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Up Front



New business pops out of homemade caramel corn. **PAGE 3**

News & Analysis



Cosmetic surgeon gives his office masculine facelift to attract men. **PAGE 5**

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Why superlawyer Mark Geragos will update resort in Palm Springs. **PAGE 12**



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Cloudy Future: Co-founder Billy Chen at Beyond Vape's store in Downey.

Up in the Air

Vaping vendors fear city bans could snuff out business

By **MARNI USHEROFF** Staff Reporter

BILLY Chen was cautious in his approach to the electronic cigarette business. He first took note of the nascent industry back in 2009, but tabled his ambitions as the industry worked out some early regulatory kinks. Then, as the market began to explode last year, he and his partners formed **Beyond Vape** and jumped in.

They have moved quickly, spending about \$1 million to manufacture both the equipment and "e-juice" used in vaping, open a wholesale busi-

ness and set up retail shops in New York, Seattle, Santa Cruz and Downey, with another on the way in Boston.

Now, however, as cities, the federal government and tobacco companies mount assaults on vaping, what looked like a cautious approach might have been premature.

Vaping, which involves inhaling the vapor from nicotine-infused water, is touted as a much better alternative to smoking. Yet the cities of

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Will NFL Team Link to Carson?

SPORTS: County golf course joins potential stadium sites.

By **HOWARD FINE** Staff Reporter

City of Industry, downtown Los Angeles, Inglewood – and now Carson?

Yes, yet another site is entering the L.A. region's pro football stadium derby, and this time it's a county park and golf course in Carson.

In recent weeks, executives with **National Football League** teams have been scouting the 172-acre Victoria Regional Park and golf course as a possible location for a stadium and related entertainment complex. The park is just east of the interchange of the 405 and 110 freeways, and right next to the landmark Goodyear blimp field.

Executives with two of the teams widely considered to be looking to move have approached a

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Oxy's Spinoff Opens Wobbly

ENERGY: California Resources' stock value in tough state early.

By **HOWARD FINE** Staff Reporter

When oil giant **Occidental Petroleum Corp.** announced it would spin off its California operations, it was supposed to be a gusher of good news for investors. Oxy would become smaller and more focused, while the spinoff would be freed to expand its operations in California.

But at least for the spinoff, the gusher has turned into a sinkhole: Shares of the new **California Resources Corp.** started trading last week and were down 13 percent after just three days – and down even more from where analysts just months ago expected the stock to trade.

The timing of the spinoff couldn't have been worse, coming amid the biggest downturn in the oil market in more than four years.

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MAIL TO:

Sponsors Prize Non-Profit Hookups

MARKETING: GroundSwell finds value playing cause matchmaker.

By **HANNAH MIET** Staff Reporter

How do you get 10,000 potential customers to try your product while simultaneously burnishing your corporate image?

If you're **Land Rover**, you offer to ferry thousands of lacrosse fans from one side of a high school campus to another during a tournament organized by a charity supporting spinal injury research.

That's one of the deals brokered recently by

GroundSwell Group, a four-person company in West Los Angeles that, for a fee, pairs corporate sponsors looking for marketing opportunities with non-profits that need every bit of help they can get.

In the case of that lacrosse tournament, held in April in Wayne, Pa., non-profit **Katie Samson Foundation** got free transportation for its supporters, while Land Rover got to take potential SUV buyers – based on income and other demographic information supplied by the non-profit – on a ride in its vehicles.

The foundation is tiny, having raised just \$1 million since it was founded in 2001, and wouldn't normally

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Charitable: GroundSwell Group's Lisa Woods.

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Marketing: Eventful Engagements for Matchmaker

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get the attention of a big corporate sponsor. Big companies tend to work with equally big non-profits, such as breast cancer foundation **Susan G. Komen** or the **American Red Cross**. Smaller non-profits are frequently left out of the loop, despite the fact that their events might bring out, say, 10,000 lacrosse fans with money to spend.

And that's where **GroundSwell** comes in. Using a database packed with non-profit-organized events and demographic data about attendees, it helps corporate sponsors find off-the-beat-path events that are frequented by their target audience and plot out the best way to reach them.

While the number of so-called cause marketing specialists has grown in recent years, **GroundSwell's** method is new, said **Regina Birdsell**, chief executive of the **Center for Non-profit Management** in downtown Los Angeles.

"There is a whole profession of people who make a living working for larger organizations in-house, building relationships with the corporate sector," Birdsell said. "It looks like what **GroundSwell** is doing is creating a shortcut without the relationship-building."

While that shortcut could help out small non-profits and sponsors alike, it could also lead to weaker ties between the two. **Bruce Burtch**, who has independently helped non-profits and corporate sponsors develop partnerships for 30 years, is skeptical of **GroundSwell's** brokerage method because it doesn't necessarily lead to ongoing relationships between non-profits and corporations.

"The benefits come when you create multiple linkages between the sponsor and the organization, like getting someone from the for-profit to get on the board of the non-profit," Burtch said. "I have an allergic reaction to matchmaking because the focus is on sponsorship, when it's really about partnership."

Matching up

When a corporate client seeks **GroundSwell's** services, it first describes the audience it wants to reach, based on age, ethnicity, income and other factors. **GroundSwell** combs through its database, looking for events with those types of attendees, said **Lisa Woods**, the company's senior vice president of strategy and communications.

From there, the client looks at the results and tells **GroundSwell** exactly what they hope to get out of the event. For instance, a client might want attendees to take lots of selfies in front of a red-carpet backdrop emblazoned with the company logo. **GroundSwell** phones up the non-profit and determines whether the organization can meet the corporate demands. If they can and will, **GroundSwell** helps both sides develop a plan.

GroundSwell operates out of Woods' West



RINGO H.W. CHIU/LABJ

Making Connections: Lisa Woods at cause marketing specialist **GroundSwell Group's** office in West Los Angeles.

L.A. home. Before launching last year, the company spent months developing its database of non-profits and events by reaching out en masse to organizations, telling them what **GroundSwell** is and how its system works.

When it sets up a match, the corporate sponsor pays **GroundSwell**; the non-profit pay nothing.

Just how much the sponsors pay varies widely. Sponsors buy a package from **GroundSwell** that matches them with at least 10 events. One such package cost a sponsor \$20,000, Woods said, but she said that price tag can be much lower or higher depending on the number of events, how much the events themselves cost, the sponsor's demands and how involved **GroundSwell** is in the process.

In some cases, a sponsor will buy a match-making package related to a single cause, such as cancer research, and will end up working with the same non-profit more than once. In other cases, a sponsor is more interested in targeting a specific demographic, and might work with a different non-profit for every event in the package.

So far, **GroundSwell** is working with about a dozen companies, Woods said. She would not disclose how many non-profits or events are listed in **GroundSwell's** database.

Woods pitches **GroundSwell** as a time and energy saver for both non-profits and corporations. She co-founded a non-profit charter school management organization and said

finding money and sponsors is both difficult and time-consuming.

"I come from the non-profit world, where finding sponsors is exhausting, especially for the well over a million small to midsize non-profits," she said. "If you switch to the other side, corporations oftentimes aren't getting in touch with non-profits because it's time-consuming. They are interested in what we do because it saves them time and gets them exactly what they want. Some care about the cause and some don't at all."

Relationship based

Large non-profits, such as hospitals and universities, typically have development teams responsible for delivering corporate sponsorships, Birdsell said. But at smaller organizations, staff members who juggle multiple roles reach out cold and apply for sponsorships online. They also lean on board members to make introductions or try to network with potential sponsors at events.

Carolyn Gan, development director at **826LA**, a non-profit writing and tutoring organization with centers in Mar Vista and Echo Park, said that sponsorships usually come through relationships.

For example, **826LA** puts on an annual staged reading event, and last year's featured the cast of the **Will Ferrell** film "Anchorman" reading the film's script. Gan said that was

made possible by **826LA** board members' relationships with agents who represent some members of the film's cast and with **Creative Artists Agency**, which sent a lot of volunteers.

Those relationships also bring in donations. After the "Anchorman" reading, the head of a production company that had worked with **Ferrell** donated \$15,000 to the organization, Gan said.

"It's all about relationships built over time," she said. "I would say that's true about everything related to fundraising."

Burtch said those relationships also help make sure a non-profit and a corporate sponsor have shared values and that sponsorship deals make both sides look good. Without that, things can go terribly wrong.

Case in point: When **Susan G. Komen** and **Kentucky Fried Chicken** developed **Buckets for the Cure**, a promotion in which the chicken chain sold its marquee product in pink **Komen**-branded buckets. It sparked outrage on social media and from activists, who argued fried chicken leads to obesity, which is a cause of cancer.

"It was horrible alignment: fried food in a pink basket," Burtch said.

Still, **826LA's** Gan said she's open to the idea of using **GroundSwell** to find sponsors for its events.

"**826LA** has been in touch with **GroundSwell** and we're considering using their services," she said.

Oil: Investors Make Company Pay for Debt Load

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Service's rating of **California Resources' \$8** billion debt offering last month. The New York bond rating agency said the company is "uniquely exposed" to California regulations.

Molchanov said this might have turned off some investors. Under terms of the spinoff, Occidental shareholders received four-tenths of a share of **California Resources** for each of their **Oxy** shares. Many of those shareholders originally bought into Occidental for its diverse global oil-producing portfolio and had little interest in holding their new **California Resources** shares, **Molchanov** said.

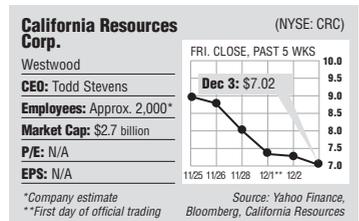
"Just about everyone understands West Texas and North Dakota," **Molchanov** said. "But California drilling has its own idiosync-

cratic attributes, including a complex regulatory landscape. With this in mind, many Occidental shareholders that received **CRC** shares seem to be opting to take the easy way out and just sell."

Major presence

Despite its falling price, **California Resources** debuts as one of L.A.'s major public companies, with its market capitalization of \$2.7 billion placing it 37th on the **LABJ** Index of local public companies. (It does not appear on this week's index because it has not traded for a full week.)

Last year, the company had earnings before income, taxes, depreciation and amortization of about \$2.6 billion, according to figures released by Occidental when it announced the spinoff in February.



California Resources is also the largest natural gas producer in the state and the second largest oil producer; **Chevron Corp.** of San Ramon is No. 1. It's the largest oil and gas mineral acreage holder in the state.

The company, which is headed by Chief Executive **Todd Stevens**, has roughly 2,000 employees and 6,000 contract workers.

The company, for now, is headquartered in Occidental's former home on Wilshire Boulevard in Westwood, but that building is on the market and expected to be vacant by the middle of next year. Initial expectations were that **California Resources** would pick a new site by the end of this year. But last week, spokeswoman **Margita Thompson** said a decision is now expected by the end of March.

California Resources has considered sites elsewhere in Los Angeles, Long Beach, Santa Clarita and Bakersfield, and this fall expanded a lease in Long Beach.

While the company said its expansion was to accommodate its Southern California operations, Long Beach officials are hoping it's a prelude to a decision to locate its corporate headquarters there.