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OF NOTE

Gas rates on the way up?
Questar Gas has announced it will ask the Public Service Commission of Utah for a rate increase that will raise the typical residential customer's monthly bill by $4.30.

Utah exceeds CBO goal for ACA enrollees

More than 44,699 Utahns selected a private insurance plan on healthcare.gov in March and early April — an average of 912 people a day — pushing the state's Affordable Care Act enrollment over its goal of 57,000 set by the Congressional Budget Office in September 2013.

A total of 68,110 Utahns selected a plan on healthcare.gov between October 1, 2013, and April 19, 2014, according to the final report released by the Department of Health and Human Services on May 1. Utah was one of the leading states on healthcare.gov, out-enrolling states with similar populations like Arkansas, Kansas and Iowa.

Other numbers released in the government report for Utah include:

• 84,601 Utahns selected a plan on healthcare.gov since October 1, 2013—putting Utah at 148 percent of its overall enrollment goal of 57,000 sign-ups.

• 50.4 percent of Utahns enrolling in new ACA insurance live outside of the Salt Lake City metro area.

• 87 percent of Utahns received a subsidy to reduce the cost of their monthly insurance premiums.

• 33 percent of Utahns enrolling were between the ages of 18 and 34, ranking Utah as the No. 1 state in attracting the crucial younger and presumably healthier insurance customers.

• 45,907 Utahns sought help from Take Care Utah's network of navigators and application counselors between Aug. 15, 2013, and April 4, 2014.

"The Affordable Care Act offered the promise of better quality insurance and lower monthly premiums for tens of thousands of Utahns," said Jason Stevenson, education and communications director at the Utah Health Policy Project (UHPP). "When Utahns shopped for insurance on healthcare.gov, they saw some of the lowest premiums in the country. Plus, more than four out of five Utahns signing up for new coverage were eligible for subsidies to reduce their costs even more."

The end of the first enrollment period

see ACA pg. 4

Airgas Inc. and the Governor's Office of Economic Development have announced a state incentive that will bring a specialty gas production facility — and 25 new jobs — to Tooele County.

Airgas to build a new specialty gas production facility in Tooele County

Brice Wallace
The Enterprise

Airgas Inc. will build a specialty gas production in Tooele County, adding 25 jobs and an $8 million capital investment to the local economy.

The company last week was approved for a $106,652 state tax credit incentive over 10 years by the Governor's Office of Economic Development (GOED) board.

The company produces and distributes industrial, medical and specialty gases and related products, with the specialty gases used in research and commercial laboratories, for environmental monitoring and for generating lasers used in healthcare and manufacturing.

"The catalyst is really our business needs," Scott Hickes, the company's director of operations development, told the board. "What we're looking to do is expand our footprint into the western half of the U.S., really."

The facility will produce gas that will be distributed west to the West Coast and east 300 to 400 miles, he said.

"We really want to grow some roots here in Utah and see our business grow from

see GOED pg. 16

Miller leaves guv's staff for Trade Center

Utah's most-prominent international trade organization has a new leader.

Derek Miller was named recently as president and chief executive officer of the World Trade Center Utah (WTC Utah). He previously had served as Gov. Gary Herbert's chief of staff.

Miller succeeds Lew Cramer, who had been the WTC's top executive since the organization's founding in 2006. Cramer left Nov. 29 to become chief executive officer and president of Coldwell Banker Commercial Intermountain. Elizabeth Goryunova, WTC's executive vice president and chief operations officer, had served as interim president and CEO. Cramer serves as WTC's vice chairman.

Derek Miller

Herbert said Miller will transition to his new role at the WTC Utah once his chief of staff successor has been named. That announcement is expected in the next few weeks.

Miller's background includes serving as a management consultant at Arthur Andersen, counsel at the U.S. House of Representatives, director of the Utah Division of Real Estate (part of the Department of Commerce), and as deputy

see MILLER pg. 4

Prime Trailer acquires England division

Prime Trailer Leasing, a Colorado-based provider for the rental and leasing of semi trailers, has purchased OnRamp Trailer Services from CR England, the largest refrigerated transportation company in the world, based in Salt Lake City.

"The acquisition of OnRamp is a significant step toward better serving our customers in the semi trailer segment of the transportation industry," said Wes Gardner, CEO and founder of Prime. "We will now add the strong brand recognition of Wabash National, Transcraft, East, Manac, Trail King and Construction Trailer Specialists along with our existing trailer lines."

As part of the acquisition, the company is dropping the word "Leasing" from its name and will be known simply as Prime Trailer. "We are now able to offer parts and service for our customers," Gardner said. "We've added 29 full-service bays at our Salt Lake City location and 12 bays in Reno to Prime Trailer's existing operations."

OnRamp's president Travis Johnson said, "We are very excited about this partnership and working with Wes and the Prime Trailer team. We know they are a company of integrity and strong values, have a real vision for growth, and treat their customers extremely well."

"Our customers deliver 'goods' while our employees also deliver 'good' through unsurpassed service and commitment to our customers. But what really excites us is serving our neighbors through a wide range of community investments," added Gardner. Prime Trailer rents, leases, buys, sells and remarkets trailers across the nation. The company focuses on new and used dry vans, flat beds and refrigerated trailers. By adding OnRamp Trailer, which provides parts, service and trailer sales, Prime Trailer will have significant market share in the semi trailer business.

Electric vehicle policies earn Utah B+

Utah lawmakers are scoring good grades with an energy conservation group for enacting laws and policies that benefit electric vehicle use. Will Toor, transportation program director at the Southwest Energy Efficiency Project, says his organization recently gave Utah a B-plus grade for its policies on electric vehicles resulting from this year's legislative session.

"We also looked at the fact that based upon vehicle sales in 2013, when you look at the percentage of new vehicles being purchased that are electric vehicles, Utah, even prior to this latest round of policies, was already in the top 10 markets in the United States," said Toor.

Toor explained Utah's B-plus grade is linked to the new tax credit toward the purchase of an electric vehicle, the law requiring the state to convert half of its vehicle fleet to cleaner fuel engines by 2018 and state grant funding available to retrofit or replace vehicles to meet clean air standards.

Rep. Patrice Arent, D-Salt Lake City, who co-chairs the bipartisan Clean Air Caucus, said during this year's legislative session, lawmakers approved \$4.7 million in funding for a dozen measures aimed at improving air quality.

Toor said that Utah seems to be a politically conservative state with more progressive views on climate issues. "My view of Utah politics is that there's a really strong pragmatic streak that runs through Utah politics, where people want to figure out how to solve problems and I feel like that's how people are approaching this issue."

Toor said Utah is second only to Colorado in the Southwest Energy Efficiency Project's rankings of several southwestern states' electric vehicle policies.

LHM adds Colorado store

Larry H. Miller Dealerships has acquired Pro Chrysler Jeep Dodge Ram of Thornton, Colorado. The newly named Larry H. Miller Chrysler Dodge Jeep Ram is the company's 104th auto dealership.

"For 26 years we've served the greater Denver area both financially and philanthropically and we are excited to add a Chrysler Dodge Jeep Ram store to our offerings," said Dean Fitzpatrick, president of Larry H. Miller Dealerships. "We look forward to continuing to provide exemplary customer service, employee growth opportunities and to conduct business inline with our company values of honesty and integrity."

Larry H. Miller began his career as a parts salesman in Denver in 1970. In 1988, Larry H. Miller Dealerships opened Larry H. Miller Liberty Toyota Colorado Springs.

Healthy workplaces honored

The Utah Council for Worksite Health Promotion (UCWHP) presented the 2014 Healthy Worksite Awards to 40 Utah employers at the annual UCWHP Wellness Conference held recently.

Employers who met specific criteria were given bronze, silver, gold or platinum awards based on the level to which their wellness programs engage employees, change behavior and improve health.

The 2014 platinum-level honorees are:1-800 Contacts, American Express, ARUP Laboratories, BD Medical, Box Elder County, Brigham Young University, Davis County, Deseret Mutual Benefit Administrators, Futura Industries/Onsite Care, Harmons, Intermountain Power Service Corp., Nature's Sunshine Products, Nicholas & Co., Nucor Steel/OnSite Care, Orriant, Regence BlueCross BlueShield, Security Service Federal Credit Union, SelectHealth and Intermountain Healthcare, Ultradent Products, USANA Health Sciences, Utah County Government, Utah State University, Utah Valley University, Weber School District, Weber State University, Workers Compensation Fund and Zions Bank.

Gold-level recipients are: Blendtec/OnSite Care, Corporate Wellness by Gold's Gym, CHG Healthcare Services Inc., Clearlink, FJMGT/OnSite Care, Ken Garff Automotive Group, Provo City, Salt Lake County and Uintah School District.

Those receiving silver-level recognition are: Alsco, Basic Research LLC, Salt Lake Corp./OnSite Care and Stampin' Up.

Corporate Alliance received a bronze-level award.

Motion & Flow opens in SLC

Motion and Flow Control Products Inc. (MFCP) has opened a Utah location at 1670 S. 5500 W. in Salt Lake City.

MFCP is a distributor of fluid connectors, fluid power, filtration, hydraulic and pneumatic equipment, instrumentation products and seals. With this new location MFCP now operates 27 locations in the western United States

John W. Smith, branch manager of MFCP in Salt Lake said, "The new location gives MFCP a unique opportunity to expand into a key geographic territory, and provide a one stop shop for all Fluid Power products and equipment."

New TKI facility unveiled

Thermo King Intermountain (TKI), a provider of transport temperature controls, has opened a new facility at 5370 W. 2424 S. in West Valley City.

"Our new facility will allow us to serve more customers and provide them with the kind of stellar service they've come to expect from TKI," said executive vice president Jim Pugh. "We've doubled our sales and service space and our new location is much more convenient for our customers. We look forward to many great years in West Valley City."

Utah-based Zwick Construction was the primary contractor for the project.

The 44,000-square-foot facility features 12 service bays, an updated drivers' lounge and drop-yard options. Owner-operators will also be pleased with the new facility's convenient location adjacent to other transportation service companies. TKI hopes to add 10 to 15 new employees this year because of the expansion.

"At Thermo King Intermountain, we're always looking for the best and brightest talent," said Pugh. "Our new facility will not only allow us to serve more customers, it will also allow us to expand our sales and service staff to meet growing customer demand. This is an exciting time for TKI."

Good quarter for venture capitalists

Utah companies raised more than $212 million in venture capital during the first quarter of 2014, the largest amount in the Rocky Mountain region.

Nationally, Utah ranked sixth for venture capital investments, according to the Money Tree Report from PricewaterhouseCoopers LLP and the National Venture Capital Association. Utah was surpassed by only California, Illinois, New York, Maryland and Texas.

In the first quarter, investors put in $9.5 billion in companies nationally, $212,657,000 of which was in Utah. The Rocky Mountain region includes Idaho, New Mexico, Colorado and Arizona.

Last year, venture capitalists invested a total of $316,180,500 in companies in Utah. In the first three months of this year, Utah companies have raised 67 percent of last year's total.

Leadership summit set for summer

Zenger Folkman will again host the fifth annual Extraordinary Leadership Summit at Deer Valley from July 28 through Aug. 1. The summit will feature best practice presentations by leadership development executives from Celgene, Deloitte, DirecTV, Renault, Sony PlayStation and State of Minnesota. Zenger Folkman's leadership development programs will also be on the 2014 agenda.

Zenger Folkman recently was honored as one of *Training Industry* magazine's Top 20 Leadership Companies of 2014.

"What organizations need now, more than ever, is extraordinary leaders," said Jack Zenger, CEO and co-founder of Zenger Folkman. "They need people who are willing to step up, work hard, and become more inspiring and extraordinary. Our leadership development programs will boost leaders' effectiveness at motivating others to reach higher levels of performance to create organizational success. The results they achieve will improve employee satisfaction, increase engagement and commitment, boost employee productivity, encourage innovation, and increase profitability."

"If you play a strategic role in identifying and implementing development programs in your organization, or if you are interested in your own development, register now to attend," said Joe Folkman, president of Zenger Folkman."We offer an ideal opportunity for participants to exchange ideas and learn new ways to approach leadership development."

USDA declares disaster counties

The U.S. Department of Agriculture (USDA) has designated two counties in Nevada as primary natural disaster areas due to the recent drought and as a result, farmers and ranchers in several contiguous Utah counties will also qualify for natural disaster assistance. Those counties include Beaver, Iron, Juab, Millard, Tooele and Washington counties. The Nevada counties affected are Lincoln and White Pine.

"Our hearts go out to those farmers and ranchers affected by recent natural disasters," said Agriculture Secretary Tom Vilsack. "We are committed to ensuring that agriculture remains a bright spot in our nation's economy by sustaining the successes of America's farmers, ranchers, and rural communities through these difficult times. We're also telling producers that USDA stands with you and your communities when severe weather and natural disasters threaten to disrupt your livelihood."

All counties were designated natural disaster areas on April 23, making all qualified farm operators in the designated areas eligible for low interest emergency (EM) loans from USDA's Farm Service Agency (FSA), provided eligibility requirements are met. Farmers in eligible counties have eight months from the date of the declaration to apply for loans to help cover part of their actual losses. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. FSA has a variety of programs, in addition to the EM loan program, to help eligible farmers recover from adversity.

Additional programs available to assist farmers and ranchers include the Emergency Conservation Program; the Livestock Forage Disaster Program (LFP); the Livestock Indemnity Program (LIP); the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) and the Tree Assistance Program (TAP). Interested farmers may contact their local USDA service centers for further information on eligibility requirements and application procedures for these and other programs.

Romance in the workplace has all sorts of ramifications, employment lawyer says

Brice Wallace
The Enterprise

According to a 1970s song, love is in the air. In 2014, it's also in the office.

Office romance is inevitable and while in some instances it might be wonderful, it also can be fraught with potential legal liability and other woes.

Alissa Mellem recently told a group of attorneys in Salt Lake City about the possible ramifications involving people who not only love their work but love at work. It can be especially troublesome if the relationship involves a supervisor and a subordinate.

"Obviously, the situation is cumbersome and it can open up the company to liability," said Mellem, an associate at Parsons Behle & Latimer whose practice focuses on employment law and commercial litigation. "The reality is that you spend most of your time during the week in your workplace, and people are going to end up dating."

Mellem cited a 2013 survey that indicated that 59 percent of employees have had an office romance, 25 percent have dated a subordinate, and 35 percent have had an office tryst. Five percent were even caught during a tryst.

While employer risk is perhaps more obvious when employees are involved in a nonconsensual relationship, Mellem's talk focused on consensual relationships. Not only can a relationship prompt potential litigation and negative publicity because of favoritism issues, it can harm employee morale and productivity, trigger high turnover rates because people leave the company rather than deal with the issue, and cause conflicts of interest and other ethical problems.

It also can advance to sexual harassment, third-party retaliation and workplace violence.

And all of those can occur even after the relationship has ended — for example, when a supervisor continues to pursue the subordinate.

A common pitfall is sexual favoritism, such as when an employee gets plum projects or promotions while being in a relationship with a supervisor, or is fired after ending their affair. Other employees might believe they are at a professional disadvantage because he or she is not dating a supervisor like another employee is, or "because they wouldn't submit to sexual demands, or maybe weren't given the opportunity to submit," Mellem said.

"As a general rule, without the coercion, a supervisor's decision to grant or deny an employment benefit to a subordinate they have a relationship with isn't illegal sex discrimination or harassment. It's basically just nepotism. … But as a general rule, it's unwise to let favoritism happen within your company because it's hard to police what's just incidental or may be endemic or part of a larger problem and what therefore could become actionable against the company," she said.

Mellem said companies can limit their legal exposure with a "realistic" policy that is applied uniformly. She discouraged any "zero tolerance" policy.

"They're inevitable," she said of office romances. "They're going to happen. All you're going to do by having a complete ban is drive them underground."

The policy can, for example, limit or prohibit supervisor/subordinate relationships or internal department relationships, and require employees to behave professionally and keep their relationship out of the work environment.

She even suggested that a "love contract" might be a good approach to the issue. It would take the form of a signed agreement in which the two parties agree the relationship is consensual, does not involve any sexual harassment and will not affect work performance.

"The whole purpose of using it is it makes you defensible. It limits your liability when and if a relationship ends and the problems begin, or even if there are problems during the relationship," she said.

"The drawbacks of this is it's cumbersome and kind of feels juvenile, right? — that you're having them sit down and say, 'Well, you're in a relationship, you have to sign this piece of paper that you really like each other, and, you know, we're all OK with it and kind of I like you and you like me and we're doing that on purpose, [and] no one is coercing each other.'"

But Mellem said the love contract's potential risks are outweighed by the benefits and the agreement can actually encourage communications.

"You're going to able to sit down with your employees and let them know that, 'Look, we need to do this to protect the company. We want to do it to make sure everybody's safe, everybody's healthy, everybody's happy. We don't care what goes on in your personal life. We're not trying to get involved in that. We just want to make sure that we've got a solid workplace where everybody can continue to be successful.'"

Companies need to respect employees' privacy but also understand the potential or actual negative effects of the relationship on the employer, she said. Sometimes employees simply do not want to tell their employer about an intraoffice relationship or believe it is none of the company's business.

"In this situation, where they're both employees of yours, it kind of is your business — something that affects your liability and it affects your workplace," Mellem said. "For the purposes of defining how they are within your workplace, yes, it's your business. Outside? No, it's not your business. But what happens under your roof, on your terms, on your hour, it's your business."

Mellem's presentation was part of the 26th annual Parsons Behle & Latimer Employment Law Seminar.

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SLC comes in as 8th most polluted

Salt Lake City is among America's most polluted cities, according to the "State of the Air" report released by the American Lung Association. The city ranked eighth on the list of the top 25 most polluted in the U.S. in the category of short-term particle pollution.

While overall air quality is better than it was a decade ago, the study found that ozone readings have gotten worse in the past few years.

Janice Nolen, the Lung Association's assistant vice president of national policy, said ozone and particle pollution can lead to serious health issues. "They can cause asthma attacks, they can cause difficulty breathing, send people to the hospital," said Nolen. "But most importantly, they can shorten life — they can shorten life, as we've learned, by months to years."

Nearly half of U.S. residents now live in areas where air quality is unhealthy at least part of the year, according to the report. Nolen said cleaner air will require cracking down on carbon pollution from new and existing sources.

The report recommends stronger vehicle emission standards, improving the air quality monitoring network, cutting wood smoke, adopting ozone standards proposed by the Environmental Protection Agency, educating people about what they can do to reduce pollution, and how to protect themselves when air quality is poor.

ACA
from page 1

on March 31 means new changes to Utah's insurance marketplace. The next open enrollment on healthcare.gov begins on Nov. 15 and lasts until Feb. 15, 2015. To purchase ACA-compliant health insurance and receive a premium subsidy before November, a person would need to experience a "Qualifying Life Event" such as getting married, having or adopting a child, moving out of the area covered by current insurance, losing a job and coverage, or several other events.

MILLER
from page 1

director at the Governor's Office of Economic Development (GOED).

"Combining Derek's background my chief of staff with his service at the Governor's Office of Economic Development and the Utah Department of Commerce has him well prepared to help Utah businesses expand into profitable global markets," Herbert said. "I want to thank him for his years of service and, though I hate to see him leave, I'm excited about what his continued service will mean to our economy and our state."

Herbert has set a goal of increasing Utah's value-added exports to $9 billion by the end of 2015. Merchandise exports have more than tripled in Utah since the WTC Utah welcomed its first clients, reaching a record-high at $19 billion in 2012.

"I am grateful for the opportunity to have served as the governor's chief of staff," Miller said. "It is now time for me to serve in a new capacity, and while the position is different the vision and goal are the same — to make Utah a premier global business destination. I look forward to continuing to be a champion for the principles of free enterprise and economic growth that lead to jobs for Utahns across the state."

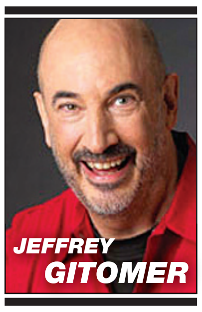
Scott Anderson, president and chief executive officer of Zions Bank and chairman of the WTC Utah board of directors, said Miller is "eminently qualified" to lead the organization.

"Utah is increasingly recognized as a leader in the international marketplace, and Derek's breadth of experience in the governor's office and beyond will serve to further strengthen Utah's position in global trade — a critical component to our state's future economic success."

"International opportunities in Utah have reached a nexus and Derek's experience and leadership will propel the WTC Utah's global business focus to a new level," said Spencer P. Eccles, GOED's executive director. "I have worked closely with Derek for nearly five years and have witnessed, firsthand, his ability to develop and implement collaborative and impactful strategic plans that have greatly benefited the state. I look forward to partnering with him in his new role as CEO of the World Trade Center Utah."

What do you do after you find the elusive decision maker?

"Jeffrey, I speak with many people in organizations that want you to think they are the decision maker when in fact they are not. I have wasted too much email and follow up on people that can't help. How do you ask without hurting the relationship you may have built? How do you determine the real decision maker?" Steve.



Finding the real decision maker may be one of the largest barriers to a sale in existence. It's second to one other barrier: "Once I find the decision maker, what do I say?"

Finding the decision maker and speaking with that decision maker intelligently are not just critical, they're also skills that can be career building or career ending.

I'm about to give you insight that will help you find and communicate with the all-important decider. But I caution you, it is not a be-all, end-all. Rather, it's the beginning of your true understanding about decision makers and decision making.

There are several parts to the decision-making process. Finding the decision maker is only one of them and it may be the smallest one.

Early in my career, I created a question that helped me find decision makers without ever asking anyone who the decision maker was. Whoever I was talking to, as I was making the sales presentation, I asked the question, "Who pulls the trigger?"

That was a direct question that didn't insult the person I was talking to. If you ask, "Are you the decision-maker?" or worse, "Who is the decision-maker?," you both embarrass the prospect and pressure them for an answer. To the person you're talking to, it gives the impression you're sales hungry instead of customer friendly.

By asking, "Who pulls the trigger?" you don't hurt anyone's feelings. You're merely asking for distant information. Vital, but distant.

After I asked the "who pulls the trigger" question, I followed up with an equally powerful but still pressure-less question. I simply asked, "How will the decision be made?" And whatever my prospective customer said, I followed up with yet another question about the decision-making process: "Then what?"

The words "then what" lead you through the decision-making process — especially if you continue to ask it. "Then what? Then what? Then what? — until finally you come back to the trigger puller. It sounds pretty easy, doesn't it? Well, over the years I found that it wasn't quite that easy. I had to have a greater understanding of the total process, especially what happened after the purchase was completed. In other words, what happens after ownership and what are the expected outcomes.

You may think what happens after ownership and expected outcomes have little or nothing to do with the decision maker. And you would be totally, completely incorrect.

After ownership comes value of purchase. Often erroneously referred to as ROI, it's what happens after the customer takes possession, and what they're hoping to achieve as a result of it. REALITY: That's the only thing decision makers want to know. And once you know it, you'll be able to find every decision maker. That's pretty powerful.

There are additional questions you MUST ask during a sales meeting in order to find out the total purchasing and use of product or service situation. Keep in mind, you're going to be selling for about an hour, but they're going to be using your product or service for years. Once you understand that, you understand the significance of obtaining that information.

Here are the critical decision-making questions:

• Whom do you collaborate with?

• Whom will be the main user of…?

• Whom calls and asks for service?

• When a service person arrives, whom do they meet with?

• How did the last purchase happen?

• Whom will be responsible for the outcome of this purchase?

HERE'S THE SECRET: Once you have the names of these people, you ask the person you're meeting with to introduce you. And talk to these people about what really happens. Even if you're meeting with the CEO, you can still ask for meetings with his or her people.

Once you have this information and meet the people involved:

• Look at the insight you've gained.

• Look at the understanding you have about their business process.

• Look at the expertise you put into your experience base.

And even more important, you're now charged with the responsibility of making certain every person involved in use and decision making are aware of your value.

"Jeffrey," you say, "it's a pretty complicated process. In fact, it changes my whole strategy of selling."

That's correct, your way was a fight to get to the decision maker. People lied to you, and people led you down a rosy path that completely wasted your time. Oh, and you lost the order. My way is a little bit more difficult to learn and implement, but a heck of a lot more productive in terms of not just finding the decision maker, but actually making the sale — and gaining experience and expertise for the next sale.

Now you have to make a decision.

Decide to try it my way.

Jeffrey Gitomer is the author of 12 best-selling books including The Sales Bible and The Little Red Book of Selling. His best-selling 21.5 Unbreakable Laws of Selling is now available as a book and an online course at www.gitomerVT.com.

Industry Briefs

BANKING

• **Zions Bank** is having a **Zions Bank Dream Theme photo contest** in which the winner will receive $10,000 for home improvement. Contestants must email a photo of a current project or what a finished project would look like, along with a 200-word description of why they should win and how they will use the money, to socialmedia@zionsbank.com by May 15. The winning project will be announced following an online voting phase. Details are at www.zionsbank.com/dreamtheme.

CONSTRUCTION

• **BHB Consulting Engineers**, Salt Lake City, has hired **Daniel Ellsworth** as a project drafter. Ellsworth has seven years of drafting/design experience consulting with local architectural firms. He earned an Associate of Applied Science in Engineering Graphics and Design Technology from Utah Valley University and is attending the University of Utah, majoring in Civil/Environmental Engineering.

ECONOMIC INDICATORS

• **Utah** is ranked **third among the best states for retirees**, according to new research from Bankrate.com. South Dakota topped the rankings, which considered factors including local weather, cost of living, crime rate, healthcare quality, tax burden and well-being (a measurement from the Gallup-Healthways Well-Being Index that quantifies how satisfied residents are with their surroundings). South Dakota came out on top due to its low tax burden, low crime rate and high wellness score. The second-ranked state was Colorado, followed by Utah, North Dakota and Wyoming. The lowest-ranked states are New York, West Virginia, Alaska, Arkansas and Hawaii. Details are at http://www.bankrate.com/finance/retirement/best-places-retire-how-state-ranks.aspx.

HEALTHCARE

• **Cornelia Ulrich** and **Bruce A. Edgar** will join **Huntsman Cancer Institute** (HCI) at the University of Utah as early as Sept. 1. Ulrich, currently a director of the National Center for Tumor Diseases and department head at the German Cancer Research Center in Heidelberg, Germany, will serve as HCI's new senior director of population sciences. Edgar, Ulrich's husband and a professor and researcher at the German Cancer Research Center-Center for Molecular Biology Heidelberg Alliance, will head an HCI laboratory. Both have previously held faculty positions at the Fred Hutchinson Cancer Research Center in Seattle. Ulrich is an epidemiologist whose work is focused on how factors such as diet, exercise and use of non-steroidal anti-inflammatory agents influence colorectal cancer risk, prevention and prognosis. Edgar will join the faculty of the University of Utah as a professor in the Department of Oncological Sciences and an investigator in HCI's Nuclear Control of Cell Growth and Differentiation program.

• **Utah Medical Products Inc.**, Salt Lake City, announced that its board of directors has **declared a quarterly cash dividend** of 25 cents per common share. The dividend is payable July 3 to shareholders of record June 18. The amount is 2 percent above the dividend declared in the same quarter of the prior year.

MEDIA/MARKETING

• **The Walton Group** has hired **Justin Romney** as an account coordinator. Romney will primarily help advance the company's new business development program but will assist with other projects as well. Romney works at the MTC, performing internal communications and clerical duties, and is a junior at Brigham Young University, studying public relations.

Justin Romney

PHILANTHROPY

• **Zions Bank's Women's Financial Group** is accepting applications for its **2014 Smart Women Grants**. Applications must be submitted by July 7. Applications are open to anyone whose proposal promotes the empowerment of women or directly benefits women or low-income and underserved populations in Utah and Idaho. Six $3,000 micro-grants will be awarded, one in each of the following categories: small-business start-up and expansion, community development, continuing education and teacher support, child and/or elder care, health and human services, and arts and culture. Community peer review panels will select the grant recipients, to be announced in September. Applicants need not be clients of Zions Bank, nor are they required to be residents of Utah or Idaho. Details are available at www.zionsbank.com/smartwomen or by calling 1 (800) 737-6586. Over the past nine years, Zions Bank has awarded more than $180,000 through the Smart Women Grants.

REAL ESTATE

• **Republic Mortgage Home Loans**, Salt Lake City, has announced the opening of 16 new branch locations in 10 states. Among the branches are South Valley, with **Brad Mabey** and **Mark Mabey** as branch managers, and Spanish Fork, with **Phil DeGraffenried** as branch manager.

RECOGNITIONS

• **Staker Parson Cos.**, Ogden, has been awarded the **STEP (Safety Training Evaluation Process) Diamond Award** from Associated Builders and Contractdors for meeting safety standards set forth in the STEP program. The company was within the guidelines because of its safety engagement programs. To qualify, the company's total recordable incident rate (TRIR) had to be 50 percent below their industry average, have an experience modification rate (EMR) at or below 0.700, have zero fatalities resulting in OSHA citations for the last three years, and meet the minimum qualifying score on the self-assessment.

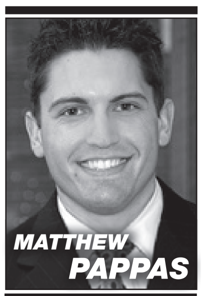
• **Kellerstrass Oil**, Ogden, will receive **a customer spotlight award** May 19 from HollyFrontier, a refiner in Woods Cross. Kellerstrass is a petroleum marketer in Utah, Wyoming, Idaho, Colorado and Nevada. It also markets Chevron lubricants and supplies a line of products including fuel, lubricants, antifreeze and solvents to the agriculture, construction, oil and gas, mining, industrial plant, manufacturing, heavy duty fleet and quick lube industries.

• **Amegy Bank NA**, a subsidiary of **Zions Bancorporation**, recently was named **Small Business Lender of the Year** by the Export-Import Bank of the United States (Ex-Im Bank). Amegy Bank has been a longtime lending partner of the Ex-Im Bank's Working Capital Program by promoting Ex-Im guaranteed loan facilities to qualified small businesses. Amegy Bank is now the largest participant in the program in Texas and the eighth-largest lender in the United States in terms of total authorizations.

RESTAURANTS

• **Freebirds World Burrito** and local franchisees **Mark McKay** and **Chris Beck-McKay** of **MC Food Service LLC** will open the fourth Freebirds location in Utah at 11396 S. State St., Sandy. The new restaurant can accommodate 70 guests inside and 16 on the patio and expects to employ 35 people.

A lot has to happen for China to overtake the U.S. as largest economy



Reports everywhere are claiming that China could overtake the U.S. as the largest economy in the world, as soon as this year. This has reignited fears that we will ultimately lose the crown as the reigning global superpower. The source of these new claims is primarily from one key metric which is the purchasing power parity (PPP) GDP measure. It ranks countries based on a calculation of GDP, currency value and assumptions on pricing and control. China is an incredible growth story and has been for many years now. But, I take issue with this latest claim, for several reasons.

According to the most recent data (2012) from The World Bank, the U.S. accounts for over 22 percent of the world's GDP (at approx. $16 trillion) while China accounts for 11 percent (at approx. $8 trillion). That data also show that China had an annual GDP growth rate of 9.3 percent in 2011 and 7.8 percent in 2012 while the U.S. posted 1.8 percent and 2.8 percent, respectively. There's no question, based on those figures, that China is growing faster than the U.S. However, if I'm just looking at these figures, China would theoretically have to have GDP growth in the 40-plus percent range in 2013 and 2014 to match the U.S., right? I find that very hard to believe, especially given that the Chinese government has been claiming a 7.5-8.0 percent range for the past 18 months.

The real issue with the claim that China will overtake the U.S lies in the PPP measurement. As I noted earlier, this calculation has an assumption factor that has to be taken into context. It incorporates hypothetical calculations on which country holds more control over resources (energy, raw materials, etc.). Given that, let's look at the resource of labor, for example, which China is well-known for having a cheap abundance of. From 2002 through 2012, China saw a 100 percent increase in real unit labor costs while the U.S saw a 30 percent decline. Also look at energy: manufacturing-use natural gas costs $4 ($/MBTU) in the U.S. and $14 in China (according to 2013 data). The U.S. is also on track to become one of the leading energy exporters within the next five to seven years based on consensus estimates. Given these stats, I find it hard to believe that China holds nearly the same economic clout as the U.S.

And I am not the only one who is suspicious. David Hensley, director of global economic coordination at JPMorgan Chase, stated that the PPP measure "inflates the relative size and importance and command over resources that countries like China, India, Brazil or Russia have. That can create mistakes in judgment if you're not careful." The PPP measurement largely relies on the assumptions of one price level across all countries, according to Hensley, which is why JPMorgan instead focuses on market exchange rates for their calculations.

At the rate China continues to expand relative to the U.S., it will certainly close the gap in global GDP over the coming years. But I don't see that happening as soon or as smoothly as most believe. China still has 170 million people living below the poverty line and a heavy economic reliance on production (exports). As I see it, China needs innovative countries, like the U.S., to invent and develop products and services for them to produce.

You don't hear about today's global tech enterprises coming out of Hong Kong or Shanghai; they're in areas like Silicon Valley. China's migration estimate for 2013 is minus 0.32 migrants per 1,000 people versus the U.S., which is 2.45 migrants per 1,000, or eight times that of China's. If China is such a booming global superpower then why are people flocking to the U.S.? Plus, many companies are moving manufacturing plants from China back to the U.S. to take advantage of the lower costs of doing business.

In summary, I simply don't see how China is overtaking the U.S. quantitatively or qualitatively as the global superpower. While China is and will remain a very important economic engine of growth for some time, the U.S. is still the ultimate empire, in my view. Our productivity has increased dramatically over the past several years. Costs of doing business have declined and we possess some of the most entrepreneurial and innovative people in the world. We are now seeing bil-

see PAPPAS page 16

THE NETWORK MARKETING PROFESSION IS EXPLODING AND HERE'S WHY

The U.S. government reports more than 3.5 million jobs have been eliminated during the past 8 years, that's about 1,900 jobs per day. An estimated 55% of all jobs that will be created in the next 12 years will be mostly minimum wage earners and part timers. Today, 87% of all the people in North America earn less than $39,500 a year.

LOOK AT THESE PROFOUND FACTS

At age 50:
-74% of the population has less than $5,000 in the bank for retirement.

At age 65:
-44% of Americans depend on their relatives.
-31% depend on charitable organizations.
-24% are still working despite their health conditions.
-Only about 3% can really make ends meet.

At the current time:
-It is impossible to support a family of two working full time at minimum wage.
-The current generation of people is averaging a lower standard of living than their parents.

The Bureau of Labor Statistics indicate:
Of 100 people that start work at the age 25, by the age of 65
-2 are wealthy.
-3 have enough money to retire comfortably.
-66 depend on social security or charity.
-29 are dead.

The truth of the matter is:

94% of people at age 65 and over cannot afford to retire so they are compelled to work until they die.

The network marketing industry began in the 1940's and since that time America has experienced six recessions. With each recession the industry has experienced significant growth.

Network Marketing experiences profound growth every time there is instability in the economy! Currently economic instability is at an all time high. Many Americans have lost hope and it's the children and grandchildren of today who are going to pay the price tomorrow.

The industry is in critical mass, ready to explode into full-blown momentum. The last two years have seen many companies, large and small experiencing record growth in overall sales and enrolments.

It is no longer a "Mom and Pop" business. Network marketing is now a bona fide profession, attracting entrepreneurs, business owners, health professionals, lawyers, bankers, real estate agents, teachers and many more. The business has now exploded and the stigma that was once associated with it is long gone.

Sadly many Americans have lost their jobs. For those that are employed, the last five years has seen the value of their dollars drop by almost 30%.

Network Marketing gives the average man and/or woman the ability to create residual income, meaning that you receive it, month after month, for the sales you created in the first year or two. It can be compared to a royalty that an author gets from his or her books.

Network Marketing provides an In-Home Business opportunity for a much smaller investment than what it would cost to start a traditional business.

There are many people that have built huge incomes in the Network Marketing Industry, an industry that provides the opportunity for "real" financial freedom. In fact 10,000 people every year become million-dollar earners.

Because of the capacity to generate an extraordinary income for the average person working from home, today we see about 160,000 people joining the Network Marketing Industry every month.

LET'S LOOK AT WHAT'S HAPPENING TODAY

(According to the Direct Selling Association & U.S. Census statistics)
-In the United States somebody starts a new In-Home Business every 10 seconds.
-16 Million Americans are working from home full-time.
-38 million or 12% of the total American population are working from home part time.
-8,493 new In-Home businesses start every day in the United States.
-72% of Network Marketing Distributors are women (many are the wives of business owners) and 28% are male.
-By 2015, it is estimated that 50% of all American homes will be involved in the network marketing Industry.
-U.S. Direct Sales Volume in 2010 (Network Marketing) hit $30 billion. 23% of all Network Marketing Sales are Health and Wellness products.
-The average work from home income is $59,000 per year (U.S.).
-20% of Home-Based Entrepreneurs said that their business grossed between $100,000 and $500,000 last year (U.S.).
-Home Based Business 5 year success rate is over 70% compared with traditional small businesses at 85%.
-84% of Network Marketers recommend working from home to others despite the fact that they might not have earned much money themselves.
-29% of Network Marketing Professionals work from home with other family members.

J. Paul Getty said in his runaway best selling book "How To Get Rich", "You must be in business for yourself. You will never get rich working for someone else."

THERE IS A MASSIVE OPPORTUNITY TO EARN A MASSIVE INCOME WITHOUT A SECOND JOB

Work with professionals that have been honored by the Congress of the United States and that have received commendations from the governors of 14 states.

Help thousands of people regain their health.

Have fun doing something you really love.

20 TOP LEADERS ARE NEEDED RIGHT NOW!

This is an opportunity to be trained by and work directly with 8 figure earners as they start a new network marketing team.

CALL 801-979-3726 OR 801-414-4853

Calendar

May 13, 7:45-9 a.m.

ACG Utah Monthly Breakfast Meeting. Speaker will be Joe Swenson, chief executive officer of Imagine Learning. Location is Little America Hotel, 555 S. Main St., Salt Lake City. Details are at http://www.acg.org/utah/events/.

May 13, 7:30-9 a.m.

Utah Technology Council (UTC) Diversified Insurance Clinic. Diversified Insurance Group's Spence Hoole, managing partner, and Steve Handley, partner, will discuss best practices on the "Three Pillars of Executive Protection": indemnification, corporate governance and management liability insurance. Location is Diversified Insurance Group, 136 E. South Temple, Suite 2300, Salt Lake City. Free for UTC members, $40 for nonmembers. Details are at www.utahtech.org/events.

May 13, 8 a.m.-noon

"Drug Testing Today: Clearing the Haze," a seminar presented by The Employers Council. Speaker will be Dr. Paul Teynor, founder of Intermountain MRO Services. Discussion will cover current legal issues; drug testing policies and best practices; and an insider's look at the collection, testing and confirmation process. Activities begin with check-in and breakfast buffet at 7:30 a.m. Location is Red Lion Hotel, 161 W. 600 S., Salt Lake City. Cost is $139 for Employer Council members, $209 for nonmembers (includes materials, parking and breakfast buffet). Registration can be completed by contacting Canyon at The Employers Council office. Registration form and details are available at http://www.ecutah.org/2014_drug_testing.pdf.

May 13, 9 a.m.-4 p.m.

EntreLeadership One Day, presented by Dave Ramsey, nationally syndicated radio talk show host and *New York Times* best-selling author, and other speakers. Event is designed to bring proven and practical lessons to Salt Lake City area business leaders looking to build and grow their businesses and improve leadership skills. Location is Abravanel Hall, 123 W. South Temple, Salt Lake City. Cost is $149, with discounted admission prices available for a limited time, with VIP seating and group discounts also available. Details and registration are available at (888) 227-3223 or www.daveramsey.com.

May 13, noon-2 p.m.

Employment Law "Lunch and Learn" Seminar, presented by the Employment Law Practice Group of Snow, Christensen & Martineau. Event features information about employer liability for the actions of its supervisors, employment contracts, the distinction between independent contractors and employees, benefits for non-traditional families, and an Affordable Care Act/HIPAA update. Location is 10 Exchange Place, 11th floor, Salt Lake City. Free. Details are available at scmlaw.com/news/seminars or by calling (801) 521-9000.

May 13-14, 11 a.m.-5 p.m.

Great Salt Lake Business Expo. Location is South Towne Expo Center, 9575 S. State St., Sandy. Cost is $6 at the door. Details are at http://www.slbizconference.com.

May 14-16

National Association of Personal Financial Advisors (NAPFA) National Spring Conference, a gathering of fee-only financial planners, industry experts and vendors. Topics include retirement planning, asset allocation and diversification, and how behavioral biases affect financial decisions. Location is Grand America Hotel, 555 S. Main St., Salt Lake City. Cost is $1,095 for NAPFA members, $1,395 for nonmembers, with certain discounts. Details are at http://www.napfa.org/conferences/conference.asp?CONFERENCE_ID=137.

May 16, 7:30-8:30 a.m.

Murray Area Chamber of Commerce's "Eggs n' Issues" Breakfast. Manny Martinez of Cleantech Open will be discussing ways to identify, mentor and fundraise to support new technology businesses. Location is Mimi's Café, 5223 S. State St., Murray. Free unless ordering off the menu. Chamber membership is not required. Details are at (801) 263-2632 or murraychamber.org.

May 16, 11:30 a.m.-1 p.m.

MountainWest Capital Network (MWCN) Deal Flow Lunch and Book Presentation. Event features the 19th year of publishing the Deal Flow Report about Utah's capital deals. Location is Little America Hotel, 500 S. Main St., Salt Lake City. Cost is $55 for members, $75 for nonmembers. Details and registration are at http://www.mwcn.org/event-registration/.

May 16, noon-1:30 p.m.

Panel Discussion of Anti-Troll Legislation, presented by the Salt Lake City Chapter of the Licensing Executives Society (LES). Theme is "Are the Bridges to Commerce Safer? A Panel Discussion of Federal and State Anti-Troll Measures." Panelists include Sean D. Reyes, Utah State Attorney General; Mark Griffin, general counsel and senior vice president, Overstock.com; Isaac Jacobson, managing director, Accelerate Ventures; Blake Inglish, director/shareholder, Berkeley Research Group; Joseph Pia, Pia Anderson Dorius Reynard & Moss; and Parrish Freeman, Workman Nydegger. Location is Marriot City Center, 220 S. State St., Salt Lake City. Cost is $25 for LES members, $40 for nonmembers (includes lunch). Registration can be completed by May 12 at www.lesusacanada.org/chapters/usa/salt-lake-city-chapter/may-16-2014-salt-lake-city-chapter-meeting.

May 19, 8 a.m.

14th Annual Utah Manufacturers Association (UMA) Golf Tournament. Activities begin with 7:30 a.m. registration, followed by 8 a.m. shotgun start, four-person scramble. Lunch is from noon-1 p.m. Location is Stonebridge Golf Club, 4415 Links Drive, West Valley City. Cost is $130 per person, $500 for foursome. Details are available at (801) 363-3885 or www.umaweb.org.

May 17, 6-9 p.m.

Ninth Annual Scholarships & Awards Gala, presented by the Utah Asian Chamber of Commerce. Location is the Hilton Salt Lake City, 255 S. West Temple, Salt Lake City. Details are available by calling (801) 915-6333.

May 20, 8 a.m.-2 p.m.

36th annual Utah Taxes Now Conference, presented by the Utah Taxpayers Association. Speakers include Gov. Gary Herbert, Senate President Wayne Niederhauser, House Speaker Becky Lockhart, other state legislators, and local officials and policy experts. Following the conference will be lunch, with the Taxpayer Advocate of the Year and the Excellence in Public Service Award being presented. Topics include stimulating business investments in Utah, making Utah a tourist and convention destination, fixing Utah's Medicaid "doughnut hole," paying for statewide transportation, and bringing technology to the classroom. Location is Grand America Hotel, 555 S. Main St., Salt Lake City. Cost is $100 for members, $125 for nonmembers. Details are at http://www.utahtaxpayers.org/?p=6240 or by contacting Laura at (801) 201-3813 or Laura@utahtaxpayers.org.

May 20, 11:30 a.m.-1 p.m.

"Build Your Business" Workshop titled "Powerful Tools for Identifying and Overcoming the 'Whats' that Keep Us Stuck." A Sandy Area Chamber of Commerce event. Location is Salt Lake Community College's Miller Campus, Miller Free Enterprise Building, Room 223, 9750 S. 300 W., Sandy. Details are at sandychamber.com.

May 21, 8:30 a.m.-1:30 p.m.

13th annual Trade and Business Conference, hosted by Zions Bank. Keynote speakers include Felipe Calderón, who served as president of Mexico from 2006–2012, and Joe Lieberman, U.S. senator from 1988-2012 and Democratic candidate for vice president in 2000. Event will also include honoring the recipient of the 2014 Global Pacesetter Award, a distinction given annually to a Utah company demonstrating international success. Location is the Salt Lake Marriott Downtown at City Creek. Cost is $35 and includes lunch. Registration can be completed at www.zionsbank.com/conference or by calling (801) 844-8573.

May 21, 11:30 a.m.-1 p.m.

CCIM May Meeting. Attorney Scott Sabey of Fabian & Clendenin will discuss agency. Meeting begins at noon; lunch is provided. Location is Zions Bank, 1 S. Main St., 18th floor Founders Room, Salt Lake City. Cost is $25 for chapter members, $35 for guests. Details and registration are available by contacting Holly Little, executive administrator, at admin@utahccimchapter.com or (801) 545-0246.

May 28, 7:30-9 a.m.

Sandy Area Chamber of Commerce "Breakfast of Champions." Speaker Dr. Dale Hall will discuss how a spinal cord injury resulting in paralysis from the neck down prevented him from returning to active practice and how he became the patient in a world where he had been the practitioner. Location is Jordan Commons Office Tower, ninth floor, 9350 S. 150 E., Sandy. Details are at sandychamber.com.

May 27, 11:30 a.m.-1 p.m.

Women in Business Luncheon, a Sandy Area Chamber of Commerce event. Speaker Leslie Gallacher, general counsel at Xango, will discuss her experience at Xango and her professional career. Location is River Oaks Golf Course, 9300 Riverside Drive, Sandy. Cost is $20 for chamber members, $25 for guests. Details are at sandychamber.com or by calling (801) 568-4653.

May 28-June 25, 8 a.m.-noon Wednesdays

Human Resource Management, a five-day certificate program offered by The Employers Council. Provides a broad-based overview of critical HR functions and updates on the latest HR trends and legal developments. Features "HR Essentials" May 28, "Employment Law I" June 4, "Employment Law II" June 11, "Compensation Fundamentals" June 18, and "Introduction to Strategic HR" June 25. Location is The Employers Council, 175 W. 200 S., Suite 2005, Salt Lake City. Cost is $699 for council members, $849 for nonmembers. Registration can be completed by email at info@ecutah.org or (801) 364-8479.

May 29, 8 a.m.

***The Enterprise* Golf Tournament.** Shotgun start at 8 a.m. Luncheon follows golfing. Location is Eaglewood Golf Course, 1110 E. Eaglewood Drive, North Salt Lake. Sponsorships are available. Details and registration are available by contacting David Gregersen at (801) 533-0556 Ext. 203 or david@slenterprise.com.

June 3-4

Utah Governor's Energy Development Summit 2014, presented by the Utah Office of Energy Development. Location is Salt Palace Convention Center. Cost is $95 (includes June 3 reception plus breakfast and lunch on June 4); $65 for June 4 only; $35 for June 3 plus June 4 reception. Details are at http://developenergysummit.com/index.html.

June 13

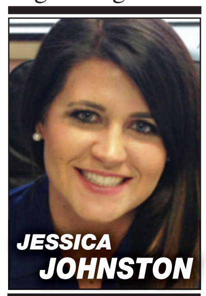
Craig Bolerjack Golf Tournament, a Sandy Area Chamber of Commerce event. Supports the Craig Bolerjack Cancer Prevention Program. Location is River Oaks Golf Course, 9300 Riverside Drive, Sandy. Details are available by calling (801) 727-4512.

June 25, 8-9:30 a.m.

"Lawfully & Strategically Managing Employees' Return from Workers Comp Leave," presented by The Employers Council. Part of the 2013-14 Legal Breakfast Briefing Series. Speaker will be Elliot Morris, an attorney at the Workers Compensation Fund. Location is Radisson Hotel, 215 W. South Temple, Salt Lake City. Cost is $95 for council members, $130 for nonmembers. Registration can be completed by email at info@ecutah.org or (801) 364-8479.

Legal Matters

Affordable Care Act - Implications for small businesses



The Patient Protection and Affordable Care Act, commonly called the Affordable Care Act or Obamacare, together with the Health Care and Education Reconciliation Act, represents the most significant regulatory overhaul of the country's healthcare system since the passage of Medicare and Medicaid in 1965. In June 2012, the Supreme Court upheld the ACA and opinions today are still mixed. Although controversial, the ACA aims to increase the quality and affordability of health insurance, lower the uninsured rate by expanding public and private insurance coverage, and reduce the costs of healthcare for individuals and the government.

Implementation of the Affordable Care Act occurs in stages, with many of the reforms and requirements taking effect in 2013 and 2014. President Obama lst year announced a one-year delay of the Obamacare provision that requires businesses with more than 50 full-time employees, or the equivalent in part-time workers, to provide health insurance benefits or face a fine. This has, as of yet, not been done for small businesses. Most companies are too small to be affected by the full-time employee cutoff, and almost all large ones already offer health insurance benefits and will continue to do so. But for the 10,000 or so employers who don't currently offer health insurance to their more than 50 full-time employees, the concerns are real.

The ACA, at 2,700 pages, is one of the largest pieces of legislation to ever be passed in the history of the United States. It is thus understandable why many small-business owners are unsure of its potential effect on their businesses. The massiveness of the act, combined with the rhetoric from both sides of the political aisle, has made it difficult for businesses to figure out what really is going to happen. According to a May 2013 Gallup survey, about half of small-business owners believe the act will be "bad for business." And according to an article on Inc.com detailing the survey, some owners are going so far as holding off on hiring and scaling back employee hours in preparation. In this article we try to dispel the myths surrounding this controversial bill, and provide some best practices to help you navigate your business through the complicated provisions of the act.

The ACA does not require businesses with fewer than 50 full-time employees to provide their employees with healthcare coverage. To put this into perspective, 96 percent of the businesses in the U.S. have fewer than 50 employees. Employees of businesses with fewer than 50 employees that do not provide health insurance will be eligible to purchase their own coverage through the health insurance exchanges that will be established under the Affordable Care Act in 2014.

These new healthcare insurance marketplaces are set up through the Small Business Health Options Program (SHOP). SHOP will offer small employers increased purchasing power to obtain a better choice of high-quality coverage at a lower cost. Costs are lowered because small employers can pool their risk. To enroll, eligible employers must have an office within the service area of the SHOP and offer SHOP coverage to all full-time employees. According to the White House, this rule will provide a more-level playing field as small businesses currently pay 18 percent more on average for health insurance than large businesses.

Under the ACA, employers covered by the Fair Labor Standards Act (generally, those firms that have at least one employee and at least $500,000 in annual dollar volume of business) must provide notification to their employees about the new Health Insurance Marketplace; inform employees that they may be eligible for a premium tax credit if they purchase coverage through the Marketplace; and advise employees that if their employees purchase a plan through the Marketplace, they may lose the employer contribution (if any) to any health benefits plan offered by the employer. Employers were required to provide this notice to all current employees by Oct. 1 and to each new employee at the time of hire beginning Oct. 1, regardless of plan enrollment status (if applicable) or of part-time or full-time status. The Department of Labor has provided employers with two sample notices on their website they may use to comply with this rule, one for employers who do not offer a health plan and another for employers who offer a health plan for some or all employees.

For employers with under 50 employees that do offer insurance, under the ACA those employers are required to provide employees with a standard "Summary of Benefits and Coverage" form explaining what their plan covers and what it costs. The purpose of the SBC form is to help employees better understand and evaluate their health insurance options. Penalties may be imposed for noncompliance. Additionally, under the ACA, insurance companies

see LEGAL MATTERS pg. 16

CORPORATE EARNINGS

The following are recent financial reports as posted by selected Utah corporations:

Overstock.com

Overstock.com Inc., based in Salt Lake City, reported net income of $4 million, or 16 cents per share, for the quarter ended March 31. That compares with $7.7 million, or 32 cents per share, for the same quarter a year earlier.

Revenue totaled $341.2 million, up from $312 million in the year-earlier quarter.

Overstock.com is an online discount retailer.

Merit Medical

Merit Medical Systems Inc., based in South Jordan, reported net income of $2.8 million, or 7 cents per share, for the quarter ended March 31. That compares with $671,000, or 2 cents per share, for the 2013 first quarter.

Sales were a company-record $119.2 million, up from $103.9 million in the year-earlier quarter.

Merit Medical develops, manufactures and distributes proprietary disposable medical devices used in interventional and diagnostic procedures. It has about 3,000 employees in South Jordan; Angleton and Pearland, Texas; Richmond, Virginia; Malvern, Pennsylvania; Maastricht and Venlo, The Netherlands; Paris; Galway, Ireland; Beijing; and Rockland, Massachusetts.

"Business has improved substantially in the first quarter of 2014, compared to the first quarter of 2013," Fred P. Lampropoulos, chairman and chief executive officer, said in announcing the results. "Our efforts to replace lost OEM sales in our Malvern division with direct sales have been very successful. With new products in the pipeline for cardiac rhythm management (CRM) and electrophysiology (EP) and further training of our sales force, we continue to be optimistic about the future of this division."

Lampropoulos said the company is scheduled to move manufacturing operations from Angleton, Texas, to a new facility in Pearland, Texas, by the end of the third quarter. "Our automation and consolidation efforts in South Jordan continue with several logistics and manufacturing projects scheduled to come online over the next few months," he said.

Headwaters

Headwaters Inc., based in South Jordan, reported a net loss of $10.1 million, or 14 cents per share, for the second quarter. That compares with a loss of $8.3 million, or 11 cents per share, for the same period a year earlier.

The loss from continuing operations was $9.5 million, or 13 cents per share, which compares with a loss of $10.3 million, or 14 cents per share, for the year-earlier quarter.

Revenue in the most recent quarter totaled $156.5 million, up from $141 million a year earlier.

Headwaters supplies products, technologies and services to the heavy construction materials, light building products, and energy technology industries.

"In spite of extreme winter weather, we delivered 11 percent top line growth, including 6 percent organic growth," Kirk A. Benson, chairman and chief executive officer, said in announcing the results. "We are very pleased with the overall business performance during the quarter, even though the weather negatively impacted revenue."

Benson said the company is "well-positioned for organic revenue growth as the weather and the repair and remodel market improve."

Nu Skin

Nu Skin Enterprises Inc. reported net income of $64.3 million, or $1.05 per share, for the first quarter ended March 31. That compares with $54.3 million, or 90 cents per share, for the same quarter in 2013.

Revenue totaled $671.1 million, up from $541.3 million a year earlier.

Nu Skin offers skin care and nutrition produces.

"We are pleased to report record first-quarter results, generating year-over-year growth in all five of our regions," Truman Hunt, president and chief executive officer, said in announcing the results. "Our results are particularly encouraging given the business disruption we experienced in China during the first quarter, as well as currency headwinds we faced in many markets.

"With respect to China, our team took aggressive, proactive steps to address media and regulatory concerns in a timely manner. While these first-quarter events in China will have a negative impact on 2014 results, we are now focused on generating sustainable, long-term growth."

Revenues from Greater China grew 63 percent year over year to $278.9 million.

Myriad Genetics

Myriad Genetics Inc., based in Salt Lake City, reported net income of $36.8 million, or 48 cents per share, for the fiscal third quarter ended March 31. That compares with $37.9 million, or 46 cents per share, for the same quarter a year earlier.

The company said that without certain one-time items, earnings would have been $46.2 million, or 60 cents per share, in the most recent quarter.

Revenue in the most recent quarter totaled $182.9 million, up from $156.5 million in the year-earlier quarter.

Myriad Genetics produces tests to assess a person's risk of developing disease, guide treatment decisions and assess risk of disease progression and recurrence.

"Myriad continued to deliver double digit top and bottom line growth in the third quarter which reflects the continued success of our business strategy," Peter D. Meldrum, president and chief executive officer, said in announcing the results.

see EARNINGS pg. 16


Are your sales people performing as well as you'd like them to?
Our clients grew their sales 20% to 400% last year!
To meet with us is FREE! Not having us train your sales team is where the real expense lies!
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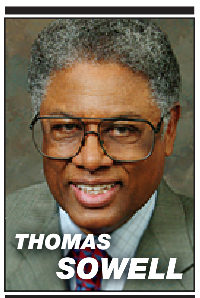
Opinion

Gary Becker deserved to be more renowned than he was

Nobel Prize-winning economist Gary Becker was internationally renowned within the economics profession, but was not nearly as well known among the general public as he deserved to be. More importantly, his path-breaking ideas, including his analysis of the economics of racial discrimination, deserved to be much more a part of the many discussions of that subject.



More than half a century after Professor Becker's landmark work on the economics of discrimination, most controversies on that subject, both in the media and in politics, go on in utter ignorance of his penetrating insights. So do laws and policies that make discrimination worse.

As someone who has written about racial discrimination within the framework of analysis that Becker created, I am especially indebted to him, and wish only that more people were aware of that framework, which could spare us much rhetoric and offer some useful understanding instead.

At a time when there are so many occasions to lament that Milton Friedman is no longer with us, when his knowledge and wisdom are needed more than ever, now we must also lament that the same is true of Gary Becker.

While Becker was an economist's economist, he also transcended the traditional boundaries of economics. He applied the kind of analysis that economists use to subjects that most economists do not usually deal with.

Racial discrimination was just one of those subjects — at least before Becker came along. He also analyzed family decisions within an intellectual framework ordinarily used for analyzing economic issues, though that did not mean that he thought families were all about money.

The title of a book that he co-authored with his wife, Guity Nashat, indicated something of the scope of the subjects Becker's analysis covered: *The Economics of Life: From Baseball to Affirmative Action to Immigration, How Real-World Issues Affect Our Everyday Life*.

This book was also a sign of Professor Becker's interest in addressing an audience outside of academic economics. He also wrote a column in *BusinessWeek* magazine.

Despite the contempt that some economists have expressed toward sociology, Becker went from being a professor of economics at Columbia University to being a professor of economics and sociology at the University of Chicago. No doubt sociology was improved by Becker's contributions.

On a personal note, my path and his crossed a few times at different places. The first time was inauspicious. I was a first-year graduate student at Columbia University and took his year-long course in labor economics. It was like no other labor economics course I knew about or had heard about — and there was a reason. He was introducing his own analytical framework that was destined to change the way many issues would be seen by the economics profession in the years ahead.

The unfamiliarity of what he was saying made me skeptical. So I went to the department chairman to get permission to drop the second semester of this year-long course. He asked my reason and, never known for diplomatic skills, I said, "I am not learning anything." That was true in itself but for reasons the opposite of what I thought at the time. Becker was teaching, and teaching something important, but I just wasn't on the same wavelength.

That became a continuing source of embarrassment to me over the years, after I belatedly grasped what he was trying to get across. This has been filed with a considerable list of decisions I later regretted in the course of a long life.

The next time I encountered Gary Becker was a decade later, during the defense of my doctoral dissertation at the University of Chicago. He was not on the dissertation committee but sat in on the discussion and could not have been more gracious.

Later Becker became a part-time senior fellow at the Hoover Institution, where I was also a senior fellow. I could never find the right time or the right way to apologize for my youthful mistake. Now that opportunity is gone. If you owe someone an apology, it is better to do it sooner rather than later.

Thomas Sowell is a senior fellow at the Hoover Institution, Stanford University. His website is www.tsowell.com.

Try using other people's money to leverage an abundant future

Let's talk about how money really works. To do that, let's look at the folks who have been handling our money for centuries — the banking institutions. What do banks and credit unions do? They borrow money from us (the money we deposit) and pay us interest. Then they turn around and lend that money out at a higher interest rate. They pocket the profits and grow, grow and grow. Why can't we do the same?

You see, banks use other people's money (what is referred to as OPM) to operate profitably. They can borrow that money from us or the Federal Reserve. They're not going to pay us any higher interest than they can borrow the money from the Federal Reserve, right? Over the last several years, banks and credit unions have been paying us a whopping 1 percent at best on money we deposit in a savings account. So at 1 percent interest, for every $1 million that they borrow, they're paying only about $10,000 a year in interest.

Now, say you want to borrow money to build a home. The bank lends it to you at 4 percent interest, which means you're going to pay $40,000 annually in interest on a $1 million mortgage. How much more is $40,000 than $10,000? Most people say $30,000. But no, no, no. It is really 400 percent, or four times as much. (Would you buy a widget machine for $10,000, if that widget made you an extra $40,000? What's the return on your equipment? Four hundred percent!)

Then what happens? You take the money you borrowed at 4 percent and pay the general contractor, who in turn pays the suppliers and the subs. And what do they do? They deposit the money back in the banks at 1 percent interest, and the banks turn right back around and re-loan it out again at 4 percent or 5 percent. Can you see why banks do so well?

It's time for you do well, too. You can become your own banker. Let me share a personal example to illustrate how. Over the last decade, I've been able to borrow money, sometimes as low as 3 percent. Now that 3 percent is tax deductible if I borrow it properly under Section 163 of the Internal Revenue Code. So in a 33 percent combined federal and state tax bracket, it's not costing me $30,000 a year on every million I borrow; it's only costing me $20,000 because I get $10,000 back in actual tax savings.

I've then put that money into financial vehicles that over the last seven years have averaged returns of 10.07 percent, tax-free. So how much more is 10 percent than 2 percent? That's five times more, or 500 percent. Essentially I have been making 500 percent rates of return on OPM. Sounds a lot like the banks, huh?

Here's another illustration, this time with using our homes. In 2007, my home appraised for $1,5 million. I refinanced my first, second and third mortgages at an average of 4.5 percent interest. That's $67,500 a year in interest. But because it's tax-deductible, it only really costs me 3 percent (33 percent less because of the tax savings). This means my out-of-pocket costs are $45,000 a year in interest.

Now for the last 40 years I've averaged tax-free returns of 8 percent on my preferred financial instruments (8 percent on $1.5 million equals $120,000). So in this case, the difference between paying 3 percent and earning 8 percent means I'm making a $75,000 profit — in my sleep — and that's just the first year. At 8 percent, in nine years my liquid side fund grows to $3 million, which means I'll be making $240,000 in the 10th year.

Going back to the example, in 2008, with the economic crisis, my home went down in value $400,000. It was worth only $1.1 million. Some people who don't understand this concept might have said, "A-ha, Mr. Andrew! You're under water. You owe $400,000 more than your house is worth."

But here's the great thing. I didn't, because I was in control. Had I left that $400,000 in the property, I would have lost it until my house bounced back in value. Instead I put it to use — let's say I borrowed on it at 6 percent, which after tax was a net of 4 percent. That's $16,000 I'm essentially paying a year on that $400,000. I've been making 8 percent predictably, which means I'm making $32,000 a year on that $400,000 I would have otherwise lost. How much more is $32,000 than $16,000? It's a full 100 percent more. Yes, I have effectively made 100 percent rates of return using lazy, idle real estate equity — even during one of the worst economic meltdowns in U.S. history. And you can, too.

Don't wait another day. Do what banks and credit unions do. Find out how to properly structure your money so you can become your own banker and enjoy the abundance that can follow — the kind of abundance that can bless your family and your community and that you can pass along to future generations.

Douglas R. Andrew is a best-selling author, radio talk show host and abundant living coach.

Opinion

Earlier education will begin to reduce the inequality problem

It is now well known that Thomas Picketty — the French economist and author of the 700-page book *Capital in the Twenty-First Century* — argues that free markets tend to produce inequalities of wealth that become dynastic and anti-meritocratic. The solution that everyone is talking about is taxing the rich. But reading the book, it's clear that Picketty recognizes that, "over a long period of time, the main force in favor of greater equality has been the diffusion of knowledge and skills."

After all, countries such as India and Brazil had extremely high tax rates in the 1970s and 1980s without creating broadly shared growth. East Asian countries, by contrast, with high literacy rates and an increasingly skilled workforce, managed to achieve both growth and equity. This is not an argument against higher taxes but rather one emphasizing that for the best long-term results, education remains crucial. Alas, it is an area in which the United States is failing.

If reading Picketty reminds us of the troubling inequalities of wealth, reading the recent, pathbreaking OECD report on adult skills in rich countries provides an equally grim picture of the inequalities of knowledge — one that for the United States is terrifying. Thirty-six million American adults have low skills. And these are not just older workers. In two of the three categories tested, numeracy and technological proficiency, young Americans who are on the cusp of entering the workforce — ages 16 to 24 — rank last.

This is the first-ever comprehensive study of the skills adults need to work in today's world — in literacy, numeracy and technology. As with the PISA tests the OECD conducts for fourth- and eighth-grade children, the survey is designed to test problem-solving and not rote memorization. Scoring well on these tests turns out to be directly related to jobs, rising wages and productivity, good health, and even civic participation and political engagement. Inequality of skills was closely correlated to inequality of income.

The tests demonstrate that people everywhere develop skills at a young age, peak in proficiency at age 30, and then begin to decline. So, if people start out with bad education and low skills, those disadvantages are likely to persist and grow throughout their lives.

The picture of the United States is deeply troubling. Despite having the second-highest per capita GDP, the country does poorly along almost every dimension. It is below average in literacy and technological proficiency and third from the bottom in numeracy (for 16- to 65-year-olds). Interestingly, France, Picketty's country, also fares poorly in most categories.

Inequalities of skills are also becoming generational and entrenched. The United States had a wide gap between its best performers and worst performers — though it had a smaller percentage in the top range compared with countries such as Japan, Finland and the Netherlands. And it had the widest gap in scores between people with rich and educated parents and poor and undereducated parents.

The U.S. has high levels of education and a large percentage of its workers in adult learning and training programs, and it spends lots of money on all these activities. And yet, it does worse than many countries with few advantages and resources. (And no, it isn't just because of immigrants. About half of the OECD countries now have a larger percentage of foreign-born adults than does the U.S.)

What we learn from this study is really just an extension of what we have discovered in the PISA test results. The single biggest force behind falling American rankings is not that the U.S. is doing things much worse but that other countries have caught up and are doing better. The American system of education and training is inadequate in the new global environment.

And things show no signs of improving. The bipartisan backlash against the Common Core — a set of national standards agreed to by governors — is a tragic example. Parents raised on a culture of low standards and high self-esteem are outraged that the tests show that many American schools are not teaching their children enough. (The tests must be at fault because their kids are brilliant!) Some teacher groups are upset with the emphasis on testing (though Randi Weingarten, the head of the American Federation of Teachers, has actually endorsed the Common Core). And Republicans now oppose it — despite having championed it only a few years ago — largely because the Obama administration also backs the project.

"The principal force for convergence [of wealth] — the diffusion of knowledge — is only partly natural and spontaneous. It also depends in large part on educational policies," writes Picketty. In other words, if we really want to reduce inequality, we need to reform the system, spend money where needed — such as early education — and get to work at it now.

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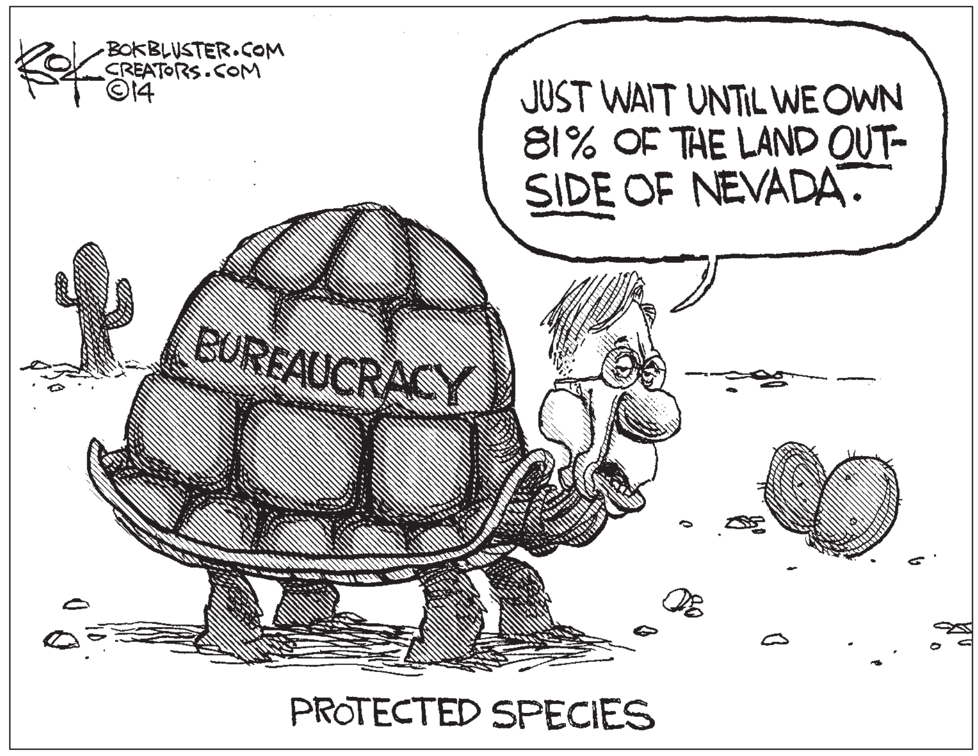

There are ways to start taking retirement money without penalty

Do you need to access your retirement money early? Usually, anyone who takes money out of an IRA or a retirement plan prior to age 59-1/2 faces a 10 percent early withdrawal penalty on the distribution. That isn't always the case, however. You may be able to avoid the requisite penalty by taking distributions compliant with Internal Revenue Code Section 72(t)(2).

While any money you take out of the plan will amount to taxable income, you can position yourself to avoid that extra 10 percent tax hit by breaking that early IRA or retirement plan distribution down into a series of substantially equal periodic payments (SEPPs). These periodic withdrawals must occur at least once a year and they must continue for at least five years or until you turn 59 1/2 (whichever occurs later).

How do you figure out the SEPPs? They must be calculated before you can take them. Some people assume they can just divide the balance of their IRA or 401(k) by five and withdraw that amount per year. That is a mistake and that can get you into trouble with the IRS.

The IRS allows you to calculate SEPPs by three methods, all with respect to your age and your retirement account balance. When the math is complete, you can schedule SEPPs in the way that makes the most sense for you.

The required minimum distribution (RMD) method calculates the SEPP amount by dividing your IRA or retirement plan balance at the end of the previous year by the life expectancy factor from the IRS Single Life Expectancy Table, the Joint Life and Last Survivor Expectancy Table or the Uniform Lifetime Table.

The fixed amortization method sets an amortization schedule based on the current balance of your retirement account, in consideration of how old you are in the current year and your life expectancy according to one of the above three tables.

A variation on this, the fixed annuitization method, calculates SEPPs using your current age and Appendix B of Rev. Ruling 2002-62. If you use the fixed amortization or fixed annuitization method, you must also specify an acceptable interest rate for the withdrawals, which can't exceed 120 percent of the federal mid-term rate announced periodically by the IRS.

A lot to absorb? It certainly is. The financial professional you know can help you figure all this out and online calculators also come in handy (Bankrate.com has a very good one).

Problems occur when people don't follow the 72(t) rules. There are some common snafus that can wreck a 72(t) distribution and you should be aware of them if you want to schedule SEPPs.

First of all, consider that this is a multi-year commitment. Once you start taking SEPPs, you are locked into them. You will take them at least annually and you won't be able to contribute to that retirement account anymore as the IRS doesn't let you do that within the SEPP period.

If you are taking SEPPs from a qualified workplace retirement plan instead of an IRA, you must separate from service (that is, quit working for that employer) before you take them. If you are 51 when you quit and start taking SEPPs from your retirement plan and you change your mind at 53 and decide you want to keep working, you still have this retirement account that you are obligated to draw down through age 56 — not a good scenario.

Some people forget to take their SEPPs

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EARNINGS

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Utah Medical Products

Utah Medical Products Inc., based in Salt Lake City, reported net income of $2.72 million, or 72 cents per share, for the first quarter ended March 31. That compares with $2.74 million, or 73 cents per share, for the same quarter a year earlier.

Sales totaled $9.8 million in the most recent quarter, down from $10.4 million in the year-earlier quarter.

The company develops, manufactures and markets disposable and reusable specialty medical devices.

Black Diamond

Black Diamond, based in Salt Lake City, reported a net loss of $1.3 million, or 4 cents per share, for the first quarter ended March 31. That compares with a net loss of $3 million, or 10 cents per share, for the same quarter in 2013.

Sales totaled $54.5 million, up from $51 million in the year-earlier quarter.

Black Diamond designs, manufactures and markets outdoor equipment and apparel.

"Black Diamond's first quarter results are a reflection of our product variety and seasonal diversity, as well as our global distribution platform," Peter Metcalf, president and chief executive officer, said in announcing the results. "In spite of some extreme dry weather conditions in different parts of the world, our first quarter sales increased more than 8 percent in constant currency and approximately 7 percent in real terms. Black Diamond also grew in all of our major geographies."

ZAGG

ZAGG Inc., based in Salt Lake City, reported net income of $1 million, or 3 cents per share, for the first quarter ended March 31. That compares with $900,000, or 3 cents per share, for the same quarter a year earlier.

Pro forma net income was $2.8 million, or 9 cents per share, compared with $3.6 million, or 11 cents per share, a year earlier.

Net sales totaled $49 million, down from $51.5 million a year earlier.

ZAGG and its subsidiaries design, produce and distribute mobile and media accessories.

"Both our top and bottom line were stronger than expected for the quarter, a reflection of the hard work and focused effort by the entire organization," Randy Hales, president and chief executive officer, said in announcing the results.

APX

APX Group Holdings Inc., based in Provo, reported a net loss of $47.3 million for the first quarter. That compares with a net loss of $30.9 million for the same quarter last year.

Revenues totaled $130.2 million, up from $106.9 million from the same quarter a year earlier, excluding 2GIG Technologies Inc. revenue of $17.5 million in the year-earlier quarter.

APX produces home automation services.

"Q1 2014 was a strong quarter from both a financial and operational performance," Todd Pederson, chief executive officer, said in announcing the results. "We're confident that we've assembled a team which will drive value for customers and investors alike."

Mark Davies, chief financial officer, said the company "saw good growth this quarter in adoption of our broader home automation and security services such as energy management, lighting control, cameras and remote door locks."

GOED

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that," he said.

The company currently has retail operations in Utah. The nearest manufacturing facility to the west is in Los Angeles, while the nearest to the east are in Chicago and Baton Rouge, Louisiana. Hickes said the Los Angeles facility's small footprint made expansion there "not really feasible."

"When you look at Tooele, Tooele is a little off the beaten path but only that much off the beaten path, and that path is I-80," he said. "So, with the distribution network that is available here in Utah, we can get products pretty much anywhere we need them within two days, and that's a huge competitive advantage for us and also a huge cost savings. …Really, the compelling criteria was location, location and then location."

Jerry Oldroyd, chairman of the board's incentive committee, said Arizona also had been competing with Utah for the project.

Hickes said the facility will be part of the company's specialty gas division, which produces gas used for calibration or measurement. One example is gas used to monitor exhaust and emissions at power generation plants. The gases also are used in the chemical, refining and natural gas industries and in university research laboratories.

"Anyone with an lab instrument or a laboratory is a customer for us or a potential customer for us," Hickes said.

The project, which Tooele City and Tooele County has been working on for four years, is expected to produce new wages of nearly $1.5 million over 10 years and new state tax revenues of $462,998 during that period.

LEGAL MATTERS

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must spend at least 80 percent of premium dollars on medical care rather than administrative costs. Insurers who do not meet this ratio are required to provide rebates to their policyholders, which is typically an employer who provides a group health plan. Employers who receive these premium rebates must determine whether the rebates constitute plan assets. If treated as a plan asset, employers have discretion to determine a reasonable and fair allocation of the rebate.

For plan years beginning on or after January 2013, the maximum amount an employee may elect to contribute to healthcare flexible spending arrangements (FSAs) for any year will be capped at $2500, subject to cost-of-living adjustments. Note that the limit only applies to elective employee contributions and does not extend to employer contributions. Also beginning in Jan. 1, 2013, ACA increased the employee portion of the Medicare Part A Hospital Insurance (HI) withholdings by 0.9 percent (from 1.45 percent to 2.35 percent) on employees with incomes of over $200,000 for single filers and $250,000 for married joint filers. It is the employer's obligation to withhold this additional tax, which applies only to wages in excess of these thresholds. The employer portion of the tax will remain unchanged at 1.45 percent.

Also beginning Jan. 1, 2013, a 3.8 percent tax has been assessed on net investment income such as taxable capital gains, dividends, rents, royalties and interest for taxpayers with modified adjusted gross income (MAGI) over $200,000 for single filers and $250,000 for married joint filers. Common types of income that are not investment income are wages, unemployment compensation, operating income from a non-passive business, Social Security benefits, alimony, tax-exempt interest and self-employment income. Additionally, individuals who are eligible for employer-provided health coverage do not have to wait more than 90 days to begin coverage. The IRS has provided temporary guidance on its website for how employers should apply the 90-day rule and is expected to provide more information in the near future clarifying these rules.

The Transitional Reinsurance Program is a three-year program, beginning in 2014 and continuing until 2016, that reimburses insurers in the individual insurance marketplaces for high claims costs. The program is funded through fees to be paid by employers (for self-insured plans) and insurers (for insured plans). The U.S. Department of Health and Human Services estimates that the fees for 2014 will be $5.25 a month (or $63 for the year) for each individual covered under a health care plan, with the required fee for the following two years to be somewhat lower. The fee applies to all employer-sponsored plans providing major medical coverage, including retiree programs. The U.S. Department of Labor has advised that for self-insured plans, these fees can be paid from plan assets. The IRS has stated that the fees are tax-deductible for employers. HHS is expected to provide more information in the near future clarifying the details of this program. Beginning with health coverage provided on or after Jan. 1, 2014, employers that sponsor self-insured plans must submit reports to the IRS detailing information for each covered individual. The first of these reports must be filed in 2015.

The Affordable Care Act creates new incentives to promote employer wellness programs and encourage employers to take more opportunities to support healthier workplaces. Health-contingent wellness programs generally require individuals to meet a specific standard related to their health to obtain a reward, such as programs that provide a reward to employees who don't use, or decrease their use of, tobacco, and programs that reward employees who achieve a specified level or lower cholesterol. Under final rules that take effect on Jan. 1, 2014, the maximum reward to employers using a health-contingent wellness program will increase from 20 percent to 30 percent of the cost of health coverage. Additionally, the maximum reward for programs designed to prevent or reduce tobacco use will be as much as 50 percent. The final rules also allow for flexibility in the types of wellness programs employers can offer.

For companies with more than 50 employees, the ACA simultaneously rewards employees at small companies by heavily subsidizing their purchases of health insurance on the exchanges created by the law. Because employees cannot take the subsidies with them if they switch to a large company offering health insurance, the subsidies are, in effect, subsidies to the small businesses themselves, helping them compete more cheaply in the market for employees. Employees at the smallest companies, with fewer than 50 employees, are eligible to receive the subsidies, even though their employers are exempt from the penalties. The ACA also created tax credits for small businesses that are already available. Casey B. Mulligan, an economics professor who also writes for the *New York Times*, has postulated that these credits perhaps have too many strings attached to be attractive to employers, because only 770,000 employees (in an economy with more than 130 million) worked for employers claiming the credit in 2010.

Although the ACA is complicated, small businesses can navigate it successfully and ensure the continued health of their pocketbooks, and their employees.

Kristin VanOrman, Jeremy Knight and Jessica Johnston are associates in the Employment Law Practice Group of the Salt Lake City law from of Strong & Hanni.

LUND

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according to schedule or withdraw more than they should. That can subject them to Internal Revenue Code Section 72(t)(4), which tacks a 10 percent penalty plus interest on all SEPPs already made. The IRS does permit you to make a one-time change to your distribution method without penalty. If you start with the fixed amortization or fixed annuitization method, you can opt to switch to the RMD method.

How can you boost or reduce the SEPP amount? The easiest way to do that is to increase or decrease the balance in the IRA or retirement plan account. You have to do that before arranging the payments, however.

If you need to take a 72(t) distribution, ask for help. An investor coach can help you plan to do it right.

Mark Lund provides 401(k) consulting for small businesses and investment advisory services for professional athletes and select individuals at Stonecreek Wealth Advisors Inc. in Salt Lake City.

PAPPAS

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lion-dollar companies come about in less than 10 years' time, when it used to take several decades. It is absolutely incredible. We are the ones creating drones to broadcast Internet access, making smartphones more capable than server-size computers and using 3-D printers to recreate human organs. I see the U.S. leading the world for longer than most anticipate. Even as countries like China close the gap in areas like total production volume, the United States will always be the hub for innovation and creation.

Matt Pappas is a financial advisor with the Cottonwood Group of Wells Fargo Advisors LLC, a wealth management team with offices in Salt Lake City, Park City and St. George.

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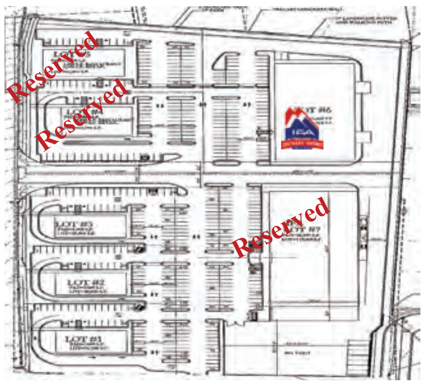

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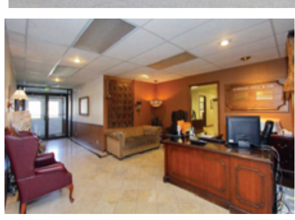

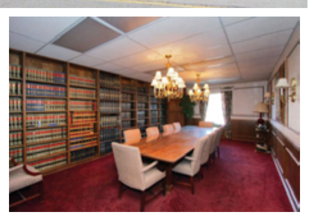

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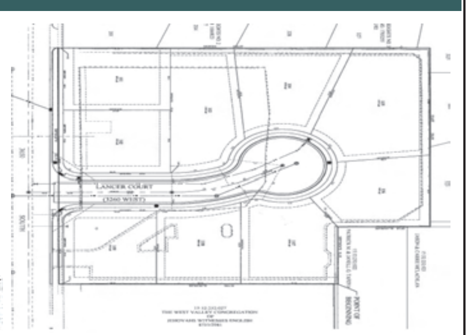

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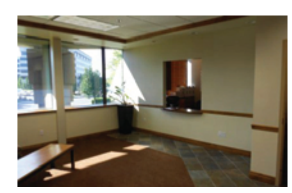

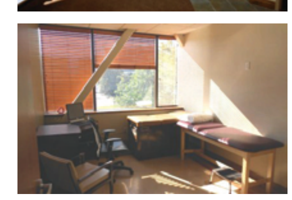

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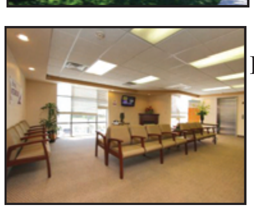
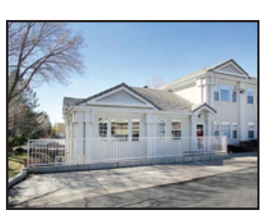
16,584 Square Feet
Updated In 2008-Multi Tenant Building, Top Floor Medical Office



For Lease: $13.50/Full Service
#105-2,700 SqFt
#101-1,000 SqFt
Café/Coffe-1,050 Sqft

Bijan Fakrieh 801-918-9000

Office Condo For Sale
2118 East 3900 South-Salt Lake City



For Sale: $269,000
- 2,048 Square Feet (1,024 on main & 2,048 garden level)
-Perfect For Owner/User

Great Millcreek Location, South Building-Very Private and Quiet, Main Floor Has Tennant

GEORGE RICHARDS, CCIM 801-631-9963

One Small Office Space Left
3895 W. 7800 S.-West Jordan

For Sale: $185/Sq Ft
For Lease: $13/NNN

- 1,207 RSF/1,030 USF
- High End Finishes, Light & Open
- Across From Jordan Landing
- Close to Bangerter Highway
- Sure To Impress Any Client

GEORGE RICHARDS, CCIM 801-631-9963

Luxury Office Suite-Realtor Building
230 W. Town Ridge Pkwy (9670 S)

LEASE RATE $14.00 NNN
•2nd Floor Office Suite
•2,063 USF-2,427 RSF

George Richards, CCIM 801-631-9963

Office Condo in Heart of Holladay
2160 E. 4500 S. #4

Lease Rate:$12.00/NNN
For Sale: $229,500
- 1,326 Sqft, Remodeled
- Plenty of Parking
- Some Furniture & Cabinets Included

GEORGE RICHARDS, CCIM 801-631-9963

3.04 Acres - $1,200,000
106 W. Fireclay Ave. (4295 So.)
-3 Buildings
-Approx. 27,000 SF

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