

Up Front



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SPECIAL REPORT: REAL ESTATE QUARTERLY

Doctors' Orders

It's no secret the once-booming commercial office market has become a bust. But the market is getting a boost from an unlikely source: doctors in desperate need of office space. Aging baby boomers, new outpatient procedures and advances in technology are stoking demand for medical offices - and developers can't build them fast enough.

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Huntington Pavilion in Pasadena

PULLOUT SECTION



Fluid: Raquel Jones and Milo Ritchey with the LZR suit at test pool in Commerce.

In the Swim?

High-tech suit a big splash but rivals making waves

By DAVID NUSBAUM Staff Reporter

SPEDO's sleek LZR Racer swimsuit only debuted in February, but already it has helped set 48 world records.

In fact, many of the swimmers who will compete at the Beijing Olympics in a couple of weeks stopped at Spedo North America's headquarters in the City of Commerce to get fitted for their special suit. That's probably no surprise; the head of the U.S. Olympic swim team's governing body encouraged his swimmers to get

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'Chimps' Moves Into First Space

ENTERTAINMENT: Two films, similar subject matter.

By BRETT SPORICH Staff Reporter

Enos was the first chimp to be launched into orbit, but he got beat in a race to the big screen.

The animated film "Space Chimps" recently made its debut on about 2,600 screens across the country. Meanwhile, a group of rival animators has toiled for years on their version of a primate-astronaut flick called "Enos."

It's a common phenomenon in the film industry. Sometimes two projects arise with similar themes at the same time, often due to sheer coincidence. Sometimes the first film to hit the market is the winner. Either way, the stakes can be high.

"Vice Versa" with Judge Reinhold, beat

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Launched: Scene from animated 'Space Chimps.'

IndyMac Looks Like a Tough Sell

FINANCE: Billions in deposits already have been withdrawn.

By RICHARD CLOUGH Staff Reporter

Federal regulators want to quickly unload the mess that is IndyMac, but several experts said they will have a tough time selling the failed thrift easily.

That's because IndyMac, despite its large size, doesn't have a lot of assets that would be attractive to many buyers, and some of those assets have dissipated.

The Federal Deposit Insurance Corp., which seized Pasadena-based IndyMac Bancorp on July 11 after a \$1.3 billion run depleted liquidity, has enlisted Lehman Bros. to find an acquirer. Regulators hope to complete the transaction within 90 days.

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Sports: High-Tech Suit Swimming Into Retail Scene

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the high-tech suits. Some Olympic athletes have ditched their swimsuit sponsors or broken their country's endorsement deals so they could swim in the LZR Racer.

The LZR Racer has not enjoyed a splash-less entry. Some purists have taken issue with the suit. And a competitor, **TYR Sport Inc.** of Huntington Beach, filed a lawsuit against Speedo's owner alleging an attempt to monopolize the performance swimwear marketplace, among other allegations.

Still, the Commerce-made suit has made a remarkable splash. The suit reduces drag by 8 percent compared with suits used during the 2004 Olympics and 10 percent compared with 2000. The material is faster than human skin in the water.

When world record holder Jessica Hardy put on a Speedo LZR Racer suit and pushed off the wall, she said she went twice as far in the water as she had in her practice suit.

"The suit is absolutely amazing," said the 21-year-old from Long Beach who holds records in the 50-meter breaststroke and 400-meter medley. She is now a Speedo-sponsored swimmer.

The swimsuit is the product of four years of research by the global Speedo Aqualab design team conducted at Speedo's nondescript building along an industrial boulevard in Commerce. (The company will move into new digs downtown at Los Angeles Center Studios in the fall.)

A team of 10 started by examining every aspect of a swimsuit with the aim of reducing drag in the water.

"Immediately following the 2004 Games, we put together a group of athletes and coaches," said Katie Wilton, Speedo director of merchandising.

Rather than putting swimmers through the rigors of drag testing, Speedo went to a Hollywood special effects company to build mannequins as exact replicas of sponsored swimmers, such as Michael Phelps. Meanwhile, NASA scientists lent their expertise to help with drag testing on different fabrics and scientists employed computational fluid dynamics principles used by Formula One drivers to further reduce drag.

Once the right fabric was chosen, Wilton knew that they had to find a way to get rid of seams that held prior suits together. The company found a factory in Portugal capable of ultrasonically bonding the panels together. That meant construction of the suit would be outsourced halfway across the globe instead of in Speedo-owned factories in Mexico where the suits used in the 2004 Games were assembled.

"In testing, the ultrasonic bonds were stronger than the material itself. The suit would rip before breaking at the seams," said Wilton.

The LZR Racer has only three panels, compared with 30 panels used to construct the Speedo Fastskin suit used in 2000.

While the team was figuring out the technology, performance team member Milo Ritchey used a 3-D system to scan 400 swimmers so the suit would fit a wide range of body types. The suit was produced in more sizes than traditional lines so that athletes can have a tight fit. Designer Raquel Jones worked on the look of the suit because the appearance is important to athletes' confidence.

The tight fit makes it a challenge to put on. It takes athletes approximately 20 minutes to get into the suit and they don't take it off until after the race. Tearing the suit can be an issue because of its fit and the thin material. The material does have some give and will not restrict movement or breathing.

For Hardy, the Long Beach native, that means building extra time into her pre-race routine and hoping that she does not have any problems once she puts it on.

"One time, the zip-up back split open right before my race," recalled Hardy.

Unfair advantage?

The technological improvements made in the LZR Racer have stirred controversy in the sport.

The Italian national team coach told the Associated Press that wearing the LZR was "technological doping."

Hardy sees both sides of the issue.

"It is advantageous for us as athletes because we are confident knowing that we are in the fastest suit ever made, but the technology is taking away from swimmers' achieve-



Swimming Champ: Jessica Hardy.

ments," Hardy said.

The lawsuit filed by the Huntington Beach company, TYR, claims that Speedo has too close a relationship to USA Swimming, the Congressionally conferred governing body of amateur swimming. And that relationship was underscored because of the success of the LZR Racer.

Larry Hilton, an attorney representing TYR, said USA Swimming has hired Mark Schubert, a Speedo-paid endorser, to coach the U.S. Olympic swimming team. TYR contends that Schubert has used his influence to promote Speedo's products.

"We want to compete on a welcome playing field," Hilton said. "We have serious issues on how they promote that product in the marketplace."

The lawsuit's initial phase is scheduled to be heard in U.S. District Court in Los Angeles on Sept. 15.

Swimwear competitors worldwide have had to deal with the popularity of the suit among athletes. Nike Corp. allowed several of its American athletes to swim in the Speedo suit at the U.S. Time Trials in Omaha, Neb., rather than require the athletes to use its performance suit.

Last month in Japan, top swimmer Kosuke Kitajima sparked a controversy by requesting to use the suit. The Japan Swimming Federation relaxed restrictions saying that swimmers must compete in Japanese-designed suits and Kitajima promptly set a world record in the 200-meter breaststroke. The country will allow

all of its athletes to compete in Beijing using the American design. Share price for the Speedo distributor in Japan spiked 25 percent since the record setting performance.

Commercial appeal

Southern California is home to the swimwear apparel industry. Speedo's suits, however, fit into a niche category of performance suits. The category is more of a functional category compared with traditional swim apparel such as bikinis that are designed to be fashionable.

"Los Angeles is the capital of swimwear," said Ilse Metchek, president of the California Fashion Association. "Unfortunately it hasn't been marketed as such for 14 years. We used to have the most important swimwear show in the world. For the most part, businesses remain here and swimwear design is done here."

For Speedo, the business challenge is translating elite success into a commercialized product that appeals to the average swimmer. The brand recognition helps push retail sales of other products.

Traditionally, high performance racing suits are only sold through specialty retailers and over the Internet. In an unprecedented move, the country's largest sporting goods retailer, Dick's Sporting Goods, committed to a trial program selling the suit on the rack. The suits will sell for \$550 each.

"It will bring competitive swimmers into the store to look at the suit," said Matt Powell, an analyst with SportScanInfo. "If stores create a buzz, the swimmers might buy something else when they are in the store."

SportScanInfo has been tracking market share for the \$300 million competitive sports-wear industry and has seen Speedo's share increase to 62 percent of the market, up from 54 percent since January.

Meanwhile, Wilton and the team of designers are excited to see athletes perform at Beijing. They are, however, already drawing up plans for the next Olympics.

"There is always new technology and new science. We can learn from the process and help swimmers achieve further goals," Wilton said.

Entertainment: Movie Makers Monkeying Around

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Tom Hanks' "Big" to the multiplexes in 1988, but the latter film was a huge hit. Both told the story of a boy transported into a man's body. "Capote," starring Philip Seymour Hoffman, was an indie success in 2005; "Infamous" starring Toby Jones, less so when it hit theaters a year later. Both films told the story of Truman Capote's researching "In Cold Blood."

"Chimps in Space" and "Enos" both began their developmental journeys more than 10 years ago.

"Space Chimps," produced by Los Angeles-based Vanguard Animation and financed by industry heavyweight Starz Media, takes a fanciful approach to its storyline, electing to feature a group of simian astronauts on a heroic mission to a far away galaxy.

Dusty Wakefield and more than a dozen animators with experience at industry giants such as Walt Disney Co. and DreamWorks are crafting their narrative for "Enos" from the experiences of the first chimpanzee to orbit the Earth, buying the rights from Ed Dittmer, the U.S. Air Force sergeant who trained Enos and six other astrochimps. Enos is still at least two years away from audiences.

Wakefield said that he began developing the storyline for "Enos" while working on "Iron Giant" for Warner Bros. in the 1990s.

That was about the same time that "Space Chimps" director and writer Kirk De Micco was pitching his simian space tale to John H.



Framing: Animator Dusty Wakefield.

Williams, one of several producers of DreamWorks' "Shrek" franchise.

De Micco said he came up with his idea for "Space Chimps" while watching the 1983 movie "The Right Stuff."

"My first working title for the film was 'The Wrong Stuff,' because I wanted to write a fun story about a bunch of chimps getting into trouble on a space mission," said De Micco, whose credits include "Quest for Camelot."

Vanguard produced "Space Chimps" for about \$37 million, Williams said, modest compared with other animated fare such as Disney/Pixar's \$180 million "Wall-E."

Williams and De Micco said that they were unaware of Wakefield's "Enos" project until the Business Journal called. But De Micco said that he wasn't surprised that someone else would be working on a space-chimp theme.

"There are only so many milieus or backdrops that you can draw from when you're dealing with films and especially when you're dealing with animation," De Micco said. "It's no wonder that there are a number of similar film plots and themes all in various stages of development at any given time."

In the case of "Enos" versus "Space Chimps," the question of sales won't be settled for a while.

"Being the first out of the gate doesn't necessarily mean instant success," said "Enos" producer Marc Sternberg. "We wish 'Space Chimps' all the success in the world, but I believe that there's enough room for both of our pictures."

Sternberg was executive producer on Universal Pictures' 1999 film "October Sky," starring Chris Cooper. He also produced Regency Enterprises' "Mirrors," starring Kiefer Sutherland, which opens in theaters in August.

Research material

When he started working on the story of Enos, Wakefield sought out documentary filmmaker David Cassidy, who produced and directed "One Small Step: The Story of Space Chimps" for research material.

Cassidy later became known for his pro-

freedom of speech documentary called "Shut Up and Sing," about The Dixie Chicks.

He made the chimps documentary as a student, and used mostly public domain archival footage. But he also interviewed Dittmer, who was the trainer for Enos and Ham, the first chimpanzees to be launched into space.

Cassidy introduced Wakefield to Dittmer and several other former Air Force non-commissioned officers who were involved in the space-chimp program.

Wakefield met with Dittmer in New Mexico, near the base where the chimps were trained.

Dittmer said he had never expected to be working with the animals.

"Then he told me about how Enos wanted nothing to do with him, either," Wakefield said. "But in the end, they became very close. Dittmer thought of Enos as one of his own children."

"Enos" ends dramatically, with the chimp piloting the space capsule at 17,000 mph around the Earth while enduring electric shocks because of an in-flight malfunction before splashdown and recovery onto a ship. When he was pulled to the ship, Enos hugged Dittmer for the first and only time.

With that in mind, the question of whether "Space Chimps" would hit screens first is secondary for Wakefield.

"When I heard Ed tell that story, we both had tears in our eyes," Wakefield said. "That's when I knew, no matter what, I'm going to make this film."