

# LOS ANGELES BUSINESS JOURNAL

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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**

MAIL TO:



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

RINGO H.W. CHIU/LABJ

# Stocked Up

Farmers bank keeps share number low, value high

By **JAMES RUFUS KOREN** Staff Reporter

**S**HARES 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 LABJ 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,

*Please see INVESTMENT page 38*

# 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.

*Please see LOBBYING page 37*

## THE LIST

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



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

RINGO H.W. CHIU/LABJ

# 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

*Please see AUTOMOTIVE page 38*

# 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.

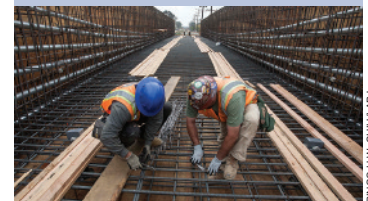
City officials last month released a draft ordinance that would restrict chain stores to 50 percent of a shopping center in Malibu's Civic Center area, the city's commercial and civic core. It would also limit any new chain stores in the area to 2,500 square feet. Groceries, banks and gas stations would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

The ordinance, which defines chains as

*Please see REAL ESTATE page 39*

## PHOTO ESSAY

# Line Drive



RINGO H.W. CHIU/LABJ

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

**BEGINNING ON PAGE 24**

2013  
**HEALTHCARE LEADERSHIP AWARDS**

Join us as we honor the **top individuals & organizations** leading the **healthcare industry!**

**Awards Reception: Thursday, April 18, 2013**

For more information, see page 31

# Lobbying: Firms See Positive Influence on 2012 Fees

Continued from page 1

"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

In accordance with the provisions of the California Uniform Commercial Code, Section 7210, there being due and unpaid storage for which **Williams Data Management** is entitled to lien as Warehousemen on the goods hereinafter described and due notice having been given to parties known to claim interest therein and the time specified in such notice for payment of such charges having expired, notice is hereby given that these goods will be sold in private sale or destroyed at 1925 East Vernon Avenue, City of Vernon, County of Los Angeles, State of California, on the 23rd day of April, 2013, at 9:30 o'clock AM.

The following list is a brief description of the property to be sold in private sale or destroyed:

DESCRIPTION	NAME OF OWNER	AMOUNT DUE
Business records, in boxes.	Paul Chamberlain International	\$4,252.85
Business records, in boxes.	Sabitis - O'Callaghan	\$7,569.47
Business records, in boxes.	AC Home Health Agency, Inc.	\$3,773.59

## EMPLOYMENT OPPORTUNITIES

### Vice President Business Banking

Americas United Bank is a growing community bank headquartered in Glendale with an office in Downey. We are currently seeking an experienced Business Banker for our Downey Office.

The ideal candidate will have at least 10 years of commercial banking experience, C & I and CRE credit knowledge, a clear understanding of quality credits and credit policy, loan origination and portfolio management skills and deposit acquisition skills. Spanish speaking is strongly desired.

The Business Banker is responsible for developing lending and deposit client relationships by demonstrating strong product and financial knowledge to the key decision makers of small to medium size businesses. The ideal candidate will successfully originate and manage deposits and credit requests incorporating the Bank's risk and profitability criteria.

Americas United Bank offers a competitive compensation and incentive package that rewards results, along with a comprehensive benefits package.

Qualified candidates can submit a resume via email at [Human.Resources@aubank.com](mailto:Human.Resources@aubank.com) or by faxing to Human Resources at 818-247-4003.

# THE LIST

## LOBBYING FIRMS

Ranked by 2012 L.A. County fee income

### ► NEXT WEEK

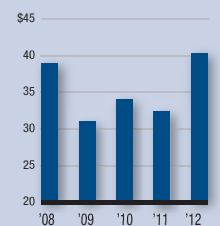
The Largest Venture Capital Firms, Private Equity Firms and Investment Banks in L.A. County

Rank	Firm • name • address • website	L.A. County Lobbying Fee Income <sup>1</sup> • 2012 • 2011	Clients (partial list)	Entities Lobbied	Profile • registered lobbyists • headquarters • year founded	Top Local Executive • name • title • phone
1	<b>Armbruster Goldsmith &amp; Devlac LLP</b> 11611 San Vicente Blvd., Suite 900 Los Angeles 90049 agd-landuse.com	\$5.3 <sup>2</sup> N/A	AEG, Genton Property Group, M. David Paul & Associates, Next Century Associates LLC	L.A. County, L.A. City, Santa Monica, Culver City	11 Los Angeles N/A	Mark Armbruster Partner (310) 209-8800
2	<b>Englander Knabe &amp; Allen</b> 801 S. Figueroa St., Suite 1050 Los Angeles 90017 englanderpr.com	4.7 3.0	AT&T, Enterprise, Motorola, Waste Mangement, Westfield	L.A. County, L.A. City, Long Beach, Beverly Hills, Metro, 50 local cities, Orange, Riverside and San Bernardino Counties	8 Los Angeles 2005	Harvey A. Englander Managing Partner (213) 741-1500
3	<b>Ek &amp; Ek</b> 461 W. Sixth St., Suite 233 San Pedro 90731 ek-ek.com	3.3 2.9	NBCUniversal, Motion Picture Association of America, ExxonMobil, Wal-Mart, American Airlines	L.A. County, L.A. City, Long Beach, Santa Monica, LAUSD, Metro, all other cities in L.A. County	6 Los Angeles 2003	John Ek/Esther Espinoza Ek President/Vice President (310) 732-7900
4	<b>Sheppard Mullin Richter &amp; Hampton LLP</b> 333 S. Hope St., 48th Floor Los Angeles 90071 sheppardmullin.com	2.6 <sup>2</sup> N/A	Millennium Partners, Champion Real Estate Co., Forest City Residential West Inc., Chinese Theatre LLC	L.A. County, L.A. City	11 Los Angeles 1927	Jerry Neuman Partner (213) 620-1780
5	<b>Sage Advisors Inc.</b> 550 S. Hope St., Suite 1910 Los Angeles 90071 sageadvisorsinc.com	2.3 <sup>3</sup> N/A	AEG, Emerson College, Health Net Inc., Airbus Americas Inc.	L.A. County, L.A. City, Metro	3 Los Angeles 2003	Chris Modrzejewski Partner (213) 346-0400
6	<b>Arnie Berghoff &amp; Associates</b> 801 S. Figueroa St., Suite 1050 Los Angeles 90017 arnieberghoff.com	2.2 2.0	Cisco Systems, Oracle, WWT, Athens Services, Noresco Inc.	L.A. County, L.A. City, LAUSD, Metro	3 Los Angeles 1998	Arnie S. Berghoff President (213) 623-3736
7	<b>Cerrell Associates Inc.</b> 320 N. Larchmont Blvd. Los Angeles 90004 cerrell.com	2.1 N/A	Alaska Airlines, American Beverage Association, Calif. Apartment Association of Los Angeles, Microsoft Corp.	L.A. County, L.A. City, Long Beach, Metro, South Coast Air Quality Management District	9 Los Angeles 1966	Hal Dash Chairman, CEO (323) 466-3445
8	<b>Jeffer Mangels Butler &amp; Mitchell LLP</b> 1900 Avenue of the Stars, Seventh Floor Los Angeles 90067 jmbm.com	1.9 2.4	Tower Lane Properties Inc., Decron Properties Corp., Ronald A. Simms, iPic Entertainment	L.A. City	7 Los Angeles 1982	Benjamin M. Reznik Chairman of Government, Land Use, Environment & Energy Department (310) 203-8080
9	<b>Latham &amp; Watkins LLP</b> 355 S. Grand Ave. Los Angeles 90071 lw.com	1.8 <sup>3</sup> N/A	NBCUniversal Media LLC, Westfield LLC, Clear Channel Outdoor, Paramount Studios	L.A. County, L.A. City, Metro	18 N/A 1934	James Beaubien Office Managing Partner (213) 485-1234
10	<b>Afriat Consulting Group Inc.</b> 4107 Magnolia Blvd. Burbank 91505 afriat.com	1.8 1.9	Maximus Inc., Pacific Design Center, Marriott International, Walmart, Clear Channel Outdoor	L.A. County, L.A. City, Long Beach, Santa Monica, Beverly Hills, West Hollywood, Metro, Santa Clarita	3 Burbank 1985	Steven Afriat President (818) 450-2771
11	<b>Craig Lawson &amp; Co. LLC, Land Use Consultants</b> 8758 Venice Blvd., Suite 200 Los Angeles 90034 craiglawson.com	1.6 1.6	Caruso Affiliated Holdings (Rick Caruso), Williams & Dame Development, Ralphs Grocery Co., Hanover Co., Holland Partners	L.A. City, Beverly Hills, West Hollywood	2 Los Angeles 1999	Craig E. Lawson President (310) 838-2400
12	<b>Kindel Gagan</b> 550 S. Hope St., Suite 530 Los Angeles 90071 kindelgagan.com	1.6 <sup>2</sup> N/A	Baxter BioScience, Super Shuttle Los Angeles, Honeywell, Hudson Group	L.A. County, L.A. City	5 Los Angeles 2010	Maureen Kindel/ Michael Gagan Principals (213) 624-1550
13	<b>Consensus Inc.</b> 626 Wilshire Blvd., Suite 1000 Los Angeles 90017 consensusinc.com	1.4 N/A	M. David Paul & Associates, Burlington Northern and Santa Fe Railway, Philena Properties	L.A. City	2 Los Angeles 1986	Josh Gertler President (213) 438-1755
14	<b>Marathon Communications</b> 8436 W. Third St., Suite 700 Los Angeles 90048 marathon-com.com	1.1 <sup>3</sup> N/A	Casden Properties LLC, iStar Financial, DFS North America, Millennium Partners	L.A. County, L.A. City, Metro	5 Los Angeles 1982	Richard Lichtenstein President (323) 655-4660
15	<b>Butterfield Communications Inc.</b> Ports O' Call Village, Berth 77, Bldg. P7-A San Pedro 90731 butterfieldcommunications.com	0.7 0.7	BNSF Railway, ACTA/Alameda Corridor Transportation Authority, WWL/Wallenius Wilhelmsen Logistics	L.A. County, L.A. City, Long Beach, LAUSD	2 San Pedro 2001	Gwen E. Butterfield/ Lou Baglietto Jr. CEO, President/Sr. V.P. (310) 732-1112
16	<b>Mayer Brown LLP</b> 350 S. Grand Ave., 25th Floor Los Angeles 90071 mayerbrown.com	0.7 <sup>4</sup> N/A	La Caze Development Co., Vopak Terminal Los Angeles Inc., Bloom Energy, Summit Media LLC	L.A. City	3 Chicago 1985	Philip Recht Partner in Charge (213) 229-9500
17	<b>Urban Solutions LLC</b> 235 S. San Pedro St., Suite 657 Los Angeles 90012 urbansolutionsla.com	0.6 0.5	Clear Channel Outdoor, NBCUniversal Media, Chrysler Group Realty Co., Astani Enterprises, Modern Parking	L.A. City	1 Los Angeles 2004	Morrie R. Goldman Principal (213) 689-4745
18	<b>Mercury Public Affairs</b> 444 S. Flower St., Suite 1530 Los Angeles 90071 mercurypublicaffairs.com	0.6 <sup>3</sup> N/A	American Progressive Bag Alliance, Blue Shield of California, California Restaurant Association	L.A. County, L.A. City, Metro	1 N/A N/A	Vanessa Rodriguez Sr. Vice President (213) 624-1380
19	<b>Svorinich Government Affairs</b> P.O. Box 6418 San Pedro 90734 svorinich.com	0.6 0.7	Rancho LPG Holdings LLP, LA Harbor Grain Terminal, Three Rivers Trucking Inc., Rich Development Co.	L.A. County, L.A. City, Long Beach, LAUSD, cities in the Greater South Bay area	2 San Pedro 2001	Rudy Svorinich Jr. CEO, President (310) 547-9404
20	<b>McCarty Co. LLC</b> 700 S. Flower St., Suite 1100 Los Angeles 90017 mccartycompanyllc.com	0.5 0.6	AvalonBay, GH Palmer, Sares Regis, L&R Auto Parks, JPI	L.A. City	1 Los Angeles 1996	Tom McCarty President (213) 614-0960

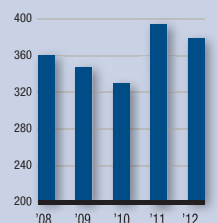
**THE PACESETTER:** Land use law firm Armbruster Goldsmith & Devlac LLP is the largest lobbying firm headquartered in Los Angeles County. The firm generated \$5.3 million in lobbying fees last year, according to records filed with Los Angeles County and the City of Los Angeles. The firm has 11 lobbyists registered with the city. It represents clients working on three of the largest proposed development projects in the county: AEG's Los Angeles football stadium project, Next Century Associates LLC's \$2 billion renovation and expansion of the Century Plaza hotel and Genton Property Group and M. David Paul & Associates.

**LATINO:** Ek & Ek is the largest Latino-owned advocacy firm in Los Angeles. The firm was founded by John Ek and Esther Espinoza-Ek in 2003. The firm lobbies the County of Los Angeles as well as the 88 municipalities within the county.

**Rebound**  
Annual amount paid by clients to firms for lobbying the City of Los Angeles. (in millions)



**Lobby County**  
The number of lobbyists registered with the City of Los Angeles, by year.



<sup>1</sup> In millions.  
<sup>2</sup> Information for City of L.A. and L.A. County only.  
<sup>3</sup> Information for City of L.A., L.A. County and Metro only.  
<sup>4</sup> Information for City of L.A. and Metro only.  
N/A - Not Available Note: The information on this list was supplied by representatives of the firms themselves as well as the City of Los Angeles, Los Angeles County and Metro. Firms are ranked by L.A. County net fee income. To the best of our knowledge, this

information is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Please send corrections or additions on company letterhead to the Research Department, Los Angeles Business Journal, 5700 Wilshire Blvd., Suite 170, Los Angeles 90036. ©2013 Los Angeles Business Journal. This list may not be reprinted in whole or in part without prior written permission from the editor. Reprints are available from the YGS Group, (800) 290-5460 ext. 100.