

Loan Program Lifts Outlook at New Firm

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PACOIMA — Miguel De Leon started on the assembly line of a high-tech electronics firm 17 years ago, rose to vice president and then, when the company failed last year due to a slowdown in the aerospace industry, was out of a job—like the company's 29 other employees.

But a few days afterward, De Leon bought the company's assets, renamed it after himself, and in a few months guided it from its dependence on defense contracts, steering it into a firm that made electronic circuit boards for everything from trash compactors to seismographs.

On Thursday, just eight months after starting over, De Leon's Pacoima company received a federal loan for \$205,000 on a day when U.S. Commerce Secretary Ron Brown doled out a total of \$69 million to small businesses, local governments and community organizations in Los Angeles and Ventura counties for economic aid and earthquake repairs.

De Leon's firm is the first in the nation to receive one of the low-interest Commerce Department loans, which were designed for small businesses that have been turned down for Small Business Administration Loans. If the \$30-million program is deemed successful, it will eventually be expanded nationwide.

"If I was telling this story to someone six months ago, they would have thought I was dreaming," said De Leon as he watched politicians mill around his company, De Leon Enterprises, a small factory located across the street from the San Fernando Gardens housing project.

Brown, who took a tour of the factory Thursday afternoon, commended De Leon for his entrepreneurship.

"He is a success story of gigantic magnitude," Brown said. "This is the perfect location to be making this announcement, perfect to be in a place that shows what a public and private partnership can achieve."

Brown, who has been the subject of news stories recently that have focused on whether he evaded federal taxes or financial disclosure laws by engaging in a series of complicated financial transactions, said it was good to be out of Washington.

"It certainly is nice to be out of the Capitol," he said. "And it's also nice to be able to bring some money with me."

Among the beneficiaries Thursday:

* Los Angeles County, which got \$15 million; Ventura County, which got \$5 million, and the city of Los Angeles, which received \$30 million in grants for infrastructure repair to fix damage from the Northridge earthquake.

* Irving B. Reder & Co., a Chatsworth clothes manufacturer, which will receive \$500,000 to expand its retail business. The company suffered \$2 million in earthquake damage after the temblor triggered sprinklers in their warehouse, ruining clothes.

* The First AME Church, in South Los Angeles, which received \$2.2 million for its community activities.

But it was De Leon's success in reducing by 50% his company's dependence on the defense and aerospace industries that attracted the government.

"He has already shown that he is successful in defense conversion," said John Rooney, president of the Valley Economic Development Center, the nonprofit group that will administer De Leon's loan. "We really think this loan is going to put him over the top."

De Leon said he will use the money to immediately hire 10 workers to help fill the stream of new orders that he has been receiving.

"We relied very heavily on military and aerospace," he said. "Instead of putting our eggs in one basket, we went after medical, entertainment and science. We are diversifying, that's why this company is going to be successful."

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