

Business

In BRIEF

CRESTVIEW

New location, manager for Peoples Home Health

Peoples Home Health has relocated its office from Niceville to a larger location in Crestview and hired a new branch manager for that location, Katie Wade RN.

Wade will oversee the clinical operations of the new Crestview office to help ensure continuity of care to all of their home care patients in the Okaloosa/Walton area.

Having completed her BSN and serving in the United States Army Nurse Corps, she comes to Peoples Home Health with her master's degree in healthcare administration.

Peoples Home Health has offices in Pensacola and Crestview with a service area that includes Escambia, Santa Rosa, Okaloosa and Walton counties.

For more information, visit www.peopleshomehealth.com or call 877-470-9288.

GRAYTON BEACH

Cornerstone recognized at Image Awards

Cornerstone Marketing & Advertising received four awards at the 2010 Florida Public Relations Association's Northwest Florida Image Awards gala.

Cornerstone received a Grand Image Award and an Image Award for VIE - People + Places website, an award for Cast Your Bread Upon the Waters cookbook and the Award of Distinction for Edgewater Beach & Golf Resort's website.

The Northwest Florida Image Awards are the first step to entry into the state-level Golden Image Awards, which have become an industry standard of public relations excellence in the state of Florida.

FORT WALTON BEACH

Learn to write better business plans at workshop

The Small Business Development Center is hosting a two-session workshop on developing business plans from 10 a.m. to noon May 21 and May 28 at the Fort Walton Beach campus of the University of West Florida. The workshops will take place in Room 126 of the university's Building 1.

This workshop is essential for both new and expanding businesses. Computer software makes writing a business plan routine. Instructors will lead a step-by-step process of developing financial projections and organizing a business plan. Ultimate Business Planner software is included in the registration fee.

The fee for workshop and software is \$99. To reserve your seat, call the SBDC at 833-9400 by May 20.

NAVARRE

Free marketing materials available at GKIC meeting

Find out how to receive free marketing materials by attending the next Emerald Coast Chapter of the Glazer-Kennedy Insider's Circle. The GKIC meeting is designed for entrepreneurs seeking fast and dramatic growth and greater independence.

The next GKIC Emerald Coast Insider's Circle Marketing Summit is scheduled from 5 to 8 p.m. May 25 at the Navarre Hampton Inn, 7710 Navarre Parkway.

To register for the May meeting, e-mail clowden@newschoolselling.com, or visit www.nobsemeraldcoast.com to learn more about these monthly meetings.

FORT WALTON BEACH

Children in Crisis opens new foster home

More than 100 community leaders were in attendance recently when Children in Crisis cut the ribbon on a new foster home, called Sue Sue's Cottage, earlier this month.

The new facility provides a home to eight foster children and keeps sibling families of brothers and sisters together. Construction of the home was made possible through a donation from Dr. Doug Porter and family and a grant from the Destin Charity Wine Auction Foundation.

CIC opened the Susanna Wesley House emergency shelter and Blessings House family foster home in 2008. The Dugas Family Foundation Neighborhood Center administrative facility and the Kids' Clubhouse Recreation Center opened in 2009.

For more information, call 864-4242 or visit www.childrenincrisisfl.org.

HURLBURT FIELD

Registration underway for Embry-Riddle summer term

Registration for the summer in-residence term beginning May 31 at Embry-Riddle Aeronautical University is under way.

Registration also is open for the June online term.

ERAU offers associate's and bachelor's degrees in professional aeronautics and technical management as well as the Master of Aeronautical Science degree.

For more information, call the Hurlburt location at 581-2106 or Fort Walton Beach at 678-3137.



Traders from Barclays Capital work May 6 on the floor of the New York Stock Exchange. Using super-fast computers, high-frequency traders in effect bend down to pick up pennies lying about in the stock market, then do it again, sometimes thousands of times a second.

Secretive speed traders in spotlight after crash

NEW YORK (AP) — If you saw a penny on the sidewalk, would you pick it up?

You might think it's not worth the effort, but a breed of investors who have been in the news do. Using super-fast computers, high-frequency traders in effect bend down to pick up pennies lying about in the stock market — then do it again, sometimes thousands of times a second.

More than a week after the Dow Jones industrial average fell almost 1,000 points, its biggest intraday drop ever, regulators still are sifting through buy and sell orders to figure out what sparked it. One big focus are orders placed by high-frequency traders, or HFTs, and for good reason. These quick-buck firms barely existed a few years ago but now account for two-thirds of all U.S. stock trading.

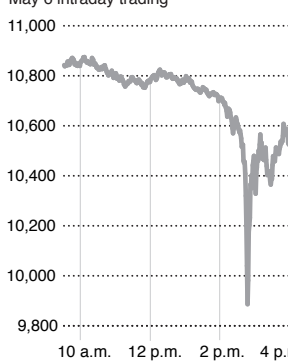
In other words, all those TV pictures of the stately New York Stock Exchange building on the evening news are an illusion. The real action on Wall Street is far away in Kansas City, Mo., and in New Jersey, in towns such as Carteret and Red Bank, where HFTs named Tradebot and Wolverine and Tradeworx ply their trade.

High-frequency trading firms, which number more than 100, use computers programmed with complex mathematical formulas to comb markets for securities priced too high or too low because traders haven't had to time to

Turbulent Dow

The Dow Jones industrials was down almost 1,000 points, dropping more than 700 in less than half an hour, in the largest loss ever during the course of a trading day.

Dow Jones industrial average, May 6 intraday trading



SOURCE: Thomson Reuters AP

react to the latest data. The computers then buy or sell in a split second, locking in a profit.

The opportunities seem hardly worth noting. They are not just fleeting, but small, often a penny or less.

But those pennies can add up to a lot of money, enough to draw the attention of Goldman Sachs Group Inc., the giant Chicago hedge fund Citadel Investment and other big financial firms. In recent years they have paid hundreds of millions of dollars for stakes in high-frequency trading companies.

The money has stoked what already was fierce competition among the firms for a leg up.

To spot opportunities and

act on them before others, HFTs are constantly hunting for faster computers. They also locate themselves close to the big exchanges' data centers. That can cut their trade times by milliseconds.

One way these traders make money is by exploiting the fact that stock indexes sometimes don't immediately reflect falling or rising prices of their component stocks, said Manoj Narang, chief executive at Tradeworx of Red Bank, N.J. If Microsoft shares rise 5 percent but an index fund that includes it such as the SPDR S&P 500 lags by a fraction of second to adjust, his computers automatically will buy shares of SPDR S&P 500 at the lower price and then sell them again when they are fully valued.

Or maybe Microsoft is trading in London at a penny less than it is trading at the same moment in New York. A high-frequency trader will buy shares in London and wait for them to rise.

Since the discrepancy lasts a mere fraction of a second, speed is key.

Narang boasts it takes only 15 millionth of a second for his computers to place a buy or sell order after detecting an opportunity.

Or, as he puts it, "If you try to pick up the penny, we'll probably beat you to it."

So is that good or bad for the market?

If you listen to HFTs, all their fast trading benefits big

and small investors alike. More trading means more bids and asks for shares, and that cuts the time needed to find someone willing to buy what you're selling or vice versa. Costs also fall. With more bids and asks, the difference between the price you seek and the price offered (what traders call the "spread") will likely narrow. You get to keep more of your money.

Critics of high-frequency trading say all this talk about narrowing spreads for ordinary investors distracts from a key problem: Split-second trading without human supervision is a recipe for disaster.

Exhibit A: the May 6 crash. One theory about the drop is that, unlike the NYSE, the new exchanges and trading networks catering to HFTs didn't apply any "circuit breakers." These are designed to halt trading momentarily during a freefall to stop selling from feeding on itself.

In others words, without circuit breakers, the computers went crazy.

Another theory holds that it wasn't quick-fire trading by HFTs that made things worse but a lack of it. Some reportedly pulled back when stocks started dropping, removing liquidity when it was needed the most.

Whatever the answer, this much is true: These secretive firms are likely to grab the spotlight for a while now. And their trading might get even more frenetic.

Thousands of nonprofits could lose tax-exemption

DES MOINES, Iowa (AP) — More than 200,000 small nonprofits across the nation are days away from losing their tax-exempt status because they haven't filed a new form with the Internal Revenue Service.

Many of these groups already operate on razor-thin budgets, and some worry an unexpected tax bill could force organizations to close.

"The nonprofits in your backyards, some of them are going to be gone," said Suzanne Coffman, a spokeswoman for GuideStar, which tracks data on nonprofits.

It's most likely the nonprofits aren't aware of the Monday deadline that only applies to groups that report \$25,000 or less in income, excluding churches. Those organizations might not find out until Jan. 1, 2011, when they are notified they have to pay taxes on donations they thought were exempt. And it could be months before their nonprofit status is restored.

Congress required the form, called a 990-N, when it amended the tax code three years ago and groups with a fiscal year ending Dec. 31 had until Monday to meet the deadline.

The Urban Institute's National Center for Charitable Statistics, which conducts economic and social policy research, estimated Friday that 214,000 nonprofit organizations haven't filed the form as required.

Tom Pollak, program director for the center, said organizations that lose their tax-exempt status no longer are eligible to receive tax-deductible donations and are not likely to be awarded grants.

Donors who give to the organizations that lose their status will be able to receive tax-deductions on gifts until January because the revocations won't be public until then.

In Pennsylvania, the A Cappella Pops performing group was among more than 2,700 small nonprofits that hadn't submitted the form. The group's marketing director, Bruce Koepcke, said he never had heard of a 990-N until contacted by The Associated Press.

Money already is a problem for the 40-member singing group, Koepcke said, and would have been far worse if donations dropped or the group faced a big tax bill. He said tax-exempt donations make up 25 percent of the group's revenue.

"We break even in good years," Koepcke said. "We can't afford to lose one iota of funding."

Bobby Zarin, an Internal Revenue Service director who works with nonprofits, said the agency sent out press releases and letters to more than 500,000 nonprofit organizations to get the word out about the 990-N forms. She didn't know why the change was catching so many groups by surprise.

"I can honestly say this is the most extensive outreach we have done," Zarin said.

Ultimately, Zarin said the requirement would be helpful because it would eliminate defunct organizations from IRS records and provide more transparency for the public.

"It will give us a much cleaner list of organizations that actually do exist," Zarin said. "More organizations will be filing, so more information will be available."

PORTFOLIO

CRESTVIEW

Phillips earns Galaxy Award for third year

Karen Phillips, owner of the Crestview-based company So.Tier Ink, recently was awarded the 2009 Galaxy Award by the Vernon Company.

The Galaxy Award is presented annually to a promotional products distributor who demonstrates outstanding use of promotional products in a client's marketing and corporate branding program. This is Phillips' third year in a row for being recognized.

The Vernon Company is a national promotional products company in Newton, Iowa.

Phillips began her career in advertising and promotions in 1990 and has continued to excel in her field. She has received numerous industry awards for her dedication and creative execution of the brand.

For more information, visit www.sotierink.com.