



# TEXAS BUSINESS REPORT

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## Annual Conference Sets Stage For Busy 2009

### *Economy remains top priority for state leaders*

The Texas Association of Business held its annual conference featuring the state's top leaders, legislators, policy experts and journalists to discuss the 81<sup>st</sup> Legislature, the 2010 political landscape and the effects national economic trends are having here in Texas.

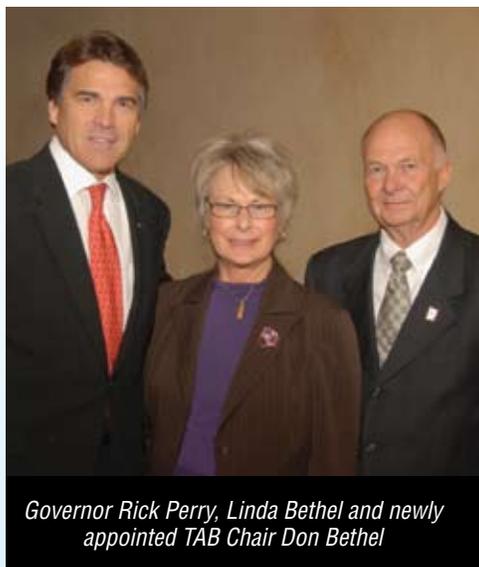
The conference kicked off with remarks by Lt. Governor David Dewhurst, who provided key details on the budget issues facing the state. Dewhurst stressed that revenue estimates dictate that Texas will need to hold the line on state spending and make the tough decisions necessary to ensure that our state will be one of the first ones to recover from the current economic crisis America is facing.

TAB President Bill Hammond moderated the first panel on taxes and spending featuring Representatives Jim Keffer, John Otto and Ken Paxton. Rep. Otto outlined his recommendations to alter the Comptroller's property value study, which many feel add to the appraisal creep felt in property tax bills.

Andy Erben of Texas Institute for Education Reform hosted an education panel with distinguished guests Senate Education Chair Florence Shapiro, House

Public Education Chair Rob Eissler and education expert Sandy Kress. The three panelists discussed changes needed in our public school system to ensure that students were prepared for college, technical schools or immediate entry into the workforce.

After a short break, Agriculture Commissioner Todd Staples set forth his priorities for Texas, including tackling childhood obesity, continuing to make Texas a global agricultural hub, and expanding the scope of current public education requirements to include relevant career and technology courses. Staples blended humor and



Governor Rick Perry, Linda Bethel and newly appointed TAB Chair Don Bethel

## WORKFORCE Q&A

*How can I know that my company and our employees are working with a quality investment professional?*

(see page 2)

## CHECK CARD

*Asked on Wednesday when he plans to introduce his Employee Free Choice Act, House Education and Labor Committee Chairman George Miller (D-Calif.) said, "Soon." Miller added the so-called card check bill would be unveiled in a matter of days or weeks.*

from [www.thehill.com](http://www.thehill.com)

## TAB MISSION

*To make the Texas business climate the best in the world.*

# WORKFORCE Q&A



Ricky Grunden, CFP  
Grunden Financial  
Advisory, Inc

## *How can I know that my company and our employees are working with a quality investment professional?*

Bernie Madoff had it all. Besides stellar returns in his managed fund, posh lifestyle in New York City, and famed reputation, above all, his clients trusted him. Trust is something that is difficult to market and usually comes as a result of performing smaller services well or from respected individuals in the community who enjoyed a good experience and speak highly of that individual or company. The recent betrayal of trust by Madoff to his clients calls into question the trust others may have in their own financial advisor. Legitimate advisors want to be checked out and there

are ways of learning detailed information about their background and operations without making them feel un-trusted or suspected.

### **Types of advisors**

There are two types of advisors: Registered Investment Advisors (RIAs) and Registered Broker/Dealer Representatives (RRs). The primary difference between an RIA and a RR is the law that governs each. An RIA is governed by the Securities Exchange Commission (SEC) and are fiduciaries, while RRs are regulated by the Financial Industry Regulatory Authority (FINRA) and held to a standard of suitability.

<http://www.financial-planning.com/news/false-fiduciaries-527549-1.html>

### **Governing bodies**

One of the main missions of the SEC is to protect investors and maintain fair, orderly markets. As such, they provide a resource to investors to search for their advisor's ADV (a document which discloses how RIAs run their business). While this is a good start, regulatory agencies failed to detect Madoff's scheme.

[http://www.adviserinfo.sec.gov/IAPD/Content/IapdMain/iapd\\_SiteMap.aspx](http://www.adviserinfo.sec.gov/IAPD/Content/IapdMain/iapd_SiteMap.aspx)

Other RIAs that are smaller and registered at the state level can be found at [www.nasaa.org](http://www.nasaa.org).

The Financial Industry Regulatory Authority (FINRA) provides unbiased information on the industry, broker dealers, and allows one to verify the background of a broker who represents a broker dealer.

<http://brokercheck.finra.org/Support/TermsAndConditions.aspx>

The Certified Financial Planner Board of Standards (CFP®) is the recognized standard of excellence for personal financial planning. Visit their website to check on certificate holders and if any disciplinary actions exist.

<http://www.cfp.net/search/>

Most advisors run legitimate business and welcome the opportunity to build trust with their clients. Investigating the background of your advisor will solidify the relationship so they can focus on what they do best, solving problems for clients. Bernie Madoff was too big, too credentialed, and too aloof to be questioned... and in the end, too good to be true. Take the next step and check out your advisor. At the least, it will give you additional confidence in the way they operate their business.

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## **TAB STATEWIDE OFFICERS**

Don Bethel, *State Chairman*  
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# Annual Conference Recap

*continued from page one*

insight in his remarks, providing a unique vantage point on the issues facing the current Legislature.

Land Commissioner Jerry Patterson concluded the conference's first day by detailing the role of the General Land Office in Texas government. Patterson then fielded questions from the audience that ranged from the real estate under the ownership of Texas to the BCS title picture.

Railroad Commissioner Elizabeth Ames Jones kicked off the second day discussing the energy outlook for Texas and the severe effect falling energy prices may have on the global economy.

At the conclusion of Commissioner Jones' remarks, TAB Vice-President Steve Minick led a panel discussing Texas energy and environment with Railroad Commission Chair Michael Williams, Senator Kirk Watson and Representative Mike Hamilton. Watson and Williams went into considerable detail about the proposals to curb carbon emissions and the need to balance green policy with our essential business needs.

TAB lobbyist Kandice Sanaie led a policy panel on health care with Senator Rodney Ellis and Senator Jane Nelson. Ellis highlighted the need for a statewide smoking ban and greater access to health care for all Texans. Nelson called for worksite wellness incentives and expansion of business tax credits for employers that provide health insurance.

The day's last panel saw Bill Hammond lead a discussion between Capitol reporters Gardner Selby of the *Austin American-Statesman*, Ross Ramsey of *Texas Weekly* and Wayne Slater of the *Dallas Morning News*. The trio provided their perspective on how new Speaker Joe Straus

would adapt to the challenges of the office with a razor thin margin separating the political parties. In addition, each reporter gave their thoughts on the potential primary battle between Governor Perry and Senator Hutchison.

Afterward, winners of the Best Companies to Work For in Texas were addressed by Governor Rick Perry, who talked about the need for quality employers in this economic crisis. After his remarks, Best Companies President Peter Burke announced the Best Companies to Work For in Texas. Top companies - grouped by size - were Astoundry, Kaye Bassman and NuStar Energy.

"The power of our members is demonstrated by just how many state leaders participate in conferences like this," said Bill Hammond. "We are in tumultuous times. Now more than ever, our members need to hear from their representatives and decision makers. This wonderful event would not have been possible without our generous sponsors, and TAB thanks them for their tremendous support."



*Railroad Commission Chair Michael Williams (center) was a conference panel speaker*

**More Annual Conference pictures featured on pg 5**

## Special Thanks to 2009 TAB Annual Conference Sponsors

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# MEMBER PROFILE

## Talk O' Texas – Spreading Texas Flavor Across America

With the state of Texas as part of its logo, it is easy to see that Talk O' Texas takes pride in doing business in the Lone Star State. This family business produces okra pickles, a favorite enjoyed by families across the state. In fact, the product's popularity has moved across state lines, as it is now sold to families nationwide.

In 1950 Talk O' Texas Brands was originated in the family kitchen of Dick and Mitzi Grimes in San Angelo, Texas. The company's first major contract was signed with Neiman Marcus in Dallas. In 1955 Al Ricci purchased a large minority interest in the fledgling business, and completed his purchase of the company in 1956 when the Grimes family moved to Oklahoma. In the ensuing 30 years, with consistent high quality as the number one goal, the company outgrew four production facilities under his guidance.

In 1985, Al's son Larry Ricci became President and CEO. Like his father, Larry was committed to growing the family business. Through extensive research, Larry found ways to improve the company and it soon expanded even further.

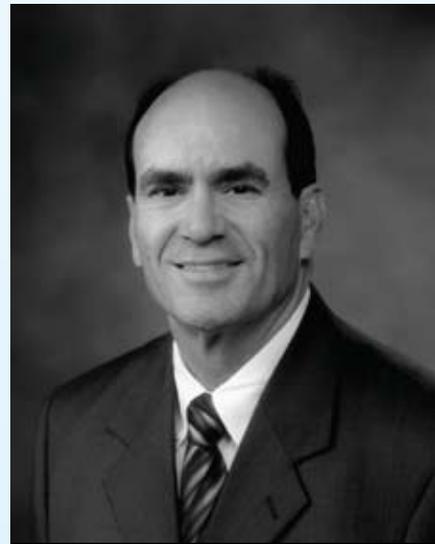
In 1986, due to Larry's efforts and dedication, the company moved into a new state of the art production facility covering 26,000 square feet, where it is still housed today. Ricci's leadership streamlined operations and pushed for high quality products. The result of such business savvy is a further expanded 60,000 square foot manufacturing plant well equipped to meet consumer demand for high-quality products. The family business is now in its third generation, as daughter Lisa became Vice-President of Talk O'Texas in 1988.

While business remains healthy and demand is high the company has not been free of challenges. With a large

portion of their okra coming from Mexico, it has been hard to get in a good crop with the recent hurricanes and subsequent rain and flooding. There are two times of the year when the company processes the okra harvest of its suppliers, and it is a crucial part of production to have only the finest okra available to choose from.

What makes Talk O' Texas a rare specialty food processor is that it is the only company in its industry that actually hand packs every jar of pickles. The Riccis feel this extra measure of quality helped position their company as the nationwide leader in crisp okra pickles.

As a proud businessman, Larry Ricci expresses his commitment to his employees and customers equally, "As an employer, I know that the hard work our team puts in has led to our continued success. Our employees work hard to ensure that our customers get the same quality product they have expected for over three generations. Each and every session, TAB has been a champion of employers and the free enterprise that has helped companies like ours grow and develop in today's business climate."



Larry Ricci, Talk O' Texas President/CEO

### FAST STATS

Member Name..... Talk O' Texas  
 Hometown..... San Angelo, Texas

Year Business was Founded..... 1950  
 TAB Member Since..... 2007  
 Website .....www.talkotexas.com  
 Phone Number ..... (800) 749-6572

**Why did we join TAB?** *"Each and every session, TAB has been a champion of employers and the free enterprise that has helped companies like ours grow and develop in today's business climate."* -- Larry Ricci, President/CEO

# We Must Continue Our Commitment to Fiscal Responsibility and Stronger Education

*By Governor Rick Perry*



As the 81<sup>st</sup> Legislative Session gains momentum, I am pursuing the priorities I laid out in my January State of the State address.

I am confident that by sticking to our commitment to fiscal responsibility, continuing job creation incentive programs, and investing in efforts to prepare our students for college and career success, we will steer our state down a path to greater opportunity during these uncertain economic times.

We share a dedication to these priorities. Not only are these efforts essential to empowering Texans to endure tough financial times, but they will enable our businesses to prosper, and open doors for hard-working Texans to provide a future of opportunity for their families.

Effects of the economic downturn are beginning to weigh on Texas' economy, but we are still in better shape than most any other state.

Maintaining our strong and vibrant business climate begins with creating jobs and equipping our workforce. This is why we must continue investment in some of the state's most powerful economic development tools, the Texas Enterprise Fund and Emerging Technology Fund. We must also work to improve the quality of our education system to ensure Texans graduate with a strong foundation in math, science and English. These steps are critical to succeed in an increasingly competitive and global marketplace.

To strengthen education, we must maintain our commitment to teacher incentive programs, which promote teaching excellence in our classrooms, and to the Texas High School Project to educate

underprivileged students across our state. Combining these priorities with a pledge to hold schools accountable for student performance will move more children along the path to graduation and prepare them for the next step in their lives, whether it is college or the workforce.

For those who pursue higher education, we must also work to make this next step attainable and affordable. Expanding the Texas Grant Program and freezing a student's tuition for four years of college are two realistic and sensible ways to accomplish this goal. Doing this will not only knock down barriers between students and the success they desire, but will equip more individuals to compete for Texas jobs.

Six years ago, Texas learned valuable lessons when it faced a \$10 billion budget shortfall. Instead of hiking taxes we tightened our belts and prioritized spending, never forgetting that each dollar we spend is that of a hard working Texan.

Our past actions have launched Texas to the top of the economic ladder. By keeping taxes low, and maintaining a predictable regulatory climate and fair and balanced legal system, we created a climate that allows businesses like yours to create jobs and wealth. This approach has led to what site selectors and business magazines agree is the Best State for Business. In fact seven out of every 10 jobs created in the U.S. in 2008 were created right here in the Lone Star State. We are home to more *Fortune* 500 companies than any other and lead the nation in exports.

Now is not the time to rest on our laurels. We cannot ignore the pressing need to continue investing in an accountable public school system and maintain our ongoing commitment to control spending.

If we allow our current actions to mirror our past successes, I am confident we can continue building a bright future for Texans and Texas business.

## ANNUAL CONFERENCE PHOTO GALLERY



*TAB Education Panel featuring Andy Erben, Sandy Kress, Sen. Florence Shapiro and Rep. Rob Eissler*



*Ryan & Co. President Brint Ryan introduces Governor Rick Perry*



*TAB President Bill Hammond and wife Deborah with Governor Rick Perry*

# Talk **About** Business



Bill Hammond, TAB President

## Liberal Wish List Could Soon Be Reality

While President Barack Obama rides a wave of popularity as a result of his flawless campaign and historic election, his first few weeks in office have already led to chilling anti-business legislation.

The first bill Obama signed into law was the Ledbetter Act, which essentially shelves the statute of limitations for discrimination, leaves employers vulnerable to frivolous lawsuits and will line the pockets of trial lawyers. In attempting to enact good policy, Obama swung for the fences, but ultimately got his first strike.

In the on-deck circle is the American Recovery and Reinvestment Act, the “stimulus” boondoggle whose price tag changes by billions almost daily.

After giving Congress free reign to draft the bill, the initial \$800 billion cost estimate jumped to \$935 billion in a recent Senate version. The most current plan has been whittled to \$827 billion. However, not only is it still loaded with pork, but also will leave untold debt for future generations.

A litany of waste underscores how anti-business opportunists are using this vulnerable economic time to push forward their wish-lists and pet projects: \$166 billion for states who

spent themselves into deficits (Texas is one of only six states operating without a deficit); \$50 million for the National Endowment of the Arts; \$600 million to buy hybrid vehicles for federal employees; and \$150 million for livestock insurance.

A microcosm of this bloated plan is the \$88.6 million proposed for Milwaukee public schools, which have “shrinking enrollment, 15 vacant schools and no plans for construction,” according to the *Washington Post*.

Texas has responded to our economic struggle by tightening our belts and reducing spending. Due to previous foresight, our state has security as we work to fill the breach resulting from the trickle-down effect of the national economy.

When our state’s economy was at its most robust, Texas leadership avoided the short-sighted call to return the budget surplus to taxpayers. This feel-good proposal did not take into account the potential for a very serious economic downturn, proving many pundits and policy wonks wrong.

As the stimulus package changes erratically with each new drafting, a one trillion dollar price tag comes closer to reality. America needs true

stewards like Texas leaders who were willing to stand up for economic rationale and fiscal restraint.

Even the Congressional Budget Office, a nonpartisan economic arm of Congress, concludes that the Obama plan will hurt over the long term even more so than doing nothing, because the volume of government debt will drown out private investment.

**What we need is a plan that reduces corporate taxes, suspends the capital gains tax for twelve months and cuts the marginal tax rate on personal income.**

As businesses prepare for the worst, our federal officials must heed Sam Houston’s words to do right and risk consequences. Until any stimulus plan includes cutting taxes as its foundation, lawmakers must not only vote “No,” they must actively engage to ensure that this dangerous legislation is dead on arrival.

The time has come for Washington to put rhetoric on the back burner and put responsibility first. As we stand at the precipice of one of our darkest financial hours, it will be leadership, not popularity that navigates us into financial recovery.



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