

For Immediate Release



PBA Secures Major Victory with Small Business Administration

Phoenix, AZ (August 30, 2007) – In a major victory for the Professional Beauty Association (PBA) and the salon industry, the Small Business Administration (SBA) recently issued a ruling that preserves the small business designation for hundreds of salon/spa businesses nationwide.

When Congress first created the SBA, one of the basic questions was what numerical definition should be used to define small businesses -- industry by industry -- to determine what businesses were eligible for SBA benefits. In 2004, the SBA considered changing how the federal government defined a "small business" for many industries – including the salon industry. Specifically, the proposed change would have shifted the designation for salons from a \$6 million in annual sales maximum threshold, to a new size standard of 50 employees' maximum threshold.

In addition to resulting in the loss of small business status for hundreds of salon businesses – and with it their eligibility for SBA programs and assistance – the change would have placed a tremendous administrative recordkeeping burden on the thousands of salons that would still qualify as a small business.

In addition to submitting formal testimony detailing the negative impact that SBA's proposal would have had on the salon industry, PBA members also testified at three public hearings sponsored by SBA in Los Angeles, St. Louis and New York. "We were extremely aggressive on this issue from the beginning", said Steve Sleeper, PBA's executive director.

Ultimately, the combined efforts of PBA and its members were instrumental in convincing SBA that this proposal was not in the best interests of the salon industry. As a result, in the July 27, 2007 issue of the Federal Register, SBA formally announced that they would not convert any industries from a receipts-based size standard to a standard that is based on the number of employees.

"This victory demonstrates the growing influence of PBA and the salon industry among policy makers and regulatory agencies", said Lee Rizzuto Jr., chair of PBA's governing council. "Hopefully, this helps sets the stage for continued success in the future".

The **Professional Beauty Association (PBA)**, is a non-profit association made up of salons and spas, distributors and manufacturers dedicated to improving their individual businesses and the industry as a whole. Led by industry volunteers, the association offers business tools, education, government advocacy, networking and more. To learn more about **PBA's** Government Affairs efforts please visit www.probeauty.org/advocacy or call 800-468-2274 (480-281-0424) x118.

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