

# LOS ANGELES BUSINESS JOURNAL

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## Up Front



Why Youssef Fakhouri is milking market for nondairy cheeses. **PAGE 3**

## News & Analysis



Was the sale of this downtown L.A. office building the last big deal of the year? **PAGE 7**

## Exec Style



Todd Morgan's Century City office shines with lots of light, star clients. **PAGE 43**

MAIL TO:

## Port Delays Sink Importers' Plans

**SHIPPING:** Backlogs that bruised holiday sales carry into new year.

By **CAROL LAWRENCE** Staff Reporter

At the **MegaToys** warehouse in Commerce, about 650 workers should already be done filling Valentine's Day gift baskets with plush toys from China. Instead, only about 55 people are working, filling baskets with candy as they wait for the toys to arrive.

MegaToys' teddy bears and its other stuffed animals are just some of the countless imported goods caught up in the months-long delays at the ports of Los Angeles and Long Beach. While those delays were frustrating to importers and retailers trying to



PHOTO BY THOMAS WASPER  
Adrift: Charlie Wong at MegaToys' warehouse.

Please see **SHIPPING** page 42

## YouTube Stars At Play in Suit

**INTERNET:** Fullscreen alleges ex-exec tried to poach talent.

By **OMAR SHAMOUT** Staff Reporter

More than millions in venture capital investments, more than the proliferation of A-list stars appearing in original programming streaming online, the one sure sign that content has become king in Silicon Beach is a full-blown fight over talent.



Shapiro

With millions of eyeballs and big money at stake, Culver City multi-channel network **Fullscreen Inc.** is facing off against its former senior vice president and head of its talent management department, **Larry Shapiro**, after his abrupt defection in October to

Please see **INTERNET** page 40



Building Friction: Construction site for a 7,800-square-foot residence in Bel Air.

RINO H.W. CHIU/LA8

## Drug Firm Eyes Healthy Future

By **MARNI USHEROFF** Staff Reporter

Though it went public last year, **Kite Pharma Inc.** sounds less like a startup and more like a thoroughbred vying for the Triple Crown.

Helmed by executives who sold their previous companies to big pharma and staffed with a slew of **Amgen Inc.** alumni, it's running neck and neck with a handful of other biotech competitors to gain regulatory approval on a cutting-edge cancer therapy. Kite, which last week raised about \$218 million in a follow-on offering, has more than

Please see **BIOTECH** page 40

# Homed In

Bel Air residents head to court to restrict big mansions

By **CALE OTTENS** Staff Reporter

**T**HE mansions of Bel Air once deemed extravagant can seem positively modest today. Rising prices and a robust economy have speculators rushing to develop the next generation of posh estates, some of which rival the size of shopping centers.

That's good for builders, real estate agents and the handful of buyers able to afford such massive homes, but the trend has enraged many nearby residents – some of whom are seeking to block

new projects in court – and intensified a feud within L.A.'s community of land-use attorneys.

"Conflicts are a material part to all lawyers regardless of the practice area, but it's specifically a larger issue when you're a land-use attorney," said **Andrew Kirsh**, real estate practice chair at Century City law firm **Sklar Kirsh**. "If you are a developer's counsel, a developer is not going to want you to represent a homeowners association against other developers."

Please see **REAL ESTATE** page 41

## SPECIAL REPORT WHO'S WHO IN L.A. BUSINESS



Drawing from the region's wealth of industries – from apparel to entertainment to software – the Business Journal presents its annual list of top executives at L.A.'s largest companies and organizations, including their participation in civic and business groups.

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# Former Best Western Shores Up Seaside Appeal

**RENOVATION:** Owner pays \$13 million to upgrade look of Redondo Beach Hotel.

**T**HE Redondo Beach Hotel has reopened its doors after wrapping up a \$13 million facelift.

Owner and operator **Pacifica Hotels** of Irvine last year closed the hotel, formerly named Best Western Sunrise Hotel, to renovate and rebrand it as an independent boutique property.

The renovation included the addition of balconies for ocean-facing guest rooms, a second-level outdoor lounge, a remodeled lobby and a large portico outside the hotel's main entrance. Two meeting spaces, totaling 4,633 square feet, were also added to the property.

All of the hotel's 112 guest rooms were remodeled and feature new wood furniture, luxury amenities, robes and mini-refrigerators. The contemporary décor is a stark contrast to the outdated design of the former Sunrise Hotel, which had rooms featuring a floral print accent.

**Matt Marquis**, president of Pacifica, said the remodel has helped take the property to a new level for its guests.

"The updated hotel complements the beautiful location and comes at a time when the community itself is undergoing significant improvements," he said in a statement.

The city recently broke ground on the new \$4.6 million Harbor-Herondo Gateway Improvement project, which will include a reconstruction of the city's parking lot at Herondo Street and Harbor Drive as well as public art, landscaping and lighting. The hotel is on Harbor, just down the street from that project.

## Fresh Location

**Fresh**, a Boston brand of natural skin care and beauty products, has had boutiques in Santa Monica and at the Fairfax District's



**New Wave:** Redondo Beach Hotel, which has rebranded as a boutique property.

Grove shopping center for years, but now it's expanding eastward.

The company last month opened its third location in Los Angeles: a boutique in Old Pasadena. It's Fresh's first domestic store to open in almost five years – the last was in Manhattan in 2010.

**Alina Roytberg**, co-founder of Fresh, said the new outpost will help the company expand its Southern California presence and reach a different demographic.

"This new store helps us reach another lively, diverse community north of Hollywood that has a different vibe from the rest of our L.A. locations," Roytberg said.

The 550-square-foot boutique was designed to match Fresh's Union Square flagship store in New York, a corner boutique with a white exterior.

With the approval of the Pasadena landmark committee, the company was able to paint the entire building housing its Pasadena location white, including the store façade, to replicate the New York shop.

And like its New York boutique, shoppers

will be able to experience five different "destinations" inside the store – Kitchen Table, Sensorial Bar, Lip Bar, Gift Bar and Love Bar. The Kitchen Table is where guests can sample and learn about new products; the Sensorial Bar is for sampling new and discontinued fragrances that will be available on tap; and a Gift Bar will be aimed at shoppers interested in creating gift sets and having purchases wrapped.

Roytberg co-founded the company with **Lev Glazman** in 1991. Fresh has 11 retail locations, including Pasadena, and is carried at retailers such as **Sephora**, **Nordstrom** and **Neiman Marcus**.

## Revolving Doors

New Jersey fitness chain **Retro Fitness** opened its first Southern California location last week in Pomona. ... Paris-based fashion brand **A.P.C.** will be opening a store in downtown Los Angeles in the spring and a Silver Lake location by early summer. ... Lingerie retailer **Frederick's of Hollywood** will be closing its flagship store on Hollywood Boulevard. The company moved to the space

## RETAIL & HOSPITALITY

SUBRINA HUDSON



in 2005 but has lost its lease and must vacate by April 27. ... Shaved-ice eatery **Blockheads Shavery** in West Los Angeles has opened a location in Old Pasadena, its third. ... Fast-food chain **Yoshinoya** in Torrance opened a flagship restaurant near the Los Angeles International Airport last month. The **Yoshinoya Japanese Kitchen** features an updated menu, including items such as chicken tenders, and a new modern interior. ... Luxury children's clothing retailer **Posh Kids** opened its first boutique last month in West Hollywood. ... Footwear store **O' My Sole** in Los Angeles opened a Beverly Hills location last month, its sixth. ... **Spaghetini** in Seal Beach opened a restaurant last month in Beverly Hills with saxophonist and co-owner **Dave Koz**. It's called **Spaghetini & the Dave Koz Lounge**.

## At Your Service

Protein bar company **ThinkThin** in Los Angeles has promoted **Michele Kessler** to chief executive, effective this week. Kessler previously served as president. ... Luxury footwear brand **Buscemi** appointed **Mike Amiri** as head designer of ready-to-wear and accessories last month. Amiri's debut collection will be the spring 2015 accessories category, available at luxury retailers such as **Barneys New York**, **Maxfield** and **Neiman Marcus**. Amiri will remain as creative director of his namesake label.

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# Russian Emigre Looks to Build on Rubble of Ruble

**INVESTMENT:** Hedge fund partner sees opportunities in exports, purchasing.

**I**LYA Kuntsevich left Russia in search of a more lucrative career path in the United States. But with the motherland's economy on its heels after a massive sell-off of the Russian ruble, he sees opportunities in the old country for L.A. businesses and business people.

Kuntsevich, managing partner of Beverly Hills hedge fund **Beverly Investment Group**, said a big part of the recent currency crash was a result of the Russian central bank being caught off-guard by the corporate sector's demand for dollars in the face of plummeting oil prices. The ruble's value has declined about 70 percent compared with the dollar over the last year, as U.S. sanctions and a soft energy market have taken a toll on the heavily oil-dependent Russian economy. That has essentially created bargain shopping for those in the market for Russian products.

"The export opportunities right now and the purchasing opportunities are immense," Kuntsevich said. "There's a boom in buying Russian merchandise because it's so cheap. If you have dollars, you might buy things 30 percent cheaper than you find here."

On the flip side, local companies that bank on Russian customers should be negatively impacted by the dramatic decrease in purchasing power. But not all industries will be affected equally.



Kuntsevich



Gundlach



Liberman

tary stuff," Kuntsevich said. "In surveillance tech and things like dash cams, Russian companies are pretty good. There's a real market for that."

## Double Time

Downtown L.A. money manager **DoubleLine Capital**

had a banner 2014. The firm's total assets under management grew to \$64 billion, up more than \$14 billion over the year. And with **Bill Gross**'s ceremonious departure from **Pacific Investment Management Co.** in Newport Beach – and investor money following – the financial world has anointed **DoubleLine's** flamboyant boss, **Jeffrey Gundlach**, as the new bond king.

DoubleLine has continued to ride that momentum by launching the Long Duration Total Return Bond Fund, which opened Dec. 15. While the firm's main fund has a fairly short duration of slightly more than three years, the new fund expects to put together an investment portfolio with an average duration of 10 years. In the bond world, duration is a measure of how long it takes for a bond to be repaid by its internal cash flows.

Bonds with a longer duration are more vulnerable to a rise in interest rates, which depresses bond prices. But as rates have remained at their near-zero level even as the U.S. economy has rebounded, some investors might be losing their fear of an imminent rate hike in favor of

## BANKING & FINANCE

MATT PRESSBERG



the stability of a longer-term coupon.

Gundlach and DoubleLine portfolio manager **Vitaliy Liberman** will manage the new fund. It will invest primarily in securities backed by home mortgages guaranteed by government and quasigovernment agencies such as **Fannie Mae** and **Freddie Mac**.

## C-Suite News

**John Ahn**, president of West L.A. brokerage and investment bank **B. Riley & Co.**, has joined the board of directors of Koreanotech's **Hanmi Financial Corp.** ... **Wells Fargo & Co.** has named **David DiCristofaro** lead region president for the greater L.A. area. DiCristofaro, a 17-year veteran of the San Francisco financial giant, will oversee Los Angeles, Riverside and San Bernardino counties. ... **Rob Laughlin** has been named regional market manager for **Citi Private Bank** in Southern California and Arizona. Laughlin, who has been at Citi since 2011, was formerly at New York investment firm **Neuberger Berman**.

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