

COAST

COMMENTS

Volume 15, No.2

SPRING 2002

PACIFIC COAST REGIONAL SMALL BUSINESS DEVELOPMENT CORPORATION

A MESSAGE FROM PCR'S PRESIDENT/CEO- R.D. LOTTIE, JR.

THANK YOU FOR THE OPPORTUNITY !!!

I think it's an understatement for me to say that my tenure at Pacific Coast Regional Small Business Development Corporation (PCR) has been the most rewarding job I've ever had. Approximately 25 years ago I remember saying in a casual conversation, "I could retire from here"...well, its not retiring time, but it is time for me to exit from this great job, outstanding company and very fulfilling industry. I will officially leave PCR at the end of this fiscal year (June 30, 2002). Mark Robertson who has been PCR's Vice President/ Chief Credit Officer for the past 10 years will assume the Presidency of PCR on July 1, 2002.

Many years ago when I began working in the small business industry the primary issues were financing, good business management information and where can I get one or the other or both? Banks as the primary source of financing, in addition to the use of one's own capital, was how most business were started and sustained. At that time, business people generally did not understand the bank's role of assistance to them. Most banks, in fact, were looking primarily for the premier business person.

The present banking and financing community has changed tremendously. The evolution in banking laws and a realization that small companies play a major role in our economy, induced banks to start looking at the broader communities in which they served. Banks



R.D. Lottie, Jr.
President/CEO

also started working with small business intermediaries (such as PCR).

In today's small business market, intermediaries play a very important role in bridging and linking banks and businesses. I have seen the business intermediaries industry become stronger because of the depth of staff skill level and the quality of giving and volunteerism from the private sector. I take my hat off and salute my colleagues who manage those business intermediaries and do an outstanding job...Keep up the good work.... For it is your work that creates the majority of jobs, thereby affecting our communities and economy.

It is not just the work and opportunity that this industry has given me that has made my job so pleasurable, but also the people whom I work with on a day to day, hour by hour basis. I have made this statement often "I have not dreaded getting up one day and going to work." This is a comfortable realization because I have been surrounded by good people. As the old saying goes "a company is its people" ...this is absolutely true at PCR. I have had the pleasure to work with a very supportive Board of Directors, committed to PCR and its mission of assisting entrepreneurs. Our Loan committees and Advisory Board members in addition to our Institute Instructors have been specifically responsible for two primary ser-

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PCR Welcomes New Board Member Bettye Wilkes

Pacific Coast Regional Corporation (PCR) is pleased to announce the addition of Bettye Wilkes, First Vice President and Manager in the Community Investment and Development Division of Washington Mutual Bank, to its Board of Directors. She has previously served on PCR's Entrepreneurial Training Institute's Advisory Committee and is very familiar with PCR's financing and entrepreneurial training programs. Prior to being promoted to her current position, Ms. Wilkes served as a Community Investment Manager for Washington Mutual.

With over 20 years of community and business lending experience, Ms. Wilkes background includes working as a Commercial Loan Officer in the middle market group at Security Pacific Bank and at



Bettye Wilkes
New PCR Board Member

Crocker Bank. Subsequently, she was employed by the City of Los Angeles in its Community Development Department and the Mayor's Office of Economic Development. Her community lending experience includes a position as Vice President and Loan Manager for the Southern California Business Development Corporation, which made loans to small businesses in the South Central Los Angeles community.

Ms. Wilkes holds a Bachelor's degree in Business Education from Ball State University in Muncie, Indiana and a Master's degree in Business Administration from Golden State University in San Francisco. An active member of the community, she serves on several Boards of Directors and loan committees throughout the Los Angeles area.

A Message From R.D. Lottie, Jr.

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vices at PCR, the loan approval process and our entrepreneurial training. The staff at PCR has been a true "family" to me through the loyalty, commitment, and professional expertise of each person currently at PCR as well as past employees. You all have helped establish PCR as a champion for small business success.

Last but not least, I would like to mention a person who has provided his time and expertise to PCR and the small business community for more than 20 years. Raleigh Brown has headed PCR's Small Business Consultants Program and has been responsible for developing PCR's Small Business Start-Up Kit. Thank you for your support and wisdom.

I feel extremely privileged to have served the financial and small business communities for as long as I have. I hope I have made a difference through PCR in some small way to affect positive change in my industry and to those people served. I take with me many wonderful memories and lasting relationships. I won't say goodbye..but rather see you later - in the next chapter of my life.

Staff Changes and New Faces at PCR

As with most companies, staff changes are bound to occur. Pacific Coast Regional Corporation (PCR) is no exception. Over the years, PCR has increased and decreased staff, depending on program needs and the economic tide. This past fiscal year was a time of internal restructuring and redefining corporate goals. There's been a few title changes and a few new faces. In moving forward, PCR remains committed more than ever to the cause and effect that small businesses have on our community, and on how to maintain a strong economic base.



Pacific Coast Regional Corporation (PCR) Staff: Standing from (l - r): Teke Negus - Senior Loan Officer; Mark J. Robertson, Sr. - Vice President/Chief Credit Officer; Angela B. Winston - Vice President/Communications & Program Development; Nestor Correa - Manager of Credit and Lending Services; R. D. Lottie, Jr. President/CEO; Kenneth D. Smith - Chief Financial Officer (CFO). Standing/Sitting from (l - r): Amina Almedia - Senior Secretary, Lydia A. Nalls, Office Manager/Executive Assistant; Kamilah A. Whitley - Assistant Director of Communications; Maria Marroquin - Senior Secretary.

PCR's 25th Anniversary Gala Dinner & Reception Is Here!!!

Pacific Coast Regional Small Business Development Corporation (PCR) is celebrating 25 years of service to the small business community at a black-tie optional Gala Dinner & Reception on Thursday, May 23, 2002 in the Main Ballroom at the elegant Ritz-Carlton Hotel, 4375 Admiralty Way, Marina del Rey, CA. The no-host indoor/outdoor reception begins at 6:30 with entertainment by The Wayne Lindsey Trio featuring Lynn Fiddmont Lindsey. Doors open for dinner at 7:15 p.m. The dinner program will begin promptly at 7:30 p.m.

The theme of the evening is "A Legacy Continues" which describes the posture of PCR led by President/CEO R.D. Lottie, Jr. for the past 24 years as he relinquishes his position to PCR Vice President/Chief Credit Officer Mark J. Robertson, Sr. The program agenda will include a tribute video to Mr. Lottie on his tenure at PCR. Also, PCR will present two *Community Reinvestment Awards* which honor financial institutions that have supported PCR through the State Loan Guarantee Program and/or through PCR's Entrepreneurial Training Institute, an *Entrepreneur of the Year Award* which honors a successful small business owner who after attending PCR's Entrepreneurial Training Institute, has applied the principles learned to their business and subsequently has received financial assistance from PCR, and a *Pinnacle of Achievement Award* which honors an outstanding business owner who is not only financially successful but also gives back to the community. In addition, the State of California Office of Small Business will be on hand to present the Governor's *Entrepreneurial Spirit Award* to two honorees who exemplify the meaning of entrepreneurialism as a model for business owners everywhere. Further, there will be special presentations and recognitions of individuals who have been instrumental in PCR's history as well as those individuals who continue to support PCR in moving forward. Larry Carroll of KFWB Radio will be the Master of Ceremonies for this event.

Tickets are still available for this commemorative occasion. Individual corporate tickets are \$250 per person and non-profit/ individual tickets are \$150 per person. Approximately 450 people are expected to attend. Proceeds from this event will help fund the business management training programs offered through PCR's Entrepreneurial Training Institute.

PCR would like to thank all of our friends, business partners, and community leaders who are supporting this very special 25th Anniversary Gala Dinner & Reception. We would especially like to thank our Honorary Dinner Committee, our Dinner Committee and our event sponsors: Alliance Bank, California Center Bank, City National Bank, Comerica Bank, Community Financial Resource Center (CFRC), East West Bank,

Family Savings Bank, First Republic Bank, GLAAACC, Hamni Bank, HSBC Bank- USA, KJLH Radio, Manufacturer's Bank, Mercantile Bank, Mizuho Corporate Bank of California, Pacific Union Bank, Presidents of California Financial Development Corporations, Tom Tomlin & Associates, United California Bank, Washington Mutual Bank and Wells Fargo Foundation.

PCR Vice President & Chief Credit Officer Mark J. Robertson, Sr. and PCR President & CEO R.D. Lottie, Jr. happily accept a \$3,000 contribution to PCR's Entrepreneurial Training Institute from California Center Bank President & CEO, Seon Hong Kim. California Center



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Basic Contract Principles for the Small

By: *Steven Coté*

The great gifts of contract law are social order and predictability. The following are basic contract principles that every small business owner should know to avoid uncertainty in transactions with vendors, customers, employees, regulators and any one else that may affect your business.

How a Contract is Formed

Contracts are legally binding agreements. Attorneys often use the terms "contract" and "agreement" interchangeably, but not just any agreement is a legally binding contract.

A contract is formed by a "meeting of the minds" of at least two parties. A mutual assent resulting from the expression of an offer by one and an acceptance of precisely that offer by the other. In effect, the offeror (the person making an offer) is making a promise to do something or to refrain from doing something. If the offeree (the person receiving the offer) will do something or refrain from doing something.

The offer has no effect if the offeree does not accept it. A mere discussion of the offer does not constitute acceptance. Nor does an agreement to agree on terms in the future. Negotiation often leads people to believe that they can expect other people to commit themselves to certain things, but until there has been an actual offer and a clear acceptance, there has not been the necessary "meeting of the minds" to form a contract.

A person making an offer may revoke it (cancel it completely) at any time before it is accepted. If you wish to revoke your offer, however, you must communicate that fact to the person who might accept your offer. The revocation becomes effective upon delivery to the offeree, provided it is received before the offeree has sent his acceptance.

An offer by mail or telegram may be accepted by mail or telegram unless the person making the offer specifies otherwise, and the acceptance is effective (the contract comes into existence) at the moment the acceptance is put into the mail box or given to the telegraph office. Unlike the revocation of an offer, an acceptance does not wait for delivery.

An apparent acceptance of an offer which suggests a change in the original offer is not an acceptance and does not create a contract. It is a counter offer. However, an unequivocal acceptance that is criticized or ridiculed by the offeree (sometimes called a "grumbling acceptance") does create a contract.

A counteroffer is a rejection of an offer. It has no effect except to propose a new and different contract. You should assume that a supposed acceptance which suggests any change at all in an offer or counteroffer is not an acceptance. For example, if party A offers a written contract to party B, and B signs it but crosses out one sentence, it is not yet a contract; it will not become a contract until A accepts the changed agreement.

Many disputes arise because one party claims that a contract was made, while the other party says that the process was still in the offer and counteroffer stage. This is a particu-

lar danger when a contract is oral rather than written.

Bilateral and Unilateral Contracts

An offer plus an acceptance equals a contract. A little thought shows that an offer may be accepted either by a promise or by action. Where the terms of an offer permit, the contract is created by a promise in exchange for the offeror's promise. It is called a bilateral contract, and both parties are bound as soon as the mutual promises are exchanged. This is typical in the sale of most goods where one party promises to pay a certain price for certain products. The contract for sale is immediately formed and both parties are bound to perform as mutually promised.

A contract formed by a promise for a promise is a bilateral contract. A unilateral contract is one in which the offer cannot be accepted by a promise, but rather can only be accepted by performance. Where the terms of an offer show that it can be accepted only by performance, then there is no contract until the act has been performed.

The difference between unilateral and bilateral contracts may seem academic and difficult, but it does have critical practical consequences.

Vagueness, Omissions, and Ambiguity

A contract may be unenforceable if its terms (the specification of what the parties must do) are too vague. What may appear clearly to express the intentions of the parties at the time they write a contract may seem totally unclear on later analysis.

Another common problem is that subsequent events reveal that important provisions covering fairly foreseeable potential problems were not included in the agreement. A contract should always contain provisions for dealing with obstacles, failures, and even betrayals, no matter how unlikely such events may seem at the time of entering into the contract.

The courts will construe an ambiguous provision in a contract against the person who wrote it. If you are responsible for offering a part of a contract which is worded unclearly and which could as easily be interpreted against your interest as for your interests, the law requires the courts to choose the interpretation that goes against you rather than penalizing the other party for the ambiguity you created.

Consideration

Even an offer and an acceptance with sufficiently specific terms will not form a contract if another crucial element is missing: Consideration.

Consideration refers to the benefit one party gets and the detriment the other party gives by entering into a contract. Each person must get something out of it and give something to it or the contract is not enforceable.

Consideration may consist of cash, goods, services, actions, curtailment of actions, or anything else that is requested by one of the parties. However, even though a contract spells out consideration, if it gives a party the right to refuse to perform at will, a court may find that there was no contract at all. These are called illusory contracts. A duty which one can

Business Owner - Part I

refuse to do is not consideration. There must be consideration for both parties, and it should be recited in the contract.

However, many contracts covering performance which take place over time do contain a provision allowing cancellation upon a given notice period. The courts take the general notion that even if the terms of a contract allow a party to terminate the contract by giving a period of notice, there is consideration because the cancelling party has at least bound himself by the contract for the length of the notice period.

As usual, there is at least one exception to the rule of consideration: Promissory Estoppel. Where one person makes a promise to another where no reciprocal promise is made by the other person, and the other person relies on that promise, and changes his position in justifiable reliance on that promise, and suffers detriment or a loss when the promise is broken, the court will weigh the equities or fairness of circumstances and find that a contract remedy is appropriate.

Written and Oral Contracts

An oral contract can be as legally binding as a written contract unless it is one of those types of agreements which the legislature has determined must be in writing. Writing is, of course, sensible in any case because it creates a record of what was agreed and helps prevent misunderstandings, arguments and later misstatements of the terms.

The requirement of writing and signing typically applies to a transfer real estate, a guaranty to be responsible for the debt of another person, a contract which cannot be fully performed within a year from the making of the contract, and a contract for sale of goods involving \$500 or more.

The statutes requiring a signed writing do not necessarily demand that both parties sign. If a suit is brought for breach of an agreement of a kind covered by the Statute of Frauds, the requirement is that the party being charged with a breach of the contract (the person being sued) must have signed such a writing before he can be held responsible.

Contracts Implied in Fact or by Law

The courts often recognize contracts that are neither written nor spoken. When judging whether a contract may be implied in fact, all of the circumstances must be taken into account.

In certain limited situations, even where the contractual elements of mutual assent and meeting of minds are missing, the courts may imply a contract in order to prevent the "unjust enrichment" of one of the parties. This legal fiction is called a "quasi contract".

External Materials and the Parol Evidence Rule

If a contract is in written form and does not clearly incorporate other materials by reference; that is, refer to and identify other documents which are to be considered part of the contract, the obligations of the parties and the meaning of the contract will be judged entirely from the face of the contract itself. No evidence outside the writing of the contract will be considered.

You will often see that a contract specifically includes

language such as: "This contract contains the entire agreement of the parties and replaces and supercedes any former agreements between the parties relating to the subject-matter of this contract." The purpose of this provision is to confirm that no one is later going to claim that something not covered by the contract is also a part of it.

The parol evidence rule specifically states that oral evidence about the meaning of the contents of a written agreement will not be heard by a court except under very limited conditions, such as where one of the parties alleges fraud in the inducement of the contract, or where a term is ambiguous and capable of different meanings.

Despite the exceptions to such rules, the safest course is to assume that where there is a written contract no additional spoken promises dealing with the same subject-matter can be enforced, no external documents are integrated into the contract unless specifically mentioned, and no court adjudicating a dispute will want to know anything about the contract except what is contained in the four corners of the document.

(Look for Legal Tips Basic Contract Principles - Part II in Coast Comments Summer 2002)

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Keeping Track Of Details Is The Key To Meeting Success

Planning a big meeting or event? It's not nearly as important to work hard as it is to work smart. Success is in the details. Try these tips:

- Mentally go over the details of the last meeting you organized. Write down what went wrong, what went right, and what you vowed you'd do differently if given the chance. Now you've got the chance.
- Remember that there's no such thing as a free lunch. If you save money up front by going with the cheapest vendor, but lose clients or customers because things weren't up to snuff, you'll pay a little more for reliable service.
- Be appreciative. If people from other departments help you, be sure to write a note of thanks- and send a copy to their supervisors. And of course, be prepared to lavish praise on your own hard-working staff. The more gratitude you show, the more likely they'll be willing to help you again next time.
- Screen speakers carefully to ensure their material is appropriate for the audience, and brief them on industry terminology as well as the proposed content of other presentations. Explain that yours is an inclusive organization and ethnic or gender-based humor and off-color material isn't appreciated. The quality of the presentation will reflect on you.
- Put your best foot forward. Many meeting planners save their best speaker for last to close the conference with a bang. Unfortunately, by the last day, many attendees are tired or must depart early to make their connections. Schedule your top act first to ensure it gets the deserved attention.

How To Muster The Confidence To Reinvent Yourself

Economic challenges often force employers - and employees- to make adjustments. You're happy in your position, but you're aware that circumstances may require you to find something else. How can you be confident that you'll be able to start over if the need arises? Try these tactics:

1. **Take inventory.** Begin by reviewing your skills, experience, education, training, credentials, and achievements. Assess your strengths and weaknesses. Highlight your transferable skills and recognize that they can apply to a variety of settings.

2. **Dig deeply.** What are your values? What do you hope to accomplish in your life and career? Is money your prime motivator? If so, how much money would it take to satisfy your needs? What passions drive you? What job-related activities do you most enjoy?
3. **Brainstorm.** Go back over the skills and values you've listed. Now brainstorm possible jobs, employers, or industries that match your talents and passions. (If you're stumped, visit a local career center and peruse the occupational handbooks for additional suggestions.) You'll probably be surprised to discover there are many industries in which you could work.
4. **Prepare.** Start a file of organizations in your area that meet your needs. Then create multiple resumes and cover letters targeted to the different industries in which you're interested.

Once you've devised an action plan for the worst-case scenario, you can focus on day-to-day responsibilities confident that there are options available- if you need them.

Arranging Items On Your Desk

The Chicago Journal offers this advice about arranging items on a desk: Righthanders should put their phone, notepad, pens and pencils on the left side of their desks; lefties should put them on the right. This seemingly unusual set-up eliminates juggling the phone when you need to write something down.

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"Mistakes are a fact of life. It is the response to error that counts."

- NIKKI GIOVANNI

"The minute you settle for less than you deserve, you get even less than you settled for."

- MAUREEN DOWD

"There are only two ways to live your life. One is as though nothing is a miracle. The other is as though everything is a miracle."

- ALBERT EINSTEIN

"I discovered I always have choices, and sometimes it's only a choice of attitude."

- JUDITH M. KNOWLTON

"Be careful the environment you choose for it will shape you; be careful the friends you choose for you will become like them."

- W. CLEMENT STONE

"Never ruin an apology with an excuse."

- KIMBERLY JOHNSON

"The secret to a rich life is to have more beginnings than endings."

- DAVE WEINBAUM

"Don't spur a willing horse."

- PROVERB

"Nostalgia is like a grammar lesson: you find the present tense and the past perfect."

- ANONYMOUS

"Genius is the capacity to see ten things where the ordinary man sees one, and where the man of talent sees two or three."

- EZRA POUND

"The most important thing in communication is to hear what isn't being said."

- PETER F. DRUCKER

"Go the extra mile. It's never crowded."

- EXECUTIVE SPEEDWRITER NEWSLETTER

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ESP Program - SUMMER 2002 Session

On May 9, 2002, PCR's Entrepreneurial Training Institute hosted another graduation for the Entrepreneurial Strategic Planning Program (ESP). Twelve students completed the session, which began March 19, 2002. They include **Saleem Aleem, Adrian Amosa, Denise Davis, Roz Downer, Kimberly Edwards, Geovanny España, Mishael Isreal, Kwame Moore, Melanie Polk, Sherril Rieux, Alex Rodriguez, Kimberly Ryan, Eric Stanley and Tracy Wilkinson.**


Demand for the ESP sessions has continued to increase. This response is a positive reflection on the ESP Program and a compliment to us. It lets us know we're providing valuable business tools to small business entrepreneurs that they can use to grow their businesses and be more successful. Although we will not offer the Inglewood class session this summer, we are constantly looking for additional venues including ways to expand and grow. A few make-up classes will be available during June, 2002 for students who missed specific classes during their session.

The next ESP session will be offered in August, 2002 at PCR's Entrepreneurial Training Institute, 3255 Wilshire Blvd. Suite 1501, one block west of Vermont. Details on the exact dates and times are coming soon. We will enroll students, throughout the summer, on a first-come basis. The sessions fill quickly, waiting lists are routine, so sign up today to ensure your seat. We have limited space. **HURRY!** Call Angela Winston, VP of Communications & Program Development at (213) 739-2999 ext. 228 or Kamilah Whitley, Asst. Director of Communications at (213) 739-2999 ext. 225.





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President R.D. Lottie, Jr.	Editor Angela B. Winston	Layout and Printing by: Pacific Rim Printers • Mailers
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