

Community Works

Entrepreneur Goes Green

Mark Highland, founder and owner of the Organic Mechanics Soil Company is passionate about good dirt. That is, dirt that is good for the environment and dirt that is good for growing plants. Mark's primary product is potting soil which is traditionally made of peat, a non-renewable material found in bogs and virgin forests. An avid gardener, Mark saw the need for an alternative product that did not contribute to the degradation of ecosystems where peat is grown. After several years he developed a recipe that incorporates mushroom materials and pine bark, ingredients readily available in Chester County.

Continued on page 3

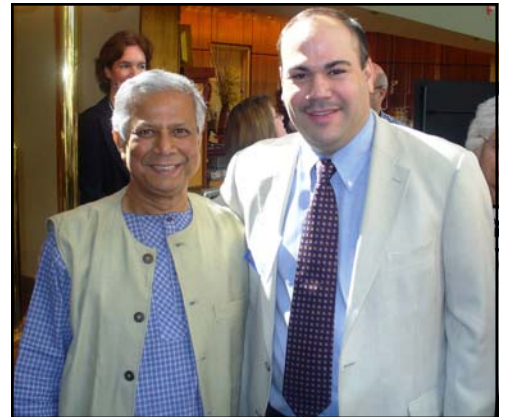
Inside this issue. . . .

Letter from the President	page 2
New Business	page 3
PA Women's Business Center	page 4
Training Schedule	page 4
Staffing Updates	page 4
Loan Activity/Clients	page 5
Contributors	page 6
Board Members	page 6
Advocacy/Leadership	page 7

CFF President to Chair National Organization

In May of this year, Community First Fund President Daniel Betancourt was elected board chair of the national leadership and advocacy organization, Association for Enterprise Opportunity (AEO). The nomination was confirmed at AEO's annual conference in Kansas City, MO. The conference was highlighted by a surprise visit by Dr. Muhammad Yunus, winner of the 2006 Nobel Peace Prize for pioneering the concept of microcredit in his native Bangladesh. Speaking to Betancourt and other conference attendees, the Nobel Prize-winning economist said that because of microcredit – providing small loans to the poor to help them become self-sufficient – the cycle of poverty is being broken in his country.

In his new role at AEO, Betancourt will lead the organization that serves as the voice for the U.S. microenterprise movement. He has been co-chair of its Governance Committee and is a member of the Finance and Executive Committees. AEO's members assist potential entrepreneurs, who are often underserved, gain access to capital and provide technical and/or business training necessary for their business success.



Nobel Peace Prize winner, Dr. Muhammad Yunus (l) and Community First Fund President and CEO Dan Betancourt.

The Association for Enterprise Opportunity (AEO) supports the development of strong and effective U.S. microenterprise initiatives to assist underserved entrepreneurs in starting, stabilizing, and expanding business. AEO's members include hundreds of organizations that assist thousands of entrepreneurs each year in realizing their dreams of small business ownership. By providing core services such as cutting edge training, information sharing, public policy, and communications, AEO enables its members to be effective providers of services to their program participants. AEO is based in Arlington, VA. More information can be found at www.microenterpriseworks.org ■

From the Desk of the President



Daniel Betancourt

Dear Friend of the Fund:

It has been exciting year so far for Community First Fund. I was honored to be elected to the position of Board Chair of the national organization, Association for Enterprise Opportunity (AEO), and inspired by the words of Dr. Muhammad Yunus spoken at AEO's annual conference. Dr. Yunus, a 2006 Nobel Peace Prize recipient, is a pioneer in the strategy of microcredit for the poor in his native Bangladesh. Dr. Yunus, an economist, started the concept of microcredit in his country with a \$27 investment that he gave to a group of women. This small investment has helped millions of people rise out of poverty and attain what Yunus describes as "social respectability."

Dr. Yunus's story is proof that one small change – in this case a microloan – can impact large numbers of people. In our community, one business loan, whether it is micro or large, affects an entrepreneur, who may then open a bank account and then hire local people, who in turn support the community through purchases made, taxes paid, and so on and so forth. The point is that one business loan is really much more than that. It starts with believing in and assisting individuals who will ultimately set in motion a chain of events that better the local economy – all by fulfilling a dream of business ownership.

The impact that one entrepreneur can have on the community as a whole may take some time to be seen and felt. However, by supporting local businesses, non-business owners can help to be a part of this movement. This is one of the reasons that Community First Fund so strongly believes in the mission of the Susquehanna Sustainable Business Network, which you can read about on page three, and agreed to serve as a founding member.

Over the next several months you will notice some changes as our branding campaign comes to fruition. What will change or rather improve is our look and the way that we communicate. What will not change is the work that we do, our commitment to entrepreneurs of all sizes, and our continuing advocacy on behalf of our clients at the local, state, and national level. I encourage you to visit our website to listen to the words of Dr. Yunus as well as the testimony of Community First Fund client Edward "Champ" Hall regarding the need for organizations such as ours.

I hope that you will join us at our annual Friends of the Fund celebration, which this year will be held in the evening and in one locale only – Lancaster. This is different from what has been done over the years, but we feel that our 15th Anniversary is a milestone that deserves to be commemorated distinctively. We will honor those clients and advocates who have worked with us over the years and enjoy the wisdom of industry leader and keynote speaker Mark Pinsky, President and CEO of Opportunity Finance Network, will speak at the October 4th dinner.

As always, I thank you for your continued support of Community First Fund.

Best Regards,

A handwritten signature in black ink that reads "Dan Betancourt". The signature is written in a cursive, slightly slanted style.

Daniel Betancourt

Spotlight on the Green Movement

Continued from page 1

Developing a product that is as good as or superior to products made by national companies was one challenge Mark faced. A second equally difficult hurdle was convincing investors that his business was viable. But Mark had done his research and knew that there was almost no one making organic, peat-free potting soil on the East Coast. He saw the potential for profitability in independent garden centers, health food stores, and trade shows featuring new green products. Community First Fund business counselor and lender Fritz Knerr agreed and worked to secure a \$25,000 loan for Mark.



The Organic Mechanic, Mark Highland

As part of Mark's environmental strategy, his company uses bio-diesel, wind power, and partners with other green businesses in Chester County that use alternative fuels for delivery and recycled plastic materials for packaging. To date, The Organic Mechanics Soil Company has found its way into nearly 20 community garden centers in the area. Mark hopes to expand into more than 5,000 garden centers on the East Coast. ■

For more information on Mark and his products visit www.organicmechanicsoil.com.

The SSBN: Growing Local Businesses

By Jen Lehman

Lately the media has been buzzing with words like "local" and "sustainable," and for good reason. More and more people are recognizing the importance of supporting locally owned businesses and buying from local farms and farm markets. But, what is sustainable and what is local?

A local living economy provides secure and fulfilling livelihoods for all people, works in harmony with natural systems, supports biological and cultural diversity, and fosters enjoyable community life. Communities with living economies locally produce and exchange as many products needed by their citizens as they can, while reaching out to other communities to trade in those products they cannot reasonably produce at home.

The Susquehanna Sustainable Business Network (ssbn) incorporated in January of 2007, is growing a strong network of business owners and community members in the Lancaster and York region dedicated to promoting these principles. We hope to create a symbiotic loop whereby the community shifts more of their spending to locally owned businesses, and the businesses then increase the practices and products that support a sustainable community.

The ssbn meets quarterly and produces a directory called the Green Pages. We are also focusing on four building blocks: Food-partnering with Buy Fresh Buy Local, Retail- launching a Local First campaign, Energy- focusing on efficiency and renewable energy, and Green Building and Restoration.

We view the local living economy model as an alternative to corporate globalization, which is causing a decline in local communities, family farms, and habitats. As wealth and power consolidate, corporations control food, clothing, media, transportation- just about everything that we encounter on a daily basis. The antidote is a decentralized global network of local living economies composed of independent, locally-owned businesses. This model brings power back to communities.

Traditionally, success is measured by continuous growth and maximum return on investment. Instead, we look at fair return, personal relationships, and environmental impact (people, planet, profit.) This fosters: cooperation; more evenly distributed wealth; more localized shopping districts and civic engagement; a unique town character and cultural diversity. When you buy things locally, it not only has the "feel good" factor, but 70% of the money gets circulated back in the community.

Community First Fund has been espousing these principles for a long time, so it was only natural that they become a founding member of the ssbn. We are blessed to have Community First Fund working hard in our community to support locally owned businesses and help strengthen our economy as a result. ■

For more information contact Jen Lehman or Karen Sattler co-directors of the Susquehanna Sustainable Business Network at ssbn@embarqmail.com or 717-368-0704. Online, go to www.susquehannasbn.org.

Summer/Fall Educational Opportunities

PENNSYLVANIA WOMEN'S BUSINESS CENTER

The full training schedule and other courses offered by the Pennsylvania Women's Business Center and Community First Fund are detailed online at www.commfirstfund.org.

To register for upcoming classes, please contact Miriam Soto at 717-393-2351 or msoto@commfirstfund.org

Event Update: The Pennsylvania Governor's Conference for Women will be held November 8, 2007 at the Pennsylvania Convention Center. For more information, visit www.pagovernorsconferenceforwomen.org

Core Four: The six-week course teaches aspiring or new business owners the "core" elements of business: planning for success, meeting the needs of the marketplace, managing cash flow, and business operations. Recommended for individuals interested in starting a business; those needing help with business plan implementation; and entrepreneurs with relatively new businesses who need to evaluate their current operations.

Procurement: The class details: how small business can become government contractors; how to become state certified as a woman-owned or minority-owned business; state and federal purchasing procedures; identifying and marketing to state and/or federal agencies that need your products; and locating bid opportunities online.

Harrisburg Classes

Held at the PNC Bank Building at 1301 Derry St., 3rd Floor

September 6 – State Procurement

Lancaster Classes

Held at the CFF office at 30 West Orange St.

October 16, 23, 30; November 6, 13, 20
– Core Four

Reading Classes

Held at CFF office located at 505 Penn St., 2nd Floor

October 11, 18, 25; November 1, 8, 15
– Core Four

York Classes

Held at the York Economic Development office at 14 West Market St.

September 4, 11, 18 25; October 2, 9
– Core Four

Increasing our Capabilities: CFF Staffing Updates

James D. Beam, *Controller*, has more than 20 years experience in finance and accounting. Jim has worked in Lancaster County as the Controller for Smucker Company and for Educator's Mutual Insurance. He served as Director of Finance at Willow Valley Associates and as a Financial Advisor at Wachovia Securities. Jim is a Certified Public Accountant and holds a BS in Business from Elizabethtown College. He is a current member of the Lancaster Rotary Club and was Treasurer for the Lancaster Northeast Rotary Club.

Douglas J. Weiser, *Director, Small Business Lending and Counseling* for the capital region, has more than 30 years experience in the banking industry. Doug most recently worked at Community Banks as a Business Development Officer. Prior to that, Weiser was a Business Banker at Vartan National Bank where he assisted small and medium sized busi-

ness owners with loans and investments. Doug is currently the Chair of the Education Committee for the West Shore Chamber of Commerce, President of the Lawnton-Oakleigh Lions Club, Board Member of the Tri-County OIC, and a member of the Leadership Harrisburg Area Alumni Advisory Board.

Jamie L. Frey, *Administrative Assistant*, has more than seven years of clerical experience. Most recently she worked as a Legal Secretary at Flanagan & DiBernardo, LLP. Prior to that, she worked in the Lancaster Prothonotary's Office in the Lancaster County Courthouse. Jamie has an Associates Degree as a Legal Assistant from HACC. Jamie participates in Hospitality Ministry through her church. She volunteers frequently and for the past two years, she has served with Habitat for Humanity and Christ in Action Relief Agency providing disaster relief work on the Gulf Coast.

Troy S. Dinkel, *AmeriCorps VISTA Member*, is a 2006 graduate of the University of Pittsburgh where he received a BA in English Literature. In the year following his graduation, he worked as a Policy Service Representative for CNA Insurance where he supported insurance underwriters. He is a Reading native and will be focusing his efforts at Community First Fund on lending support and business development.

Kelsey L. Cunningham, *AmeriCorps VISTA Member*, is 2007 graduate of Taylor University (Indiana) where she received a BA in International Business/International Studies. A native of a Chicago suburb, Kelsey lived and worked in Lithuania and has traveled in Central America. She was the Director of Fundraising for the Taylor Association of Business Students and will be working with the Development Department at Community First Fund.

CAPITAL/CLIENTS

April 2007 – July 15, 2007
19 loans granted totaling
\$1,036,095

<u>BORROWER</u>	<u>COUNTY</u>
<u>April 2007</u>	
Rivera Advertising	Lancaster
PA Underground	Chester
SACA Development Corp.	Lancaster
<u>May 2007</u>	
American House Hotel	Berks
Frank's Carpet Cleaning	Lebanon
El Sol Restaurant	Dauphin
Rafy's Garage	Lancaster
Community Counseling Services	York
La Estrella	Dauphin
Sheperdstown Union Hotel	Cumberland
<u>June 2007</u>	
Hydiliya's Salon	Dauphin
Raphael Inn	Adams
S & K Trucking	York
Hair @ DFB Studios	Lancaster
I am I am Mega Hair Salon	Dauphin
Ferrer Transport	Dauphin
Trees and Lumber Inc.	York
Hi Tech Entertainment Solutions	York
<u>July 2007</u>	
SACA Development Corporation	Lancaster



Danny Moore outside of his barber shop located in Reading.



Juan Garcia (second from left) his son Alex and wife Lisa Follett Garcia, owners of the newly opened El Sol restaurant in Harrisburg are flanked by Lew Davey, Vice President, Commercial Relationship Manager, Sovereign Bank (far left), Ben Parra of Community First Fund (second from right) and Gladys Canizares (right), formerly of Sovereign Bank.



Jose and Maria Garcia, owners of La Salvadoreña Grocery Store and Pupseria located in Lancaster.

Did you know?

An AEO study using data from the U.S. Census and Department of Commerce shows that there are roughly **21.5 million microenterprises** (businesses with five or fewer employees) throughout the United States. Together, these microenterprises **comprise over 86% of all enterprises** in the U.S. and contribute 16.6% of total nonfarm employment. (Calculated by the Aspen Institute's FIELD program using 2001 data, and based on the AEO study previously mentioned.)

Thank You!

Community First Fund graciously acknowledges these contributors for their generous support of our programs and operations.

(April 1, 2007 – July 30, 2007)

Banks

Bank of America
Fulton Bank
M & T Bank
National Penn Bank
PNC
Sovereign Bank
Susquehanna Bank
Wachovia Bank

Corporations & Non-Profits

Belco Community Credit Union
Bertz & Company
Central Penn Business Journal
Economic Development Corporation of Lancaster County
Franklin and Marshall College
Greater Berks Development Fund
Harrisburg Regional Chamber
Housing Development Corporation
Lancaster Chamber of Commerce and Industry
Meeder Development Corporation
Spanish American Civic Association
Reese, Pugh, Samley, Wagenseller & Mecum

Corporations Continued

Weinstein Realty Advisors
York County Economic Development Corporation

Foundations

Lancaster County Community Foundation
York Community Foundation

Government

Chester County Department of Community Development
City of Lancaster
City of York
Dauphin County Department of Community & Economic Development
Lancaster County Housing & Redevelopment Authority
Pennsylvania Commission on Crime & Delinquency (PCCD) - Weed and Seed Program
Pennsylvania Department of Community & Economic Development (DCED)
DCED's Pennsylvania Minority Business Development Authority
DCED's PCD Bank
SBA Microloan Program
SBA Office of Women's Business Ownership
U.S. Department of Agriculture (USDA)
U.S. Department of Housing and Urban Development (HUD)
U.S. Department of Treasury – Community Development Financial Institutions (CDFI) Fund

Thanks Also to our Board of Directors...

Daniel Betancourt, *President & CEO*
Robert Torres, Esquire, *Chair*
Pamela M. Woodell, *Vice Chair*
Marilyn Hedge, *Secretary*

Margaret D. Barajas
John Galarza
Ben Gutierrez, PhD
Cheryl D. Holland-Jones
Jack Howell
Carl S. Pike, PhD
Rev. Edgardo Rivera
Larry Segal
Deborah A. Stuart

...And our Friends of the Fund

Mark your calendars now for our 15th Anniversary Celebration.

When: Thursday, October 4th, 2007 @ 6 pm

Where: Eden Resort Inn, The Eden Courtyard – Lancaster

Watch for your invitation!

Please note, this year we will host only one Friends of the Fund Event.



Help us celebrate 15 years of doing good with capital.

CFF President and Client Testify Before Congress

On June 14, 2007 Community First Fund President Dan Betancourt told a congressional committee that the Small Business Administration (SBA) Microloan Program makes good use of federal dollars, is important to the micro-enterprise development field, and can mean the difference between the success and failure of participating entrepreneurs.

Betancourt testified before the House Small Business Committee about the importance of the Microloan program, especially its technical assistance and training component which is threatened with elimination by the Bush Administration and the SBA. He was joined by entrepreneur and Community First Fund client Edward "Champ" Hall, who spoke on behalf of small business owners who have benefited from the program.

"The Microloan program is a program that really works. It makes very good use of federal dollars," Betancourt told the committee. He attributed the low default rate of the loan program to the training and technical assistance provided to entrepreneurs. "That combination of training and technical assistance with lending has insured that the entrepreneurs are well prepared prior to receiving their loan funds," Betancourt said, adding, "This program would not work nearly as effectively if the technical assistance was not provided, or if it was provided by someone else."



CFF President and CEO Dan Betancourt (left) and client Edward "Champ" Hall (right, center) testify in front of Congress.

Betancourt noted that eliminating funding for loan capital would increase interest rates on microloans, making the program less appealing to microenterprise development organizations. "Higher interest for intermediaries will be passed on to microentrepreneurs creating economic hardship and making it more difficult for them to grow their businesses. It will lead to fewer jobs created and fewer tax dollars paid," he said. Betancourt said that eliminating the technical assistance portion of the program will make it unworkable.

Hall, owner of Champ's Barber Shop and Champ's Barber School in Lancaster City gave testimony based on personal experience. Hall told the Committee how business training and counseling, as well as the loans, helped him renovate and operate his barber shop and purchase equipment needed to open and run his barber school. ■

CFF V.P. Participates in Congressional Summit

On July 23, 2007 CFF Vice President and Pennsylvania Women's Business Center (PAWBC) Director Joan Brodhead participated in the Women's Congressional Hearing and Summit sponsored by PA Congressman Joe Sestak, Vice Chair of the House Small Business Committee. As a panel member representing organizations serving women small business owners, Brodhead spoke about the hurdles such clients face. "Two of the most critical obstacles facing women entrepreneurs are a lack of access to capital -- due to inadequate collateral, a need for small-scale loans, inability to afford commercial property, or lack of business education and track record -- and the lack of established business networks and support systems, through which business knowledge is shared," Brodhead testified.

Brodhead thanked Chairwoman Nydia Velazquez and the House Small Business Committee for their leadership in providing the first appropriations increase for the SBA Microloan program in six years. Brodhead acknowledged that the number of federal programs available to women entrepreneurs is substantial but said that finding information about the programs and their requirements is confusing which is why intermediaries like CFF and PAWBC must exist. Furthermore, she said that the Women's Procurement Program, approved by the Senate Small Business Committee in 2007, needs to be fully implemented. ■



P.O. Box 524 ❖ Lancaster, PA 17608-0524

Non-Profit Org.
U.S. Postage
PAID
Lancaster, PA
Permit No. 1814

ADDRESS SERVICE REQUESTED

CFF Staff

- Daniel Betancourt, *President & CEO*
- Joan M. Brodhead, *Vice President & COO*
- James D. Beam, *Controller*
- James C. Hufford, *Director of Lending*
- Mary Kay Eckenrode, *Director, Real Estate Lending*
- Ernest L. Moore, *Director, Small Business Lending and Counseling*
- Benjamin Parra, *Director, Small Business Lending and Counseling*
- Fred S. Engle, *Director, Small Business Lending and Counseling*
- Jeffery K. Dice, *Director, Small Business Lending and Counseling*
- Douglas J. Weiser, *Director, Small Business Lending and Counseling*
- Miriam Soto, *Director of Training*
- Jermaine D. Edwards, *Business Counselor/Lender*
- Michelle Ramos, *Business Counselor/Lender*
- Nelson A. DeLeon, *Business Consultant*
- Kenneth J. Olson, *Business Consultant*
- Frederic J. Knerr, *Associate, Loan Administration*
- Raymond T. Culbreth, *Associate, Loan Administration*
- Amy D. Peterson, *Senior Accountant*
- Stephanie N. Kessler, *Associate, Development Department*
- Tracy A. Smith, *Executive Administrative Assistant*
- Jamie L. Frey, *Administrative Assistant*
- Dougie E. Chon, *VISTA Member*
- Troy S. Dinkel, *VISTA Member*
- Kelsey L. Cunningham, *VISTA Member*



Senior Loan Committee Members

- Daniel Betancourt, *Chair*
- Joan M. Brodhead, *Vice Chair*
- James C. Hufford, *Secretary*
- Raymond A. Davis
- Steven D. Flaherty, *Esquire*
- Cheryl D. Holland-Jones
- Ernest L. Moore
- James G. Shultz

Contact CFF

30 West Orange St., P.O. Box 524 Lancaster, PA 17608-0524
Phone: 717-393-2351 Fax: 717-393-1757



15 North Cherry Lane, P.O. Box 2644, York, PA 17405-2644
Phone: 717-848-3863 Fax: 717-848-4438



505 Penn St., 2nd Floor P.O. Box 7936, Reading, PA 19603-7936
Phone: 610-685-4940 Fax: 610-685-4941



140-B Strawberry Square Harrisburg, PA 17101
Phone: 717-920-1520 Fax: 717-920-1521



Eagleview Corporate Center, 737 Constitution Dr., Exton, PA 19341
Phone: 610-458-1695, ext. 255 Fax: 610-903-4261

www.commfirstfund.org