

LOS ANGELES BUSINESS JOURNAL

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Mattel Fears MGA Is Trying to Keep the Bratz

LAW: Court documents reveal war over judgment against rival.

By **ALEXA HYLAND** Staff Reporter

Mattel Inc. last year vanquished its rival, MGA Entertainment Inc., by winning a \$100 million judgment and the rights to MGA's Bratz doll.

But now the toy company is increasingly concerned that its claim to the money and the doll may be slipping back.



Larian

That's because MGA's new and largest creditor appears to be first in line to claim those assets. What's more, Mattel is claiming that the creditor - Omni 808 Investors LLC, which is headed by Beverly Hills investor Neil Kadisha - has ties to MGA's chief.

"Based on the statements made to the court, it appears that Omni 808 hopes to jump the queue and take belated priority over Mattel's successful claims against MGA and obstruct Mattel's

rights in Bratz," said Michael Zeller, a partner in the downtown L.A. office of Quinn Emanuel Urquhart Oliver & Hedges LLP who is representing Mattel with partner John Quinn.

"Mattel does not believe that there is any merit to that position," Zeller continued.

However, Mattel is vigorously fighting the matter in court and is alleging essentially that Kadisha's move is part of a plan concocted by MGA's chief executive, Isaac Larian, to keep the company's assets out of

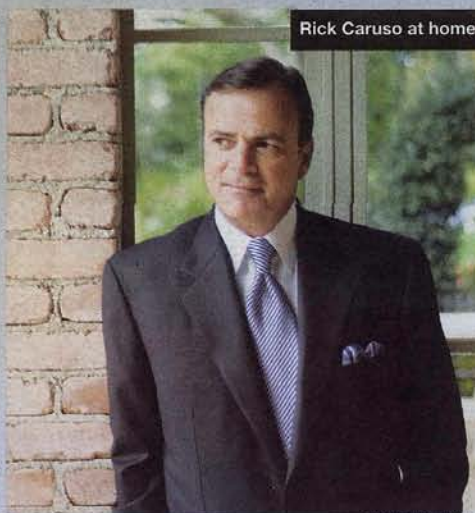
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SPECIAL REPORT BUSINESS PERSON OF THE YEAR

EARLY DEVELOPER

Rick Caruso's developments not only have changed the way Los Angeles shops, they have become some of the area's most charming and popular destinations. He's fought through some big public scraps and won most of them - including one eye-popping judgment against a competitor. Now he's venturing into the resort business and he may even become L.A.'s next mayor. Is it any wonder the Business Journal selected Caruso as the Business Person of the Year?

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Rick Caruso at home

PHOTO BY COLE EBERLE

Caruso Mulls Taking a Run At Santa Anita

By **DAVID HALDANE** Staff Reporter

Developer Rick Caruso is considering buying Santa Anita Park, the iconic horse-race track owned by Magna Entertainment Corp., which has filed for bankruptcy and plans to put the facility up for sale.

Caruso told the Business Journal that he would prefer that a horse-racing operator buy the Arcadia track, but he might step in to protect his \$500 million shopping mall planned for the track's vast parking lot.

"My preference would be to just do the development, because we're in the development business, not the horse-racing business," said Caruso of Caruso Affiliated Holdings LLC. "(However), we're taking a look at the numbers. If the deal looks right, we might do it ourselves."

Magna, an Ontario, Canada, company owned by businessman and horse enthusiast

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Outsiders Make Bolder Moves to Steal L.A. Companies

ECONOMY: Other cities and states offering lower taxes and fees.

By **HOWARD FINE** Staff Reporter

For Carmen Murray, owner of a custom carpet company in Commerce, the siren song from other states offering free land and lower business costs has finally become too enchanting to ignore.

Murray, who owns Rodeo Carpet Mills Corp., has been getting calls and brochures from other states for years, and she has generally ignored them. But now, faced with a combination of a brutal recession and soaring taxes,

Murray is giving serious consideration to the thought of moving her 22-employee company to states as far away as North Carolina.

"The economy has hit us hard," Murray said. "We're looking at everything we can look at to cut expenses and to go forward with our company and that includes locating to a lower cost area."

All over Southern California, business owners are receiving phone calls, e-mails, fancy brochures and even personal visits from economic development offices in other states. In recent years, most have come from states in the Western United States, chiefly Arizona, Nevada, Utah and Colorado. But

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Leaving?: Carmen Murray, owner of Rodeo Carpets in Commerce.

Celebrating 50 Years
1959 - 2009

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Hilton Hotels Chain Has Room for New Denizen

HOSPITALITY: Boutique brand will look to compete for share of hip market.

HILTON Hotels Corp. has announced plans for a new brand, Denizen, which will be the company's foray into boutique-style hotels. The first location is scheduled to open in 2012.

Ross Klein, head of Hilton's luxury and lifestyle brands, said the addition of Denizen to the company's prestige portfolio, which also includes Waldorf-Astoria and Conrad hotels, will round out Hilton's brands. Until now, the Beverly Hills-based company had been lacking a hip, cool brand akin to **Starwood Hotels & Resorts Worldwide Inc.**'s W Hotels or **Hyatt Corp.**'s Andaz.

Before joining Hilton last year, Klein led Starwood's luxury group during the creation of W Hotels.

"What luxury means has changed," Klein said. "Guests want everything. They say they don't want to stay in a big chain hotel because they want customized service. But they still want reward points and access to international reservations. We're going to re-emerge as a smart brand. Smart is the new cool."

But is it smart to be launching a hotel brand in a recession? It'll be tough, one consultant said.

"Revenue is declining and financing is almost impossible, especially with new construction," said Alan X. Reay, president of Atlas Hospitality Group in Irvine.

The location of the first Denizen has not been released, but Hilton is looking at numerous areas, including Hollywood and Beverly Hills. Price points for Denizen have yet to be decided, according to a company spokeswoman.

This is Hilton's second announcement of a new line this year. In January, the chain unveiled Home2Suites, a midtier, extended-stay concept.

Hilton is moving its corporate headquarters from Beverly Hills to McLean, Va., in third quarter 2009.

Getting Revenge

Revenge Is, an eco-friendly T-shirt company in Los Angeles, is expanding its product line to diversify cuts, graphics and colors and add children's shirts.

But the company may encounter problems selling its new products with the downturn in consumer spending and the relatively high prices of eco-conscious apparel.

"Eco-friendly clothing is too expensive," said Janine Blain, vice president of retail consultancy Directives West. "Fast fashion is what is happening, and eco-friendly clothing just can't deliver that right now. At the end of the day, consumers care more about fashion sense than saving the world."



Eco-Friendly: Girl in Revenge Is T-shirt.

In October, Revenge Is started selling black and gray T-shirts made from recycled plastic bottles and organic cotton, and are emblazoned with socially conscious messages such as "Revenge Is Energy Independence."

"I wanted to make people think about the issues we're facing," said Marilyn Barrett, the company's founder and owner.

Revenge Is plans to start selling more color-

MARKETPLACE

MAYA MEINERT



ful and fashionable adult-size shirts later this month. Children's shirts will be available starting in mid-April, just in time for Earth Day.

For now, the T-shirts sell online and at a few boutiques in California, Alaska and New York. The price was officially \$38, but Barrett has been giving a 20 percent discount on her Web site due to the economy. The original shirts' price will drop to \$28 at the end of March. New shirts will sell for \$32 and children's shirts will sell for \$21.

At fast-fashion chain Forever 21, a plain T-shirt sells for as little as \$4.50, and T-shirts with graphics start at \$10.90.

A Woman's Intuition

Jaye Hersh, owner of **Intuition**, a high-end apparel boutique in West Los Angeles known for its celebrity following, is introducing Hollywood Intuition for Target, a value-priced line of accessories to be sold nationally at the Target chain. The line will be in stores this July



Targeted: Intuition in West L.A.

through spring 2010. Prices will range from \$2.99 to \$29.99 and will include sunglasses, scarves, jewelry and handbags.

"It's the perfect time to launch this line," Hersh said. "It's for people who can't make it to my store who may have heard about it from the weekly magazines. This is a way for them to get that product at their home stores. Customers can get the look at the same time celebrities are wearing them."

Hersh had previously sold a line of high-end merchandise called Target Couture at her boutique. The clothing included cashmere sweaters and displayed Target's signature red-and-white bull's eye logo in diamonds and other precious stones. The items were priced from \$25 to \$3,000.

News & Notes

L.A. denim company **J Brand** is collaborating with U.K. cheap-chic chain Topshop. The limited-edition jeans debuted last week in London. ... Frozen yogurt chain **Red Mango Inc.** has named James Franks vice president of franchising. Franks was previously with Baskin-Robbins and will work out of the Sherman Oaks-based company's Dallas franchising office.

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MEDIAWATCH

▶ MOVIE BOX OFFICE

Rank	Title	Weekend Gross (millions)	Total Gross (millions)	Distributor
1	Watchmen	\$55.2	\$55.2	Warner Bros.
2	Madea Goes to Jail	8.5	76.2	Lions Gate
3	Taken	7.3	117.9	20th Century Fox
4	Slumdog Millionaire	6.8	125.3	Fox Searchlight
5	Paul Blart: Mall Cop	4.1	133.6	Columbia
6	He's Just Not That Into You	4.0	84.6	New Line
7	Coraline	3.3	65.6	Focus Features
8	Confessions of a Shopaholic	3.1	38.3	Walt Disney
9	Jonas Brothers	2.8	16.8	Walt Disney
10	Fired Up	2.5	13.2	Screen Gems

Week ended March 8

Source: Bloomberg News

▶ PRIMETIME TV SHOWS

Rank	Program	Network	Rating*
1	American Idol (Tue.)	Fox	13.8
2	American Idol (Wed.)	Fox	13.1
3	CSI	CBS	12.7
4	American Idol (Thu.)	Fox	12.2
5	Bachelor: After Final Rose	ABC	11.4

Week ended March 8

*Each rating point equals 1.1 million homes. Source: Bloomberg News

▶ CABLE TV SHOWS

Rank	Program	Network	Rating*
1	Burn Notice	USA	3.9
2	Icarly	Nick	3.6
3	WWE Entertainment (WWE Raw)	USA	3.4
4	WWE Entertainment (WWE Raw)	USA	3.1
5	NCIS	USA	3.0

Week ended March 8

*Each rating point equals 1.1 million homes. Source: Bloomberg News

▶ TOP SELLING ALBUMS

Rank	Last Week	Artist	Title	Label
1	1	Taylor Swift	Fearless	Big Machine
2	New	Lamb of God	Wrath	Epic
3	New	Jonas Brothers	3-D Concert Experience	Hollywood
4	22	Various Artists	Slumdog Millionaire	Interscope
5	4	Nickelback	Dark Horse	Roadrunner

Week ended March 14

Source: Billboard.com

▶ MOVIE RENTALS - DVD/VHS

Rank	Last Week	Title	Distributor
1	1	Body of Lies	Warner Bros.
2	2	Changeling	Universal
3	3	Nights in Rodanthe	Warner Bros.
4	New	Haunting of Molly Hartley	20th Century Fox
5	4	Quarantine	Sony

Week ended March 1

Source: RottenTomatoes.com

▶ DVD SALES

Rank	Last Week	Title	Distributor	Suggested Retail
1	1	High School Musical 3	Walt Disney	\$29.99
2	2	Madagascar 2	DreamWorks	29.98
3	3	Body of Lies	Warner Bros.	28.98
4	17	Wall-E	Walt Disney	29.99
5	10	Dark Knight	Warner Bros.	28.98

Week ended March 1

Source: The-Numbers.com

▶ MOVIELINK DOWNLOADS

Rank	Title	Distributor	Suggested Retail
1	Dark Knight	Warner Bros.	\$19.95
2	Get Smart	Warner Bros.	19.95
3	Star Wars: Clone Wars	Warner Bros.	19.95
4	Journey to Center of the Earth	New Line	19.95
5	Sex and the City	New Line	19.95

Week ended March 8

Source: Cinemanow.com

▶ OUTTAKE OF THE WEEK



WHO'S WATCHING 'WATCHMEN'?

Twenty-three years, many abandoned scripts and several legal battles later, Alan Moore and Dave Gibbons' comic book series "Watchmen" finally made it to the big screen. The nerd herd turned out in force opening weekend to push Warner Bros.' adaptation, featuring **Jackie Earle Haley** as Rorschach, into the No. 1 spot.