

PALOMA MARTINEZ



MEDIA DOVE PRODUCTIONS

Paloma, which means dove in Spanish, is a symbolic name for Paloma Martínez, the self-described “artist with an academic background”. At the young age of 24, Paloma founded Media Dove Productions, a full-service video production company with a mission to communicate. Paloma’s goal is to tell a story, sell a product and deliver a message.

Paloma first picked up a video camera at age 15 to create home videos of her family and friends. In 2006, she graduated with joint degrees in Visual Arts/Media and Communications from the University of California and turned her newfound passion into a career. Back then, Media Dove was a two-person business with a small initial financial investment. Today, the business operates from two offices in San Diego, has a strong clientele and possesses a global reach.

In the beginning, Paloma faced many challenges as a young female starting a new business in a male-dominated field. In 2007, she

attended a local small business workshop to gain more knowledge and fortunately heard about ACCIÓN San Diego. After acquiring a \$2,000 loan in 2008, Paloma was able to purchase a new Panasonic DVX100B video camera allowing her to expand her projects and services because of the various mode capabilities of the camera. Paloma and the DVX100B have traveled worldwide, most recently to South Africa to document the “sangoma” culture and produce an educational DVD about the sangomas, tribal leaders who coach the community on relationships, careers and life’s decisions.

With its success, Media Dove now employs several freelancers, contractors, and interns, all residents of San Diego. Paloma holds a strong vision for her company’s future, someday becoming a full-length film production house.

“Working for myself is great because I can work on projects that are important to me that serve a community purpose,” Paloma says.

MARIO LEWIS



IMPERIAL BARBER SHOP

With a desire to bring back the “old school” community barber shops, Mario Lewis graduated from barber school in August 2006 and opened Imperial Barber Shop. The shop quickly became a hot spot in the neighborhood for not only haircuts and shaves, but regular domino tournaments and social visits. Lines formed outside the small shop and customers were often waiting too long for Mario’s liking for their haircuts.

He decided it was time to expand and approached various banks for a small loan to increase his booth capacity, but to his dismay, he was turned away empty handed as a new business without a strong credit history.

In 2007, Mario met ACCION San Diego and was able to receive a \$2,000 loan; just enough to purchase three new barber chairs which allowed him to increase his business efficiency. Shortly thereafter, the space next to his shop came available and he approached ACCION in 2008 to refinance his loan to \$9,000 so he could expand to the adjacent location. Using

the money for construction, additional equipment, marketing and expansion, Mario and his customers could not be happier with the larger shop and traditional barber decor.

Thanks to ACCION San Diego’s loan program Mario’s business has doubled in size, his credit has improved more than 60 points and he has truly brought back the local feel of a neighborhood barber shop.

“I now employ nine members of my community and wouldn’t have been able to do it without ACCION,” says Mario.

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1250 6th Avenue, Suite 500 • San Diego, CA 92101
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DIM Marine

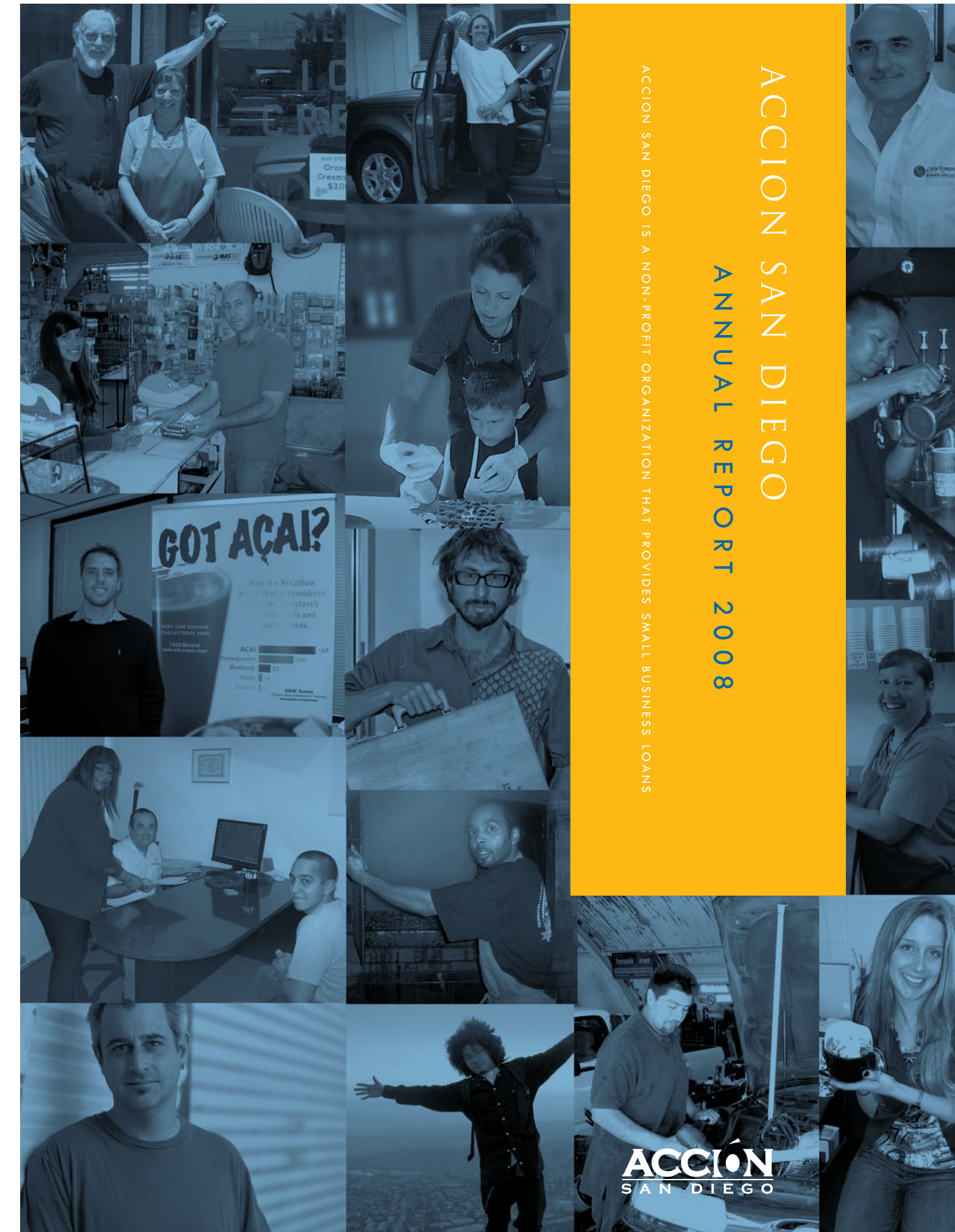
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ACCION SAN DIEGO ANNUAL REPORT 2008

ACCION SAN DIEGO IS A NON-PROFIT ORGANIZATION THAT PROVIDES SMALL BUSINESS LOANS



2008 HIGHLIGHTS

MESSAGE FROM THE 2008 BOARD CHAIR



Gordon Boerner
Board Chair

Throughout a year where the economy lurched like never before and small businesses faced some of their largest challenges in decades, ACCION San Diego remained focused on supporting their success. With demand for alternative lending sources surging in conjunction with tightened bank lending standards, ACCION San Diego's program experienced a 40% portfolio growth by providing 135 new small business clients with financing.

In the San Diego region, small businesses comprise over 90% of all businesses and in 2008 ACCION San Diego clients generated over 900 employment opportunities for local community members. Throughout this past year, these small businesses continued to serve as a driving force for stabilizing San Diego's economy, while credit conditions challenged the continuity of their operations and resultant family incomes.

As the macro-economic maelstrom continues into 2009, flexibility surrounding access-to-credit remains a top priority issue for San Diego's small businesses. ACCION San Diego's lending and post-loan technical assistance support both serve as vital resources in boosting self-sufficiency and employment opportunities across the region.

Thank you to each of our financial supporters, board of directors, staff and volunteers for investing in ACCION San Diego's mission. Your partnerships are crucial to strengthening the powerful impact on entrepreneurial spirit that ACCION San Diego continues to create and encourage in local neighborhoods throughout San Diego.

Sincerely,

Gordon Boerner
2008 Board Chair
ACCION San Diego

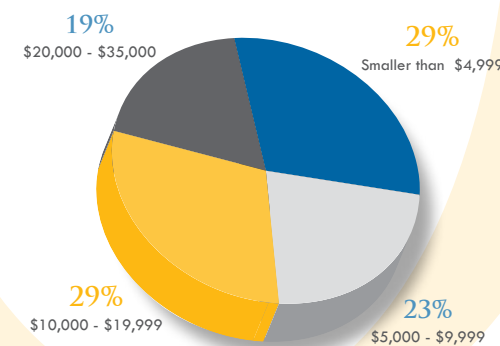
The mission of ACCION San Diego is to provide economic opportunity for low-to-moderate-income business owners who lack access to traditional sources of credit. Through business loans and support services, we strengthen the roots of emerging entrepreneurs and help them to thrive in their communities, creating social and economic change.

IMPACT

ACCION San Diego's program transforms people's lives, creating healthy and vibrant communities filled with spirited entrepreneurs who build incomes, produce jobs and live out their dreams. The program's two lending products, the "Quick" and "Complete" Loans, serve a diverse population of both start-up and existing business owners. The Quick Loan, from \$300 to \$2,000, is often used by home-based daycare providers and farmers' market vendors for inventory, small equipment or start-up costs. The Complete Loan, up to \$35,000, assists many existing businesses including retail shops, restaurants, construction companies and others with contract receivable financing, seasonal marketing or inventory expansion, office renovations and general working capital.

In 2008, ACCION San Diego's staff issued 160 loans to 135 new clients for a total of \$1.7 million, all record-breaking volumes in the organization's 14-year history. On 12/31/08 the active portfolio consisted of 353 borrowers, with an outstanding balance of \$2.6 million, a 40% increase from FYE 2007.

2008 LOANS BY SIZE



PROGRAM UPDATES

Risk Management Programs

As ACCION San Diego's loan portfolio grew significantly in 2008, the organization continued to mitigate the inherent risk of microlending activities by strengthening the portfolio through two State of California credit enhancement programs: Cal Cap loan loss reserve match and Cal Southern loan guarantee programs. Each loan disbursed in 2008 was enrolled in one or both programs, providing credit loss protection to almost half of the organization's outstanding loan portfolio.

While credit score is a guideline in evaluating loan applications, client character and dedication to a reasonable business plan, along with 15 other criteria, are part of ACCION San Diego's loan evaluation process. In 2008, the lending staff streamlined the application process, fine tuning the organization's underwriting guidelines and developing a credit policy and procedure manual.

Business Development

As economic challenges continued to mount for small businesses in 2008, ACCION San Diego boosted business resources in support of our clients. Staff began conducting ongoing surveys and quarterly call nights to all active clients evaluating their needs and challenges. The organization facilitated an abundance of training referrals to partner organizations, publicity opportunities on TV, radio and in print media, and matched one-on-one mentoring relationships for clients. Through the in-house volunteer program, ACCION San Diego recruited and managed over 40 volunteers comprising of community professionals and graduate students who volunteered their time and skills to work hands-on with borrowers who needed specific training.

Although ACCION San Diego's mission is focused initially on providing access to capital, we build personal relationships with clients and support them through the ups and downs of owning a business. As Anna Van-Ransom Magana, ACCION client and owner of Anna's Mariposa Ice Cream says, "I thought I was coming to ACCION San Diego just for a loan; I had no idea the enormous amount of support and resources that would be at my finger tips through their program."

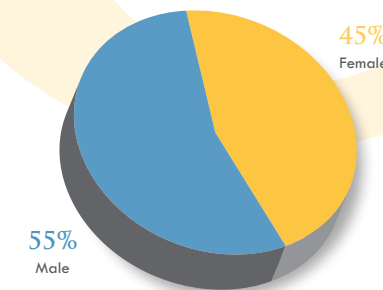
ACCION SAN DIEGO IN THE COMMUNITY

ACCION San Diego was the recipient of the 2008 Community Investment Leader of the Year Award by the San Diego Hispanic Chamber of Commerce. The award recognized ACCION as a financial institution displaying leadership and commitment to community advancement, support and presence in historically underrepresented communities.

ACCION San Diego's program is built on a sense of community, and our team works closely with many government, non-profit, community-based and banking institutions to serve entrepreneurs throughout San Diego County. Every member of ACCION's staff participates in community outreach through presentations, events, workshops and old-fashioned block walking. In 2008 alone, the team covered over 40 local neighborhoods going door-to-door educating local business owners and banking partners about ACCION's resources. ACCION San Diego recognizes that financing is not the only thing entrepreneurs need to be successful and therefore collaborates with many partners such as SCORE, the Small Business Development Centers, Micromentor and the Women's Business Center of CA to provide training and education to many of ACCION's borrowers.

Strategic partnerships with other microfinance programs including CDC Small Business Finance, the Foundation for Women and the International Rescue Committee also allow entrepreneurs to expand as their financing needs change. Each program differs slightly, offering varied products and enabling clients to move from one program to another building their stability, credit and self-sufficiency.

2008 CLIENT PROFILE



FINANCIAL SUMMARY

Balance Sheet

	DEC. 2008	DEC. 2007
ASSETS		
CASH AND EQUIVALENTS	\$ 748,316	\$ 1,526,281
CONTRIBUTIONS AND GRANTS RECEIVABLE	\$ 134,610	\$ 116,263
MICROENTERPRISE LOANS RECEIVABLE (NET OF ALLOWANCES FOR LOAN LOSSES OF \$174,348 IN 2008 AND \$128,557 IN 2007.)	\$ 2,506,738	\$ 1,803,163
FIXED ASSETS (NET OF ACCUMULATED DEPRECIATION OF \$137,733 IN 2008 AND \$121,600 IN 2007.)	\$ 11,752	\$ 27,885
OTHER ASSETS	\$ 106,536	\$ 29,430
TOTAL ASSETS	\$3,507,952	\$3,503,022
LIABILITIES		
ACCRUED EXPENSES AND ACCOUNTS PAYABLE	\$ 18,130	\$ 17,233
NOTES PAYABLE	\$ 1,450,000	\$ 1,450,000
TOTAL LIABILITIES	\$1,468,130	\$1,467,233
NET ASSETS		
UNRESTRICTED	\$ 1,945,013	\$ 1,948,289
TEMPORARILY RESTRICTED	\$ 94,809	\$ 87,500
TOTAL NET ASSETS	\$2,039,822	\$2,035,789
TOTAL LIABILITIES & NET ASSETS	\$3,507,952	\$3,503,022

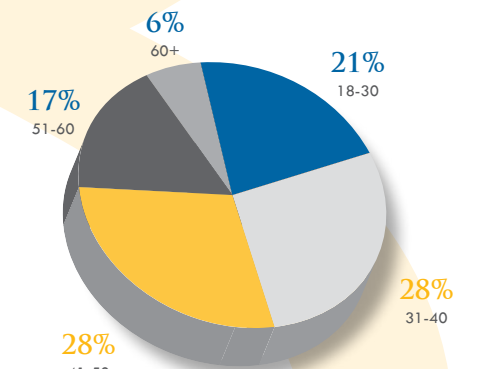
Revenue And Expense Statement

	DEC. 2008	DEC. 2007
REVENUE		
GRANTS AND CONTRIBUTIONS		
Unrestricted	\$ 222,973	\$ 291,422
Temporarily Restricted	\$ 130,000	\$ 35,760
In-Kind	\$ 202,300	\$ 124,000
Contract Revenue	\$ 52,650	\$ 112,297
Interest Fees	\$ 265,970	\$ 203,404
Other Income	\$ 152,181	\$ 149,094
TOTAL PUBLIC SUPPORT AND CONTRIBUTIONS	\$1,026,074	\$ 915,977
EXPENSES		
PROGRAM SERVICES	\$ 839,055	\$ 836,349
SUPPORTING SERVICES		
Fundraising	\$ 26,294	\$ 32,058
Grants And Administration	\$ 156,692	\$ 183,729
Total Supporting Services	\$ 182,986	\$ 215,787
TOTAL EXPENSES	\$1,022,041	\$1,052,136
CHANGE IN NET ASSETS	\$ 4,033	\$ (136,159)

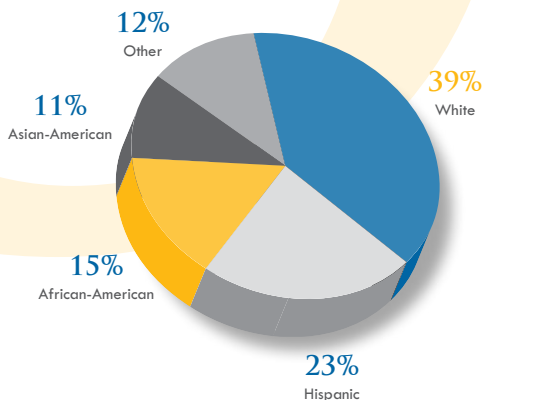
IMPACT

INDICATOR	2008	2007
NEW CLIENTS	135	108
NUMBER OF LOANS DISBURSED	160	142
AMOUNT LOANED	\$1,741,339	\$1,265,121
ACTIVE PORTFOLIO (AT 12/31)	\$2,681,085	\$1,931,720
ACTIVE CLIENTS (AT 12/31)	353	317
AVERAGE LOAN SIZE	\$10,883	\$8,909
PORTFOLIO AT RISK*	9.3%	10.2%
LOSS RATE	7.1%	10.4%
PERCENTAGE SELF-SUFFICIENCY**	52%	38%
CUMULATIVE TOTALS TO DATE	2008	2007
CLIENTS SERVED	1,370	1,235
NUMBER OF LOANS DISBURSED	2,419	2,259
AMOUNT DISBURSED	\$12,896,073	\$11,154,734
HISTORICAL LOSS RATE	7.80%	7.40%

2008 AGE PROFILE



2008 ETHNIC PROFILE



COMPLETE FINANCIAL STATEMENTS, AUDITED BY NICHOLAS M. PASCALL, CPA, ARE AVAILABLE UPON REQUEST THROUGH ACCION SAN DIEGO.

* PORTFOLIO AT RISK IS EQUAL TO THE TOTAL OUTSTANDING LOAN BALANCE OF LOANS PAST DUE MORE THAN 30 DAYS DIVIDED BY THE TOTAL LOAN PORTFOLIO.

** SELF-SUFFICIENCY IS CALCULATED BY DIVIDING REVENUE FROM LENDING OPERATIONS (INCLUDING WRITE-OFF RECOVERIES) BY TOTAL EXPENSES (LESS IN-KIND).