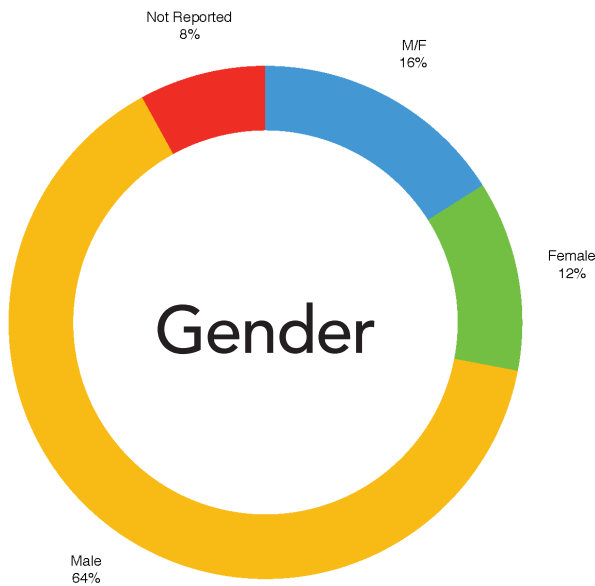
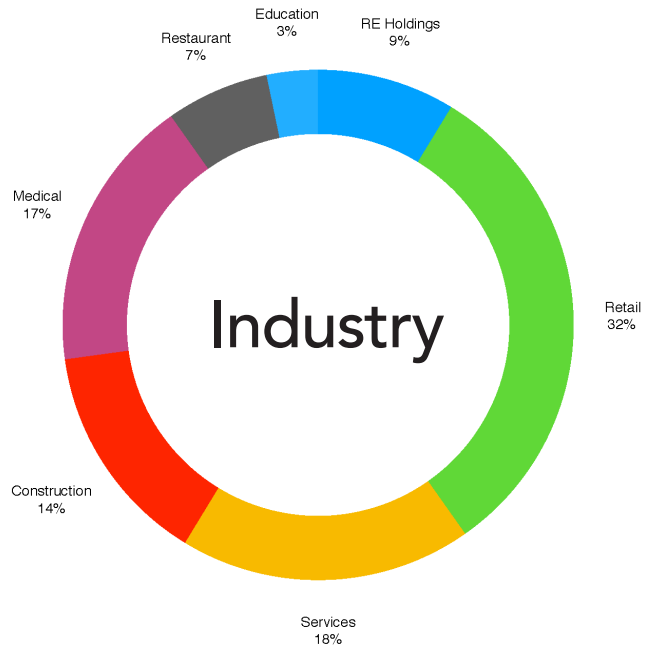
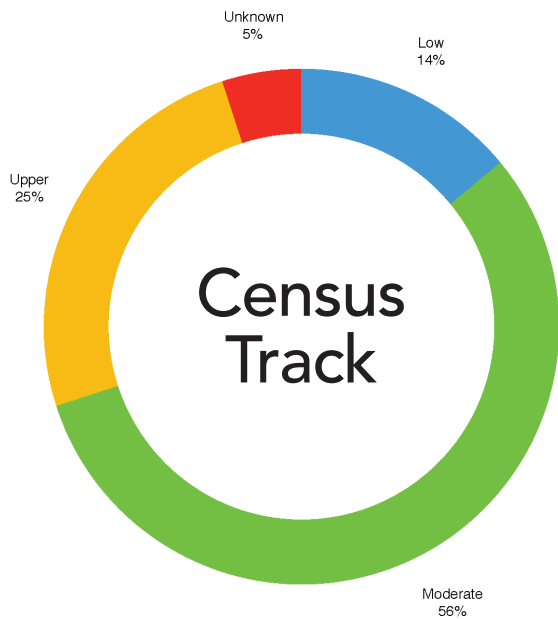
Guarantee Loan Amt	\$67,293,678
Total Loan Amt	\$105,940,898



### Economic Impact

Jobs Created	925
Jobs Retained	3,634
<b>Total Jobs Impacted</b>	<b>4,559</b>









# TRIFYTT

SPORTS ACADEMY

**Lender:** Pacific Mercantile Bank

**Employees:** 40 FTE

**Jobs Created:** 12

**Assembly District:** 40

**Senate District:** 23

TriFyft Sports, LLC was established by Andrew J. Todd in 2003 to provide a wide range of sports programs for youth. Currently more than 13,000 children and teenagers between ages 18 months and 14 years old are positively impacted each year by participation in baseball, basketball, soccer, tennis, track and field, volleyball, flag football, golf, summer camps and after school programs. Through their new location in Chino Hills, the company contracts mainly with cities and school districts including Anaheim, Long Beach, Corona, and Irvine.

In 2016, the company opened their first basketball gym, TriFyft Sports Academy, in Rancho Cucamonga. This facility has two full courts, four designated shooting labs equipped with shooting guns, an 8,000-square-foot turf area, a weight area, and a state-of-the-art injury, recovery center. The company's notable current and prior clients include Lonzo Ball (NBA), Darren Collison (NBA), Bobby Wagner (NFL), and Malik Jackson (NFL). They also operate the Fröhlich Basketball Academy headed by former WNBA Player and UNLV Hall of Famer Linda Fröhlich.

The Fröhlich Basketball Academy currently runs youth recreational leagues in six different cities, a travel basketball program, skills classes, and hosts camps. These programs are designed to impact the lives of at-risk youths on and off the court.



www.philatronics.com





**Lender:** City National Bank

**Employees:** 80 Full Time

**Jobs Created:** 10

**Assembly District:** 57

**Senate District:** 32

Philatron International, Inc., a major wire and cable manufacturer, was established in 1974. Its founder, Phillip Ramos, Jr. serves as Chief Executive Officer. The company operates out of four locations in Santa Fe Springs and one location in Norwalk, and qualifies as a minority, family, and disabled veteran-owned business.

Philatron International produces a full range of bulk wire, and cables and molded cable assemblies and specializes in extra-large flexible cables and coiled cables/cords commonly found on trucks. In addition, the company's operations include copper drawing, bulk wire and cable insulating (thermoset and thermoplastic), injection and compression over-molding of cable connectors and cord sets, custom connectors and assembly.

The company also offers free design service for cable solutions. Philatron International serves a broad range of industries including Airport ground support electrical power, automobile/heavy duty trucking, consumer products, electrical distributors, electrical vehicle, entertainment, medical, military, mining, OEM, oil and gas, transportation, and utility/power.







**Lender:** International City Bank

**Employees:** 342 FTE

**Jobs Created:** 0

**Assembly District:** 62

**Senate District:** 35

Established in 1973, Behavioral Health Services (BHS) is a 501(c)(3) non-profit community-based healthcare organization providing medical, substance abuse and mental health services, drug-free transitional living, housing for women with HIV, and prevention programs for the local community. Currently Behavioral Health Services operates 19 locations covering the South Bay, East Los Angeles, the San Gabriel Valley, and the metropolitan areas of Los Angeles County. These facilities include two chemical dependency recovery centers, four residential sites, and eight outpatient clinics, two of which offer mental health services in addition to substance abuse programs.

BHS was among the first substance use disorder treatment providers to develop specialized services for pregnant and parenting women. The program allows women to bring their dependent children into the residential treatment setting with them, enabling clients to focus on parenting skills development and bonding that is often disrupted by substance use.



2018 ANNUAL  
CONSTRUCTION EXECUTIVES  
Review

General roofing with aluminum  
curtain walls

A full service  
contracting firm with  
electric needs

High-Light  
Electric Inc.

Very High  
Quality  
Construction  
Company  
alongside a transforming industry

High-Light Electric Inc.  
A full service contracting firm  
with electric needs

High-Light Electric Inc. is a full service contracting firm with electric needs. The company has a long history of providing high quality electrical services to a wide range of clients. The company's services include electrical design, installation, and maintenance. The company is a leader in the industry and is committed to providing the highest quality of service to its clients.

MIKE ZARP, INC.  
CONSTRUCTION

MIKE ZARP, INC. is a full service construction firm. The company has a long history of providing high quality construction services to a wide range of clients. The company's services include general contracting, site preparation, and foundation work. The company is a leader in the industry and is committed to providing the highest quality of service to its clients.

Advertisement for a construction-related company, featuring a large image of a construction site or project.

We have more than just pipe  
to fill your hole.

**PUS**  
Performance Utility Supply  
801-249-2000

Advertisement for PUS Performance Utility Supply, featuring a large truck and a list of services.





**Lender:** Pacific Mercantile Bank

**Employees:** 72

**Jobs Created:** 15

**Assembly District:** 60

**Senate District:** 31

Erwin Mendoza established High-Light Electric (HLE), Inc., an S Corporation, in 1999, the result of a merger between his and his brother Pete's two companies. The combined firm is a family owned and operated full-service general construction company with a specific emphasis on electrical projects. It is the latest in a string of family enterprises. From the time they were young boys, the brothers worked with their father's construction company and eventually opened their own businesses.

Erwin concentrated on electrical projects and Pete went into regular construction. They brought their various interests together with the formation of High-Light Electric where Erwin handles the bidding and office matters and Pete is the project manager. They both handle the day-to-day operations. HLE works on projects throughout California. Their clients include mostly municipalities, counties, state and federal entities, water districts, utilities, Indian tribes, and home builders/developers.

Their services include road repairs and road improvement projects; utility system installations and upgrades; installation of railroad signaling; lighting and communication throughout rail stations and corridors; installation of solar panels and thermal reflective systems at to solar farms throughout California. HLE also installs specialized systems like freeway CCTV, street lighting, traffic signalization, radar detection, airport lighting and building electrical. The company holds the following certifications – SBE, MBE and DBE. Most municipalities require such certifications when they conduct business with minority firms.





# BUILDING PARTNERSHIPS





# PAY IT FORWARD

At Small Business Development Corporation of Orange County (SBDC-OC), we care about not only helping to grow local businesses but to make sure that we encourage our future leaders.

SBDC-OC awarded a total \$22,500 in grants recently to two higher education institutions and a non-profit in Southern California's Inland Empire and three non-profits located in Orange County. SBDC-OC helps a wide range of small businesses and non-profits secure access to capital and grow their organizations. This year, the non-profit distributed surplus funds will aid college students in need, student entrepreneurs, veterans and those with housing and burial needs. The economic development non-profit provided grants to the following organizations:



AFFORDABLE HOUSING



Jack H. Brown College  
Business and Public Administration

“Because of our public mission, when we have surplus funds, we distribute those funds to benefit the community,” said the corporation’s President and Chief Executive Officer, Michael A. Ocasio. “And as a non-profit, we support other non-profits with a community focused mission.”





MANUFACTURERS BANK  
A SUBSIDIARY OF SUMITOMO MITSUI BANKING CORPORATION



# RESOURCE PARTNERS



## MEMBERSHIPS

California Association for Local Economic Development  
California State Association of Counties Finance Corporation  
Risk Management Association Orange County  
Risk Management Association Inland Empire  
Orange County Black Chamber of Commerce  
The Association of Financial Development Corporations  
National Asian American Coalition  
National Diversity Coalition

## RESOURCE PARTNERS

Blue Mountain PR, LLC  
Veterans Legal Institute  
Family Service Association  
California Small Business Association  
Aspire Community Housing Development Corporation  
Tom & Vi Zapara School of Business, La Sierra University  
Jack H. Brown College of Business & Public Administration, Cal State University  
Crafton Hills College



**SMALL BUSINESS DEVELOPMENT  
CORPORATION** OF ORANGE COUNTY

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