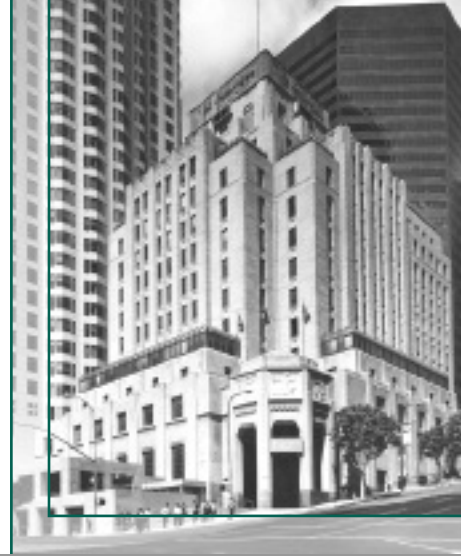




1st Business Advantage



The Williams Service Corporation

Driving an 83-Year Legacy Forward

Doug and Mark Williams, business partners and brothers, share a passion for driving business forward. The family-owned and operated Williams Service Corporation dates back 83 years and prides itself on providing steadfast protection, security and rapidity of service in the records management and transportation industries.

One of the keys to the Williams' success is name recognition. Mark says, "We deliver on what we say we're going to do, and because of the reputation we've built, our name is everything."

Two Companies, One Vision

The Williams Service Corporation has two primary divisions: The Williams Records Management Company and American Driver Leasing. Williams Records Management provides off-site, secure records storage and management. "We want to retain our position as the benchmark for data protection, storage and document destruction in Los Angeles," Mark states.

American Driver Leasing provides temporary and full-time drivers for private fleets. "We used to be in the transportation business, leasing trucks and drivers," Doug explains. "We changed gears 20 years ago,

shifting to labor contracting rather than truck leasing." American Driver Leasing now spans the five-state area.

Both companies are a legacy of the warehouse and transportation business founded by grandfather John J. Williams in 1922. "After World War I, our grandfather came to California and founded Williams Transfer and Storage with a Model T truck and one additional driver," Doug says. Since then, the company has moved through three facilities in the Los Angeles area and three generations of ownership.

"In the past, firms were most concerned with having enough space for records," Mark says. "Today protection is a greater concern, and records management is a strategic decision for many firms." Off-site data protection was a natural segue for Williams Records Management, and positive reception from clients reinforced that move.

Enhanced Technology, Better Protection

Williams Records Management uses advanced technology for backing up data from computer networks

"We're excited about the future of records management, and we're sitting in the right place - Los Angeles is the fastest-growing commercial center in the country."

- Doug Williams

Williams Records Management: The First Family of Data Protection

A business doesn't last 83 years without staying ahead of market changes. Doug says, "We realized 25 years ago that the professional service businesses were growing by leaps and bounds, producing records that needed to be managed." Williams Records Management serves clients in the health care, banking, securities and legal fields.

and ensuring a safe, controlled environment for storage. "We developed a data protection division that houses a fireproof, temperature-controlled, humidity-controlled data storage vault where backup data tapes are protected and retrieved," says Doug. Mark adds, "We have a higher-rated data vault than anyone in Los Angeles." Software connects an IT manager to the vault, allowing for precise management and protection. Other enhanced technology

Continued on page 2



Protect Your Business from Loss

The death of a key employee can signal disaster for many businesses. This is especially true for small businesses that don't have a large pool of employees from which to choose a replacement. With key employee life insurance, companies can protect against economic losses.

Who Is a Key Employee?

A key employee is typically a person who has a substantial impact on the financial success of a business. This person is generally responsible for management decisions, is highly paid, has a significant impact on sales or has a special rapport with customers and creditors.

The loss of a key employee can affect the company in several ways:

- › Losing the employee's management skill and experience can be devastating for companies without management depth.

- › The business could suffer from a disruption in sales or business production, depending on the key employee's talents in these areas. Clients could delay orders or refrain from business until they know how the company will respond to the loss.
- › Credit difficulties could arise from a drop in business. Creditors may also be less likely to extend a loan or favorable credit terms if the business has lost a key employee.
- › The company could lose money from expenses associated with hiring and training a replacement for the key employee.

How to Prevent Major Loss

Key employee insurance policies compensate a business against significant losses that result from a key person's death. The policy is typically owned by the company, which pays the premiums and is the beneficiary. The policy proceeds are paid



to the employer to use as it wishes. Typically the funds are used to meet financial obligations and to train a replacement. And the death proceeds are received income tax-free. The amount and cost of the insurance depends on the situation, age, health and role of the key employee.

For more information on key employee life insurance and to find out whether it's appropriate for your business, contact a Mellon 1st Business Bank relationship manager.



The Williams Service Corporation Continued from page 1

includes barcoding, tracking via Internet and linking system technology to clients' systems.

Doug says, "The process begins with record storage, involves inventory management and retrieval, and concludes with the certified destruction of documents if the client so chooses."

Looking to the future, Mark says, "Our goal is to become a regional player in the business. We see a great need for regional clients with multiple offices to have records management from a regional vendor. With the help of Mellon 1st Business Bank, we hope to invest and grow

to build a network of vaults, spreading our services across the West." The current facility is located in Vernon, Calif., and is staffed by 23 employees in records management, customer service and a courier fleet.

A Trusted Partner

Doug and Mark agree that there are many advantages to having a family business, one being a high level of trust and communication. When looking for a business bank that would treat their company like family, Mellon 1st Business Bank was the answer.

"The people at Mellon believe in what we want to do and are ready to

step up and work with us to create a plan," Doug says. "We appreciate working with a bank that listens to us and takes action to ensure our plans are executed correctly."

Mellon 1st Business Bank's experience in dealing with family-owned and operated businesses has proven valuable in its relationship with The Williams Service Corporation. "In addition to helping us grow our business, the bank also helped us finance a generational succession plan," Doug says. "Mellon wants to help us grow, and to have a banker like that is terrific."

➤ 504 Loans Can Help Businesses – and Communities – Grow

If your small business is ready to grow and needs affordable financing, you may want to look into a Certified Development Company (CDC) 504 loan. The Small Business Administration (SBA) offers the CDC/504 loan program as a long-term, fixed-rate financing tool for healthy businesses whose growth will benefit the community.

These loans have become increasingly popular. In fiscal year 2004, the SBA backed a record 8,168 loans worth \$3.9 billion under the CDC/504 program.*

How It Works

504 loans are partly financed through a private lender and a CDC, a nonprofit corporation working with the SBA to provide financing to small businesses and contribute to the economic development of the community. Proceeds from the loans must be used for projects such as purchasing land and existing buildings; paying for certain improvements, such as parking lots and landscaping; construction of new facilities; modernizing existing facilities; or purchasing long-term-use machinery and equipment. 504 loans cannot be used for refinancing, debt consolidation or repayment, working capital, or inventory.

A 504 project is typically financed in a 50-40-10 split:

- A loan secured with a private-sector lender for up to 50% of the project cost.
- A loan from a CDC for up to 40% of the project cost (a maximum of \$1 million, or \$1.3 million if the project meets a public policy goal defined by the SBA). This portion of the loan is backed by a 100% SBA guarantee.

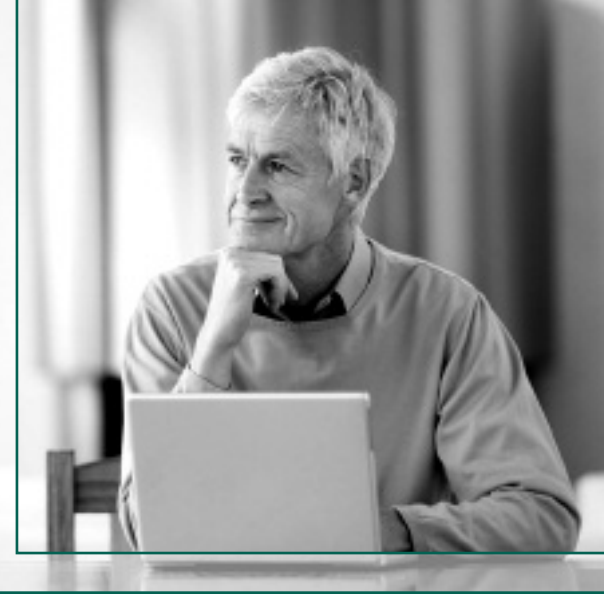
- A contribution of at least 10% equity by the borrower.

Interest rates are fixed and calculated as an increment above the current market rate for five-year and 10-year U.S. Treasury issues. Terms of 10 and 20 years are available. Fees may be financed with the loan. The property being financed is usually used as collateral, and personal guaranties of the principal owners are generally required.

Who Is Eligible?

To be eligible for the 504 loan program, a business must:

- Be operated for profit.
- Have a tangible net worth of \$7 million or less.
- Have an average net income of \$2.5 million or less after taxes for the preceding two years.
- Not be engaged in speculation or investment in rental real estate.



In addition, a business must generally create or retain one job for every \$50,000 provided by the SBA, with some exceptions.

To Learn More

A 504 loan may allow you to borrow at a competitive, long-term fixed rate while preserving much of your equity for working capital. To see if your project may qualify for a 504 loan, please talk with your relationship manager at Mellon 1st Business Bank. He or she can explore your borrowing options to find the best fit for your business.

* Source: Small Business Administration, press release, Oct. 12, 2004, www.sba.gov.

➤ Plan Ahead for Backup Power

The largest blackout in North American history in August 2003 plunged the north-east United States into darkness for days. Up to 50 million people were left without electricity, and thousands of businesses were unable to operate.*

Although events like the blackout remind us of the benefits of backup power, not all businesses are prepared.

Identify Your Needs

The best time to respond to a power outage is before it happens. Investing time and money now could save you money and disruption if an outage occurs.

Begin by asking yourself what would happen in the event of an outage. Who would be affected? What would it cost your business? Answering these questions can help you identify your backup needs. Determine which equipment, like computers or lights, is critical to business operation. Then, talk with electrical suppliers about your options, such as a backup generator.

* Source: Department of Energy, www.doe.gov.
Source: Small Business Administration, www.sba.gov.



Mellon 1st Business Bank At Your Service

Upcoming Events

In keeping with our reputation of delivering value-added service, Mellon 1st Business Bank will host the following events. Please watch for details.

Mellon 1st Business Bank 7th Annual Golf Classic – June 13, 2005

Doing Business in China – Fall 2005

Contact your relationship manager or e-mail Robin Thompson at thompson.r@mfb.com for more information.

Be sure to check out the demo for our personal online banking product at www.mfb.com > Account Login > MFBBiConnect > Test Drive.

Welcome Aboard

We are pleased to welcome new employees hired during the past quarter. **Jill Baker**, **Jake Domingo**, **Tom Grace**, **Johnny Jenkins**, **Sal Lopez**, **Tanya Marshall**, **Lynn Preston**, **Yvette Roja**, **Michael Schantz** and **Marcia Schnaap**, Headquarters Office; **Marlisa Mattia-Flynn** and **Eddie Ross**, South Bay Regional Office; **Tom Duran** and **Steve Krenik**, Orange County Regional Office; and **Lynn Ziven**, Century City Regional Office.

Economic Update

Be sure and check out the weekly economic update by Mellon Financial Corporation Chief Economist, Richard B. Hoey, at www.mellon.com/news/economicupdates.html.

Contact Us

You can contact us by e-mail at www.mfb.com or call one of our six locations:

- Headquarters (213) 489-1000
- South Bay (310) 538-4433
- Orange County (949) 474-1133
- West Los Angeles (310) 788-9500
- Inland Empire (909) 972-2100
- San Fernando Valley (818) 783-1211



Stars Delivering Service

Each month, one of our employees is honored for going above and beyond and consistently demonstrating integrity, teamwork and excellence. Stars of the Month for the first quarter include:

January – Veronica Herrera, Investments, Headquarters Office

February – Jenny Schaap, Cash Management, Headquarters Office

March – Sean Serby, Wire Room, Headquarters Office

Congratulations and Thanks to:

Phyllis L. Fox, Teller, Headquarters Office; and **Angie Ting**, Checkfiles, Headquarters Office; for 20 years of dedicated service! And congratulations to the winners of this year's Chairman's Club: **Errol Berman**, **Vince Cecere**, **Keith Cerwinski**, **David Cobb**, **Roger Denser**, **Maureen Finn**, **Greg Grande**, **John Hillier**, **David Kohn**, **Mary Hernandez** and **Kevin Smith**. These individuals were honored at a dinner in February for being the top producing relationship managers of 2004. Congratulations to all.

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