



# New Jersey District Office

## *SBA New Jersey*

**Your Small Business Resource**

## Administrator Touts SBA; *Reports Loans to Hispanic Businesses up 38% in NJ*

With his agency headed for a record year in loan approvals, U.S. Small Business Administration Administrator Hector V. Barreto swung through New Jersey to announce that the number of SBA loan approvals to Hispanic-owned businesses throughout the state were up 38 percent during the agency's fiscal year 2004—the period from October 1, 2003 through September 30, 2004.

In making the announcement, Barreto noted that SBA's New Jersey District Office had approved 180 loans to Hispanic-owned small businesses for a total of \$30 million. This is up from the 130 loans for \$19.6 million the New Jersey District Office approved during the same time period in fiscal year 2003.

Barreto made his announcement during a program sponsored by Staples and the SBA to promote the agency's loan and



**Small Business Town Hall Meeting—SBA Administrator, Hector V. Barreto (center) listens to a point that Tom Stemberg (right) founder and chairman of Staples, Inc. makes during a Town Hall Forum entitled *Opportunities for Success: Accessing Capital and Contracts*. The forum was hosted by Staples in Jersey City. Stemberg, one of SBA's biggest success stories, created the office superstore concept with early financial backing from the SBA.**

contracting programs. He was joined by Staples Founder and Chairman Tom Stemberg, as they led a discussion among 200 small business owners on ways to access capital and contracts.

“As we celebrate the many achievements of Hispanic entrepreneurs during Hispanic Heritage Month, the U.S. Small Business Administration shares a commitment to minority business development and continues to support Hispanic business expansion efforts,” said Barreto. “In 2003, more than 2,000 Hispanic-owned firms participated in the SBA's Office of Government Contracting and Business Development 8(a) Program. That same year, the SBA's Office of Capital Access approved over 5,500 loans to Hispanic entrepreneurs totaling more than \$1 billion. I

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**For More Information:**

SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under “U.S. Government” in your telephone directory, or visit our Web site at [www.sba.gov](http://www.sba.gov)

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*All of the SBA's programs and services are provided to the public on a nondiscriminatory basis.*

# Morris County Business Owner is Named SBA's 2004 NJ Minority Small Business Person of the Year

**L**et's a clean sweep to success for

Tom Vazquez. It wasn't always that way. In fact, the owner of T.M. Enterprises will tell you that it was a lot of hard work when he and his wife Mary Ann started their small janitorial business from their kitchen table back in 1978.

Today, the hard work has finally paid off for Vazquez and his Wharton-based company as he was recently named the **U.S. Small Business Administration's 2004 New Jersey Minority Small Business Person of the Year.**

The announcement was made at Camp Kilmer in Edison, where Vazquez's company has performed a variety of services. In making the announcement, SBA New Jersey District Director James A. Kocsi said, that Vazquez was chosen for the award based on criteria that include a company's ***Overall Financial Strength; Growth in Sales and Profits; Growth in Number of Employees; and Participation in Community and Charitable Events.***

"After four years of service in the Air Force, I became a policeman for the Boonton Police Department," said Vazquez. "We had three children; you do what you need to do." So he borrowed a friend's carpet cleaner and started to market himself as a janitorial company.

He fondly remembers the company's very first job. "A local bank asked us to clean a small carpet in a walk-in closet," said Vazquez. "I'll tell you, we didn't know what we were doing. We put so much cleaning solution in the carpet machine that suds were everywhere. I literally was shoving suds back in the closet. But you know that carpet came out really clean and that's how we got started."

The bank was so pleased with the job they offered him more janitorial work in seven of its branches. While still balancing his fulltime job, Vazquez enlisted his wife, aunt, sister, and brother-in-law to help with the growing business.

Six months into the business, Vazquez realized that he had to hire an additional worker. By 1980, he had left the Boonton Police



**A CLEAN SWEEP TO SUCCESS:** Tom Vazquez, CEO and founder of T.M. Enterprises of Wharton (2nd from left) was named the U.S. Small Business Administration's 2004 NJ Minority Small Business Person of the Year. Mr. Vazquez and his wife Mary Ann (3rd from right) started their janitorial company in 1978 from the kitchen table in their home. They are seen here receiving their award from SBA District Director James A. Kocsi (far left), SBA Assistant District Director for 8(a) Business Development Richard Zilg (far right) and Major General Richard S. Colt, Commanding Officer of the United States Army Reserve 77th Regional Support Command.

Department and put all his time and energy into the business. By 1990, the company had six employees with sales reaching \$340,000.

But it wasn't until 1997, when things really turned around for Vazquez and his company. "A friend of mine, who worked at Picatinny Arsenal, told me about the U.S. Small Business Administration's 8(a) Program and said that it could lead to contracts with the federal government and that he would help me with the application," said Vazquez.

According to Kocsi, the 8(a) Program is designed to help socially and economically disadvantaged entrepreneurs gain access to contract opportunities from the federal government. As a Hispanic American, Vazquez qualified to participate in the program. Participants of the program may receive sole-source contracts up to \$3 million for goods and services and \$5 million for manufacturing. Contracts higher than those amounts must be bid on competitively amongst 8(a) firms.

By 1998, Vazquez had his first contract at a U.S. Army Reserve Center at Camp

Kilmer. But Vazquez credits SBA's Caroline Morton, his Business Opportunity Specialist, with helping him turn his company around. "Caroline Morton sat down with us at our kitchen table, because I was still running the company from our home, and told us that if we wanted to be successful we had to diversify, get bonding and find an equity line of credit," said Vazquez. "We took Caroline's advice to heart and I can tell you it is the basis of our company and our successes."

In addition to the janitorial services that it provides its customers, T.M. Enterprises expanded its services to include window cleaning, construction, interior and exterior painting, landscape construction, lawn and tree maintenance, and snow removal.

Diversification has certainly paid off for the company. Today, T.M. Enterprises employs over 70 people and has sales in excess of \$5 million. The company has 28 trucks and 27 have plows on them. Since becoming an SBA certified 8(a) Company, T.M. Enterprises has received 71 contracts worth \$12.6 million.

Some of the company's government work includes a 500-700 linear foot boardwalk the company constructed over the Great Swamp in Morris County for the Department of the Interior. The company also landed a \$1.2 million job to install fencing around military installations including Camp Kilmer and Stewart Air Force Base.

"I am honored to be named SBA's 2004 New Jersey Minority Small Business Person of the Year," said Vazquez. "Right now I'm living the SBA dream. Our company would never be where it is today without the SBA 8(a) Program."

## SBA's NJ Top Lenders in 2004

(For the Period of October 1, 2003 through August 31, 2004)

Lender	# of Loans	\$Amount
1) Commerce Bank	420	\$ 126.6 Million
2) Bank of America	352	\$ 14.1 Million
3) PNC Bank	273	\$ 45.6 Million
4) Capital One Bank	144	\$ 6.3 Million
5) Citizens Bank of Rhode Island	112	\$ 4.4 Million
6) Broadway National Bank	94	\$ 38.8 Million
7) HSBC Bank USA	92	\$ 6.5 Million
8) Valley National Bank	82	\$ 19.0 Million
9) Unity Bank	78	\$ 31.8 Million
10) Sovereign Bank	73	\$ 16.2 Million

### Administrator Touts SBA

#### *Continued from Page 1*

am pleased that the SBA is assisting an increasing number of Hispanic-Americans to start or expand their businesses.”

According to Barreto, Passaic County led the way in SBA loan approvals to Hispanic-American business owners with 29 loans for \$1.7 million, during Fiscal Year 2004. Essex County followed with 28 loans for \$2.7 million; Hudson County with 26 loans for \$4 million; Bergen County with 19 loans for \$4.2 million; Union County with 18 loans for

\$4.7 million; Morris County with 14 loans for \$2.7 million; and Middlesex County with 13 loans for \$2.9 million.

Barreto also noted that in 2004, a majority of SBA backed loans helped Hispanic-American business owners in New Jersey to start or expand:

Full Service Restaurants; Supermarkets and other Grocery Stores;

Beer, Wine and Liquor Stores; Limited Service Restaurants; Beauty Salons; Child Day Care Centers; Limited Service Restaurants; Drinking Establishments; General Freight Trucking – Local; Small Construction Companies; and Convenience Stores.

“One of the greatest needs of Hispanic entrepreneurs is access to capital,” said Barreto. “We are fortunate to have a dedicated network of lenders and resource partners who have recognized this need and have assisted SBA in our continued efforts to address this fast growing business segment.”

According to Barreto, the top five SBA lenders providing New Jersey Hispanic business owners with capital are Bank of America with 44 loans for \$1.1 million; PNC Bank with 29 loans for \$3.1 million; Commerce Bank with 9 loans for \$3 million; Capital One Bank with 7 Loans for \$275,000; and Unity Bank with 6 loans for \$1.8 million.

# SBA Taking it to the Streets

**A**s the final days of Fiscal Year 2004 drew to a close, SBA's New Jersey District Director James A. Kocsi was busy taking to the streets of Paterson, touring the city's 21<sup>st</sup> Avenue business district with Congressman Bill Pascrell.

Kocsi and Congressman Pascrell were joined by Kate Muldoon, director of the William Paterson Small Business Development Center and SBA Loan Specialist Rosa Rodriguez as they canvassed the street speaking with local merchants about the various loan and business counseling programs available through the SBA.

"Small businesses produce jobs and drive innovation—they are the true heart of the American economy" said Pascrell. "We owe our entrepreneurs a debt of gratitude for the tangible benefits they deliver for our country, and we must do everything we can to help ensure their success. The programs the SBA offers can make all the difference, and my hope is that we can get the word out to local businesses that the government is here to help."



**Taking it to the Streets** – SBA NJ District Director James A. Kocsi (left) is joined by Congressman Bill Pascrell (center) as he speaks to Aura Santana (right), owner of Dahlia's Fabrics & Creations outside her Paterson store about SBA loan and business counseling programs. SBA Loan Specialist Rosa Rodriguez (2<sup>nd</sup> from right) looks on. Kocsi, Congressman Pascrell and Kate Muldoon, Director of the Paterson Small Business Development Center toured the business district on 21<sup>st</sup> Avenue in Paterson.

"The SBA is well on its way to another record year of lending in New Jersey," said Kocsi. "New Jersey small business owners will receive close to 2,700 SBA backed loans for about \$600 million. We are seeing an increase in loans across the board. Loans to women, minorities, and veterans are all up."

"It's grassroots marketing like this that allows us to increase small business lending to small business owners throughout the state," said Kocsi. "I never tire of meeting small business owners and listening to their concerns."

"We want small business owners to know that the SBA is the first place they should think of when they are searching for capital, business counseling or contracts," added Kocsi. "We definitely have the programs to help businesses grow."

## Upcoming Events

**Building & Financing Your Business with the SBA**  
 Tuesday, October 5, 2004 – 10:00 a.m. – Noon  
 Plainfield Public Library Cost: No Fee  
 For Info: Call (908) 737-5950

**Guerrilla Marketing Strategies and Tactics**  
 Saturday, October 9, 2004 – 9:00 a.m. – Noon  
 Sussex County Community College – Newton  
 Cost: \$24 For Info: Call 973-300-2140

**Business Start-Up Workshop**  
 Monday, October 11, 2004 – Tuesday October 12, 2004  
 7:00 p.m. – 10:00 p.m. Cost: \$72  
 Brookdale Community College – Lincroft  
 For Info: Call (732) 224-2315

**Building & Financing Your Business with the SBA**  
 Wednesday, October 13, 2004 – 9:30 a.m. – 12:30 p.m.  
 Middlesex County Regional Chamber of Commerce  
 Cost: No Fee – Monmouth Junction  
 For Info: Call (609) 989-5232

**Starting and Managing Your Own Business**  
 Tuesday, October 19, 2004 – 9:00 a.m. – 2:30 p.m.  
 Two Gateway Center - 15<sup>th</sup> Fl. - Newark  
 Cost: \$25 For Info: Call (973) 645-2434

**Building & Financing Your Business with the SBA**  
 Tuesday, October 19, 2004 – 9:00 a.m. – Noon  
 Carnegie Library Bldg. - Atlantic City  
 Cost: No Fee  
 For Info: Call (609) 909-5339

**Op-Ed -****Small Business Owners  
Deserve Affordable Healthcare****By Michael Pappas**

**T**here is a powerful new tool in the arsenal of small business owners who want to provide health care insurance for themselves, their families, and their employees.

The tool is called the Health Savings Account, or HSA. Signed into law by President George W. Bush late last year, HSAs offer small business owners and employees what they need from their health care coverage: affordability, portability, and freedom.

HSAs are tax-free savings accounts that individuals can use to pay for routine medical expenses. Anyone can open an HSA. Employers and employees alike can contribute. Contributions are tax free. Interest is tax free. Withdrawals for routine medical expenses are tax free.

If you open an HSA, it belongs to you. That means you choose how much to put in. You choose which health care services you want to purchase. You choose your own doctor.

It also means that your HSA goes with you wherever you go. You might change jobs. You might choose to stop working altogether. You might move across the country. It doesn't matter -- your HSA is yours, and it is always there to help you afford the health care you need.

HSAs are not only a powerful tool for the people who own them. They also offer a tremendous opportunity for small business owners who want to offer health insurance to their employees but previously could not afford it. HSAs can save small



SBA Regional Administrator Michael Pappas joins Congressman Scott Garrett (right) in his support of affordable healthcare for all small business owners.

business owners up to 40 percent in health care costs. That means some small business owners who could never offer health care to their employees can do so now by taking advantage of HSAs. It also means that small businesses that switch to HSAs from other, traditional health coverage plans can save more money to buy new equipment, grow their businesses, and create even more jobs for hard-working Americans.

Here's how it works: To set up an HSA, a worker or his employer must first obtain a high-deductible insurance policy to cover major medical expenses. The premiums for such high-deductible plans are much lower than traditional plans, but they provide coverage for surgery, hospital stays and other large expenses. Having obtained coverage for major medical bills, workers can then open an HSA to cover routine medical expenses, such as visits to the doctor or

over-the-counter drugs. Those individuals or their employers can contribute up to \$2,600 for an individual or \$5,150 for a family to their HSA account.

Small business owners across America are taking advantage of HSAs -- but I hope even more will discover this powerful new tool. That is why the U.S. Small Business Administration is bringing small business owners together to talk about HSAs -- to help pass the word to their fellow entrepreneurs about this new way of providing health care to their employees.

Of course, the fight for affordable health care is far from over. Small businesses are still at a distinct disadvantage when it comes to finding affordable ways to provide for their employees. For example, while large corporations can leverage their considerable buying power to negotiate lower cost health care plans, small businesses have no such advantage. But if small businesses were allowed to band together to purchase health insurance for their employees, they would be able to command the same respect -- and low costs -- that big corporations do. That is why President Bush supports Association Health Plans (AHPs). The idea behind AHPs is simple: the law should not prevent small business owners from joining together and pooling their resources in order to provide affordable health care. AHPs would level the playing field, by giving small businesses the same buying power that large companies already have.

Small businesses are the engines of our economy. They are the innovators and job creators of America. President George W. Bush and the SBA are committed to helping them find new ways for them and their employees to succeed. Affordable health care must be part of that success, and HSAs and AHPs are a big step in the right direction.

*Michael Pappas is regional administrator of the U.S. Small Business Administration, Region 2, with jurisdiction over agency activities in New York State, New Jersey, Puerto Rico and U.S. Virgin Islands.*

# Taffy Makers are Pulling for their Success

**G**innie Berwick and her brother Hank Glaser enjoy pulling their way to success. When over 150,000 pounds of mouth watering salt water taffy is made each year, it's a good reason to pull for success.

Ginnie and Hank are the owners of Shriver's Salt Water Taffy, an institution that has been located on the Ocean City boardwalk since 1898. The business was started back then by William Shriver.

Eventually, Ginnie and Hank's dad Henry, with his brothers Frank, Otto and Joe, bought Shriver's. The Glasers were no strangers to the candy business. In fact, they started in 1888 and owned 11 stores/restaurants called Dairy Maid Confectionary, in the Philadelphia area, where they sold chocolates, candy and ice cream.

In 1947, they bought James Salt Water Taffy in Atlantic City, which Henry ran. In 1959, the Glaser brothers bought Shriver's. Ginnie and Hank's Uncle Frank ran that business which, back then, only stayed open from Mother's Day to Labor Day.

By 1983, Ginnie and Hank's uncles had all passed away. The opportunity arose for them to buy Shriver's. Both Ginnie and Hank had worked with their dad in the summers in Atlantic City when they were children. Call it nostalgia or the need to do something different with their lives, but Ginnie and Hank went into making taffy.

And their customers are glad they did. For over 20 years, Ginnie and Hank have continued to carry on the tradition that started back in 1898.

Although the Glaser family owned the business, they were never able to purchase the building. The building remained in the Shriver



**Pulling for Success**---Ginnie Berwick co-owner of Shriver's Salt Water Taffy is seen here holding a box of the company's famous salt water taffy. A \$3.1 million 504 loan from the SBA helped Berwick and her brother Hank Glaser purchase and renovate their building located on the Ocean City Boardwalk.

family until 1999. That's when Ginnie and Hank came to the U.S. Small Business Administration for help with purchasing the building that has graced the Ocean City Boardwalk since 1928. A fire on the boardwalk, in 1927, destroyed the original structure.

So with the opportunity to purchase and renovate the current structure, Ginnie and Hank were able to apply for and receive a \$1.2 million SBA 504 loan through Commerce Bank and the New Jersey Business Finance Corporation. The total deal amounted to \$3.1 million.

According to SBA New Jersey District Director, James A. Kocsi, the SBA 504 loan program is a long-term financing tool that promotes economic development within a community. SBA 504 loans provide growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. Certified Development Companies like the New Jersey Business Finance Corporation work with the SBA and private-sector lenders to provide financing to small businesses.

"The SBA 504 Loan was a better financing package for us," said Ginnie. "We only had to put up 10 percent of the project. The loan helped us secure the building, while the remainder of the loan went into renovations we couldn't do when we were leasing."

Now that Ginnie and Hank owned the building, they were able to expand the area where the taffy was made. They also added space for their fudge kitchen and they put up a glass window, where customers can watch the taffy being made. "People really like

coming in here and watching the machines pull, cut and wrap the taffy," said Ginnie

Today, Shriver's Salt Water Taffy employs 70 people. Ginnie and Hank provide their customers with 17 traditional flavors like chocolate, vanilla, strawberry, orange and lemon. They also make special flavors like root beer, watermelon, crèmesicle, sour cherry and chocolate peanut butter.

According to Ginnie, sugar and corn syrup are the basic ingredients for taffy. "What makes good taffy is the temperature it is cooked at," said Ginnie. "Too high and the taffy will come out too hard and too low and it will come out like mush. Good flavoring also makes for good taffy."

The taffy comes in one, two, three and five pound boxes. Customers who visit the store can also pick and mix their favorite flavors. In addition to the taffy, the store carries an assortment of homemade fudge and homemade coconut and almond macaroon cookies. The store also has a huge selection of candies ranging from chocolate to sour candies. Shriver's now carries gift items, jams and jellies, as well as novelty candies.

According to Ginnie, Shriver's ships taffy all over the United States. "We have a very good online business and people can visit our site at [www.shrivers.com](http://www.shrivers.com) and place an order," said Ginnie

"Things can get quite hectic here in the summer," said Ginnie. "But we have a good staff that enables us to put out a great product."

# SBA 8(a) Application Goes Online

On September 10, 2004, the U.S. Small Business Administration unveiled a new electronic online application that will make it easier, faster and less expensive for small companies to apply for 8(a) Business Development and Small Disadvantaged Business certification directly from SBA's Web site.

The announcement was made during a luncheon at Minority Enterprise Development (MED) Week by SBA Administrator Hector V. Barreto. The new automated application will substantially reduce the time and cost burdens imposed on small businesses applying for certification.

"The newly launched 8(a) on-line application will allow small businesses to apply for 8(a) and SDB certification directly from the SBA's Web site, and ensure more small businesses are able to successfully compete for federal contracting opportunities," Barreto said. "This user-friendly application represents another accomplishment of this Administration in developing e-Gov tools that make access to information less cumbersome for small business."

The SBA's 8(a) Business Development Program helps small businesses owned, controlled, and operated by socially and economically disadvantaged individuals by providing management, technical, financial and federal contracting assistance with the aim of helping these entrepreneurs create viable businesses.

About 8,300 companies are presently certified in the 8(a) program. The application is 100 percent Web-based, allowing applicants to apply without downloading any software or plug-ins, replacing a four-page written application that required substantial supporting documentation. The online application incorporates features including context sensitive help, real-time validation, printer-ready versions and integrates with the Central Contractor Registry (CCR).

For more information, contact the New Jersey District Office at 973-645-2531, or visit the SBA Web site at [www.sba.gov](http://www.sba.gov)

## Monthly Loan Report Now Available Online

**W**ant to know who the top SBA lenders are in New Jersey? It's now as easy as a click of a mouse. The New Jersey District Office monthly loan report has been posted on the SBA's New Jersey District Office Web page.

All monthly reports will be posted on the Web page within 10 days after the close of each month.

The report lists every SBA lender who has approved at least one loan during the Fiscal Year and provides a comprehensive view of each lender's loan activity throughout the year.

To access the report, all you have to do is visit [www.sba.gov/nj](http://www.sba.gov/nj). Then go over to the *What's New Section* and click on *SBA New Jersey District Office Cumulative Lender Report*.

## Express Loan Program Expands in NJ

**D**uring the past year, the following lenders have become *SBAExpress* Lenders. To learn more about the *SBAExpress* Loan Program, please visit <http://www.sba.gov/financing/lendinvest/sbaexpress.html>

Amboy National Bank  
bcpsbank  
Crown Bank, N. A.  
1st Constitution Bank  
First Bank Americano  
Hilltop Community Bank  
The Provident Bank  
Interchange Bank  
interSTATE NET BANK  
Magyar Savings Bank  
New Millennium Bank  
Sussex Bank  
Brunswick Bank & Trust Company  
Hopewell Valley Community Bank

Select Bank  
Shrewsbury State Bank  
Skylands Community Bank  
Somerset Valley Bank  
Sun National Bank  
The Bank  
Ocean City Home Bank  
Unity Bank  
Woori America Bank  
Manasquan Savings Bank  
Newton Trust Company