

My name is Nancy Sexton and I own The Muse Rooms Coworking business with two locations in North Hollywood and Burbank, California. Coworking is shared office space, like WeWork, but our space has a creative, non-corporate, inclusive flair. We offer open space seating, dedicated desks, and offices. We have grown our business from nothing to over 140 members prior to COVID19.

I didn't start in the Coworking business in California, I was born and raised in Ohio. Our family was not wealthy, in fact we had an outhouse for part of my childhood. My father was a welder and my mother, a factory worker. I am the youngest of five and part of my family still lives in Ohio. I attended the University of Akron on a full ride basketball scholarship. Then, I lived in New York City for almost 12 years, and I was there for 9-11 and the Black Out. I also lived in Italy for four years where I was a recording artist and had four number one hits and as a model walked the catwalks of Versace and Krizia. When I moved to LA, I starred on two TV shows as a personal trainer, I have written two books, and I am a published poet and a produced screenwriter.

I tell you about my accomplishments because I want you to understand that outside of marrying my husband, The Muse Rooms has been my greatest life accomplishment.

In August of 2015 I hatched the idea of The Muse Rooms Coworking Space, my husband loved the idea and we both agreed to move forward. I had never written a business plan, so I got online and figured out how to write one. We only raised a third of the financing to get started, but we moved forward, found a location in North Hollywood, pinching every penny and calling on our friends for help.

We didn't know what we were doing, but we were determined by our vision. We were both handy with a paint brush and hammer, so we dug in. I did research, we discussed the type of space we would enjoy working in and then built the website, he created our logo, I taught myself CRM, SEO, and marketing. When we started, I ran our billing through PayPal and managed our membership on an excel spreadsheet. I was literally piecemealing it all together. Luckily, my dear friend Beverly Durham stepped in to help me with our branding and we were off.

I can remember being so excited when we got our first phone call and then our first member. We slowly built our little 2,000 sq. ft space into a community and by the summer of 2016, we decided we should open our second location. Proudly, we opened our 8,000 sq. ft space in Burbank in November that year, without the financial help from anyone else.

In the summer of 2017 we were given the opportunity to expand our North Hollywood location by another 3,000 sq. ft. and by November of 2017 our two locations went from our original 2,000 sq. ft to 13,000 sq. ft. and since the expansion we have acquired another 700 sq. ft of space in our North Hollywood location.

By 2019, our business was on a consistent climb, finally making real money, with established brand recognition, and we were able to breathe easy with our personal finances.

Then COVID19 started and while the rest of the world fumbled and frantically responded, The United States did nothing. However, my husband and I were fortunate to hear from dear friends of ours in Milan, Italy and the severity of this pandemic became very clear to us. During the first weeks of March we proactively implemented social distancing, promoted frequent hand washing and cleaning of high touch surfaces ahead of any local, state or federal guidelines. Because our Italian friends continued to provide real "boots on the ground" play by play of what was happening and how serious it all was, on March 16th I emailed our membership and told them that we would be closing our doors March 17th to help the fight against COVID.

Closing our business was like getting the wind knocked out of me. I was in tears over it, but it was the right thing to do. We also chose to discontinue billing during the months of April and May while other coworking and membership-based businesses had not, but we just couldn't justify charging members for a service they couldn't use.

I spent the next few days organizing a resource page for our membership and the public on our website. I also started gathering the list of documents I knew I would need to apply for the EIDL Loan.

On March 19th Mayor Garcetti issued the Stay at Home Order and on the 20th I was tuning into different webinars about how to apply and what loans to apply for. It was on this call that I heard Mike Daniel, the Regional Director of the Orange County Inland Empire SBDC Network speak. After the webinar I reached out to Mike for help with applying to EIDL. Mike was great, he directed me to Ted Hiatt of Long Beach Community College and Nate Jemison of LA SBDC Network. They helped me tread the SBA loan waters and helped me get all my ducks in a row regarding the documents needed for the EIDL loan. At that time there were around 8 different docs that were required.

On March 23rd I finally had all my docs ready to go so I made my first attempt at applying for the SBA EIDL loan and was issued the loan number 20005&*^*^ then the system crashed and I called the SBA 1-800 number and was on hold for 8 hours. On that call I was told to go back onto the site, login and upload my documents. So, over the course of a few hours as the site kept crashing, I uploaded my documents.

A few days later I called to make sure the docs had been received and after being on hold for another 5 hours I was told that the upload of my documents didn't go anywhere and that I would need to fax them so I took a deep breath and faxed the documents.

At this point I was getting very upset at the process and the lack of organization of the SBA. And fax? Really, what year is this?

On March 26th I called back again and was on hold for 5 hours again and was finally told that "oh no, don't fax, that won't go anywhere, just email all your documents to us. So, I sent three very clearly marked emails with my SBA assigned number in the subject line per the SBA reps' advice. He told me to call back Monday to check if I wanted to. So, I waited until Monday the 30th to call. Again after a few hours on hold I was told, "oh no, don't email, that won't go anywhere. You just have to sign up with our new quick easy portal." I explained that I already had an SBA number and I was told, "yeah that doesn't matter, you'll need to do it again."

I wanted to throw the phone through the wall. I wanted to scream, but I did not, I went back on the site and applied for the "advance" which I could only assume was for the EIDL loan, though it was so confusing, I just hoped that I had gotten it right. In the following days, I called to make sure that my application had gone through, and even though the wait times for an operator had shortened, I couldn't get a clear answer on anything. I had never received an email saying my application was accepted, I never received an update of any kind, I was once again lost in the abyss of the SBA EIDL loan process. Luckily, I was smart enough to write down my loan number when it was assigned on the site. The only thing I was told was if you have a loan number, you will next get an email telling you to create an account and the loan process would continue. I would be assigned a loan rep who would take my documents, find out how much money I needed and finalize the loan. That did not happen.

During the next few weeks I didn't hear anything and honestly I was just spent and exhausted by the previous ten days, so held my breath and hoped everything was moving forward. I did hear that my neighbor, who had applied at the same time as me, had gotten his loan approved and the money was deposited into his account. This gave me hope I might be able to catch up my rent and pay my landlords.

On April 21st I received \$1000 "advance" in my checking account. I do not have employees so that's why it was only a grand. I was thrilled to see it and decided to call in and see if we were anywhere closer to next steps. I was told they could see that I was in process and that I would get an email, or a phone call and the loan rep would finalize my loan. I took a breath and tried to stay calm.

April 24th, I called to get an update, but was told they couldn't see my file, but that was a good thing because it meant that I was assigned to someone.

I was getting really concerned that something was wrong, so on April 28th I called and spoke to an operator named Ralph, operator #1770 who at first was looking at my file, but when I tried to ask him a question he started getting very aggressive until he started telling me that I had personal issues and when I told him he was upsetting me, he said yes he could tell, then he told me that I was trying to control the conversation and that I wasn't allowing him to do his job. It was an amazingly stupid conversation. The only thing that he told me that was useful was that my account had been flagged because my credit was frozen. I told him that I'd double check with my husband, but that I didn't think it was possible, which led to him yelling at me some more. Then, he grew quiet and became a different person. The whole situation was unprofessional and truly unacceptable.

After this call with Ralph, I took a moment to cry, scream and gather myself and call back, hoping to get another person who might have more info and because I was truly afraid that this guy Ralph might have messed with or deleted our file. I got on the phone with Tiffany who was much more helpful. She told me that my file had an error on it and that it looked like it had something to do with validating my bank account, but she wasn't sure. She also said that my file wouldn't move forward with this error, but the only way to get it removed would be for it to move forward, so I was now stuck in a catch 22 of the SBA EIDL loan process. Tiffany was very nice and said she would email someone, but I never heard anything from anyone.

April 30th. I hadn't heard from anyone and the only thing I knew was that my file was stuck in limbo, I reached back out to Ted to see if he knew anyone who could help. He was able to find out that this issue was my bank and that I should call and ask for a "tier 2 advisor" and explain that I needed to verify my bank account. I called and was told my account was now verified and then told the next step would be the email or call to create an account and finalize the loan based off of my business documents.

On May 1st my credit was pulled so we were extremely excited that the loan would be moving forward. Then... crickets. Nothing. The only thing that I was told was that they were no longer processing EIDL loans for anyone except agricultural businesses.

I spent that day in a puddle of tears and wine. I was beat, exhausted, depressed, and scared. In addition to the fear of contracting COVID, dealing with the loss of friends dying from COVID19 and watching our nation fall apart, I now had two landlords pestering me about missed rent payments, coworking members calling me to cancel memberships and no evidence of help in sight. I was so stressed out I thought I was going to have a heart attack.

Then I hear that the SBA is now only giving out \$150k per loan. I thought, we are still OK. Certainly, we will get the loan for the amount we need, since it wouldn't exceed \$150K.

After another week with no updates or developments regarding our EIDL loan, on May 6th, I launched a GoFundMe campaign, Save The Muse Rooms, and a fundraiser on FB. I'd lost hope that our government or the SBA would help us keep our business afloat during this pandemic, so I reverted to who I knew I could depend on; friends and family. Over the course of two weeks we were really rocking and raised over 13 thousand dollars. I even started singing songs if you donated more than 25 bucks!

Then, finally on May 16th I woke up to "the email", the SBA EIDL was going to save my business. I was so excited to create my account and log in, but then was immediately deflated to see that the amount offered wasn't even going to cover a month of expenses. I called SBA right away to find out how to get the amount changed and the woman on the phone reads to me a statement that she is supposed to read to people who are asking about getting more money than what is being offered. She reads the statement and tells me that they are limiting the amount of money to businesses so that all applicants can get some money.

After weeks of torment and waiting and being told I would get to talk to someone to state our case for an amount we actually need to sustain our business, I am presented with an amount that doesn't even cover the past-due rent I owe. I called Ted and asked him what I should do, and he said just take it because you may not get another

chance if you turn down this loan. So, I accepted the amount. An amount that does not save my business, but in fact, has forced me into a position where I now have to close one of my two locations.

On May 19th, the loan was deposited into my account and this week we made the very emotional and difficult decision to close our NoHo location, over half of my overall business, erasing over two years of hard work at a significant financial loss. We honestly thought that the SBA EIDL loan was going to save us, but now we realize that the only thing that is going to save us is our ability to downsize. We are fortunate that we can at least do that.

I do appreciate the opportunity to share my story and experience with the EIDL loan process and hope that it helps the SBA find a better and more efficient, stress-free system for the future. I know that it would have made the 58 days that I spent in limbo a lot easier.

Thank you for your time,

Nancy Sexton, Owner

The Muse Rooms