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Up Front



Joe Klocko is a big man on campus but not for the reasons you might think. **PAGE 3**

News & Analysis



Gravity Defyer sneakers can't really do that, but sales are taking off. **PAGE 5**

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Shopping Centers, Chambers of Commerce **PAGE 8**



Toymaker Building Block in Valley

DEVELOPMENT: New MGA headquarters to feature live-work.

By **KAREN E. KLEIN** Staff Reporter

After multiple false starts, toymaker **MGA Entertainment Inc.** is moving forward with plans to develop one of the San Fernando Valley's most ambitious real estate projects.

If it wins approval from the city, construction could start late this year at the former L.A. Times printing plant site in Chatsworth on what would be the Valley's first live-work campus – combining light

1.2 million

Square feet of planned MGA live-work campus in Chatsworth

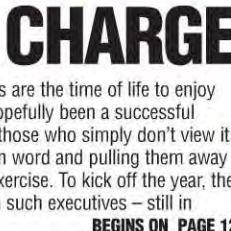
industrial and commercial space with retail, residential and community amenities.

MGA Chief Executive **Isaac Larian**, who founded the Van Nuys company in 1987, has long envisioned developing something similar to **Google Inc.**'s Mountain View campus on the site. Construction would be completed around 2018.

"This is the first project we've done like this anywhere," said project architect **Lise Bornstein**, of

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SPECIAL REPORT: SEVEN OVER 70



STILL IN CHARGE

For most executives, the 70s are the time of life to enjoy the rewards of what has hopefully been a successful career. And then there are those who simply don't view it that way. Retirement is a foreign word and pulling them away from their desks is a fruitless exercise. To kick off the year, the Business Journal profiles seven such executives – still in charge despite their age. **BEGINS ON PAGE 12**

Cannabis Firm Bakes Up Plan

RETAIL: Woodland Hills startup wants to be "Marlboro" of pot.

By **JOEL RUSSELL** Staff Writer

Aquarius Cannabis Inc. wants to become the first national marijuana brand, and last month it took a step toward that goal by filing paperwork to sell its shares publicly.

But the Woodland Hills company, facing challenges stemming from marijuana's ambiguous legal status, is adopting a business model more similar to the Sunkist citrus cooperative than Big Tobacco.

The rules for growing, processing and retailing pot differ from state to state, and even city to city, and the industry is highly regulated in terms of investment, ownership and taxation. What's more, marijuana is still a federally controlled substance, though the Justice Department has issued guidelines that allow states to regulate its use locally.

To work within this regulatory patchwork, Aquarius plans to license growers to use a proprietary

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In Charge: Natrol CEO Khoudagoulian.

Natrol Getting Healthy Again

By **CHAMPAIGN WILLIAMS** Staff Reporter

Natrol, a Chatsworth maker of nutritional supplements, is opening a manufacturing plant this summer in the Valley under new ownership after surviving a financial disaster.

The company was acquired out of bankruptcy last month by **Aurobindo Pharma USA Inc.**, a U.S. subsidiary of Indian generic drug company **Aurobindo Pharma Ltd.**, which is proceeding with a previously announced expansion plan.

The planned 50,000-square-foot plant in Chatsworth will allow the company to bring in house all third-party manufacturing. It plans to hire up to 100 workers to staff the plant and maintain its

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Networking Company Wired Up

TECHNOLOGY: New Ixia CEO lays out ambitious recovery agenda.

By **MARK R. MADLER** Staff Reporter

It was a tough 2014 for **Ixia**, one the company is certainly glad has ended.

The Calabasas computer network testing and monitoring firm was without a permanent chief executive for much of the year and faced delisting from the Nasdaq after getting behind with filings.

Not helping was a share price that fluctuated from a



Mayer

high of \$14.53 in March to as low as \$8.54 in October before settling in at \$10.74 on Jan. 7.

Chief Executive **Bethany Mayer**, hired away from **Hewlett-Packard Co.** in August, said dealing with those issues, especially the filings, was challenging because only so much could be told to employees and investors given a quiet period that lasted for months.

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Expansive: Rendering of MGA headquarters and live-work complex, which would feature apartments for both workers and area residents.

Development: Printing Plant Closed for Years

Continued from page 1

Santa Monica-based **Killefer Flammang**, “We designed the campus to have continuity with the neighborhood and reflect core ideas around health and wellness, whimsy and fun – stemming from the fact that it’s a toy company. I think the experience of this place is really unique.”

The plan for the 24-acre site at 20000 W. Prairie St. includes 1.2 million square feet of mixed-use light industrial, corporate office, retail and residential space. The project would involve renovating the 256,000-square-foot former printing plant, which will serve as MGA’s corporate headquarters, production facility and ancillary creative office space. Also planned are four ground-up apartment buildings totaling 700 units, 14,000 square feet of retail and substantial green space.

Amenities to be shared by the 250-plus MGA employees on site and the community include a walking track, amphitheater and child care center with outdoor playground. The company plans a shuttle between the campus and the Orange Line bus route and Metrolink train station.

The development will require a General Plan amendment to revise the land-use designation from light industrial to community manufacturing, a commercial-industrial zoning classification that accommodates residential use, said **Nick Hendricks**, of the Los Angeles City Planning Department.

While projects that put industrial and residential users in close proximity can be controversial, Hendricks said there is so far no organized opposition to the project. The comment period on the draft environmental impact report closes Jan. 20.

“It could be approved as soon as mid-2015, optimistically. The project is similar to what has been built in the area and provides significant transportation management,” he said, adding that groundbreaking could occur by the



Site Plan: The campus would have green space and outdoor amenities.

end of this year.

MGA did not respond to repeated requests for comment.

Creative development

Larian founded the company, which designs and manufactures toys, games and dolls, after arriving in the U.S. as a college student from his native Iran in 1971. The company started as an import-export firm and later moved into consumer electronics. Its breakout moment came in 2001, when it introduced the Bratz doll line – the first to present a serious challenge to **Mattel Inc.**’s Barbie doll franchise. It purchased Hudson, Ohio-based Little Tikes Co., maker of plastic climbing and riding toys, in 2006 significantly expanding its product line.

Manufacturing of MGA’s products, including its Lalaloopsy dolls and Little Tikes play equipment, is largely done overseas, which will not change with the new headquarters. However, the project will give the company a chance to consolidate its employee base from

the Van Nuys headquarters it has outgrown, as well as provide employee amenities such as a 7,500-square-foot cafeteria, onsite child care and a walking track.

Creative development, prototyping, photography, marketing and administration will be conducted at the site, which also will have showroom space, said Bornstein, who anticipates light remodeling of the printing plant. “It’s so cool, with an industrial feel to it. It’s just perfect for creative office,” she said.

The outdated heating and ventilation systems will be overhauled to improve energy efficiency, IT infrastructure and skylights will be added and solar panels installed on the roof.

She added that the housing element was important to Larian and his son, **Jason Larian**, who serves as vice president of business development. Their goal was to give creative energy and a community connection to the family-owned headquarters project. The company also expects having apartments available for employees, an advantage in

recruiting and retention.

But whether there will be tenants to fill four apartment buildings and 43,000 square feet of new office space is another question. The area is currently dominated by large government and industrial users, including cosmetic, food and adult-video production companies.

“It’s a little more industrial out there. I don’t know whether other entertainment companies would want to go there. I don’t really see the demand for creative office out there, either,” said **Stacy Vierhellig-Fraser**, senior managing director at the Sherman Oaks office of real estate brokerage **Charles Dunn Co.**

Billionaire status

The development plans come at a time when MGA’s – and Larian’s – fortunes are rising.

Last year, the entrepreneur cracked the Forbes billionaire list for the first time, coming in at number 1,496 with a net worth of \$1.1 billion. Earlier in the year, he brought in former **Walt Disney Co.** executive **Anne Gates**, who has extensive experience in consumer products, to become MGA president and handle day-to-day operations.

MGA has recently expanded its line of dolls, including Mooshka and Moxie Girl, and its Little Tikes brand. But the company struggled for many years during an expensive and nasty court fight with **Mattel Inc.**, started in 2004 over MGA’s line of Bratz dolls. The El Segundo toymaker claimed copyright infringement and alleged that the creator of the Bratz line actually worked for them when he came up with the idea for a sexy, bad-girl doll that went on to challenge its lucrative Barbie franchise. The nine-year federal court battle involved two jury trials, 10,000 court docket entries and 11.5 million pages of discovery – and many millions of dollars in legal costs.

MGA eventually prevailed in 2011 when a federal judge ordered Mattel to pay more than \$309 million in damages, fees and other costs.