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Local firm to round out Vegas with a new-style Ferris wheel.
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New Look: Rendering of Runway, a mall that will serve Playa Vista workers and residents.

Silicon Beach tech wave rolling south

By JACQUELYN RYAN Staff Reporter

SANTA Monica and Venice? They're old news. With creative office space hard to come by in those tight markets, many tech companies now are flocking to the once quiet neighborhood of Playa Vista, which is quickly emerging as the next hotspot of Silicon Beach.

And the area is about to get even hotter when developers break ground next month on what stands to be the centerpiece of the area: the Runway at Playa Vista, a Grove-like outdoor shopping center that would bring acres of stores, restaurants and a movie theater to the amenities-starved locale.

Many brokers in the area see the Runway as the final piece necessary to tie the community together and as a factor in many companies' decisions to move there.

"I've seen a flurry of deal activity down in Playa Vista," said Matthew Brainard, senior managing director at brokerage Studley. "A lot of companies now are looking at it as a very serious contender to the upper Westside, like Santa Monica. People are starting to see the vision. It's starting to become real."

Despite years of attempts by developers to lure the tech industry south, Playa Vista has long played

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Samsung on Road to Build

CONSTRUCTION: Firm to focus on public-private projects.

By JAMES RUFUS KOREN Staff Reporter

Go to an electronics store today and you might drive home with a Samsung TV or phone. But in a few years, you might drive home on a Samsung road and across a Samsung bridge.

The South Korean conglomerate, which makes everything from tablet computers to oil tankers, plans to break into the American engineering and construction market, going up against big players such as Aecom Technology Corp. and Jacobs Engineering Group Inc. And like those firms, it's made Southern California the headquarters for its new engineering division.

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Will Company LOL to Bank?

TECHNOLOGY: TextPlus has a hit with its smartphone app.

By TOM DOTAN Staff Reporter

If the goal for app makers is to find exciting, new uses for smartphones, then TextPlus Inc. has it all backward.

The Marina del Rey company makes an app that does what the most basic cellphone can do: text and call. And from the beginning, it's been a hit.

TextPlus' free ad-supported namesake app and its paid counterpart have racked up 40 million downloads and its users have sent more than 55 billion texts since it debuted in 2009. The success is making waves for TextPlus, which recently announced it closed an \$18 million fundraising round that the company

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City Serves Burger Stand Owner Big Order of Crackdown

REGULATIONS: Tam's threatened with closure because of local crime.

By HOWARD FINE Staff Reporter

Nick Benetatos just wants to sell food at the South Los Angeles hamburger stand his family has run for more than 25 years.

But his Tam's Burgers stand on Figueroa Street near Century Boulevard sits in the middle of gang territory. The lot is constantly tagged with graffiti and police say it's a hangout for drug dealers, prostitutes and other loiterers.

Now City Hall has declared the burger stand a public nuisance. Benetatos has been ordered to hire a security guard. And put up a fence. And install video surveillance equipment. And reduce his operating hours.

Oh, and take 19 other steps to curb graffiti, loitering, drug dealing and prostitutes soliciting on the premises.

City officials have threatened to shutter the business if he doesn't comply — or even if he does and the measures don't ease the problems.

"They definitely want to shut me down," said the 41-year-old Benetatos.

Earlier, the Los Angeles Police Department asked him to remove tables and pay phones outside the stand, and he did so.

But he said the steps ordered by city zoning administrators earlier this month would cost more than his business takes in. A security guard alone would cost him at least \$5,000 a month.

Benetatos hired an attorney and is trying to fight

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In Trouble: Nick Benetatos at Tam's Burgers.

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Regulations: City Gives Hard Order to Burger Stand

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the city action. He's put up a sign next to his burger stand, asking customers to contact city officials. He and his attorney are also considering a petition drive.

The city's demands appear to be unusual because they essentially are punishing Benetatos for being in a high-crime area. What's more, some believe the police are forcing the business to do its work.

However, city officials said the goal isn't to shut him down, but to halt problem activity on the site.

"It is an objective of the administrative nuisance abatement provisions not to seek closure of an offending land use but rather its rehabilitation," Planning Department Director **Michael LoGrande** stated in a document on the case. "Should corrective conditions prove ineffective, the municipal code authorizes the discontinuance of that use."

Southeast Division Capt. **Phillip Tingirides**, named by the LAPD as responsible in the case, said he would return a call but did not do so by press time.

City Attorney **Carmen Trutanich's** office, which has participated in the effort to reduce nuisance activity on the Tam's Burgers site, said through a spokesman that their only role was to support the LAPD in controlling the activity.

And City Councilman **Bernard Parks**, who represents the South Los Angeles neighborhood around Tam's Burgers, said through a spokeswoman that he wanted to learn more about the situation before offering any comment.

Family ties

The burger stand opened in 1983 and was the sixth independently owned stand in the Tam's Burgers brand. His dad bought it in 1986; Benetatos took it over three years later, just after high school. It survived the 1992 riots and two recessions.

Tam's Burgers now includes at least three dozen independently owned stands, mostly in the southern portion of Los Angeles County and the Inland Empire. Benetatos owns another restaurant in Hesperia.

The stand sits on a corner lot on Figueroa Street just south of Century Boulevard and right under the approach path to Los Angeles International Airport. The street is lined with small retail businesses; on the north side is a fenced-in used car lot; across the street is a Mexican restaurant.

While Benetatos owns the stand, he does not own the lot. The principal owner is **First California Bank**.



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Public Nuisance?: Or is Tam's Burgers just doing its best in a dicey neighborhood?

During lunchtime one day last week, several patrons came to a street-facing window to order food, while a handful of vehicles pulled up to order food at the drive-through window. One young woman, then another, both dressed in high heels and miniskirts, walked by.

A young woman customer was asked her thoughts about the possibility of the burger stand closing. She said she'd be sorry if that happened. She didn't want to give her name.

Problems with gangs, drugs and prostitution have long plagued the immediate area, which sits in the middle of gang territory. A gang-related fatal shooting took place in front of Tam's Burgers 20 years ago. Benetatos said there have been six fatal shootings at or near the lot since his family has owned the stand.

Nevertheless, he said his business has not suffered due to neighborhood crime.

"We have never been robbed in 28 years," he said. "None of my employees has ever been assaulted and none of my delivery personnel has ever been attacked. So I don't have a problem with the property. It's the police and city people who have a problem with it."

Benetatos said his current problems with the police began about two years ago. He said the police came to him and asked him to remove two pay phones and six outside tables on the premises. The pay phones were allegedly used by drug dealers and the tables attracting loitering.

"At the police request, I took out the phones, even though I lost \$200 a month in commissions," he said. "And I took out the tables and my business went down about 15 percent." The stand has no other seating.

While the city may have the power to revoke permits for businesses on the grounds they are a public nuisance, that power is more typically used against businesses that sell alcohol or against adult-themed businesses, such as strip clubs, according to **Dale Goldsmith**, partner in the Santa Monica land use law firm of **Armbruster Goldsmith & Delvac LLP**, and who is not involved in Benetatos' dispute.

"It's rare to see this for a burger stand. There's nothing in the inherent nature of his business that would lead to nuisance activity," Goldsmith said. "It appears he's a victim of being in a bad area."

What's more, Goldsmith added, "It's a commentary on our society that a burger stand owner has to be told to hire an armed guard to stay in business."

Requiring Benetatos to hire a security guard and install video surveillance systems is essentially forcing him to do the police force's job for them, said **Adrian Moore**, vice president of research for the **Reason Foundation**, a libertarian thinktank in West Los Angeles.

"The police appear to be abdicating their responsibility here," Moore said.

Moore added that if the burger stand is forced to close, it will not reduce crime or nuisance activity in the area. "The criminals will simply find somewhere else to hang out and meanwhile, a legitimate business is gone. The community loses all around."

Police demands

In documents filed this summer with the city planning department, the LAPD and the planning department staff say the property

"has long been a source of nuisance and criminal activity involving a high number of incidents and police responses." This in turn has led to "detrimental impacts" to the surrounding properties.

Specifically, in a report issued earlier this month, Associate Zoning Administrator **Sue Chang** found that the lot is often filled with trash and graffiti and that loiterers, transients, drug dealers, prostitutes and pimps frequent the property. These activities have resulted in frequent calls to the LAPD, draining resources from the department, the report said. Police cite complaints from nearby residents and businesses as a primary rationale for the enforcement.

Benetatos said last week that he has tried to shoo away loiterers and clean up graffiti. "I or one of my employees can go up to a loiterer and ask them to move, but they don't listen. And when we've called the police, they come and the loiterers move on, but they return or others come in."

As for the graffiti, Benetatos said he paints it over, only to watch new graffiti take its place within a day or two.

In June, the LAPD presented Benetatos with the list of 23 "suggested improvements" to the property. One reads: "Do not allow prostitutes, pimps, drug users or dealers or homeless individuals to loiter on the property for any purpose." Another requires graffiti to be painted over with a matching color within 24 hours.

One other suggested improvement states the burger stand must close after midnight Sunday through Thursday and after 2 a.m. on Saturday and Sunday mornings. The burger stand is currently open 24 hours.

These recommendations were incorporated into the zoning administrator's decision earlier this month to revoke Tam's Burgers' operating permits if it fails to comply with the recommendations.

In their appeal of that decision, Benetatos and his attorney — **Michael Thomas** of the San Francisco law firm **Kern Noda Devine & Segal** — say that the "combined economic impact of the conditions imposed will mandate that Tam's Burgers No. 6 will be forced to close and the family-owned establishment's long-term employees will lose their jobs." The appeal also states the burger stand's closure will deprive the surrounding community of low-cost food and donation of meals to the homeless.

Benetatos thinks the crackdown on his stand is misplaced.

"I can understand that reaction if I operated a strip joint or bar where people get rowdy and out of control," he said. "But all I do is sell burgers. What can be wrong with that?"

Technology: Can Texting App Cut Mobile Bills?

Continued from page 1

has used to acquire Manhattan Beach picture messaging startup **Jarvus Inc.** and to expand its international presence.

And it's caused major trouble in the world of cellphone companies.

That's because cell carriers for years have raked in cash by charging premium rates for high-volume texting and calling plans. But customers now can do all the texting and calling for free using TextPlus or its many competitors and get by with the most basic plan.

"Don't underestimate the people who are looking to save money," said **Scott Lahman**, chief executive and co-founder of TextPlus. "Especially families with teenagers who text so much, they don't want to be afraid their kids will go over the plan."

The specter of teenagers going over the family texting plans is a growing fear among consumers. Even the cell carriers themselves have



Norman



Lahman

humorously acknowledged their plans' tight limits with commercials that show frantic families rationing the monthly minutes and texts.

But for many struggling through a sluggish economy, big cellphone bills are no joke. A recent report in the Wall Street Journal showed the percentage of an average family's income that is dedicated to wireless plans has jumped 10 percent in the past five years to an average of \$1,226 annually.

TextPlus users can make calls and send

texts for free to any device running the app. They can also send free texts directly to phones or make calls to anyone in the United States and Canada for one cent a minute.

The category of social messaging apps — which includes TextPlus and its competitors, WhatsApp and TextFree, as well as the messaging services in Facebook and Google's mobile apps — are called "over-the-top" services because they go around the cell carriers. The runaway popularity of over-the-top apps has changed the ways carriers make money.

This year telecom operators around the world are projected to lose \$23 billion as texting moves to these apps, according to a report by London technology research firm Ovum Ltd.

In response, many of the U.S. cell companies have tried to stem the losses by doing away with "bucket plans" for a fixed number of minutes and texts and instead adopting unlimited models.

"They make the unlimited plans sound like a big gift, but if they stuck to the old model, the revenue would continue to go down," said Jan

Dawson, an analyst at Ovum's New York office. "Over the top apps have made Verizon and AT&T limit customers' options no matter how much their usage is."

Gaming history

The founders of TextPlus made their way into telecom through the video game industry. Lahman and co-founders **Austin Murray** and **Zack Norman** met while the three worked at Santa Monica's **Activision Inc.** They left to form **Jamdat Mobile**, which was one of the earliest makers of cellphone games and the creator of the first three games for iPods. The company went public in 2004 and was later acquired by Redwood City's **Electronic Arts** for \$680 million to head up the company's mobile gaming division.

The three left EA in 2007 to go back into the startup world, this time nowhere near games, but still close to a young audience.

"We saw that teenagers were using text

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