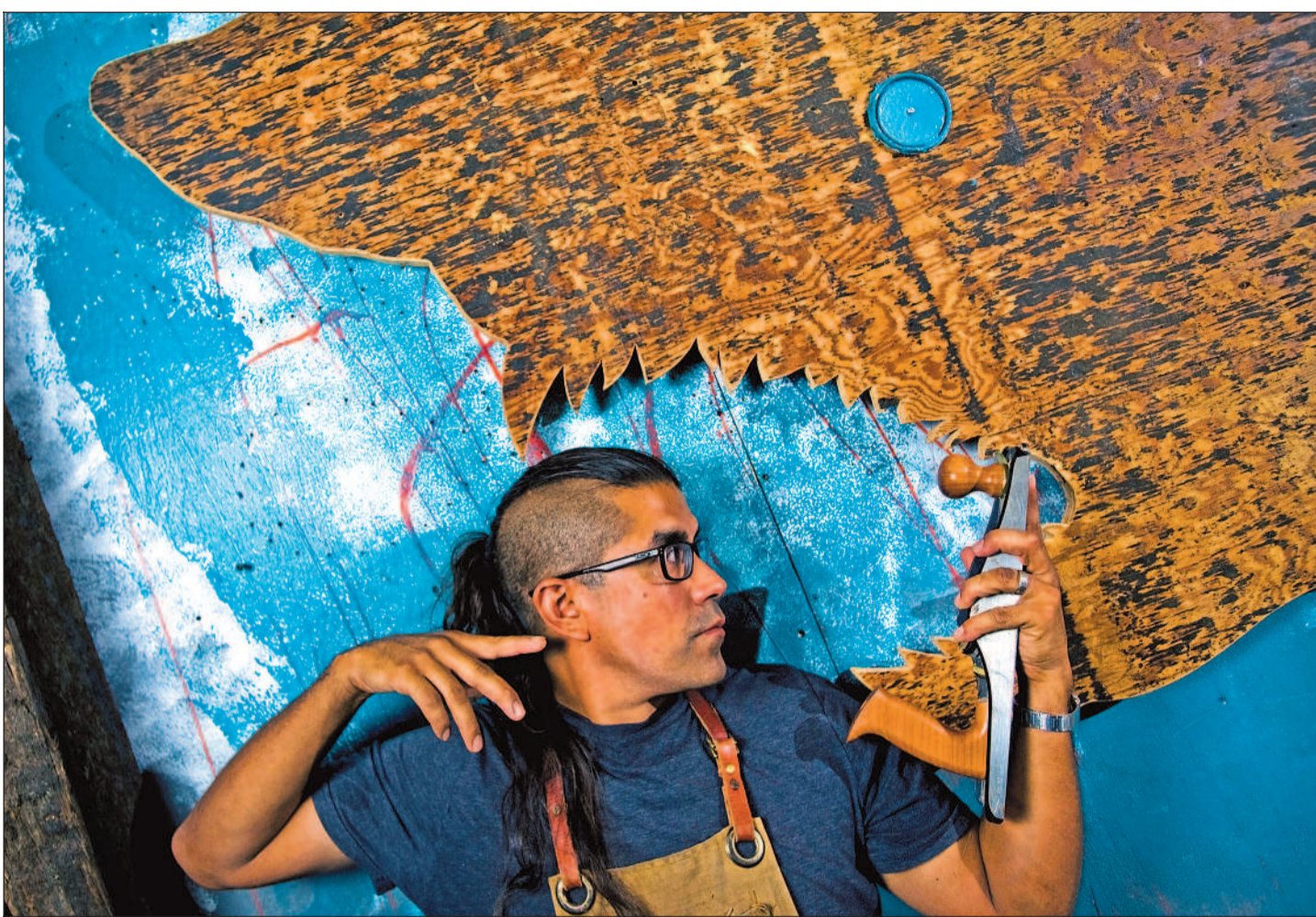


# BUSINESS

**TODAY'S FOCUS** **MADE IN O.C.**

**STATUS UPDATE:** An Anaheim-based steel fabricator gets a big boost from shuttle display. **Page 2**

**SMALL BUSINESS: HOW I DID IT**



MICHAEL GOULDING, ORANGE COUNTY REGISTER

Fullerton woodworker Brandon Monk Muñoz stands with his 20-foot shark piece hanging outside his space at PAS Gallery.

## Health coverage mandate postponed till 2015

Some Orange County businesses are relieved, while others say the delay won't affect them.

By **BERNARD J. WOLFSON**  
ORANGE COUNTY REGISTER

Orange County business leaders let out a giant sigh of relief following the announcement by the Obama administration Tuesday it would delay by one year the requirement that employers provide health coverage for their workers or pay penalties.

The employer mandate, one of the central pillars of the Affordable Care Act, had been met with strong resistance from many businesses. They feared big new costs and struggled with calculations and paperwork needed to determine if they were in compliance with the law. The mandate, originally scheduled to take effect Jan. 1 of next year, has been postponed to 2015.

"That is absolutely wonderful, wonderful news," said Kim Megonigal, chairman and chief executive of Kimco Staffing Services Inc., an Irvine-based temporary help firm with offices throughout the state. "We were going into sheer panic mode in the month of July to figure out exactly how we were going to be able to handle some of this stuff."

That is precisely the kind of worry the federal government sought to mollify in its decision.

"We have heard concerns about the complexity of the requirements and the need for more time to implement them effectively," wrote Mark J. Mazur, a U.S. Treasury assistant secretary, on his department's website. "We recognize that the vast majority of businesses that will need to do this reporting already provide health insurance to their workers, and we want to make sure it is easy for others to do so."

The change is not expected to affect other key provisions of the Affordable Care Act, including one that establishes health care marketplaces in the states, where individuals without health coverage can shop from a menu of insurance policies. In these exchanges, low-income people whose employers don't provide affordable insurance will qualify for subsidies that can cover a substantial portion of their health care costs.

The delay in the employer mandate "is not affecting us in any way," said

## ONLINE BUSINESS GREW OUT OF THE WOODWORK

Jobless and building his own furniture, Brandon Monk Muñoz saw a new, custom-made career.

When Brandon Monk Muñoz moved back to Orange County in 2010, he struggled to find a job. He also needed furniture for his family's empty house. So Muñoz decided to build wood tables to use for furniture and also as prototypes for products he could sell while job hunting.

He pieced together scraps of hardwood to make a butcher block table with ribbons of walnut, mahogany, cherry and oak for his dining room and joined reclaimed vintage floor boards to make a farm table for the backyard. Muñoz even built his family a Christmas tree from a stack of old wooden pallets when money was tight over the holidays.

The results were so attractive and pleasing to his discerning wife that the 35-year-



COURTESY OF BRANDON MONK MUÑOZ

One of Brandon Monk Muñoz's handmade salvaged wood butcher block dining sets.

old former art student decided to start a woodworking business, handcrafting tables, benches and other furnishings.

"I like making beauty out of things that are thrown away," Muñoz said.

Muñoz launched his business full time last year. His major investment: \$500 for used woodworking tools purchased at an estate sale. Having just returned from seven years of religious ministry work in London and on a tight budget, he also collected salvaged materials and purchased reclaimed wood from local lumber suppliers to keep costs down.

He started sharing the process of making his work on Instagram, posting everything from artfully arranged table clamps and oversized wrenches to mangled church pews and raw slabs of wood he was bringing back to life. Muñoz also posted wooden artwork he created for art walks and galleries in Orange County and Los Angeles - such as a two-dimensional 20-foot shark built to scale and a giant upside down Salvador Dali-style skate ramp that appears to be dripping with the floor.

The eye-catching photos have earned

SEE **WOODWORKER** • PAGE 3

### MORE INSIDE

#### O.C. HOME PRICES LEAP 21.3%

Orange County home prices jumped 21.3 percent in the year ending in May, the biggest percentage gain in 8½ years. **Page 3**



#### RECOVERY PLODDING AHEAD

We've reached the halfway point of 2013 and are nearing the fifth anniversary of the most intense phase of the great financial crisis. But we aren't yet living up to our economic potential. **Page 4**

#### BANKS NEED MORE CAPITAL

The Federal Reserve agreed to raise the amount of capital that big banks must hold to prevent their collapse and reduce the threat they pose to the broader financial system. The higher capital requirements were mandated by Congress in the aftermath of the 2008 financial crisis. **Page 6**

#### STOCKS TURN LOWER

The stock market ended slightly lower after reports of intensifying turmoil in Egypt offset good news about the U.S. economy. The price of oil neared \$100 a barrel on fears that the flow of crude from the region could be disrupted. **Page 5**

## Pickups, small cars drive auto sales

Subcompacts, compacts thrive amid costlier gas.

THE ASSOCIATED PRESS

Demand for big pickups has been the driving force behind a 9 percent increase in U.S. auto sales in June.

General Motors Co., Ford Motor Co. and Chrysler sold 157,480 full-size pickup trucks combined last month. That is up about 25 percent from the same month a year ago and almost double the number the companies sold in June 2009, a year when total sales sank to a 30-year low. GM said its new Chevrolet Silverado and GMC Sierra, which went on sale last month, are spending just 10 days on dealer lots before being sold. A 60-day stay is typical.

2013 Ford Fiesta



The pickup boom helps everyone, but especially the Detroit automakers, which sell the vast majority of trucks. And prices are rising as automakers add fancier features. Pickup trucks sold for an average of \$40,361 in June, up 2 percent from last year, according to Kelley Blue Book.

But trucks weren't the only thing driving sales. Small and subcompact cars sales were also strong, possibly because graduates went shopping for a new car, said Kelley Blue Book analyst Alec Gutierrez. Relatively high gas prices also may have steered some buyers to more fuel-effi-

cient models, he said. Gas averaged \$3.60 a gallon nationwide in June, 10 cents more than a year ago.

Sales of Ford's recently updated Fiesta subcompact more than doubled, while the Hyundai Elantra small car saw a 22 percent gain.

Auto sales maintain momentum. **Page 6**

### MARKET RECAP



**Dow Industrials**  
Close: 14,932.41  
Change: -42.55



**Nasdaq Index**  
Close: 3,433.40  
Change: -1.09



**S&P 500 Index**  
Close: 1,614.08  
Change: -0.88



**10-year Treasury:**  
Close: 2.48%  
Change: 0



**Oil per barrel:**  
Close: \$99.60  
Change: +\$1.61



**O.C. gas prices:**  
Gallon: \$4.042  
Change: -0.006

**MORE ON PAGE 5**

# O.C. home price gain biggest in 8 1/2 years

Increase probably reflects smaller inventory in March and April.



JUSTIN SULLIVAN, GETTY IMAGES

According to a report by real estate data provider CoreLogic, home prices in the U.S. surged 12.2 percent in the year ending in May, the largest increase in seven years.

most in seven years. California prices increased 20.2 percent, second only to Nevada's 26 percent gain.

CoreLogic's index tracks changes in closed-sale prices for the same single-

family home over time.

It is the third home-price index to report price gains for Orange County. Data-Quick Information Systems reported earlier the median home price (the price at the

midpoint of all sales) increased 24.1 percent in the year ending in May; the California Association of Realtors pegged Orange County's median price gain at 21.8 percent.

Market observers expect prices to start leveling off as more homeowners list their properties for sale.

According to **Reports OnHousing.com's** Steve Thomas, Orange County listings have increased 39 percent since mid-March. Even after those gains, the number of homes for sale remains below average.

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# MANDATE

FROM PAGE 1

Santiago Lucero, a spokesman for Covered California, the state's insurance exchange. He confirmed the exchange will start enrolling people Oct. 1 for coverage that begins Jan. 1. The Tuesday decision also does not change the requirement for individuals to be insured or pay penalties.

Under the act, passed in 2010, employers with more than 50 full-time employees were required to provide them with affordable health coverage starting Jan. 1, 2014, or pay penalties of \$2,000 to \$3,000 per employee. There have been numerous reports suggesting some companies - particularly those in the restaurant, tourism and construction industries - were planning to cut jobs or switch some full-time employees to part time to avoid having to pay health premiums.

"Obviously (President Obama) got the word," Megonigal said. "Somebody told him that nobody was going to be ready for it and that it was going to create tremendous havoc in the job market. It's going to be very interesting now to see if there will be a pickup in hiring in the coming months."

Some companies are just starting to recover after the long recession and have been worried that being hit with large new health care costs only six months from now would erode their still-tenuous profit margins, said Leslie Perry, Orange County manager of Barrett Business Services. The company helps employers manage human resource issues and benefits.

"That was a frightening prospect for a lot of them, financially," Perry said. "This will give them a little more time, which I think is good."

Kelly Moore, CEO of Moore Benefits Inc. in Irvine, said the delay will "change the tilt of the seesaw," pushing more people into the state's insurance exchange, Covered California, than would have enrolled otherwise because their employers will now not be providing benefits - at least for the first year.

Moore said the change would be a boon for employers and their lower-income workers, since the companies won't face penalties while the employees will be able to get subsidies through the exchange for coverage they may not have been able to afford through their employers.

Lucero said he could not estimate how many additional people would turn to the exchange as a result of the delay in the employer insurance requirement. "But we have plenty of room, and we are ready to cover them," he said.

Mazur, the assistant Treasury secretary, wrote that the one-year delay "will allow us to consider ways to simplify the new reporting requirements consistent with the law." It will also "provide time to adapt health coverage and reporting systems while employers are moving toward making health coverage affordable and accessible for their employees," he said.

He said that within the next week, the Treasury will issue official guidance to insurers, self-insuring employers and other parties that provide health coverage. Formal rules will be proposed later this summer, he added.

The New York Times contributed to this report.

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Orange County home prices jumped 21.3 percent in the year ending in May, the biggest percentage gain in 8 1/2 years.



**JEFF COLLINS**  
REGISTER WRITER

That's more than the gain for Los Angeles County, which led the nation's most populous metro areas in home price appreciation. Prices in L.A. increased 19.8 percent in the year ending in May, CoreLogic reported, followed by 18.3 percent in Phoenix and

18 percent in the Inland Empire.

Orange County's increase was the biggest since December 2004, CoreLogic figures show. The increase likely reflects deals signed in March and April when the number of homes for sale remained at the lowest level in at least nine years, driving up prices.

"Home prices continue to respond positively to the reductions in home inventory thus far," CoreLogic chief economist Mark Fleming said.

Nationwide, prices increased 12.2 percent, the



MICHAEL GOULDING, ORANGE COUNTY REGISTER

Brandon Monk Muñoz sits at a just-finished farm table made from recycled wood inside his studio at PAS Gallery in Fullerton's arts colony.

# WOODWORKER: Beauty from recycled materials

FROM PAGE 1

him a social media following; his Instagram fans swelled to more than 20,000 after the social media site recently featured him as a suggested user.

He thinks that Instagram has been useful in an indirect way. "Somebody sees what I do with my art and they say, oh, I guess you know what you're doing. You can make a table," Muñoz said.

Muñoz also opened a shop on Etsy, a popular online marketplace for handmade goods, where his offerings include "suntanned" poplar tables cut in the shape of California. He'd noticed the inexpensive pale blonde and lime green material turned to chocolate and honey when left out in the sun. By June 2012, he'd made his first sale out of state - a reclaimed farm table shipped to a customer in Georgia. Sales to New York, Texas and Colorado and elsewhere soon followed, and he made everything out of the woodshop in his Fullerton garage.

Etsy has helped grow his busi-



COURTESY OF BRANDON MONK MUÑOZ

A surrealist skater ramp Muñoz made for an exhibit at Think Tank Gallery in Los Angeles is shown.

ness more than 200 percent, Muñoz said, with more than half of his sales now coming from out-of-town buyers.

Customer service also has been a key part of Muñoz's business. Tracey Vito, a customer in Maryland who recently ordered a custom-made reclaimed farm table, says he kept calling and sending emails to make sure every detail was done to her satisfaction. "We

must've spoken at least two or three dozen times over the course of three weeks," she said.

Muñoz also forged strong relationships offline working with people like Jeni Maus, owner of Fullerton-based Found Vintage Rentals, which rents out vintage furniture for weddings, events and photo shoots. Muñoz met Maus through a mutual friend when he moved back to Orange

County, offering to repair anything in her warehouse full of antiques. A year later, she called on him to do just that and later commissioned dozens of custom reclaimed tables. "He's fantastic," Maus said. "I give his name out all the time and try to give him plugs on social media."

Muñoz's woodworking business, Monkwood Studio, now supports his family, which includes his wife, Pamela, three children and a baby on the way. He's been able to reinvest some of his earnings and buy new tools. He moved into a studio space at the Magoski Arts Colony in downtown Fullerton last month and will participate in the monthly Art Walk on July 5.

He's come a long way in a couple years, and he's happy to have confounded even his own expectations.

"I proved to myself I could do this differently," he said. "I could be more creative with it."

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## Social media and small business

Artist Brandon Monk Muñoz offered four tips on how to build a social media following.

- 1. Be authentic.** "Be yourself in a very strategic, focused way ... so people make a connection with you and what you're doing. You can't fake passion."
- 2. Be consistent.** Use social media daily. "I'm trying to get better at Twitter and others, but Instagram is just so easy and more up my alley because of the photography."
- 3. Respond.** Have a conversation that's about more than just you. "Follow other people who are like-minded. I follow a bunch of woodworkers, and we kind of have this woodworking community on Instagram, mostly just complimenting, sometimes critiquing or asking how they made things."
- 4. Educate yourself.** "I learned social-media strategy partly from reading books like 'Crush It.' It shows you how anything can work if you're just passionate about it. I'm reading 'The Impact Equation' right now. It's more about strategy. You might have the reach, like 20,000 followers, but is your content any good?"



COURTESY OF BRANDON MONK MUÑOZ

"Under the Table" - a 16-by-18-foot table Muñoz made for the Fullerton Art Walk.