CSUSB Inducted as New Member of the Latin American Council of Management Schools

Great Opportunities for Student and Faculty Exchanges, and Tech Transfers

The College of Business and Public Administration at California State University, San Bernardino has been accepted as a full member of CLADEA, the oldest and most prestigious consortium of Latin American business schools.

Lawrence C. Rose, dean of the College of Business and Public Administration, noted that the time is right for closer connections to Latin America through CLADEA – El Consejo Latinoamericano de Escuelas de Administración, or, as it is known in English, the Latin American Council of Management Schools.

“As a Hispanic-serving university, our affiliation with CLADEA gives us an opportunity to create relationships with many business schools in Central and South America,” Rose said. “This is a great benefit to our students, faculty, and to the Inland Empire.”

CLADEA, headquartered in Peru, is an international, non-profit organization that joins higher education institutions and other international organizations devoted to teach and research in the field of business administration. Its membership includes more than 200 institutions from Latin America, continued on page 19

Economic Update

By Payden & Rygel

The Federal Open Market Committee (FOMC) announced no changes to the stance of monetary policy after its September 16-17 meeting. The committee continued the reduction in asset purchases (“tapering”) and reaffirmed its views that interest rates will remain low until unemployment and inflation more closely approximate Fed targets. All told, the message from policymakers seems to be if the current rate of economic progress continues, the first rate hike looks likely to arrive in mid-to-late 2015. But, where the federal funds rate ends up after 2015 is subject to greater uncertainty.

Of most interest to the market were slight upticks in the published FOMC forecasts for the level of the federal funds rate over the next few years (the so called “dot plot” of each policymakers’ estimates). Where general agreement prevails on the appropriate level of the federal funds rate in 2014 and 2017 (the “dots” form a cluster near 0% in 2014 and 3.75% in 2017), widespread disagreement about the fed funds target prevails for 2016, with forecasts ranging from as low as 0.375% to a high of 4%! As Janet Yellen noted at the post-meeting press conference, the divergent paths for the policy rate depends on each member’s base case for growth, inflation, and unemployment. Members expecting a higher federal funds rate at the end of 2016 must also expect better growth, lower unemployment and a quicker pace of consumer price inflation.

We learned that inflation, as measured by both the headline and core consumer price index (CPI), advanced just 1.7% over the last year through August. August’s lower CPI print contradicts concerns expressed by many early in the year that we were due for a jump in prices and that the Fed would find itself “behind the curve.” Instead, if we exclude housing, prices rose just 0.9% over the past year, suggesting that outside of rents, the price data offer no evidence of impending inflation.

With inflation “running below the Committee’s longer-run objective,” what about the progress in the labor market? The FOMC marked down their year-end forecasts for the unemployment rate, now seeing a December level of 5.95%. But Yellen also confirmed that she continued on page 22

Special Sections

California to Lose 18,000 Jobs in 2015

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The Most Rewarding Marketing Mistake I Ever Made

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Executive Time Out

Soaking Up The Bahamas Dream

Page 20

Mail to:

LA/Ontario International Airport
Year-To-Date Passenger Volume Up

Passenger numbers at LA/Ontario International Airport (ONT) rose 3.19 percent from January 2014 through August 2014, compared to the same period last year. ONT airlines served 2,726,679 travelers compared to 2,642,334 travelers during the same period in 2013.

International traffic continued its upward climb compared to last year. This year’s activity from January through July reflects a 74.01 percent increase over the same period in 2013. ONT is currently served by two Mexico-based carriers, Volaris, and AeroMexico. Both provide nonstop service between ONT and Guadalajara, Mexico. Volaris added a third flight on Sept. 1st.

“This is the fifth month in a row that we have seen an increase in total passenger traffic at ONT. While the percentage growth for international continued on page 23
“We are thrilled with the staff that Goodwill placed at our organization and love what they are doing. We saved time, money and a lot of trouble by partnering with Goodwill and now we know where to turn when we need to fill positions at our company.”

David Bloom
Executive Vice President, Martin Yauker Media, LLC

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LOS ANGELES | RIVERSIDE | SAN BERNARDINO
Local Firm Named 10th Best Accounting Firm to Work for on Nationwide List

Vicenti, Lloyd & Stutzman LLP (VLS) is proud to announce that the firm was recently ranked 10th in its category on the 2013 “Best Accounting Firms to Work for” list. This list, which is presented annually by Accounting Today and managed by Best Companies Group, is dedicated to identifying and honoring the best employers in the accounting industry.

The “Best Accounting Firms to Work for” list selects a total of 100 companies nationwide each year from their pool of more than 200 applicants. The list is divided into three groups based on firm size. VLS ranked 10th out of 42 firms in the midsize category. Among the five California firms ranked on the midsize list, VLS ranked 1st. This is the second consecutive year VLS has been ranked one of the “Best Accounting Firms to Work for:” last year VLS ranked number 15. The assessment for this program involves a two-part survey process. The first survey, completed by the employer, evaluates the firm’s overall culture, programs, policies and demographics. The second survey, completed by the employees, analyzes areas including corporate culture and communications, work environment, training and development, pay and benefits, and role satisfaction.

“We are delighted with our number 10 ranking and to have received the Best Accounting Firms to Work for recognition for the second consecutive year,” said Linda Saddlemire, VLS co-managing partner. “I believe this is a confirmation of our continual dedication to our core values: respect for the individual, high ethical standards, embracing change and creativity, and striving for unequivocal excellence. The partners of VLS understand the critical importance of having a positive and thriving work environment, for the benefit of both our employees and our clients. We will always value this highly at VLS.”

The list was published in the December issue of Accounting Today. Visit www.BestAccountingFirmsToWorkFor.com for more information about this program.

New Data Shows Riverside-San Bernardino-Ontario is a Leading Metropolitan Area for Exports

Riverside Area Merchandise Exports Increased 20 Percent to a Record High in 2013

The U.S. Department of Commerce’s International Trade Administration (ITA) announced new export data that shows merchandise exports from the Riverside-San Bernardino-Ontario metropolitan area totaled a record $9.6 billion, an increase of 20 percent or $1.6 billion from 2012 to 2013. This growth helped Riverside to remain a top metropolitan area for exports in 2013.

“The Department of Commerce is dedicated to assisting U.S. firms meet the needs of global consumers while strengthening our economy and supporting jobs throughout the Riverside metropolitan area and our nation,” said Under Secretary of Commerce for International Trade Stefan M. Selig. “U.S. companies of all sizes are exploring the possible benefits of exporting, and looking beyond our borders to expand their customer base. More than 95 percent of potential consumers live outside the United States and crave the world-class products offered by American businesses.” According to international trade figures released today by ITA, 156 U.S. metropolitan areas exported more than $1 billion in merchandise in 2013. Thirty-three of the top 50 metropolitan areas for exports registered positive growth between 2012 and 2013 – with 26 reaching record export levels. Key merchandise export categories for the Riverside-San Bernardino-Ontario metropolitan area in 2013 included miscellaneous manufactures, transportation equipment, computer and electronic products, chemicals, and machinery. Canada, Mexico, Japan, the Netherlands, and China were the leading destinations for Riverside exports.

“Metro area exporters continue to find sales opportunities around the globe while boosting their bottom line and international competitiveness,” said Fred Latuperissa, director of the U.S. Commercial Service in Ontario. “We work with hundreds of businesses each year to help them navigate the avenues of exporting.” The Department of Commerce’s International Trade Administration works with American businesses of all sizes to identify export opportunities for their products and services to bolster President Obama’s National Export Initiative (NEI). A focus of the NEI is helping metropolitan areas identify regional strengths in order to increase their exports, boost the local economy, and create jobs for American workers.

For more information on exporting, contact the U.S. Commercial Service Export Assistance Center in Ontario at (909)951-2429 or visit export.gov/inlandempire

For more information on the impact of Metropolitan Statistical Areas on U.S. exports, including fact sheets for the top 50 exporting MSAs in 2013, visit www.trade.gov/mas/an/metareport/index.asp.

CT Realty Sold Industrial Building for $23.8 Million in Ontario

CT Realty (www.ctrinvestors.com) has sold a 386,598-square-foot industrial building in Ontario to PPF Industrial LLC, an affiliate of Morgan Stanley, for $23.8 million. Located at 1671 Champagne Avenue on a 5.27-acre site, the property is just east of Interstate 15 and south of Interstate 10 in the heart of the Inland Empire West industrial warehouse/distribution market and is served by the Union Pacific Railroad.

CT also announced that Bericap LLC, a global manufacturer of plastic caps and closures for beverage, food and non-food products with factories in 19 countries, signed a five-year lease valued at $2.5 million for 120,602 square feet at the Champagne building. Other tenants are Pacific Urethane LLC with 150,234 square feet and Precision Foam LLC with 115,756 square feet. Pacific Urethane manufactures polyurethane foam buns to supply mattress, bedding and furniture manufacturers. Precision Foam uses the space to fabricate foam products sold in the furniture and bedding industry.

The Champagne building features 39 dock-high positions, 28-foot minimum clear height warehouse space, eight Union Pacific rail docks, 4,000 amps of power to each side of the building, 30,000-

Riverside-San Bernardino-Ontario Metropoli-
tan area exported more than $1 billion in merchandise in 2013. Thirty-three of the top 50 metropolitan areas for exports registered positive growth between 2012 and 2013 – with 26 reaching record export levels. Key merchandise export categories for the Riverside-San Bernardino-Ontario metropolitan area in 2013 included miscellaneous manufactures, transportation equipment, computer and electronic products, chemicals, and machinery. Canada, Mexico, Japan, the Netherlands, and China were the leading destinations for Riverside exports.

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bound load levelers on each dock and abundant employee parking. CT completed a significant renovation and retrofitting program at the building after purchasing it in early 2011.

According to Marc Belluomini, executive vice president in charge of operations and asset management for CT Realty, “The sale of the Champagne building completes our repositioning strategy for this key asset. CT continues to aggressively seek large, industrial properties in the western Inland Empire and eastern Inland Empire submarkets which feature outstanding...
Stop Chasing Clients Once and For All: A Five-Day Plan to Bring Them to Your Doorstep

In Mark Satterfield’s “In the One Week Marketing Plan,” he explains exactly how to end this perpetual pursuit of new business and bring high-quality prospects to your doorstep.

Why It’s Important for Business Owners to Get Out of the Office and Participate in Conversations

Gabi Boko explains there are several benefits to leaving the office and participating in the impactful conversations conferences offer.

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Private Investor Pays $44k/Unit for Hemet Multifamily Property

Park Columbia Apartments, a 151-unit apartment community in Hemet, recently sold for $6.6 million, or $43.7k/unit. The property was purchased free and clear of debt by Srinivas Yalamanchili, a private investor.

Park Columbia is located at 201 South Columbia Street, approximately 75 miles from the junction of Highways 74 and 79 in Hemet. The two-building community is 95 percent leased and includes studio, one- and two-bedroom floor plans ranging between 385 and 830 square feet each. Community amenities include two swimming pools, two spas, grill area and expansive courtyards. Hunter Combs represented the seller. Pat Burger and Kara Mathis, also with HFF, placed the 10-year, fixed-rate acquisition loan with FNMA.

Newcastle Partners Buys 13 Acres of Development Land in Riverside

Newcastle Partners Inc has acquired 13 acres of land for industrial development in the city of Riverside. The site is located on Opportunity Way within Meridian Business Park, a 1,290-acre master-planned commerce center. With this latest acquisition, Newcastle Partners’ development activity within the park now totals 1.37 million square feet on 66 acres of land. Newcastle plans to develop a new speculative industrial distribution facility totaling 260k square feet at the site. Construction is anticipated to begin late this year with completion expected in the fall of 2015. Planned building features include: 32’ clear height, ESFR sprinkler system and a cross-dock design that includes up to 185’ truck courts. Upon completion, the value of the facility is estimated to be approximately $20 million.

This is the third phase of activity for Newcastle within Meridian Business Park. At the end of 2013, construction of Phase 1 was completed which included a 600k square foot, Class A distribution building. The firm recently finalized plans for Phase 2, a 510k-square-foot Class A distribution building. “The Inland Empire continues to set records for industrial absorption. The impact of e-commerce and increasing Port of Los Angeles traffic are some of the drivers pushing major corporations to continue aggressive expansion into the region. This ongoing level of activity is driving our focus on speculative development as the market doesn’t seem to have enough space to meet demand,” said Jackson Smith, who heads Southern California operations for San Francisco-based Newcastle Partners. “We’ve already had great interest in Meridian Distribution Center as the region provides all the strategic advantages that corporate users want today.”

Similar to the first two phases, this site offers excellent visibility and access to Interstate 215 providing strategic proximity to the greater Southern California region, air and rail hubs, and the ports of Los Angeles and Long Beach. Phil Lombardo and Chuck Belden with Cushman & Wakefield represented Newcastle on the land acquisition, as well as the seller of the land, LNR Riverside Holdings LLC. Lombardo and Belden are also responsible for leasing of the facility in addition to Newcastle’s Phases 1 and 2 at Meridian Distribution Center.

Guthrie Development Company Buys 221k Square Foot Ontario Biz Park

Airport Distribution Center, a

continued on page 9
The litany of prominent corporate failures in the last decade — Enron, WorldCom, Lehman Brothers, and so on — ushered in an increase in regulatory requirements for corporate governance. The result is that every year, companies spend tens of millions of dollars on incentive compensation, director salaries, audit fees, internal auditors, and compliance efforts to satisfy a long list of rules, regulations, and procedures imposed by legislators and the market.

It all raises a critical but too often overlooked issue: Would corporate governance improve if companies instead had fewer controls? Would shareholders be better off if organizations instead demonstrated more trust in employees and executives? Research suggests that the answer may be yes, and that companies might benefit by emphasizing trust over regulations. Indeed, high trust settings are characterized by less bureaucracy, simpler procedures, and higher productivity.

For starters, trust replaces the need for written contracts because the two parties commit in advance to abide by a set of actions and behaviors that are mutually beneficial. Both parties in a trusting relationship generally understand the limits of acceptable behavior even when these are not fully specified. And when trust is introduced into the environment, the motivations of each party are known and their behaviors are predictable. That means managers can spend less time monitoring employee actions, and employees can focus on their jobs rather than exerting additional effort simply to demonstrate they are compliant with the firm’s standards.

In the extreme case — utopia! — there would be a number of additional benefits to creating a more trust-centered environment.

First, the responsibilities of the board of directors could be significantly narrowed. Rather than balance advisory and monitoring obligations, the board would focus entirely on advising management on matters involving strategy, organizational design, and risk management.

Total board-related compensation, which averages $2 million per year among mid-sized companies, might be reduced.

Second, the external audit could become largely unnecessary. Rather than sample a large number of accounts for material misstatement and check internal controls for deficiencies, the external auditor would serve a much narrower role of clarifying the application of accounting standards when questions arise. Audit fees, which average $3.9 million among publicly traded companies, might also be greatly reduced.

Third, the internal audit function could also become unnecessary. Companies would not require an independent assessment of their accounts, controls, and procedures because employees would be trusted not to abuse the system. Instead, the accounting department would employ a small staff to check accounts for inadvertent errors. Head count in the internal audit department, which averages 288,000 employees worldwide, might also be reduced.

Compensation contracts could also be simplified. Most companies today offer an extremely complicated program of fixed and contingent payments that vest over short- and long-term time horizons to motivate specific employee behaviors. In a trust-based environment, such an elaborate program becomes unnecessary. Furthermore, companies would no longer have to pay the risk premium associated with contingent (risk-based) pay. Instead, companies would offer large fixed salaries, potentially supplemented with cash bonuses for those who achieve critical performance metrics.

Equity programs, which require a larger risk premium relative to cash programs, might be substantially reduced or even discontinued. And finally, companies could eliminate many of the bureaucratic checks and controls that are often implemented to prevent and detect legal or regulatory violations, such as bribes to win foreign business.

Instead, employees would self-monitor, with line managers responsible for reporting inadvertent legal or regulatory missteps to higher-level executives.

Several examples already exist of companies that demonstrate trust in their employees and managers, and benefit from these sorts of cost reductions. Berkshire Hathaway Inc. is renowned for granting considerable autonomy to the operating managers of its various businesses. This allows the company to maintain an extremely modest head count of only 24 staff at headquarters, despite having 288,000 employees worldwide.

Real estate company Keller Williams Realty Inc. maintains a strict “open books” policy. All agents within the company’s market centers have access to detailed information about the office’s revenues, commissions, and costs. This reduces the opportunity for theft, waste, or special dealings, and also the need for a robust internal-audit department.

Netflix Inc. is known for maintaining a high-performance culture rooted in the concept of “freedom and responsibility.” Employees are expected to work hard, take ownership, and put the company’s interests ahead of their own. In return, the company offers top-of-market salaries equivalent to the combined value of the salary and bonus offered by other firms. Netflix does not offer incentive bonuses, and equity compensation is granted only to employees who voluntarily request it as a portion of their compensation mix.

An emphasis on contracts to minimize self-interested behavior creates its own set of risks. It is impossible, for instance, to write a contract that specifies all behaviors. And strict enforcement of the terms of a contract has the unintended consequence of emphasizing the minimum amount of work required for an employee to satisfy his or her obligations and avoid punishment. A contract can therefore reduce, rather than increase, productive effort.

It is true that even a company that adopts a high-trust governance system cannot entirely eliminate the risk that its trust will be abused. Indeed, the downside is potentially amplified because the company will not have effective controls in place to deal with any breakdowns that take place. Such a situation might have occurred at Johnson & Johnson, which historically has maintained a highly decentralized management system. In 2009, this structure was challenged when the company issued the first of what eventually became three dozen product recalls due to faulty manufacturing in its consumer health care division. A Fortune magazine article blames the recalls in part on the McNeil division’s “wrenching cultural change, and a quality-assurance department that crumbled as its mistakes were overlooked.”

The key, then, is knowing where to draw the line between too much trust and too little formal corporate governance. Many of the regulations of the last decade were designed for the worst offenders, not for the everyday company. A question for regulators, policymakers, and business leaders is whether “average” companies should be presumed to be more “trustworthy” — and whether it is cost-effective to impose these same standards.
Charles Lee: Why Fair-Value Accounting Isn’t Fair

An accounting professor says shareholders need accountants to keep track of asset history, not to forecast future prices.

During the darkest days of the financial crisis, banks came under scathing criticism for using traditional accounting practices to minimize their massive losses tied to junk mortgages.

The culprit, according to many financial reformers, was the practice of valuing financial assets on the basis of their historical cost. Even if subprime borrowers were still paying on time, the critics said, their mortgages and the securities backed by them had become almost worthless on the open market.

Nobody wanted to buy them. To the critics, the banks were pretending that their capital was still strong when much of it had been wiped out.

To promote transparency, reformers have pushed banks and all other companies to embrace “fair-value” accounting — valuing assets on the basis of the current price they would fetch if they were put up for sale. It’s not just an issue for mortgage loans and bank balance sheets. Supporters of fair-value accounting would apply it to most other tradable assets, even patents.

Charles Lee, professor of accounting at Stanford Graduate School of Business, begs to disagree.

Fair-value accounting, he argues, goes against the fundamental purpose of accounting. It would actually inject more uncertainty into financial reporting and make life harder for shareholders. It might even create new opportunities for companies to cook their books.

In a combative keynote address at a London accounting conference last December, Lee argued that fair-value accounting confounds and confuses the core purpose of rigorous accounting. That purpose, he contends, is to provide economic history — an accurate report on transactions that have already occurred.

Market-value assessments represent something entirely different: collective forecasts about future returns. They embody the combined judgment of investors, buyers, and sellers about future cash flows, future growth, and future economic conditions.

Lee isn’t disparaging market valuations. In fact, he argues that the most important component of a company’s market value lies in shareholder expectations about its future earnings.

But the purpose of accounting isn’t to make those forecasts, he insists. The purpose is to give shareholders the tools they need to make their own forecasts.

“The market has come to rely on accountants as the keepers of economic history,” Lee declares. “As an investor, when I turn to financial statements, I want a trustworthy and interpretable account of what took place. As soon as we start to anticipate future exchanges, we are in a world of speculation. And unfortunately, given dysfunctional managerial incentives and other moral hazard problems, it is often a world of fiction.”

If one were to take the logic of fair-value accounting to the limit, Lee warns, why should investors even bother trying to measure earnings according to generally accepted accounting principles (GAAP)? Why not just report a company’s stock return in its annual reports and let the market take care of the rest?

Lee notes that shares of Apple Inc. plunged during 2013, even as the stock market was surging and even though the company reported its highest sales ever. Apple’s CEO, Tim Cook, insisted that the company had an “amazing” year, but investors were gloomy about its future. (Apple shares roared back in 2014.)

“Whose view better captures what happened to Apple in 2013?” Lee asks. “And whose view should be reflected in Apple’s GAAP financials?”

But what about the banks, which kept all those unsellable mortgage securities on their books at values far higher than they would ever have sold for during the financial crisis? The stock market’s judgment about Lehman Brothers was a much better guide to its fate than Lehman’s official balance sheet.

Lee doesn’t cede an inch on this. If anything, he says, current market values are even less reliable in a crisis, because panic dominates and nobody wants to buy anything.

“The mortgage crisis was a very unusual situation, because the market had frozen up entirely,” Lee said in a recent interview. “Under those types of settings it is very difficult to know what the fair market value of something should be. The idea of fair-value accounting is that you’re marking your asset to the price it would receive in the marketplace in a fair and orderly liquidation. But what does that mean if every bank in the market wants to sell?”

“Fair-value accounting has this wonderful seductive appeal, because that’s what the world thinks an asset is worth,” he continued. “People think market value is Truth with a Capital T. But it’s not.”

Indeed, there is at least one notorious case in which fair-value accounting was used as a tool of corporate fraud: the collapse of Enron Corp. Top executives at the energy-trading giant insisted on using fair-value accounting to artificially inflate the value of many of its energy-delivery contracts. The maneuvers have been detailed in books (see Power Failure: The Inside Story of the Enron Collapse) as well as in scholarly papers. Over the objections of Sherron Watkins, an Enron finance executive who later became a key whistleblower, the company used what is known as a “Level 3” approach to fair-value accounting. “Level 3” is a set of principles for determining the “market” value of assets in which there is no trading and hence no market.

The company relies instead on internal assumptions to estimate what prices would have been if there had been a market.

Lee is quick to caution that he is not arguing that fair-value accounting is inherently corrupt. “I think that many of my colleagues who support fair value sincerely believe they are taking the high road,” he says.

Nevertheless, he adds, Enron provides a vivid example of how fair-value accounting is hardly free from the kind of manipulation that critics have associated with historical-cost approaches. And while machinations over “Level 3” aren’t what ordinary people associate with fair-value accounting, that approach is permissible and reflects the goal of applying current “market” values wherever possible.

Lee doesn’t dispute that historical-cost accounting also has its flaws, or that corporations can try to game that system. But he says the proponents of fair value miss the point of accounting, especially for the purpose of helping shareholders divine truth. The “book value” of a company — its assets minus its liabilities — should almost always be lower than the company’s market value. That’s because a healthy company is worth more than the sum of its parts. It is an ongoing enterprise that generates extra returns.
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Five Most Active Stocks

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<tr>
<th>Company</th>
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<tr>
<td>Monster Beverage Corporation</td>
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<td>CVB Financial Corp.</td>
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<td>American States Water Company</td>
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<tr>
<td>Provident Financial Holdings, Inc.</td>
<td>16.75</td>
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<td>Simplicity Bancorp, Inc.</td>
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Monthly Summary

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Notes: (H) - Stock hit fifty two week high during the month, (L) - Stock hit fifty two week low during the month, NM - Not Meaningful

Morrell Legislation to Protect Funding for Senior Advocacy Group Becomes Law

Senate Bill 997 by State Senator Mike Morrell, R-Rancho Cucamonga, was recently signed into law by the Governor. The legislation will continue allowing taxpayers to donate to the California Senior Legislature through their filed state income tax forms. The new law is designed to secure needed funding for the senior advocacy organization.

Morrell said that SB 997 recognizes the influential role that the California Senior Legislature plays in the state’s lawmaking process. He pointed out that the group provides an important and unique voice on issues impacting seniors.

SB 997 replaces the existing “California Fund for Senior Citizens” currently on the state income tax form with the more specific “California Senior Legislature Fund.” The fund is one of several on a list of “tax check-offs” that provides Californians with the ability to easily donate to nonprofit organizations.

Voluntary contributions made through the state income tax form are the California Senior Legislature’s primary source of funding. Without SB 997, the California Senior Legislature would risk not meeting the minimum annual contribution threshold of $250,000 required to remain on the form. This measure clearly identifies the California Senior Legislature as the beneficiary.

California Senior Legislature Senior Senator Alice Loh of San Luis Obispo said SB 997 will give the organization an opportunity to continue raising the funds it needs to advocate on behalf of seniors throughout California. She expressed appreciation for Morrell’s leadership on the issue and the Governor’s decision to sign the bill into law. Loh believes SB 997 will ensure the group’s presence in Sacramento for years to come.

The California Senior Legislature is a volunteer body, established in state statute, whose primary mission is to gather ideas for legislation at the state and federal levels, craft the ideas into formal proposals, present them to members of the Legislature or Congress, and advocate for their implementation. The first session of the

Senator Mike Morrell

continued on page 30
Recently, a colleague asked me, “What was the most rewarding mistake you ever made in business?”

It’s a great question, and I quickly had an answer for him because it was an incredibly painful mistake. However, it proved to be an invaluable lesson that has served me well in the years since. I’m sharing so perhaps you can learn it the easy way.

The lesson: Don’t ever stop marketing because you think you’ve reached the point where you don’t need to. And, secondarily, believe the old adage that warns, “Don’t put all your eggs into one basket.”

There’s a story, of course! Years ago, my public relations company connected with a large publishing house that served many prestigious authors. The first few of its authors we accepted as clients had such successful campaigns, we quickly became the publicity firm of record for this publisher. I thought we’d tapped the mother load! The publisher kept a steady stream of clients flowing to us, and eventually, they became about 80 percent of our business.

We were so focused on delivering for these authors that we became much less focused on getting our company name out to prospective new clients. We slowly stopped marketing. Our newsletters ground to a halt. We didn’t waste time networking. We quit our efforts to get the same publicity for our company that we get for clients. Why bother? We didn’t need new clients!

We had a whole basket full of beautiful perfect eggs and we were happily skipping along with it.

And then … it broke.

The publisher ran into some serious problems with its investors and the business came crashing down. And guess who almost went with it?

Our eggs were cooked.

Faced with only a few clients and no prospects, we got busy fast and cranked up the marketing department (me!) again. It took awhile to regain the momentum we’d lost but, thankfully, we had a side business that could help pay the bills in the interim. Slowly but surely (this was before the age of social media, which really speeds things up), we built up a new list of prospects and clients – only this time from a diverse array of sources.

It was a terrible but powerful experience that demonstrated very clearly: No matter how great things seem to be going, you never stop marketing. It needs to be a constant hum because if that hum stops, you know there will be a big problem ahead.

I stopped marketing because I thought I had all the clients I needed. Over the years I’ve seen others make the same mistake but for different reasons. Here are a few:

One great publicity hit is a really bad reason to stop marketing. I’ve talked to people who believed if we could just get them on “The Oprah Winfrey Show” (before 2011) or “The Ellen DeGeneres Show,” that was all they’d need. They’d be done. Yes, a big national show can give you a tremendous launch, but you won’t keep soaring unless you do something to stay in the public eye. I guarantee you, there are plenty of people you never heard of who got their “big break” and then disappeared because they stopped marketing.

Most of us won’t get those huge hits – and that’s not a reason to stop, either. I haven’t been on “Oprah” but I often hear from prospective clients that I or my business was recommended to them by someone I’ve never met and don’t know. That’s what good, sustained marketing does. It may not always create fireworks, but that doesn’t mean it’s not working for you.

Yesterday’s story is old news. Look for fresh new ways to stay in the public eye. The publicity you get today can continue to work for you online, but eventually, it’s going to be old news. We encourage our clients to post links to their publicity on their websites; it shows visitors that they have credibility with the media. But if those visitors see only publicity and testimonials that are five or 10 years old, they’re going to wonder why no one’s been interested in you more recently.

Just as I put all my eggs in one basket by relying on one source for clients, it’s also a mistake to rely on just one marketing tool. Maximize the reach of the publicity you get in traditional media by sharing it on social media.

Put a blog, or other content you can renew and refresh, on your website. Write a book. Do speaking engagements (for free, if necessary). Your audience is likely not all huddled together in one corner of the world. To reach them, use a variety of marketing tools.

Whatever it is you’re promoting – your business, your product, your book, yourself – keep the momentum going.

If you want people to know you’re out there, you have to stay out there.
CONSTRUCTION INDUSTRY EMPLOYMENT HITS FIVE-YEAR HIGH AS SECTOR ADDS 20,000 JOBS IN AUGUST, UNEMPLOYMENT RATE DECLINES TO 7.7 PERCENT

Construction Employment Rising at Twice the Rate of Total Nonfarm Employment, But Latest Figures Underscore Growing Reports of Labor Shortages as Firms Struggle to Find Qualified Workers

Construction industry employment reached a five-year high in August as the sector added 20,000 jobs and its unemployment rate fell to 7.7 percent, the lowest rate for August in seven years, according to an analysis by the Associated General Contractors of America. Association officials cautioned, however, that the latest figures reinforce survey results the association recently released showing many contractors are having a tough time finding enough qualified workers.

“Construction employment growth has been accelerating and is broad-based,” said Ken Simonson, the association’s chief economist. “The increase in the past 12 months was the largest since 2006 and was spread among residential, nonresidential building and heavy construction.”

Construction employment totaled 6,068,000 in August, the highest total since May 2009, with a 12-month gain of 232,000 jobs or 4.0 percent, more than double the 1.8 percent growth rate for total nonfarm employment, Simonson noted. Residential building and specialty trade contractors added a combined 13,200 employees since July and 123,100 (5.7 percent) over 12 months. Nonresidential building and specialty trade contractors hired a net of 5,500 workers for the month and 76,200 (2.8 percent) since August 2013. Heavy and civil engineering contractors increased their headcount by 900 in August and 32,400 (3.7 percent) over the year.

“These job numbers, along with data this week on construction spending in July and reports from the Federal Reserve and the Institute of Supply Management, point to continued recovery by the construction sector,” Simonson commented. “However, the fact that the number of unemployed experienced construction workers is now at the lowest August level since 2007 means more contractors may soon have trouble filling key positions.”

The number of workers who said they looked for work in the past month and had last worked in construction fell to 678,000 in August. That was lower than in any August since 2007, when many contractors were forced to delay projects because they couldn’t find qualified workers.

Even as association officials welcomed the relatively positive employment figures, they noted the data reinforces the findings of a new survey the association conducted with SmartBrief that found two-thirds of contractors are having a hard time finding qualified workers. The same survey also found one-in-four firms have passed on projects because of labor shortages. They urged elected officials to act on the measures the association outlined in its Workforce Development Plan to make it easier to establish career and technical education and training programs.

“As contractors are starting to find it is easier to get work, it is becoming increasingly difficult to hire qualified workers,” said Stephen E. Sandherr, the association’s chief executive officer. “We need to make it easier for schools, local associations and private firms to establish programs that expose students to, and prepare them for, high-paying careers in construction.”

Fifth Annual Inland Empire Economic Forecast Conference
to be held on Wednesday, Oct. 29, 2014 at Citizens Business Bank Arena in Ontario
Presented by Citizens Business Bank and Hosted by Claremont McKenna College and UCLA Anderson Forecast

Leading Economists Present Breaking News on Regional Employment Data
National, State and Inland Empire Forecasts Include Important Economic Development Updates

Expert Industry Perspective Panelists Discuss Business, Government and Real Estate in the Inland Empire

Tickets are now available for the 5th annual Inland Empire Forecast Conference on Wednesday, Oct. 29, 2014 from 7:00 am to 10:15 am at Citizens Business Bank Arena located at 4000 East Ontario Center Parkway, Ontario. Tickets are $95 (table of 10 is $750). Space is limited. For additional information and to register, email contact@InlandEmpireCenter.org or visit www.inlandempire-center.org.

Conference Schedule:
7:00 am  Registration and Breakfast Begins 8:00 am to 10:15 am Conference

The conference is presented by Citizens Business Bank and hosted by the Inland Empire Center, a joint venture between the Lowe Institute of Political Economy and the Rose Institute of State and Local Government of Claremont McKenna College (CMC), and UCLA Anderson Forecast. This year’s Inland Empire Economic Forecast Conference delivers breaking regional employment news by Manfred Keil, associate professor of Economics at the Robert Day School of Economics and Finance at Claremont McKenna College. “The good news is the Inland Empire has finally recovered all those jobs lost since September 2007,” explains Keil.

His presentation includes more on employment and important economic updates for both Riverside and San Bernardino counties based on key economic indicators. This is news that the Inland Empire business and community leaders and government officials want to know.

Edward Leamer, director, UCLA Anderson Forecast, presents the national and California economic forecast derived from the latest 2014 3rd quarter data. Business, government and real estate industry perspective panelists include Gary Ovitt, San Bernardino’s Fourth District Supervisor and cur-
August 2014 Summary of U.S. Labor Market

LAEDC Kyser Center for Economic Research

Unemployment Rate & Labor Force – August 2014

The U.S. unemployment rate inched down to 6.1% in August from 6.2% in July, and also fell compared to the rate of 7.2% from a year ago.

- Household employment rose by 16,000 last month, while the labor force decreased slightly (-64,000 or -0.1%). Taken together, these changes account for the slight decline in the unemployment rate.

- The labor force participation rate edged down to 62.8% from 62.9% last month. It was also down from 63.2% a year ago.

- The rate has averaged 62.9% so far this year. By comparison the annual rate of labor force participation was at 66.0% prior to the recession, fell to 63.7% two years ago in 2012, and was 63.3% in 2013.

While the headline unemployment rate was 6.1%, the more comprehensive U-6 rate was 12.0% compared with 12.2% in July. The U-6 rate was 1.6 percentage points lower than it was a year earlier when it was 13.6%. This measure of unemployment includes discouraged workers, part-time workers who would like to work full time and other categories of distressed workers.

- The percentage of long-term unemployed (over 27 weeks) was down significantly over the year, but was up slightly compared with July.

- August 2014: 31.2% of all unemployed
- Prior Month: 32.9%
- Same Mo, Prior Yr: 38.0%
- Since 1990, the percentage of long-term unemployed has averaged 22%. This figure exceeded 45% during the worst of the recession.

The U.S. labor force was 155,959,000 in August, down 64,000 month-to-month, but above last year’s level by 524,000 or 0.3%.

The labor force has increased on average by just over 0.2% YTY for the first eight months of this year, and has grown in all but two months of this year.

The total number of employed stood at 146,368,000 in August, an increase of 16,000 compared with July and up by 2.19 million (+1.5%) compared with a year ago.

- Total employment peaked in November 2007 at 146,595,000, which means the August figure was 227,000 below the pre-recession peak.
- At the present rate of job creation, employment as measured by the household survey will surpass the pre-recession peak late this year or early next year.

The employment to population ratio was unchanged over the month at 59.0, but was up from August of last year when it was 58.6.

Nonfarm (Wage & Salary) Jobs – August 2014

The August nonfarm job count was 139,118,000, a new record high.

The economy added 142,000 nonfarm jobs month-to-month (MTM), the smallest monthly gain of the year. The June MTM change was revised down to 267,000 jobs (from 298,000), while the July change was revised from 209,000 jobs to 212,000. With these revisions, employment gains in June and July were 28,000 lower than previously reported.

- With these revisions, nonfarm employment grew by an average of 215,000 jobs per month during the first eight months of this year, outpacing the 197,000 average monthly job gain over the same period last year.
- Nonfarm jobs in August surpassed the prerecession peak of 138,365,000 in January 2008 by 753,000.
- On a year-to-year basis, the economy added 2.48 million jobs, an increase of 1.8% YTY, which was faster than the average rate of growth over the past two years of 1.7%.

The private sector added 134,000 jobs MTM, hitting a new high of 117,221,000. Private sector jobs rose by 2.1% YTY while jobs in the government sector rose by 0.2% (44,000). Decreases at the federal level were more than offset by gains at the state and local level.

Every private industry super-sector except for information added jobs YTY in August, with most seeing MTM gains as well. The public sector experienced a modest gain. Of the 2.48 million jobs added year-to-year:

- The largest YTY gains occurred in professional and business services (+639,000 jobs or 3.4%) with about one-third of the increase occurring in temporary employment (214,900 jobs), but other categories such as professional and technical industries, which saw employment expand by 230,500 jobs or 2.8%, also contributed to the gains.
- Employment in the trade, transportation and utilities industry expanded by 529,000 jobs (2.0%) with most of the gains occurring in retail trade (248,200 jobs).
- Leisure and hospitality grew by 345,000 jobs (2.4%), mostly due to gains in food and beverage establishments (289,200 jobs or 2.8%).
- Other noteworthy increases include health care (336,900 jobs or 1.9%) and construction (232,000 jobs or 4.0%). The manufacturing sector added 168,000 jobs (1.4%), most of which were concentrated in durable goods (154,000 jobs).
- Despite recent gains in construction, industry employment is still 1.65 million jobs shy of its prerecession peak.

There were new record high levels of employment last month in the following super-sectors: Mining and logging, professional and business services, education and health, leisure and hospitality.

Highlights Related to the Southern California Economy

Looking at sectors that are important locally:

- Nationally, there were 308,200 jobs (not seasonally adjusted) in the motion picture and sound recording sector in August, down 27.7% from 335,900 a year ago. Motion picture and sound recording employment has declined in year-to-year terms each month of this year, mainly due to decreases in motion picture and video production employment.
- In contrast, motion picture and sound recording employment in Los Angeles County has increased year-to-year, the latest month being July when employment rose by 6.1% YTY from 120,500 jobs in July of last year to 127,900 jobs this year.
- Transportation and warehousing and wholesale trade are both important components of the national and local transportation and logistics industry. Nationally, transportation and warehousing added 151,600 jobs (up by 3.4%), while wholesale trade added 125,400 jobs (2.2%). Locally, the transportation and warehousing sector was up by 2.1% over the year in July (3,100 jobs), while employment in the local wholesale continued on page 12
U.S. Labor... continued from pg. 11

trade industry declined by 1.2% over the year.

Among the manufacturing sectors that are important to the local economy, fabricated metal products, food manufacturing, and petroleum and coal products employment increased YTY; while employment declined YTY in computer and electronic products, and apparel.

Real Estate... continued from pg. 9

talized private equity fund with an over $1 billion recent fund raise.

First Industrial Acquisitions Inc Buys 225k-Square-Foot Moreno Valley Industrial Facility

First Industrial Acquisitions Inc, out of Chicago, paid $9.98 million for a Class A, 225k-square-foot ($44/sf) warehouse/distribution building in Moreno Valley. The building is located at 16875 Heacock Street, on the grounds of the March Air Reserve Base within the larger airport-related development known as the March Inland Port.

The property was sold by CT Realty who, in June 2013 signed a five-year, $3.7 million lease agreement with DDI Distributions Inc. DDI Distributions provides warehousing and distribution services and currently leases 100 percent of the building. Located on a 14-acre site, the Heacock facility features 32 dock doors (all with full dock packages), 32-foot minimum clear height, 190-foot concrete truck courts, 142 trailer parking stalls and ESFR sprinkler systems. The property sits on the east side of the air base across the street from a large Lowe's facility.

“Heacock is a great example of our investment strategy in large industrial properties that service the logistics industry in Southern California,” said Marc Belluomini, executive vice president in charge of operations and asset management for CT Realty. “Investment opportunities for large distribution properties, especially as they support the twin ports of Los Angeles and Long Beach, are of primary interest to CT. Moreover, we have a long history in the Inland Empire and will continue to seek outstanding investment and development opportunities in the region.” CT Realty and First Industrial Acquisitions were... continued on page 19
Technology has made it possible to do just about anything without ever having to leave the office or home, which is great for convenience’s sake but diminishes the perceived necessity for human interaction. Busy business owners are guilty of saving time with technology but sacrificing human contact, especially when it comes to attending conferences, an opportunity to be a part of a greater business conversation. Business owners rationalize skipping out on these hosted conversations because they are afraid to take time away from their business, and are complacent with being online spectators – streaming content and following on social media. However, there are several benefits to leaving the office and participating in the impactful conversations conferences offer:

Networking

Even in a world connected by technology 24/7, nothing beats the power of a face-to-face conversation. We don’t meet new people and we don’t make impactful, authentic connections by sitting in our office, browsing through LinkedIn. Conferences and networking events gather like-minded individuals in similar fields, interested in the same answers and looking to solve the same problems. Many people attend conferences just for the networking opportunities alone. By making an effort to actively participate in the conversations a conference has to offer, we build stronger relationships and make more meaningful connections with our peers, thought leaders in the industry and potential clients. That face-to-face interaction and exposure is important to building relationships and definitely not something we can achieve by staying at the office. One networking tip: be real; don’t try to sell yourself or your product instantaneously. Don’t be the person that goes from person to person, passing out business cards – that’s like the in-person version of adding seemingly random contacts to your LinkedIn network.

Business Development

Conversations are a great tool in helping us grow our business because there are numerous opportunities to meet potential clients, partners and investors. Face-to-face connections with current and potential customers can strengthen sales, align marketing efforts and cement partnerships. A business development strategy should be created to make it easier to capitalize on networking opportunities, before the event even starts. We need to be reaching out to potential clients and partners that we know will be in attendance, to set up meetings. We can make plans to take current clients out for dinner to show our appreciation. This way we take advantage of being in the same place at the same time and maximize the occasion to make a face-to-face connection.

Learning

Panels and speakers teach us important information about a particular industry, best practices, trends and new tools to help run our business. We also have the opportunity to learn from keynote speakers who motivate us with anecdotes of their trials and tribulations, while offering us advice on how to best succeed. The purpose is to motivate and teach something valuable, so it’s important to make sure to attend panels and discussions. In fact, we should be taking notes, and thinking of ways we could apply all that we have learned to helping grow our businesses. Most people don’t think about staying around afterwards and speaking to panelists, asking questions and making a connection. Conferences will provide many opportunities for us to learn and educate ourselves, what we do with that knowledge is up to us.

Trends

Product launches, breaking news or exciting announcements are the norm for conferences. Those who attend can learn about new industry trends, best practices and what to expect in the coming years – before anyone else does! If we move quickly, we can become pioneers in the industry. We must capitalize on these trending topics and make sure we are part of the social media conversation. It’s also important to share and apply what we learned as soon as we get back to the office.

Thought Leadership

Above and beyond product announcements, conferences are a time when leaders of an industry gather to host conversations around the issues that businesses are facing and often the industry from a macro point of view. These are the conversations that shed light on the direction in which an industry is headed. Thought leaders are viewed as experts in their field and the conversations that take place at conferences can be aspirational and inspiring. You can’t get that from staring at a computer screen for eight hours. Once we start attending more conferences, we will begin to be recognized. This type of exposure is important to drive business growth, raise awareness and eventually help us position ourselves as thought leaders in the

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Continued on page 30
Stop Chasing Clients Once and for All: A Five-Day Plan to Bring Them to Your Doorstep

Tired of constantly chasing clients and seeing only poor results? Mark Satterfield offers a way to end your exhausting pursuit and get prospective clients to reach out to you. Learn more about the One Week Marketing Plan.

In theory, if you want a new client, all you need to do is make your case and ask for the business, again and again and again. Does that approach work? Well...sort of. Ask enough people and eventually someone will say “yes.” But in the process, you run yourself ragged. The time and energy you spend chasing clients could go toward improving other areas of your business.

Worse, you end up on a demoralizing “feast or famine” rollercoaster—constantly in flux—where business is either booming or business is a bust.

“Too many companies rely on existing clients to send new business their way,” says Satterfield, author of the new book “The One Week Marketing Plan: The Set It & Forget It Approach for Quickly Growing Your Business.”

“This strategy subjects you to the whims of fate. You’re at the mercy of whatever random company happens to come knocking. You must stop what you’re doing and chase the new lead, whether they’re really right for you or not. It’s exhausting—and, frankly, not very effective.”

In The One Week Marketing Plan Satterfield explains exactly how to end this perpetual pursuit of new business and bring high-quality prospects to your doorstep. He lays out a step-by-step, “set it and forget it” system entrepreneurs and small business owners can put in place in just five business days. And with his five-point philosophy, he dispels what so many business owners think about marketing:

1. Marketing doesn’t have to be expensive, time-consuming, or confusing.
2. You can have a highly effective marketing system up and running, doing what it’s supposed to be doing in a week.
3. The key is to focus on a system rather than a series of unconnected activities.
4. Ultimately, successful marketing is all about developing relationships first and selling things second.
5. Anyone can do this.

“We’re told marketing is hard,” says Satterfield. “That it requires weeks of brainstorming, months of analysis, and years of consistent implementation. To succeed in marketing, you need the fortitude of General Patton, the genius of Don Draper, and the cash reserves of Warren Buffett. Wrong. One week. That’s all it takes for most businesses to dramatically improve their marketing.”

If you’re ready to stop chasing clients and get them to come to you, read on to learn more about Satterfield’s One Week Marketing Plan. (Of course, in reality it may take you more than a day to execute each major step. And if it takes a bit longer, that’s not a problem. Just make sure you don’t let inertia place its hold on you.)

**DAY ONE: Choose Your Niche Market.**

In 2009, Matt Sonnhalter switched the focus of his advertising and marketing agency from B2B industrial manufacturing accounts to working only with companies that sell products to professional tradesmen. To further set itself apart, Sonnhalter Advertising created a new category of business: Rather than be a B2B company, of which they would be one among thousands, Sonnhalter dubbed itself a B2T or “business-to-tradesmen” agency. This niche focus has had a tremendous effect. It has brought in many new business leads, attracted business from large global brands, and earned Sonnhalter a spot on BtoB magazine’s top agency list from 2009–2012.

Finding his niche gave Sonnhalter access to a well-spring of business,” says Satterfield. “Many businesses resist niche marketing because they think focusing on a niche will mean they’ll miss out on opportunities outside of that particular area. But the truth is, focusing on a niche helps you stand out from your competition and eliminate many of the potential objections people have about doing business with you. In short, the key to attracting lots of new clients is to have a marketing message that speaks directly to a specific group.

“When it’s time to choose your niche, the best place to start is with your current list of clients,” he adds. “Look for common industries and functions, whether one group is spending more on your services than another, who’s easier to sell to, who you enjoyed working with, and so on. Building on your current strengths is one of the easiest ways to become the predominant expert in a particular area.”

**DAY TWO: Create Your Free Offer.**

Once you’ve chosen which niche market to target, it’s time to draw them in. A great way to do that is by giving them information they want in the form of a free report. Your free report is the first step in the client attraction process. It serves two purposes. First, it helps you build credibility and trust with prospective clients. Second, it allows you to provide prospective clients with enough information that they believe you know what you’re doing but not so much that they can do whatever they need without hiring you.

The first step to writing your free report is to choose an attention-grabbing subject. Here’s what you want to consider: What’s the biggest area of pain for your target audience? What are they most afraid of? What are they most curious about knowing? As you develop the content of your report, Satterfield recommends carefully balancing how much information you include. He says the best formula to follow is to tell your readers what to do and what not to do, but not precisely how to do it. Then, top it off with a compelling title.

“If you still need proof that this works, consider that it greatly improved the business of an online perfume retailer,” says Satterfield. “What could an online perfume seller possibly give away for free online to draw in customers? After all, you can’t download digital scents! No need, because this business owner knew his customers. He knew most online perfume buyers fear paying for an expensive perfume but being sent a cheap imitation. So, the owner wrote a free report, ‘20 Ways to Spot a Fake Perfume.’ And it changed his business. He now has an email list with 18,000 subscribers, 5,000 friends on Facebook, and more than 100,000 Twitter followers.

“Now, you might be thinking, I’m a business owner, not a writer! There’s no way I can write a compelling free report,” he adds. “For those who feel they can’t do it, I do recommend continued on page 24
The new iPhone 6 has been announced. iPhone 6 will have a screen measuring 4.7 inches, while the iPhone 6 Plus will be 5.5 inches. In both cases, app developers will be able to design apps that can be viewed differently when the phone is held horizontally.

Apple also introduced a system for using the phone to make credit card payments at retail stores. Called Apple Pay, it is based on the NFC function (Near Field Connection), which already exists in other devices. In fact most of what Apple is calling NEW in the 6 is available as an app already.

That did not stop fan boys who were camping out long before the announcement was scheduled. And even longer before the unit was available. eBay had ads for the unit available from private sources only a couple of days after the announcement with price tags up to $5,000. As for the iPhones, which still represents the main source of Apple’s profits, larger models should help the company compete with Android devices.

Here is part of what we know so far. The iPhone 6 will have a 4.7-inch screen, while the iPhone 6 Plus will be 5.5 inches. The screen resolution on the Plus version will be sharper than previous iPhones, at 401 pixels per inch rather than 326.

With the larger screen comes a new horizontal view of the home screen. Usually, icons are stacked vertically, even when the phone is turned horizontally. App developers will also have new tools to rearrange their content to take advantage of that larger screen.

The new phones aren’t as big as Samsung’s latest flagship phones but they will be large enough to neutralize a key advantage Samsung and other Android manufacturers have had. Notably, Samsung’s Note phone isn’t getting bigger this year. Last year’s Note 3 was 5.7 inches. Instead, Samsung is emphasizing other hardware features, such as a sharper screen. It’s also releasing a model with a curved edge to display weather, time and other information on the side of the phone.

Apple says the new phones will be faster and have better battery life than previous versions. Of course, some people still use their phones to actually make calls. When there’s poor cellular reception, people will be able to make regular calls over Wi-Fi. The handoff between the two networks will be seamless.

The resolution on the camera is staying at 8 megapixels, while rival Android and Windows phones have been boosting that. The S5, for instance, is at 16 megapixels. However, the megapixel count is only one factor in what makes a good photo. Apple says it is putting in new sensors for better shots.

Apple is also improving a slow-motion video feature by allowing even slower shots. The camera will be able to take 240 frames per second, double what’s in last year’s iPhone 5s. Normally, video is at 60 frames per second. As I said, Apple is calling its new payment system Apple Pay. Many companies have tried to push mobile payment services, but none has caught on widely. For security, your card number is stored only on the device. Each time you pay, a one-time card number is created to make the transaction.

The audience erupted with cheers with the announcement of Apple’s upcoming smartwatch. It’s called the Apple Watch, rather than the iWatch that many people had been speculating. Consumer electronics companies have yet to demonstrate a compelling need for smartwatches, while bracelets have largely been niche products aimed at tracking fitness activities. Apple’s device looks to change that.

Consider the company’s track record: Music players, smartphones and tablet computers existed long before Apple made its own versions. But they weren’t mainstream or popular until the iPod, iPhone and iPad came along. Under Steve Jobs, Apple made those products easy and fun to use. Much of the interaction would be through the dial on the watch, which Apple calls the digital crown. You use that to zoom in and out of a map, for instance, so you’re not blocking the screen, which would have occurred if you were pinching in and out to zoom.

The new watch will come in a variety of styles and straps, with a choice of two sizes. Watches from competing vendors have been criticized for being too big for smaller arms. The watch will require one of the new iPhones or an iPhone 5, 5s or 5c. It will not be available until early next year at a starting price of $349.

Though much of the attention has been on new gadgets, the software powering those gadgets is getting its annual refresh. Apple considers iOS 8 to be its biggest update since the introduction of the app store in 2008.

Existing iPhone and iPad users will be eligible for the free upgrade, too. Apple takes pride in pushing existing customers to the latest software, allowing app developers to incorporate new features without worrying about abandoning existing users. With Android, many recent phones can’t be upgraded right away because of restrictions placed by manufacturers and wireless carriers.

David Letterman says the iPhone is like President Obama’s hair. Every year it gets thinner and lighter. ‘Nuf said.

California to Lose 18,000 Jobs in 2015 Due to “Hidden Gas Tax”

New economic analysis shows low-income Californians hit hardest by higher gas prices and job losses

The “hidden gas tax” scheduled to hit California drivers on Jan. 1, 2015 will result in a net reduction of nearly $3 billion in economic output and 18,000 jobs in the first year alone, according to an economic analysis released by the California Drivers Alliance. According to the analysis, conducted by Dr. Justin L. Adams of Encina Advisors, there is also a nearly one-in-five chance that allowance prices in California’s cap-and-trade system could be 300 percent higher than expected, meaning economic losses could skyrocket to $10.8 billion and 66,000 jobs in 2015.

“The consensus among economists is that the costs to purchase emission allowances for gasoline and diesel starting next year will have a significant impact on consumers at the pump,” said Dr. Adams. “As a result, placing fuels under the cap-and-trade system places an additional burden on California households, lowering their income and resulting in reduced economic activity and widespread job losses. The only question is how high will the allowance prices be next year and beyond.”

Figures from the U.S. Bureau of Commerce showed that gasoline prices in California are 30 percent higher than the national average last year, costing the average commuter nearly $400 more than the national average. Continued increases in gasoline prices have resulted in gasoline prices that are now 39 percent higher than the national average.

The new analysis shows that these higher gasoline prices will result in a net reduction of nearly $3 billion in the state’s economic output — and 18,000 jobs — in 2015. The analysis also shows that the highest gas prices will occur in the first three months of 2015, resulting in a net reduction of nearly $1 billion in the state’s economic output and 5,500 jobs in the first quarter of 2015.

The analysis shows that low-income Californians, who already pay the highest gasoline prices, will be hit the hardest by this “hidden gas tax.” The analysis also shows that this “hidden gas tax” will cost the state more than $2 billion in lost economic activity and 8,500 jobs in 2015, with low-income households suffering the highest economic losses.

The analysis also shows that the new allowance prices are unlikely to fall below $55 per metric ton of carbon dioxide equivalent in 2015, which is 300 percent higher than the state’s current allowance prices.

The analysis concludes that the new allowance prices are likely to be well above $55 per metric ton of carbon dioxide equivalent in 2015, which is 300 percent higher than the state’s current allowance prices.

The analysis also shows that the new allowance prices are likely to be well above $55 per metric ton of carbon dioxide equivalent in 2015, which is 300 percent higher than the state’s current allowance prices.

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A STARTUP OR STABILITY: WHAT DO TECH PROFESSIONALS WANT?
Survey Reveals 84 Percent of Tech Pros Favor Midsize or Large Companies to Startups

Working at a fast-paced start-up venture may seem exciting, but many information technology (IT) professionals would prefer stability, a new survey by Robert Half Technology shows. Only 16 percent of IT professionals polled said they would seek out work at a startup if given the choice. Instead, a majority (60 percent) of respondents said they would prefer working at a midsize firm, primarily because they believe these businesses provide structure and stability, and also the opportunity to innovate. Nearly a quarter (24 percent) would choose to make their living at a large company.

The survey was developed and conducted by Robert Half Technology, a leading provider of IT professionals on a project and full-time basis, and includes responses from more than 2,300 workers in North America.

IT professionals were asked, “If you had your pick of employers, would you prefer to work at a startup, midsize or large firm?” Their responses:

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<tr>
<th>Midsize firm</th>
<th>Large firm</th>
<th>Startup</th>
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<td>60%</td>
<td>24%</td>
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The 60 percent of respondents who said they would prefer working at a midsize firm gave the following reasons for their choice:

| Structure and stability, but still opportunity to innovate | 51% |
| More opportunity for career growth | 26% |
| Enjoy corporate culture of midsize firm | 17% |
| Better earnings potential | 5% |
| Other | 1% |

Added Reed, “Regardless of the company size, the key is to find an organization that encourages professional growth. Job seekers should look for opportunities that build upon their strengths and skill sets while broadening their industry knowledge. For new graduates, it’s helpful to network and seek out informational interviews at many different types of companies to determine the best fit for their personality and learning style.”

Thrivent CEO to address Seventh Annual Faith-Based Small Business Summit

AmPac TriState CDC is teaming up with sponsors Thrivent Financial and California Bank & Trust, along with supporting partners the U.S. Small Business Administration (SBA), the IE Small Business Development Center, the IE Women’s Business Center, KSGN 89.7 FM Family Friendly Radio Station and a host of other friends to host the Seventh Annual Faith-Based Small Business Summit on Oct. 23, 2014 at the newly renovated Riverside Convention Center.

With a theme of “Winning Systems to Start, Grow and Exit Your Business,” the Faith-Based Small Business Summit will feature community and business leaders, as well as local resource providers who will share their experiences and insights on leveraging cutting-edge systems and innovative technology to start and expand their small businesses, as well as initiate an exit strategy. As part of this informative faith based event, SBA’s resource partners will be available to provide access to free business development programs available in San Bernardino, Riverside and Orange Counties.

The interactive event will offer guest speakers and workshops to provide aspiring or existing small business owners with the knowledge they need to increase sales, access capital and necessary resources to start and grow a business.

The keynote speaker, Brad Hewitt, president & CEO of Thrivent Financial, one of the nation’s largest not-for-profit Fortune 500 financial services membership organizations in the country, will discuss the company’s brand promise, “Connecting Faith & Finances for Good.” During lunch, an inspiring awards ceremony will feature the winners of the Faith & Business Connection Awards.

The summit is geared toward individuals already in business or those entrepreneurs interested in starting a business. Attendees will have an opportunity to gain valuable business advice and to network with other small businesses and resources. This event will also be a forum for small businesses interested in gaining access to capital to exchange ideas and meet with representatives from the local lending community.

WHAT: “Seventh Annual Faith-Based Small Business Summit: Winning Systems to Start, Grow and Exit Your Business”
WHEN: Thursday, Oct. 23, 2014
WHERE: Riverside Convention Center, 3637 5th Street, Riverside, CA
HOW: Space is limited. Register today at www.ampac.com

Bradford L. Hewitt
Recent economic statistics are encouraging. The big headline, of course, is the Bureau of Economic Analysis’ estimate that the U.S. economy grew at a 4.0% annual rate in the second quarter. Since the end of the recession in June 2009 we have seen only two stronger quarters. The surge in activity was particularly welcome given that the economy had contracted at a 2.1% annual rate in the first quarter, a figure the BEA revised upward from its earlier estimate of a 2.9% contraction. The BEA also revised upward its estimates of growth for the third and fourth quarters of last year, indicating that the economy has now grown at an average rate of nearly 2.5% over the past 12 months—slightly better than the 2.2% it has averaged since the end of the recession.

The latest report from the Bureau of Labor Statistics also was encouraging, with nonfarm payrolls growing by 209,000 in July, the sixth consecutive month in which job gains exceeded 200,000. While the unemployment rate rose to 6.2% from 6.1%, it was due to more people entering the workforce rather than fewer people working. Job openings also have jumped up over the last couple of months and now rival the number of positions that were available at the peak in 2007, before the last recession. Finally, the number of people claiming jobless benefits also has dropped to 2007 levels. Initial unemployment claims, a leading economic indicator reported weekly, have actually fallen below the average pre-recession level we saw in 2007.

Despite these improvements there remains significant slack in the labor market. The number of people working part time who would like to work full time, and the average length of unemployment for those who have not found jobs, both remain high. In addition, the labor participation rate—the percentage of people working or looking for work—has improved only modestly for people in their prime earning years. If there is a silver lining to this story, it is that there is plenty of capacity in the labor market to support significantly more economic growth.

The Conference Board’s Leading Economic Indexes continue to rise for all major economies except Japan. Conference Board economists note that broad-based increases in the LEI in the U.S. over the last six months “signal an economy that is expanding in the near term and may even some-what accelerate in the second half.” They add that housing permits—the weakest indicator during this period—reflect some risk to the improving outlook, but “favorable financial conditions, generally positive trends in the labor markets and the outlook for new orders in manufacturing have offset the housing market weakness over the past six months.”

One of the best leading economic indicators is the slope of the yield curve—the line plotting the difference in interest rates for bonds of similar quality as their maturities lengthen. Under normal conditions, the yield curve rises as you go out on the maturity scale. Since 1955 there has never been a recession in the U.S. without the yield curve flattening or inverting. There is no hint of this happening right now.

Our forecasts call for near-term economic growth at a 2% to 3% annual pace in the U.S. and the U.K., a 1% to 2% pace in the Euro area, a 7% to 8% pace in China and 0% to 1% pace in Japan. As I have noted in the past, I am pessimistic about Japan’s long-term prospects because of its significant government debt and demographic challenges.

Monetary Policy
Since November 2008 the Federal Reserve has purchased trillions of dollars of bonds and other fixed-income securities to help keep interest rates low. The Federal Open Market Committee, the branch of the Fed that determines monetary policy, is on track to conclude

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Irrational...

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the Fed’s latest bond-buying program by the end of this year. This comes as the committee and some of its members have begun expressing concern about financial market excesses and complacency about risk among investors.

In an opinion piece in the The Wall Street Journal, for example, Dallas Fed president and FOMC committee member Richard Fisher, who has long been a critic of loose monetary policy, said the Fed is witnessing financial excess of its own making. “I believe we are at risk of doing what the Fed has too often done: overstaying our welcome by staying too loose, too long,” he explained. These concerns have fueled a debate within the Fed about whether short-term interest rates should be lifted earlier in 2015 rather than later. Regardless of when it acts, it would be hard to argue that current policy has not been extraordinary. Our model of Fed behavior indicates that under normal circumstances the Fed would be targeting short-term rates of about 3% right now rather than the essentially 0% rate that has been in place for several years.

The Bottom Line

News of the economy’s strong growth in the second quarter was a relief following the first-quarter contraction. With that good news, a strong employment report and encouraging leading indicators, it may seem surprising that the stock market has experienced what feels like a sharp correction. Even though the Standard & Poor’s 500 Stock Index has declined less than 43% from its recent peak, news reports have focused on the slightly smaller larger decline in the Dow Jones Industrial Average—a decline that was nonetheless sufficient to wipe out all of that index’s gains for the year. By contrast, the S&P 500 was still up nearly 5% and earnings up nearly 11%. Of course, some would argue that strong earnings growth is necessary to justify the stock market’s relatively high valuations.

As discussed above, the economic environment is generally good; however, I share the Fed’s concerns about complacency. Prices for financial assets are high, arguably making them susceptible to interim corrections. The St. Louis Fed publishes a Financial Stress Index that is a good indicator of how much investors are being paid to take risk. It is now at the lowest level in at least 20 years, yet another indicator that the markets could be vulnerable to a correction.

Some of the recent Fed comments remind me of Alan Greenspan’s talk of “irrational exuberance” in December 1996, when the former Fed chairman was worried about the health of the financial markets. The stock market actually continued climbing for the next three years...
CSUSB...

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North America, Europe and Oceania.

To become a full member in CLADEA, applicants must be an institution of higher learning dedicated to teaching and research in business administration and ancillary disciplines. The institution must offer post-graduate studies that lead to a master’s degree and also be accredited by the university system in its home country.

CSUSB’s College of Business and Public Administration is a member in good standing with its accrediting body, the Western Association of Schools and Colleges (WASC), and with its business accreditation, the Association to Advance Colleges and Schools of Business (AACSB), Rose said.

The relationship with CLADEA is already increasing visibility for Cal State San Bernardino. Kimberly Collins, an associate professor of public administration, was invited to present her research paper at the 49th International Conference and Assembly of CLADEA in Barcelona, Spain. Titled “The La Paz Agreement: Thirty Years On,” Collin’s research explored the landmark agreement between the United States and Mexico on cooperation for the protection and improvement of the environment in the border areas. As Collins explained, “It was a great experience to be able to present my research in Barcelona, and to receive supportive feedback from leaders in the field of border stability and protection.”

Also in Barcelona, Astrid Sheil, interim chair of the accounting and finance department, delivered a 15-minute presentation and proposal to host a future international assembly of CLADEA at Cal State San Bernardino. “We are really looking forward to creating opportunities for students and faculty exchanges,” said Rose. “We’ve already started talking about potential partnerships with schools like Technologio de Costa Rica to pair their engineering students with our entrepreneur and cyber-security students. The opportunity for cross-border technology transfers is wide open.”

For more information on CLADEA, visit its website at www.cladea.org.

Real Estate...

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represented in the sale of the Heacock property by Jeff Chiante, Jeff Cole and Ed Hernandez, all with the Irvine office of Cushman & Wakefield.

Circle K Stores Starts Work on New Prototype in San Jacinto

Circle K Stores Inc has broken ground on its newest prototype in Southern California, a flagship store to consist of a 4.5k-square-foot convenience store offering fresh food, a gas station with eight fuel pumps, and a self-serve state-of-the-art carwash.

Circle K’s new combo concept will be located on 1.24 acres at 1450 S. Sanderson Avenue in the City of Jacinto, at the northwest corner of Sanderson Avenue and Esplanade Avenue. The project is expected to be open for business in late 2014. The new Circle K facility represents phase one of Esplanade Commons a 90k-square-foot mixed-use shopping center development planned by Southland Development Company Inc of San Juan Capistrano and RoBott Land Company of Beverly Hills. “We still have a strong demand for more retail and services,” Sharon Paisley, Development Director at the City of San Jacinto, said. “There is a wealth of available land for development, reasonable property costs, and prime redevelopment opportunities. Coupled with easy access to major transportation corridors and our pro-business environment, make San Jacinto an ideal place to start, expand or relocate a business.”

SoCal Self-Storage Property Portfolio Sells for $16.4 Million

A self-storage portfolio consisting of three properties totaling 158k square feet located throughout Los Angeles and Riverside counties traded hands at a price of $16.4 million. The properties were purchased by Storage Etc Development LLC and sold by AMS Group, a family-owned entity that had owned the facilities for more than 40 years.

The three properties include 8369 Garvey Avenue and 2747 La Presa Drive in Rosemead, which was offered as a single asset; 21320 Golden Springs Drive in Diamond Bar; and 863 Town Center Drive in Pomona. Fred Cordova, executive vice president of Kennedy Wilson’s Brokerage Group, represented the buyer in the transaction.

“The self-storage sector in Southern California has experienced a solid recovery coming out of the recession and is an asset class poised for continued strong growth,” said Cordova. Storage Etc. Development, LLC was attracted by the opportunity to purchase three well located properties in prime infill locations in greater Los Angeles, with strong value add opportunities that had never been sold.

CapRock Partners Acquires Two Development Parcels in Rialto

OC-based CapRock Partners has acquired two land parcels in Rialto on which the company is set to develop more than 1 million square feet of new, state-of-the-art industrial space. Only one mile apart, the parcels boast excellent access to the 210, 15 and 10 Freeways. The first purchase is known as CapRock Distribution Center I and closed at the end of the first quarter of 2014. Located at the northeast corner of North Locust...
SOAKING UP THE BAHAMAS DREAM

By Daniel P. McKernan

We often dream during our daily routines about faraway destinations that’ll bring us peace and happiness. Sometimes travel dreams occur when we drive on congested freeways or sit behind a computer screen at the office. Our dreams of the ultimate vacation happen while shopping at the supermarket or cooking dinner at home. Sometimes we conjure up dream vacations that include a beach with powder-white sand pressed up against calm, turquoise-blue water.

This year I discovered the Bahamas, a place that simply turned my dreams into reality. It’s a place where coconut trees sway in the sea breeze and the soothing sounds of waves gently tap against the shoreline, the ideal conditions for lazing around with an ice-cold concom.

Best of all the Bahamas makes it a cinch to turn dreaming into reality, because these tropical islands are relatively close to the U.S. It’s just a hop, skip and jump away from the coast of south Florida, and best of all the Bahamas are more affordable than most of its Caribbean neighbors. I opted to go to New Providence Island to discover Cable Beach, one of the top-rated beaches of the Bahamas. After diligent research I decided the best way to travel to the Bahamas is to stay at an all-inclusive resort.

Better yet, I stepped it up a level and chose Breezes Resort and Spa, a super-inclusive beachside resort that is just on the outskirts of Nassau, the capital of the Bahamas. It offers everything to soak up a relaxing vacation from unlimited all-you-can-eat meals to all-you-can-drink beverages, including top-shelf liquor. In addition to allowing its guests to fill up anytime of day with scrumptious fare and adult drinks, this super-inclusive resort supplies a wide

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City of Hope Expands Access to Highest-Quality Cancer Care in Communities East of Duarte

City of Hope and Wilshire Oncology Medical Group have reached an agreement in which Wilshire physicians will join City of Hope Medical Group, delivering care to patients through City of Hope’s new community practice sites in Glendora, Pomona, Rancho Cucamonga, West Covina and Corona.

The agreement will extend City of Hope’s geographic footprint into the Eastern San Gabriel Valley and Inland Empire area and expand its ability to improve the lives of patients and their families in communities east of the institution’s main Duarte location. The new locations will give patients increased access to City of Hope’s innovative science, translational research and uniquely patient-centered compassionate care.

“City of Hope’s community practice sites allow us to offer comprehensive cancer care level expertise and services in the community, which will be more convenient for the patients we serve,” said Harlan Levine, M.D., chief executive of City of Hope Medical Foundation. “These practices also allow seamless access to the specialized and advanced services of a top ranked cancer center when a more complex treatment is needed. City of Hope’s commitment to establish a unique alignment of high quality community physicians with its cancer center also meets the needs of health plans, employers and the government, which are seeking clinical integration of quality and affordable care in the community with the expertise of a NCI-designated comprehensive...
Economic... continued from pg. 1
still sees some slack left in the labor market, indicating that approximately 0.5-1 percentage points of the labor force participation rate decline occurred due to cyclical weakness rather than structural factors (e.g., demographics). Indeed, persons “out of the labor force but wanting a job now” rose to 6.4 million in August 2014 compared to 6.3 million in August 2013. Wage growth of just 2.1% year-over-year offers further indication of lingering labor market slack in the mind of the Fed Chair.

So while the US economy appears on track for a rate hike next year, considerable uncertainty surrounds where interest rates will be at the end of 2016. If inflation continues to linger below 2% and slack remains in the labor market as we expect, near zero interest rates could still be with us for some time to come.

Treasury Bonds
The US rates market was led this by the Fed minutes, the dollar strength against the yen, and underperformance of real yields. The Treasury curve flattened as the market focused on the new Summary of Economic Projections released by the Fed. The front-end sold off as the median Fed fund rate projections shifted up for both 2015 and 2016 while the rhetoric of the statement was taken by the market as dovish. Treasuries continued to come under pressure with the dollar strengthening to a 5-year high against the yen. The 10-year benchmark note is yielding 2.59% as tested an important technical level, the 200-day moving average of 2.65%. Notable supply this week was the $13 billion 10-year TIPS reopen which was met with weak investor demand and tailed almost 5 basis points after CPI came in weaker than expected. Real yields underperformed nominals on the week by 10 basis points.

Large-Cap Equities
Equity markets rallied as the status quo, with the Fed maintaining low interest rates for a considerable time and Scotland remaining a part of the UK, eased investors’ concerns and lifted the S&P 500 index to new all-time highs. For the week, the S&P 500 index posted a return of 1.3%, while the Dow Jones Industrial Average gained 1.8%. Small-cap stocks suffered a loss this week with the Russell 2000 index posting a return of -0.7%. In terms of style, large-cap value stocks outperformed large-cap growth stocks. The best performing sector was telecommunication services, while the worst performing sector was information technology. Alibaba, the Chinese e-commerce company, went public with the second largest IPO in history, raising $21.8 billion. Shares of Alibaba priced at $68 and began for trading on NYSE at an opening price of $92.70, a gain of 36% from its offering price.

Mortgage-Backed Securities
Agency mortgages performed well relative to Treasuries as interest rates hovered in a narrow range. No surprises from the Federal Open Market Committee (FOMC) meeting fueled buying of mortgages as volatility declined. The favorable ‘no’ outcome to Scotland’s independence vote signaled business as usual in risk asset classes. Agency pass-through spreads compressed three-to-five basis points as higher mortgage rates skewed the supply/demand equation in favor of buyers. The Federal Reserve maintained its reduction in asset purchases to $15 billion (MBS and Treasuries) with an expectation of ending the program in October. Within the sector, current coupons, most vulnerable to... continued on page 23
Economic... changes in volatility, outperformed discount and premium assets. With respect to premiums, higher coupons suffered from compressed yield spreads compared to the cheapening front-end of the yield. In commercial MBS, the deal pipeline calendar is heavy this month with a mix of transaction types including diversified conduit, single borrower/single asset (SB/SA), and single family rental securities. The latest conduit deal with a 10-year AAA-rated class priced at swaps + 82 basis points versus the 10-year Treasury note.

According to Freddie Mac, the primary mortgage rate rose to 4.23% from 4.12%. As for the FNMA 30-year current coupon, the spread versus 10-year Treasury tightened two basis points to 68 bps versus the 10-year Treasury.

LA/Ontario... traffic is up substantially this year, its base is much smaller than domestic traffic. We are encouraged that, so far in 2014, domestic traffic has measurably improved. We continue to observe an improving local economy, contributing to more travelers using ONT," said ONT’s airport manager, Jess Romo. “We will keep working with our airline partners to maintain a competitive cost structure at the airport so that as the economy improves, we will be well positioned for growth in air service, which we continue to say is airline-driven and tied to the carriers’ need for strong bottom line performance.”

LA/Ontario International Airport (ONT) is a medium-hub, full-service airport with direct commercial jet service to 14 major U.S. cities and connecting service to many domestic and international destinations. There are approximately 60 daily flights offered by 8 air carriers. For more information about ONT, please visit www.flyOntario.com, like us on Facebook at www.facebook.com/ONTAirport, and follow us on Twitter at www.twitter.com/flyONTAirport.

City National... California’s metropolitan areas and one of the largest job increases in absolute terms, second only to Los Angeles County, the largest metropolitan area in the state. The increase in payroll employment in the Inland Empire was fueled primarily by the education and healthcare services industries. Some of the recent job gains in the healthcare services industry are linked to a new medical center in Riverside. Kaiser Permanente started taking appointments at the Meridian Medical Offices, a 48,000-square-foot facility, in July.

From a long-term perspective, employment in the region’s education and healthcare industries has been driven by strong population growth over the years. Since 1970, the Inland Empire’s population has averaged a 3.1% growth annually, more than double the state’s 1.5% growth rate. The most recent estimate from the California Department of Finance puts the region’s population at 4,365,636 as of January 2014, a 1% increase over the prior year, which is higher than the 0.7% rate of growth from January 2012 to January 2013.

The Inland Empire’s population growth has been higher in large part because of the region’s relative housing affordability advantage. As of the second quarter of 2014, the median price for an existing home in the Inland Empire was $267,224 on a seasonally adjusted basis. In contrast, the median price in Los Angeles County was $468,658, and the median price in Orange County was more than double at $631,429.

U.S. EPA, Victor Valley Unveil Innovative Carbon-Neutral Treatment Plant Federal, state and local officials and stakeholders participate in ribbon cutting, tour facility using first of its kind technology

U.S. Environmental Protection Agency will join Congressman Col. Paul Cook, the Bureau of Reclamation, the California Energy Commission and other local industry stakeholders to unveil the Victor Valley Wastewater Reclamation Authority’s (VVWRA) carbon-neutral treatment plant. The event included a ribbon cutting ceremony and tour of the Omnivore Biogas Renewable Energy Project. The Omnivore system will produce 100% renewable power by more efficiently treating both sewage and organic waste, like food, that would otherwise be disposed of in landfills.

The project was developed through a $2 million grant from the California Energy Commission, $600,000 in funding from Anaergia and technical assistance by EPA.

The treatment plant will offset nine million kilowatt hours from the grid annually and prevent more than 1,400 tons of waste from entering landfills. Combined that is equivalent to taking 2,053 passenger cars off the road for one year. The facility will be 100% energy neutral by the start of 2015 and could potentially save the taxpayer $9 million over 20 years.

New Survey Demonstrates Value of College Degree

A survey released by Rutgers University found that more than 20 percent of workers laid off in the last five years have not found new jobs. While the survey demonstrates the unevenness of this recovery, it also provides compelling evidence for the value of a college degree. According to the report, the typical out of work person is likely to lack one.

“There has been a lot of debate in recent years about the value of a college degree in light of soaring tuitions, burdensome debt loads among graduates, and stagnant wages for entry-level professionals. “However, the high unemployment rate as well as long-term unemployment among those with only a high school diploma certainly suggests that a college degree is valuable in terms of job security,” said John A. Challenger, chief executive officer of Challenger, Gray & Christmas, Inc.

Indeed, the unemployment rate among those with a four-year degree and higher was just 3.2 percent in August. The unemployment rate nearly doubles (6.2 percent) for those with just a high school diploma. Meanwhile, those with less than a high school diploma are at 9.0 percent unemployment.

“This is not to say that the current model of higher education does not need to be reexamined. Out-of-control tuitions and graduate debt are serious problems that will have long-term effects on the economy. So, these issues need to be addressed by considering viable alternatives to traditional four-year universities.

“However, for the time being, obtaining a four-year college degree is still one of the best career moves a young person can make,” said Challenger.

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outsource this task to a professional writer. There are great websites, like Elance.com and Guru.com, that can help you connect with professional freelance writers.

**DAY THREE: Create a Website for Your Free Offer.**

Now, you need a page on your website where prospects can get your free report. You have a couple of options for where this page appears on your website. It could be the landing page, otherwise known as the home page, on your existing website. Alternatively, it might be a dedicated page that resides within your site.

Satterfield recommends that you include a few key elements on your website:

- A catchy headline
- Bullet points to capture the reader’s curiosity and convey benefits
- An opt-in box for gathering email addresses
- A thank-you page

“I recommend heavily promoting your free offer on your website’s main landing page,” says Satterfield. “That’s what I do on GentleRainMarketing.com. Traditionally, landing pages focus primarily on communicating what the company does. But if we do not get our visitors to opt in when they come to the site, we lose control of our ability to follow up with them. It’s hard to send ongoing messages to people if they don’t tell us who they are.”

**DAY FOUR: Develop a Series of Drip-Marketing Messages.**

While creating your free offer that motivates prospects to “raise their hands” and express their initial interest is important, keep in mind that it’s just the first step. Now it’s time to develop your drip-marketing messages that will convert these prospects into paying clients. These ongoing messages will build trust and credibility and play a significant role in getting you more new clients.

“You can send out two types of messages: timed and broadcast,” explains Satterfield. “Timed messages are sent out based on the number of days that have elapsed since a person initially signed up for your free report. You might set up a schedule so that immediately after your report is requested, the reader gets a ‘thank-you’ email. Then one day later, email message #2 goes out asking them if they have any questions. Two days after that, they get email #3, and so on. Broadcast messages are sent to everyone in your database at the same time, the advantage being that it can be timely. For example, you could send a message out to your entire database connected to a current event.

“You can ‘set and forget’ your marketing campaign using an autoresponder system,” he adds. “My wife, Marian, is a clinical hypnotherapist and success coach (MarianMassie.com). When I set up her autoresponder sequence, we bit the proverbial bullet and created two years of timed messages that go out approximately every 10 days. At the end of two years, we just reschedule the person back to day #1 on the assumption that no one remembers an email they got two years ago. Talk about a ‘set it and forget it’ approach to staying in touch!”

**DAY FIVE: Get Traffic to Your Website.**

One of the fastest ways to attract new qualified prospects is by using “pay-per-click” (PPC) advertising. Pay-per-click means exactly what it sounds like. The advertiser pays only when someone clicks on their ad. It is probably the best way to gain immediate traffic and it can be done with an advertising budget of $50-100.

“You can advertise on search engines like Google and Bing or social media sites like Facebook and LinkedIn,” notes Satterfield. “With Google and Bing, you advertise by bidding on keywords, which are the words or phrases people type into the search engines when they want to look something up. One big advantage of advertising on the search engines is immediacy. When someone searches for something using the keywords you’ve selected, your ad immediately appears.

“Of course, your success will depend on how compelling your ad is,” he adds. “So, when you write your ad, be sure to include one of your keywords in the title line, focus on benefits and forget about features, and use title case.”

“So, there it is,” says Satterfield. “Proof that a marketing campaign doesn’t have to take months to plan and implement or cost tons of money. The One Week Marketing Plan is about gaining visibility in your niche market, educating people about the problems you solve, and having clients call you about how you can help them. And you can have it up and running in one week. Go get started!”

**Irrational...**

following his comments, although it did suffer a 19% “correction” during that period. (See Exhibit 9)

As investors, we are always concerned about the possibility of a recession because investment markets typically suffer when they occur. There is no inkling of a recession in current economic statistics. However, stock-market declines in the neighborhood of 20% or more can happen even without a recession. For all practical purposes these corrections cannot be predicted, so investors must be prepared to live through them. Part of Thrivent Financial’s mission is to help people make wise financial decisions. If you found this article helpful, please share it with a friend.

In their Market Commentary, Thrivent Asset Management leaders discuss the financial markets, the economy and their respective effects on investors. Writers’ opinions are their own and do not necessarily reflect that of Thrivent Financial for Lutherans or its members. From time to time, to illustrate a point, they may make reference to asset classes or portfolios they oversee at a macro-economic level. They are not recommending or endorsing the purchase of any individual security. Asset management services provided by Thrivent Asset Management, LLC, a wholly owned subsidiary of Thrivent Financial for Lutherans. Securities and investment advisory services are offered through Thrivent Investment Management Inc., 625 Fourth Ave. S., Minneapolis, MN 55415, a FINRA and SIPC member and a wholly owned subsidiary of Thrivent Financial for Lutherans. Past performance is not a guarantee of future result.

**About Inland Empire by the Inland Empire Financial Consultants**

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**About Thrivent Financial**

Thrivent Financial is a Christian, Fortune 500 financial services membership organization helping its nearly 2.5 million members to be wise with money and to live generous lives. Thrivent Financial and its affiliates offer a broad range of financial products and services. As a not-for-profit organization, Thrivent Financial joins with its members to create and support national outreach programs and activities that help congregations, schools, charitable organizations and individuals in need. For more...
“Nonstop Sales Boom: Powerful Strategies to Drive Consistent Sales Growth Year After Year,”
by Colleen Francis; AMACOM; New York, New York; 2014; 280 pages; $17.95/paperback.

There have been many outstanding men and women who became excellent salespeople. Some of these have been able skillfully to analyze and assemble all the many jigsaw puzzle pieces that compose the sales process. The end result of their work was not only their ability to generate products and make money, but to build highly effective sales teams. One of these people is Colleen Francis, author of “Nonstop Sales Boom.”

Here’s one example within Colleen Francis’ book that proves this point:

“The new sales process contains some subtle yet powerful changes…. The new process still begins with research and prospecting, but an important transformation has taken place.”

Today, the research and prospecting process is dominated by the prospects. They go online, research who has the solutions for the problems they’re facing, read case studies, and talk to their colleagues. This shift is so dramatic that a recent DemandGen white paper, “Breaking Out of the Funnel: A Look Inside the Mind of the New Generation BtoB Buyer,” shows that only 3 percent of all sales transacted are resulting from an outbound cold call from a seller to a buyer. In addition, the Hinge Institute recently discovered…in a study that 43.9 percent of buyers uncovered the opportunity themselves and then sought out potential provider(s) instead of waiting to be contacted by a seller. Today, contacts visit your website and determine whether or not you’re qualified to do business with them, not the other way around!

That’s just one of the many key points of change made by Ms. Francis early in her book, under the heading of ‘The Destructive Power of Boom-Bust Cycles.’ It’s also where she got her book’s title:

“…Most businesses suffer from inconsistent sales results, and inconsistent responses to them. On top of the revenue, substantial organizational costs are incurred, including:

‘An overwhelming burden is placed on a few top performers’ putting revenues at risk.

‘Last-minute deals force concessions that ultimately undermine both top and bottom lines.

‘Roller-coaster sales results tax an executive’s patience and responsiveness and leave investors with a lack of confidence.’

She concludes her boom-versus-bust analogy by stating:

“It doesn’t have to be this way. Sales booms followed by busts are self-inflicted wounds. Perpetual sales booms are sustained, lasting and replicable periods of organic sales growth. They occur when your team hits every sales target over a lengthy time period.

Francis adds that during the past 20 years she has noticed that top performing sales teams and firms that have perpetual booms share five key characteristics. These are:

1. They expand the view of the client beyond the current transaction.
2. They define and refine performance metrics beyond quota.
3. Their sales teams are managed to ensure 80 percent or more are hitting their targets.
4. Their product and service lines are managed consistently.
5. They produce results consistent with forecast.”

Among the most important aspects of the book are not only in its “how to” approaches, but in its explanations of “why to.”

Chapter 13 on “High-Powered Leverage: How to get the Most Referrals to the Best Prospects,” is a modern classic. There are many examples why referrals should be used as well as how to use them effectively.

Colleen Francis ends her book on a worthwhile note.

“Any radar system has to discriminate between friend and foe, threat and opportunity. Your Sales Radar should be highly sensitive to all opportunities, and not just the ones directly in front of you! Tunnel vision is for moles.”

“Non-Stop Sales Boom” is one of the best recently published books on effective selling. It’s like a first-rate, four-course dinner at a fancy restaurant for a moderately priced lunch.

—Henry Holtzman

Best-selling Business Books

Here are the current top 10 best-selling books for business. The list is compiled based on information received from retail bookstores throughout the U.S.A.

1. “Strengths Finder 2.0,” by Tom Rath (Gallup Press…$24.95)(1)*

One of the hottest financial writers is at it again.


An innovative approach: think of employees as allies.

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An innovative approach: think of employees as allies.
Soaking Up... continued from pg. 20

selection of activities, recreation and entertainment. All of this for one simple, upfront price, and get this…there’s no tipping allowed.

My room at Breezes Resort and Spa overlooked the crystal clear ocean, which was only 50 yards away. Room amenities were basic with a lazy Southern California beach feel, but that didn’t seem to matter because I spent most of my time outdoors poolside or at the beach. The resort offers a plethora of activities to choose from, such as windsurfing, kayaking, sailing, a fitness center, volleyball, tennis, basketball, and even a flying trapeze.

A massage was at the top of my list, and fortunately for me I was able to book a 90-minute session with just a two-hours notice at Blue Mahoe Spa, Breezes full-service spa. My massage took place inside a private enclosed cabana on the beach, which enhanced the experience all the more. Nothing quite compares to the magic touch of a massage therapist working out the kinks to the beat of the peaceful, calm ocean just steps away.

After the massage I spent the rest of the afternoon doing exactly what I dreamt about months ago. First, I visited the poolside bar to refill my cocktail glass with a concoction made with premium vodka, and then settled on the white, sandy beach where I lounged away on a comfy beach chair provided by the resort. I spent the rest of my afternoon admiring the scenic beauty with a drink in one hand and a Cuban cigar in the other. Basically living the dream! To learn more about Breezes Resort and Spa including its early-bird deals for 2015 visit breezes.com.

The following day I decided to venture out and find something that defines the area. After I researched the web and received advice from locals, it seemed like the obvious choice was to swim with dolphins! That’s right; Dolphin Encounters on Blue Lagoon Island gives people an once-in-a-lifetime experience to interact one-on-one with “Flipper!”

Dolphins are considered the second most intelligent animal in the world, and probably the most vivacious and playful, too! Dolphin Encounters gives guests the opportunity to get up close and personal with the Atlantic Bottlenose Dolphin for a fun-filled three-hour day that includes a scenic, charter boat ride from Paradise Island through Nassau’s historic harbor and surrounding islands to the private,uninhabited Blue Lagoon Island.

Dolphin Encounters is a natural seawater dolphin facility that started as a rescue sanctuary in 1989. Since then the family-operated facility has opened up the private island for guests to interact with dolphins and get insight on important conservation issues that help dolphins thrive in the wild.

Dolphin Encounters offers three different animal interactive programs including the Dolphin Encounter, Dolphin Swim and the new Sea Lion Encounter. All three programs give participants the chance to touch and mingle with the marine mammals. I was fortunate enough to try all three programs.

I started with the Dolphin Encounters where I jumped into the same water the dolphins swim in. I intently listened as the animal trainer gave commands to both the participants and dolphins. After a few minutes it was apparent these mammals are indeed intelligent. We were graced with six-year old Clifton, the youngest dolphin at the facility. Clifton showed his skills and interacted by giving us high fives, hugs, kisses and even danced with us.

After a fun-filled session with Clifton, I moseyed over to the sea lion exhibit where I was welcomed by Bonny the Sea Lion. She is one of a group of sea lions that was displaced following hurricane Katrina in Gulfport Mississippi. I was amazed to discover Bonny’s level of intelligence. I also admired the sea lion’s friendly attitude and athletic ability, too.

For the grand finale I dove into a pool of water where two dolphins named Stormy and Andy greeted me. I had the unique opportunity to get a foot push from the two bottlenose dolphins for a thrill ride I will always remember. For more information about swimming with dolphins visit dolphinencounters.com.

I worked up quite an appetite hanging out with the dolphins and sea lions. So afterwards, I took advice from locals who suggested that I get a hearty meal at Fish Fry, a collection of restaurants with a genuine Caribbean look and feel with colorful buildings with that beach-shack feel. There are more than a dozen choices for seafood and other Caribbean-style food at Fish Fry. My bus driver suggested Andros, and I’m glad he did. Andros offers just the right amount of island ambiance, and best of all it packs on the flavor from its conch fritters and conch salad to fried plantains and mac & cheese. The one thing I learned on my first visit to Andros however is they do not skimp on portions, so be sure to bring a big appetite!

One of the great amenities I discovered at the Bahamas was the number of concessioners on the beach that offer guests opportunities to go boating, shelling or snorkeling. I was fortunate to find Captain Fox who offered to take me on his boat to the reef’s right outside of Discovery Island a few miles from Cable Beach. If there is one activity I suggest when visiting the Bahamas is snorkeling or scuba diving. The water is as clear as the windows at the Crystal Cathedral. Best of all the fish have such vivid coloring it makes ocean discovery that more pleasing. I spent an hour in amazement ascertaining the brilliance of the underwater world.

The Bahamas delivered the ideal Caribbean Island dream vacation. I only stayed three nights, but I know next time to book a longer stay. The islands offer excellent golf courses, deep-sea fishing and historic sites that I plan to do on my next visit.

For vacation planning ideas visit bahamas.com.

City of Hope... continued from pg. 21

The nine new physicians will bring an in-depth understanding of coordinated community oncology care and share City of Hope’s philosophy of compassionate, patient-centered treatment. Current patients of Wilshire Oncology Medical Group physicians should not see any disruption in their care during the transition.

“Expanding our clinical services beyond the San Gabriel Valley is imperative to City of Hope and its mission,” said Vijay Trisal, M.D., medical director of community practices for the City of Hope Medical Foundation. “Our community practice sites are set up to expand community access to City of Hope’s high-quality care and to offer patients convenient care by City of Hope physicians.”

The Glendora, Pomona, Rancho Cucamonga, West Covina and Corona sites are the most recent additions to City of Hope’s growing list of community practices, all of which extend the institution’s reach by bringing premier care to patients in their own communities.

City of Hope recently opened a state-of-the-art clinic in Antelope Valley and has practices in Palm Springs, Pasadena, South Pasadena, Arcadia, Mission Hills and Santa Clarita.

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WHAT’S NEXT?

While the first half of the year was disappointing from a growth perspective, Beacon Economics is forecasting the U.S. economy to grow at slightly over 3% for the next two quarters. This will not be enough to make up for the year’s first half, but the year will still average slightly more than 2% – lower than 2013.

The California economy is expected to grow 3.5% in the second half of 2014, and job creation in the

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Real Estate...

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and West Bohnert Avenues in Rialto, the site encompasses 26.30 net acres of unimproved land and an existing multi-tenant industrial building, which will be demolished to make way for a new, 609.9k-square-foot, Class A distribution center. Work at the site began in September 2014.

The second acquisition, which just closed escrow, is known as CapRock Distribution Center II and is located at the northwest corner of North Linden Avenue and West Casamalina Street in Rialto. Just 500 feet north of the 210 Freeway and serviced by the Locust Street on and off ramps, this 18.74-acre parcel of unimproved land is near the intersection of Interstates 10 and 15, placing it strategically in the center of key transportation corridors. A 408.2k-square-foot project is planned for the site, and began construction in late August 2014.

Paul Earnhart, Brian Parris and Jeff Smith of Lee & Associates represented CapRock Partners in the acquisitions. Debt and equity was raised by Chris Bramel and Paul Conzelman of Bridgepoint Investments, an Orange County-based real estate investment banking and advisory firm.

Lee & Associates – Land Team sells Zephyr Partners a 550 unit unentitled site on 25.37 Acres in Murrietta

An Assignee of Zephyr Partners, a San Diego-based real estate development and investment company, has purchased 25.37 acres in Murrieta with plans to develop a multi-family site of approximately 550 apartment units. The land parcel is located on Meyers Lane and Los Alamos Road and had no entitlements at the close of escrow. Details of the transaction price are not available.

The sellers, Assignees of Umpqua Bank and Ambit Funding, Inc. were represented by Matt Weaver, Mike Strode, Al Apuzzo, and Patrick Miller of Lee & Associates – North San Diego County and Temecula.

Although the properties were unentitled, Lee & Associates produced approximately 10 offers during the marketing process. “Due to the location of the properties and the high density zoning, we received an immense amount of interest,” said Weaver. “At the end of the day Zephyr did an excellent job of overcoming the many hurdles that presented themselves during the escrow process and ended up closing on both properties. This project will only improve the area around it.”

City National...

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state is expected to run at a 2.0% pace over the same period. By the end of the year, we expect the unemployment rate to fall to 7.0%.

Inflation has been a leading topic in the popular press lately, with much attention focused on the Federal Reserve and how it will pursue monetary policy over the next year. Although there have been worries that wage growth in a tight labor market will push up inflation, there is not enough clear evidence at this time to make it an immediate concern.

Nationwide home sales picked up pace in July, hitting the highest level of the year. California home sales are also starting to experience an uptick, signaling a shift in the state’s housing market dynamics. California sales in July were up 8.5% from January, as price growth has been slowing.

This may be a slowing appreciation from the past year’s trend of rapidly appreciating prices and lagging sales, but ultimately, it is a positive development. The inventory of homes on the market has slowly increased over the last few months as more owners have been enticed by the recent appreciation in prices. But as home prices moderate, it provides opportunities for first-time home buyers to get back into the market, facilitating household formation and boosting the housing market’s contribution to California’s growth.

Hollywood-Friendly Riverside County Saves the Day for Movie Company

The Riverside County Board of Supervisors chambers morphed into a sound stage recently, filling in on a family friendly film when a production company lost its original shooting location.

That supporting role was just the idea Supervisors Jeff Stone and John Benoit had in mind last year when they proposed amending a county ordinance to give commercial production companies temporary, free use of county-owned property and facilities during filming.

“This is exactly the kind of assistance we wanted to provide,” said Stone, chairman of the board. “It stimulates the economy, provides jobs, and helps the movie industry thrive in California.”

The ordinance was amended in October amid reports that many movie production companies were abandoning California for more film-friendly locations.

“It’s a proud moment to have a film made here in the county building,” Benoit said. “We have more than 360 county properties that filmmakers can use for free, and we’re thrilled to help them get access to these excellent and varied locations.”

On Sept. 3, panicked producers wound up without a shooting location for the next day and contacted the Riverside County Film & Television Office. With added help from the Clerk of the Board and Facilities Management, a crew spent two days filming parts of a movie called “Chalk it Up.” County staff also secured other shooting locations for the movie, a family friendly gymnastics film that follows along the success of Disney’s “Stick It.” The board chambers doubled as a college auditorium classroom and other offices in the County Administrative Center became filming locations.

Maddy Curley, Nikki Soo Hoo and Tarah Paige, the lead actress in “Stick It,” joined forces again in “Chalk it Up.” Written and produced by Curley and Brooke Buffington, the film tells the tale of a girl who is dumped by her boyfriend and decides to win him back, an effort that includes building a college gymnastics team.

“The film and television office eliminated red tape and, in one stop, kept our production moving forward. Riverside County is filled with wonderful locations and filming opportunities,” Buffington said.

Since the county ordinance was amended, production companies have used county facilities and property several times on projects such as Little Loopers starring singer/actress Natalie Imbruglia, boosting the housing market’s contribution to California’s growth.

ABOUT THE CITY NATIONAL ECONOMY & JOBS REPORT

The City National Economy & Jobs Report was created and developed for City National Bank by Beacon Economics, LLC. Unlike many other estimations of current economic activity that are available today, the City National Economy & Jobs Report provides a current estimate of real economic output in the State of California across key industries.

ABOUT CITY NATIONAL BANK

City National Corporation (NYSE: CYN) has $30.8 billion in assets. The company’s wholly owned subsidiary, City National Bank, provides banking, investment and trust services through 77 offices, including 16 full-service regional centers, in Southern California, the San Francisco Bay Area, Nevada, New York City, Nashville and Atlanta.

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FINANCIAL NEWS & TALK
Where Do You... continued from pg. 6
across the board. Could it be that more trust is the answer?
David Larcher is the James Irvin Miller Professor of Accounting at Stanford Graduate School of Business and the Morgan Stanley Director of Stanford GSB’s Center for Leadership Development and Research. Brian Tayan is a researcher at the Center for Leadership Development and Research. They are the authors of the recent book A Real Look at Real World Corporate Governance.

Why It’s... continued from pg. 13
industry and help advance our careers. We need to be proactive and speak to everyone that we can, follow-up with people after the conference to keep in touch, ask people to follow us on social media and even try to get on a panel as a speaker or expert. Conferences provide plenty of opportunities to make an impact and build our brand, we just need to be willing to be active and put in the work.

Investors Hike... continued from pg. 40
an increase in stock options further ties the wealth of the CEO and the equity holders together.

“This then has a knock-on effect as when potential debtholders are informed about this compensation structure of the CEO, they hesitate to grant funds and ask for higher interest because they know that the CEO wants to increase stock price volatility by investing in more risky projects.”

Debtholders bear the costs and risks of investments, but ultimately the CEO and shareholders get the majority of the returns so the wealth is shifted away from the debtholders to the shareholders according to Dr. Tosun.

Dr. Tosun added: “The debtholders don’t support it

Why Fair-Value... continued from pg. 7
from its assets.

The exact valuation of a company’s assets is less important than the consistency in how those values are reported. That’s what allows investors to judge whether a company is expanding or contracting from one year to the next. The role of accounting, Lee says, is to provide a common “language” and consistent set of reporting rules that everybody understands in the same way.

Adding in the educated guesswork embodied in market valuations of a company’s assets simply bakes more uncertainty into the numbers. That makes forecasting even more difficult than it already is.

“Accounting provides investors with a language and tools to make their own forecasts of future earnings growth,” Lee says. “Most of the fair-value stuff isn’t going to help them. In fact, it’s going to screw them up.”

Charles M.C. Lee is Joseph McDonald Professor of Accounting at Stanford Graduate School of Business.

because they think that paying a CEO more options will engage them more in riskier projects which, while shareholders like it because there is a potential high return despite the risk, is not as rewarding for the debtholders.

“After all, they only get a fixed percentage of any money gained, while bearing the brunt of the cost if the risky venture fails. Consequently, debtholders demand higher interest for debt and to keep the cost of debt at a minimum, the CEO compensates by granting employees more options which are 50% more beneficial to workers than shareholders and the returns are kept by the employees as the price paid by the shareholders is not as high as the benefit gained by the employees.”

CT Realty Sold... continued from pg. 3
ing access to the combined ports of Los Angeles and Long Beach, Ontario International Airport and numerous rail offerings.” Darla Longo, Barbara Emmons and Rebecca Perlmuter from CBRE’s Ontario office represented both CT Realty and PPF Industrial in the sale of the building. Top Gun Advisors Inc., based in Livonia, Mich., represented Bericap in the lease transaction.

Morrell... continued from pg. 8
California Senior Legislature convened in 1981. More information on the California Senior Legislature can be found online at www.cslsl.org.

SB 997 takes effect in time for the 2015 tax season.

Irrational... continued from pg. 24
information, visit Thrivent.com. Also, you can find us on Facebook and Twitter.

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City National... continued from pg. 27
For more information about City National, visit the company’s Website at cnb.com.

ABOUT BEACON ECO-

Fifth Annual... continued from pg. 10
rent vice chair for the Board of Supervisors. Larry Kosmont, president/CEO of Kosmont Companies, a leading public/private real estate transaction and public finance company and Lewis Horne, president of the Greater Los Angeles-Orange County Region for CBRE, Inc., the leading provider of commercial real estate services globally.

Andrew Busch Ph., crown professor of government, Claremont McKenna College notes “The Inland Empire Center is excited about this opportunity to bring together talented economists and business and government leaders from Southern California to discuss the vital issues facing the economy in the Inland Empire and beyond.

This is the fifth year of the conference, and it is going to be better than ever.”

Sponsors include: Citizens Business Bank (Presenting), Oremor Automotive Group (Platinum), City of Ontario (Gold), AM 1510, Citrus Valley Association of Realtors, County of Riverside Economic Development Agency, County of San Bernardino Economic Development Agency, KPMG, Parke-Guptill & Company (Silver), and Hub International (Bronze).

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California to...

Labor Statistics show that families making less than $40,000 per year spend up to 38 percent more of their income on gasoline compared to families making $70,000 or more annually. According to the analysis, low-income Californians would be hit doubly hard by the “hidden gas tax” because many of these individuals work in the service industries where job losses will be most severe. Job losses would be widespread across multiple service industries that are dependent on consumer spending, but losses would be greatest for food and beverage services, health service practitioners, and retail establishments and their suppliers.

“Although aggregate job losses will moderate over time as the government spends cap-and-trade revenue, the government spending will not return lost service-sector jobs but instead favor industries like construction. So the workers in these service industries face permanent job losses,” said Dr. Adams.

“Consumer spending drives employment in the retail and service industries,” said Bill Dombrowski, president of the California Retailers Association. “Policymakers should be deeply concerned that this program will put thousands of Californians out of work, many of whom live paycheck-to-paycheck.”

The analysis also found that the net job losses will be greatest in 2015 because spending by the State of California will not generate activity sufficient to offset the economic losses. The study found that three-quarters of state spending proposed for billions of dollars that will be generated by bringing fuels under the cap-and-trade system will result in little or delayed economic activity, including spending on high speed rail, affordable housing and sustainable communities, low carbon transportation and transit and intercity rail.

“Consumers, small businesses and California’s economy are not prepared for this hit and they are unlikely to see any benefit from government spending of this hidden gas tax,” said John Kabateck, executive director of NFIB/California. “Unemployment remains high in many parts of California, especially rural counties where commutes are longer and there are limited public transportation options. This program needs to be delayed so the public can be informed and we can determine how consumers and jobs can be protected.”

The California Air Resources Board is advancing this vast expansion of cap-and-trade with no regard to its impact to our economy,” said Ruben Gonzalez, senior vice president for public policy and political affairs for the Los Angeles Area Chamber of Commerce.

“We have time for an honest, public discussion about how best to balance the state’s environmental and economic interests.”

The full report can be read at: www.californiadriversalliance.org.

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### About the California Drivers Alliance###

The California Drivers Alliance is a nonpartisan movement of motorists, small businesses, fuel providers and consumers concerned about new government-imposed regulations that could increase the cost of transportation fuels in California.

About the California Drivers Alliance

The full report can be read at: www.californiadriversalliance.org.

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<tr>
<td>AT&amp;T</td>
<td>1130 S. Olive St., Ste. 2000 Los Angeles, CA 90015</td>
<td><a href="mailto:stephenson@att.com">stephenson@att.com</a></td>
<td><a href="http://www.att.com">www.att.com</a></td>
<td>WND</td>
<td>1976</td>
<td>Wireless, Hi-Speed Internet, Y-Verse Television</td>
<td>Randall L. Stephenson</td>
<td>CEO</td>
<td>(800) 780-2355</td>
</tr>
<tr>
<td>Charter Business</td>
<td>12403 Powenvock Dr. St. Louis, MO 63131</td>
<td><a href="mailto:rutledge@charterbusiness.com">rutledge@charterbusiness.com</a></td>
<td><a href="http://www.charterbusiness.com">www.charterbusiness.com</a></td>
<td>WND</td>
<td></td>
<td>High Speed Internet, Phone, Cable TV</td>
<td>Thomas M. Rutledge</td>
<td>President/CEO</td>
<td>(626) 430-3582/(951) 509-7111</td>
</tr>
<tr>
<td>Earthlink</td>
<td>1375 Peachtree St. Atlanta, GA 30309</td>
<td><a href="mailto:presslink@earthlink.net">presslink@earthlink.net</a></td>
<td><a href="http://www.earthlink.net">www.earthlink.net</a></td>
<td>WND</td>
<td></td>
<td>Internet, Web Hosting, T1/T3 Services</td>
<td>Rolla P. Huff</td>
<td>President/CEO</td>
<td>(404) 813-0790</td>
</tr>
<tr>
<td>Keyway Internet Services</td>
<td>1030 N. Mountain Ave., Ste. 335 Ontario, CA 91762</td>
<td><a href="mailto:support@keyway.net">support@keyway.net</a></td>
<td><a href="http://www.keyway.net">www.keyway.net</a></td>
<td>2,000+</td>
<td>1995</td>
<td>Dial-Up/DSL Services, Web-Serving Services, T1/T3 Services</td>
<td>David Hievert</td>
<td>VP</td>
<td>(909) 933-3650/933-3660</td>
</tr>
<tr>
<td>Qwest Communications International</td>
<td>445 S. Figueroa St., Ste. 200 Los Angeles, CA 90071</td>
<td><a href="mailto:loisaden@qwest.com">loisaden@qwest.com</a></td>
<td><a href="http://www.qwest.com">www.qwest.com</a></td>
<td>WND</td>
<td></td>
<td>Broadband</td>
<td>Linda Shaben</td>
<td>President</td>
<td>(213) 784-6003</td>
</tr>
<tr>
<td>Time Warner Cable</td>
<td>9420 Sierra Ave Suite G Fontana, CA 92335</td>
<td><a href="http://www.timewarnercable.com">www.timewarnercable.com</a></td>
<td><a href="http://www.timewarnercable.com">www.timewarnercable.com</a></td>
<td>WND</td>
<td>1990</td>
<td>Cable TV, Internet, Home Phone Service</td>
<td>Glenn A. Britt</td>
<td>CEO</td>
<td>(888) TW Cable</td>
</tr>
<tr>
<td>Ultimate Internet Access, Inc.</td>
<td>4120 Japara St., Ste. 212 Ontario, CA 91764</td>
<td><a href="mailto:wzeber@aia.net">wzeber@aia.net</a></td>
<td><a href="http://www.aia.net">www.aia.net</a></td>
<td>10,050</td>
<td>1996</td>
<td>Broadband, Managed Firewall, Hosting</td>
<td>Wes Zuber</td>
<td>President</td>
<td>(909) 605-2000/605-2000</td>
</tr>
</tbody>
</table>
CSUSB COYOTE RADIO, COYOTE ADVERTISING PARTNER
WITH CLEAR CHANNEL FOR STUDENT INTERNSHIPS

Coyote Advertising and Coyote Radio have joined with Clear Channel Media and Entertainment to create a student internship and multimedia/marketing education program at the company’s Riverside headquarters.

Clear Channel is the largest owner of radio stations in America and one of the largest owner of radio stations in America. Students selected for the program rotate through a series of hands-on projects, assisting professionals while learning aspects of broadcasting, promotions, marketing, advertising, sales and digital media.

Approximately 24 CSUSB students annually will have the opportunity to participate in the program, which is already proving valuable to the first group of students. Kevin Ocuna, a CSUSB communication studies student, finished the program and was immediately hired as a promotions assistant at KGGI 99.1.

“This is an exciting start for Kevin and for this program,” said Jacob Poore, manager of Coyote Advertising.

CSUSB students who have completed at least one quarter of training with Coyote Advertising/Coyote Radio are given priority consideration for the Clear Channel internship.

“Clear Channel receives hundreds of internship applications each year, so for them to want our students -- specifically -- speaks volumes,” said Lacey Kendall, Coyote Radio station manager.

“The level of media and marketing experience that Coyote Advertising and radio students are demonstrating rivals anything we’ve seen from any local college or university,” Kendall said.

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### Interconnect/Telecommunications Firms Serving the Inland Empire

**Ranked by Number of Employees in the Inland Empire**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Employees</th>
<th>Year Established in Inland Empire</th>
<th>Major Brands Carried</th>
<th>Top Local Executive</th>
<th>Title</th>
<th>Phone/Fax</th>
<th>E-Mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verizon</td>
<td>2,600</td>
<td>1952</td>
<td>Adtran, Alcatel-Lucent, Cisco, Nortel</td>
<td>John Stratton</td>
<td>President</td>
<td>(800) 201-1452</td>
<td>vzn.com</td>
</tr>
<tr>
<td>Charter Business</td>
<td>300+</td>
<td>na</td>
<td>Charter Business Internet, Charter Business Phone, Charter Business TV</td>
<td>Thomas M. Rutledge</td>
<td>President/CEO</td>
<td>(626) 430-3352</td>
<td><a href="mailto:trutledge@charterbusiness.com">trutledge@charterbusiness.com</a></td>
</tr>
<tr>
<td>TelePacific Communications</td>
<td>57</td>
<td>1996</td>
<td>WND</td>
<td>Phillip Ross</td>
<td>President</td>
<td>(909) 945-8210</td>
<td><a href="http://www.telepacific.com">www.telepacific.com</a></td>
</tr>
<tr>
<td>TW Telecom</td>
<td>26</td>
<td>1993</td>
<td>WND</td>
<td>Dan Cross</td>
<td>President/CEO</td>
<td>(909) 605-5745</td>
<td><a href="http://www.twtelecom.com">www.twtelecom.com</a></td>
</tr>
<tr>
<td>Accent Computer Solutions Inc.</td>
<td>24</td>
<td>1995</td>
<td>VoIP, Toshiba, Cisco</td>
<td>Marty Kaufman</td>
<td>President</td>
<td>(909) 481-4576</td>
<td><a href="mailto:info@teamaccent.com">info@teamaccent.com</a></td>
</tr>
<tr>
<td>Extenda Communications, Inc.</td>
<td>20</td>
<td>1970</td>
<td>VoIP, MyIntel, Samsung</td>
<td>Russell Schmidt</td>
<td>President/CEO</td>
<td>(800) 640-2411</td>
<td><a href="mailto:cs@teamextenda.com">cs@teamextenda.com</a></td>
</tr>
<tr>
<td>Phone Systems Plus</td>
<td>12</td>
<td>1986</td>
<td>NEC, Microsoft, Novell</td>
<td>Ron Kohl</td>
<td>President</td>
<td>(888) 552-2600</td>
<td><a href="mailto:work@psplax.com">work@psplax.com</a></td>
</tr>
<tr>
<td>Triton Communications, Inc.</td>
<td>12</td>
<td>1982</td>
<td>NEC</td>
<td>Vito M. Tasselli</td>
<td>President</td>
<td>(909) 594-5895</td>
<td><a href="mailto:vito@tritoncomm.com">vito@tritoncomm.com</a></td>
</tr>
<tr>
<td>Voipcom Inc.</td>
<td>10</td>
<td>1992</td>
<td>Nortel Networks, Toshiba, Alwors, Samsung, VoIP System</td>
<td>Diana Sadhivar</td>
<td>President</td>
<td>(888) 673-6033</td>
<td><a href="mailto:sales@voipcominc.com">sales@voipcominc.com</a></td>
</tr>
<tr>
<td>Inter-Tel Technologies, a Mind Co.</td>
<td>2</td>
<td>1982</td>
<td>AVT, Active Voice, Toshiba, Mind</td>
<td>Charles Oakley</td>
<td>Vice President of Operations</td>
<td>(714) 283-1600</td>
<td><a href="http://www.mind1.com">www.mind1.com</a></td>
</tr>
<tr>
<td>University Communications</td>
<td>2</td>
<td>1983</td>
<td>AT&amp;T, Lucent, Norstar Medidian, Toshiba</td>
<td>Gale Medina</td>
<td>President</td>
<td>(809) 244-2217</td>
<td><a href="mailto:gemedina@vtelem.net">gemedina@vtelem.net</a></td>
</tr>
</tbody>
</table>

N/A = Not Applicable; WND = Would not Disclose; na = not available. The information in the above list was obtained from the companies listed. To the best of our knowledge the information supplied is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Please send corrections or additions on company letterhead to: The Inland Empire Business Journal, P.O. Box 1979, Rancho Cucamonga, CA 91729-1979. Copyright 2014 by IEBJ.
### Copier, Fax and Business Equipment Retailers in the Inland Empire

**Ranked by Sales Volume 2014**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>IE Sales Volume</th>
<th>Offices (IE)</th>
<th>Employees (IE)</th>
<th>Products/lines</th>
<th>Top Local Exec.</th>
<th>Title</th>
<th>Phone/Fax</th>
<th>E-Mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>SoCal Office Technologies</td>
<td>$25 million</td>
<td>1</td>
<td>40</td>
<td>Sharp Copiers, Fax, Color Copiers, Xerox High Volume Copiers, HP Printers</td>
<td>Scott Crain</td>
<td>Vice President, Sales</td>
<td>(800) 769-2679/(909) 476-2406</td>
<td><a href="http://www.socal-office.com">www.socal-office.com</a></td>
</tr>
<tr>
<td>Konica Minolta Business Systems</td>
<td>$20.7 million</td>
<td>2</td>
<td>84</td>
<td>Konica Minolta Digital Solutions, Black, White &amp; Color</td>
<td>Linda Turner</td>
<td>General Manager</td>
<td>(909) 824-2000/888-1819</td>
<td><a href="http://www.kmb.konicaminolta.us">www.kmb.konicaminolta.us</a></td>
</tr>
<tr>
<td>Burtronics Business Systems</td>
<td>$10 million</td>
<td>1</td>
<td>50</td>
<td>Konica, Ricoh, Riso, Hi-speed Duplicators, Wide Format Copiers, Networking Specialist, Minolta Lanier</td>
<td>Dennis Short</td>
<td>President</td>
<td>(909) 885-7576/388-2124</td>
<td><a href="http://www.burtronics.com">www.burtronics.com</a></td>
</tr>
<tr>
<td>Califronics</td>
<td>$10 million</td>
<td>1</td>
<td>30</td>
<td>Konica Digital Software Solutions</td>
<td>Ryan Goring</td>
<td>Sales Manager</td>
<td>(626) 334-0383/999-4421</td>
<td><a href="http://www.calfronis.com">www.calfronis.com</a></td>
</tr>
<tr>
<td>Innovative Document Solutions</td>
<td>$8 million</td>
<td>2</td>
<td>24</td>
<td>Authorized Canon Copier &amp; Digital Products Dealer</td>
<td>Kevin W. Hoffraker</td>
<td>President</td>
<td>(951) 676-8856/641-1194</td>
<td><a href="http://www.adprintwise.com">www.adprintwise.com</a></td>
</tr>
<tr>
<td>National Ram Business Systems, Inc.</td>
<td>$6.7 million</td>
<td>2</td>
<td>32</td>
<td>Kyocera, Digital Copiers, Hewlett-Packard Printers</td>
<td>Roland Martinez, Jr.</td>
<td>CEO</td>
<td>(909) 621-9544/261-2891</td>
<td><a href="mailto:rjmartinez@rambusiness.com">rjmartinez@rambusiness.com</a></td>
</tr>
<tr>
<td>Advanced Copy Systems, Inc.</td>
<td>$5+ million</td>
<td>1</td>
<td>23</td>
<td>Authorized Sharp Copiers</td>
<td>Walter G. Ferguson</td>
<td>President</td>
<td>(800) 442-3333/(909)889-3602</td>
<td><a href="mailto:acs.walter@veritost.net">acs.walter@veritost.net</a></td>
</tr>
<tr>
<td>Desert Business Machines, Inc.</td>
<td>$2.4 million</td>
<td>1</td>
<td>22</td>
<td>Savin, Mita Copiers, Xerox, Fax, Lexmark Printers &amp; Typewriters, Neopost Mailing Equipment, Computers &amp; Networks</td>
<td>Bob Solomon</td>
<td>President</td>
<td>(760) 346-1124/346-1944</td>
<td><a href="mailto:info@desertbiz.com">info@desertbiz.com</a></td>
</tr>
<tr>
<td>Office Depot</td>
<td>WND</td>
<td>12</td>
<td>WND</td>
<td>Xerox Copiers &amp; Printers, Canon Fox, Copiers &amp; Printers, Brother Fax &amp; Printers</td>
<td>Roger Amparoopy</td>
<td>District Manager</td>
<td>(909) 463-1262</td>
<td><a href="http://www.office">www.office</a> depot.com</td>
</tr>
<tr>
<td>Reliable Office Solutions</td>
<td>WND</td>
<td>1</td>
<td>23</td>
<td>Canon, Ricoh, Savin, Okidata, Brother, Xerox, Destroy-IT, Computer Supplies</td>
<td>Jeff Edelman</td>
<td>President</td>
<td>(951) 682-8800/682-0110</td>
<td><a href="http://www.reliable-os.com">www.reliable-os.com</a></td>
</tr>
<tr>
<td>Toshiba Business Solutions</td>
<td>WND</td>
<td>1</td>
<td>45</td>
<td>Authorized Toshiba Dealer</td>
<td>Gavin Brown</td>
<td>Sales Manager</td>
<td>(909) 390-4213/390-6280</td>
<td><a href="http://www.toshiba.com">www.toshiba.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Address</th>
<th>City, State, Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td>SoCal Office Technologies</td>
<td>8577 Haven Ave., Ste. 110</td>
<td>Rancho Cucamonga, CA 91730</td>
</tr>
<tr>
<td>Konica Minolta Business Systems</td>
<td>1003 E. Briar Rd., Ste. 120</td>
<td>San Bernardino, CA 92408</td>
</tr>
<tr>
<td>Burtronics Business Systems</td>
<td>216 S. Arrowhead Ave.</td>
<td>San Bernardino, CA 92408</td>
</tr>
<tr>
<td>Califronics</td>
<td>6229 Santos Díaz St.</td>
<td>Irwindale, CA 91702</td>
</tr>
<tr>
<td>Innovative Document Solutions</td>
<td>571 E. Reallands Blvd.</td>
<td>San Bernardino, CA 92408</td>
</tr>
<tr>
<td>National Ram Business Systems, Inc.</td>
<td>8849 Rose Ave.</td>
<td>Montclair, CA 91763</td>
</tr>
<tr>
<td>Advanced Copy Systems, Inc.</td>
<td>571 E. Reallands Blvd.</td>
<td>San Bernardino, CA 92408</td>
</tr>
<tr>
<td>Desert Business Machines, Inc.</td>
<td>42-471 Riter Cir.</td>
<td>Palm Desert, CA 92211</td>
</tr>
<tr>
<td>Office Depot</td>
<td>8160 Day Creek Blvd.</td>
<td>Rancho Cucamonga, CA 91739</td>
</tr>
<tr>
<td>Reliable Office Solutions</td>
<td>3570 14th St.</td>
<td>Riverside, CA 92501</td>
</tr>
<tr>
<td>Toshiba Business Solutions</td>
<td>1281 E. Ganza Rd., Ste. 500</td>
<td>Ontario, CA 91761</td>
</tr>
</tbody>
</table>

**Notes:**

- WND: Would Not Disclose; no company data is available.
- N/A: Not Applicable;
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INLAND EMPIRE RESCUE MISSION LAUNCHES SPECIALTY COFFEE BRAND AND SHOP TO HELP HOMELESS

A special crowdfunding campaign has been established to raise the $100,000 needed to fund this endeavor, with more than $26,000 in donations already raised over the past six days.

The Inland Empire Rescue Mission in partnership with the Orange County Rescue Mission, is taking the art of coffee to whole new level, launching its very own brand of specialty coffee and a new coffee shop with a cause, Restoration Roasters.

The first specialty coffee from Restoration Roasters, appropriately named “Hand-Up” based on the organization’s commitment to providing “a hand-up, not a hand-out,” is now available for purchase online. 100 percent of the proceeds from the sale of this coffee will be used to help homeless men, women, and children in the local community.

In addition to the coffee being sold online, the Inland Empire Rescue Mission has begun negotiations on a lease for a retail location and coffee shop that will open in the coming months. The coffee shop will be located in the City of Corona. This revolutionary coffee shop will employ formerly homeless individuals who now live at the Corona Norco Rescue Mission.

“Restoration Roasters was founded on the idea that the restorative process of the coffee bean mirrors that of a person in need becoming whole once more,” explained Jim Palmer, president of the Rescue Missions. “Coffee beans undergo a transformation in order to brew for themselves long term. According to Palmer, the coffee shop will serve as both a vocational and skill-building opportunity for the residents of the Corona Norco Rescue Mission.

“A special crowdfunding campaign has been established to raise the $100,000 needed to fund this endeavor, with more than $26,000 in donations already raised over the past six days.

“We are now providing community members the opportunity to buy and enjoy their coffee with the added benefit of knowing they helped those in need,” Palmer explained.

“The Rescue Mission is conducting a crowd funding campaign to help fund this new nonprofit venture, and a special online donation page has been set up through crowdfunding website IndieGoGo. Palmer explained, “Our goal is to reach $100,000 in donations in the next 24 days, which will fund the store’s coffee equipment, the build-out of the retail space and other startup costs associated with the venture.”

Palmer notes that the campaign has already raised more than $26,000.

Those who donate to the campaign are also eligible for donation perks depending on the amount they donate. For example, individuals who donate $5,000 to Restoration Roasters will receive a free beverage of their choice at the Restoration Roasters Cafe, every day for one whole year.

“Where else can you donate to help the homeless and receive a year of free coffee in return?” Palmer asks.

According to Palmer, the coffee shop will serve as both a fundraising endeavor for the Rescue Mission’s programs, as well as a vocational and skill-building opportunity for the residents of the Corona Norco Rescue Mission.

Palmer notes that the concept is a unique way to help those in need while simultaneously giving them the skills necessary to provide for themselves long term.

“The Corona Norco Rescue Mission residents will learn to become baristas and to interact with customers on a one-on-one basis,” explained Palmer.

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The 44th Annual Big Bear Lake Oktoberfest celebrates German-style excitement for seven straight weekends with more German flare than ever before. This year, Big Bear Lake Oktoberfest presents not one, but two German bands on the second, third and fourth weekends of the seven-weekend stretch that starts on Sept. 13 and ends October 25.

The Goldeizen Band, which was nominated in 2013 for the Best Oktoberfest Hits CD produced by the world-renowned Munich Oktoberfest, performed in September. An 11-piece band called The Aalbachtal Express also performed in September. Fortunately, Oktoberfest doesn’t end in September. You can dance and listen to the Express Band on the weekends of Oct. 11-12, 18-19, and 25. It is Southern California’s premier German band that plays a unique blend of traditional German polkas and American pop music.

“It’s the bands that really bring a feel-good vibe to our Oktoberfest,” said Monica Marini, director of The Convention Center at Big Bear Lake. “This is the first time that we’ll have two different bands from Germany performing in the same year. It gives our patrons an opportunity to see two different versions of authentic German music. Of course, our local Express Band knows a thing or two about traditional German song and dance too, and they always get the dance floor moving!”

In addition to the main stage inside the Convention Center is an outdoor stage in the Spaten Bier Garten called Spaten Rocktoberfest Stage. The stage was added to give festival goers more entertainment and keep a lively atmosphere throughout the festival grounds. Also, it now provides an extra stage for log sawing and Stein holding contests.

Fun competitions and contests at Oktoberfest include log sawing, steam carrying, shoot & yodel, a version of beer pong, sausage eating, steam holding, and limbo dancing. Children’s fun and games include pretzel eating contests, kiddy mug holding matches and Midway carnival-style games. The Chicken Dance is the definitive favorite dance at Oktoberfest and always amusing. Every weekend expect to see a huge dance floor filled with hundreds of revelers clucking away to the Chicken Dance.

Big Bear Lake Oktoberfest once again goes “Unplugged” for one Friday night in October. This special event give patrons an inside look at the early days of Big Bear Lake Oktoberfest and its 44-year old history through storytelling and song and dance. The intimate Friday evening event presents a fine dining experience with a five-course German dinner paired with a variety of German beers and spirits. Oktoberfest Unplugged includes traditional German polkas and sing-alongs as well as amusing storytelling by Oktoberfest founder/Über-Burgermeister Hans Bandows and other Oktoberfest personalities. The Friday evening Oktoberfest Unplugged date is Friday, Oct. 17. The cost is $97 per person, which includes a five-course pairing meal, entertainment, a commemorative one-liter dimple stein, and free admission for the Saturday and Sunday Oktoberfest celebration.

The Big Bear Lake Oktoberfest began in September and will run until Saturday, Oct. 25, 2014. The weekend festivities take place at The Convention Center of Big Bear Lake located at 42900 Big Bear Boulevard. The four weekends (Oct. 4 to Oct. 25) general admission on Saturdays is $18 for adults, $14 for seniors (65+), and $8 for children 12 and under; Sunday admission prices $9 for adults, $5 for seniors with children 12 and under FREE.

For more details regarding online ticket savings, Burgermeister and Uber Burgermeister Party Packs, Kindermeister Party Packs (kid’s fun packs) and general information, log on to www.BigBearEvents.com or call 909-585-3000.

For all there is to see and do in Big Bear, make lodging reservations or request a free Visitors Guide log on to www.bigbear.com or call 800-424-4232.
California was home to nearly one-third of all new jobs created in the nation, according to Beacon Economics’ analysis of last month’s release from the California Employment Development Department (EDD). The state remains a driver of U.S. job growth, adding 44,200 positions to its nonfarm payrolls in the latest numbers.

Key Points:

California’s unemployment rate remained flat at 7.4% in August. However, this headline number masks the positive, underlying fact that the state’s labor force expanded by 16,400, which put upward pressure on the unemployment rate but is a sign that the labor market is healthier than the headline number suggests. Note the household survey, which is the source of unemployment rate statistics, is smaller and notoriously volatile from month to month. Still, August’s figures are in line with the broader trend of more Californians resuming their job search.

Construction (+13,600), Education/Health Services (+12,200), and Professional/ Business Services (+10,600) accounted for the majority of job growth last month. A variety of other sectors expanded to a lesser extent. Durable Goods Manufacturing jobs increased last month by 3,100 positions, though these gains were partially offset by reductions in Nondurable Goods Manufacturing jobs, which contracted by 1,700. Professional, Healthcare, and Manufacturing jobs all tend toward above-average wage rates, illustrating how California is creating higher wage jobs in addition to creating a substantial number of new positions.

The state also enjoyed job growth in a variety of lower-skilled sectors including Leisure and Hospitality (+2,900) and Administrative Support (+4,800). This is important because it demonstrates that California is creating jobs across the spectrum of wage categories, rather than having a concentration in just high- or low-wage industries.

The public sector also expanded its payrolls by 6,500 positions last month, driven entirely by gains at the state and local level. It appears that improvements in the underlying state and local tax bases in California have arrested the declines in government employment that had been offsetting private-sector job growth.

Several sectors stumbled in August, Wholesale and Retail Trade shed nearly 8,000 jobs collectively last month. However, given that consumer spending remains a driver of growth in both California and the nation overall, this is not an area of particular concern at this point. In addition, with the exception of negligible losses in Information and Logistics, every other major industry in California expanded last month.

Regionally, job growth was concentrated in the San Francisco Bay Area and in Southern California. Los Angeles County, which added 25,400 jobs to its payrolls last month, accounted for nearly 60% of all jobs created statewide. San Jose also made a significant contribution to job growth, adding 13,600 new positions. These areas were followed by San Francisco, Orange County, and the East Bay, all of which posted solid increases. These gains were offset by losses concentrated primarily in the Central Valley, with Sacramento, Fresno, Kings County, and Madera County all experiencing reductions in nonfarm jobs.

The sum of job growth across metropolitan areas in the state was 54,500 in August—roughly 10,000 more jobs than were reported to have been added in August. This suggests that there could be additional upward revisions to job growth in the coming months unless the non-metropolitan areas of the state have seen substantial reductions in their employment base—something that is not likely given current trends.

City National Economy & Jobs Report

Third Quarter 2014

Powered by Beacon Economics, LLC

California’s economy, like the United States overall, bounced back nicely after a slow start in 2014. The manufacturing, real estate, logistics and construction sectors all contributed to the state’s growth. Workers have benefited as job growth continues at a solid pace. These changes are reflected not just in the coastal cities but across the state, including portions of the San Joaquin Valley.

On the other hand, the slow pace of housing permits and falling home affordability suggest that California’s boom may start to slow once the remaining slack is removed from the labor market. Businesses will be hard-pressed to recruit mid-skilled workers in a state where the median price of a house is well over twice the national average.

–Dr. Christopher Thornberg, Founding Partner, Beacon Economics

OUR TOP FINDINGS

• Real Estate Is Key

The real estate and rental leasing industry was responsible for roughly one-quarter of California’s estimated 4% output growth in the second quarter of 2014. Business expansion has led to increased demand for commercial space, which has played a key role in boosting growth.

• California Employment Accelerates

Company payrolls increased at a 2.9% annual rate over the previous quarter. This is in stark contrast to the 1.2% annualized growth rate during the first three months of the year. The professional and business services sector was the largest contributor to the expansion.

• Inland Empire Comeback

Economic growth has expanded beyond California’s coastal areas and into the interior of the state. The Inland Empire posted the third highest growth rate of all Californian metropolitan areas. The Inland Empire also posted the fastest pace of home price expansion in the entire nation over the last year.

INLAND EMPIRE

Over the last quarter, the Inland Empire, consisting of Riverside and San Bernardino Counties, was a major driver of employment growth in California. Nonfarm employment in the Inland Empire increased by 12,600 positions from the first to the second quarter of 2014, representing a 4.1% annual rate of increase and 11.5% of net job gains in the state. This was the third-highest growth rate among all of
A Word of Caution as Open Enrollment for Obamacare Coverage Approaches

By Richard B. Alman

Open enrollment for 2015 health insurance coverage from the government marketplace is proposed to begin Nov. 15. People who plan to shop health-care.gov should understand the rules or risk facing serious consequences down the road.

Granted, the rules were confusing to begin with and have been changed and re-arranged with little public explanation or education. Additionally, policies available through health-care.gov have been marketed as providing better coverage at lower subsidized prices than what’s available to most individuals shopping privately or covered through employer-sponsored programs.

Many policies purchased through the Health Care Act websites also qualify for government subsidies for the purchaser. Those subsidies are not available for policies purchased through other means.

That allure, and the public’s failure to understand the rules, is leading many to inadvertently break them, which may result in stiff penalties for individuals and families down the road.

Under the law, employers with 50 employees or more must offer policies that meet or exceed the new Health Care Act rules which, for instance, require certain preventative measures to be 100 percent covered. Some employees, unhappy with their companies’ offers, are instead purchasing through the marketplace in hopes of a better deal.

That’s a violation of the rules.

The IRS, according to information publicly available at this time, will not act on database comparisons that show which individuals with access to employer plans have instead purchased a plan through Obamacare.

That means those individuals will not get an early warning that they’ve violated the rules. The result may be an IRS financial nightmare for those individuals, with the potential for fines, penalties, interest and having to return to the employer policy.

Before you sign up for a policy, ask an accountant, licensed insurance professional, or other person who understands the rules for a personal review and opinion of your specific circumstances.

Rescue Mission...

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customers, or will assist in business operations at the coffee shop,” he explained. “These skills will assist the residents as they take the next step on their journey back to self-sufficiency, and seek future employment.”

Those interested in donating to support the Restoration Roasters retail location can visit: www.RestorationRoasters.org.

About the Inland Empire Rescue Mission

The Inland Empire Rescue Mission’s programs provide food assistance and shelter as well as counseling, education, job training, mental wellness, and life skill training, to provide a solid foundation for the transition to a self-sufficient life. To make a donation or inquire about volunteer opportunities, please visit www.InlandEmpireRescueMission.org.

CSUSB Coyote...

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“university,” Mark Thomas, vice president and market manager of Clear Channel Riverside, said.

“We knew this program would be a great partnership for CSUSB and Clear Channel Riverside.”

The Riverside Clear Channel facility is the flagship for six Southern California radio stations, including Fox Sports, News Talk 1440, La Preciosa Radio, KTMQ Rock, Smooth Jazz 94.5 and KGGI 99.1. For nearly two decades KGGI has held top Arbitron ratings in the Inland Empire.

Clear Channel Media and Entertainment Inc. also own KFI Los Angeles and iHeart Radio, both of which carry the Isla Earth Radio program, produced in the Coyote Radio studios at CSUSB and is heard by more than 5 million weekly listeners.

For information regarding CSUSB Coyote Advertising or participating in the internship program, contact Jacob Poore at (909) 537-3448. For more information regarding Coyote Radio, contact Lacey Kendall at (909) 537-5781.

For more information regarding Clear Channel Media and Entertainment, contact Mark Thomas at (951) 684-1992.
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Our mission is to increase the value and promote the integrity of the CPA profession, contribute to the success of our members, and strengthen client, employer, public and government trust in CalCPA member advice, work products and opinions.
Investors Hike Up Interest Rates If CEOs Are Paid With Share Options

Firms are far less likely to take on more debt when their CEO is compensated through options according to new research.

As part of their pay package most CEOs are given share options, which gives them the right to buy or sell the shares after a certain time.

But the commitment to a CEO in the form of such options is seen as a direct threat to the company’s debtholders’ own investment, leading to a shift in the company’s capital structure according to Assistant Professor Onur Tosun.

In his paper, “The Effect Of The CEO Option Compensation On The Firm Capital Structure: A Natural Experiment,” Dr. Tosun, of Warwick Business School, looked at 410 US companies from 1992 to 1997, which straddled the introduction of a new Internal Revenue Code tax law that affected executive pay. The change in tax law saw a shift in how CEOs were compensated.

Dr. Tosun said: “By studying this interesting period of change, my research suggests that a firm is more likely to decrease leverage – the amount of debt used to finance a firm’s assets – as its CEO is compensated more and more through options and as those options become a higher percentage of the firm’s future cash flows.

“Furthermore, the CEO chooses less debt financing as they receive more valuable options. My findings are consistent with the agency issue of debt as they show a negative relation between CEOs’ option compensation and the firm’s leverage.

According to the agency of debt theory, when the interests of shareholders and management diverge, the debtholders are more likely to ask for higher interest rates, potentially making the CEO more reluctant to add debt to the firm.

Dr. Tosun studied the US companies from 1992 to 1993, before the new tax law, and four years after it, from 1994 to 1997. The Revenue Reconciliation Act introduced the new Internal Revenue Code tax law - Section 162(m) - in 1993 to limit the amount deducted from corporation tax for executive pay to $1 million, but performance-based compensation was not included.

The Securities and Exchange Commission (SEC) also required the disclosure of only the number of options granted to CEOs and not their monetary value. However, companies did need to report the value of cash bonuses they paid their CEO.

This led to a huge shift in CEOs’ pay as the new regulations made share options, under the banner of performance-based compensation, more attractive for firms compared to bonus payments.

Dr. Tosun said: “My research supports the notion that continued on page 30