¡Adelante *Sí*!

TRANSFORMING THE LANDSCAPE OF LATINO BUSINESS PROCUREMENT OPPORTUNITY

First Quarter 2018

CINCO PREGUNTAS:

Bank of America's Greater Los Angeles Region President Raul A. Anaya looks at bank lending, Latino businesses and community investment in one of the country's largest markets.

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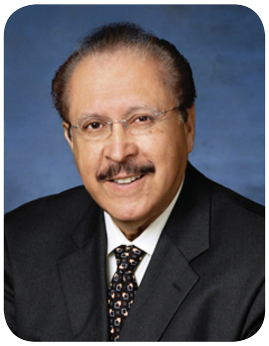
PRIMING THE PUMP: ECONOMIC EMPOWERMENT



GILBERT R. VASQUEZ
LALCC Board Chairman

MOISES CISNEROS
LALCC Executive Director

According to the Los Angeles Economic Development Corporation, the number of Los Angeles County businesses at least partly owned by Latinos increased almost 48 percent between 2007 and 2012. The $33 billion in sales they generated in 2012 contributed more than $54 billion to our regional economy and supported more than 409,000 jobs.

But despite those gains, the impact of Latino-owned businesses and the economic benefits they provide come nowhere near their true potential.

Per capita and median household income for Latinos fall significantly below the county average. Doubling Latino business revenues – one of our stated goals – could significantly boost Latino income, increasing purchasing power, creating new employment opportunities and improving the standard of living for Los Angeles Latinos. Government contracting and corporate purchasing are key to that revenue growth.

Purchasing from Latino-owned businesses should mirror Los Angeles County's Latino population, which now represents half of the total population. But that's not the case and it's why LALCC will continue pressing city and state governments; higher educational institutions, such as Cal Tech, California State University System and USC; major corporations; and nonprofits like the Automobile Club and LACMA, to significantly expand their contracting with Latino businesses.

Our goal calls for establishing new diverse-purchasing agreements with the region's largest organizations every year through 2025. At that rate, we'll double the revenues of Latino-owned businesses.

Our newly expanded board of directors will play a leadership role in this effort. We are excited to welcome two highly respected Latino entrepreneurs to our board: Moctesuma Esparza of Maya Cinemas North America and Carmen Rad of CR&A Custom. Reaching our goals also will require the active support of the next generation of Latino business leaders. Our recently launched NextGen Latinos initiative, a community network of Latino Gen X and Millennial entrepreneurs, will expand our economic development efforts.

LALCC has made progress in promoting Latino economic empowerment and we could not have achieved it without you. We want to thank our chamber members, our board of directors and our benefactors for the continuing support and encouragement that has made that success possible.

We wish you much success in the new year. Adelante!

Gilbert R. Vasquez

Moises Cisneros

Vision Statement

The vision of the Los Angeles Latino Chamber of Commerce (LALCC) is to focus on economic development in the Latino community in the Greater Los Angeles Metropolitan area. This includes setting the platform for the growth of Latino-owned businesses through actual programs for procurement, access to capital, technical assistance, and other structures that can be developed for use by its members.

Policy issues and advocacy will be an additional priority for the organization. It will deliberate on leveling the playing field to enable Latinos full participation in the U.S. economy at a level representative of its demographics. The LALCC will open its doors for strategy and collaboration with other chambers, minority chambers, advocacy organizations, and the public sector to effectively address these issues.

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CINCO PREGUNTAS

RAUL A. ANAYA

President, Greater Los Angeles Region, Bank of America

Raul A. Anaya is president of Bank of America's Greater Los Angeles region and Pacific Southwest regional executive for Bank of America Merrill Lynch Global Commercial Banking. One of the highest-ranking Latinos in the company, he also oversees the bank's Greater Los Angeles corporate and social responsibility activities, including philanthropic giving, community development lending and investing, environmental initiatives, diversity efforts, arts and culture initiatives, and employee volunteerism. A native of South Texas' Rio Grande Valley, Anaya co-chairs the bank's 150-member national Hispanic-Latino Leadership Council and leads the Los Angeles regional Latino Leadership team. He also co-founded Latino Deal Makers, a networking group of Latino finance, legal and investment management professionals in Los Angeles.

1. Based on your personal observations, what's your outlook for the Greater Los Angeles economy, small and medium-sized businesses, and small business funding?

The Los Angeles regional economy remains robust. The growth we're seeing in revenue, loans and deposits at the bank is just a reflection of how well our clients are doing. And that extends across a variety of industries, particularly among those that manufacture or sell consumer products or provide consumer-related services.

There's been strong loan demand and double-digit loan growth from small and medium-sized business clients. In the third quarter, Bank of America extended $1.6 billion in loans to Los Angeles-area small business clients, meaning those with revenues of less than $5 million. And that's in addition to $10 billion in lending to commercial businesses with annual revenues of between $5 million and $2 billion.

We're seeing business clients taking advantage of growth in the international markets, particularly in Latin America and Asia given their proximity to Los Angeles. They're also investing in technology that streamlines their operations and increases efficiency.

2. Where do Latino-owned businesses fit into that outlook? What opportunities and challenges do you forsee?

The Latino-owned businesses that bank with us continue to do well and generally reflect other successful businesses in the region. The opportunities and challenges they face are not unique. And what generally defines their success is the same that defines any successful business: a well-defined business plan and strategy, an enthusiastic management team, experienced advisors to help provide ideas and strong financial controls, and of course, a passion for the business.

It's great to see Latino-owned businesses being created to capitalize on opportunities in some of the region's key sectors, such as aerospace and defense, financial services, entertainment, and technology. Those industries traditionally have been represented by non-Latino business owners or entrepreneurs.

3. What is the bank doing to improve Greater Los Angeles' Latino community? Why are those efforts important to the bank?

Beyond lending to diverse companies of all sizes and industries, Bank of America directs capital, lending and investing into Los Angeles' low- and moderate-income neighborhoods. In 2016, the bank invested $4.6 billion in small business, economic development, consumer lending and affordable housing in underserved communities.

Our community commitment goes beyond financial services. The purchasing power of Greater Los Angeles' Latino community is very strong and growing, making it a very important market for Bank of America. But that kind of vitality doesn't happen by itself. Economic mobility, housing, workforce development, education and critical needs like social services for individuals and families are instrumental in the community's growth. It's why we've focused our local philanthropic efforts – which in 2017 included nearly $7 million in regional philanthropic and sponsorship support – on those key areas.

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We're intimately involved with high-impact nonprofits like AltaMed Foundation, East LA Community Corporation, Proyecto Pastoral at Dolores Mission, TELACU and CARECEN. Because I serve on their boards, I'm able to help organizations like the AltaMed Foundation and the California Science Center Foundation better serve our community. At AltaMed, for example, we're directing resources to provide important health services to predominantly Latino families in underserved areas. At the California Science Center, we're helping Latino youth gain valuable skills they can use in their careers.

Culture is an equally important part of building communities. A good example is "Pacific Standard Time: Los Angeles/Latin America," of which we are the presenting sponsor. This exploration of Latin American and Latino art is an unprecedented collaboration among more than 70 cultural institutions. We invest in artistic endeavors because we believe the arts matter for both cultural and economic growth. The 2012 Getty initiative "PST: Art in LA" that we also sponsored generated $280 million in economic activity for the region and created nearly 2,500 jobs. It not only gave relatively unknown Latino and Latin American artists their moments in the spotlight, it fostered numerous academic endeavors, including research, new catalogues and publications, that are building a legacy for Latino and Latin American art.

While I help lead these regional community investments, I'm only one player. We couldn't undertake these types of initiatives without the involvement of our Los Angeles associates who every year contribute more than 50,000 hours of volunteer service to outstanding community organizations.

4. What is BofA doing to support the growth of Los Angeles Latino-owned small businesses?

Whether they involve technology and automation, internal financial processes, wealth management services or estate planning, I've found that the needs of Latino-owned businesses mirror the needs of the business community at large. We'll make every good loan that we can. However, for newer businesses that may not yet qualify for traditional bank funding, Bank of America pairs them with community development financial institutions (CDFIs) that can provide the hands-on technical support and, in most cases, the loans those businesses need.

CDFIs fill an important niche by often providing start-up funding, which is something larger banks rarely do. We want startups to succeed because they eventually need bank loans as they mature, grow in size and contribute more to their communities. It's why Bank of America is the largest provider of capital – some $2 billion in investments – to CDFIs. Many of the CDFIs we support, like the Valley Economic Development Center and ACCION, are based here in Greater Los Angeles.

Supporting the growth of Latino-owned small businesses is a local and national effort. Our Greater Los Angeles Latino Leadership Team and National Community Advisory Council, for example, play big roles in how we serve Latino businesses. We formed our leadership team in 2009 by bringing together select Latino bankers from all areas of the bank – small business, retail banking, wealth management, mortgage and commercial banking – to improve how we serve Latino families and Latino-owned businesses. The team's proven enormously successful and it's enabled us to help several prominent Latino-owned businesses, including AltaMed, Cacique, El Tapatio and Parking Co. of America.

We're particularly proud of our partnership with Latino business organizations like the Los Angeles Latino Chamber of Commerce. The bank was one of its early founding partners and has been a staunch supporter since 2008 when the chamber was established. That partnership continues with Claudia Bodan, who serves on the chamber's board, and our long-standing major sponsorships of the annual business awards luncheon and the Distinguished Speakers Series.

5. Can you talk about BofA's supply chain diversity efforts? What do Latino-owned companies need to know about doing business with Bank of America?

Every year, Bank of America spends more than $2 billion with diverse suppliers nationally. For over 25 years, our corporate supplier diversity and development program has been a driver behind our efforts to contract with minority, women, and other diverse-owned suppliers. I'm very proud that Bank of America was the first and remains the only financial services company listed on the Billion Dollar Roundtable, which recognizes corporations that have spent at least $1 billion with diverse-owned suppliers. Our efforts through organizations like the U.S. Hispanic Chamber of Commerce and UnidosUS help us get involved with more Latino businesses.

On the flip side, here's how Latino-owned businesses can get involved with us. First, they need to be certified as a minority owned enterprise by one of the leading agencies. Second, they need to connect with the right bank colleagues and then really spend time with us to understand our needs and how we operate. If they're a Bank of America client, they should work with their assigned relationship manager. If they're not, then they can reach out to me or one of my colleagues for an introduction. It's important that we find talented, qualified Latino businesses that can partner with us.

THE KEY TO SUCCESS: FOCUSING ON WHERE THE WINNERS ARE

JULIUS ARGUMEDO
President
C1P Solutions, Inc.

A three-term LALCC board member, Julius Argumedo is president of Long Beach-based C1P Solutions, Inc., a national full-service firm that customizes and manages information technology (IT) and cloud-based systems for private, small and large businesses; government agencies; educational institutions; and nonprofits. The 25-year-old company has 17 employees and more than $9 million in annual sales. In 2014, Ingram Micro, a global distributor of IT products and business-to-business e-commerce technology provider, named C1P as its Professional Service Partner of the Year. The following year, IT distributor SYNNEX Corporation presented its West Coast Spirit of the Year award to C1P.

The 411 – Julius Argumedo, the second oldest of four children, was born in Lynwood and raised in South Gate. He received a first-hand education in how to run a business from his parents, who owned a successful garment sewing and cutting service. When he was 10, he began working for the company under his father's leadership and, by his teens, was helping run the firm. An avid golfer, he earned an early reputation as a pool shark and continues humbling opponents in billiards and chess, two sports in which the highly competitive executive rarely loses. A graduate of the New Mexico Military Institute, the "West Point of the West," Argumedo attended Cal State Long Beach and the University of Phoenix. He recently was elected to a second term on the Southern Region board of the California Hispanic Chamber of Commerce and is a 2017 graduate of the City of Los Angeles Small Business Academy. He lives in Long Beach with his wife and four children.

The road to IT – The search for a career offering opportunities for repeat sales led Argumedo to set his sights on information technology, which was just beginning its ascent. "When the computer market was starting to boom in the mid- to late-1980s, I remember thinking that someday everyone will want a computer in their home. That's when I made the decision to get into IT – and it was a good one." His 25-year career in the industry includes sales positions at two computer supply companies, including a Fortune 1000 firm, where he was recognized consistently as their top sales performer. In 2000, he joined C1P Solutions as vice president of sales and service and became president in 2010.

Life in the corner office – "I'm the face of the company and I'm responsible for leading our firm in the IT market and understanding the trends, like security, storage and the cloud, that are driving its growth. Our partnerships with major IT manufacturers, such as HP, Microsoft, Microsoft Cloud, Dell, AWS, Lenovo, VmWare, Sophos, Kaspersky, Barracuda and DATTO, are a key part of that effort. It keeps us focused on where the winners are and what we should be doing to get there and remain relevant in the next 10 years. A lot of companies haven't done that. We have and it's why every decision we make today is going to come back tenfold for us and our clients."

Lessons learned – "I've made a few investments over 20 years that taught me the hard way about the importance of due diligence, working with well-established partners and being ready to take over a business. Everyone needs to have skin in the game."

Looking to the future – "IT is moving to a scalable model, with companies using outsourced and managed IT services. It's why our company is evolving into a tech broker or aggregator for companies that are moving their tech infrastructure to the cloud where they can rent the resources they need instead of investing the capital to purchase them. By automating their IT and data centers, companies can maximize the efficiency of their IT resources and lower the risk of human error – and they can see those benefits much more quickly. System migrations that used to take one week now take just minutes to an hour."

On giving back – "LALCC is doing its part to give back to our community by providing the roadmaps that will help the next generation succeed and reach the goals we and past generations haven't reached. C1P also has a number of local and state charities it directly supports every year. It's all part of paying it forward."

JEFFREY KIGHTLINGER

General Manager and CEO, Metropolitan Water District of Southern California

An Oasis in the Desert: Keeping Southern California's Water Flowing

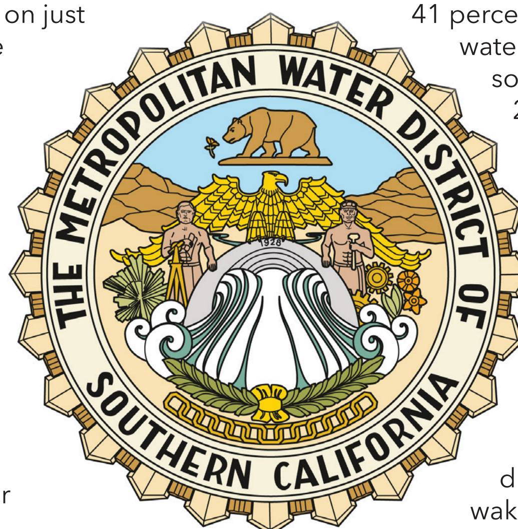
IT WAS A WAKE-UP CALL ON A MASSIVE SCALE.

The drought that hit Southern California in the late 1980s and early 1990s forced the first water rationing in the region's history. More importantly, it exposed a major flaw in the region's water supply plan: there wasn't a plan, at least one that was strategically managed and universally enforceable. At stake was the reliability of future water supplies for some 14 million residents – half of the state's population – and the future of a $1 trillion regional economy.

Charged with answering that call was the Metropolitan Water District (MWD) of Southern California, the regional wholesaler that today delivers about 1.5 billion gallons of water daily to its customers: 14 cities, 11 municipal water districts and one county water authority. Those customers are spread across a 5,200-square-mile service area that includes 300 cities and unincorporated areas in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura counties.

"Because our water comes from so many different places – the Rocky Mountains, the eastern and western Sierra, and our local groundwater basins – we'd always felt we were geographically diverse enough to be drought-free," said MWD General Manager and Chief Executive Officer Jeffrey Kightlinger at LALCC's Sept. 19 Distinguished Speakers Series breakfast at the City Club Los Angeles. "But we learned a few things since 1991."

"The drought showed us that if one water supply, our Northern California supply in this case, was impacted, we were in trouble," said Kightlinger, who in early 2006 was appointed to lead the country's largest municipal water provider. "Our population was growing so fast that we could no longer get by on just one supplier. The other lesson we learned was that we didn't have a way to police a water plan to manage supplies. It became clear we had to move beyond being merely a water importer and become the region's water planner."



Integrated Water Resources Plan

Developing a regional integrated plan that would help reduce reliance on imported water supplies while accelerating water conservation and local supplies was a big mission change for the agency. And it proved successful.

In 1990, MWD sold 2.4 million-acre feet of water to serve 14 million people. Now, it's selling significantly less water – 1.7 million-acre feet – and serving a population of 19 million today, a 36 percent increase. Only 41 percent of the region's water came from local sources in 1990. By 2035, MWD is on track to increase local sourcing to 64 percent.

The recent five-year drought – the worst in 1,500 years according to historical archives – was the district's second wake-up call. Extreme fluctuations in rainfall and snowpack combined with record-setting high temperatures between 2014 and 2017 exposed the long-term vulnerability of the state's water supply system.

To help address reduced imports from the California State Water Project in Northern California, MWD maximized Colorado River supplies and launched the country's largest water-conservation program. The latter included a turf replacement

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initiative that removed the equivalent of 3,000 football fields of turf. But longer-term, those efforts won't be enough.

"By far and away, the most variable hydrology in the nation is here in Southern California," explained Kightlinger. "We are always going from incredible drought to incredibly wet periods in time. A lot of this is being exacerbated by climate change but a lot of it is just what California does and what we have to manage through it."

Managing such dramatic fluctuations in water supplies will require a priority upgrade to the state's infrastructure. MWD's Colorado River Aqueduct system is now more than 75 years old. The aging State Water Project, which was completed in the 1960s, is threatened by a 1,100-mile levee system in the Sacramento-San Joaquin Delta that increasingly is vulnerable to earthquakes, extreme rainstorm flooding and rising sea levels.

> **"Because our water comes from so many different places – the Rocky Mountains, the eastern and western Sierra, and our local groundwater basins – we'd always felt we were geographically diverse enough to be drought-free…But we learned a few things since 1991."**
>
> **– MWD General Manager and Chief Executive Officer Jeffrey Kightlinger**

Fixing California's water infrastructure

The proposed $17 billion California WaterFix, which is being advocated by Gov. Jerry Brown, aims to modernize and improve the reliability of the state's water delivery system in the Delta, which provides 30 percent of Southern California's water supply. Reliable water supplies will become vital as the region's population grows to a projected 25 million over the next three decades.

"The idea is to build two 45-foot-diameter underground tunnels roughly 40 miles long that would completely bypass the northern Delta in transporting rainwater to the south," explained Kightlinger. "Water from peak storm events in the north goes barreling down the Sacramento River and into the ocean. The idea is to take a 'big gulp, little sip,' capturing all that rain water – sometimes the equivalent of a year's worth of water for us – and moving it into our reservoirs."

In early October, California WaterFix took a major step forward as MWD's board of directors voted to formally support the project. Should it be approved by a majority of water agencies in the state, Southern California water customers would shoulder about 26 percent of the project's construction cost.

"We need to invest in our water system," said Kightlinger. "Our grandparents built it and it's our obligation to do the same for our children and grandchildren so they can live here, too."

MWD by the Numbers

- **Population served: About 19 million**
- **Service area: About 5,200 square miles in Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura counties**
- **Governance: 38-member board of directors representing 26 member agencies**
- **Region's imported water sources: Colorado River (25 percent) and California State Water Project (30 percent)**
- **Capital projects: $200 million in FY 2017-18 (Under its Capital Investment Plan, MWD may have up to $300 million in construction contracts underway simultaneously.)**
- **Facilities: 242-mile Colorado River Aqueduct, five water treatment plants, nine reservoirs, five pumping plants**
- **Distribution system: 830 miles of pipelines and tunnels, about 400 connections to member agencies**
- **Hydroelectric plants: 16**
- **Annual budget: $1.8 billion**
- **Employees: 1,800**
- **Created by the State Legislature: Dec. 6, 1928**

LAEDC, LOS ANGELES CHAMBER REPORTS FOCUS ON L.A. LATINOS

Two reports released last year offer an updated perspective of the dramatic growth and significant economic contributions of Greater Los Angeles' Latino community, including its foreign-born Latino population.

Spotlight on Latino Community

In its "Economic Profile of the Latino Community in Los Angeles County," the Los Angeles Economic Development Corporation offered this statistical snapshot:

- The county's 4,842,320 Latinos accounted for 48.2 percent of its population and more than 38 percent and 17 percent of the state and nation's population, respectively. The top three nationalities are Mexican, Salvadoran and Guatemalan.
- There are more than 1.2 million Latino households in the county. In 2015, the impact of Latino household spending surpassed $60 billion.
- Latino per capita income of $16,940 is significantly lower than the county average of $28,340. Latino median household income was $46,850, compared with the county median of $59,135, and nearly 6 percent less than the state median for Latino households.
- Nearly 182,000 Latino families live in poverty, representing 18.5 percent of all Los Angeles Latino families. Of that number, 37 percent are single mothers with children under the age of 18 at home and 35 percent are married couples with children.
- Latino educational attainment lags that of other county residents: 59.4 percent of Latinos 25 years of age and older have at least a high school diploma, compared with 77 percent of other residents.
- About 16.5 percent of Latinos in the county are employed in education and health services, compared with 23 percent for all other workers. Latinos are more likely to work in manufacturing and construction. Almost one-quarter of working Latinos are employed in service occupations.
- The number of Los Angeles County firms at least partly owned by Latinos increased more than 108,000 to 333,970 between 2007 and 2012. In 2012, they generated $32.8 billion in sales. Some 28 percent of Latino firms are in professional and businesses services.
- In 2012, Latino-owned firms generated revenues of more than $54 billion which supported 409,230 jobs with total labor income of $20.6 billion and $9 billion paid in federal, state and local taxes.

The report is available for download in the Economic Research & Analysis section of the LAEDC website, laedc.org.

New Americans in Los Angeles

A separate study conducted jointly by the New American Economy, the City of Los Angeles and Los Angeles Area Chamber of Commerce focused specifically on "New Americans in Los Angeles."

- U.S.-born Latinos represented nearly 29 percent of the county's population while immigrant Latinos accounted for nearly 20 percent.
- In 2014, Latino immigrants contributed more than $95 billion to Los Angeles County's total GDP. Latinos' total contribution to GDP was $194 billion, nearly 30 percent of the county's total GDP of $653 billion.
- Los Angeles County U.S.-born and immigrant Latinos contributed more than $17 billion in local, state and federal taxes.
- In 2012, the nearly 333,000 Latino-owned businesses in the county generated revenues of $32.8 billion and had a payroll of nearly 161,000.
- In 2014, immigrant Latinos accounted for 28.4 percent of all self-employed individuals and generated $3.1 billion in income. In the City of Los Angeles, they represented 30.5 percent of all entrepreneurs and $1.5 billion in income.
- Between 2010 and 2014, all immigration to Los Angeles increased total housing value by nearly $9 billion in the county and $1.8 billion in the City of Los Angeles.

To access the report, visit the state and local initiatives section at newamericaneconomy.org.

L.A. COUNTY "HEALTHY VILLAGE" INITIATIVE: COMMUNITY FIRST, NOT BUSINESS AS USUAL

HILDA SOLIS

Los Angeles County Supervisor, First District

The County of Los Angeles continues to embrace USC as its equal partner at LAC+USC Medical Center. This partnership plays a critical role in helping to deliver high levels of care to the people who need it most, but it can be so much more.

At the Board of Supervisors, we have set official priorities to tackle key issues facing our residents. We have made it our top goals to improve the lives of our children, establish homeless programs that offer real solutions, and improve the overall health and wellness of every neighborhood in Los Angeles County.

LAC+USC can be the epicenter of a new approach to community health, equity, and opportunity – and it can be another step forward in meeting our county priorities. This is why my office has invited USC to work with us and community leaders to join the Health Innovation Community Partnership, an initiative that advocates for programs and projects focused on the health, housing, and economic stability of the communities surrounding LAC+USC.

Already a success, the effort has sparked community collaboration like we've never seen. It is working as intended by serving as a collaborative bridge linking a diverse range of community members, medical center leaders and Los Angeles County officials to ensure that the incoming investments and developments are benefiting all communities and all residents of the Eastside.

The partnership has recruited more than 50 members from across Los Angeles County, including the communities of El Sereno, Lincoln Heights, Boyle Heights, East Los Angeles, and Downtown L.A. Members represent many diverse organizations, including Homeboy Industries, Inner City Struggle, Barrio Planners and Eastside Leads.

And through this community partnership we are thinking big.

We are creating what we call a "Healthy Village," a place where the county and the community work together to go beyond the status quo. We are working to develop innovative approaches that directly address the needs of our residents. We are opening regional access to LAC+USC by fast-tracking improvements to community mobility. We are building safer routes to schools, improving walkability, adding bike-share programs, improving transit accessibility and creating greener streets.

From new bioscience developments to juvenile rehabilitation to rethinking our infrastructure, we are working together to build neighborhood resilience and making targeted investments to better serve the needs and priorities of our residents.

Future projects and facilities, such as The Hope Center, the East LA Early Education Center, LAC+USC Family Justice Center and DMH Lincoln Heights Clinic reflect the potential of what our community can become. The passage of Los Angeles County Measures H and R, for example, show that the community is ready to invest and ready to act. And we are!

But this is not business as usual. This is community first.

USC has an opportunity to be a true partner of the community, a university whose investments and operations benefit both the students and the community that houses its campuses. We invite USC to work with us to jumpstart initiatives that will deliver opportunities to traditionally underserved communities.

Although the Health Innovation Community Partnership has been a great success, there is much more to come. Some funders have stepped forward, but we need more. Most of all we need additional partners because in the end it is our goal that every community member has a voice in what we are building together.

This is why I will continue to call upon USC to join this effort. USC is and remains a strong institution, and now is the time to embrace the communities of the Eastside.

As this effort moves forward, it is my hope that USC moves beyond the walls of its campus and joins us as an invested partner for the full benefit of the community.

Peter Villegas Named USHCC Chairman-Elect

LALCC Corporate Advisory Board Member Peter Villegas, vice president and head of the Office of Latin Affairs for the Coca-Cola Company, has been named chairman-elect of the board of directors of the U.S. Hispanic Chamber of Commerce (USHCC). He is the first corporate executive to serve in that role and will be installed at the chamber's national conference in Philadelphia in September. He will serve a two-year term.

Based in Washington, D.C., USHCC is the country's largest Hispanic business organization and represents more than 4 million Latino-owned businesses.

Villegas, who joined LALCC's corporate advisory board in 2016, serves as a national spokesman for Coca-Cola, developing and managing local, regional and national Latino initiatives. He also serves on the Coca-Cola North America Executive Leadership Team.

He is a board member of the National Association of Latino Appointed and Elected Officials, U.S. Conference of Mayors Business Council, Delta Aeroméxico Corporate Leadership Advisory Council and California Latino Economic Institute. He also serves as a commissioner for the city of Rancho Cucamonga and on the board of the Inland Empire Economic Partnership.

In 2015, Villegas was named by *Hispanic Executive* Magazine as one of the top 10 Latino executives in the country and earlier was recognized by the *Orange County Register* as one of the top 10 people who will help shape the next 100 years of Orange County

LALCC Corporate Advisory Board

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Julius Robinson
Managing Director, Head of Corporate Social Responsibility
Union Bank

Adriana Samaniego
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Peter R. Villegas
Vice President, Office of Latin Affairs
The Coca-Cola Company

Aaron Wade
Executive Vice President
CIT Bank, N.A.

MOCTESUMA ESPARZA AND CARMEN RAD JOIN LALCC BOARD OF DIRECTORS

Award-winning entertainment executive Moctesuma Esparza, chairman and chief executive officer of Maya Cinemas North America, and Carmen Rad, chief executive of CR&A Custom, have joined LALCC's board of directors.

"Carmen and Moctesuma are tremendous additions to our board," said Gilbert R. Vasquez, LALCC board chairman. "Their business expertise, insights into the challenges facing Latino entrepreneurs, and their community leadership will be vital to supporting our business and economic development initiatives."

Moctesuma Esparza

Since 1999, Esparza has led Maya Cinemas, which operates megaplex movie theaters in heavily Latino markets in California. He also is a partner with Carolyn Caldera De Fanti in a new production company called Esparza Caldera Entertainment. He founded Buenavision Telecommunications, where he served 23 years as CEO; Esparza/Katz Productions; and Moctesuma Esparza Productions, Inc. The Emmy Award-winner and Academy Award-nominated filmmaker and producer holds production credits for several films, including "Selena," "Gettysburg," "The Ballad of Gregorio Cortez," "Introducing Dorothy Dandridge," "Walkout" and "The Milagro Beanfield War."

Esparza, who is considered one of the country's most influential Latinos, is a co-founder of the National Latino Media Council, the Smithsonian Latino Center, the National Association of Latino Independent Producers, the Sundance Institute and the UCLA Chicano Research Center. He is a founder and chairman of the Latino Theater Company and the Los Angeles Academy of Arts and Enterprise. His honors and recognitions include a Golden Globe nomination, Clio and Alma awards, a Cine Golden Eagle, Imagen Foundation's Lifetime Achievement award and EY's 2013 Entrepreneur of the Year in Media.

MOCTESUMA ESPARZA

CARMEN RAD

Carmen Rad

Rad founded CR&A Custom, a full-service, large-format digital print production and visual display company, in 1993. The firm manufactures and installs indoor and

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LALCC Board of Directors

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LALCC Working with L.A. City to Reform "Schedule A" Procurement Process

To compete for any major contract with the city of Los Angeles, large companies must include a minority owned or other diverse business as part of its team. Those diverse firms are included, on the city's MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors Information Form, called Schedule A. The form, which is part of the bid and used to award points for diverse subcontracting, is a binding contractual obligation to include small and diverse businesses in city contracting. (Companies are listed on LABAVN, the city's business assistance virtual network portal.)

Now, imagine that a prime contractor lists your business as a subcontractor without informing you, wins that lucrative bid, removes your company from its list of subcontractors, and you're never the wiser?

"…there are bottlenecks, inconsistent or nonexistent compliance enforcement by city departments and agencies, and a lack of transparency that's enabled some prime contractors to game the system…"

Or worse, you partner with a prime contractor, a global corporation, on a winning bid and then are eased out of the project as your work is shipped to a lower-cost out-of-state vendor. You've lost hundreds of thousands of dollars in revenue that would have been used to pay for the million-dollar equipment you purchased specifically for that project. And you have no recourse either with the city or the prime to remedy it?

Carmen Rad, founder and president of CR&A Custom, a 24-year-old graphic design and digital printing company based in downtown Los Angeles, doesn't have to imagine those scenarios. She's lived them – and more than once. And she's spearheading the chamber's efforts to change that.

"Failure to meet Schedule A commitments could be considered a breach of contract, in which case termination of a prime could be one of the available remedies," said Rad, who recently joined LALCC's board of directors. "Policies and processes have been in place for years and the city's laid out the goals it wants to meet. But there are bottlenecks, inconsistent or nonexistent compliance enforcement by city departments and agencies, and a lack of transparency that's enabled some prime contractors to game the system. And it's small and minority owned businesses – not just those owned by Latinos – that are losing because of it."

A question of transparency

Each city department or agency monitors its own bids, so it's unknown how rigorously or frequently managers review completed Schedule A forms to ensure their veracity. For example, some minority firms that have been listed on previously submitted forms no longer exist.

With completed Schedule A forms not being posted to LABAVN, subcontractors are unable to verify they're included in a submitted bid. Because email notices of winning bids are distributed only to prime contractors, subcontractors are never informed they've won city business. And, once work begins on a contract, no audits are conducted to ensure that the diverse subcontractors listed on Schedule A are actually being used.

Pulling back the curtain

The chamber has been working diligently with the city's Office of Economic Development to enact several proposed remedies, including:

- Conducting an independent audit of the city's Schedule A process going back to 2015;
- Developing and executing a comprehensive training and education program for city administrators and purchasing managers, as well as prime contractors and subcontractors;
- Establishing a city policy requiring that subcontractors be notified and public hearings be held to justify the addition or removal of subcontractors to or from Schedule A forms; and
- Aggressively enforcing Schedule A compliance, including penalties and termination of prime contractors.

LALCC also has asked to join the Department of Public Works Business Advisory Committee and to work with the city's Office of Finance and the Business Inclusion Program to develop an improved and comprehensive monitoring system.

"As Mayor Garcetti said last year, small businesses are the beating heart of our economy," added Rad, "When it comes to city contracting, full and fair disclosure will help keep that heart pumping."

LEADING NONPROFITS HONORED FOR COMMUNITY SERVICE

LALCC recognized five nonprofit organizations for their contributions to the Latino community during the chamber's ALAS Nonprofit Awards ceremony, which was held Nov. 16 at the Millennium Biltmore Hotel in downtown Los Angeles.

"Greater Los Angeles' nonprofit organizations are an economic powerhouse, sustaining more than 300,000 jobs and generating $40 billion in revenues," said Moises Cisneros, chamber executive director. "More importantly, they feed the soul of our local communities and for that we are indebted."

2017 awards categories and honorees:

- **Nonprofits of the Year –** The **Mexican American Bar Association (MABA)** and **Mexican American Bar Foundation (MABF).** Founded in 1959, MABA provides low-cost legal assistance through its Lawyer Referral Information Service and a no-cost legal and professional assistance program. MABA members have helped draft legislation protecting the rights of Latino and immigrant communities. The foundation's scholarship and mentor programs support higher education and diversity in the legal community.

- **Champion in Education –** Since 1989, **Hispanas Organized for Political Equality (HOPE)** has worked to provide a critical voice to Latinas seeking to develop their personal growth, prosperity and political influence. HOPE's innovative programs focus on experiential learning, leadership development and statewide networking opportunities.

Top Honors – *From left, LALCC Chairman Gilbert R. Vasquez and award presenter Judge Teresa Sanchez-Gordon join Executive Director Moises Cisneros, far right, in congratulating Denisse Gastélum, MABA president-elect, and Nina Huerta, MABF president.*

- **Social Justice Leadership – The Los Angeles Center for Law & Justice (LACLJ)** has provided legal advocacy to low-income and primarily immigrant and Latino populations in Los Angeles since 1973. It annually provides family and immigration law services to more than 600 clients and legal education services to approximately 1,500 community members and providers. Over 75 percent of its clients are survivors of domestic violence and sexual assault. LACLJ also supports low-income parents in high-conflict custody disputes and vulnerable youth in parenting and immigration matters.

- **Healthcare Champion – El Proyecto del Barrio,** founded in 1971, has evolved from a street-corner substance-abuse prevention organization into one of the premier nonprofit health and human service agencies in Southern California. In partnership with small companies, major corporations, community organizations, cities, Los Angeles County and the state and federal government, it offers employment, child development and behavioral health programs to economically disadvantaged youth and adults in the San Fernando and San Gabriel Valleys.

Esparza and Rad Join LALCC Board, *continued from page 11*

outdoor advertising, including building and vehicle wraps, billboards, banners, pop-ups, exhibit booths and murals, for Fortune 500 companies, small businesses and nonprofit organizations.

Rad has served as president and board member of the Los Angeles chapter of the National Association of Women Business Owners. She was named NAWBO's 2014 California Woman Business Owner of the Year and a 2010 La Opinión Distinguished Woman. CR&A Custom was recognized as USC's 2012 Supplier of the Year, a 2009 Latina Manufacturer of the year by the Latina Business Association and 2007 Latina Business of the Year by the California Hispanic Chamber of Commerce.

She earned a degree in fashion design and marketing from the Fashion Institute of Design and Merchandising and completed the Management Development for Entrepreneurs Program at UCLA. As an Avon walker, she helped raise more than $500,000 to support breast cancer education, treatment and research.

DACA AND THE ECONOMICS OF IMMIGRATION

The Trump Administration and Congressional Republicans have shown little interest in addressing immigration reform in humanitarian terms, let alone on the basis of reason or fact. So, let's define the repercussions of ending the Deferred Action for Childhood Arrivals (DACA) program in the one term they will understand: money.

GDP takes a hit

A study by the highly respected Cato Institute found that the fiscal cost of immediately deporting DACA's estimated 800,000 participants would be more than $60 billion to the federal government in addition to a $280 billion reduction in economic growth during the next 10 years. A study by the Center for American Progress estimated a larger loss to the country's gross domestic product of more than $460 billion in the next decade. Removing the nearly 223,000 DACA recipients living in California alone would reduce U.S. gross domestic product by more than $11.6 billion. (In Los Angeles, there are nearly 60,000 DACA-eligible immigrants. San Diego and Santa Clara have 40,000 and 23,000, respectively.)

Companies take a hit

The repercussions of rescinding DACA protections would ripple throughout Corporate America. According to the Cato Institute, ending DACA will result in $6.3 billion in employee turnover costs. That includes recruiting, hiring, and training 720,000 new employees. Every week for the next two years, U.S. employers would have to terminate nearly 7,000 DACA employees at a weekly cost of $61 million.

At least 72 percent of the top 25 Fortune 500 companies – representing $2.8 trillion in annual revenues – employ DACA recipients. Many of those companies are in high-tech and they clearly see the downside risks. Adobe Systems, Airbnb, Dropbox, eBay, Facebook, Google, IBM, Lyft, Microsoft, SpaceX, Twitter and Uber are among the more than 100 companies that filed an amicus brief supporting five cases seeking to protect the DACA program.

Ironically, Dreamers who earned college degrees and honed their high-tech skills in the U.S. may well find their American dream south of the border. Amazon.com has opened a new engineering office in Mexico City and Facebook is partnering with local groups to develop tech talent. In Jalisco, Oracle plans to expand its office and San Francisco-based Wizeline is inviting foreign workers to join its Mexico workforce. The software sectors in Mexico City, Guadalajara and Monterrey grew 10 percent in 2017, compared with 6 percent in 2016.

Social Security takes a hit

According to the Immigrant Legal Resource Center, ending DACA would result in more than $39 billion in losses to Social Security and Medicare contributions over 10 years. Half of those losses represent employee contributions and the other half employer contributions.

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DACA supporters march in Los Angeles, Sept. 5, 2017

Dreamers: Top 15 Origin Countries

Since 2012, 787,580 DACA applications have been approved, according to data from the U.S. Citizenship and Immigration Services.

COUNTRY	NUMBER OF DREAMERS
Mexico	618,342
El Salvador	28,371
Guatemala	19,792
Honduras	18,262
Peru	9,066
Brazil	7,361
South Korea	7,250
Ecuador	6,696
Colombia	6,591
Argentina	4,774
Philippines	4,655
Jamaica	3,435
India	3,182
Dominican Republic	3,115
Venezuela	3,099

Small Business Academy Graduates – *(left to right) LALCC Board Member Julius Argumedo, CEO of Computer 1 Products, and chamber members Maria S. Salinas, president of Salinas Consulting, and Roger Martinez, partner at Vasquez & Company, were among the 40 recent graduates of the City of Los Angeles Small Business Academy. The nine-week program educates small business owners about how to contract with major city agencies.*

DACA, *continued from page 14*

In 2014, Social Security's chief actuary found that undocumented immigrants contributed about 13 times more revenue into the program than they withdrew. Those contributions totaled more than $100 billion over 10 years. A study by the National Academies of Sciences, Engineering and Medicine two years later found that children of immigrants "contributed more in taxes on a per capita basis during working ages than did their parents or other native-born Americans."

Healthcare takes a hit

Deporting Dreamers would reduce the supply of home healthcare aides just as demand for them spikes. The Department of Labor forecast that the country will need more than 1.25 million home health aides in the next seven years, up from about 900,000 in 2014. In 2015, more than 25 percent of home health aides were immigrants. In California, that ratio was nearly 50 percent. As demand for healthcare workers grows, so do wages. The resulting increases in salaries would devastate federally funded Medicaid. Medicare would be critically stressed as more older Americans flood into health care facilities whose annual costs are double or triple that of home healthcare.

Time for a rationale solution

Immigration reform is serious business and it's time that Washington behaved accordingly. The proposed Dream Act of 2017 would be a timely place to start. (The DACA program will end in March if Congress fails to act.) The act would prevent the deportation of immigrants who entered the United States as children and who are long-term U.S. residents. Equally important, it would offer a path to permanent legal status providing applicants meet certain requirements, including employment or education. According to a survey by the National Immigration Law Center, Center for American Progress and University of California, about 96 percent of all DACA recipients are working or attending school.

Passage of the bill, whose origin 16 years ago traces back to California, would provide billions in benefits to the entire country. California alone could realize annual gains in state GDP of between $6 billion and $20 billion. The Center for American Progress estimated that if even half of all workers were immediately eligible under the Dream Act's educational requirements for permanent residency, the economic benefits could be as high as $728 billion over a decade.

Sadly, in today's political environment there's an ugly side to immigration reform that's come into sharp focus. As *New York Times* Op-ed Columnist Paul Krugman wrote in a Sept. 8, 2017 op-ed, "In short, letting Dreamers work is all economic upside for the rest of our nation, with no downside unless you have something against people with brown skin and Hispanic surnames. Which is, of course, what this is all really about."

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RETURN SERVICE REQUESTED

LALCC LAUNCHES "NEXTGEN LATINOS" TO ENGAGE RISING LATINO ENTREPRENEURS

"Beginning and growing a business often require knowledge of how to 'work the system' and a network that can help to show the way, both formally and informally. For immigrant communities and people of color, these networks are often not there." — Aspen Institute

To help cultivate the next generation of Latino entrepreneurs, LALCC launched in October a multigenerational network, called NextGen Latinos to leverage the financial and intellectual capital, spirit of innovation, resources and personal networks of Latino Baby Boomer, Gen Xer and Millennial entrepreneurs.

NextGen Latinos will offer speaker programs, roundtable information forums and group discussions tailored to network members.

"NextGen Latinos is focused on collaboration," said NextGen Steering Committee Chair Carmen Palafox, partner at Make in LA, an early stage venture capital firm. "It's about creating a community that shares members' talents, expertise, resources and financial support. It's about everyone working together to drive wealth creation and power within the Latino community."

She added, "We're focused on promoting scalable businesses, which are a driver behind wealth creation. Latinx represent a significant percentage of our nation's work force. Yet, Latino net worth is only one-tenth that of white Americans. We want to work together to resolve that gap."

CARMEN PALAFOX
Chair
NextGen Latinos

300 Latino professionals attend launch reception

To kick off NextGen Latinos, LALCC hosted an informal Oct. 18 networking reception at the TenTen Wilshire rooftop terrace in downtown Los Angeles. In addition to Palafox and LALCC Executive Director Moises Cisneros, the program featured remarks by Ana Guerrero, chief of staff for Los Angeles Mayor Eric Garcetti; Eduardo (Edu) Santana, executive director of Pershing Square Renew and NextGen programming chair; and Tricia Love, publisher of *LA Style* magazine which sponsored the event. Love also chairs NextGen's production and logistics subcommittee.

"Every day for the next 12 years, some 10,000 Baby Boomers will become eligible to retire," said Palafox. "The next generation – our generation – needs to step up and drive the future. Wealth creation and obtaining positions of power by Latinx is imperative to the prosperity of our nation."

Members interested in joining NextGen Latinos or serving on a committee should contact Maribel Serrano, LALCC program coordinator, at 213-347-0008.