

EDD Overwhelmed With Unemployment Filings

The state Employment Development Department (EDD) is so overwhelmed by people wanting to file for unemployment that the computerized phone line is hanging up on callers. When you call EDD's toll free number, the caller will hear a recording stating that they are receiving more calls than can be answered. And then, after suggesting other ways to contact EDD, it says good-bye and hangs up.

Applying for unemployment benefits online works in a lot of cases, but several Orange County Register readers complain that their situation requires talking to someone and a hang up from EDD doesn't solve their problems.

According to EDD, the agency has been swamped by more than 2 million calls a day compared to 1.1 million at the height of the last recession in 2002. In 2002, so many people called the line it crashed the country's entire 1-800 system. The new phone line hangs up to control call volume.

An EDD spokesperson says the agency's first priority is to process benefits, which is taking some staffing away from the phone lines. Staff is working evenings and Saturdays just to keep up with the claims. The problem was compounded by a huge surge in people making claims at the end of last year. Overall, claims are up 80 percent from a year ago and the call volume has doubled, according to an EDD tips guide on frequently asked questions.

In December, EDD processed 376,000 unemployment applications plus



extensions for 53,000 other people who qualified for additional benefits approved by Congress.

Many of the extensions (about 47,000) have to be manually processed to determine eligibility. In addition, when the quarter ends, a lot of the extensions must be recalculated to determine the base wage period on which unemployment payments are determined.

The EDD says it will add more people to phone lines as quickly as training and funding allow, but funding is a problem. The state's unemployment insurance fund has fallen under \$500 million and the state is paying out \$30 million to \$34 million a day. State officials project the fund may be in the red by the end of the month. The state has applied to borrow an initial \$1.8 billion from the U.S. government to fund unemployment claims through March.

So since things aren't going to change anytime soon at EDD, all they can suggest is, try try again.

Upcoming Chamber Events

FEBRUARY 2 (MONDAY)

11:45 a.m. - 1:30 p.m. - Members Power Lunch at Tustin Ranch Golf Club. The cost is \$20.00/chamber members and \$22.00/first-time guests with advance reservations.

FEBRUARY 5 (THURSDAY)

11:00 a.m. - 7:00 p.m. - "For the Love of Tustin" Fair at the Clifton C. Miller Community Center (300 Cetennial Way, Tustin). General admission is \$10.00 and open to the public

FEBRUARY 11 (WEDNESDAY)

7:15 - 9:00 a.m. - Monthly Membership Breakfast and Police Officer of the Month Program, Tustin Ranch Golf Club. Advance reservations recommended.

FEBRUARY 12 (THURSDAY)

5:30 - 7:00 p.m. - New members are invited to the quarterly New Member Reception, Tustin Chamber offices.

FEBRUARY 14 (SATURDAY)

Happy Valentine's Day!

FEBRUARY 16 (MONDAY)

Presidents Day/Federal holiday. The chamber office will be closed in observance of this holiday.

FEBRUARY 26 (THURSDAY)

5:30 p.m. - 7:00 p.m. - Monthly Mixer hosted by Cranbrook Senior Living, 1262 Bryan Avenue, Tustin. Admission is \$10.00/chamber members, \$12.00/guests.





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 monthly publication of the
 Tustin Chamber of Commerce.*

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Chairman of the Board's Message

"Creating Opportunities Through Involvement"

By Scot Proud

January represented much change for all of us. We witnessed history with the inauguration of President Obama and the swearing in of our 44th President. This will probably be the trend for the remainder of 2009--change and more change as we all adjust to the challenges the economy presents us.

I have heard this many times, but these times do represent opportunities, so remember that a "recession is a terrible thing to waste." The Tustin Chamber provides many opportunities to turn this recession in favor of your business. Remember these following events--our monthly member breakfast, the bi-monthly Power Lunches, monthly mixers and ribbon-cuttings--provide ongoing networking opportunities to keep the name of your business in front of the community.

February 5th is the upcoming first ever "For the Love of Tustin" business fair. Another benefit the Chamber provides its members to assist in providing marketing events. Our next event isn't scheduled until May, so use this opportunity to kick start the new year. Contact the chamber office today to reserve your space now!

Our second annual China Business Tour is getting closer. The contingent of travelers is excited to go visit the home of the 2008 Summer Olympics in addition to other cities in China. The group leaves on March 19th for this 9-

day cultural and business adventure. For 2010, we are planning trip to Italy so stay tuned!

Needless to say, 2009 will be a year with many events designed to connect businesses to businesses. Look forward to learning more about the State of the City luncheon scheduled for June 5th, the Business Expo in May, and the Golf Tournament in September, to name a few.

Finally, the 2009 Nominating Committee is in the beginning stages of developing its slate of candidates for open seats on the Board of Directors. Election ballots will be mailed to active members on March 16th. If you are an active member, has served on various committees and/or chaired a major event, please feel free to contact either Marisa Charette or Ken Henderson, committee chair.

We look forward to seeing you soon at a Chamber event. Please stay in touch, let us know how we are doing, and help us by getting involved.

*Scot Proud
 Chairman of the Board
 Tustin Chamber of Commerce
 Vice President
 Farmers & Merchants Bank
 714-824-3070*

MISSION STATEMENT

"To preserve the free enterprise system; to preserve and expand the potential of all business and professional enterprises; and to promote the civic, cultural and social well-being of the City of Tustin and surrounding community."

County of Orange Cuts Jobs

In early January, Orange County handed out layoff notices to 210 social service workers. This is the first of several cuts expected to trim more than \$32 million from this year's budget. An additional 100 vacant positions in the agency were also eliminated.

About 58 job cuts are planned at the County Probation Department, and the Health Care Agency may also see steep cuts in the next few months. In addition, county officials are already talking about having to trim \$86 million from next year's fiscal budget, most of which are expected from local law enforcement.

County executives said the largest job cuts since the 1994 bankruptcy were forced by reductions in state funding

and are central to protecting the county's ability to provide key local services, such as law enforcement.

According to news reports, Orange County is not the only county in the state making severe cuts. Preliminary layoff notices were sent to 225 workers in Tulare County mid-January; San Francisco County dismissed 409 employees late last month; and Sonoma County is looking at eliminating 200-300 positions.

In Santa Ana, officials said they are still moving forward with plans to require all 4,200 employees at the Social Services Agency to take a mandatory 80-hour furlough over the next year to save additional funds.

* * *

If You're a Leader, the Chamber Wants YOU!

Have you ever wondered who decides on what programs and activities we hold? Have you also wondered what the Tustin Chamber's short-term and long-term goals are? Who helps guide the direction of the chamber?

The answer is your elected Board of Directors. Leaders in the business community, the Board of Directors create policies for implementation and serve as business advocates for all businesses in Tustin.

Board members have an opportunity to shape the direction of this chamber and be an active participant in the discussions regarding important issues that face the businesses. They are also informed about current legislation affecting business. Board members are kept abreast of important news about the city and its economic development, as well as receiving current updates from our schools.

As a current member in good standing and active in the chamber committees and councils, you are eligible to apply to serve on the Board of Directors. There are seven openings available on this 21-member board with three-year terms beginning on July 1, 2008.

Our Nominating Committee will select the final slate of board candidates. If you're interested in being considered for this slate, the deadline for consideration is February 10. Deadline for nomination from the field is March 6.

Call the chamber office for an application and for more information. Your completed application, resume and photo must be submitted to the Tustin Chamber office by the aforementioned deadlines.

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RONCO PLASTICS, INC.

Congratulations on 25 Years of Membership

New & Renovated Parks in Tustin

Citrus Ranch Park

Last fall, the City of Tustin began construction on the community's newest park, Citrus Ranch Park. Located at 1111 Portola Parkway, the 17-acre park will feature a themed children's playground, picnic shade structure, restrooms, pedestrian walkways and plaza areas.

A walking trail surrounded by one of the last citrus groves in Orange

County will provide breathtaking views of Orange County from its summit. A natural meadow and play field will

enrich the rural feel to those wishing to picnic in the grass.

Pine Tree Park

This spring, Pine Tree Park will have its 17-year old park equipment replaced. The new equipment will be highly interactive to facilitate creative and active play. Four new sets of equipment designed for different age groups will be installed. Pine Tree Park is at 1402 Bryan.

* * *



Welcome New Members

ALL STAR ELECTRIC HOLIDAY LIGHTING

Chris Van Velden, Representative
19912 Rothert Lane
Huntington Beach, CA 92646
TEL. 714-963-7154
FAX N/A

ARBONNE INTERNATIONAL

Babita Patel, Independent Consultant
2913 El Camino Real, Suite 814
Tustin, CA 92782
TEL. 714-343-5875
FAX 714-242-9275

ORANGE COUNTY MISSION CHIROPRACTIC

Dr. Corey King
1076 E. First Street, Suite B
Tustin, CA 92780
TEL. 800-718-4563
FAX 714-731-7779

RIPPLE KIDS, INC.

Bridget Belden, Founder/Executive Director
13681 Newport Avenue,
Suite 8-359
Tustin, CA 92780
TEL. 714-602-2295
FAX N/A

THE MORTGAGE MODIFICATION NETWORK

John Heatly, Manager
17581 Irvine Boulevard,
Suite 204
Tustin, CA 92780
TEL. 714-352-5900
FAX 714-352-5901

TUSTIN PERSONNEL SERVICES

Stacy Brown, Sales Manager
17702 Irvine Boulevard, Suite 101
Tustin, CA 92780
TEL. 714-544-6141
FAX 714-544-0571

"For the LOVE of Tustin" Fair



GENERAL ADMISSION

Thursday, February 5, 2009
1 PM to 7 PM

Clifton C. Miller Community Center
300 Centennial Way, Tustin

COST: \$10.00

Admission includes 1
drink ticket, souvenir bag,
1 opportunity drawing
ticket, entertainment,
networking and FUN!



State Public Works Projects May Be At Risk

Nearly \$5 billion worth of public works projects in California, including schools, roads and bridges, could be halted or indefinitely delayed--leading to the loss of thousands of jobs--unless lawmakers fix the state's massive budget mess, state Treasurer Bill Lockyer said last month.

Lockyer was among the state's highest-ranking finance officials to speak in early December before the Legislature's unprecedented joint session, warning lawmakers to quickly address the state's projected \$11.2 billion revenue shortfall for the current fiscal year.

If no solution is enacted soon, the state could run out of cash by mid-March.

Highway projects, school construction and other vital work in communities across California will be delayed or not even break ground. Lockyer added that if this happens, thousands of construction workers could lose their

jobs, tens of thousands of new jobs will not be created and businesses could lose billions in contracts with the state.

Local and state public works projects are financed from the state's Pooled Money Investment Account, which is a combination of the state's general fund, special funds, and monies deposited by cities and counties. The money is repaid when the treasurer sells the bonds. But without investors, the state will be unable to pay for the public works projects that voters have approved.

Lawmakers say they plan to hold committee hearings that began last month to dive into the state's budget and try to broker a package of solutions to eliminate the deficit.

* * *

California is 2nd Toughest State for Small Business

High taxes and burdensome regulations make California the second toughest state in the nation for small businesses, with only New Jersey scoring worse in a report card issued by a national organization of entrepreneurs.

The organization said California lost points for having a higher minimum wage than the nation and for having paid family leave that lets people collect partial pay for six weeks to take care of a newborn or a seriously ill family member.

Low-tax South Dakota and Nevada ranked as the friendliest states, according to the Small Business & Entrepreneurship Council. The 70,000-member group, which is based in Oakton, Va., weighed 34 factors, including a variety of taxes and mandated programs such as paid family leave.

"The more government costs you put on the backs of small business and entrepreneurs, the less you are going to get of all the good things they do, such as create jobs and new ideas," said Raymond Keating, chief economist for the council, articulating the philosophy behind the rankings. Keating said that, collectively, small businesses can have a big impact on any state. He cited figures from the

U.S. Small Business Administration, which defines a small business as having fewer than 500 employees. The SBA estimates that there are about 700,000 small businesses in California and that together they employ about 52 percent of the state's private-sector workforce.

As California tries to pull itself out of a recession, the SBA has calculated that small businesses created more than 80 percent of the jobs that were added to the state economy in 2005, the most recent year for which data was available. There is all this focus on bailing out the big corporations, but the reality is that between 60 percent and 80 percent of all net new jobs are created by small businesses.

State Scorecard

Here are the best and worst states for costs imposed on small businesses.

Top 5

1. South Dakota
2. Nevada
3. Wyoming
4. Florida
5. Washington

Worst States

46. Minnesota
47. Rhode Island
48. Maine
49. California
50. New Jersey

* * *

Amante Will Run for State Assembly

Tustin Councilman Jerry Amante has announced his candidacy for the 70th District of the California State Assembly. He will run in the 2010 election for a seat held by Assemblyman Chuck DeVore, who will be termed out.

A lawyer, businessman and Realtor by trade, Amante was elected to the Tustin City Council in 2004 and is serving as mayor pro tem. He also

holds the positions of vice-chair of the Orange County Transportation Authority and chair of the Foothill/Eastern Transportation Corridor Agency.

The 70th Assembly District includes portions of Tustin, Irvine, Newport Beach, Laguna Beach, Laguna Hills, Orange and Lake Forest.

* * *



WHEN: The first and third Mondays of each month (excluding holidays).

WHERE: Tustin Ranch Golf Club (12442 Tustin Ranch Road, Tustin)

COST: The cost is \$20.00 for chamber members and \$22.00 for first-time guests with advance reservations. Price at door slightly higher.

RSVPS: For reservations or information on how you can be a keynote speaker, call the chamber office at 714-544-5341 or e-mail us at info@tustinchamber.org.

USE YOUR POWER CARDS TO EARN REWARDS

Power Card #1. Attend 9 consecutive Power Lunches, and receive your 10 lunch for FREE (value of \$20.00)

Power Card #2. Have three guests attend a Power Lunch, and you will receive two (2) passes to the mixer (value of \$20.00).

Valuable Benefits of Chamber Membership:

Chamber members may attend membership breakfasts, luncheons and mixers; may serve on committees and councils; may attend fundraisers and special events.

Non-chamber members may attend one (1) chamber event only; they must be chamber members to attend additional events.

Business and Economic Development Council

Education and Workforce News

Introducing our Electronic Calendar for Community Events

After months of planning and obtaining the right equipment, we're pleased to announce that our electronic calendar is now up and running in the Tustin Information Center. Displayed on a 37" flat screen monitor, our comprehensive calendar has been a big hit with visitors.

For maximum community exposure and inclusion in the Tustin Chamber's electronic calendar, non-profit organizations that are chamber members are invited to submit their upcoming events approximately 3 months in advance. Due to space constraints, information will be limited to date, time, name of event, and sponsoring organization. Send event information to info@tustinchamber.org.

Tustin Library Update

The Tustin library is still on schedule to open in May or June. Upon completion, the existing building will be demolished to make room for a plaza and parking spaces with an expected completion date of September or October

A planter seat around a tree in the plaza to the east of the library will feature quotes in granite. Donor plaques, costing about \$400 each, will be placed around the tree in the plaza. About 70 people already have signed up for the tax-deductible donation. The plaza, between the library and the Tustin community center, will have umbrellas, seating and an open walkway leading to the civic center. The new library will have 152 parking spaces once the old building is torn down. The row of parking spots nearest Main Street will remain.

Tustin Information Center Now Offers Digital Advertising for Chamber Members



Getting your company's message on a digital billboard is the wave of the future, so don't get left behind. Because we are now living in a digital world, digital advertising can no longer be ignored. The impact of digital advertising is sensational and presents compelling alternatives to traditional media. Digital advertising allows multiple companies to share valuable advertising space at reduced cost per exposure.

See your company's name and message "up in lights" on our 42" flat screen monitor. The continuous display will run from 8:30 a.m. - 5:00 p.m. Visible to traffic on Main Street and to the hundreds of visitors that visit the Tustin Information Center, your advertising will reach thousands of potential clients--a superior return on your investment compared to traditional printed signs.

Advertising Rates for Chamber Members:

There is a 3-month minimum commitment for digital advertising. Artwork in JPEG or PDF formats are acceptable.
3 Months = \$100/Month
6 Months = \$85/Month
12 Months = \$50/Month

Call the chamber office for more information.

Prospect Village Offers \$5000 Referral Fee

When you introduce a friend or family member to Prospect Village that buys and closes escrow, you will earn a \$5,000 referral fee. Obviously it must be the first time the buyer visits the community, and certain restrictions apply. For more information, call Kristinna Sellers at 714-734-2335

How Business Can Help Improve Schools

The Tustin Chamber encourages businesses to get involved with local schools. Go to www.jftk-ca.org to find information about how schools in your area are performing. If a school in your area is doing well, make sure state and local opinion leaders (elected officials, media representatives, community groups) know that schools in your community are honor roll schools being recognized for significant student academic achievement. Encourage those opinion leaders to find out more about these schools by visiting and talking to school leaders and faculty.

Help give honor roll schools a voice in your region and help them share their "best practices" with other schools in the community. If schools in your area need to improve, encourage school leaders to tap into the experience of their peers at the nearest honor roll school.

* * *

Chaired by David Ward/Patriots Federal Credit Union.

The Business & Economic Development Council (BEDC) is open to all chamber members. Meetings are on the second Thursday of each month, 8:00 a.m., Tustin Chamber Board Room.

Governmental Affairs Council

Family and Medical Leave Act Update

Family and Medical Leave Act of 1993 (FMLA) has new regulations that went into effect January 16, 2009.

Under the FMLA, employers with 50 or more employees are required to provide up to 12 weeks of unpaid leave for the birth or adoption of a child, or for a serious health condition. This new rule clarifies how FMLA leave affects the substitution of paid leave, perfect attendance awards, and light duty assignments. This rule also specifies that leave-takers with chronic conditions are required to have two doctor's visits annually.

This rule requires four types of employer notifications and provides more time for these notifications. Employees are also required to provide sufficient and timely notification to their employers, removing provisions that allowed employees to notify their employers up to two full business days before an absence. Employers can now require employees to comply with the employer's call-in procedures for notification.

Also, employers can now ask for annual medical certifications for conditions that last over a year, and they can request re-certifications and fitness-for-duty certifications under certain circumstances.

ADA Amendments Act

Amendments to the American with Disabilities Act (ADA) went into effect January 1, 2009. The amendments overturn a series of Supreme Court cases, expanding the number of workers who are considered disabled under the ADA and increasing the number of employers that must make reasonable accommodations for these employees.

The ADA defines a "disability" in part as a "physical or mental impairment that substantially limits a major life activity of an individual." The ADA Amendments Act emphasizes that this statute should be broadly interpreted to cover more individual, and in particular, it directs the Equal Employment Opportunity Commission to interpret the term "substantially limits" in a future rulemaking. The amendments also provide commonly used examples for the undefined ADA term "major life activity," such as seeing, eating, sleeping, and thinking. This provision also adds "major bodily functions" such as functions of the immune systems, digestive, and neurological functions to this list, which could lead to an expansion of workers considered disabled under the ADA.

This Act makes it easier for individuals to claim that they are disabled based on the perception of disability. The ADA amendments will shift the focus of litigation from whether an employee is disabled to whether there was discrimination in the workplace.

They also leave many questions unsettled. For instance, which disabilities will be considered to "substantially limit" a major life activity, and what types of "reasonable accommodations" employers may provide.

New OSHA Rules Took Effect January 12, 2009

OSHA now has a new and powerful weapon in its arsenal to hit companies hard for PPE and training violations.

Starting Jan. 12, 2009, OSHA can issue per-employee citations for those types of violations. While OSHA says it intends to use these new measures

only in egregious cases, the standard doesn't spell that out specifically. OSHA is relying on a directive to its inspectors to determine when per-employee citations will be made, but directives can change without going through the formal rulemaking process.

What will this mean financially to companies who have some workers who don't always wear their personal protection equipment (PPE)? The multiplication factor is the number of employees.

In the case that sparked this rulemaking, an employer hired 11 undocumented Mexican workers to handle asbestos without providing each a respirator. OSHA wanted to issue 11 separate citations, but a court consolidated them into one. Under the new rule, the fine would have been 11 times as much.

All sorts of employers are affected by this. OSHA amends PPE and training standards for general industry (Part 1910), shipyards (Part 1915), marine terminals (Part 1917), longshoring (Part 1918), and construction (Part 1926).

For now, OSHA claims it will rely upon its guidance document, "*Handling of Cases To Be Proposed for Violation-By-Violation Penalties.*"

Chaired by members of the Executive Committee.

The Governmental Affairs Council is open to all chamber members. Meetings are on the last Wednesday of each month, 7:30 a.m., Tustin Chamber Board Room.

SBX1 28 Legislation May Mean Higher Tax Bills for Businesses

On January 23rd, eleventh-hour legislation passed without public hearing as part of the California budget package in October 2008. This will result in many companies having to make a large, new and unexpected tax payment--possibly in the multimillions of dollars--now or before May 31, 2009, depending on the company's tax filing schedule.

The legislation, SBX1 28 (Committee on Budget), created a new, nationally unprecedented strict liability penalty, on top of significant penalties that already exist for underpayments and inaccuracies which California companies will have to pay if the Franchise Tax Board (FTB) decides that a company has under-reported taxes in excess of \$1 million after the bill's May 31, 2009 deadline. The amount of the penalty is 20 percent of the understatement amount.

The new penalty means that expansive amounts of capital may be tied up with FTB during this recession rather than being invested in our economy. The penalty's \$1.5 billion in projected revenues is affected by essentially forcing companies to overpay their taxes by May 31, 2009 and to include amounts reasonably in dispute, in order to ensure they incur no 20 percent penalty if the dispute is decided against them. If the dispute is decided in the company's favor, it will eventually receive a refund, but in the meantime, the state has received a forced, below-market rate loan.

Impacts Tax-Compliant California Companies

For companies with large, complex tax returns, \$1 million or more can easily and reasonably be in dispute. A \$1 million understatement could result from circumstances outside of the company's control. For example,

companies that sell products internationally are sometimes in the middle of pricing disputes between the IRS and other countries, which when resolved can significantly change the company's federal and state tax liability after the fact. Normally, these complexities are resolved between companies and FTB over time. However, SBX1 28 penalty is a strict liability penalty. This means it will apply even if a company has no culpability.

Companies hoping to avoid the new penalty must make a "defensive" overpayment of their taxes by May 31, 2009. To do so, companies will be forced to guess or speculate what the defensive payment must be in order to take into account a multitude of unknown or uncertain possibilities that could affect their tax liability after they file. This may mean paying two to three or more times the potential understatement amount.

Overpayments will eventually be refunded, but meanwhile, at a time when companies are cash-strapped, this is a forced loan at below-market interest rates to the state of California. Additionally, the need to defensively overpay will mean expensive new administrative burdens and additional tax filings for companies. Refunds of defensive payments made in the 2005 state amnesty program, which contained a similar penalty structure, are still being processed by FTB.

Types of California Companies Affected

Companies of all types and sizes that have a significant business presence in California may be harmed by the new penalty. California's largest job-creating companies and investors -- such as multistate or multinational companies -- will have less capital for jobs, research and development (

R&D) and economic sustainment and recovery. Smaller companies, such as subcontractors, who provide goods and services to these larger companies may suffer from less business.

Penalty Applies Retroactively and Permanently

The penalty retroactively applies to tax years going back to 2003. Since the penalty is permanent, tying up multimillions with FTB may be something companies will have to deal with every year on an ongoing basis.

Action Needed

The California Chamber of Commerce is actively involved with this issue but needs to hear from impacted businesses. The CalChamber recommends that businesses consult with their tax professionals to determine whether the new tax requirements affect them. Please contact Kyla Christoffersen at kyla.christoffersen@calchamber.com if the new penalty is a priority issue of concern for your company and share how it is impacting your company.

* * *

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**DONALD B. LANE,
A PROFESSIONAL
CORPORATION**

**Congratulations on
20 Years of Membership**

**NATIONAL CENTER FOR
MISSING & EXPLOITED
CHILDREN**

**Congratulations on
10 Years of Membership**

February Membership Anniversaries

34 YEARS

Boys & Girls Club of Tustin

25 YEARS

Ronco Plastics, Inc.

20 YEARS

Donald B. Lane, A Professional Corporation

10 YEARS

National Center for Missing & Exploited Children

9 YEARS

KB Tustin Investors, LLC/Vector Realty Investments

8 YEARS

Dawn Food Products

7 YEARS

Embassy Suites
MetLife Home Loans

6 YEARS

AmanteLaw
JDP Photography

5 YEARS

American Cancer Society
Cookie Lee Jewelry

4 YEARS

Signs Now of Orange County
South Coast Performing Arts
Tustin Ranch Collision

2 YEARS

Acorn Benefits Consulting
Time Warner Cable

1 YEAR

Boy Scouts of America
Child Development, Inc.
Cranbrook Senior Living of Tustin
Finders Keepers Furniture
Infinity Cremation Society
Right at Home In Home Care & Assistance



Feds Revise I-9 Forms

The federal government recently announced that a new I-9 form is on the way. What's going to change, and what does it mean to HR?

Here's an overview of the changes in a set of new I-9 rules proposed in January by the U.S. Citizenship and Immigration Services (USCIS):

1. No Expired Documents

Expired documents will no longer be accepted for employment verification. Right now, passports and all List B documents are acceptable even if they're expired. But the Department of Homeland Security wants to do away with that, because expired IDs are more prone to fraudulent use and harder to verify as authentic.

2. Changes to the List of Acceptable Documents

The new rule also removes several documents from List A: The "Temporary Resident Card" (form I-688) and the "Employment Authorization

Cards" (Forms I-688A and I-688B). USCIS no longer issues those cards, and any that are in circulation have expired by now. Instead, people are issued Form I-766, which remains on the list.

Also, the new I-9 will add to List A: The U.S. Passport Card (a cheaper passport alternative only valid for land or sea travel that the Department of State started issuing earlier this year); foreign passports containing machine-readable visas; and passports from certain citizens of the Federated States of Micronesia and the Republic of the Marshall Islands.

3. Technical Changes

The new form also makes a few minor, technical changes in language and wording. For example, references to "employment eligibility" are replaced with "employment authorization." Also, employees can now attest to being a "noncitizen national of the

United States" (people born in American Samoa and the former Trust Territory of the Pacific Islands).

When is it Official?

How soon will you have to use the new form? The feds are collecting comments on the new rule now, after which a final rule will be published in the Federal Register. The new form will be required starting 45 days after publication. We'll keep you posted when the date is set.

* * *

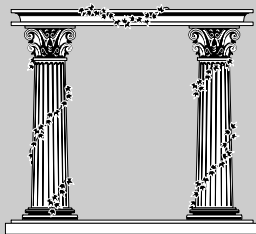


Pillars of the Chamber

The "Pillars of the Chamber" sponsorship program is for active Chamber members who take pride in being identified as general sponsors for all Chamber events and activities conducted throughout the year. Special on-going recognition and additional benefits are received in return for this one all-inclusive subscription. Thank you to our Pillar Sponsors:

- ❖ **AT&T California**
- ❖ **CR&R, Inc.**
- ❖ **Farmers & Merchants Bank**
- ❖ **Kimbrell Insurance Agency**
- ❖ **Optimum Audio Video Design**
- ❖ **Patriots Federal Credit Union**
- ❖ **Sky Lending Group**
- ❖ **The Market Place/The Irvine Company**
- ❖ **Tustin Ranch Golf Club**
- ❖ **Union Bank of California/Tustin Ranch Branch**
- ❖ **The District at Tustin Legacy/Vestar Development**

For more information regarding Pillar Sponsorship, call Marisa Charette at 714-544-5341.



Vacant Office Space Expected to Increase

Vacancy rates in office buildings exceed 10 percent in virtually every major city in the country and are rising rapidly, a sign of economic distress that could lead to yet another wave of problems for troubled lenders.

With job cuts rampant and businesses retrenching, more empty space is expected from New York to Chicago to Los Angeles and Orange County in the coming year. Rental income would then decline and property values would slide further. The Urban Land Institute predicts 2009 will be the worst year for the commercial real estate market since the 1991-1992 industry depression.

Banks and other financial companies have not had the problems with commercial properties in this recession that they have had with residential properties. But many building owners, while struggling with more vacancies and less rental income, will need to refinance commercial mortgages this year. The persistent chill in lending from banks to the credit markets will make that difficult, even for borrowers who are current on their payments, thus setting the stage for loan defaults. The prospect bodes ill for banks, along with pension funds, insurance companies, hedge funds and others holding the loans or pieces of them that were packaged and sold as securities.

Stock analysts say commercial real estate is the next ticking time bomb for banks, which have already received hundreds of billions of dollars in capital and other assistance from the federal government. Just as home loans were pooled, then carved up and sold to investors as securities over the last two decades, commercial property loans were repackaged for the financial markets. In 2006 and 2007, nearly 60 percent of commercial property loans were turned into securities, according

to Trepp, a research firm that tracks mortgage-backed securities.

Now that the market for those securities has dried up, borrowers cannot easily roll over the loans that are coming due.

Many commercial property owners will face a dilemma similar to that of today's homeowners who cannot easily get mortgage relief because their loans were sliced and sold to many different parties. There often is not a single entity with whom to negotiate, because investors have different interests. By many accounts, building owners have been caught off guard by how quickly the market has deteriorated in recent weeks.

Rising vacancy rates are expected in Orange County, center of the subprime mortgage crisis, as well as New York, where the now shrinking financial industry dominates office space. But vacancies are also suddenly climbing in Houston and Dallas, which had been shielded from the economic downturn until recently by skyrocketing oil prices and expanding energy businesses. In Chicago, brokers say demand has dried up just as new office towers are nearing completion.

There is no relief in sight for Orange County. The vacancy rate has soared from 7 percent at the end of 2006 to 18 percent, a rate that the Tampa area should match this month, local real estate brokers say.

In New York, where rents had risen the highest as financial companies gobbled up office space, vacancy rates are floating above 10 percent for the first time in years.

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POLICE OFFICER OF THE MONTH DECEMBER 2008

Police Officer Ryan Coe

Ryan Coe grew up in the Antelope Valley where he graduated from Valencia High School and later attended Antelope Valley College. He served four years in the United States Air Force as a Military Police Officer and

graduated from Golden West Police Academy in 2005 as the Class President.

Ryan began his career with Tustin Police Department in September 2005. He has worked in the Patrol Division and also serves on the Tustin Police Honor Guard. Ryan is currently assigned to the General Investigations Unit and has brought a fierce work ethic to the team.

Ryan is married to his wife Ashley, a Beckman High school teacher, and they have a daughter named Avery. In his spare time, Ryan plays on a traveling police softball team based in Orange County and he is widely recognized as one of the top police softball players in the nation.

During the late summer of 2008, Orange and Los Angeles County Target Stores were being victimized by the same female suspect cashing counterfeit traveler's checks at their stores. The Tustin Target store was also victimized several times during this crime spree and the cases were assigned to Detective Ryan Coe.

No finger prints were discovered on the recovered bogus traveler's checks. Detective Coe began collecting security video from Target Stores in other cities to compare those crimes to the Tustin crime. Security evidence proved the same suspect was committing all the crimes and had stolen approximately \$10,000 in only a few weeks. Ryan located a lead from a counterfeit case in a Buena Park Target store. The female suspect used a counterfeit traveler's check to purchase Target gift cards. She then purchased Target



Officer Ryan Coe receives recognition from Councilman John Nielsen

merchandise using the gift cards. The purchase totaled more than the gift cards and the woman attempted to use a counterfeit credit card to pay the balance. The counterfeit credit card was declined. The woman went ahead and paid

the remaining balance due with her personal credit card. This ultimately provided Ryan with the suspect's name.

After extensive investigation including many long nights searching potential addresses, Ryan was able to locate the suspect's car which was parked in the front of a Palmdale house belonging to the suspect's mother. The suspect was located and arrested. Counterfeit traveler's checks, credit cards, and forged personal identification in a variety of names, with the suspect's picture were seized as evidence.

As a result of this investigation by Detective Ryan Coe, 87 counts of commercial burglary were filed against the suspect who remains in Orange County Jail. Target Corporation sent a letter of commendation for Detective Coe's outstanding work on this case.

Therefore, in recognition of Police Officer Ryan Coe for his diligence and determination to apprehend a sophisticated forgery suspect singlehandedly, preventing thousands of dollars in additional losses to businesses in Tustin and outside of our city, it is with great pleasure we honor him as the Tustin Chamber of Commerce Police Officer of the Month.

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Donors List JANUARY BREAKFAST "Police Officer of the Month" Gifts & Services

Barrhomes Real Estate

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Flavio's Italian Kitchen

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The Toll Roads

Tustin Chamber of Commerce

Tustin Community Bank

Tustin Ranch Golf Club

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Our deepest appreciation to the above businesses for their generous contributions and support of the Police Officer of the Month Program. Please remember to patronize the above businesses. Thank you!

* * *

... Memorable Moments at our Power Lunch Meetings ...



**Join us on the 1st
and 3rd Mondays
of the month**



**Make your
reservations today.**

Maximize your business's exposure with a ceremonial ribbon cutting. Ribbon cuttings are generally held Mondays, Wednesdays or Thursdays in the afternoon or after work for maximum attendance. Ribbon cuttings are generally attended by members of the Tustin City Council, Chamber board members and staff. For more information, call the Chamber office at (714) 544-5341.