



OC Insider

by Pete Weitzner

'Let's Get This Figured Out'

Patty. By now you know the tragic story of CDM High School student **Patrick "Patty" Turner**. Patty took his life on Saturday, Jan 27. The sophomore's final exams started the following Monday.

Notes he left were beyond articulate and heart-rending, sharing his love for his parents and friends ... also sharing there was "so much pressure on the students to do well that I just couldn't do it anymore."

Two thousand people came to Patty's funeral at **Our Lady Queen of Angels** in Newport Beach. 600 students.

"This kid was my kid, your kid, not into drugs," a family friend and neighbor told me. "Patty was a happy, friendly normal kid with a lot of friends. The family did charity work. He was our kid."

The neighbor coached Patty's older brother in baseball.

"Patty would come out when we needed an extra catcher."

It's said that character's what you have when nobody's watching—or everybody, in the case of Patty's father, John Turner. "JT was an absolute rock when he spoke at the church," the neighbor said. "Don't be angry, assess blame. We're going to be part of the solution."

Turner is a longtime, successful commercial real estate executive.

By some accounts, suicide here is on a steep ascent—**Voice of OC** report in '16 using CDC figures, cited a 45% increase from 1999 to 2013, highest of 20 largest U.S. counties. That was all ages. OC Health Care Agency in '09, a study cited by the **Orange County Register**, said highest rate of self-inflicted wounds was young adults 18 to 24.

The Turners' wide and supportive NB-CDM community has been writing to each other, posting, offering comfort and searching for answers.

"Let's try to make something positive out of this tragic loss of this young life," the baseball coach wrote.

"Let us all get this figured out. Time to change."

Churm to Chair ... solid choice by business-advocacy group OCBC ... **Steve Churm**, longtime publisher, comms chief at **FivePoint** ... sanguine by nature, "walking Hallmark card," he called himself in a Thursday night speech that hit the mark. So did OCBC's honorees, "game changers," including newest Angels import **Shohei "Babe" Ohtani**.

LA Times sale more than LA story ... **Patrick Soon-Shiong**, M.D. buying **Tronc's** LA Times, San Diego U-T for

► *Insider 10*

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Joe Knows Shoes; Will See if He Knows Retail

RETAIL: Titan Industries doubles down on Mischka

■ By SUBRINA HUDSON

Footwear licensee **Titan Industries Inc.** has lived up to its name for the past 20 years, attracting deals with apparel brands like **Joe's Jeans** and **Betsey Johnson** while also helping celebrities **Gwen Stefani** and **Zendaya** launch footwear lines.

Now the Huntington Beach-based company is ready to stake its claim as a retailer with plans to open three **Badgley Mischka** stores this year. It also doubled the size of its headquarters, moving into a nearby 84,754-square-foot space last month.

Titan's recent growth is linked to its acquisition of luxury label **Badgley Mischka** two years ago in partnership with founders **Mark Badgley** and **James Mischka**, as well as New York-based apparel licensee **MJCLK LLC**, for \$16 million from **Iconix Brand Group**.



Ouaknine: 'I need to give the consumer more opportunities to buy the product.'

Titan Chief Executive and co-founder **Joe Ouaknine** said it purchased the brand initially to protect its more than 10-year licensing deal.

"When [Iconix] put the company up for sale, of course I wasn't interested, but when I spoke to prospective buyers, no one would guarantee me that they were going to keep me as a licensee," he said. "So I took the law into my own hands, and I outbid everybody. And I paid \$2 million more to get it."

It's an uncommon move for a footwear licensee to acquire its partner and move into retail, especially at a time when other retailers are fighting reduced traffic and slumping sales, shuttering stores and selling assets.

James Dion, founder and president of Chicago-based retail consulting firm **Dionco Inc.**, said that even though Titan's

► *Titan 11*

South Coast Metro Office Gets Jolt With Revamp

REAL ESTATE: Ground floor of office to get retail

■ By MARK MUELLER

The smallest of the four offices run by **C.J. Segerstrom & Sons** next to South Coast Plaza in Costa Mesa, the seven-story 3420 Bristol St., is getting a makeover designed to bring its appearance more in line with its high-rise brethren.

The midrise office, long known as the California Bank & Trust Building, is in the early stages of its largest design revamp since it opened in the late 1960s.

Plans call for the 66,835-square-foot building at the corner of Bristol and Sunflower Avenue to get a modern-looking shell, upgraded

landscaping, patio space, and a new parking layout, according to city documents.

The entire first floor will be reconfigured to hold retail space rather than offices.

The ground floor will feature "floor-to-ceiling windows, modernized upscale touches, and accommodate a variety of space configurations," property owners' representatives said in a statement.

Costa Mesa-based **C.J. Segerstrom & Sons**, whose family-run business also owns and operates South Coast Plaza mall on the other side of Bristol, runs the property under the Office of South Coast Plaza banner.

The property's long been overshadowed by the Office of South Coast Plaza's other holdings in the vicinity: Plaza Tower, Center Tower and Park Tower, three of the city's

► *Bristol 13*



3420 Bristol: building across from South Coast Plaza more than 90% occupied

Service Provider Concerto Grows

HEALTHCARE: New Aliso Viejo HQ; hiring 120

■ By SHERRY HSIEH

A primary care doctor is the first stop for a patient's medical care, including chronic disease management. The reality, however, says healthcare provider **ConcertoHealth Inc.**, is that patients with chronic illnesses and long-term conditions don't have access to regular, quality preventive and primary care to meet their complex needs.

The Association of American Medical Colleges estimates there will be a shortage of 12,500 to 31,100 physicians in the U.S. by 2025.

Concerto is taking on the healthcare system's costliest members—patients with chronic diseases represent more than 85% of the country's \$2.7 trillion in annual healthcare spending, according to the Centers for Disease Control and Prevention. It's using an integrated care model to provide round-the-clock individualized primary and preventative services.

The strategy has served the company well, increasing more than fivefold from 4,300 patients in January 2016 to 22,300 currently.

Concerto announced a five-year growth strategy last month, starting with relocating its

► *Concerto 13*



Cunningham: 'we can provide this support platform that bridges those gaps'

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Concerto

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headquarters from Irvine to Aliso Viejo. The company's new 28,700-square-foot office at 85 Enterprise is home to 110 employees. It plans to hire 120, including about 60 in Orange County, bringing companywide employment to 550.

Concerto operates care centers in Washington and Michigan, and also serves members in Ohio and Illinois. It opened a new administrative office last month in Southfield, Mich., to serve the Detroit metro region.

Integrative Care

Concerto estimates approximately 74% of its patients have chronic medical conditions, primarily behavioral health disorders, congestive heart failure, diabetes, chronic obstructive pulmonary disease and asthma. Many are eligible for both Medicare and Medicaid.

Challenges in managing "the vulnerable, frail and elderly patient population"—Concerto's demographic target—include coordinating transition between care settings, post-discharge support, patient compliance to care plans, and chronic disease management.

"Think of us in simple terms of operating what feels like a medical group kind of model," said Chief Executive **Alec Cunningham**.

Its care team is comprised of doctors, nurses, field-based clinicians, care coordinators, social workers, pharmacists, dieticians and nutritionists. Field-based caregivers provide regular or



85 Enterprise: 110 employees work at new headquarters

after-hours primary care support to patients in their homes and in care centers, such as nursing homes, hospitals and assisted-living facilities.

The healthcare provider also offers proprietary software program Patient3D, which enables care providers to access real-time monitoring of patients via a single source. It

provides patient data, engagement insights, care decisions, and various analytics.

Health Plan Partner

Concerto partners with health plans to serve as one accountable provider for the total care cost. Cunningham said it doesn't intend to replace or compete with health plans' networks

of primary care physicians but to provide support.

The company spent over a decade as an insurer before exiting that market.

"We realized with the aging of America, there's opportunity to better service that population," Cunningham said.

"Rather than being an insurance company ourselves, we can provide this support platform that bridges those gaps to create more integrated, more proactive care."

Concerto, formerly Fidelis SeniorCare, moved from Schaumburg, Ill., to California in 2015. It sold Fidelis SecureCare of Michigan Inc. to **Centene Corp.** (NYSE: CNC), and Fidelis SecureCare of North Carolina Inc. and Fidelis SecureCare of Texas Inc. to **FHP Insurance Holding Co. Inc.** in order to focus on expanding its medical home and care coordination model.

Cunningham joined Concerto in 2014. He previously served as chief executive of **Well-Care Health Plans Inc.** (NYSE: WCG) in Tampa, Fla.

He said Concerto's experience in caring for Medicare, Medicaid and other complex medical-needs patients allows it to create a model addressing social and financial realities by combining social work with care management.

Concerto received a \$30 million round of financing from existing investors in November 2016 co-led by Ann Arbor, Mich.-based **Arboretum Ventures** and **Deerfield Management Co.** in New York. Arboretum Managing Director **Tim Petersen** remains board chairman; Deerfield partner **Leslie Henshaw** was added to the board. ■

Bristol

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tallest and highest-end office buildings.

The three towers total more than 1.2 million square feet and house large law firms, accountants and other professional services firms as tenants.

Tenants at 3420 Bristol trend smaller, and the building commands less expensive rents than the three towers.

The largest occupant at 3420 Bristol is office-campus operator **TechSpace Inc.**, an Aliso Viejo-based firm that offers smaller businesses flexible lease terms and ready-to-use technology.

TechSpace has occupied two floors there since 2012 and is about halfway through an 11-year lease, according to Chief Executive **Vic Memenas**. The firm has two Orange County locations and nearly a dozen locations nationwide.

Typical TechSpace tenants employ 10 to 20 people, and many have lease terms as short as six months.

It's the only tenant leasing more than 10,000 square feet in the building, which is more than 90% occupied, according to **CoStar Group Inc.** records.

The building upgrades should be a selling point for TechSpace as it prepares to compete for small area tenants.

Fellow shared-space office landlord **We-**

Work Inc. said last month that it will move into about 40,000 square feet of amenity-laden space at the nearby Pacific Arts Plaza office campus, which is owned by Newport Beach-based **Irvine Co.**

The changes coming to the Bristol Street building "will only make it more attractive" to smaller tenants seeking flexible office space, Memenas said. "You can't beat the location; it really is located at Main and Main," he said.

Philz and Grills

Architecture firm **Shubin Donaldson**, which has an office in Irvine, is heading the building's design.

The property owners got city approvals for the project early this year; redevelopment work should wrap up around June.

The project's cost wasn't disclosed.

One ground-floor tenant has been announced for the new retail space: **Philz Coffee**, a hip San Francisco-based chain that currently has one OC location, at Huntington Beach's Pacific City development. The coffee maker also has a Fullerton location in the works.

The remaining ground-floor space could be filled by retailers or a restaurant, a strategy the office owner has used for its nearby towers.

The ground floor of the 17-story Park Tower building includes one of the area's most popular restaurants, **Amar Santana's**

Vaca, as well as a showroom for **Fisher & Paykel Appliances Ltd.**, a New Zealand-based maker of upscale home appliances.

Cushman & Wakefield has the listing for the South Coast Office buildings. Leasing there is headed by the brokerage's **Robert Lambert, Rick Kaplan, Brian Booth** and

Jennifer Pelino Hill.

"We are also already fielding additional interest on more space, proving both the importance of these renovations along with the growing demand for this type of well-located, high quality and amenity-oriented mixed-use product," Lambert said in a statement. ■

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