



Man in Black: Thomas Mundy at Superior Thread Rolling in Arleta.

INDUSTRIAL SKILL GAP

Apprentice program answers manufacturers' labor shortage

By **MARK R. MADLER** Staff Reporter

Thomas Mundy faces a lack of trained machinists at his shop, but he hopes a federal labor program will help him fill those positions.

His company, **Superior Thread Rolling Co.** in Arleta, is one of eight Valley-region manufacturers taking part in the California Advanced Manufacturing

Apprenticeship Collaborative, or CAMAC program, which combines classroom training with paid, on-the-job experience. The program is run by a collaborative that includes the U.S. Department of Labor, **Goodwill Southern California**, community colleges and **ToolingU**, an industrial training and development nonprofit.

Traditionally, apprentices prepared for industrial jobs such as machinists or

electricians, but the training method has expanded in recent years to industrial maintenance workers and early childhood educators. Manufacturing is one sector that needs more apprentices, as the Bureau of Labor Statistics forecasts machinist jobs should grow by 10 percent from 2014 to 2024.

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Attorneys Hear Migrant Fears

LAW: Trump talk sends workers, employers to seek counsel.

By **STEPHANIE HENKEL** Staff Reporter

Ever since the Trump administration began re-writing immigration rules, attorneys in the Valley region have been busy calming people's fears and advising clients on their next course of action.

"The number of calls (I've received) has probably tripled," said attorney **Norma Obergh**, who operates her solo practice, **Express Immigration Services**, out of Mission Hills. "I'm seeing twice as many people per day, whether walk-in or by appointment."

Ron Tasoff, a specialist in immigration law and partner at Encino-based firm **Tasoff & Tasoff**, has experienced a similar influx of inquiries.

"It's a different role now being an immigration lawyer than it was a year ago," he said. "I feel a lot more responsibility. I feel I have to give people more perspective, because there are so many rumors out there now."

President **Donald Trump** has signed several executive orders with the intent of banning immigrants from certain countries like Iran and Syria, deporting criminals from other countries, constructing a border wall and pulling federal funding from "sanctuary cities" that refuse to comply with federal requests to enforce immigration law.

"No real laws have changed – not yet," Tasoff

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Tasoff

Was Measure S A Sly Success?

By **CAROL LAWRENCE** Staff Reporter

Measure S lost the battle for voters, but supporters think they may have won the war to manage growth and foster involvement in planning.

Two days after the electoral defeat, Los Angeles Mayor **Eric Garcetti**, who opposed Measure S, signed an Executive Order outlining new rules to make the planning process "more efficient, effective, fair and transparent." In a statement, the mayor said "Angelenos have sent us a clear message."

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For Avery Dennison, It's a Promotional Wrap

TECHNOLOGY: Investment puts label maker in ad business.

By **HELEN FLOERSH** Staff Reporter

Since divesting its office products division four years ago, **Avery Dennison Corp.** in Glendale has built its business on product labels and industrial materials. But now the packaging supplies giant is moving into a new sector with a \$3 million investment in **Wrapify Inc.**,

a San Diego startup that compensates drivers for wrapping their cars in a temporary adhesive film printed with advertisements.

"Avery Dennison sees the promise in what we're building," **James Heller**, founding chief executive of Wrapify and a member of Forbes' "30 Under 30" list for 2017, said. "We've been working with them since the very beginning."

Automotive wraps are used by businesses, individuals and even the military to alter a

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Dry Run: Wrapify employee applies film.

PHOTO BY DAVID SPRAGUE

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Wave of Consolidation Shrinks Insurance Sector

LIST: For both carriers and brokerages, it's a season of big-eat-small.

By **STEPHANIE HENKEL** Staff Reporter

Despite federal courts recently blocking a couple billion-dollar mergers, the consolidation of the insurance industry continues on a massive scale on both the carrier and brokerage sides.

Last year, the Valley's own insurer Health Net Inc. of Woodland Hills was acquired by St. Louis-based **Centene Corp.** for \$6 billion, further reducing competition in the insurance marketplace. The mega-insurer marketplace would have shrunk even further except that courts blocked the \$54 billion megamerger of **Anthem Inc.** and **Cigna Corp.** as well as the \$37 billion **Aetna Inc.-Humana Inc.** deal.

"When I started in business, there were about 50 companies that offered health insurance in the California marketplace," said **Jim Garrison**, president of Glendale brokerage firm Pacific Federal. "Today, I believe there are five or six. If you take those two mergers (Anthem/Cigna and Aetna/Humana) and remove **Kaiser (Permanente Inc.)**, you would be down to three or four (insurers) in California."

Pacific Federal, number 11 on the Business Journal's Insurance Brokerage Firms list ranked by 2016 Valley-area revenue (see page 12), announced last month that the company had been acquired by **Zenith American Solutions Inc.** of Tampa, Fla. for an undisclosed amount. Both employee benefits firms specialize in providing coverage for union employees but in different geographic regions.

"They solicited us, because they wanted to



PHOTO BY DAVID SPRAGUE

Acquired: Jim Garrison of Pacific Federal, which was purchased by Zenith American.

increase their business in Los Angeles, where they had a very small presence before they acquired Pacific Federal," Garrison added.

Retaining its name, Pacific Federal is now a wholly owned subsidiary of Zenith. It will remain in its Glendale headquarters, and no employees will be laid off at this time, said Garrison, who will continue as president of Pacific Federal.

The top company on the Business Journal's list is Itasca, Ill.-based **Arthur J. Gallagher & Co.**, which has local offices in Glendale and Woodland Hills. The international insurance brokerage reported \$236 million in revenue last year in the Valley region alone.

Recently, Gallagher has made a flurry of acquisitions, including 10 since the beginning of 2017. Its most recent purchase, announced at the end of last month, was Ace IRM Insurance Brokerage Group of Australia for an undis-

closed amount. In California, the firm acquired Lewis & Associates Insurance Brokers of Visalia, which will continue to operate from its current location under Gallagher & Co.'s direction. It appears all of the company's 2017 deals are structured in this fashion, keeping logistics in place but with parent-company oversight.

In the brokerage's latest financial report, Chief Executive **J. Patrick Gallagher Jr.** commented on the consolidation strategy.

"We are well positioned for 2017," he said. "Our unique Gallagher culture is as strong as ever; our integration efforts are largely complete and we have a robust M&A pipeline. We continue to see an environment where our talented production and claims staff can drive growth."

Pacific Federal's Garrison said brokerage firms have two options to spur growth – organic growth and growth through acquisition. Today the latter is more appealing, he added,

as acquirers can secure interest rates as low as 2 to 3 percent.

Number 18 on the list is **Montage Insurance Solutions** of Woodland Hills, bringing in nearly \$49 million in the Valley area in 2016. The full-service brokerage firm, which represents over 100 carriers, has approximately 110 employer-clients and more than 100,000 members.

"Being a mid-size brokerage firm, we get calls weekly from the larger broker houses asking to purchase our business," Chief Executive **Danone Simpson** said.

However, the television actress turned business owner said she isn't concerned with the offers as she already has a succession plan in place. She is looking more toward the future and the proposed Affordable Care Act repeal bill recently introduced in Congress.

"I'm hoping to see better (health insurance) plans with more competition, because carriers won't have as many compliance fines and fees to account for," she added.

Part of the bill includes stripping away many of the taxes and fees associated with the Affordable Care Act, hopefully resulting in cheaper insurance for consumers. But as the insurance industry continues to consolidate, higher prices may still be on the horizon.

"Fewer carriers mean less competition and less negotiating power," Simpson said. "Brokers are the reason for the competitive marketplace, because we go to each (insurance) carrier every year to check pricings for our clients."



Simpson

2017 Spotlight on Healthcare

The *San Fernando Valley Business Journal* continues to recognize the important role the healthcare industry has played in providing the best medical care to our affluent readers. It is home to so many world-class medical treatment centers and our readers are fortunate to have access to such exceptional care and choices. We are committed to educating our readers on early prevention and detection, the latest treatments, and cutting-edge research so that they can lead healthier and productive lives in the workplace and at home.

- May 15** Top Hospital List
- August 7** Healthcare Roundtable
- September 18** Valley 200 – Most Influential Leaders
- October 16** Top Assisted Living/ Nursing Home Lists
- October 30** Breast Cancer Awareness
- November 27** Healthcare Report
- December 25** 2018 Book of Lists



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