Without Health You Have Nothing

BY WILLIAM CASWELL

“When you have your health, you have everything. When you do not have your health, nothing else matters at all” — Augusten Burroughs, author

As business leaders and employers, we know that our greatest company asset is our people. The quality of their work determines the quality of the goods and services our companies provide and, ultimately, the viability of our enterprises.

It’s also fair to say when our employees have good health—mind, body, and spirit—they come to work with a higher level of engagement, are more productive, and companies experience higher employee attendance. Similarly, workplaces that promote cultures of health can impact “presenteeism”—the problem of employees who come to work, but are unable to fully function due to personal illness, emotional issues or social/family related challenges. We all know of people who work with migraine headaches, bad colds, or serious family issues. They’re on the job, but they’re distracted and not fully effective in their work. A Harvard Business Review article said “…presenteeism appears to be a much costlier problem than absenteeism.”

Taking only a medical care approach to address presenteeism would have limited impact on your firm’s health. This is because there are more dominant factors that influence one’s personal health. Research shows the health of our employees is multi-faceted and medical care accounts for only 10% of the determinants of personal health. Other drivers include family history and genetics (30%), environmental and social factors (20%), and personal behaviors (40%). (See graphic)

Positively influencing personal behaviors can make a huge difference in individual health, workplace productivity, and business performance. Employers recognize that multiple factors impact employee well-being and workplace performance; hence they’re making significant investments in workplace health strategies. A survey on wellness program spending (Fidelity Investments and the National Business Group on Health) reveals that companies with more than 20,000 employees increased their per employee investment to $878, up from $717 in 2014 (22%).

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2015 MID-YEAR ECONOMIC FORECAST & TRENDS

Become a Great Boss for Your Company

Bearing in mind the importance of good leadership to business, consider the following lineup of skills, strategies and attributes:

1. Be inclusive. With a smaller operation, it’s essential that everyone feels like an equal and involved part of the team. A good employer is certain to treat each employee fairly, not only in terms of salary and other forms of compensation, but also in how that employee is involved in the daily function of the business. Encourage feedback, innovation and creativity so employees feel genuinely engaged. You need to create an environment of integrity, trust and respect to make absolutely certain that everyone is treated fairly, regardless of the differences they may have. It’s essential to be inclusive, because that keeps everyone on the same page when it comes to the business’s long-term goals.

2. Mission, not just money. Very few businesses operate out of sheer altruism, but that’s not to say that turning a profit is the primary philosophical and practical focus. Rather, an effective boss establishes a genuine business mission. How that takes shape depends both on the business and on the overriding focus the boss wants to set. For instance, a restaurant owner may push speedy lunchtime service as a way of serving the time-strapped business community. By contrast, a medical supply outfit may emphasize how its products improve customers’ health. Not only can a clear mission serve to motivate employees, it can also infuse a sense of importance in their jobs.

3. Nothing to fear but fear itself. Many of us have had bosses who would be right at home with a guillotine next to their desk calendars. Make one mistake on the job and feel free to slip your noggin right in beneath the blade. Conversely, an effective boss encourages his or her employees not to be gun shy about an occasional snafu along the road toward better job performance.

4. Don’t just lead — coach. It’s common to hear a sports reporter observe that one coach out-coached another in a particular game. The same dynamic holds true for your business, in which you view your position both as a leader and a coach who teaches, encourages and, if need be, corrects employees. A coach sees things very differently than the players. It’s important to use that different perspective to educate and encourage. But it’s also important, like a good coach, to lead your team by example. For instance, while you should point out mistakes by your employees, be sure to admit when you yourself make a mistake.

5. It’s their careers, too. Don’t forget that the people who work for you are looking to you to help them navigate and advance their careers. If an employee has a goal of becoming a manager or running his or her own business someday, nurture that goal.

6. Made, not necessarily born. One final aspect of being a good boss is recognizing that much of what goes into being an effective leader is, in fact, learned behavior. Of course, there always have been and will be bosses who seem to have a flawless touch in leading and motivating. But for every natural, there are just as many top-flight bosses who got that way by attending management classes and seminars, reading books on effective leadership and, just as important, understanding that a good employer naturally attracts first-rate employees.

Information provided by the Small Business Association.

On Friday, July 24th, the Los Angeles Business Journal and the San Fernando Valley Business Journal will host a roundtable style discussion on economic trends and forecasts for Los Angeles County and Southern California. Our panel of regional experts will share their insights on the biggest headlines of 2015 and where they feel the market is going this year. Moderated by the Los Angeles Business Journal’s Publisher and CEO, Matt Toledo, the discussion should be informative and insightful. Don’t miss this opportunity to be a part of the conversation, meet industry leaders and get informed.

PANELISTS

ROBERTO BARRAGAN
President and Chief Executive Officer
VEDC

WILLIAM CASWELL
Senior Vice President of Operations
and Chief Operating Officer
Kaiser Permanente
Southern California

MARLA CLEMOW
EVP, Region President Wells Fargo’s
L.A. Metro Community Bank
Wells Fargo & Company

JIM FREEDMAN
Chairman and Managing Director
Intrepid Investment Bankers

GREGORY MAY
Executive Vice President,
Regional Managing Director
Newmark Grubb Knight Frank

PHILIP WILSON
Partner-in-Charge, California Region
Marcum LLP

DEAN JOAQUIN
Partner, Tax Services
McGovern
NGKF Capital Markets, the financial services division of Newmark Grubb Knight Frank, provides its clients with strategic solutions to their real estate capital concerns. Through creative advisory, transaction management, deal structuring and marketing expertise, our professionals deliver exceptional capital solutions. Private, corporate and institutional clientele including investment banks, major law firms, insurance companies and media companies, as well as major private equity firms, have turned to NGKF Capital Markets for their financing, acquisition, disposition and leasing needs.

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MANAGING PRINCIPAL | GPI COMPANIES

Q / What product type and locations in L.A. do you believe has the greatest potential for appreciation over the long term?

A / I believe multi-family properties that are located near mass transit will likely have the greatest appreciation over the long term, especially in submarkets where there are high barriers to entry for new development.

While the office space market remains soft, due to limited new construction in the past few years, I expect an increase in rents outpacing most peoples’ expectations. Many well located office buildings are available for well below replacement cost, which suggests that over the long term, office building investments will pay off. Investing in retail buildings is about location, location, location, and density, density, density. Urban in-fill properties in the L.A. basin are the best bet for long term appreciation.

PRINCIPAL | OCEAN WEST CAPITAL PARTNERS

Q / What are the three most important pieces of advice you would give an international investor seeking to place capital in Los Angeles?

A / The first key is to understand L.A.’s demand drivers and then follow them. The growth of technology in L.A. has spurred higher rents and prices across virtually all sectors of commercial real estate. However, new economy tenants are extremely focused on their working environment and thus are picky about location and product type.

The next important piece is to focus on quality. In good times and in bad, the highest quality product in L.A. has outperformed its competitive set. It is worth it to pay extra or spend more repositioning a project so that you own best in class.

The last piece is to make sure your buying process is commercial. In order to invest in the U.S., foreign investors need to have cash available within the U.S. and must have an approval process that is transparent and streamlined.

Q / Proposals to overhaul Proposition 13 are being debated within state government. What are the most significant repercussions on tenants and owners if split roll is enacted?

A / This would have a titanic effect on many groups. First, long-time owners of real estate who are predominantly family offices and mom/pop owners of smaller buildings will suffer the greatest impact on the ownership side. Their property tax levels are currently low compared to the market and, therefore, they would experience a sudden spike in property taxes. Assuming their leases are either triple net or modified gross with a base year, then it will be the tenant suffering all the impact.

Ultimately, this will place a lot of pressure on tenants, which could force owners to reduce base rental rates in order to compensate for the increase in property taxes in order to keep tenants in the properties. Lower rental rates means lower valuations which ultimately defeats the purpose behind this legislation of increasing taxes. If split roll passes, we could see a new wave of businesses leaving California yet again.

L.A. real estate is appreciating rapidly due to improving fundamentals and increased liquidity, and we are well-positioned for even greater growth. We’ve asked some of the region’s top real estate professionals to provide their insights on the trends and forecasts for the remainder of 2015 and beyond.

QUESTIONS PANELISTS RESPONSES

SEAN FULP
Executive Managing Director
Newmark Grubb Knight Frank | Capital Markets

CLIFF GOLDSTEIN
MANAGING PRINCIPAL | GPI COMPANIES

ANDREW KIRSH
CO-CHAIRMAN | SKLAR KIRSH, LLP

RUSS ALLEGRETTE
PRINCIPAL | OCEAN WEST CAPITAL PARTNERS

QUESTIONS

Q / What factor do you believe poses the biggest near-term threat to the investment community?

A / I believe multi-family properties that are located near mass transit will likely have the greatest appreciation over the long term, especially in submarkets where there are high barriers to entry for new development.

While the office space market remains soft, due to limited new construction in the past few years, I expect an increase in rents outpacing most peoples’ expectations. Many well located office buildings are available for well below replacement cost, which suggests that over the long term, office building investments will pay off. Investing in retail buildings is about location, location, location, and density, density, density. Urban in-fill properties in the L.A. basin are the best bet for long term appreciation.

QUESTIONS

Q / On a risk adjusted return basis, what Los Angeles focused investment strategies do you believe will be most attractive over the next 12 months?

A / Multifamily development in infill Los Angeles locations will certainly continue to be a sound investment strategy, but developable sites are few and far between. Becoming similarly attractive is the opportunity to re-purpose existing, under-utilized buildings into differentiated and functional office space in highly-amenitized submarkets like downtown, Hollywood, Culver City, and the coastal communities. Historically, the adaptive re-use conversation has typically defaulted to residential or hospitality when determining "highest and best use", but increasing demand from users for this type of space coupled with a growing investor appetite has now made office a part of that conversation.
JASON CHOULOCHAS
MANAGING DIRECTOR | NORTHSTAR ASSET MANAGEMENT GROUP

Q / Of the $44 billion in Los Angeles CMBS-backed loans set to mature through 2025, over $18 billion is set to mature in 2016-2017. What will be the result of all of these loan maturities?

A / Los Angeles is the entertainment capital of the world and we’ve been to this movie before. Clearly upcoming maturities will be a source of opportunity for investors. However, I do not believe that asset level pricing, for either debt or equity, will change materially. Today’s capital markets are so liquid that these loan maturities can be absorbed. Further, we have the benefit of increasing valuations which continues to narrow the refinance gap facing many borrowers with looming loan maturities.

Mezzanine lenders and preferred equity providers abound and have positioned themselves to provide capital to address the so-called “wave” of maturities. The speed at which this plays out will be governed by property owners’ willingness to dilute their position by bringing in new capital. However, owners are now able to access higher leverage debt, typically from non-bank lenders, to refinance maturing loans. While this bridge capital is more expensive than bank alternatives, it can help to effectuate a refinance while providing the borrower the flexibility to sell at any time.

SONDRA WENGER
1ST VICE PRESIDENT - INVESTMENTS | CIM GROUP

Q / CIM was a leader in bringing residential and retail to downtown Los Angeles approximately 15 years ago, and today continues investing in the area. What attracts CIM to this market?

A / Downtown Los Angeles has been a long-time CIM qualified community that meets the criteria of having an underserved real estate infrastructure need, improving demographic trends over a long period, sufficient level of private sector investment, public commitment to real estate investment consistent with our view, and the potential to make a significant equity investment in the area. In all of CIM qualified communities we continually monitor potential investment opportunities in that market. As downtown Los Angeles evolves, and because CIM has investment, development and operating experience in all types of commercial real estate as well as multiple platforms with a prescribed risk profile, we are flexible to evaluate all investment opportunity.

GREGG HALL
MANAGING DIRECTOR - ACQUISITIONS & DEVELOPMENT | STEELWAVE

Q / What factor do you believe poses the biggest near-term threat to the surging Los Angeles real estate market?

A / Investors need to be cautious about the interplay between global geopolitical crises, rising interest rates and asset valuations. Throughout the recent recovery, the U.S. has been a safe haven for foreign markets and international demand has distorted the market by artificially driving interest rates lower than they would be in the absence of foreign capital. The ensuing bubble-like behavior of the Treasury market poses a distinct risk to the current recovery. Any fallout in Greece, or elsewhere globally, would affect the rest of Europe and the U.S. given our trade exposure. If foreign capital retracts, there will likely be negative adjustments to U.S. financial markets and increases in interest rates. This is a risk that isn’t fully-underwritten today. The low cap rate environment we’ve been enjoying could change quickly as interest rates normalize. Though this may not immediately affect value, over a medium-term horizon (5+ years) higher reversionary cap rates will have a large negative affect on exit pricing which likely can’t be recovered through income gains during the hold period.

MARK FLUENT
MANAGING DIRECTOR - HEAD CRE BANKING US WEST | DEUTSCHE BANK SECURITIES INC

Q / How is the possibility of a rise in interest rates affecting your firm’s near-term investment strategy?

A / Rates have been rising slowly but surely, which we think is the Fed’s intention. As the market leader, Deutsche Bank expects to still issue $25B to $30B in CMBS loans this year alone. We will also continue to use our balance sheet to benefit of our clients with floating rate loans and for special situation lending.

As for underwriting new loans, we are stress testing all short term loans to make sure that they qualify for take-out financing at the higher long term rates, which we expect to see in the near future.

We are also encouraging borrowers to consider taking longer term loans. All of us, as lenders and borrowers, have been lulled to sleep, forgetting that LIBOR does in fact move above 20 basis points.

If you own a property that has stable cash flow, take advantage of the last few innings of this historically low interest rate environment – and buy yourself 10 years worth of the peace of mind that comes with a fixed rate, non-recourse loan.

SCOTT SELKE
Senior Managing Director
Newmark Grubb Knight Frank | Capital Markets

As evidenced by the responses from the institutional investment and finance community, Los Angeles remains high on the list for new deals. The caveat is that investment will flow to the risk profiles, neighborhoods and property types that offer the highest adjusted return. Shifts in investor behavior continue to be primarily influenced by the cost and availability of capital. Capital is making considerable efforts to underwrite the expected upward trend in interest rates over the next three to five years.
The Four Components of an Effective Business Plan

By MARLA CLEMOW

Having a well-thought-out business plan can help a business owner reach their personal or professional goals and objectives, yet according to a recent Wells Fargo survey, only 33 percent of small business owners said they have a formal, written business plan.

Even though many business owners have ideas for plans in their heads, those who put plans in writing are more optimistic about the coming year. In the survey, business owners with formal plans were more likely to say that in the next 12 months they planned to add jobs at their companies, expected revenues to increase, anticipated increasing their capital spending and intended to apply for new credit.

Why do business owners with written plans have more optimism? While there may be many reasons, from our experience working with small businesses, business owners in general benefit from creating a business plan. A business plan enables you to stay focused on company goals and to measure your progress. It provides a high-level summary of the business, and your business strategy, and your business structure, including staffing and management roles and responsibilities. In addition, the overview should house a detailed marketing plan.

Analysis – Competitive intelligence and customer insights are a key part of developing your business plan. In this section, you should include data on competitors within your industry. It’s also a good place to explore prospective customers that might be a fit for your products and services, and define how you intend to reach them. Building this information into your business plan is intended to provide you with a competitive advantage, and helps you fine-tune your marketing efforts and maximize sales.

Financial Data – A business plan should include a financial data section. It’s the place to outline your starting balances, how you plan to monetize your upcoming sales forecasts. Keeping financial information updated and organized can be a challenge for many business owners, yet an essential process to more easily plan for growth, manage cash flow and prepare for unexpected expenses.

Executive Summary – This part of the plan is often considered the most important when seeking financing. This section provides a high-level summary of the business, and recaps the key features of your business plan in one page or less, including who you are, what you sell, and who you sell to, and a financial summary.

As a business owner, your focus is on running the business, and time away from day-to-day tasks is limited. Yet we’ve learned from business owners we serve that taking time to develop and maintain a streamlined business plan can save you time and better manage your money in the long run.

The Business Plan Center delivers an integrated learning experience, and is available to all business owners – both customers and non-customers. It is a national extension of the support we currently offer through Wells Fargo Works for Small Business.

Developing your business plan isn’t a one-time process. It requires regular maintenance as your business evolves and your needs change. Every business owner will experience successes and challenges on their entrepreneurial journey, and revising your business plan during these times will help you celebrate accomplishments, establish new goals, and plan for the future based on lessons learned.

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Marla Clemow is Region President for Wells Fargo’s Los Angeles Metro Region. She can be reached at marla.clemow@wellsfargo.com.

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To help more small businesses achieve financial success, Wells Fargo introduced Wells Fargo Works for Small Business – a broad initiative to deliver resources, guidance and services for business owners. For more information about Wells Fargo Works for Small Business, visit: Wells FargoWorks.com or follow them on Twitter @WellsFargoWorks.
The Entrepreneur’s Story Always Starts with a Dream to Win Big
We’re proud to help our clients realize their dreams.

Select Recent Transactions

Beauty Care

Too Faced

a portfolio company of WESTON PRESIDIO

has sold a majority stake to GENERAL ATLANTIC

in conjunction with Too Faced founders and senior management

Software-as-a-Service

Drawloop

has been acquired by NINTEX

a portfolio company of T3 Associates and updata partners

Market Research/Data Analytics

LRW

has obtained a majority investment from TAILWIND CAPITAL

Apparel

Arlington Global Financial Limited

has acquired BIG STRIKE from THE GORES GROUP

in partnership with the existing management team

Beauty Care

Chatters

has been acquired by ONCAP

Building Products

RSI HOME PRODUCTS, INC.

has completed a private equity placement from BIC Investors, LLC

Professional Audio

PreSonus

has completed a senior and subordinated debt financing led by PRESIDENTIAL FINANCIAL

Action Sports & Apparel

HYBRID

has completed a recapitalization with ALTAMONT CAPITAL PARTNERS and concurrent investment in Fox Head, Inc.

Digital Marketing

product club

has been acquired by BURMAX

Beauty Care

PROUD SPONSOR Los Angeles Business Journal’s 2015 Mid-Year Economic Forecast & Trends
FEATURED PANELIST Jim Freedman, Managing Director

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Women, Minority-Owned Businesses Power LA Economy and Strengthen Communities

BY ROBERTO BARRAGAN

More women and minorities operate businesses in Los Angeles County than any other county in the nation making critical contributions to the region’s economic engine. Beyond impacting gross product and tax receipts, the micro and small businesses established by women and minorities are vital to strengthening under-served communities by creating sustainable jobs and increasing personal income.

Funding to establish a small business remains difficult, though, despite the end of the recession. A 2014 Federal Reserve Bank report shows that large business loans have reached record levels, but the volume of bank loans to small businesses (defined as loans under $1 million) decreased significantly 2008-2012 and has barely recovered. While the July 2014 Federal Reserve Board (FRB) Senior Loan Officer Opinions Survey on Bank Lending Practices reported that small business loan standards are easing, the number of banks that had eased price terms was noticeably lower in January 2015 than in prior surveys. Many small businesses need working capital and equipment loans, but have little collateral available due to decreases in real estate values and/or borrowing to stay in business during the recession.

This lack of access to capital presents an urgent challenge in Los Angeles County, where women own 30 percent of private, nonfarm businesses and minorities own 46.5 percent of private, nonfarm businesses. As one of the nation’s largest Small Business Administration (SBA) lenders, the nonprofit VEDC focuses its efforts on lending and guiding micro and small businesses, particularly those owned by women and minorities, that cannot qualify for traditional bank financing. Historically, 75% of VEDC clients are located in low- to moderate-income areas and 60% have been women and minority entrepreneurs.

Since 2009, VEDC has provided more than $50 million in small business and micro loans to 927 businesses that created/re retaining more than 5,700 jobs. For example, Noemi Prado devoted 29 years of her life to Southwest Moulding, beginning as a machine operator and working her way up to general manager of the wholesale wood moulding manufacturer that also crafts picture frames, stretcher bars, and special custom wood products. When the owners announced plans to retire and shutter Southwest Moulding, Prado withdrew funds from her retirement account in an effort to acquire the Sun Valley-based business. VEDC recognized Prado’s passion, professionalism, and business acumen, and provided her with an $825,000 loan she needed to put Southwest Moulding back on track. She succeeded in preserving the woodcrafting business and now employs 40 people.

Micro lending, which constitutes loans of from $1,000 to $50,000, is also crucial to launching women- and minority-owned businesses in Los Angeles County. Maria Martir saved $40,000 to launch her business, but could not secure a $10,000 loan as working capital for the first several months of operation. She had no existing cash flow and no outside collateral. Three years after receiving a loan from VEDC, with help writing her business plan, Ms. Martir’s De Todo Un Poquito Café (A Little of Everything) in Van Nuys expanded into the vacant space next to her and created jobs for her four children. She is now looking to expand elsewhere.

In Pacoima, Juan Dominguez, his wife Antonia, brother Armando Jr., and father Armando Sr. wanted to bring upscale baked goods to the low-to-moderate income community. With $20,000 in funding from VEDC for advertising, fresh baking ingredients, and assorted bakery accessories, The Family Bakery’s segment is growing by 25 percent annually and the already-extensive menu of custom baked goods will soon include breakfast and lunch offerings.

Micro lending reaches entrepreneurs who are outside of the economic mainstream, but are very much a part of a vital economy. Approximately 25 million businesses, or 88% of all businesses, in the United States are considered micro businesses – a business with five or fewer employees and start-up capital of under $50,000. Micro businesses may be small, but they add up to big numbers. These businesses generate $2.4 trillion in receipts, account for 17% of U.S. GDP, and employ more than 31 million Americans. Micro businesses are everyone’s neighbors - farmers at the Saturday market, local childcare centers, residential contractors, salons, and so forth and Los Angeles has more small businesses per capita than any other city in our nation.

In addition to access to capital, many small businesses in low- to moderate-income communities need business development services. More than 5,000 small businesses access free VEDC workshops each year, along with consulting, risk education, and training programs for loan clients. Locally, VEDC operates a Small Business Administration (SBA) sponsored Women’s Business Center, Pacoima Development Federal Credit Union, and two Los Angeles Business Source Centers. VEDC’s strategy recognizes that a combination of technical assistance, access to capital, and partnerships with local workforce and business assistance agencies are critical to entrepreneurial success.

Roberto Barragan is President and Chief Executive Officer for the VEDC.

2015 MID-YEAR ECONOMIC FORECAST & TRENDS

Morale-Boosting Tips for Your Employees

Address employee concerns promptly, and give verbal status reports on issues that you are still working to resolve. If you can’t resolve an employee concern, be up front about why. It’s important for employees to know that you didn’t forget about them due to lack of interest.

1. Concentrate on helping employees learn and grow from their mistakes rather than on assigning blame. Rarely is there only one right way to do things. Allow them to learn from their mistakes – as long as they learn from them. If you can’t resolve an employee concern, be up front about why. It’s important for employees to know that you didn’t forget about them due to lack of interest.

2. Encourage open communication and allow for respectful disagreement. Share expectations clear. Share information, future plans, and company direction.

3. Use small perks like allowing an employee to knock off work a few hours early after completing a big project. This reinforces to employees that hard work is recognized and appreciated.

4. Solicit advice and input on changes, procedures, or plans that affect your employees. Pull opinions from timid employees by asking direct questions like “What do you think about your concerns?” and “Cheryl, do you have any-thing to add?” Admit that you some-

5. Give frequent feedback. Report the wins as well as the losses. Tell your employees what they’re doing right as often as you tell them what they’re doing wrong. Use an outstanding performance as an example of how to do things the right way.

6. Praise your employees publicly for their successes. Praise them to others when they’re not around to hear it. There’s no greater compliment than hearing from a third party that someone has been saying good things about you.

7. Manage disruptive employees. One person can poison an entire culture if left unchecked. Start by addressing the disruptive employee’s concerns. If you can’t come to a mutually satisfactory solution, termination may be necessary.

8. Discipline privately and discreetly. Don’t allow disciplinary action to become personal. Be brief and to the point, and then let it go. Never humiliate or demean an employee. Never bad-mouth your employees to others.

9. Build trust by backing your employ-ees, protecting their interests, and shield-ing them from unfair criticism.

10. Address employee concerns promptly, and give verbal status reports on issues that you are still working to resolve. If you can’t resolve an employee concern, be up front about why. It’s important for employees to know that you didn’t forget about them due to lack of interest.

11. Learn something about each employee’s personal life and show an interest in it. Share some part of yourself with them. Loan an employee one of your favorite books, share a recipe, or swap tips on the best places to shop.

12. Give employees control over their workspace, desk, decorations, lighting, and other small matters. Everyone needs an occasional win.
Five years ago, we set out on a journey to bring together a team of exceptional individuals driven by a common vision to help entrepreneurs maximize the value of their companies, which in many cases represented a lifetime’s work. Los Angeles was built by small business owners; there are more middle-market companies in LA than in any other major metropolitan area of the country. With nearly $5 billion invested in LA startups since 2009, this city of entrepreneurs is known for its ability to access both debt and equity capital.

As a leading force in the world economy, Southern California plays host to numerous video gaming and technology companies in our “Silicon Beach,” a burgeoning green tech economy, and a vast array of service companies that are creating jobs at a rapid pace. Los Angeles particularly has shown positive and consistent growth in employment over the past few years, and the county anticipates it will add 150,000 jobs across all industry sectors such as technology, healthcare, finance and insurance, and professional, scientific and technical services over the next two years. All of this entrepreneurial activity and job growth attracts capital. Adding fuel to the fire, Silicon Valley has a treasure trove of potential buyers and investors. Buyers want to see a high performing company, not an irreplaceable owner. When you outperform your competitors, lead your industry and your company becomes a place that people want to work, investors and acquirors are sure to follow.

Where Capital Flows Opportunity Follows

In the U.S., there are more than 5,000 commercial banks and 3,000 private equity and venture capital firms vying for the entrepreneur’s attention. Insurance companies and hedge funds as well as online platforms like crowdfunding and peer lending sites are also good sources of capital. Financing options range from equity and bank loans to senior and subordinated debt alternatives. While each investor and lender has its own unique expertise, investment criteria and return expectations, an experienced advisor who can help source the right capital provider can make all the difference in securing an optimal capital solution.

We recently worked on a debt capital raise with PreSonus, a company that manufactures and distributes professional audio equipment, selling its world-class products in 80 countries. Our client’s products sit in famous recording studios, historic churches and concert halls from New York to New Delhi. We ran an advisory process to align our client with a lender who was truly in it for the long haul. We also recently advised Too Faced Cosmetics, one of the largest independent prestige cosmetics brands on its majority stake sale to General Atlantic, a global growth equity fund. The significant growth investment they received will help drive continued brand momentum and its efforts for global expansion.

While doing business in California and Los Angeles specifically can be challenging relative to other markets due to the cost of living, state and local taxation and a looming minimum wage increase, there is an abundance of capital ready to invest in great companies in Southern California. Our firm Intrepid is feeling that growth; we’ve closed as many M&A transactions and capital raises compared to this time last year. Los Angeles continues to be a global economic leader, great place to work and live, and we believe it’s a great time to operate or sell a business in Los Angeles. Taking action and being proactive is a requirement for business and life success. This will create value for your company and make it extremely attractive to potential buyers or investors.

Jim Freedman is Chairman and Managing Director of Intrepid Investment Bankers, a specialty investment bank that provides M&A, capital raising and strategic advisory services to middle-market companies across various industry sectors. We have a unique culture rooted in our founders’ successful 30-year history of advising entrepreneur and family-owned businesses, financial sponsors and major corporations. Learn more at www.intrepidib.com.
Cybersecurity: Investing in Your Firm’s Future

By HEATHER BEARFIELD

Recent cybersecurity breaches such as Target and Neiman Marcus have caused the U.S. Government to start implementing various initiatives throughout all sectors to help defend against cyber-attacks. Companies too often have developed a reactive mode based on the latest attack by remediating the now known vulnerabilities in the organization. The initiatives are challenging industry sectors to take on a proactive role in protecting their organization against potential threats. Clearly cyber-attacks rarely come in the same form, however protecting to the extent reasonable is the challenge organizations are now facing. According to a global survey of securities exchanges, 89% identified cybersecurity as a potential systemic risk and 53% reported experiencing a cyber-attack in the previous year.

Investment firms can be particularly vulnerable to cybersecurity attacks due to the sensitive nature and significant value of client information and assets held, respectively, which is why the Security Exchange Commission’s Office of Compliance Inspectors and Examinations (SEC OCIE) in 2014 has started to include in its Examination Priorities a focus on technology, including cybersecurity preparedness. Major technology sections in the Examination Priorities will include: 1) Identification of Risks/Cybersecurity Governance; 2) Protection of Networks and Information; 3) Risks Associated with Remote Customer Access and Fund Transfer Requests; 4) Risks Associated with Vendors and Other Third Parties; and 5) Detection of Unauthorized Activity.

As part of its document requests to advisers and broker-dealers, the OCIE will likely seek detailed information regarding: • Methodology and procedures for detecting unauthorized network and device activity along with who in the organization is responsible for monitoring the vulnerabilities; • Documentation surrounding the number and types of cybersecurity breaches since January 1, 2013 and associated remediation efforts; • Backups and recovery procedures and business partners who conduct remote maintenance and cybersecurity risk assessments on vendors and partners; • Logical security measures including: authentication procedures for customers including PINs, on-line account access, and information regarding cybersecurity threats provided to enhance customer awareness.

Over 50 cybersecurity examinations of registered broker-dealers and registered investment advisers will be conducted by OCIE. A Risk Alert was issued in April 2015, describing the SEC’s examination initiative and includes a detailed sample request list of information. Preparations for an examination or response with this Risk Alert is essential. It can be found at www.sec.gov.

Furthermore, on March 26, 2014, the SEC sponsored a Cybersecurity Roundtable to better inform the SEC, the marketplace, and other private sector as to what cybersecurity risks they are facing and how best to combat them. The two major categories discussed at the roundtable were issues potentially impacting public companies and issues impacting the capital market infrastructure and SEC-regulated entities. Chair Mary Jo White stated that Self-Regulatory Organizations and large alternative trading systems are a key area of focus. Chair Mary Jo White emphasized the need for stronger partnerships between the government and the private sector to combat these threats.

So, what can Investment Firms do to prepare?
• Review and update the firm’s Information Security Policy. The Information Security Policy is a key item as it provides governance over the controls and procedures in place to protect the organization against cyber-attacks.
• Perform a gap analysis. The gap analysis will allow the investment firm to document what has previously been done, the current environment in place, and where the firm needs to be for regulatory or compliance reasons.
• Risk identification and assessments are the first steps in establishing a strong defense against cyber-attacks:
  - Identify any area that is considered to be high risk or maximum risk that should be determined by analyzing the probability of occurrence and impact of event. Current controls for these risks should also be identified and analyzed to determine if the control is appropriate. Areas of risk would be in those areas where an attack could cause harm; and the firm needs to be for regulatory or compliance reasons.
  - Implement security controls to reduce risk to an appropriate level.
  - Source of revenue should be protected by localizing data. If a threat to data is present, it can be a priority where a risk has been identified.
  - Monitoring and Network Access to Information:
    - Conduct a periodic assessment performed on controls in place to help ensure the confidentiality and integrity of the network and data. Areas that should be targeted in the assessment should include high risk areas as well as remote access to the network and ensuring the integrity of data transmission outside of the organization.
  - Vulnerability assessments are another method to help an organization detect any gaps or deficiencies with their network.
  - Ensure 3rd party vendors and service providers of critical business processes have strong controls:
    - Implement a strong Vendor Management program for all service providers including prime and executing brokers, fund administrators and pricing services. A strong Vendor Management program will assess risks associated with vendors and allow an organization to put controls in place to mitigate those risks. Included in a strong Vendor Management program would also be a vendor selection process, as well as obtaining Service Organization Control (SOC) reports for current vendors so a review of their controls can be conducted.

Detection of Unauthorized Activity

There is a vast array of systems that could potentially exist and perform an analysis for irregular activity. All of these systems allow organizations to have better insight into what is being performed, when, and by whom for all of their systems. This allows for the monitoring of the organization as a whole which is critical in identifying threats by irregular activity early.

More Regulation for SRO’s

As of February 3, 2015, the Securities and Exchange Commission (“Commission”) is adopting new Regulation Systems Compliance and Integrity (“Regulation SCI”) under the Securities Exchange Act of 1934 (“Exchange Act”) and conforming amendments to Regulation ATS under the Exchange Act. Regulation SCI will apply to certain self-regulatory organizations (including registered clearing agencies), alternative trading systems (“ATS”), global custodians, and exempt clearing agencies (collectively, “SCI entities”), and will require these SCI entities to comply with SCI requirements with respect to their use of automated systems central to the performance of their regulated activities. The Commission’s rule on Regulation SCI, Systems Compliance and Integrity, requires an entity covered by the rule to perform certain regulatory activities, including determining the probability of occurrence of events that can impact the SCI systems, compile event logs and perform an analysis, detect cyber intrusions, and notify the Commission of cyber intrusions, and recover its clearing and trading operations within specified time frames.

Regulation SCI will require SCI entities to comply at a minimum with the following:
• Establish written policies and procedures reasonably designed to ensure that their systems have levels of capacity, integrity, resiliency, availability, and security adequate to maintain their operations; and
• Disseminate information about certain events to the public whenever the Commission, and maintain certain material changes to their SCI systems to SCI participants and, for certain major SCI events, to all members or participants of the SCI entity.

Conduct a review of their systems by objective, gain personnel at least annually, submit quarterly reports regarding completed, ongoing, and planned material changes to their SCI systems to the Commission, and maintain certain books and records.

Concluding Considerations

Cyber-attacks are so effective because they are constantly evolving; constantly changing and we are always in a reactive mode to protect against the last known incident. Simple targeted attacks could include the fact that the names and titles of an Investment Firm’s executives are publicly available along with detailed information via social media sites. This creates a vulnerability to allow for a targeted attack by taking advantage of the knowledge of the individual’s interests; for example, creating fake emails to entice them to click on malicious links that appear to be tailored to them. If attackers know insider information regarding individuals in a firm, they can target those key individuals to gain further information, such as HR or employes with access to the firm’s names and broker accounts. Password reset security questions for key accounts should be unique and not publicly available via social media sites (such as mother’s maiden name, high school or college mascot, town they grew up in, etc.). Whenever possible, security questions should be written by the account owner if such option is available. Employee education and awareness is crucial in the fight against cybersecurity.

Unfortunately, in the use of any technology, unavoidable risks are encountered. The possibility exists that unauthorized access could occur through public access points and utilize that information in an inappropriate manner. This could lead to cybersecurity attacks, possible state and federal violations and a damaged reputation. Every organization is at risk to cybersecurity attacks, possible state and federal violations, and damaged reputation. Every organization is at risk to cybersecurity attacks, possible state and federal violations, and a damaged reputation.

If you need guidance assessing your firm’s vulnerability to cyber-attacks and implementing a stronger and more effective Information Security program, contact a Marcum Technology Assurance Service professional.

Heather Bearfield is Principal and National Technology Assurance Practice Group Leader for Marcum LLP. Marni Pankin, CPA, is Partner, Alternative Investment Group also contributed to this article. To learn more visit marcumllp.com.
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When the toughest challenges arise, the people in your corner make all the difference. At Marcum, we have the depth and breadth of experience to help you make sense of the most complex obstacles your business faces. No matter the question, Marcum can help. Ask Marcum. marcumllp.com/labj
Outliving Money is Top Retirement Concern

Americans are fearful of outliving their money in retirement and feeling stressed about healthcare costs, according to a new survey from the American Institute of CPAs. The AICPA PFP Trends Survey of CPA financial planners—many of whom work with high-net worth individuals—found that more than half (57 percent) of CPA financial planners cited running out of money as the top retirement concern for their clients. This was followed by uncertainty on how much to withdraw from retirement accounts (14 percent) and healthcare costs (11 percent). The survey, which includes responses from 548 CPA financial planners, was fielded from February 3 to February 26.

When asked about the top three sources of clients’ financial and emotional stress about outliving their money, planners cited healthcare costs (76 percent), market fluctuations (62 percent) and lifestyle expenses (52 percent) as the primary issues. Additional causes for financial stress were unexpected costs (47 percent), the possibility of being a financial burden on their loved ones (24 percent) and the desire to leave inheritance (22 percent).

Citing all of the financial uncertainty surrounding retirement, running out of money is directly tied to a number of issues that high-net worth clients are juggling simultaneously,” said Lyle K. Benson, CPA/PFS, and chair of the AICPA’s PFP Executive Committee. “To help alleviate their clients’ longevity concerns, CPA financial planners integrate tax planning strategies to maximize income in retirement. This approach considers a client’s current situation and anticipates their lifestyle spending in retirement to ensure they stay on track in the event of an unexpected life event.”

The survey results showed that unexpected events are not abstract concerns; they are having an impact on retirement planning for a large number of clients. These issues include long-term healthcare concerns (impacting 42 percent of clients), caring for aging relatives (28 percent), diminished capacity (26 percent), divorce (18 percent), job loss (18 percent) and adult children returning home (18 percent).

Some of these concerns are becoming prevalent. When asked to compare to client experiences five years ago, respondents reported increases in clients being unexpectedly impacted by long term health care concerns (59 percent), taking care of aging relatives (43 percent) and diminished capacity (39 percent). Taken together, these issues demonstrate the competing challenges individuals face when planning for their retirement and the need for sophisticated planning advice to meet their goals.

“The PFP Trends Survey found that the issues impacting retirement planning are constantly evolving, underscoring the need for a sophisticated financial plan that changes with a client’s situation,” said Jeannette Koger, CPA, CGMA, AICPA vice president of Member Specialization and Credentialing. “The AICPA’s Personal Financial Planning Division is dedicated to offering our members tools and up-to-date guidance and resources so they can continue to meet the complex retirement needs of their clients.”

CPA financial planners recognize that dealing with these concerns requires a combination of behavioral changes and technical advice. By understanding clients’ fears about running out of money in retirement, planners can provide a more realistic perspective on their financial situations and help alleviate the associated stress. Following are some of the strategies planners are currently using with their high-net worth clients:

• Lifestyle—which helps clients understand the impact of their lifestyle spending and implementing a plan that balances their current income level and asset base with their retirement goals
• Healthcare—which works with clients to understand their Medicare and insurance options so they can better plan for potential healthcare costs they might need to cover
• Living situations—which identifies strategies, such as the use of continuing care retirement communities, to both control costs and save on taxes
• Tax savings—which coordinates Roth conversions with IRA required minimum distributions, investing in assets with a lower tax rate, and maximizing Social Security income
• Diversity—which mitigates the effect of market fluctuations with proper asset allocation, bucket strategies, and use of single premium annuities
Minimizing the Burden and Maximizing the Benefits of Global Statutory Audits

By MATT DOLLARD

Taking advantage of global opportunity often means expanding into numerous foreign jurisdictions. International expansion offers tremendous strategic advantages, while opening risks in dealing with statutory audit requirements and other compliance burdens in every jurisdiction. Too many companies see these compliance activities as a burden and often pay insufficient attention to addressing them timely or effectively, leaving management of statutory audits to their foreign operations and providing little assistance or oversight. That can be a costly mistake. Consider the risks. Failure to comply with these obligations can mean:

• Fines and penalties which, depending on the jurisdiction, can be substantial
• Loss of your license to do business in a jurisdiction
• Personal liability for your executives and directors, including the possibility of arrest

Effectively meeting your statutory audit obligations is a vital part of managing your global risk and maintaining solid corporate governance and citizenship. But the benefits of an effective global statutory audit approach extend beyond managing risk. A timely, effective statutory audit process can provide reliable information on operating results that will help you manage international tax planning and compliance, including transfer pricing, and that will support your global strategic planning efforts.

At a minimum, an effectively managed global statutory audit program will minimize the overall work and expense of your audit efforts, shorten audit delivery times and better align your audit resources with your global operations.

Five Steps for Managing Your Global Statutory Audit Challenge

1. Make sure you’re performing statutory audits everywhere they are required. Centralize document the statutory audit thresholds, rules and deadlines in every country where you have operations, establish a plan to ensure that you are conducting all required audits on-time, and in accordance with local regulations, and conduct an annual review of all local operations against local requirements to ensure your approach is up to date. While the cost of compliance may seem high, the cost of failure is higher. When you balance the expense of a disciplined global statutory audit approach against the potential of losing your business license in key jurisdictions, possible fines and potential legal liability for your company and your leadership, you’ll see that effective compliance is a relative bargain.

2. Understand what’s needed in each jurisdiction. You may not need to complete a statutory audit in every jurisdiction. Some countries allow foreign subsidiaries to opt out of a local audit if they are below certain thresholds. That doesn’t mean, however, you don’t need an accurate accounting of local results. Some companies choose to have an audit anyway for internal control purposes. However, a full audit is expensive and is not the best way to ensure an internal controls are in place. Conducting limited, agreed-upon procedures focused on key areas can be a more effective and less expensive way to manage risk.

3. Know when to re-evaluate your compliance requirements. Multinational acquisitions, carve-out acquisitions, and global restructuring events can all affect your compliance requirements. Understanding the statutory audit ramifications of such events should be built in to your planning process. Different jurisdictions can have vastly different statutory audit rules for newly acquired businesses. You may be able to get out of an audit or extend the audit period beyond 12 months. Carve-out acquisitions, for example, have a reset effect in most countries, which may allow you to extend an audit beyond 12 months, possibly as long as 24 months. Understanding the rules allows management to balance the costs and benefits of all options.

4. Analyze locations that are getting audited twice. A U.S. consolidated audit, which is conducted shortly after year-end, often includes audit procedures at foreign locations. Companies then sometimes see the auditor sending a second team later in the year to address the local statutory audit. Working with your auditor to combine consolidated audit and statutory audit work can yield significant savings.

Some U.S. parent companies that have European holding companies with multiple foreign entities are required to have a European consolidated audit and another consolidated audit at the parent company level. This requires a lot of effort and expense for both the company and its auditor. A U.S. company may be able to streamline its reporting if the European country allows a business to use its U.S. consolidated report in place of the European report. However, companies must understand the trade-offs. While this may save the company time and money, it also means that its U.S. financial statements may become publicly available in Europe. For a public company, this is not an issue. But private companies will want to consider the ramifications of revealing their financial statements to the world to save costs.

5. Analyze your global audit provider network. The firm performing your global consolidated audit is not always the right firm to use for your local statutory audit needs. The firm conducting the global audit will conduct its work according to the relative materiality of your various foreign subsidiaries, which could mean that they are not the most effective or cost-efficient resource to meet your statutory audit needs. By considering alternative relationships with global network firms that are better suited to the size of your foreign operations and coordinating that work with your consolidated audit, you may realize a better service value.

Statutory audits are vital to your global compliance effort, can provide information to support transfer pricing, and other important international strategies and can provide key insights into improving your global operations. If your company is treating them like a compliance nuisance, not only may you be risking enforcement trouble with local jurisdictions, you also are failing to leverage their inherent value and may well be driving up the overall effort and expense of your global accounting effort. Give statutory audits the attention they deserve, and you can gain real benefits for your company.

Matt Dollard is International Director of McGladrey LLP. He can be reached directly via Matt.Dollard@mcgladrey.com.
Survey On Employment And Economic Sentiment Finds That Most Small Business Owners Have A Positive Economic Outlook

Endurance International Group recently unveiled the results of its U.S. Small Business Hiring and Economic Sentiment Survey – providing insights and perspectives on small business owners’ views on hiring, wages and the economy.

“American small businesses continue to drive our economy forward, but we need to do more to support their growth and success,” said Endurance CEO and Founder, Han Ravichandran. “Our latest survey shows that hiring and finding talent continues to be a challenge for small businesses. Even though most small business owners in our survey tend to be bullish on their business prospects, it's clear that Washington needs to do more to address small business concerns on a variety of issues from taxes and bank lending to cybersecurity. The time to act is now.”

According to Endurance survey results, only 27% of small business owners plan to hire new employees in the last two quarters of this year. When it comes to hiring new employees, only 20% of respondents said hiring new employees was 'easy,' while 44% said hiring new employees was either 'challenging' or 'downright difficult' due to the unavailability of candidates with the right skills or training.

However, a majority of small business owners remain upbeat about their own business prospects with 70% saying their business outlook for the remainder of the year was 'very positive' or 'positive.' In contrast, only 42% of survey respondents had a 'very positive' or 'positive' outlook on the general economy.

In what may be a sign of cautious spending for small businesses, most owners (68%) said they would not be making any major investments in real estate, technology or supplies in the last half of the year. The Endurance survey also found that small business owners are conflicted on the issue of the federal minimum wage. Of those surveyed, 52% believe that raising the minimum federal wage would hurt their business. However, 54% of respondents believe that the federal minimum wage should be higher than the current level of $7.25.

When it comes to Washington's involvement, a vast majority (78%) of respondents do not believe that Congress or the White House has had a positive impact on small businesses in 2015. Additionally, when it comes to improving small business owners' ability to obtain bank loans and financing, 73% believe that the lending atmosphere has not improved.

Endurance’s Small Business Hiring and Economic Sentiment Survey was conducted between May 22-26, 2015 and surveyed 1,157 U.S. small business owners, all of which have web presence solutions from Endurance. For purposes of this survey, small businesses are defined as employing 10 or fewer people on either a full-time or part-time basis.

Endurance International Group is a leading technology provider of cloud-based platform solutions to help small and medium-sized businesses establish and grow their presence online. Endurance, through its family of brands, supports more than 4.2 million subscribers globally.

Survey Results
1. What is your general outlook for your business for the remainder of 2015?  Very Positive: 28% Positive: 42% Neutral: 21% Negative: 6% Very Negative: 3%
2. What is your general outlook on the economy? Very Positive: 8% Positive: 34% Neutral: 54% Negative: 10% Very Negative: 6%
3. Do you plan to hire employees (part-time or full-time) in the last two quarters of the year? No: 73% Yes: 27%
4. If yes, why are you hiring? Business has been stronger than expected and I need more help: 20% Business has been as expected and the hiring was unplanned: 33% I am anticipating that my business will grow and I am hiring in anticipation: 47%
5. If you are not hiring, why not? Business has been stronger than expected, but I can handle it with my current staff: 15% Business has been as expected and I don’t need more staff: 69% I am anticipating a slowdown in my business: 16%
6. In general, when you have job openings, do you find hiring employees to be: Easy – there are always multiple qualified people applying for job openings. It's hard to choose: 20% It's okay – there are multiple people applying, but not all are qualified or have the right set skill or training: 36% Challenging – people apply for jobs, but most applicants do not have the right skill set or training. It takes a long time to hire: 36% Downright difficult – there aren't enough people. No one is applying for job openings: 8%
7. Are you planning to make any major financial investments (real estate, technology, materials, supplies, etc.) in your business during the last two quarters of the year? Yes: 32% No: 68%
8. Do you believe the ability to obtain bank financing (loans) has improved for small businesses? Yes: 27% No: 73%
9. Do you think the new Congress or the White House has had a positive impact on small businesses in 2015? Yes: 22% No: 78%
10. Do you think raising the federal minimum wage would help or hurt your small business? It would help my small business: 48% It would hurt my small business: 52%
11. How do you feel about the federal minimum wage? It should be higher: 54% It should stay the same: 36% It should be lower: 10% *Due to rounding, numbers may not add to 100%

As we come to understand and appreciate the fuller meaning of employer health, let’s not forget other allies who could help us on that journey. Health plans, provider organizations, and community resources can be great partners in supporting employers and employees/dependents in building a health culture.

Endurance International Group is a publicly traded (NASDAQ: ENDU) technology company that helps power small and medium-sized businesses online. Through its proprietary cloud platform, Endurance provides web presence solutions including web hosting, eCommerce, marketing and mobile business tools to approximately 4.2 million subscribers around the globe. The company’s world-class family of brands includes Bluehost, HostGator, Volg, Domain.com, A Small Orange, MOJO Marketplace, BigRock and ResellerClub, among others.

Headquartered in Burlington, Massachusetts, Endurance employs more than 2,600 people across the United States in Utah, Texas, Washington and Arizona, and in the United Kingdom, India, Israel and Brazil. For more information on how Endurance can help grow your business, visit endurance.com.

As an individual or as a business leader, having health takes on a whole new meaning – "because when you have your health, you have everything."

William Cassell is senior vice president and COO for Kaiser Permanente Southern California Region. He is also 2015 chairman of the Los Angeles Area Chamber of Commerce.
AS A LEADING SMALL BUSINESS LENDER VEDC HAS A PROGRAM TO FIT YOUR NEEDS.

“I am now able to work on improving operations and move forward on new projects. Thank you to all at VEDC.”

Ruben Santana
Rubecon Construction, Inc.

“One of the great things about working with VEDC is that they actually sit back and listen to you talk about your business and then work with you to meet your goals.”

Amit Gauri
Black Dog Corporation

“Honestly, I would not have found the courage or strength to start Fort without the help of VEDC and the Women’s Business Center.”

Jacqueline Sharp
Fort

“My restaurant got remodeled within budget and with few delays; I was quickly ready for business thanks to VEDC.”

Avinash Kapoor
Akbar, Cuisine of India


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LAEDC Celebrates 200,000th-Job Milestone in Los Angeles County

Over $91 billion in total economic impact

Earlier this year, the Los Angeles County Economic Development Corporation (LAEDC) announced its 200,000th job saved or attracted in Los Angeles County since its Business Assistance Program began in 1996. Designed to provide free-of-charge, on-the-ground business assistance, the program has assisted thousands of businesses – large and small – overcome challenges, helping them come to, expand and hire in L.A. County.

For close to two decades, the LAEDC, a non-profit public-benefit corporation has helped retain and attract jobs at businesses from all industries, ranging from production-based sectors, such as food processing and aerospace, to fast emerging “New Economy” sectors, such as space commercialization and biomedical. There is no “prototypical” business assistance project. Instead, LAEDC business assistance projects run the size gamut, from saving a few jobs at a multigenerational family-owned business to saving a few thousand aerospace manufacturing jobs. What counts most is that every job saved is no “prototypical” business assistance project. Instead, LAEDC business assistance projects run the size gamut, from saving a few jobs at a multigenerational family-owned business to saving a few thousand aerospace manufacturing jobs. What counts most is that every job saved matters to the individuals and families it supports.

“The impact of our life-changing work continues to be felt across the neighborhoods and communities in which we serve and save jobs,” said Bill Allen, president and CEO of LAEDC. “We know that persistent joblessness is directly connected to lower well-being for the unemployed individuals, their families, and their communities. At its core, the LAEDC Business Assistance Program was purposely created and continues to this day to alleviate the damaging effects that joblessness has on the well-being of our County’s communities.”

The overall economic impact and fiscal contribution of 200,000 jobs saved or attracted into the region is staggering: Total jobs directly retained and attracted: 200,030

Estimated labor income of these direct jobs (includes benefits): $12.3 billion

Economic Impact:
- Total jobs (direct, indirect and induced): 483,135
- Total labor income (direct, indirect and induced): $24.4 billion
- Total value of output in Los Angeles County supported by all jobs: $91.2 billion

Fiscal Contribution:
- Estimated state and local tax payments: $3.7 billion, of which county revenue was estimated to be $1.1 billion

As an accounting firm, we love numbers.

Here are a few of our favorites.

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<td>California offices</td>
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<td>Countries served (Through Praxity, AISBL)</td>
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As the Southern California region’s premier economic development organization, the Los Angeles County Economic Development Corporation (LAEDC) provides collaborative and strategic economic development leadership to promote a globally competitive, prosperous and growing L.A. County economy to improve the health and well-being of our residents and communities and enable those residents to meet their basic human need for a job. We achieve this through objective economic research and analysis, strategic assistance to government and business, and targeted public policy. Our efforts are guided and supported by the expertise and counsel of our business, government and education members and partners. Visit www.LAEDC.org
“The tools in the Business Plan Center are golden for anyone who’s looking to grow their business.”

Carolyn Miye  
Oodles 4 Kids, est. 2012  
Portland, Oregon

Our complimentary Business Plan Tool can help you focus on the things that will make your business thrive.

Like most small business owners, Carolyn Miye* was so busy running her business that she found it hard to organize ideas for her company’s future into a business plan. Using the Business Plan Tool from Wells Fargo, she gained valuable insight to help her focus on what to do next. It’s just one of the complimentary resources in the new Business Plan Center. To learn more, visit WellsFargoWorks.com.

*Wells Fargo rewarded Carolyn Miye $10,000 to help with her marketing plans.
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