

TESTIMONY

**PROPOSED MERGER
BANK ONE AND FIRST CHICAGO NBD CORP**

**FEDERAL RESERVE BANK OF CHICAGO
CHICAGO, ILLINOIS
THURSDAY, AUGUST 13, 1998
1:30 P.M.**

I. Primary Mission and Target Market

II. To Date:

- 14 Graduates of first Small Business Development Class
- 18 Signed up for new class starting August 29, 1998
- 28 people on the waiting list for the next class
- Also starting support association to assist not only graduates but other small minority and low-income businesses

III. Funding the project:

- Received two Partnership Illinois Grants through the University of Illinois to begin project
- Received matching funds from several local banks including Bank One to cover the cost of additional expenses associated with graduation, kick-off reception, etc.
- Seeking matching funds from the City of Champaign
- Have proceed to second round of Community Development Financial Institutions (CDFI) Technical Assistance Grant

In 1991 as the Assistant Executive Director of the Housing Authority of Champaign County, I was appointed to serve on the Bank One Community Reinvestment Advisory Committee to assist the bank in developing strategies and policies to serve the needs of low and moderate income neighborhoods. I served in that capacity until 1995. During those four years, I saw Bank One work diligently and proactively to meet the banking needs of the low to moderate income neighborhoods as well as those of other income groups. As a result, and because of another collaborative effort between banks such as Bank One, city government, and grass root and community organizations such as the Illinois Center for Citizens' Involvement, Champaign County has an outstanding program to help the low and moderate-income households become homeowners.

Consequently, when we started this small business venture in the spring of 1997, Bank One was one of the first financial institutions we called to the table to partner with us. They had already showed great leadership in community collaboration in the homeownership area and we knew they would jump at the chance to do the same in the small business development area.

We the memberships of the Community Collaboration For Economic Development of Champaign County (CCED) wholeheartedly endorse the proposed merger between Bank One and the First Chicago NBD Corporation. We believe that this merger will be good not only for both of these financial institutions, but for the total communities they serve as well. Thank you.

IV. Leadership from Bank One

What does all of this have to do with Bank One and the proposed merger? Well, In our efforts to put this community collaboration together, Bank one has been there every step of the way from the beginning. They were at the table at the first meeting that took place in the spring of 1997; and have continued to provide leadership on the committee as a whole and in various sub-committee meeting specifically the alternative funding committee, the future funding committee, the mentoring committee, and the small business development workshop committee.

They have provided leadership in the form of staff and financial resources to the CCED. Staff support includes Ms. Beverly Meek who their Community Reinvestment Officer out of their Springfield office and Mr. Eric Patrick, who is Vice President of Business Banking in the Champaign Office. Bank One has led the way in sponsoring financially various aspects of the CCED operations where we needed to partner with local financial institutions in continuing and expanding the operations of our community collaboration.

For example, when the CCED decided it needed to develop a revolving loan fund because the majority of our participants in the first small business development class did not meet the criteria for traditional funding, Bank One staffers were again at the table providing leadership in developing new and innovative strategies to bridge the gap in meeting the needs of the low-income and minority business community.

Finally, I must add that working with Bank One in developing this outstanding entrepreneurial program for the CCED was not my first encounter with Bank One and its proactive and progressive stance in reaching out to meet the needs of the low-income and minority community.

*Community Collaboration for Economic Development
Members & their Committees*

<p>Aber, Mark Department of Psychology CAMPUS MAIL MC-716 333-6999 Fax: 244-5876 Committees: Alternative Financing, Strategic Planning</p>	<p>Hambrick, Robert & Hazel Hambrick's Maintenance Services PO Box 6146 Champaign IL 61826-6146 359-4541 Pager: 398-0533 Committees: Chair: Workshop, Strategic Planning</p>	<p>Mirgain, Shilagh Department of Psychology CAMPUS MAIL MC-716 328-4636 Committees: Future Funding, Workshop</p>
<p>Adams, Paul Library and Information Science 112 LIS 501 E. Daniel, MC-493 333-5218 Fax: 244-3302 Committees: Chair: Alternative Financing,</p>	<p>Hunt, Gladys Community Outreach Coordinator Psychological Services Center 505 E. Green Third Floor MC-441 Champaign IL 61820 333-0041 Committees: Workshop, Mentoring</p>	<p>Moore, Thom Psychological Services Center 505 E. Green, Room 329 Champaign, IL 61820 333-0041 Committee: Publicity</p>
<p>Anderson, Al Ill. Employment Training Center 1008 West University Urbana IL 61801 333-2393 x230 Fax: 244-6204 Committee: Workshop</p>	<p>Kubetz, Rick Champaign County Chamber of Commerce 1817 South Neil St. #201 Champaign IL 61820 359-1791 Committee: Publicity</p>	<p>Motley, Rebecca Benchmark Financial Consultants PO Box 6243 Champaign, IL 61826 352-9780 Fax: 352-9788 Committees: Workshop, Strategic Planning</p>
<p>Eder, Jeffrey Greater C-U Economic Partnership 1817 S. Neil Suite 201 Champaign IL 61824 351-4133 Committee:</p>	<p>McWilliams, Valerie Directing Attorney Land of Lincoln Legal Assistance 1817 S. Neil St., Suite 203 PO Box 7234 Champaign IL 61820-7234 356-1351 Fax: 356-7621 Committee: Alternative Financing</p>	<p>Nafziger, Brian Champaign County RPC 1776 East Washington Urbana IL 61802 328-3313 Committee: Alternative Financing</p>
<p>Gillon, David Assistant Vice President Busey Bank Champaign 909 W. Kirby Champaign, IL 61821 326-5241 Fax: 326-5282 Committee:</p>	<p>Meek, Beverly Reinvestment Act Officer, Bank One East Old State Capitol Plaza PO Box 19266 Springfield, IL 62794-9266 1-800-528-2870 x3261 Fax: 522-7482 Committee: Alternative Financing</p>	<p>Neil, Margaret Dorsey Homes Resident Council 1101 Dorsey Drive, Apt. D Champaign, IL 61821 356-5791 Committee:</p>

*Community Collaboration for Economic Development
Members & their Committees*

<p>Griggs, Al NAACP Chair 1727 Georgetown Rd. Champaign IL 61821 359-9020 Fax: 359-0983 Committees: Chair: Mentoring, Strategic Planning</p>	<p>Meihoefter, Barbara Publications Services 1802 S. Duncan Champaign, IL 61821 398-2060 Fax: 398-3923 Committees: Chair: Future Funding, Publicity</p>	<p>Page, Joe Worden Martin 1404 N. Dunlap Savoy, IL 61874 352-0462 Fax: 352-9462 Committees: Chair: Strategic Planning, Chair: Publicity, Mentoring</p>	<p>Wilkinson, William J. Small Business Development Center 2525 Federal Drive, Bldg #11, Suite 110 Decatur, IL 62526 875-8284 Fax: 875-8288 Committee: Workshop</p>
<p>Williams, Ervin Restoration Urban Ministries 1207 North Mattis Champaign IL 61821 355-2662 Fax: 355-4547 (call first to turn) Committee: Workshop</p>	<p>Schomberg, Steve, Associate Chancellor Continuing Education Alton & Public Service Swanlund Administration, MC-304 333-8846 Fax: 244-4121</p>	<p>Vacellia P. Clark, Human Relations Officer City of Urbana 400 South Vine Street, PO Box 219 Urbana IL 61801-0219 384-2466, fax: 384-2426, home359-1299</p>	<p>Brooks, Mary 1210 W. Beslin Urbana IL 61801 382-3618 W (summers off) 328-3156 H Committee: Mentoring</p>
<p>Woolsey, Connie First of America Bank 507 South Broadway Urbana IL 61801 255-6950 Fax: 255-6960 Committee:</p>	<p>Ruedi, Andrea Chamber of Commerce 1817 South Neil Street, #201 Champaign IL 61820 359-1791 Fax: 359-1809 Committee:</p>	<p>Swim, Mitchel L. Vice President Commercial Division First of America Bank 30 Main Street, PO Box 4038 Champaign IL 61824-4038 363-4061 Fax: 363-4065 Committee: Future Funding</p>	<p>Johnson, D. Darlene Assistant Vice President & Branch Manager First of America Bank 1771 West Kirby Avenue Champaign IL 61821 363-4076 Fax: 351-9240 Committee: Strategic Planning</p>
<p>Geerdes, Cynthia University of Illinois 241 Law Building MC-594 244-9494 Committee:</p>	<p>Heumann, Leonard Urban & Regional Planning 111 Temple Buell MC-5373 Committee:</p>	<p>Armstrong, Kim Provena Covenant 1400 West Park Urbana IL 61801 337-2433 committee:</p>	

Community Collaboration for Economic Development
Mentors

Adkisson, Theodore & Rose 1207 Gertrude Drive Champaign IL 61820 959-7006	Cooper, Randy Thrifty Nickle 61 East University Champaign IL 61820 356-4804	Littleton, Kathy Happy House Daycare 1311 East Florida Avenue Urbana IL 61801 344-0123	Suggs, Eugene 2105 Robert Dr. Champaign IL 61821 356-4793
Alexander, Muriel E. Savoy Travel 315 S. Dunlap Savoy IL 61874 398-1212	Davis, Andrew 515 North Market Street Champaign IL 61820 352-3859	Maatuka, Jamal Black Thoughts PO box 3212 Champaign IL 61826 356-6274	Trent, Dr. William Associate Chancellor 368 Education Building Policy Studies MC-708 333-6153
Banks, Samuel Executive Director Cunningham Children's Home 1301 N. Cunningham Ave. Urbana IL 61801 367-3728 x107	Dunlap, Roger D. Realtor Coldwell Banker/Devonshire Realty 2506 Galen Drive Champaign IL 61821 398-8900	Morris, Cora 2401 Roland Drive Champaign IL 61821	Vonner, Brenda The Upper Cut 809 South Neil Street Champaign IL 61820 359-1993
Banks, Walker B., Owner Banks Business Machines 1406 Glendale Drive Champaign IL 61821 359-5351	Gray, Rosetta Peter Pan Day Care 1108 N. Harvey Urbana IL 61801 367-2812	Page, Joe Vice President Worden-Martin 1404 N. Dunlap Savoy IL 61874 352-0462	Warren, Odell & Karen Owners Southern Cooking 705 S. Glover Urbana IL 61801 344-6326
Blackman, Dawn Motherland Art and Design 206 North Randolph Champaign IL 61820 398-2787	Griggs, Alvin S. Colony Square Cleaners 1727 Georgetown Drive Champaign IL 61821 359-9020	Patrick, Eric Vice President Bank One 201 W. University Champaign IL 61820 353-4212	Williams, Preston Assistant Superintendent for Human Re Urbana School District #116 Administration Building PO Box 3039 Urbana IL 61803 384-3641
Blackmon, William Bears Ribs 2020 South Philo Rd. Urbana IL 61802 344-7427	Hambrick, Robert & Hazel Hambrick's Maintenance Services PO Box 6146 Champaign IL 61826-6146 359-4541	Pirtle, J.W. WBCP Radio PO Box 1023 Champaign IL 61824 359-1580	
Colbert, Charles Vice Chancellor for Administration & Human Resources Rm. 517 Swanlund MC-304 333-6535	Johnson, DDS, Dr. Larry 305 West Clark Champaign IL 61820 352-9494	Rodgers, Professor Fred Curriculum & Instruction 315 Education Building MC-708 333-1844	

*Community Collaboration for Economic Development
Participants and their Mentors*

<p>Allen, Wendy 1011 N. Coler Avenue Urbana IL 61801 337-6869 Mentor: Toi Colbert</p>	<p>Cotman, Margo 409 S. Maplewood Rantoul IL 61866 893-0053 (h) Mentor: Dawn Blackman</p>	<p>Henry, Nathaniel 811 E. Oakland Urbana IL 61801 398-3400 Mentor: William Blackmon</p>	<p>Randall, Linda #1 Rebecca Urbana IL 61802 351-4409 (w) 367-1520 Mentor: Bob & Hazel Hambrick</p>
<p>Brooks, Mary 1210 W. Beslin Urbana IL 61801 384-3618 (w) 328-3156 (h) Mentor: Muriel Alexander</p>	<p>Cowper, Teressia J. 608 Phillips Drive Champaign IL 61820 344-0721 (w) 366-0253 Mentor: Bob & Hazel Hambrick</p>	<p>Johnson, Isaiah 1102 E. Pennsylvania Avenue Urbana IL 61801 384-3550 (w) 384-7439 (h) Mentor: Roger Dunlap</p>	<p>Robinson, Melanie 302 E. Park Ave., #304 Champaign IL 61821 239-4919 Mentor: Brenda Vonner</p>
<p>Brown, Patricia 912 Wascher Drive Urbana IL 61801 1-800-626-9911 x8619 (w) 344-0464 (h) Mentor: Odell & Karen Warren</p>	<p>Gilbert, William #5 Lakeside Terrace Urbana IL 61801 367-0525 (h) Mentor: Samuel Banks</p>	<p>Muhammad, Kimberly 502 W. Vine Champaign IL 61820 355-3746 (h) Mentor: Walker Banks</p>	<p>Williams, Seon 1403 W. Beech Urbana IL 61801 384-1997 Mentor: Ted Adkisson</p>
<p>Bucknerboone, Eunice M. 2402 S. Burlison Drive Urbana IL 61801 344-0721 (w) 337-7440 (h) Mentor: Charles Colbert</p>	<p>Grady, Linda 1201 S. Lierman Urbana IL 61802 344-0721 (w) 328-9157 (h) Mentor: Fred Rodgers</p>	<p>Powell, Day 903 North Busey Avenue #1 Urbana IL 61801 367-9560 Mentor: Rose Adkisson</p>	

Community Development Financial Institutions Fund Technical Assistance Grant Application

Part II. Eligibility Materials

A. Primary Mission and Target Market

The Community Collaboration for Economic Development (CCED) is a relatively young organization. It was initially convened as an informal community group in June of 1997, comprised of representatives from the African-American business community, municipal government, non-profit civic groups, and the University of Illinois. In the spring of 1998, the CCED was legally incorporated as a non-profit organization. During its first year of operation, the group pursued and accomplished four primary objectives: (1) the development and implementation of a business education workshop series targeted to low-income and minority persons; (2) the development and implementation of a mentoring program designed to pair each workshop participant with a successful business mentor who assisted the mentee in developing his or her business plan, in securing financing, and ultimately in opening a business, (3) the development and maintenance of a library of business related material relevant to the target group, and (4) the organization and maintenance of a community collaboration to facilitate pursuit of the first three objectives and to identify, and make plans to address additional barriers to the development of low income and African-American businesses in Champaign County, particularly the problem of financing such persons attempting to start new micro-enterprises and small businesses.

To date, the CCED has not provided loans nor made any development investments. The developmental services (business education workshop and mentoring services) that we have provided have been targeted to persons living in the proposed CDFI investment area and to members of the proposed CDFI target population. In the first class of workshop graduates, 93% (13/14) were African-American, and 83% (10/12) lived in the investment area.

The mission of the Community Collaboration for Economic Development is to create an on-going economic development project to increase the number of businesses within the low-income and minority population in Champaign County. The mission is to develop human capital and promote unique ideas through business education, technical assistance, and targeted economic development programs.

The purposes of the organization are described in Article II, Section 1 of the By-laws. Specifically, this section states: "This corporation has been formed for the following charitable, scientific, and educational purposes:

(a) combat community deterioration by increasing the number of businesses within the low-income and minority populations throughout Champaign County;

(b) provide instruction and training of the individual for the purpose of improving or developing his or her capabilities;

(c) provide instruction of the public on subjects useful to the individual and beneficial to the community;

(d) conduct scientific research for the purpose of aiding in the scientific education of college or university students;

(e) conduct scientific research for the purpose of aiding the Champaign County low income and minority community by encouraging the development of industry in the community;

(f) promote social welfare by lessening neighborhood tensions or eliminating prejudice and discrimination;

(g) provide financial and technical assistance to businesses owned either by the needy or by others who employ the needy.

In addition, this corporation is formed for the purposes of performing all things incidental to the achievement of the foregoing specific and primary purposes. The corporation shall not, however, engage in any activities or exercise any powers that are not in furtherance of its specific and primary purposes."

B. Financing Entity Requirements

The predominant business activity of the CCED is not, currently, the provision of loans or development investments.

As described above, our work to date has focused on the development and delivery of developmental services. In the initial meetings of the steering committee, several barriers to the development of new small businesses in Champaign-Urbana's low income and African American communities were identified. These included lack of business education, lack of access to finances, failure of local developers to recognize the market potential of the area, and lack of organizational support for existing low income and minority businesses. While the collaboration has interest in addressing each of these barriers, the initial set of activities of the CCED were educational: business workshops, the creation of a business plan, and the assignment of a mentor. These activities were designed to encourage and assist low income and minority people who had an interest in entering business. Having successfully created these developmental services, the members of CCED committed themselves to assuring that financing would not continue to be out of reach for the people who attended the workshops. To really impact the level of business activities in the designated area the financial opportunities would have to be expanded. Consequently in addition to the above development activities CCED began pursuing the creation of a Revolving Loan Fund (RLF) with the mission of assisting low income/minority entrepreneurs.

We are currently working, in addition to pursuing CDFI Technical Assistance funds, to develop the capacity to provide loans to the residents of our investment area and anticipate that by the fall of 1999, our predominant business activity will be the provision of loans. In pursuit of this the CCED has developed a proposal which will be presented

to a local council of bank presidents. The proposal describes a revolving fund of \$150,000 created by the contributions from the banks on the council. The money would be administered by the CCED as alternative financing for high risk commercial loans (higher LTV, flexible credit terms and standards), and would result in new minority/low income businesses.

The attached financial document (Appendix D) contains the revenue and expenses of the Community Collaboration for Economic Development for FY1997, its only year of existence. CCED was funded by a one year seed grant of \$15,000 from the University of Illinois' Partnership Illinois Initiative. Because this was a university supported grant, the accounting procedures were carried out by the university accounting office and monitored through the business office of the psychology department. In FY1998 the CCED will assume responsibility for maintaining its own financial records.

The accounting summary reflects two accounts to which revenue and expenses were charged. The first includes only the grant award from the University of Illinois. The second includes donations made to CCED from non-university sources.

The money we received was spent on salaries, benefits, supplies, travel, and services. As of May 1, 1998 when we had received the last official summary from the University Accounting Office, the CCED had spent \$9,101.62, encumbered \$2,688.45 and carried a balance of \$3209.93 of the \$15,000 awarded through partnership Illinois. Specifically, a psychology department graduate student was hired for 50% time to serve as the project coordinator. The remainder of the funds were used to develop and purchase business workshop materials. In addition services such as postage, printing/copying, photography and catering were purchased. Two trips were taken, one to the South Shore Bank in Chicago and the other to Arcola, Illinois. The first trip was to meet with bank personnel and learn how a community bank operates, where it funds come from, how and to whom it made loans, and how successful it was. The second trip to Arcola was made to describe the CCED with a potential funder (Mennonite Economic Development Association).

The second statement reflects funds donated to CCED by local banks and the charge of \$20.00 to each workshop participant. More important than the amount of the bank's contribution is the relation the organization has with local financial institutions and the commitment they have to CCED's efforts. To date the CCED has made deposits of \$3060.00 and spent that same amount. The expenditures were for supplies and services.

C. Map of Investment Area

Please see Appendix E for a map of the investment area.

D. Studies or Analyses of Unmet Needs

Our analysis of unmet needs is based on (1) the current status of minority businesses in the Champaign-Urbana area, (2) the geographical lending patterns of local banks, as best as can be determined from available documentation, and (3) our own survey of available federal, state, and local financial resources targeted to nontraditional business men and women.

Status of Minority Business

Compared to their representation in the population, minority owned businesses are underrepresented in both number and sales in Champaign County. According to the 1992 Economic Census data, as supplied by the Illinois Department of Commerce and Community Affairs (DECCA), Black-owned firms make up 3% of the total (while African-Americans represent roughly 15% of the population). Other ethnic minority businesses comprise an additional 3%. Sales volume for the same groups combined (\$34,377M) represent 1% of the total sale volume for the County (over \$2.5 billion). Black-owned firms sales volume comprise less than 3/10ths of one (1) percent or \$6.9 million. Furthermore, minority businesses comprise 8% of the total number of businesses with employees. Black-owned firms with employees comprise 1% of the total or 23 in number. The latter's sales volume represents only 2/10ths of one percent.

Local Lending Patterns

It is difficult to measure the market for micro-lending. The 1996 Community Reinvestment Act (CRA) Aggregate Reports for business loans for Champaign County, which includes the proposed CDFI Champaign-Urbana investment area does not break out the disposition of loans under \$50,000. Moreover, this report does not distinguish between loans made to residents of an area versus those made to business owners, thus obscuring our ability to assess the extent to which the needs of area residents are being met. However, the report does show that the majority of loans originated were for amounts under \$100,000. The CRA Report uses HUD criteria for designating areas as low, moderate, middle, or upper income. Five tracts in the low income group also fall in our proposed CDFI investment area. Only 85 loans, or 5%, were made in these census tracts. While race is not reportable for business loans; of the five low income census tracts in Champaign County which received loans, (2.00, 3.00, 4.00, 59.00, 60.00) three tracts (3.00, 59.00, 60.00) have minority populations ranging from 22.% to 70%, according to the 1990 census. See attached report (Appendix G) for the number of loan originations extended in low income areas compared to the middle and upper income areas. Data to determine the number of denials was not available.

Survey of Local Financial and Other Business-related Resources

The key constraint for low-income entrepreneurs is access to credit. Banks in general have not been able to lend profitably to the smallest businesses, or

microentrepreneurs due to the high cost of processing and servicing of micro-loans. Traditional federal and state government approaches to economic development have also overlooked this segment. Most government programs provide only "gap" financing and require that the majority of the loan be financed by a bank. CCED participants usually do not qualify for conventional financing and are therefore ineligible for public financing programs. Additionally, many of the government programs emphasize job creation tying the loan amount to the number of jobs created restricting the amount and uses of the funds. (See document in Appendix H for a listing of financial resources offered by city, county, state, federal and private sources to residents of our county).

There are numerous factors including lack of collateral, little or no equity and poor credit which have made it difficult for banks and local government entities to meet the needs of the typical CCED participant and microentrepreneur. The typical profile of CCED participants is African-American, employed full-time with incomes at or below the 80% median family income. Although we specifically target low income and African Americans clients, those with higher incomes who lack access to credit are not excluded. Businesses owned by higher income clients build a diversified client base that enables clients to benefit more from networking activities, and will help CCED move towards self-sufficiency in its micro-loan program.

The need for microbusinesses and technical assistance is further identified in the City of Champaign FY 1995-1999 Consolidated Plan. The City ranks the need for micro-businesses and technical assistance as one of the highest priority needs. (See Appendix I).

E. Developmental Services

The CCED has developed and implemented a 14 week business education workshop series tailored to the specific needs of low-income and minority persons. The goal of the workshop is that participants will graduate with a well-developed business plan in hand and be prepared to seek financing. The topics covered in the weekly 3-hour sessions include: legal issues (including types of business ownership, taxes, licenses and permits, legal documentation, and contracts), marketing and site location, inventory, accounting/bookkeeping, payroll, benefits, profit planning, human resources, retirement planning, business plan preparation, loan packaging, and other financing.

Second, the CCED developed and implemented a mentoring program for workshop participants which pairs each of them with a successful business person who assists them in developing their business plan, in securing financing, and ultimately in opening a business. The mentor relationship is encouraged to last indefinitely, to provide ongoing support. In addition the CCED works to monitor the mentor-mentee relationships, providing support to mentors and reassigning mentors as needs demand. (See training manual for the mentors in Appendix J).

F. Accountability

The CCED was created in response to a need that was expressed by residents of the targeted investment area for educational and financial resources to start small businesses. From the beginning, the organization has sought to be genuinely accountable to these individuals. The mechanisms that thus far have been employed to promote accountability of the CCED to the residents of the investment area and target population reflect the developmental status of the organization. As the organizational structure of the CCED changes to accommodate its new activities, we plan to continue to institutionalize target residents' participation in, and ownership over, the organization.

In our first year of operation, decision making in the CCED was by the consensus of a steering committee that was composed of a wide cross-section of persons in the county that had interests in, and expertise to lend to, the mission of the collaboration. This group includes members of the investment area and target population (public housing resident council president and African-American business men and women), and recently two graduates of our education workshop series. Also on this steering committee are representatives from a range of local organizations whose missions are to provide service to or work with residents of the investment area including representatives from Restoration Urban Ministries, the NAACP, the Urban League of Champaign County, the City of Champaign Neighborhood Services Department, the JTPA, and the Champaign County Housing Authority. Similarly, representatives of the target population sit on the board of directors of the CCED; our board president, Mr. Hambrick, our vice president Mr. Griggs, and our treasurer Mr. Moore are all African-Americans who live in the metropolitan area.

Additionally, residents of the investment area and target population serve on several of the working subcommittees of the organization. Participation on these committees is encouraged from individuals who participate in our business education workshops. This reflects a strong ethic in the organization that individuals who benefit from participating in the services provided should give back to the community by lending their expertise and talents to the organization. It is our experience that when recipients of our services take ownership of the organization, both the recipients and the organization benefit. We anticipate participation of this kind on both our new management and loan committees.

Finally, the organization openly invites consumer and public scrutiny and comment on its activities. For example, an extensive evaluation and documentation process is in place for the business education workshop and mentoring programs that solicits participant satisfaction ratings, and suggestions for program modifications. Both the second series of business education workshops, and the mentoring program were changed significantly following feedback provided by program participants. Moreover, we invite the public to evaluate our work by holding a public graduation for participants in the business education workshops.

ABSTRACT

This proposal request funds for the beginning phase of an economic development project designed to increase the number of low income and minority businesses in Champaign.. Phase one, a business education workshop will provide a unique service to a segment of the population historically unable to enter into the world of business. Once a participant completes the workshop the goal is to secure a loan, and ultimately open a business with continued advise and counseling provided by a group of experienced businesss people. Finally these workshops will themselves be repeated for others to gain business knowledge and support. The long range goal of this project is to rekindle the energy of self determination within the community.

A collaborative team of government, education, and business quite independently have discussed the personal and structural barriers to starting a business. The proposed project addresses these barriers through a comprehensive business education workshop which will consist of a human capital development stage and a technical assistance stage. The uniqueness of this workshop is the attention to personal preparation, the creation of a business plan, and a follow-up mentoring stage. In the mentoring stage participants will receive personal coaching to execute their plan. In addition the information collected for the workshops will be placed in a central location to assist with the follow-up and establishment of an Information Center for anyone else in the city interested in going into business.

It is our expectation that successful graduates of the workshop will be an encouragement for others to consider entering business. Implementation of the first phase of the project will permit the authors to submit proposals to the city and other funding agencies to develop the remaining phases.

BUSINESS & AGRICULTURE

Workshop grads look to start own businesses

■ Course offers basic knowledge, provides mentors

By DON DODSON

CHAMPAIGN — Teressia Cowper always wanted to own her own business. With a little help from the Business Development Workshop, she may do so this summer.

Cowper and 13 other people graduated from the 10-week workshop series on Tuesday. The program, sponsored by the Community Collaboration for Economic Development, is designed to encourage more minority and low-income people to

go into business for themselves.

Participants got an overview of what is involved in operating a business — bookkeeping, marketing, taxes and such. They drew up business plans and were paired with mentors.

Cowper said she plans to put what she learned to work immediately.

"I've decided to go into business, providing a van service for people who would like to visit family and friends in correctional centers," said Cowper, 47, of Champaign.

The business would regularly run vans from Champaign-Urbana, Springfield, Bloomington, Normal, Decatur and Peoria to prisons in remote areas not served by bus lines.

Cowper works as program coordinator for breast cancer awareness at the University YWCA.

She knew something about business from childhood because her parents were entrepreneurs.

Her mother, Mary Brooks, owned Mary's Place tavern at First and Washington streets in Champaign, and her father, Wardell Jackson, operated The Monarch tavern at Fifth Street and University Avenue.

Cowper said the workshop series showed her that she had a lot to learn about operating a business.

"I had some idea about some of the things, but I didn't have any idea of the types of entities

that could be set up or the tax laws that change from time to time," she said.

"The tax laws are more than I can even conceive," she added. "I just thought you took out FICA and state tax. All the years I've been an employee, I took it for granted what the employer really does."

Cowper said the class also made her look closely at the employee-employer relationship.

"They said you must have empathy for your employees, but you're also not a social worker," she said. "I thought that was cold at first, but I began looking at the tax laws and began to understand why I couldn't be a social worker."

Cowper said she'll rely on her mentors, Robert and Hazel Hambrick, as she sets up her business.

The workshop was conceived by the Hambricks, local minority business owners who believed that more minority-owned businesses would spring up if such a program existed.

"The program has been very successful," said Hazel Hambrick, who operates Hambrick's Maintenance Service with her husband.

"The participants are very excited, highly motivated and feel the anticipation of owning their own business and making a difference in the community,"



News-Gazette photo by Robert S.

Teressia Cowper, at the Business Development Workshop graduation Tuesday night, hopes to start a van service. Fourteen graduates of the 10-week course were honored.

she said. The Hambricks developed the program in conjunction with Thom Moore, director of the UI Psychological Services Center; Mark Aber, a psychology professor; and Gladys Hunt, community outreach program coordinator in the psychology department.

The Business Development Workshop will be repeated for a second group of local residents at the end of April.

Those interested in participating should contact Shilagh

Mirgain, the program coordinator, at 328-4636.

Workshop participants charged \$20 to cover the course materials.

Cowper said she regretted that the course had to end soon. She hopes her fellow participants stay in touch.

"I really don't feel like ready to go out on my own," she said. "Even though I know mentors are going to be there, I'm going to feel disconnected when we all start our careers and businesses."

**A Big Deal
on a Small
Phone**

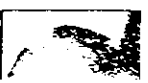
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- FREE off-peak calls

For ex-NFL star, success a state of mind

By DEBRA PRESSEY
News-Gazette Staff Writer

CHAMPAIGN — Former National Football League star

James "Jimmy" White, within Champaign County law enforcement and



After retiring from football, he put his skills to work in the business world. He now works as a FRA Action Realty in Anahoe.

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March 1/20/78

business.

The workshop was conceived by the Hambricks, local minority business owners who believed that more minority-owned businesses would spring up if such a program existed.

"The program has been very successful," said Hazel Hambrick, who operates Hambrick's Maintenance Service with her husband.

"The participants are very excited, highly motivated and feel the anticipation of owning their own business and making a difference in the community,"

she said.

The Hambricks developed the program in conjunction with Thom Moore, director of the UI Psychological Services Center; Mark Aber, a psychology professor; and Gladys Hunt, community outreach program coordinator in the psychology department.

The Business Development Workshop will be repeated for a second group of local residents at the end of April.

Those interested in participating should contact Shilagh

Mirgain, the program coordinator, at 328-4636.

Workshop participants are charged \$20 to cover the cost of materials.

Cowper said she regretted only that the course had to end so soon. She hopes her fellow participants stay in touch.

"I really don't feel like I'm ready to go out on my own," she said. "Even though I know my mentors are going to be there, I'm going to feel disconnected when we all start our careers and businesses."

For ex-NFL star, success a state of mind

By DEBRA PRESSEY
News-Gazette Staff Writer

CHAMPAIGN — Former National Football League star Johnnie Johnson remembers what it was like to be so poor he had to wear the same shirt to school every day and learn to play football in a pair of borrowed running shoes.

When the sole fell off one of those shoes, he taped it back on and kept going.

He recalls telling his mother: "There's going to be a better life at the end of this rainbow."

Today, a successful businessman, Johnson said if there's one thing he's learned in life, it's this — people get exactly what they expect.

"If we're going to be successful, we have to believe we'll be successful," he said.

Johnson was in Champaign on Tuesday, addressing the Community Collaboration for Economic Development, a group of community leaders striving to create more business opportu-

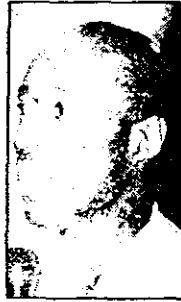
nities within Champaign County's low-income and minority population.

Johnson grew up in central Texas in a family of 11 children.

He said he made a critical decision in his life at age 13 when he chose sports. It was also the year his parents divorced, and he set his own goal to one day play in the National Football League. His friends said he was crazy, but he was determined, Johnson recalls.

Johnson became a sports star in high school and at the University of Texas, and went on to become the Los Angeles Rams' No. 1 draft pick in 1980, signing the team's first million-dollar contract.

Johnson played for the Rams for 10 years.



JOHNSON

After retiring from football, he put his skills to work in the business world. He now owns ERA Action Realty in Anaheim, Calif., and JGJ Research International, a personal development company through which he shares his winning strategies with others.

Johnson said he hasn't forgotten where he came from, and how he got to where he is today, and he urged other business leaders to do likewise.

He described his keys to success this way: Believe in your ability to succeed; adopt the habits and the attitudes necessary to reach your goals, and establish your own expectations.

Setting your goals is critical, he said. It's the basis of establishing good habits and a positive attitude.

Johnson also added this kicker: If you're going to succeed, you have to constantly adjust your habits and attitudes as you adjust your beliefs.

CCED Waiting List

1. Marlo Britton
211 West Tremont
Champaign, IL 61820
363-0222
2. Charla Henry
308 Nelson Ct.
Champaign, IL 61820
353-5236 h
398-2076 w
3. Marcus Terhune pd \$20
PO Box 3362
Champaign IL 61824-3362
#363-1875 (h)
#333-4431 (w)
4. Janet Mayo
911 W. Tremont
Champaign IL 61821
398-4829 (h)
5. Crystal Marshall
401 E. Chalmers St, Apt. 312
Champaign IL 61820
344-4941 h
352-3111 w
6. Ken Davis
#4 Florida Drive
Urbana IL 61802
384-7840
7. Bradley Hunt
8. Sharicka Summers
1601 Gleason Drive
PO Box 591
Rantoul IL 61866
893-1513 h
892-2151 w
9. Tina Britt pd \$20
505 E. South St.
Fairmount IL 61841
733-2379 h
10. Crystal Cain
1101-C Dorsey Dr.
Champaign IL 61820
363-0213 h
356-9240 w
11. Denise Brown
808 West Centennial
Champaign IL 61821
359-0122 h
333-4752 w
12. Terence Bolden pd
\$20
2212 CountrySquire Dr.
Urbana IL 61802
367-6682 h
333-4330 w
13. Alfred Brown
7337 S. Shore Dr.
#417
Chicago IL 60649
773-933-0434 h
312-326-4800 w
14. James Johnson
1110 N Fifth
Champaign IL 61820
351-8466 h
351-8466 w
15. Sharon L. Hyché
1508 Lincolnshire
Drive, Apt. 10
Champaign IL 61821
352-4517 h
244-0261 w
16. Earnestine B. Crook
1509 Hedge Road
Champaign IL 61821
356-2723 h
383-3260 w
17. Juanita Thompson
1805 Crescent Dr.
Champaign IL 61821
356-3352 h
351-1853 w
18. Stephanie Freeman
2803 Pine Valley Dr.
Champaign IL 61821
352-5871 h
244-6150 w
19. Raniese Wilkerson
1805 Crescent Dr.
Champaign IL 61821
355-9221 h
378-3638 w
20. Shannon Cook
2709 Dale Dr.
Champaign IL 61821
359-3139 h
21. Tracy Taylor
303 E. Clark Street, Apt. 10
Champaign IL 61820
356-7871 h
22. Hector Trevino
320 Naples Drive
Rantoul, IL 61866
892-9039
23. Yolunda Peoples
1507 North Romine
Urbana IL 61801
(2 applications)
367-3662 h
337-5863 w
24. Jacqueline Davis
1410 1/2 West Hill
Urbana IL 61801
337-7533 h
25. Mara Freeman
338 Henry Admin
MC-360
3-5318 w
(2 applications)
26. Barbara Grady
1005 N. Sixth
Champaign IL 61820
351-8422 h
27. Diane Mitchell
927 N. Linview
Urbana IL 61801
384-1743 h
352-6533 w
28. Fattima Kalpeni
1607 Sangamon Dr.
Champaign IL 61821
359-1320 h
384-3784 w

Applications received

February 26, 1998

Dick Oneill
Bank One
201 W. University
Champaign IL 61820

Dear Mr. Oneill:

On behalf of the CCED (Community Collaboration for Economic Development), I want to thank you for your generous support of our Business Workshop Kickoff Reception on February 1, 1998 at the Champaign City Building. The event was well attended by workshop participants, mentors, committee members, and invited guests. Without your support we would not have been able to celebrate this occasion.

For the next ten Tuesday evenings from 6:30-9:00 the Business Workshop participants will be attending sessions at 1508 Ridgeway Street at the Ridgeway Inn in Champaign. Presently, we are planning a graduation ceremony on April 14, 1998. The guest speaker will be Johnny Johnson former wide receiver for the LA Rams. You are invited to attend any of the Tuesday evening meetings to observe the workshops in action. We are serving fifteen participants and hope we can assist several of them to enter business. You will receive a formal notification of the graduation ceremony. Finally, consider this letter as an open invitation to attend any of the coordinating committee's bimonthly meetings. The next meeting will be March 5th from 10:30-12:00. It is also held at Ridgeway Inn at 1508 Ridgeway Street in Champaign.

Again CCED appreciates your support and commitment to our project. If at any time you feel that you would like to learn more about the project, please do not hesitate to contact me at (217) 333-0041.

Sincerely,

Thom Moore, Ph.D., Chair
Community Collaboration for Economic Development

Community Collaboration for Economic Development

505 E. Green, Third Floor
Champaign, Illinois 61820
(217) 333-0041 · Fax (217) 333-0064

January 13, 1998

Dear CRA Bank Officers:

We are writing to inform you of the progress of the development of the ten-week *Business Development Workshop* sponsored by the **Community Collaboration for Economic Development**. The **Community Collaboration for Economic Development** is a coalition of committed community leaders and concerned citizens from business, banking, city government, education, religious, and economic development organizations. Started in the Spring of 1997, the **Community Collaboration's** mission is to promote and support the development of economic self-sufficiency opportunities and foster community progress through small business development for low-income and minority persons living in the Champaign County area.

The **Business Development Workshop** is a ten-week workshop where participants will learn the "how to's" of starting a small business. Workshop participants will actually put together a business plan, be paired with a mentor, and develop a relationship with a financial institution for funding of their small business. Our pilot workshop will begin with workshop participants attending a two-day Pacific Institute motivational workshop, "*Steps to Excellence for Personal Success*". This two-day workshop will take place on **Saturday, January 31st from 8:00 a.m. until 5 p.m.**; and **Sunday, February 1st from 8 a.m. until 4 p.m.** A two-hour training session for **Business Mentors** will also take place on **February 1st from 2 to 4 p.m.** The Pacific Institute and the Mentor training will take place at the **City of Champaign Building**, 102 North Neil Street in Champaign. Finally, we are planning a **Kick-off Reception** immediately following the close of both the Pacific Institute and Mentor training. The Reception will take place at the **City of Champaign Atrium from 4 to 6 p.m.**

The ten weeks of workshop covering the fundamentals of business planning and development will begin on **Tuesday, February 3rd** and continue for ten successive weeks on Tuesday nights from 6:30 p.m. until 9:30 p.m.. The **Business Development** workshops will take place at **Ridgeway Center** located at 1508 Ridgeway Street in Champaign.

When we wrote the initial proposal for funding of this project last spring, many of you wrote letters of support for the project. We received this grant to cover some of the expenses of developing the project along with a commitment to leverage supporting funds from the community to cover additional costs. As such, we invite you to share in the excitement of launching this important and promising venture in our community with your financial support. As a supporter, your name would be mentioned in all promotional materials sent out by the **Community Collaboration**. An attached budget outlines the committee's needs as it relates to the two business development and mentoring workshops, the Kick-off Reception, and two graduation ceremonies.

If you have any questions, or need any additional information, please feel free to contact Dr. Thom Moore, who presides over the Community Collaboration for Economic Development committee at 333-0041; or Bob and Hazel Hambrick, who chair the Workshop committee at 359-4541; or the Staff Associate, Shilagh Mirgain at 328-4636. Thank you in advance for your cooperation and support.

Sincerely,

Thom Moore, Ph.D., Chair
Community Collaboration for Economic Development Committee

TM:ct
Attachments



**Meet Your Relationship Manager:
Eric L. Patrick,
Vice President
Business Banking Relationship Manager
Bank One, Illinois, N.A.**
201 West University Avenue
Champaign-Urbana, IL 61824
Phone: (217) 353-4212
Fax: (217) 351-3260

Eric Patrick hasn't just served small businesses – he's run them.

Eric brings business owners a wealth of practical experience, having managed banking offices, a specialized lending division, and his own business consultancy over the past 25 years. As banker, his experience ranges from managing branch operations to running a multi-million-dollar division dedicated to providing loans and other services to minority- and women-owned businesses. Before joining Bank One, he put his knowledge to work as a management and financial consultant to closely-held businesses in the St. Louis area. Now, as a Relationship Manager in our Business Banking Group, Eric has the expertise to connect Champaign-Urbana clients with Bank One services that can help them prosper.

Put Eric's capabilities to work for you.

Among the highlights of his career in financial services:

- After three years as branch manager for a Louisville (Ky.) bank, Eric worked as a senior planning analyst for a St. Louis-based insurance group.
- Returning to banking as branch manager for a bank in St. Louis, he developed a targeted program to meet the credit needs of smaller businesses.
- At a larger St. Louis bank, he managed a specialized division to serve minority and women business owners, while helping the bank achieve an outstanding rating in low/moderate-income lending and community outreach.
- In 1996, he set up Patrick, Rudd & Co. to assist small closely-held businesses with capitalization and business planning. In addition to bank loan negotiation, he helped clients implement qualified and non-qualified stock option plans and buy-sell agreements.
- In 1997, he joined Bank One as Vice President and Business Banking Relationship Manager in Champaign-Urbana, where he now aids clients in obtaining services they need to build their businesses.

His education:

- BBA, Business Administration,, McKendree College, 1988
- Retail Banking Diploma, American Institute of Banking
- Series 63 license

Even off the job, Eric is often on the move.

Eric serves as a plan commissioner for the City of Champaign. A board member of the Urban League, he also volunteers on several committees for the Chamber of Commerce and is one of the organizers of the Community Collaboration for Economic Development, partnering with the University of Illinois. In his spare time, he enjoys reading, jogging, aerobics, and spectator sports. Eric has a 12-year-old son.

For any business banking solution, call Eric at (217) 353-4212.

No matter what kind of business you run, Bank One can help you create one to one solutions for your special needs. You'll benefit from our selection of affordable business systems and tools without having to invest in costly technology or add specialists to your own payroll. Best of all, you don't have to go far to access this expertise. Just call your Relationship Manager, Eric Patrick.

RESUME

GLADYS D. HUNT
1620 Fairway Drive
Rantoul, Illinois 61866
(217) 893-8238

EDUCATION

University of Illinois
Urbana-Champaign
School of Social Work
Master of Social Work 1989

University of Illinois
Urbana-Champaign
College of Liberal Arts
& Science - Bachelor's 1975

CAREER GOAL

To use my wealth of management, administrative and social work education and experience in a challenging position within a university and community environment working with professionals and students.

ACCOMPLISHMENTS RELATED TO CAREER GOAL

As Coordinator of Program Development & Outreach

- Co-instructed several classes supervising both undergraduates and graduate students in the areas of community outreach, child welfare and grassroots organizations, both in the classroom and in practica in the community including Champaign-Urbana and Rantoul.
- Chaired Education Committee of the Sixth Judicial Family Violence Prevention Council. This group covered six counties in Central Illinois. This committee's goals were to impact both teachers in the classroom and teachers' education with regard to family violence and its impact on children's ability to learn.
- Co-Chaired Family Centered Services LAN committee through which the State of Illinois funds new family and child initiatives especially as it relates to child welfare in Champaign, Ford and Iroquois counties. This group is comprised of parents, professionals, and interested community members.
- Convened the first meeting of the Champaign-Urbana African-American HIV/AIDS Awareness Committee which is being looked at as a state model for disseminating HIV and AIDS prevention and educational materials. This group collaborates its activities with other prevention groups including ones at the University of Illinois.

As Assistant Executive Director of Housing Authority:

- Chaired community-wide task force to combat drugs and related criminal activity including gang activity in and around public housing
- Wrote grants obtaining the maximum amounts of HUD dollars for three consecutive years from HUD and used funding to create family resource centers on each family housing site. These centers included programming in adult and youth education including after-school programs and tutoring. Also received a grant to fund the first ever youth employment program in public housing.
- Began a resident initiatives training program in which residents including resident council members were trained to run and manage the resource centers bringing in social service and education agencies to conduct presentations and workshops.

As Coordinator of Social Services of Frances Nelson:

- Reorganized and expanded social service program to include individual, group, family, and marital counseling; parent support groups, parenting skills training and culturally sensitive recovery groups. I also redesigned the intake and assessment process for new clients.

CAREER PROGRESSION

Coordinator of Program Development & Outreach

**University of Illinois
Psychological Services Center
505 East Green Street, 3rd Flr
Champaign, Illinois 61820**

My prime responsibilities in this position include assisting faculty, graduate students, and undergraduate practicum students to develop relationships in the local community. This includes work with established agencies, schools, and churches, as well as with informal neighborhood leaders and volunteers. I co-instruct several classes and assist with the supervision of both graduate and undergraduate in practica, both in class and in community settings including classes on child welfare, community outreach, and education. In addition, I supervise both graduate and undergraduate students as we work on numerous community boards and committees with neighborhood leaders and volunteers. Outreach activities include working with organizations such as Best Interest of Children, Tri-County Child and Adolescent Local Area Network's Family Centered Services Committee, Hope For The Children, The African-American HIV/AIDS Awareness Committee, and the 6th Judicial Circuit Family Violence Prevention Council. Finally, I provide counseling to both adults and children on a limited basis at the Psychological Services Center.

Assistant Executive Director

**Housing Authority of Champaign Co.
102 East University Avenue
Champaign, Illinois 61820**

My responsibilities included supervising the entire public housing section in Champaign County including nine family complexes and senior citizen highrises. I also coordinated the work of the maintenance department, the Subsidized Certificate program staff, the Modernization staff and the staff of two low-rent complexes located in Rantoul, Illinois. As the second in command, I coordinated a staff of fifty plus facilitating team meetings and coordination between staff, residents, and resident council representatives. I was responsible for the development of new programs which included grant writing, start-up and implementation of both the new drug elimination and family self-sufficiency programs which had a combined budget of over a half million dollars. As lead staff person responsible for the supervision of the Drug Elimination Program, I chaired the Drug Elimination Task Force/Study Group. This was a community-wide group of citizens including public housing residents, Champaign, Urbana, and county police, the States Attorney's office, the vice mayor and other local governmental officials, housing authority staff and the staff of other low-income housing in the Champaign-Urbana area. As Assistant Executive Director, I was additionally responsible as hearing officer - hearing any request for review of denials for new application and evictions.

Coordinator of Social Services

**Frances Nelson Health Center
1306 North Carver Drive
Champaign, Illinois 61820**

My responsibilities included the coordination of social services for all health center clients. This health center, the only one of its kind located in the Northern Champaign community, served the highest concentration of low-income and minority clients in Champaign County, including family members of graduate students at the University of Illinois at Urbana-Champaign. When I assumed this position, the main function of this department was transporting clients to and from the center. Under my supervision, services expanded to include individual and group counseling, culturally sensitive parenting skills training and support groups, and outreach & advocacy to clients in the areas of financial assistance, employment and housing. My administrative duties included budgeting, grant writing, staff development, and in-service training. I supervised the entire social services staff and carried a caseload of clients.

PUBLICATIONS

Kloos, B., McCoy, J., Stewart, E., Thomas, E., Wiley, A., Good, T., Hunt, G., Moore, T., Rappaport, J. (in press). *Parent Involvement and Organizational Structure: An Ecological, Open-Systems Model for School Consultation. Journal of Educational and Psychological Consultation*

Kloos et al., (in press). *Community Organizing for Parent and Citizen Involvement. Journal of Educational and Psychological Consultation.*

HONORS AND OTHER ACHIEVEMENTS

HONOR SOCIETIES:

Alpha Delta Mu - National Social Work - 1988

Kappa Delta Pi - Education Honor Society - 1988

Pi Sigma Alpha - National Political Science - 1974

Dean's List - University of Illinois - 1974-75

University of Illinois Fellow - 1976 and 1988
Graduate College

NATIONAL COUNCILS AND COMMITTEES

Member - National School To Work Advisory Council
U.S. Depts of Education and Labor, 1996 to present

Member - National Urban League's National Parent Council
1989 to present

REFERENCES

Ron Simkins
Pastor
New Covenant Fellowship
124 West White Street
Champaign, Illinois 61820
(217)367-2383

Zelma Harris
President
Parkland College
2400 West Bradley Ave.
Champaign, IL 61821
(217)351-2200

Shirley M. Rawls
Director
Bradley Street Daycare Center
807 East Green Street
Urbana, Illinois 61801
(217)337-6900

Barbara Mehofer
Owner
Publication Services
1802 South Duncan Road
Champaign, Illinois 61821
(217)398-2060

LOCAL BOARD AND COUNCILS

Co-chair - Family Centered Services Committee
Tri-county Child & Adolescent Local Area
Network 24 (LAN 24)
1994 to present

Co-chair - Schools Committee
Sixth Judicial Circuit
Family Violence Prevention Council
1994 to 1996

Chair - Bradley Street Daycare Board of Directors
807 E. Green Street
Urbana, Illinois
1990 to present

Member - Champaign-Urbana African-American AID/HIV Awareness
Group, 1994 to present

PAST BOARDS AND COUNCILS

Chair - Human Services Council of Champaign
County, 1989-90

Member - Family Diversity Interfaith Advisory
Committee, 1993-95

Member - Bank One Community Reinvestment Advisory
Committee, 1991-95



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Hugo Cardona

President

Board of Directors

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Chair / Texas

Jake Alarid

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Secretary / Virginia

Frank Ortiz

Treasurer / Texas

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California

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Colorado

Jesse Aguilera

Texas

Leo Avila

California

Eduardo Peña

District of Columbia

Gerald J. Mussari

VP Human Resources

Procter & Gumble Worldwide

Ohio

Felix A. Mantilla

Assistant Secretary

Assistant General Counsel

Allstate Insurance Company

Illinois

Alex Martinez

New Mexico

Chuck Tafoya

Colorado

Elsie Valdes

Puerto Rico

Testimony by Hugo Cardona

President and CEO

SER Jobs Progress National, Inc.

August 13, 1998 Public Hearing

Proposed Merger of Banc One Corporation & First Chicago NBD

SER Jobs for Progress National, Inc. a 501-(c)-(3) not-for-profit organization is the oldest and largest organization in the country dedicated to assisting people to move from Welfare to Work.

The American GI Forum (AGIF) and the League of United Latin American Citizens (LULAC), the two oldest political organizations advocating for the rights of Veterans and Hispanics, founded SER in 1964.

SER's Mission is to formulate and advocate initiatives that result in the increased development and utilization of America's human resources, with a special emphasis on the needs of Hispanics, in the areas of education, training, employment, business, housing and economic opportunity.

SER's Challenge is to insure that the skills of the workforce are their key competitive weapons in the twenty-first century...skilled people will have the competitive advantage.

SER Today

- National Office in Irving, TX
- Consists of 38 local SER partners
- Resides in 91 locations across 17 States in the United States, the District of Columbia, and Puerto Rico
- Operates over 180 programs
- Serves over 400,000 people annually – places more than 30,000 individuals in meaningful jobs
- Funds exceed \$60 million annually

SER Programs

- One-Stop Management
- Housing
- Distance Learning
- Travel Academies

- Higher Education
- Alternative Schools
- Charter Schools
- Early Childhood Development Centers
- Welfare to Work
- Job / Occupational Training
- Aid to Migrant Workers

SER Programs

- Dislocated Workers
- Disabilities Programs
- Displaced Homemakers
- School-to-Work
- Summer Youth Programs

SER National's Office and Partner's Funding is provided by Federal, State, County, City grants, (awarded on an open bidding process) Corporate America and private individuals.

Corporate America has contributed to SER from its inception. **AMIGOS de SER** is formed by Fortune 500 companies that contribute to our efforts in three different ways:

1. Contributions restricted in nature and designated for specific programs and initiatives.
2. In-kind contributions in the form of computers, equipment, furniture, marketing, etc.
3. Unrestricted Contributions utilized by SER as working capital to create new initiatives and programs.

Banc One Partnership with SER

Banc One has become one of the greatest supporters and contributors of our Housing Program. This Program has permitted us to assist more than 270 minorities to buy their first homes in the last three years.

Banc One's contributions to SER in 1998 will exceed \$100,000.

We are now negotiating a credit line for \$1 million, at a low interest rate, that will permit us to replace, in the next three years, more than 2,000 computers installed in our Network of Partners with brand new computers and software. The "old" computers will be placed in the homes of minorities SER serves.

Banc One's partnership with SER is permitting minorities to purchase homes and acquire computers that they need to upgrade their working skills and continue their education.

We are convinced that the merger of Banc One and First Chicago will only enhance their commitment to our communities and minorities. SER fully supports the merger.

11

By Facsimile

*Testimony of Charlie H. Smith, Jr.
Executive Director
Wilmington Housing Authority
Wilmington, DE*

The subject of my five-minute speech will be to **“support the proposed merger between Banc One Corporation and First Chicago NBD Corporation.”**

The Wilmington Housing Authority is currently working with both FCC and Banc One Corporation in putting together partnerships for home ownership, as well as assisting the Housing Authority with developing private-market housing for low-to-moderate income homes in the City of Wilmington. Both FCC and Banc One have demonstrated exceptional leadership in assisting in this development.

11
Detroit Branch . . . **NATIONAL ASSOCIATION FOR THE
ADVANCEMENT OF COLORED PEOPLE**



Statement Regarding the Merger of First Chicago NBD with BankOne

August 13, 1998

Contact: Reverend Wendell Anthony
(313) 538-8695

As Co-chair of the Detroit Alliance For Fair Banking, I believe that the current plan for the city of Detroit as an example of the cooperative spirit and the community sensitivity on behalf of these two financial institutions, speaks to their commitment to the quality of life for our people. The current Community Action Plan targeted for Detroit for the next three years comes after discussions held with these banks concerning the necessity for our community to be included, rather than excluded in the economic development of our cities. The Community Action Plan calls for \$3.1 billion ^{TO} be targeted for Detroit for the next three years beginning January 1, 1999-2001, is a continuation of an even greater commitment to be provided in the area of loans, mortgages, community development corporations, home improvement, procurement (vending), and the advancement of African Americans and other minorities.

If mergers do not consider ^{the} quality of life of the communities in which they are merged and the people who will be impacted by the results of such mergers, then obviously, they do not deserve our support nor our endorsement. However, this bank, First Chicago NBD, along with its potential partner BankOne, have moved in a very progressive manner towards opening the door to even greater access and inclusion of the people who seek to share in the economic gains of our nation. It is for this reason that we are here today to speak in behalf of this merger. For our experience in Detroit has proven to be of benefit to the people who reside in our city, which is the largest city in the state of Michigan. For so many years the banks have been talking loud and doing nothing. Now we have reached a point where they are talking loud and are in fact, doing something. This Community Action Plan strikes at the very heart of transforming the quality of life of our community, as economic development and empowerment is the new human rights frontier. We recently were pleased to have over 400 business persons at a local center in the heart of our community to participate in a debriefing of the benefits of this plan, and how the community could become full partners.

-more-

The benefits of this program are yet to be fully realized. We are pleased that First Chicago NBD will lead way in addressing a major concern in our community in helping to reach and initiate a consortium of workers from local colleges into the banking community. One of the benefits of this new plan (following a feasibility study to determine its structure), will be in the training of adult men and women from our local community colleges: Wayne County Community College and Lewis College of Business, for the demands for qualified workers in the banking industry. This Community Action Plan will help to prepare students from these colleges to come to work at the financial institutions of our community. This is indeed an innovative move on the part of the banking community. This demonstrates both the wisdom and the vision of those at First Chicago NBD and the Detroit Alliance For Fair Banking who believe that we must plan today in order to be financially prepared for tomorrow. The bank will also execute a pre-development banking strategy for financial support for businesses seeking loans.

We believe that the indications are very clear, that first Chicago NBD and BankOne will provide a sensitive ear and a doorway towards inclusion for those who must be a part of any mergers that impact their communities. We note with some degree of confidence, that we have been merged into this process and not squeezed out of it. It is for this reason that we can with confidence indicate our support for this merger.

###

**Personal Statement of
Bernard Parker**

August 13, 1998

My name is Bernard Parker and I am here representing three different factions of my community. As Co-Chair of the Detroit Alliance for Fair Banking, Executive Director of Operation Get Down, a community services organization located on Detroit's eastside, and as a Wayne County Commissioner representing citizens within the City of Detroit, I have and continue to be concerned with how banking transactions are conducted in my community. In addition to my community activism, I have also served on the Federal Reserve Advisory Council during the 1991-94 term.

It is with enthusiasm that I appear here today to offer my support of the merger of First of Chicago NBD and Bank One. My involvement with NBD first began in 1987 when an Ad hoc Coalition for Fair Banking (Coalition) was formed in Detroit after a local newspaper ran a series of articles called "Race for Money." These articles highlighted the disinvestment that was occurring by local banks in the City of Detroit. After lengthy discussions, the Coalition and NBD reached an agreement whereby NBD committed to increasing their consumer lending in Detroit. This agreement was essential to the economic development and revitalization of Detroit, its residents and the metropolitan community, but more importantly the agreement also established the basis of the long-standing relationship that NBD has had with the Detroit community. As a result of those initial discussions and negotiation sessions a better understanding and improved communication channel was carved out between NBD and the

FEDERAL RESERVE BOARD

Public Hearing

August 13, 1998

Personal Statement of

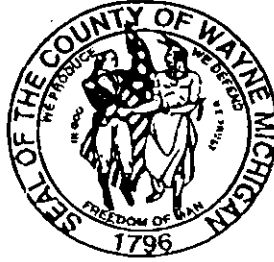
BERNARD PARKER

Co-Chair, Detroit Alliance for Fair Banking
Detroit, Michigan

Wayne County Commission

RICARDO A. SOLOMON
CHAIRMAN

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DIRECTOR & CHIEF
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FACSIMILE TRANSMISSION

TO: **Bernard Parker IN CARE OF Alicia Williams**
312.913.2626

FROM: Pearlette J. Ramos 

RE: Personal Statement

DATE: August 13, 1998

Please forward the attached personal statement to Bernard Parker who is scheduled to give testimony today at the Federal Reserve Board Public Hearing. If you have any additional questions, do not hesitate to contact me at 313.224.6459.