Raytheon enters new arena

McKinney unit is key to defense contractor’s move into commercial products

BY CANDACE CARLISLE | STAFF WRITER

Defense contractor Raytheon Co. is introducing its first commercial command and control defense center, with key elements of the technology and infrastructure coming from the company’s McKinney-based camera and radar design experts.

The commercial venture will likely add 100 high-tech jobs to its 9,000-employee North Texas workforce. Raytheon has more than 4 million square feet of facility space in North Texas and does not expect that to grow in relation to the commercial venture.

Raytheon officials say heightened demand for high-tech, comprehensive security in the private sector, as well as a flat defense market, led the company to spend tens of millions of dollars and three years developing the commercial system, Clear View.

The defense industry is likely nervous about decreases in government security spending, said John Isaacs, executive director for the Council for a Livable World, a Washington, D.C.-based advocacy group that tracks military defense spending.

The national defense budget ticked up more than 3 percent to $549.9 billion for the 2011 fiscal year, he said, but those additional dollars were for military operations, not research and development.

DELIVERING RESULTS

COO Kim Dixon keeps FedEx Office on track toward international expansion targets by making sure customers are satisfied.

FACE TIME, P12

Doctors improve diabetes testing

Proper testing, treatment can save business millions

BY BILL HETICK | STAFF WRITER

North Texas doctors improved their care of people with diabetes between 2007 and 2008, and provided better care for the disease than the national mean, according to reports released this week by a local business/health group. The Dallas-Fort Worth Business Group on Health mailed reports to 1,259 area family, general and internal doctors and endocrinology specialists assessing their care for adults with Type 1 and Type 2 diabetes in 2008, the latest year with complete data.

North Texas employers closely monitor diabetes care because of the rapidly increasing cost to treat it. More than 300,000 people in the Dallas-Fort Worth area have diabetes, according to the American Diabetes Association. Diabetes-related health care costs $4.3 billion a year in the Dallas-Fort Worth area, and that’s expected to rise to $7.3 billion by 2025, said David Toomey, regional president of Cigna HealthCare.

More than 23 million Americans have diabetes, costing $174 billion a year in medical expenses. One recent study showed better management reduced average total health care costs by $1,079 per patient annually.

“If you’re a CEO, and you’ve got some physicians who are performing at an A-level, wouldn’t you want more of your employees going to that A-level doctor?” Toomey asked.

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N. Texas bank deposits slip

Plenty of money still available for ‘qualified’ lending

BY JEFF BOUNDS | STAFF WRITER

North Texas banks held $150 billion in deposits at the end of the second quarter, according to market share data and a Houston investment banker who specializes in financial institutions.

A challenge, said Dan Bass, managing director at FBR Capital Markets, is finding qualified borrowers.

According to market share data from SNL Financial, deposits at the region’s 25 largest banks shrank slightly from $155.4 billion in the second quarter of 2009 to $150 billion for the second quarter of this year, which ended June 30. The data are on a “pro forma” basis, meaning they have assumptions or hypothetical conditions built into them. The largest banks are determined by their total deposits.

There are no changes to (regulatory) rules. Banks are more stringent now. They don’t want defaults on loans.

David Moody, president of Colonial Savings, a Fort Worth-based thrift, agrees with Bass’ assessment. “They have a lot of cash sitting around, but they don’t have a lot of qualifying loan demand.”

Behind the numbers

The second-quarter data, which is the latest available, shows deposits in the Dallas-Fort Worth area were concentrated in the hands of a few institutions, with the top five banks controlling roughly two-thirds of all deposits locally. Bank of America Corp. alone had $48.9 billion, or nearly a third of local deposits. JPMorgan Chase & Co. and Wells Fargo & Co. had $29.5 billion and $23.8 billion, respectively. The No. 2 area bank as measured by local deposits, had $29.6 billion, or 18.7 percent of area deposits, according to the SNL/SNR/FRB data. Bass cautioned that a double-digit percentage change in deposits at a large bank could be the result of funds being transferred out of the North Texas area to another part of that institution.

Indeed, while North Carolina-based Bank of America posted an 18.5 percent drop in D-FW area deposits, according to the SNL/SNR/FRB data, BBVA says that because of an acquisition and other growth, its local deposits actually grew 47.5 percent.

Location-based services that allow people to use their mobile phones to do everything from keeping track of their kids’ whereabouts to finding nearby restaurants are becoming a billion-dollar industry, and business is expected to drive the growth.

Location-based services that allow people to use their mobile phones to do everything from keeping track of their kids’ whereabouts to finding nearby restaurants are becoming a billion-dollar industry, and business is expected to drive the growth.

Barbara Lancaster, president of LTC International, a Richardson telephone consultation company, said finding services that consumers will pay for is a challenge. However, Lancaster Globochansky, recently appointed director of industry solutions at AT&T Inc.’s Business Solutions unit, said businesses are showing a willingness to pay for location services.

“We see this as a huge opportunity,” Globochansky said. “Businesses will pay for them.”

Businesses might also use the services for internal efficiency and cost cutting. Data Magic Computer Services, a Coppell technology services firm, uses an AT&T service to track where employees are during the day, along with having workers clock in and out remotely and even doing digital invoices and billing.

“It’s really transformed us,” said Shane Kimbrel, vice president of Data Magic. He estimates service technicians are able to do one or two more calls a day than they were before, and the company is sending more precise billing statements much faster.

“I’m doing much more with less,” he said.

AT&T officials declined to reveal how much revenue the company generates from offering location-based services. Its services are subscription-based, meaning the user — consumer or business — pays.

San Antonio-based market research firm Frost & Sullivan estimates that in North America last year, wireless carriers generated $718 million from location-based software applications that were installed on wireless devices like smartphones. That should grow

United 1 growing in move to Carrollton

Contract manufacturer, packaging firm will add jobs and target $50M annual revenue in new, larger space

BY BILL METCHKO | STAFF WRITER

Private-label packaging and filling company United 1 International Laboratories will almost double its size and add employees in a headquarters and facilities move from Farmers Branch to Carrollton.

The contract manufacturer and packager of liquid supplements, tanning products, shampoos and car polishes has signed a 10-year lease for 108,000 square feet at 151 Champion Drive in the Valwood industrial park in Carrollton. The company plans to move Dec. 1.

The lease rate for the space was not disclosed, but the asking rate was $1.50 per square foot annually. United 1 also has the option to buy the building, which is listed for sale for $5.5 million and owned by Dallas-based Vintage Interests.

United 1 now leases 62,000 square feet at 4611 Nall Road in Farmers Branch, where it employs 77 people, said George Mitchell, president of the 4-year-old company. The company will add about 30 jobs with the move, including compounding technicians, assembly workers, food scientists, clerical and other positions that pay from $10 to $40 per hour, said Mitchell, a chemist who formerly worked in the cosmetics industry. The company has $15 million in annual revenue.
ENTACT projecting 15-20% revenue growth

Grapevine-based environmental services firm gets $70M in capital; adding employees locally and companywide

BY CANDACE CARLISLE | STAFF WRITER

Grapevine-based ENTACT Environmental Services Inc. is growing in its local and system-wide employee headcount and projecting double-digit revenue increases in each of the next five years.

The 20-year-old environmental remediation company, which has had annual revenue of $150 million over the past five years, recently received $70 million from two Texas private equity firms in exchange for 70 percent of the company. About 15 of the original private equity firms in exchange for 70 percently received $70 million from two Texas of the firm, and ENTACT’s managing owners plan to share the remaining 30 percent of the company. About 15 of the original private equity firms in exchange for 70 percently received $70 million from two Texas.

Investors with TGF Management Corp. and Austin Ventures, both based in Austin, found the company an attractive investment because of its consistent revenue performance and projected growth, said President Greg Tunstall. TGF Management Corp. is a private equity firm that focuses on finding middle market companies in the Southwest. Austin Ventures is a venture capital and growth equity firm that provides startup and growth capital for emerging companies in the technology and service industries.

Officials expect to grow the company nationally and internationally and anticipate a public offering or merger in another 10 years.

The growth is expected because of additional regulations and oversight on the horizon for the oil and gas, chemical, mining, and metals, transportation and heavy manufacturing industries, Tunstall said.

“As the regulatory environment gets more pressure from industry, there’s more dollars and more work to do,” he said.

Regulation for the oil and gas industry has been coming from all angles, from the federal, state and local governments, said John Baen, a professor at the College of Business at the University of North Texas and an expert on the industry.

“With more regulation and more inspections, this leads to more environmental service companies having a bigger part of the play,” Baen said.

That regulation will likely mean a temporary boon for ENTACT, but the regulatory bubble will probably burst in the next few years as oil and gas companies continue to push back on regulatory laws, he said. ENTACT is planning to hire five to 10 specialized employees in the Dallas and Houston area, with about 120 other employees added throughout the country and internationally, Tunstall said.

The company has nine locations throughout the United States and more than 400 employees.

The additional North Texas employees will office out of the 12,000-square-foot Grapevine headquarters, he said. Company officials are projecting 15 percent to 20 percent annual revenue growth over the next five years and plan for the company to expand internationally, he said.

After that, the future is hazy and continued expansion of the organization is dependent largely on industry regulations and politics, Tunstall said. However, the projected surge in commercial development will bring more work to the firm, he said.

“There are a lot of unknowns out there ... but backlog has never been bigger and we have contracted more than we ever had in the past,” he said.

“I’m optimistic about the future.”

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BY KENT HOOVER | WASHINGTON BUREAU CHIEF

Twenty of the 26 House Democrats deemed to be “guardians of small business” by the National Federation of Independent Business are at risk of losing their seats, according to the Cook Political Report.

That would be unfortunate, said Giovanni Coratolo, the vice president for small-business policy at the U.S. Chamber of Commerce. The chamber is running ads on behalf of 10 House Democrats who face strong GOP challenges.

“It’s the chamber’s way of rewarding those who have been good to us,” Coratolo said. “It gives us our credibility.”

“The business community hates to lose a pro-business congressman regardless of which side of the aisle they sit on,” Coratolo added.

Brad Close, the NFIB’s top House lobbyist, said the business community needs to reach out to more Democrats.

“It helps to have friends on both sides of the aisle,” Close said, especially during negotiations between the House and Senate on reconciling the differences in each chamber’s bills.

Eye of the beholder

Support for small business is in the eye of the beholder, however. Almost all Republicans, for example, opposed the Small Business Jobs Act, which aims to make it easier for small firms to get credit by expanding Small Business Administration loan programs and creating a $30 billion fund for community banks to use in making small-business loans. The legislation, which was signed into law Sept. 27, also includes targeted tax breaks for small businesses.

Jere Glover, a Washington attorney who headed the SBA’s Office of Advocacy during President Bill Clinton’s administration, calls the bill “the biggest single piece of legislation in, let’s say, 25 years” for small businesses.

Republican leaders opposed it because they didn’t want Democrats to win a legislative victory, he said.

John Arensmeyer, who heads Small Business Majority, an advocacy group that supported the Small Business Jobs Act, health care reform and financial regulatory reform said “Democrats in general had small businesses’ interest more at heart in this last Congress than Republicans.”

Democrats as a whole have become more aware of small businesses’ needs, he said. They won’t become less friendly to small businesses if endangered moderates lose their seats, he said.

That’s because Democrats, as well as Republicans, understand that Americans view small businesses more favorably than any other institution, Glover said.

“I suspect that small businesses’ status will go up no matter what happens in the elections,” he said.

Partisan divide could widen

Anytime voters make major changes in the makeup of Congress, “moderates always lose out,” said Molly Brogan, vice president of the National Small Business Association.

That makes compromise on any issue more difficult, she said.

A massive turnover of House seats also will make it more challenging to educate members on small-business issues, Coratolo said.

ENDANGERED ‘GUARDIANS OF SMALL BUSINESS’

These House Democrats, who received awards from the National Federation of Independent Business, are among those in danger of losing their seats Nov. 2.

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Source: Cook Political Report (Oct. 11 ratings)

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Source: Cook Political Report (Oct. 11 ratings)
Small firms get $2B VC through SBA

BY KENT HOOVER | WASHINGTON BUREAU CHIEF

The Small Business Administration’s venture capital program provided more than $2 billion in financing to 1,331 small businesses in fiscal year 2010. That’s a 10 percent increase for Small Business Investment Companies compared with the previous year. SBICs are privately run VC firms licensed by the SBA. They raise their own money but also leverage SBA-provided financing. They fill gaps in smaller investments, and in industries and geographic areas often neglected by other venture capital firms.

There are more than 300 SBICs, with more than $16 billion in capital. They’ve hit some home runs over their 52-year history: Federal Express, Outback Steakhouse and Callaway Golf received SBIC investments in their early years.

SBICs also struck out a lot. Large losses to the federal government from SBIC equity investments led the SBA to begin winding down one SBIC program, participating security investments, in 2004. As a result, these equity investments have been dropping every year. In 2010, for example, participating securities investments totaled only $363 million, compared with $1.5 billion in 2006. The end of that program had resulted in a decline in total SBIC financings until 2010.

Now the other part of the SBIC program — debentures, or long-term loans to small businesses — is taking off. This program provided a record $1.6 billion in financing to small businesses in fiscal 2010. That’s up 23 percent from fiscal year 2009.

Startups accounted for 225 businesses of the 1,331 small businesses financed in 2010 by SBICs. The average investment by SBICs grew to $833,862.

For information, see www.sba.gov.

Ex-Im Bank provides record amount of export financing

The Export-Import Bank of the United States provided nearly $25 billion in export financing in fiscal year 2010. This record volume supported 227,000 jobs at 3,300 U.S. companies, according to Washington, D.C.-based Ex-Im Bank, an independent federal agency that provides working capital guarantees and export credit insurance to U.S. companies as well as loan guarantees and direct loans to foreign buyers of U.S. goods and services.

More than 1,000 companies used Ex-Im financing for the first time last year. Small businesses received a record $5 billion in Ex-Im Bank support.

“There remains enormous untapped potential for more American companies to sell more goods and services to more customers in more countries,” said Ex-Im Bank Chairman and President Fred Hochberg.

One way Ex-Im Bank hopes to serve more small businesses is by providing reinsurance to private-sector insurers that provide short-term export credit insurance to U.S. exporters to cover foreign receivables. Altradius Trade Credit Insurance is the first insurer to sign a reinsurance contract with Ex-Im Bank.

The new product is aimed at making it easier for small exporters to get short-term export credit, a market that tightened when the financial crisis hit in late 2008.

For information, see www.exim.gov.
Social media saves money for Brinker

BY KERRI PANCHUK | STAFF WRITER

Dallas-based Brinker International has turned social media outreach toward its own employees, saving $300,000 alone in a recent training through reinvented internal communications.

The parent company of Chili’s Grill & Bar and Maggiano’s Little Italy launched Brinker Nation just more than a year ago. The interactive, three-dimensional employee communications site brings HR functions, training activities and internal corporate communication to a less costly and more engaging platform, company officials say.

“It sounds pretty cutting edge to me,” said Linda Jacobson, an internal communications consultant with Fort Worth-based Que PR. She said most of the Fortune 500 and midsize companies she advises on internal communications still operate from static, intranet portals.

“(Brinker’s site) is pushing that out even more and using technology in a very creative way,” she said.

Jennifer Hartley, Brinker’s vice president of recruiting and learning, says companies can save hundreds of thousands and even millions of dollars using advanced technologies and social media to engage employees.

The big savings are in printing costs and training, she said.

“Using Brinker Nation for training versus the traditional, virtual classroom for just one national rollout program saved us 46 cents per team member, per minute, totaling more than $300,000 across our system,” she said.

Brinker has 1,550 franchise-operated and company-owned restaurants and 68,800 employees worldwide. It posted annual revenue of $2.85 billion in the most recent fiscal year.

Hartley credits the design of Brinker Nation for the savings since the site coordinates well with meeting software. That is a big change from a year ago, when Brinker — like many companies — operated internal communications from a static, intranet page.

Hartley anticipates even more savings from the Brinker Nation site.

“One of the companywide initiatives we are piloting now is proving to be another example of tangible savings in terms of how we communicate and train using the new program. With this one initiative alone, the traditional means of training and communication would have meant hosting classroom training in each city and state and would have cost well in excess of $3 million to $4 million. Using our existing learning technology along with virtual classrooms, we’re spending less than $300,000,” she said.

What is Brinker Nation?

When Chris Ebbeler, Brinker’s senior manager of workplace community and people branding, gives tours of Brinker Nation, his first stop is the home page, which easily could be described as “Chili’s meets Gotham City.”

The cityscape is interactive and three-dimensional, allowing employees to click on skyscrapers to retrieve streams of information, interactive social media and other employee-related items.

The site, available to all employees, has had the desired impact. One young employee, for example, posted in a message that she signed up for a 401(k) for the first time in her life, mainly because the consolidated site and social media design made it easier to understand.

Those who worked on the site from conceptualization to rollout say Brinker Nation’s overall strategy is to encourage all employees to share thoughts and advice through forums and social media.

“There’s something powerful that happens when our dishwashers can connect with our CEO. We’ve become a more streamlined company and have reinforced that everyone’s voice matters. Ultimately, we have to find a way to make a big company feel small again, and Brinker Nation allows us to do that,” said Hartley.

Ebbeler describes it as “breaking down silos.”

REACHING IN: Brinker International’s Chris Ebbeler, senior manager for workplace community and people branding, says social media-based internal communications have broken down silos.
Local firm sued for $5M in Stanford-related case

Receiver in Stanford fraud case wants money paid to Addison-based Dillon Gage; NY firm wants gold

BY JEFF BOUNDS | STAFF WRITER

The receiver in the Robert Allen Stanford securities-fraud case is suing a North Texas firm that trades in precious metals, seeking $5 million the Addison company received shortly before Stanford’s alleged $7 billion Ponzi scheme came to light, court records show.

This is the second time Dillon Gage Inc. has been sued over payments it received from Stanford Coins & Bullion Inc., a unit of Stanford Group Holdings Inc. Stanford Group Holdings was owned by the Houston businessman, who is awaiting a January 2011 trial on various charges relating to the alleged fraud.

In March 2009, New York based Gagosian Gallery Inc. sued Dillon Gage and the Stanford receiver, Ralph Janvey, in federal district court in Dallas, claiming it was entitled to $109,000 for gold bars for which it paid Stanford Coins $3.02 million. After deducting roughly $20,000 as a commission, Stanford Coins paid Dillon Gage $3 million for the gold, court records say.

Gagosian wants the gold bars. Janvey says the $3 million that Stanford Coins wired to Dillon Gage should be used to pay back investors who were defrauded in the Ponzi scheme, court records show.

“It would not be fair or appropriate to talk about the receiver’s lawsuit without talking about the (receiver’s lawsuit) filing, and we feel confident that the issue will fairly make its way through the courts,” Dillon Gage said in a statement e-mailed to the Dallas Business Journal.

The legal tug-of-war over the money and gold bars stems from an exhibit that Gagosian had planned for a gallery it runs in Beverly Hills, Calif.

Two months before the exhibit was to begin, Gagosian paid Stanford Coins & Bullion to buy 101 gold bars. Stanford Coins & Bullion then paid Dillon Gage to provide the gold bars to the art gallery; court records say.

Dillon Gage delivered one bar of gold to the gallery, but before it was scheduled to ship the rest of the bullion, everything changed because of a court-ordered freeze of Stanford’s assets.

The judge in the receivership case previously issued an order giving Janvey broad authority to recover money on behalf of — and sometimes from — Stanford’s creditors, according to Michael K. Hurst, a partner at Gruber Hurst Johansen & Hall LLP in Dallas who is not affiliated with the cases.

Among other things, the order arguably gives the receiver authority to take back money that the Stanford entities paid out before going into receivership, Hurst said.

In court records, Dillon Gage has maintained that a Stanford Coins executive directed the company to use the $1 million payment to pay off other outstanding debts that Stanford Coins owed Dillon Gage. In his lawsuit against Dillon Gage, filed in federal district court in Dallas, Janvey maintains that the president of Stanford Coins, Joe Friasaid, told Dillon Gage to apply the $3 million to the gold bar order.

In an e-mail to the DBJ, one of Janvey’s attorneys, Baker Botts special counsel David Arlington, said that under the law governing “fraudulent transfer,” Janvey is entitled to recover the payments that Stanford Coins made to Dillon Gage because Dillon Gage essentially knew or should have known that Stanford Coins was insolvent at the time Dillon Gage received the wire transfers.

“Dillon Gage’s knowledge of (Stanford Coins’) insolvery precludes Dillon Gage from establishing that it received those funds in good faith,” Arlington wrote.

The other $2 million

In addition to the $3 million that Stanford Coins paid to Dillon Gage on Feb. 2, 2009, court records claim that it made payments totaling another $2 million to Dillon Gage between Jan. 23, 2009, and Feb. 16, 2009. Stanford Coins was insolvent at the time of those payments, and Dillon Gage knew that, Janvey claims in his lawsuit.

Court records indicate the additional $2 million was for other unspecified debts Stanford Coins owed Dillon Gage. Arlington said Dillon Gage has admitted it is holding about $1 million of the payments it received as a credit in Stanford Coins’ favor, “but has refused to return that money” to the receivership.

There is a lesson to be learned from Dillon Gage’s experience, according to Hurst. No matter what line of business a company is in, “you should have knowledge of the financial viability of your clients,” he said.

Generally speaking, a company is not legally obligated to monitor a business partner’s financial situation, he said. But if a business receives payment from a business partner that files for bankruptcy protection soon after making that payment, the company that received the money could have to turn over the money to the bankruptcy estate.

Therefore, Hurst said, it’s a good practice to investigate the financial viability of your clients or business partners.

The receiver’s suit was filed Sept. 20. No hearings have been set in the case, as Dillon Gage had not filed an answer as of early Oct. 20.

The Gagosian suit against Dillon Gage is pending. Dillon Gage has denied wrongdoing in court filings. No trial date has been set.

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What will a foreclosure moratorium do to the housing market?

At dallasbusinessjournal.com, we asked:

**Dallas Poll Results:** 424 responses

- 16% It's good for homeowners long term.
- 15% Not sure.
- 69% Goodbye recovery. It will keep us stuck.

You said:

- If the majority of lenders comply with the attorney general's request to halt any more foreclosures and the sale of existing listed properties, then an already-slow market will come to a stop. Or, considering that foreclosures and short sales make up a major percentage of current listings, then it could also have a reverse effect by reducing current inventory of available for-sale homes, which may drive the prices up a bit. It's all a crap shoot.
- It will encourage those on the brink to simply stop paying their mortgages. It will further drive the costs down and put more people underwater.
- This, and what appears to be a new spate of unchecked rises in oil/gas pricing, will do significant damage to any recovery. Any gains made by the working class will be eroded by these continually increasing costs of living.
- I don’t think the moratorium will force us to stay stuck without a recovery, but it will postpone the recovery. As long as there are a high number of foreclosures in the pipeline, our housing prices will not rebound and begin to appreciate at the rate they typically do. So the moratorium just delays the inevitable; we have to get these foreclosures into the marketplace and sold so we can return to the days of a balanced market. Too many houses for sale puts downward pressure on prices.
- Banks are already being forced into REIT status, where they own large inventories of homes that are leased and managed by management companies. Fed regulators are not going to continue to allow banks to sit on defaulted home loans without acting upon them. And given the more stringent credit criteria — where it should have always been — there are not nearly enough qualified buyers (and won’t be for as long as unemployment remains above 10 percent).

**Flowserve’s Russian push**

Valve manufacturer Flowserve has expanded its foothold in the Russian oil and gas markets by ink- ing a 10-year deal with the Vvez- dochka Ship-Repair Center.

**Tower 55 project funded**

Fort Worth’s Tower 55, one of the busiest railroad intersections in the United States, has received $13.4 mil- lion in federal funding for intersection improvement. The total project cost is $91.2 million.

**DFW Airport, airlines reach 10-year agreement**

Dallas Fort Worth International Air- port reached a 10-year financial agree- ment with its partner airlines on Oct. 19. The airlines also approved a $1.74 billion terminal renewal program.

**ACS acquires TMS Health**

Affiliated Computer Services, a part of Xerox, acquired health care teleservices company TMS Health on Oct. 15. Terms were not disclosed.

**Cowboys pack ‘em in**

Say what you will about the Dal- las Cowboys’ win record, the team continues to bring the fans out. The new stadium has averaged 84,477 attendance this fall, surpassing seating capacity of 80,000, with standing room as an option.

**ETP to build gas pipelines**

Energy Transfer Partners plans to build two natural gas pipelines to meet terms of agreements with ship- pers to move gas out of the Eagle Ford Shale in South Texas.

**Health reform challenge cleared for federal trial**

A lawsuit challenging health care reform’s requirement for individuals to purchase insurance cleared a major hurdle last week when a federal judge ruled the issue should go to trial. This is one of 26 states that filed onto the suit as a plaintiff. The suit al- leges the new law infringes on consti- tutional rights.

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JOHN E. ANSBACH  -  Mothers Against Drunk Driving® (MADD)
HOPE CORRINE SHIMABUKU  -  Research In Motion (RIM)
FREDERIC C. LISKOW  -  FedEx Office and Print Services, Inc.
ERIC J. SPETT  -  American Home Mortgage Servicing, Inc.
LOUIS J. CORNA  -  Prime Income Asset Management, Inc.
WENDY W. WALTON  -  Cash America International, Inc.
Laurie D. (Tice) Biddle  -  Hall Financial Group
ROBERT L. JONES, JR., ESQ.  -  American Airlines
PHILIP J. RAGONA  -  Atrium Companies, Inc.
MICHAEL PRICE  -  Methodist Health System
ROGER NOBER  -  BNSF Railway Company
TONYA JUANITA HOLT  -  Sky Chefs, Inc.
FRED ANDERSON  -  Texas Industries, Inc.
DAVID SNYDER  -  Ethos Group Holdings
TIM JOHNSON  -  Archon Group, L.P.
ED WOODSON  -  Parago, Inc.

DESIGNER

JAKE DEAN
Gov. Rick Perry, center, celebrated the first Founders Day at the University of North Texas at Dallas with, from left, Texas Sen. Royce West, D-Dallas; local businessman Brint Ryan; John Ellis Price, UNT Dallas president; and Lee Jackson, UNT System chancellor.

Briggs Freeman Real Estate hosted an event at The 505, a 56-home ranch club at Cedar Creek Lake. Attending from Briggs Freeman, from left, were President Charles Freeman, associate Betsy Cameron, CEO Robbie Briggs, and associate Janis Carlton Wells.

The Dallas Symphony Orchestra AT&T Gala kicked off the symphony’s new season in style. Key organizers who helped execute the evening were, from left: Paul and Melissa Stewart, gala chairman and chairwoman; and AT&T Chairman and CEO Randall Stephenson and his wife, Lenise.

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Guy Constant

Brinker International recently promoted Guy Constant to executive vice president and CFO.

**Responsibilities**

Constant oversees planning and analysis, merger and acquisitions, investor relations, treasury, domestic franchise business development, tax, accounting, as well as corporate, Chili’s Grill & Bar and international finance affairs.

**Experience**

Constant previously served at Brinker as senior vice president of finance and as CFO for the Chili’s restaurant brand. He joined Brinker in 2004 as senior director of compensation and was promoted the following year to vice president of strategic planning and analysis. In 2006, responsibility for investor relations was added to his job. Before joining Brinker, Constant worked at American Airlines for 10 years in financial planning, analysis and compensation.

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To sell well, ask yourself right questions first

Chuck Gabriel works to limit the risk in risky business. With years of experience as a former adjunct professor of investment at the University of Texas at Dallas, Gabriel likes to calculate and scrutinize the possible investment fund risks for financial advisers. After all, Gabriel’s company, Plano-based EMA Softech, was created to help others do that due diligence, he said.

The company’s roots in the academics of statistical and investment analysis gave EMA Softech its start in 1987, when the late James MacBeth, a former business professor, founded the company, then known as Empirical Modeling & Analytics Inc.

Since that modest beginning, the company has grown from a one-man investment analysis shop to a boutique investment research firm with 10 employees and revenue reaching $3 million.

Gabriel, 53, inherited the company from his former boss MacBeth after the founder died in the late 1990s.

With one major client, JPMorgan Chase & Co., EMA Softech has worked in relative obscurity for 23 years. But the ever-changing financial market spurred the company to seek expansion opportunities.

Following the 2007 economic downturn, JPMorgan Chase took more of its fund analysis in-house, stranding EMA Softech and forcing the company to find another way to make money.

Gabriel crunched the numbers and, with other employees of the company, helped develop a new way to deliver the product to a wider range of consumers.

The company recently debuted a suite of Web-based software called AlphaFunds for small and midsize financial advisers.

The program calculates general market, size and value risks of a particular fund and provides that information to advisers. The company also creates a benchmark index for funds, measuring how close the stock is to reaching its full valuation.

The software is more rigorous than mainstream programs, such as Morningstar’s star system, Gabriel said. He said Morningstar’s information is diluted for the average investor. The important piece, he said, is emphasis on quality information, details and depth.

“Ideas in Action

Avoiding the risk

After being abandoned by its only major client, Chuck Gabriel steered EMA Softech to a new revenue stream

In 2007, the sinking economy caused EMA Softech’s biggest client to scale back outsourced fund analysis work, causing the research company to reconfigure the way it did business. The business could either contract or grow. So owner Chuck Gabriel decided to expand EMA Softech, previously known as Empirical Modeling & Analytics Inc., and offer online software investment analysis programs to small to midsize investment managers. Gabriel said he hopes the larger consumer base will help him grow the company’s profits.

The quiet, thoughtful types of prospects buy differently than the fast-paced, decisive types. People who are risk-averse typically take longer to sell to unless you address their perception of risk. More assertive people make decisions quicker and are more comfortable with risk. Ask yourself early in the sales call, “Who am I talking to?” Then develop your sales strategy accordingly. Push for quicker decisions when you’re selling to assertive people. Ask them what they think during the sales call. You’ll get an honest answer with assertive people. When you hear a concern, you have the opportunity to clarify it and do something about it before you develop a proposal. So address it.

With less assertive people, slow it down and confirm that you are addressing all the concerns that risk-averse prospects have. Unless you address their concerns early, there will be no sale later on.

How can I be more persuasive? This is another question you need to answer. Your persuasion strategies should include using persuasive words such as “because” when you make a recommendation. “You should use this because it will increase productivity” is more persuasive than simply “You should use this.”

Without credibility, it’s almost impossible to be persuasive. What enhances credibility? A simple strategy is to put your customers’ interests ahead of your own. Instead of pushing your products, find out your customers’ concerns first and show how you can solve those concerns with your products.

You’ll be asking many questions to sell successfully. You’ll be ready when your customers judge you by your questions. Just ask Voltaire.

Customer Connections

Maura Schreier-Fleming

Maura Schreier-Fleming is a sales strategist and founder of Best@Selling, a sales training and consulting company. Contact her at maura@bestatsell.com.

To answer . . .

Your persuasive strategy is to put your customers’ interests ahead of your own. Instead of pushing your products, find out your customers’ concerns first and show how you can solve those concerns with your products.

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Are we really feeding the poor, or a charitable organization’s pocketbook?

People First
Ashley Forbes Kellogg

feeding the poor
United Way of Metropolitan Dallas has addressed this concern and should be used as an example of a nonprofit organization changing in order to achieve long-term community impact. The organization expects measured results in key impact areas from agencies it supports.

“We feel our focus must be long-term in its scope. As a collaborator and a convener, we are encouraging organizations with similar goals to join in mission, increasing depth of service and creating real change,” says Jennifer Sampson, the organization’s chief operating officer.

Another agency that does heavy lifting is the Community Council of Greater Dallas. Since 1940, the Community Council has addressed major issues facing the Dallas area. These include juvenile delinquency, youth programs, seniors’ needs, public health and day care. The organization identified when additional services were needed, assessed the best service delivery, mobilized resources and implemented plans.

CCGD meets the current challenges through research, expanding government and agency programs when appropriate, convening collaborative efforts of interested parties and delivering select direct services.

“We are proud to work with CCGD’s 125 member agencies, all with proven track records for their ability to serve community needs well while maintaining high business standards. The Community Council works so Dallas’ resources are used wisely and that all citizens have access,” says Martha Blaine, executive director of the organization.

The Community Council’s 2-1-1 call center specialists use cutting-edge technology to connect people to the help they need: food resources, housing, medical care, jobs, child care and utility assistance. 24/7, in any language. In 2009, more than 400,000 people called.

With the recession, there is a 30 percent increase in the number of people calling to find food. Many callers are folks who have never sought aid before. The Community Council is a huge example of an organization that has met needs over time and adjusts as needs change and grow.

We live in a city where a great many people give their lives over to good causes. That fact is truly awe-inspiring. Another fact: People identify closely with the work they do — it’s often hard to separate ourselves from our work — and when the work is about helping, doing good, the boundaries of what is the greater good can take on a whole new personal struggle.

The holidays are approaching, and with them come the dire-straits stories of organizations that can’t keep their lights on. These stories pull at your heart strings. And that’s a good thing — we need to care and be involved. But we also need to recognize that some efforts are too weak to be sustainable.

KELLOGG is president of forbesalexander.com, which is based in California.

Dallas philanthropy as a whole has become an impressive engine of power. Just consider the culmination of the AT&T Performing Arts Center, combining the support of a major employer, millions of dollars of public and private funds and construction of an impressive building. The Bridge is another impressive building. The Bridge is another impressive building.

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The upsurge in litigation stems from a late 2009 decision by the Court of Appeals for the Federal Circuit holding that fines can reach up to $500 per item that is marked with a nonexistent or expired patent, according to Justin E. Gray, an attorney in the San Diego office of Foley & Lardner LLP. Before the case, called Forest Group vs. Bon Tool, courts interpreted the nearly 100-year-old federal statute that bans false marking as leveling penalties of $500 for each broad incident of false marking, no matter how many individual widgets were incorrectly labeled as being patented.

“It could add up to large dollars very quickly,” said Bob Arnett, a partner and member of the executive committee at the Dallas law firm Munck Carter.

Under the law, the parties bringing the litigation don’t have to suffer any injuries or damages from false marking, attorneys say. That’s because the law considers the U.S. government to be damaged by false marking, which supposedly puts a damper on competition and provides an unfair advantage in marketing a product.

All of which means that false marking suits are essentially filed on behalf of the federal government, with the feds collecting half of any damages that the suit might recover; the private-sector plaintiff the other half.

“It allows private parties to enforce a statute effectively on behalf of the U.S. government to be damaged by false marking, which supposedly puts a damper on competition and provides an unfair advantage in marketing a product.”
United States,” Arnett said.

In false marking, the questions are relatively simple: Was the item marked as patented? Was the product actually protected by a patent?

The net result is that false marking suits have become a “cottage industry,” according to Michael Smith, a partner at Siebman, Burg, Phillips & Smith LLP in Marshall.

In many cases, Arnett said, plaintiff’s attorneys send investigators to stores, where they compile lists of articles that have been marked as patented. After that, it’s a matter of checking with the U.S. Patent and Trademark Office’s website to see if the patents are still good, he said. Should they find a product marked with an expired patent, “they have somebody buy a couple of them, and then that person becomes the plaintiff,” he said.

**Daunting damages — or are they?**

At first blush, false marking suits may seem like a gold mine. But several intellectual property attorneys say that existing case law may make it difficult to recover big damages in court from these suits. A key issue: To recover damages, the plaintiff must prove the defendant intended to deceive the public by falsely marking an item as patented.

A case in point: A June decision by the Federal Circuit in a case involving Illinois-based Solo Cup Co., a maker of disposable items like coffee cups and lids with about 1.8 million square feet of manufacturing and distribution space in Dallas and Grand Prairie. The company faced a false marking suit after selling roughly 21 billion products marked with one or more expired patents over a 20-year period—leaving Solo Cup exposed to a potential fine of nearly $10.5 trillion. But the Federal Circuit ruled that while Solo Cup knew the items were falsely marked—owing to the expense of replacing molds for making the products—the company hadn’t intended to deceive the public.

While plaintiffs face a high hurdle in proving intent to deceive, there are problems for defendants as well in false marking cases.

For instance, the Federal Circuit has ruled that if the maker of a widget knew that item was incorrectly marked as being patented, the court will have to presume that the product’s maker intended to deceive the public, according to Greg Carr, managing partner at Carr LLP, a Dallas boutique law firm that specializes in intellectual property.

The product’s maker “can come back with evidence that they didn’t intend to deceive the public,” Carr said. “But they need more than a mere statement. A mere statement that they didn’t (intend to deceive) isn’t sufficient.”

For now, there are few court decisions governing the kinds of evidence that plaintiffs must show in order to win their cases.

**Small recoveries thus far**

To date, there have been only a handful of false marking cases in which plaintiffs have recovered anything. “There haven’t been stunning amounts yet,” with the most being a fine of approximately $220,000, Carr said.
Cashing in on patent penalties

Texas’ Northern and Eastern federal court districts see surge in patent cases, with 398 filed so far this year

BY PETE LITTERSKI | CORRESPONDENT

If the pace set through the first nine months of 2010 holds, the number of patent case filings in the Northern and Eastern districts of Texas could double from 2009.

The Eastern District of Texas Court saw the number of patent cases filed there sag from 369 in 2007 to 249 in 2009. But the trend turned around this year, with 398 cases filed through just the first three quarters of the year.

Less dramatic numbers in the Northern District are also impressive — 56 cases filed so far this year after remaining static at around 42 cases per year from 2007 to 2009.

Doug Cawley, principal in the Dallas office of McKool Smith, says a number of false marking cases — one reason for the increase — are being filed under qui tam whistle-blower provisions that allow private parties to file a lawsuit on behalf of the federal government.

“Over the past 18 months or so there has been a huge increase in the number of these cases,” he says.

Philipp Philbin, a litigator in the Dallas office of Haynes and Boone LLP says there will likely continue to be a great deal of activity, but says not all of the issues in the false marking cases have been ironed out.

“I think you will see more circuit courts better defining the law. You will get more guidance on it.”

The Haynes and Boone litigator also pointed to another trend that is boosting patent filings in federal courts.

“I think you’ll see an increase to the extent that venture capitalists are investing more in patent portfolios, with an eye toward possible infringement suits,” Philbin says. “Those types of investors are more active now than they were a year ago.”

Bart Showalter, Dallas-based chairman of the intellectual property department at Baker Botts LLP, says a new determination by international clients to defend their technology is also worth noting.

“I think you’re seeing a trend where Asian companies that for years and years used to view it as a disgrace to be in court are feeling more comfortable with filing suit to defend their patents.”

Showalter says he believes the willingness of Asian companies to pursue patent infringement cases will be more lasting than the qui tam cases that have played a key role in bolstering the filings of patent cases in Texas.

Michael Smith, a partner in the Dallas office of Siebman, Burg, Phillips & Smith LLP, says the sharp decline in the number of cases filed in the Eastern District before this year can be linked to two factors, including the court’s own reputation.

The Eastern District first rose to prominence as a venue of choice for patent cases more than a decade ago when Judge T. John Ward of the Marshall division established rules, expediting such cases to trial. The problem, Smith says, is that so many cases were getting filed in the district that the process bogged down.

“You’re victims of your own success,” he said.

The second factor contributing to the decreased caseload, he said, was a series of decisions in the Federal Circuit Court of Appeals that made it harder for plaintiffs to establish venue in the Marshall courthouse.

Other than the surge in false marking cases, Showalter says, the patent law field has been relatively stable in recent years. While the number of cases filed in Texas’ Eastern District dropped for several years, Showalter has not noticed much change from a national perspective.

“I think we’ve been just as busy if not busier than last year,” says Showalter. “We’re seeing a number of cases being filed outside of the normal hotspots.”

LITTERSKI is an East Texas-based freelance writer.
Stop, think before you

Proposed changes to current copyright law may leave

VIEWPOINT
Marc Hubbard

and registration not required. The Copyright Act is very complicated. Few people understand it, and it fails — sometimes miserably — to provide meaningful guidance on the contours and limits of copyrights. Courts have struggled to apply it to new media and technology and have issued conflicting, uninformed and poorly reasoned opinions over the past 30 years.

Within just the past three years, the Copyright Principles Project, or the CPP, which comprises a group of professors and attorneys, has begun a formalized discussion about changing the current law. Pamela Samuelson, distinguished professor of law at UC Berkeley School of Law and the convener of the project, recently published an article in the Berkeley Technology Law Journal setting out 25 recommendations for changing the copyright system.

The recommendations include practical details like encouraging registration and protecting the rights

If you don’t think copyright law affects you, you’re wrong. Each individual and business likely owns hundreds, if not millions, of them. Ubiquitous and inexpensive computers; the digitization of media, which has made it easy to create and copy; computer networks that make sharing copies inexpensive; and our ever-increasing appetite for entertainment, particularly user-created content, has brought us all into direct contact with copyright law.

A copyright is a legal right to stop others from copying certain types of creative works, distributing those copies to the public and modifying those works. It includes the right to perform and display works to the public. It never protects ideas or anything utilitarian; rather, it protects only the ways in which ideas are expressed, allowing for the dissemination of ideas so that others may benefit.

Current copyright law, written mostly in the mid-70s before the advent of personal computing and pervasive computer networks, considerably expanded the existing copyright protection. The law made nearly everything written, filmed, photographed or otherwise created in a tangible medium automatically subject to copyright. Every e-mail or blog entry you write, every photograph you take is immediately protected — copyright notices

Proposed changes to current copyright law may leave
of authors to be identified through expansion of the right of attribution, both of which are relatively uncontroversial. However, some may argue that the recommendations go too far, not far enough or do not even touch upon issues that make the system unwieldy and, to many, nonsensical.

Many professors involved in the project are pushing for greater freedom of personal use of copyrighted materials. Many industries that depend on copyright protection will, perhaps justly, have issues with this. Industries like film, television, music and publishing have traditionally priced their goods on a per-copy basis. Any change in the law that allows more copying, even for personal use, deprives them of control and the opportunity to ask for additional compensation for such copies.

Nevertheless, it appears that both sides believe that copyright law can and should be updated.

This concerted effort of the CPP toward updating the copyright laws may be a harbinger of an important movement. Whether you favor stronger or weaker copyright laws, the debate over how it should change is something in which we should all be involved.

HUBBARD is a partner in the Dallas office of Gardere Wynne Sewell LLP. He can be reached at mhubbard@gardere.com.
Q&A: Protecting your intellectual property

How have intellectual property laws changed in the past 5 years?
Munc: More than ever, businesses understand that their ideas — their intellectual property — have value that must be protected. At the same time, intellectual property law as a whole is constantly evolving. Among the various IP areas, the patent system has experienced the most significant changes over the past decade. The most significant area of change in the future may very well be in business models for buying, selling and licensing (colloquially known as monetizing) patents. This marketplace evolved since the dot-com bubble burst, leaving large blocks of patents and pending patent applications available for low costs at the same time that profitability of patent enforcement was peaking. Proposed changes in the law, together with evolving business models for defensively aggregating intellectual property, will very likely affect the economic value of a patent and the operation of its marketplace.

How does technology affect intellectual property law?
Munc: Because digital technology and digital media have grown so dramatically, we’re seeing a constant push and pull within copyright law and a corresponding balancing act between creators’ rights on the one hand and user’s rights on the other hand.

One court of appeals actually remarked that the introduction of digital technology was disruptive to copyright owners whose works had traditionally been sold through long-established means, and it has been suggested that the relative bias favoring owner’s rights may have well impeded the development of the digital age.

Despite such early struggles, legislative changes, market forces and a deference developed by the courts have led to a balancing of these interests.

What issue is most commonly prosecuted — trademark, copyright or patent — and why?
Munc: Numerically, it is likely that more patent applications are filed than trademark or copyright registration applications. In part, because trademark and copyright rights may be acquired through mere use of the trademark or creation of the copyrighted work and are not entirely dependent upon a government grant, as in the case of patents.

Another factor is the different protections afforded: trademarks protect consumer recognition and goodwill associated with a mark or trade dress and copyrights protect only against literal copying, while patents protect duplication of the inventive concept independent of copying or intent.

Is exploitation of these laws increasingly common or less so?
Munc: This is difficult to judge because filings are often influenced by the overall economy. The trend continues to remain upward over the past three decades, and as economic conditions return to normal, an increase in filings can also be expected.

Why do you think there’s been such a dramatic increase in patent litigation over the past year?
Munc: Some pundits argue the increase in the number of patent suits is a result of our innovation economy — that the spurt of innovation in the late 20th century simply created more patented inventions and thus more patent litigation (statistics released from the U.S. Patent and Trademark Office seem to mirror this sentiment, the number of patent filings and patent suits roughly correlate with each other). Others argue that it could merely be a reflection of growth in the patent portfolio size of many large firms — companies have and will continue to use patents as a competitive advantage (in 2009, the top 10 patent-holding firms accounted for nearly 8 percent of all patents granted in the U.S. since 1977).

Personally, I believe there is a little truth in both camps, coupled with concerns that there are coming changes in the patent laws and nonpracticing entities, or patent trolls, are hoping to cash out sooner, rather than later.

Are false markings always a case of willful violation? If not, how can companies be sure their patent markings are valid?
Munc: Because the potential penalty was previously thought to be only $500 or less, most companies
## Largest North Texas GAS PRODUCTION COMPANIES

Ranked by monthly gas production in Texas in 2009

<table>
<thead>
<tr>
<th>Rank</th>
<th>Name</th>
<th>Telephone</th>
<th>Fax</th>
<th>Approximate monthly production gas 2008 (thousand cubic feet)</th>
<th>Approximate monthly production gas 2009 (thousand cubic feet)</th>
<th>% Increase or decrease</th>
<th>Approximate monthly oil production 2008 (all barrels)</th>
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N.B.: Rat ranked.

Source: Oil & Gas Directory of Texas and Production Survey 2010 and 2009, the companies

Research: Jerry Guster

DATE OF PUBLICATION: OCTOBER 22, 2010
**Largest North Texas Oil Production Companies**

Ranked by monthly oil production in Texas in 2009

<table>
<thead>
<tr>
<th>Rank</th>
<th>Name</th>
<th>Address</th>
<th>Telephone</th>
<th>Fax</th>
<th>Approximate monthly oil production 2009 (thousand barrels)</th>
<th>Approximate monthly production gas 2009 (thousand cubic feet)</th>
<th>% Increase/Decrease</th>
<th>Approximate monthly production gas 2008 (thousand cubic feet)</th>
<th>% Increase/Decrease</th>
<th>Website</th>
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<td>120,775</td>
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<td>922-761-8178</td>
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<td>5,127,246</td>
<td><a href="http://www.quinc.com">www.quinc.com</a></td>
</tr>
<tr>
<td>22</td>
<td>Star Production</td>
<td>277 W. Roverble St.</td>
<td>214-731-4247</td>
<td></td>
<td>25,015</td>
<td>25,046</td>
<td>-1.28</td>
<td>4,150</td>
<td>4,999</td>
<td>None</td>
</tr>
<tr>
<td>23</td>
<td>Primex Operating Corp.</td>
<td>2201 Greenville Ave., Ste. 1600</td>
<td>214-368-3909</td>
<td></td>
<td>24,644</td>
<td>25,332</td>
<td>-2.81</td>
<td>190,716</td>
<td>190,908</td>
<td><a href="http://www.primex.com">www.primex.com</a></td>
</tr>
</tbody>
</table>

NR: Not ranked.
Source: Oil & Gas Directory of Texas and Production Survey 2010 and 2009, the companies

Research: Jerry Ganter
Friday, Oct. 22  Access to Capital Workshop, Capital One Bank, learn how to secure financing from alternative sources and understand SBA’s financing options, 8:30 to 10:30 a.m., Bill J. Priest Center, 1402 ComStk St., Dallas, 214-773-4663.

Monday, Oct. 25  Monthly Meeting, Texas Business Women of Dallas Metro North, Kay Smith of Energy Dressing will talk about “The Top Three Reasons Why Women in Business Lose Credibility and Make Less Money,” 6 p.m. networking, 6:30 p.m. dinner, 7 p.m. program, 214-924-5706.

Tuesday, Oct. 26  “Learn to Network Like the Pros” High Tea, co-sponsored by Women in Insurance Financial Services, come experience a unique and international protocol expert Cheryl Walker Robinson speaks about business strategy, 2 to 4 p.m., Omni Mandalay Hotel, 221 E. Las Colinas Blvd., 972-910-0440, ext. 7277.


Marketing Jam, DFWM American Marketing Association, learn marketing best practices through a series of roundtable discussions, keynote speaker is John Sabel, senior vice president of marketing at Walt Disney Pictures, live music by Bona Fide Blues Band, 3 to 9 p.m., House of Blues, 2200 N. Lamar St., Dallas, 214-917-3942.

Thursday, Oct. 28  Nothing But Net 2.0, Success North Dallas and Magnus Media Group, seminars, group discussions and keynote speakers led by local marketing, sales and networking experts, Old Red Museum, 100 S. Houston St., Dallas, www.magnusmediausa.com.


Annual Luncheon, Dallas Real Estate Ministry, speaker is U.S. Rep. Sam Johnson, R-Texas, Fort Worth, presents recognition of businesses in North Texas for clean-air efforts, 11:30 a.m. to 1:30 p.m., Sheraton Dallas Hotel, 400 N. Olive St., Dallas, www.workingforcleanair.org.

Friday, Oct. 29  Women in Conference, Denton Chamber of Commerce, Sally Beauty Supply and Texas Women’s University School of Business, networking luncheon includes keynote speeches by Tuesday Morning CEO Kathleen Mason and iWomen Network CEO Sandra Yankey, 10 a.m. to 3 p.m., Hubbard Hall at Texas Woman’s University, Denton, hornet.denton.chamber.org.


Annual Luncheon, North Texas Association of Government Guaranteed Lenders, awards presented to top SBA lenders in the Dallas-Fort Worth Metroplex, 11 a.m. to 1:30 p.m., Holiday Inn Select, 2649 LBJ Fwy., Dallas, e-mail ntaagl@att.net.

Working for Clean Air Awards Eastern Sub Region, North Texas Clean Air Coalition, awards recognizing businesses in North Texas for clean-air efforts, 11:30 a.m. to 1:30 p.m., Fairmount Hotel, 1177 N. Akard St., Dallas, 214-712-1936.


Thursday, Nov. 4  STEM Night, Kids and Teens, 6:00 p.m., The Dallas Museum of Art, 1717 N. Akard St., Dallas, 214-428-2500.

Friday, Nov. 5  Marketing Jam, DFWM American Marketing Association, learn marketing best practices through a series of roundtable discussions, keynote speaker is John Sabel, senior vice president of marketing at Walt Disney Pictures, live music by Bona Fide Blues Band, 3 to 9 p.m., House of Blues, 2200 N. Lamar St., Dallas, www.dfwm.com.

Marketing Meeting, Institute of Management Accountants, speakers Ronald P. Fosy, president of The Fosy Group, Michael Lockard, vice president of financial services at Wal-Mart, and Steve Player, managing director of The Player Group, workshop includes lunch, 10 a.m. to 3 p.m., Sheraton Hotel Grand Hotel DFWM Airport, 4440 W. John Carpenter Fwy., Irving, www.dallasima.com.

SBA Annual Awards Luncheon, North Texas Association of Government Guaranteed Lenders, awards presented to top SBA lenders in the Dallas-Fort Worth Metroplex, 11 a.m. to 1:30 p.m., Sheraton Dallas Hotel, 400 N. Olive St., Dallas, www.workingforcleanair.org.

Lunch Meeting, Institute of Management Accountants, speakers Ronald P. Fosy, president of The Fosy Group, Michael Lockard, vice president of financial services at Wal-Mart, and Steve Player, managing director of The Player Group, workshop includes lunch, 10 a.m. to 3 p.m., Sheraton Hotel Grand Hotel DFWM Airport, 4440 W. John Carpenter Fwy., Irving, www.dallasima.com.


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Easy to navigate

Streamlined navigation allows you to find content more easily. Sections have been consolidated and better organized; there are fewer, more relevant industries listed; and popular sections have been expanded.

News carousel
A rotating “carousel” puts the day’s top stories and most interesting content front and center.

Premium content
Premium print content is now separated and clearly labeled to make it easier to find on the home page. If you have a print subscription make sure you use the personal user bar at the bottom of the window to link your print and online accounts so you can access this content.

Latest news
Every news article and blog post appears here with the most recent items on top. A red time stamp shows content published within the last four hours.

Personal user bar
The personal user bar makes managing your account and subscriptions much simpler.

Once you log in to your free online account you can comment on stories, configure news alerts, manage e-mail subscriptions and link your Facebook, Twitter or LinkedIn accounts. Print subscribers can also renew their subscriptions, get Friday morning access to the latest print issue and find recent digital editions of the paper and the Book of Lists.

To link a subscription, first create an online user account. Then, click on “My Account” at the top of the site (when logged in). Select “Print Subscriptions” and enter some basic information from the mailing label on your paper.
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Larger photos, videos and integrated Google maps add context and depth to stories.

Enhanced links
The article pages are more engaging with links to related company and industry news, relevant research and additional info on people mentioned in the story.

Refined searching
Find better
An enhanced search engine provides more accurate results, while a two-line story preview gives you a better sense of the story before you click.

Sort better
Search results can now be narrowed by date, content type (such as story, videos, events, and jobs), industry and writer.

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A round up of the previous day’s top business news from the Business Journal and other news sources.

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THE PROMISING LISTS includes limited liability companies, tax and building permits, certificates of occupancy, real estate transactions and SB 18, all of which can lead to potential new customers for you. These listings are useful for financial planners, contractors, real estate agents and suppliers.
Debts, $1,000,001 to $10,000,000
Cabinet Door Company of Texas Inc., 1514 Bruce Way, Seagoville 75159; Assets, $1,490,000; Debts, $10,229,000; Major Creditors, American Mutual Bank, $1,673,884; Attorney, Mark A. Weitzman; case 41-04514, 10/01/17

Chapter 11
Debts, $2,621,111
R-n Ready Mix LLC: Box 307, Scenary 75158; Assets, $2,823,235; Debts, $2,621,111; Major Creditor, Pappas' Trucking Inc.; Attorney, Daniel C. Durand & Co; case 10-31711, 10/01/17

Chapter 7
Debts, $1,004,003
American Brands Holdings LP, 2685 N. Highway 91, Denton 76205; Assets, $540,750, Debts, $1,004,000; Major Creditor, American Mutual Bank, $540,750; Attorney, Mark A. Weitzman; case 07-40126, 10/01/17

Chapter 11
For complete listings see page 30.
Kristy L Bohe
2041 Apple Drive, Little Elm 75068, retail-miscellaneous.

Suite 320, Flower Mound 75028, retail-miscellaneous.

123 W. Main St., Lewisville 75057, retail-miscellaneous.

828 Countryside, Aubrey 76227, retail-miscellaneous.

1501 W. Business 75056, retail-miscellaneous.

2300 Timber Creek Road, Fort Worth 76177, printing and publishing.

2827 N. Tarrant Road, Arlington 76010, restaurants.

2000 Caddo Street, Haltom City 76117, restaurants.

2600 N. Freeway, Baytown 77543, restaurants.

6300 Bell St., Watauga 76148, restaurants.

4380 W. T. Loop 820, Weatherford 76086, restaurants.

3701 S. Cooper St. Suite 210, Arlington 76017, title companies.

2000 S. Cooper St., Arlington 76017, restaurants.

4375 Old Denton Rd., Keller 76248, retail-entertainment.

4200 South Freeway, Arlington 76011, restaurants.

5400 S. Cooper St., Arlington 76017, restaurants.

800 Brown Trail No. 100, Bedford 76022, retail-miscellaneous.

3008 Haltom Road, Haltom City 76117, restaurants.

2716 N. Tarrant Road, Arlington 76001, restaurants.

7009 Lake Ridge, Irving 75062, restaurants.

6109 S. freight Road, San Antonio 78233, restaurants.

14010 Preston Road, Southlake 76092, restaurants.

7252 W. Broad St., Grapevine 76053, restaurants.

13301 Park Row Blvd., Houston 77058, restaurants.

1522 W. Market St., Grapevine 76053, restaurants.

401 E. Thomas Dr., Arlington 76017, restaurants.

2020 Shorewood Drive, Grapevine 76051, retail-miscellaneous.

9311 W. Business, Fort Worth 76131, restaurants.

508 W. Central Ave., Fort Worth 76164, restaurants.

3001 S. Cooper St., Arlington 76017, restaurants.

5020 W. Seminary Drive Suite A, Fort Worth 76116, membership organizations.

11300 Gateway Blvd. E., Hurst 76053, transportation/moving.

6717 S. Cooper St., Arlington 76017, restaurants.

2600 N. Tarrant Road, Arlington 76001, restaurants.

1746 E. Broad St., Southlake 76092, restaurants.

8403 N. Fm 1960 East, Conroe 77301, restaurants.

11740 Post Oak Blvd., Houston 77054, restaurants.

7001 S. Cooper St., Arlington 76017, restaurants.


401 E. Randolpf Hwy., San Antonio 78216, restaurants.

910 E. Whitewright Pkwy, Denison 75020, restaurants.

2700 W. Loop 820, Arlington 76017, restaurants.

3000 E. Broad St., Southlake 76092, restaurants.

1400 N. Sabin Rd., Fort Worth 76117, retail-entertainment.

14517 N. Fm 1960 East, Conroe 77301, restaurants.

1517 N. Sabin Rd., Fort Worth 76135, retail-entertainment.

2404 E. Broad Street, San Antonio 78216, restaurants.

8072 N. Fm 1960 East, Conroe 77301, restaurants.

13300 Post Oak Blvd., Houston 77054, restaurants.

7001 S. Cooper St., Arlington 76017, restaurants.

11740 Post Oak Blvd., Houston 77054, restaurants.

2700 W. Loop 820, Arlington 76017, restaurants.

2255 E. Broad St., Southlake 76092, restaurants.

401 E. Randolpf Hwy., San Antonio 78216, restaurants.

910 E. Whitewright Pkwy, Denison 75020, restaurants.

2700 W. Loop 820, Arlington 76017, restaurants.

508 W. Central Ave., Fort Worth 76164, restaurants.

3001 S. Cooper St., Arlington 76017, restaurants.

2600 N. Tarrant Road, Arlington 76001, restaurants.

1746 E. Broad St., Southlake 76092, restaurants.

8403 N. Fm 1960 East, Conroe 77301, restaurants.

11740 Post Oak Blvd., Houston 77054, restaurants.

7001 S. Cooper St., Arlington 76017, restaurants.

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910 E. Whitewright Pkwy, Denison 75020, restaurants.

2700 W. Loop 820, Arlington 76017, restaurants.
$5.39 million
Jack R. and Donna W. Estate to Dallas Fire Station No. 101
Southwestern, 500; 8 Willow Brook Lane, 500; 7075 Northaven Road, 500.

$5.3 million
Jack R. and Donna W. Estate to The Hull Company Group
7064 Azure Dr., 2, 500; 14310 Brookwood Village Blvd., 500; 3222 Heritage Trace, 500; 2014 Heritage Trace, 500.

$2.8 million
Chatsworth Area Development, Inc. to The Biltmore
6112 Carillon, 500; 6117 Carillon, 500; 6120 Carillon, 500.

$1.76 million
Brady Ltd. to Carter Parker, LLC
3500 U.S. 75, Suite 610, 500; 2537 W. Mockingbird Lane, 500.

For complete listings see page 33.

CONTINUED FROM PREVIOUS PAGE

WHO'S GETTING PATENTS?

Number of patents issued to companies in Texas for Texas inventors year-to-date:

- IBM
- Hewlett-Packard
- Intel Corporation
- Freescale Semiconductor
- Broadcom
- Exar Corp.
- National Semiconductor
- STMicroelectronics
- Mentor Graphics
- Texas Instruments

PATENTS

- System and method for detecting and responding to an exfiltration of a user profile
- System and method for managing a network of switches
- System and method for generating and using a signature
- System and method for providing a passcode
- System and method for identifying a transaction
- System and method for providing an access control
- System and method for processing a network access request
- System and method for providing a transaction protocol
- System and method for providing a transaction protocol
- System and method for providing a transaction protocol

PATENT OF THE WEEK

- Priority U.S. Patent No. 7,061,031
- Priority U.S. Patent No. 7,061,031
- Priority U.S. Patent No. 7,061,031
- Priority U.S. Patent No. 7,061,031
- Priority U.S. Patent No. 7,061,031
- Priority U.S. Patent No. 7,061,031
- Priority U.S. Patent No. 7,061,031
- Priority U.S. Patent No. 7,061,031
- Priority U.S. Patent No. 7,061,031
- Priority U.S. Patent No. 7,061,031

System and method of providing healthcare benefits

Thomas Leonard Smith, Jr., d/b/a Smith/Phelps Partners, Inc. has been granted a U.S. Patent No. 7,061,171 for a method and system of providing healthcare benefits. This method and system utilize a financial instrument related to health care costs. A financial derivative is created which is then used to fund the healthcare-related expenses. This can help manage unexpected fluctuations in healthcare costs.
BANK: Defaults, not lower deposits, keep caution on lending high

FROM PAGE 5

deposits, that was not a reflection of the overall retail business of the firm’s North Texas operation, which deals largely with consumers, according to spokeswoman Diane Wagner.

The drop was the result of a re-classification of large amounts of commercial deposit accounts into other types of accounts, such as annuities or money market mutual funds, Wagner said. Bob’s combined balances for consumer and global wealth-management deposits grew by about 2 percent in the Dallas-Fort Worth area in the second quarter, and about 4 percent statewide, Wagner said. That is roughly in line with inflation, she noted.

Meanwhile, Alabama-based BBVA Compass saw a 4.75 percent gain in its D-FW deposits, largely because it acquired banking operations of Guaranty Bank in August 2009, according to Ed Bilek, BBVA’s senior vice president and director of external communications. BBVA also saw growth in its consumer and business deposit products. Bilek wrote in an e-mail.

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UNITED: Company’s new space once housed president’s former firm

FROM PAGE 5

Some of the company’s fastest growth is in energy and mood-enhancement drinks, including the iChill relaxation shot and the Miracle Fruits of the World joint-care drink, Mitchell said.

“The addition of new products and business lines has been the key to the company’s success, he said.”If people want to purchase a product, they want to do it at a store, they want to walk into a store, they want to touch it and feel it, he said.”

Relaxation drinks such as iChill have become big business, according to research company IBIS-World. With more than 500 types of relaxation beverages on the market, the industry is expected to generate $500 million in revenue this year, for a year-over-year increase of more than 300 percent, according to IBISWorld beverage industry analyst Agata Kaczmarska.

“Therefore we’re seeing now is similar to the growth for energy drinks five years ago,” she said.

An ideal homecoming

The new building is ideal for United 1 because it has climate-control production rooms, R&D lab space, floor drains and other plumbing features the company needs, as well as space for the company’s growing business lines, said Conrad Madsen, a principal with commercial real estate firm Lee & Associates. Madsen and Greg Nelson, also a principal with Lee & Associates, helped United 1 find and lease its new space.

“They’re just bursting at the seams where they are,” Madsen said. “When this building came available, we had a lot of interest from other lab-related companies compared to D-FW. United 1 ultimately was the ideal fit.” The ideal match wasn’t entirely coincidental. Mitchell occupied the building in the early 2000s when he was president of a similar company called Nature’s Formula Inc. Mitchell sold Nature’s Formula in 2006. It then went out of business in 2009. The building has been vacant for about a year. “This will be a homecoming of sorts,” Mitchell said.

Because it was used for a similar business, the amount of build-out work will be minimal, at about $270,000, and will be contracted through Lee & Associates, Mitchell said. United 1 will install about $1 million worth of new equipment in the building, including new boilers, chillers and a reverse-osmosis system, he said.

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LOCATION: Google, others have lead in location-based services

FROM PAGE 5

to $1.58 billion by 2015, Frost & Sullivan says.

Worldwide, revenue from location-based services will grow from $2.33 billion last year to $5.4 billion in 2015, according to Connecticut-based Skybridge Capital.

Several factors have fueled the growth in location-based service applications that don’t require installation on a cell phone from the likes of Google, Foursquare, Yelp and others. Consumers are nearly ubiquitous today and are growing faster.

While phone carriers had 16 million subscribers for their location-based services, AT&T alone had roughly 90.1 million wireless customers as of June 30.

The growing use of the services by businesses looking to reach customers has increased security and privacy concerns. Glubochansky said AT&T has taken steps to ensure privacy. Lancaster added that there are companies working on cloaking technologies. “I think we’ll see that more and more,” she said.

Phone carriers, however, might not get as much of that as they would want, Lancaster said. They may have already missed the boat because Google has been offering high-value location-based services for a long time,” she said.

Indeed, Frost & Sullivan reports that while U.S. wireless carriers reported consumer subscribers to location-based services of 16 million last year — set to grow to 50 million by 2015 — software applications that don’t require installation on a cell phone from the likes of Google, Foursquare, Yelp and others are nearly ubiquitous today and are growing faster.

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With the projected pullout of overseas military operations, the government won’t likely spend as much money on defense research and development as it had post Sept. 11, he said. “The expression, ‘The handwriting is on the wall’ is apt,” Isaacs said. “While the spending has gone up, it will not go up in future years and they are wise to diversify, if they can.”

As government spending dips, there’s been an uptick in the number of security breaches reported in the private sector, and problems maintaining privacy in an electronic-record society, said Bhavani Thuraisingham, director of the Cyber Security Research Center in the Erik Jonsson School of Engineering and Computer Science at the University of Texas at Dallas. The research center has worked with Raytheon in the past and has begun working on a research project to secure Web-based data. “It makes sense for (Raytheon) to get that edge in the private sector; it’s not just for government,” she said. “It’s for all systems and networks. The health care industry, the transportation industry — they can all be corrupted.”

Raytheon launched the Clear View system at a recent security profession- als’ conference and exhibition in Dallas. Company officials said they got favorable response from universities, transportation companies and vari- ous public-private partnerships, adding that they could not disclose informa- tion about clients or potential clients. The system consolidates data from multiple sources, providing threat awareness and information for companies to make quicker decisions, said Andy Zogg, Ray- theon’s vice president of command and control systems. The command center can be scaled to secure a single building or up to thousands of miles of borders through- out the world, he said.

The system reduces false alarms by using sensors to track and identify data, Zogg said. That keeps operators more fo- cused on potential security threats.

The security command center can in- tegrate with third-party software and hardware, said Drew McBryde, the produc- tuct area director of security solutions for Raytheon Network Centric Systems. “With the Department of Defense, they like to concentrate on the technology but in the commercial market, it’s all about the low cost,” McBryde said.

The cost for the security command cen- ter ranges from $100,000 to several million dollars, depending on customer needs, he said. Raytheon plans to install the com- mand center’s software and hardware and subcontract the work for any related infra- structure needs, McBryde said.

Company officials say they hope to re- coup the millions of research and develop- ment dollars in the next 12 to 18 months. “We are continuing to look at how we can broaden our growth into this market set,” McBryde said. “We are working on a radar tracker in North Texas and we hope to utilize those capabilities, but we’re sev- eral years away. Hopefully this is just the beginning.”

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FRO
DIABETES: Report cards are out

Eventually employers and insurance carriers will be able to use the reports to determine which physicians are in-network providers, or to develop incentives to steer employees to top-performing doctors, he said. For now, and for at least one more year, individual reports are not available for public review.

The diabetes care reports graded physicians on how frequently they ordered key tests related to the disease. The reports measured the percentage of patients with diabetes receiving the tests at least once in the measurement year. The tests were determined to be warranted if they are recommended by the Healthcare Effectiveness Data and Information Set, a tool more than 90 percent of America’s health plans use to measure performance on important elements of care and services.

The Business Group on Health, which contracted with third-party vendor Austin Private Solutions Inc. to aggregate data from North Texas health plans, compared North Texas physicians’ testing rates to the national mean reported by the National Committee on Quality Assurance. The research found that the region’s doctors generally performed better than physicians nationwide. North Texas doctors also showed a year-over-year improvement.

The researchers used claims data from five of the Dallas-Fort Worth area’s major health insurance providers: Aetna, Blue Cross and Blue Shield of Texas, Cigna HealthCare, Humana Inc. and UnitedHealthCare. The reports were sent to doctors who treat at least 20 diabetes patients in 2008.

The D-FW Business Group on Health is made up of 130 major employers, including American Airlines Inc., Brinker International Inc., Southwest Airlines Co. and Texas Instruments Inc. One of the group’s goals is to encourage health care providers to improve their performance, and the diabetes care reports accomplish that by letting doctors compare their results to Dallas-Fort Worth averages, said Mandy Fazen, executive director of the business group.

“For those physicians who are not performing well, I’m hopeful they will say ‘I wonder what the problem is? I wonder what my peers are doing to make them better,’” Fazen said.

The reports also allow insurance companies that took part in the study to evaluate how health-plan designs affect issues such as access to care, Fazen said. The reports provide benchmarks against which future performance will be measured, Toomey said. They’ll provide valuable information for the recently formed North Texas Accountable HealthCare Partnership, a collaboration of health insurers, hospitals, physicians and employers established last year to address high health-care costs and the high rate of obesity-related illness in North Texas, he said. Being overweight or obese can cause Type 2 diabetes because the extra pounds make the pancreas work harder to produce enough insulin to turn food into energy.

Toomey said he’s encouraged by the diabetes reports — especially the finding that North Texas physicians improved in conducting hemoglobin A1c blood tests that are used to determine how well diabetics is being controlled.

“This is a very pressing business issue,” Toomey said. “It’s going to influence our livelihood over the next five to 10 years unless we deal with these health and cost challenges.”

The reports resulted from a three-year collaboration of doctors, employers, consumers and health plan carriers who worked together to develop performance metrics acceptable to all.

That provides a framework for partnerships between physicians and employers, said Dr. Guy Culpepper, a family physician for 24 years and president and CEO of Jefferson Physician Group in Dallas.

“Historically we have faced the barrier of only being able to interact with the insurance plans,” Culpepper said. “It’s important to remember that employers are really paying the health care bills, and with improved communication we can focus resources on identifying those changes that can produce the most dramatic results.”

A study released last month by the Business Group on Health found that Dallas trails the national average in rates of patients receiving recommended diabetes care. The earlier study also found the number of diabetes patients with health problems such as hypertension resulting from Type 2 diabetes grew to almost 18 percent in 2009 from 13 percent in 2008.

Taken together, the studies show the importance of patients taking charge of their health, Fazen said. It doesn’t matter if doctors order the right tests if the patients don’t go to the doctor in the first place or don’t take their medicines and follow their doctors’ advice, she said.

Both studies show substantial room for improvement in the care of people with diabetes, Fazen said.

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Time to pay attention to emerging Hispanic market

While many politicians and the media continue to focus on immigration reform or the lack of it, the fastest-growing and youngest segment of the U.S. population continues to gain momentum. This segment presents great opportunities for business and political leaders prudent enough to ride the growth wave. According to data from the 2000 (outdated) census, the Hispanic community is the fastest-growing segment of the U.S. population, and within that group, the fastest-growing category is the Hispanic middle class. English is either the only language spoken or the dominant language in a very large and increasing number of Hispanic households. What’s more, the census showed the average Hispanic household income is $52,000. By 2025, the majority of the population in the Southwest will be Hispanic. By 2050, one in five Americans will be foreign-born. Between 2005 and 2050, new immigrants (legal and illegal) will make up 47 percent of the population growth — U.S.-born children of immigrants will make up 33 percent.

Business leaders who prepare their businesses for this inevitable growth will benefit greatly from the immense opportunities that this underserved segment of the U.S. population will generate. This year, U.S. Hispanic purchasing power is projected to exceed $1 trillion, and more than $189 billion in Texas alone. Today, prudence and forward thinking must prevail, as too many in our society are being manipulated by shallow-minded political leaders who promote caustic anti-immigrant attitudes that are on many occasions based on sensationalism, not fact. Allowed to continue unabated, this negative sensationalism will cause lasting harm to those children and individuals who will play a decisive role in the not-too-distant future of America.

Fear of the unfamiliar and unknown future by the majority of Americans is allowing the voices of ‘hate’ to feed the public’s anger, pain and desperation, which continues to cause a dangerous drift toward a politics of ‘hate.’ Business people must take the initiative, putting forth compelling moral leadership to prevent the current immigration debate to turn into hate and disenfranchisement. There is no other reasonable option; we cannot allow the voices of hate to continue to breed and consequently drag our nation and economy in the wrong direction.

Business leaders and wise politicians must become advocates of change, pushing for a progressive and bright perspective that recognizes and accommodates an ever-changing regional and world economy. As a nation, we must come to terms with the realization that regardless of what happens with immigration reform over the next few years, Hispanics now make up the fastest-growing sector of the U.S. population and electorate. As such, this group increasingly will be able to determine local, state, congressional and presidential elections for the foreseeable future. And young Hispanics represent the fastest-growing segment of the Hispanic vote, and spending power. We must not allow negative dialogue to continue to alter the national tone and narrative on comprehensive immigration reform.

Voices of ‘hate’ and dissension serve only to prey upon people who fail to realize that both legal and undocumented immigrants just seek what their immigrant families previously wanted and worked for — the American dream. *Chavez is president of The Alta Vista Group, an Irving-based commercial real estate and business advisory company specializing in emerging Hispanic markets. He can be reached at RXC@TheAltaVistaGroup.com.*
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