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Up Front



It's a low-cost bag, but it has a picture of a high-price purse on it. **PAGE 3**

News & Analysis



Is success in the cards for TV show based on Mattel game? **PAGE 6**

People



Play it, Mel Elias: Coffee Bean CEO is a jazz composer, too. **PAGE 14**

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Paying Dividends:
CEO Daniel Walker at Farmers & Merchants Bank of Long Beach.

Stocked Up

Farmers bank keeps share number low, value high

By **JAMES RUFUS KOREN** Staff Reporter

SHARES of Warren Buffett's Berkshire Hathaway Inc. are famous for their hefty price tag: At \$156,400 each, they're by far the most expensive single share of any U.S. company. Berkshire could divide its value into more moderately priced shares, but Buffett believes the high price leads to long-term stability by attracting long-term investors.

That's the same thinking that has made shares

of Farmers & Merchants Bank of Long Beach by far the most expensive on the LBJ stock index. Shares have been flirting with \$5,000 for the past few months and closed April 3 at \$4,900. "It supports stability," said Daniel Walker, the bank's chief executive and the great-grandson of its founder. "Our shareholders hold shares for portfolio growth and value. They're not looking to day trade. They're not looking to come into the market,

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Advocates Prove Persuasive in L.A.

LOBBYING: Land-use projects helped firms' fees rise in 2012.

By **HOWARD FINE** Staff Reporter

In the world of lobbyists in Los Angeles, it's usually feast or famine. Business surges when major government contracts or development projects come forward and slides back when they don't.

It's been looking more like feast recently.

Last year, lobbyists operating in the city of Los Angeles were paid \$41 million in fees, according to the City Ethics Commission, up from \$34 million in 2011 and above the pre-crash mark of \$38 million in 2008.

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Connected: Arnie Berghoff at L.A.'s City Hall.

THE LIST

The 20 largest lobbying firms in Los Angeles County. **PAGE 23**

Automaker Boards Buses

AUTOMOTIVE: BYD seeks charge from new electric sector.

By **RYAN FAUGHNDER** Staff Reporter

When Chinese electric-vehicle maker **BYD Motors Inc.** first came to the United States in 2011, executives said they would create up to 150 jobs at its downtown L.A. headquarters.

Those plans, backed by a hefty investment from the city of Los Angeles, never connected — only 39 people work there today, a number of them transfers from BYD's Chinese operations. And the company hasn't come up with an electric car that will sell in the United States.

But now, the U.S. subsidiary of Shenzhen, China's **BYD Co. Ltd.** plans to build electric buses for the U.S. transit market. The company

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Malibu Mulls Chains Break

REAL ESTATE: Developers rip proposed retailer limits.

By **ALFRED LEE** Staff Reporter

Activists in Malibu have been pushing for years to curb the entry of chain stores into their beloved beachside town. Now, an ordinance is making its way to a City Council vote, but it faces a fight from deep-pocketed developers.

City officials last month released a draft ordinance that would restrict chain stores to 50 percent of a shopping center in Malibu's Civic Center area, the city's commercial and civic core. It would also limit any new chain stores in the area to 2,500 square feet. Groceries, banks and gas stations would be excluded.

The ordinance, which defines chains as

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PHOTO ESSAY

Line Drive



Work continues on the 6.6-mile Expo Transit Corridor extension.

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2013
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Awards Reception: Thursday, April 18, 2013

For more information, see page 31

Lobbying: Firms See Positive Influence on 2012 Fees

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"The land-use portion of lobbying has increased dramatically over the last year or so," said **Arnie Berghoff**, president of downtown lobbying firm **Arnie Berghoff & Associates**, which's No. 6 on the Business Journal's list, ranked by 2012 fee income.

It's a marked change from the recent past, he said, when the prolonged real estate downturn forced some local lobbying firms out of business and led others to downsize.

Many of the companies near the top of the Business Journal's first-ever list of local lobbying firms have clients with big projects on the drawing boards.

Among these: **AEG** and its downtown football stadium project; **NBCUniversal**, which is trying to get a major development project approved; **Clear Channel Outdoor**, which is trying to preserve its digital billboards; and **BNSF Railway**, which is planning a half-billion-dollar rail yard near the ports.

Indeed, the company at the top of the Business Journal list, Brentwood land-use law firm **Armbruster Goldsmith & Delvac LLP**, credits its first place showing to representing AEG and its stadium plans, construction of a mini-city at USC and redevelopment of the Century Plaza Hotel.

"We've been handling three of the largest projects in Southern California," said **Mark Armbruster**, a name partner at the firm.

Many other local lobbying firms are enjoying the new climate. Development projects that had been stalled during the four-year downturn have been coming forward again, while new projects are also emerging.

Big contracts

While commercial development slowed during the downturn, some big government contracts helped keep the lobbying industry ticking.

Among these: a drawn-out, \$660 million-plus food concessions contract at Los Angeles International Airport that played out in 2010 and 2011. Four teams, comprising multiple concessionaires, lobbied hard for the contract as lobbying fees rose into the low



Access: Arnie Berghoff, Berghoff & Associates president, at L.A.'s City Hall.

seven figures. Los Angeles City Councilman **Bill Rosendahl** dubbed the contract "the lobbyists full-employment act."

Among the firms working on the winning bids were **Englander Knabe & Allen** (No. 2 on the Business Journal list), **Ek & Ek** (No. 3), **Sheppard Mullin Richter & Hampton LLP** (No. 4) and **Mercury Public Affairs** (No. 18).

Today, several companies with major projects or contracts at stake show up multiple times on lobbying firm client lists, including **Clear Channel Outdoor**, **BNSF Railway**, **NBCUniversal** and **AEG**.

In slow times, lobbying firms generate fees through monthly retainers paid by clients. And most of the time, they operate under the radar. That's because most of the public attention is often focused on campaign contributions.

"It's amazing how little attention the lobbying reports get," said **Robert Stern**, who helped draft state campaign finance and lobbying laws as an Assembly staffer and counsel to the secretary of state in the 1970s and the city

of L.A.'s lobbying laws in 1990.

But Stern also said the lobbying reports present a somewhat distorted picture of who is trying to directly influence public officials. He noted that unions and many non-profits are not required to register their advocates as lobbyists or disclose the amount of money or time spent meeting with public officials.

Community outreach

Meanwhile, the nature of lobbying has changed in recent years. In past decades, it was all about "face time" with local elected or appointed officials or their staff. Now, many lobbying firms are doing more community outreach and grassroots campaigns as they try to influence public opinion before projects become controversial.

"Lobbying used to be top-down business: You went to the elected officials or appointed officials or chief of staff," said **Harvey Englander**, managing partner of **Englander Knabe & Allen**. "Now, before you even get to

that point, you have to build community support. The goal is to impact public opinion about a government action, whether it's awarding a major contract or getting government approval."

This is most often seen in development projects going through the local entitlement process. Presentations to area residents and community groups are now made months in advance, sometimes even before an application is filed at City Hall. The goal is to try to get residents on board with a project instead of waiting for them to sue after a project is approved.

Several other firms on the list do this combination of lobbying of public officials and community outreach-public relations, including No. 6 **Cerrell Associates**, No. 13 **Consensus Inc.**, No. 14 **Marathon Communications** and **Mercury Public Affairs**.

Law firms

Due to requirements for lobbying the city and Los Angeles County, five law firms made the list. The rules state that any time a firm meets with public officials or government staff on behalf of a client's project all the billing fees for that client's project must be reported.

The law firms on the list, **Armbruster Goldsmith & Delvac** (No. 1), **Sheppard Mullin, Jeffer Mangels Butler & Mitchell LLP** (No. 8), **Latham & Watkins LLP** (No. 9) and **Mayer Brown LLP** (No. 16), mostly prepare or review environmental documents necessary for local government approvals for their projects. Only a fraction of their time is spent meeting with public officials.

"In most cities, our advocacy is considered legal work, not lobbying," said **Benjamin Reznik**, a partner at **Jeffer Mangels**. "But L.A. requires us to register as lobbyists."

Providing services to developers is lucrative for law firms. Because they charge their normal legal billing rates, their fees can range up to twice as much as those charged by pure lobbying firms.

But developers have their reasons for choosing law firms instead of lobbying specialists.

"We are the most knowledgeable, and that makes us the best to make the case on behalf of the client," **Armbruster** said.

BUSINESS MARKETPLACE

LEGAL NOTICES

NOTICE OF SALE

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Business records, in boxes.	Paul Chamberlain International	\$4,252.85
Business records, in boxes.	Sabitits - O'Callaghan	\$7,569.47
Business records, in boxes.	AC Home Health Agency, Inc.	\$3,773.59

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