

April, 15th 2013

Surviving Sandy – Help us recover.

1. WHY TELL THIS STORY

I would like to tell a story about my family and my small business's struggle in difficult post hurricane Sandy times. What families, including my own, encounter to make ends meet. My small businesses' name is Full House Promotions, Inc. doing business since April of 2002. I want to bring to light several state, city and federal assistance grant programs which 'claim' to help families and small businesses to recover. What I want to specifically expose is what these programs really promise and deliver. How they promote and advertise their services. How these programs administered and who pays the administration fees. Do they have a fair approval process and where is the oversight? I try to answer these questions and make my case providing supporting documents and correspondence from my dealings with these organizations in a safe download link at the end of my story.

2. THE FAMILY STORY

Our family has been hit very hard by the hurricane Sandy on Staten Island, NY. We have lost three family vehicles none of which had full comprehensive insurance coverage. Our home had over 3 feet of salt water. There were major structural and personal property damages. Our flood insurance only covers some of the structural damage. The rest of the damages are not covered by insurance.

I run my small business from home and do not have any business interruption insurance. From my understanding those who did are not being compensated because there is no coverage for hurricanes. The bills (mortgage, electric, phone, gas) continued to pile up and none of the companies provide any relief or credit for those affected by the storm. It still costs \$95 for Dish or Verizon to send a technician to your affected home regardless of Sandy. Payment deferments options are not helpful. They just postpone the inevitable. There were no solutions in place by utility and cable companies and no compassion.

One of the worst offenders was Con Edison. According to Con Edison agents, there is no refund or account credit for any damages caused by the hurricane outage because it was an act of God. While our electric meters were not running during the power outage, there is no electricity being consumed and therefore billed for.

On Thursday, December 27, 2012 Con Edison was conducting a meter replacement on our street. At 1pm without a notice to its customers, Con Edison turned off electricity to our home without an appointment or any warning. My small business is running a mission critical computer servers that if interrupted, could lose data.

My father is to retire next year from MTA and he fears that pension will not be enough alone to complete all the necessary repairs. He had a hernia surgery very recently resulted from the storm. Most importantly, due to flood, the value of our home has depreciated and our home does not worth today what it has before the catastrophe, even if fully rebuilt. There has been no relief with local property tax so far. James Oddo's, local council member, property tax relief proposal has failed.

During the cleanup process, in the aftermath of Sandy, mayor Bloomberg authorized the third party contractors to tow damaged vehicles to the undisclosed parking locations without the proper notice to the owners. It has angered many car owners of the manner in which the vehicles were towed and how best models were preselected first. Cars were towed under the cover of night by outsourced contractors driving out of state rental vehicles. The police was called in to address this matter but proven to be ineffective.

3. TODAY'S REALITY

First, let us agree that no grant program or bank is under any obligation to help the Sandy victims. Let us also agree that no program is under any obligation to approve our loan or provide us a grant if we do not qualify. We understand that we are at the mercy of few selected organizations and that the decision is placed solely on the approval process.

However, Sandy families are also told that these grants and loans are for them. They are for those misfortunate affected by the storm who otherwise would not have received them through normal channels or resources. If that is the case, shouldn't the purpose and the design of these programs give Sandy victims the proper help they require to rebuild? Let us take our microscope and see.

4. NYBAC

The first program I want to discuss is the NYBAC. It is Small Business Assistance Grant Program designed for Hurricane Sandy and administered by New York Business Assistance Corporation (NYBAC). This program designed to help small businesses with a \$5000 grant. The money that is desperately needed by small businesses to rebuilt. Many businesses including my own still haven't fully reopened.

This program was kept quiet and was neither properly promoted nor advertised. I found out about it by accident from my local NYC Business Solution Center on an unrelated call with Mary Ellen Smyth. This program provides help to only first 200

small businesses applicants and I was 610 in the queue. First, when I contacted the SBS office, the company has just moved to a new office and was in a process setting up new phones and voice mail. If the program is limited to only help first 200 businesses then why wasn't an online application discontinued? Why did it continue to receive applications including mine?

I managed to speak to Meheza Tchalim, Cheryl Hamilton and Coleen Galvin (grant administrators) at NYBAC and asked them if my small business were to receive the grant. I was told that based on my late queue number it would not be possible at this time. However, they pointed out; there may be more funding available in the future. Unfortunately, we hear the same story with any program. We are promised more unconfirmed money in the future. I asked if it was a smart decision, given the tight funding constraints, to assess \$5000 grant per application as oppose to \$2500, to accommodate more small businesses. I have received no credible answers to any of my questions. My email with detailed questions went unanswered. The reality is that I don't need a referral to another program, a promise of additional funds or a link to Sandy resources. I need help of this current grant which was intended to help small business like mine. See provided documents at the end of the story.

This program is a result of the Mayor's Bloomberg 'fund to advance NYC' but what does this really mean? Where is this fund and why all today's help is coming from Goldman Sachs and alike. Where are the city's funds for small businesses? No one was able to explain and those who attempted have failed. 311 operators are simply clueless. There is simply no number to call and no address to write.

5. ACCION BY ESD

The star of all programs comes second on my list and is known as Accion USA. If we all loved drama theatre, this program would steal the show. These people are 'brilliant' and must be well connected. This program has a powerful friend. It is listed on the Empire State Development (ESD) state agency website (esd.ny.gov) as their first choice. So was the Renaissance program but it was recently removed because it also ran out of money. ESD site provides affected businesses with referral links to disaster help including Accion but does not take responsibility to oversee that the programs perform and deliver as promised.

Here are the Accion program details. The program provides up to \$25,000 loan to small business accompanied with a 15% grant based on the entire amount of the loan. It takes 5% in closing costs, \$30 in application fees and interest after the first three months. So your 15% grant is now only 10% due to the closing cost. Of course, closing cost, fees and interest are what funds administration of this program, as it was explained. In other words, it is funding itself by the donor's moneys that meant to help others. According to ESD official inquiry, Accion has only approved 60 loans. Does this sound like a program that is designed to help businesses desperate for financial assistance?

Additionally, the questions by Accion are very sensitive to those who have been affected. For example, why is your business not making much money since the disaster or do you report all your business income? The above questions would not be necessary if Accion simply understood the nature of those small businesses who suffered a loss as a result of the hurricane. Small Businesses including mine simply do not have any substantial income to report at this time because they are still struggling to reopen. That is the reason small businesses are seeking these very much needed loans. Is it not a common sense? Didn't they take this under consideration prior catering their program towards affected businesses?

I first blame ESD. Did they do their homework to verify that Accion program provides a fair approval process to help the victims instead of acting like any commercial program no different from any other bank? Was it not the whole point to provide loans to businesses so they could reopen and repay the loan? In my case, I was denied a loan even after I provided \$8000 collateral. I have answered limitless questions that seem to never stop and submitted countless documents. The website application has already preapproved me for a loan so what really happen? In other words, it is the case of a failed program where you pre-qualified until you are disqualified. It sounds funny but I was pretty angry and disappointed that to survive the application process is like having a second job constantly feeding the information to the loan officers.

I have attempted to speak to ESD administration. I was able to speak to Steve Cohen, assistant deputy, who was not able to produce desired results in his investigation. I think ESD is protecting the Accion. According to ESD headquarters, only New York ESD office addresses Sandy issues and within that office only one person by name of Andrew Flamm, who was never available to me, to deal with Accion issues. Andrew was always preoccupied with meetings or being on the middle of something but never to help.

6. SBA

To put simply, after 3 long months, U.S. Small Business Administration Disaster Assistance (SBA) has declined my disaster loan application due to the lack of repayment availability. I waited on my loan officer for 3 months to get to my application but the loan officer would not give me a week to produce additional documentation and made premature decision on my case. The loan officer, Ben Tinkey and his supervisor Laura Sonnier, has encouraged me to reapply with new documents. I was also advised what needs to be adjusted on the document to pass the review, if I were to reapply. I am afraid that this never ending bureaucracy will result in another failure and complete waste of my time.

7. OTHER PROGRAMS

Finally, we encountered with 'under the radar' programs like MET Council organization (metcouncil.org) which claims they ran out of Sandy assistance money

while still accepting Sandy donations on their website. This organization just moved into a new office on Broadway. Their Sandy hotline returns calls but does not provide any Sandy resources. Can you see how suspicious this looks to those families who really suffered a loss? Other similar programs, to remain anonymous at this time since cases are still pending, after lengthy application process promised thousands in grants, at best would only offer a partial grant to make your home more energy efficient. Why ask for limitless documents to apply when eligibility question could simply be predetermined by family annual income?

8 CREDIT DUE

New York Business Development Corporation (NYBDC) was the only small business program that deserved proper credit and appreciation. It served as a model on how help should be provided and demonstrated high quality in its application process. NYBDC was willing and able to help my business with a \$10,000 loan accompanied by a grant. Unfortunately, this was not enough in our case and additional assistance is still needed.

FEMA was able to assist with compensation for transportation but only after a congressional inquiry followed through my representative Grimm's office. Thanks to the representative Michael Grimm's associates working our FEMA case, it produced desired results and covered our flooded vehicles.

9. IN CONCLUSION

I am afraid that with new developing stories such as Boston bombings, gun control and immigration reform, elected officials and public will quickly forget about Sandy. Although Sandy was a major disaster of catastrophic proportions, which we must learn from, the amounts of people actually affected are mostly those residing in zone A.

The purpose of this letter is to ask for help from our elected officials and authorities to deal and punish the programs which mislead and do not function as intended. Pick any program that appeal to your office or falls under the jurisdiction to investigate. Please help us address and resolve these issues. The people deserve these programs and waiting on our elected officials to act.

What happened to the \$60 billion aid bill allocated for NY and NJ approved late by the congress, seventy-eight days after Sandy? How are we still running out of money and how are we still relying on third parties and outside investment firms for help? The programs, that out of assistance money, promise more money to come but how after all are they to be trusted?

10. REFERENCES

Safe download link provided below for evidence and documentation:

<http://jobs.vipclubber.com/misc/Sandy.zip>

Images of destruction:

<http://jobs.vipclubber.com/misc/SandyFlood/>

Sincerely,

A handwritten signature in black ink, appearing to read "Anton Shpigel". The signature is written in a cursive, somewhat stylized font.

Anton Shpigel
Full House Promotions, Inc, President
amury@hotmail.com
917-686-5657