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Feature Paper

High-Performance Banks and Small Business Lending

This paper was presented by Thomas H. Payne, Ph.D., Peter DeVries, Ph.D., James Philpot, Ph.D. during the Decision Sciences Institute Southwest Region 33rd Annual Conference, March 7 and 8, 2002.

This study analyzes the contribution of small business lending to the profitability, growth, and risk of "high performance" banks. Higher equity returns and growth rates exist among small institutions engaging in increased levels of small business lending. No such benefits, however, accrue to large banks. For banks with under \$100 million in total assets, the level of small business lending increases with institutional size. However, the amount of small business loans provided by large banks decreases with size.

To read this entire paper on High-Performance Banks and Small Business Lending visit our Web site at <http://www.sbaer.uca.edu/Research/2002/swdsi/Papers/02swdsi040.pdf>

Tip Of the Week

"Limited-Liability Company (LLC)"

A relatively new form of ownership the limited liability company (LLC), is quickly becoming the "hot" business form on its way to becoming the entity of choice for the future. Recognized by the IRS in 1988, LLCs offer the protection of limited liability of a corporation and the tax advantage of a

partnership without the restrictions of a S corporation. As with many new developments, the LLC is still evolving. For example, although the LLC is provided pass-through treatment for federal taxation, individual states may tax it differently. Most states tax the LLC as a partnership, whereas others, such as Florida, tax the LLC as a corporation. Check with your tax accountant to see how LLCs are taxed in your state.

The owners of an LLC are called "members." Unlike the situation for C and S corporations, shares of stock do not represent the ownership by the members. Rather, the rights and responsibilities of members are specified by the operating agreement in other corporations. LLCs offer small business owners greater flexibility than either C or S corporations. This flexibility is provided to the members by their writing of the operating agreement. The operating agreement can contain any provision for the LLC's internal structure and operations. LLCs are not constrained by the regulations imposed on C and S corporations, such as who can and cannot participate, what the LLC can or cannot own, or how profits and losses are allocated to members. For example, the owners of an LLC can allocate 50 percent of the profit to a person who owns 30 percent of the business. This is not allowable in C or S corporations.

You should seriously consider forming an LLC if you need flexibility in the legal structure of your business, desire limited liability, and prefer to be taxed as a partnership rather than as a corporation.

"Small Business Management" 2nd edition Hatten S. Timothy, Houghton Mifflin Company, 2003, Page 60.

Call For Papers

Asian Journal of Information Technology (AJIT)

As a new journal, AJIT Quarterly Publication has a need for high-quality manuscripts. Share your knowledge with Information Technology worldwide by submitting a manuscript to Journal of Information Technology.

For more details on the this conference, visit <http://www.gracepublication.org>

Conference

Federation of Business Disciplines (FBD)

Join FBD in Houston -"The Bayou City at its Best" for our 30th Annual Meeting March 4-8, 2003 Hyatt Regency Houston, Headquarters Hotel.

For further information on this conference, visit <http://www.fbds.org>

Conference

2002 Marketing Advances Conference

The 2002 Society for Marketing Advances Annual conference will be held **November 12-16, 2002** at the **TradeWinds Resort** in St. Pete Beach, FL.

For further information on this conference, visit <http://mkt.cba.cmich.edu/sma/confernc/confernc.htm>

Announcement

Department of Marketing and Management University Central Arkansas

Strategic Management

Applications for a tenure-track position in the area of Management are invited by the Department of Marketing and Management at the University of Central Arkansas. The positions academic rank will be based on the qualifications of the person hired and may be to the level of Full Professor.

General Responsibilities: Teaching, research, service, advising major students, and curriculum development.

Teaching Responsibilities: The position's primary teaching assignment will be in the area Strategic Management and its secondary teaching assignment will be in the area of Entrepreneurship. Other management courses may be assigned based on interest and experience. Opportunities for teaching at the graduate level may also be available.

Qualifications: Applicants for the position hold a doctoral degree with a specialization in the primary teaching field (or closely - related field). ABDs may be considered. Evidence of or potential for excellence in teaching and research is expected. The department is particularly interested in attracting women, ethnic minorities and persons with disabilities.

The College and Community: The College of Business Administration has held AACSB-International accreditation since 1985. The Department offers majors in the disciplines named above. UCA is located in Conway, Arkansas, a growing community of 45,000, which has excellent public schools and health care facilities. Being located at the southern gateway to the Ozark Mountains, Conway offers abundant recreational opportunities both in and near the city.

Hiring date for all positions: The hiring date for the position is August 15, 2003. Closing date is January 18, 2003 or until the position is filled. Resumes should include the names, addresses, and telephone numbers of three current references. Send application materials to:

Dr. Bill Bounds, Chair of the Search Committee
Department of Marketing and Management
University of Central Arkansas

201 Donaghey Avenue
Conway, AR 72035-0001.
Telephone (501) 450-3149
E-Mail BBounds@mail.uca.edu

UCA is an Affirmative Action/Equal Opportunity employer.

Announcement

New Chief Economist at SBA Advocacy

Dr. Chad Moutray Appointed Chief Economist For The Office Of Advocacy Dean Of The Business School At Robert Morris College In Chicago

WASHINGTON, D.C. - Dr. Chad Moutray, Dean of the Business School at Robert Morris College in Chicago, is the newly appointed Chief Economist for the Office of Advocacy of the U.S. Small Business Administration (SBA).

In announcing the appointment, Thomas M. Sullivan Chief Counsel for Advocacy said, "Dr. Moutray is a dynamic administrator and academic. He brings a sense of purpose and energy to the job of expanding Advocacy's reach into the academic, research, think tank, and policy communities."

The Office of Advocacy is the government's source for research on small business issues. The Chief Economist's role is to direct that research towards areas which best help policy makers in their decision-making process, and to publicize the results within the broader academic community. The Chief Economist is also responsible for the academic integrity and quality of Advocacy's research efforts.

"I'm excited about the opportunity to direct the small business research efforts of the Office of Advocacy," said Moutray. "I'm looking forward to the challenge of expanding Advocacy's profile and awareness of how important small business is to the economy and local communities," he said.

Dr. Moutray comes to Advocacy from Robert Morris College in Chicago, IL where he was the Dean of the School of Business Administration. In that capacity, Dr. Moutray achieved a 50 percent growth rate in student enrollment. He was also responsible for the school receiving International Assembly for Collegiate Business Education (IACBE) accreditation.

Dr. Moutray's academic specialization is in the area of economic analysis of education reforms. A native of Mattoon, IL, he earned a B.A. in Economics from Eastern Illinois University where he graduated Summa Cum Laude, a M.S. in Economics from Eastern Illinois University, and a Ph.D. in Economics from Southern Illinois University.

For more information, visit the Office of Advocacy website at <http://www.sba.gov/advo>

If you have any comments about the SBANC newsletter or if you know of any upcoming small business event to promote, please contact Christian Bol at cbol21@hotmail.com

The SBANC Newsletter is provided as a service to the members of our affiliates: **Academy of Collegiate Marketing Educators (ACME), Association for Small Business & Entrepreneurship (ASBE), Decision Sciences Institute (DSI), Federation of Business Disciplines (FBD), International Council for Small Business Congress (ICSB), Institute for Supply Management, The International Small Business Congress (ISBC), Marketing Management Association (MMA), Small Business Administration (SBA), Service Corps of Retired Executives, Small Business Institute Directors Association (SBIDA), Society for Marketing Advances (SMA), United States Association for Small Business & Entrepreneurship (USASBE), U.S. Department of Veterans Affairs and Western Decision Sciences Institute (WDSI).** If you are interested in membership or would like further information on one of our affiliates, please see our web site at <http://www.sbaer.uca.edu>

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