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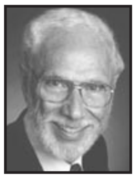

FORECLOSURES TODAY

Warren Racine

Tenants Gain Important Support Against Eviction

It is easy to envision the plight of the foreclosed-out owner of a residential property when all efforts to stop the foreclosure have failed. Many months of agony have now coalesced into defeat. The lenders position was known. Remedial action, however, was always over the horizon, but it just didn't happen.

You may already know that the owner in a properly conducted foreclosure is permitted merely three days after the trustee's sale to gather all that remains and leave the property. That's a mighty short fuse! What could be worse? I'm glad you asked.

There can be an even more troubling departure when the occupant of the foreclosed property is not the defaulted owner — but an unsuspecting tenant. Rapid post-foreclosure

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PATENTS

PTO Extends Green Tech Program

By Craig Anderson

The U.S. Patent and Trademark Office, hoping to bolster green technology patent innovations, extended its program that allows applicants to skip ahead to the front of the line and loosened the requirements to qualify.

The program was scheduled to expire Dec. 8, but PTO chief David Kappos extended the pilot program through the end of 2011.

The program, launched in December 2009 to encourage green technology patents, has been a bit of a disappointment so far. The patent office limited the program to the first 3,000 green tech applications, and only applications already on file were eligible. Under the program, applicants can avoid the long wait for patent approval without extra fees or paperwork.

Since the pilot program was adopted, a total of 790 petitions have been granted for expedited processing, and just 94 patents have been issued, according to the patent office.

Originally, patent office officials were

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ECONOMY

PHOTO BY CARLA PINEDA

YMI Jeans recently opened a new facility in Boyle Heights that includes distribution and headquarters space.

L.A. Fashion Industry Flourishes Through Creativity

By Carla Pineda

Fads come and go, but creativity never goes out of style in Los Angeles.

The inspiration fashion teams draw from the city is one of the reasons why companies such as Lucky Brand Jeans and YMI Jeans decided to put roots down in the city's central districts.

The Otis College of Art and Design and the Los Angeles Economic Development Corp. explored the economic impact of artistic industries in their most recent report.

One of the industries studied was fashion. In 2009, apparel generated $32 billion in revenues, employed 87,000 people and contributed $578 million in state and local income and sales taxes, according to the report.

The report explained the chain of economic elements supported or sustained by the apparel industry. International trade benefits from apparel designed in Los Angeles, produced elsewhere and then shipped back. Manufacturing is aided by assembled products that get final touches in local facilities. The finished goods generate logistics-related jobs when they are sorted and distributed from local warehouses to the rest of the country.

Certainly, the recession undermined apparel's contributions to the local economy. Frozen financial markets prevented small specialty shops from obtaining loans to purchase fashion merchandise. Small manufacturing companies could not purchase supplies on credit. Larger retailers and apparel companies reduced their inventories when consumers significantly slashed their discretionary spending.

Fashion employment in Los Angeles fell 18.9 percent during the past five years because the sector is heavily dependent on manufacturing activities. The report attributed the losses to outsourcing, a cost-cutting method employed long before the recession.

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PUBLIC EMPLOYEES

Pension Details Should Be Made Public, Some Courts Say

By Pat Broderick

If you are a retired public employee who receives more than $100,000 a year in benefits, Marcia Fritz wants to peek inside your pocketbook.

Fritz, who heads the California Foundation for Fiscal Responsibility, is on a mission to have the courts proclaim that public employee pension records are a matter of public record, especially for those retired workers whom are sometimes referred to as the "$100,000 club." And she's had some success.

Represented by attorneys from the Howard Jarvis Taxpayers Association, Fritz secured the cooperation of several jurisdictions in releasing detailed public employee pension information and obtained court orders, compelling less-compliant municipalities to disclose the information.

"The people who gave us information I'm not as interested in as those who haven't given us information," she said. "It's as though they have something to hide."

Fritz is not the only one seeking greater transparency of public employee benefits. Municipalities throughout the state already were wrestling with revenue shortfalls and rising pension expenses, when the city of Bell scandal came to light, leading to the arrests of city officials for allegedly reaping exorbitant salaries in a community marked by poverty.

Some opponents say this push for transparency can have unintended consequences, exposing retirees to the risk of financial abuse, if too much sensitive information is revealed. Those concerns have state judges searching for a delicate balance between giving the taxpayers information they think

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THERE ARE NO FORECLOSURE LISTINGS IN TODAY'S EDITION. WE APOLOGIZE FOR ANY INCONVENIENCE.

Fashion

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"We've really been transitioning out of manufacturing for about 20 years but certainly in the last 10 years there's been pretty dramatic changes," said Kent Smith, executive director of the Los Angeles Fashion Business Improvement District. "America has lost apparel manufacturing."

From 2009 through 2014, fashion jobs are forecast to fall further by another 1.5 percent from 87,000 to 85,700 in the next five years, according to the report.

The lower labor costs of China, Southeast Asia and Latin America will prevent these manufacturing jobs from returning to Los Angeles, said Nancy Sidhu, vice president and chief economist in the Kyser Center for Economic Research of the Los Angeles County Economic Development Corp.

"The manufacturers will want to reduce their own costs by every last nickel," she said.

Job losses will be somewhat leveled by gains in design services and the retention of "fast-fashion" production methods, according to the report. This speedy production concept works for local companies that can take a trendy product from design desk to store mannequins in as little as four weeks.

"They're beginning to specialize in quick-turn production, which means we can support retailers like Forever 21 who need something new yesterday," Sidhu said.

While manufacturing went overseas, many companies are keeping their design, quality control and sales jobs based in Los Angeles. Apparel wholesaling added 2,300 jobs in the past five years and specialized design services jobs increased by more than 500 over the same period. In the next five years, specialized design services are expected to grow rapidly in accordance with the trend, the report stated.

"You can't replace educated or artistic employees," said Larry Kosmont, president and chief executive of Kosmont Cos. "We're going to ship the factory workers to Arizona and Texas and keep the designer and sales people here."

The city's fashion hub has adapted to manufacturing losses by converting its real estate into wholesale showrooms, retail and residential spaces. Corporations also are choosing downtown for their headquarters locations.

YMI Jeans recently opened a new facility in Boyle Heights that includes distribution and headquarters space. The company will continue operating its expansive showroom in the heart of the fashion business improvement district. Lucky Brand Jeans, a subsidiary of Liz Claiborne Inc., announced it is moving from Vernon into a new building in the Arts District that will be built exclusively to serve as the company's headquarters.

"The independent thinking and unique style that signify the Southern California lifestyle have always been important to Lucky Brand's heritage and continue to be a significant inspiration for the brand, making the decision to move our headquarters to the city of Los Angeles a natural fit," said Dave DeMattei, Lucky Brand's CEO in a statement.

Lucky will receive a number of business incentives, including discounts from the local water and power department and state enterprise zones tax credits.

The city also is a hub for luxury apparel brands that are not as concerned with cutting costs or outsourcing.

"Sometimes you pay for what you get," Smith said. "Luxury garments were something you didn't have to have [during the recession], but there is a lot of pent-up demand. For two years nobody bought anything."

The entertainment industry, another creative sector, gives Los Angeles an added advantage, according to Sidhu.

"If [Los Angeles] has a specialty, it includes fancy jeansware," Sidhu said. "Getting the celebrities to wear your jeans … is an avenue for success for such a brand. There seems to be in an infinite demand for this kind of product."

The report urged lawmakers to value the city's creative talent pool because it will remain in the region. Creativity alone builds brand awareness and entices young people to the region, the study said.

"Original artistic creation, innovative design thinking and other higher-level creative work cannot be outsourced easily," the report stated.

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Pension

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they have a right to, while trying to protect pensioners' privacy rights.

On Nov. 2, San Diego County Superior Court Judge Timothy Taylor ordered the San Diego County Employees Retirement Association to release the names and pension benefits of 350 retirees to the California Foundation for Fiscal Responsibility.

"The court finds that this determination strikes the proper balance between the public's right to know and the retiree's diminished (but not extinguished) right to privacy," Taylor wrote. *CFFR v. SDCERA,* 2010-00098768, San Diego Super Ct., filed Nov. 2, 2010)

The retirement association intends to file a motion for reconsideration, and appeal if necessary, said Steve Rice, the retirement board's chief counsel and a partner at Crowell & Moring in Irvine.

Even though the ruling permits SDCERA to redact certain information from the benefit summaries it must provide and prohibits CFFR from publishing the members' surnames on the Internet, the retirement association's board is concerned the names still could be released.

A survey of those 350 members, Rice said, drew "an enormous response" against disclosure, with some fearing financial fraud and physical harm.

"This is real for a very vulnerable population," he said. "Most of these people are elderly, and now in private life, and they have a right to expect that their privacy will be respected."

The Sacramento County Employees' Retirement System appealed a similar court ruling issued in July, requiring the agency to disclose the names, benefits and other personal information about its retirees and beneficiaries. The system claims it is obligated to resist disclosure, based on a state government code that protects members' confidentiality, according to Jim Line, general counsel for the retirement system.

"We have a fiduciary obligation to keep these records confidential," he said. "We're hoping to get a favorable decision to keep this confidential. But, at minimum, we're hoping the court will give us clear guidance on how far we have to go in disclosing."

San Diego, and some other counties, have filed amicus briefs in support of Sacramento's appeal.

Those high-earning pensioners aren't as widespread as critics say they are, according to pension system statistics.

The California Public Employees' Retirement System reports that of its 1.6 million members statewide, fewer than 2 percent of its retirees receive that much annually, with the average pension totaling about $26,000 a year, according to Edward Fong, a CalPERS information officer.

The Sacramento County Employees' Retirement System notes that the 255 people who receive $100,000 or more annually from its system, represent less than 3 percent of its more than 8,300 retirees and beneficiaries. More than 70 percent receive $36,000 or less a year, and 26 percent get less than $12,000 annually. SCERS noted the average public service career for its retirees is 22 years, while those receiving $100,000 a year or more in benefits worked for an average of 31 years.

For Fritz, it's still a group that bears additional scrutiny.

"We find that many with the highest benefits also are advising board members on benefits agreements," she said. "We see a conflict of interest. The board members also benefit, and the people who are left out are the taxpayers."

Tim Bittle, legal affairs director for the Howard Jarvis Taxpayers Association, said the disclosures have turned up incidents of "spiking," where employees receive higher monthly pension benefits than they received in salary by loading up on overtime and other compensation immediately prior to retirement.

He added, limited resources force them to be selective.

"We wanted to go after the bigger counties, because we thought there would probably be more opportunity for abuse," Bittle said.

The state's two largest pension funds, CalPERS and the California State Teachers' Retirement System, consider pension information a matter of public record.

This transparency was encouraged by state Controller John Chiang, according to spokesman Garin Casaleggio.

"He reached out to cities and counties after Bell," said Casaleggio, noting the scandal prompted the state to list on a website salary and pension benefits for the almost 600,000 city and county employees throughout California.

"On our website, we don't name names," he added.

Not all counties are fighting pension disclosures. For example, Orange and Stanislaus counties, have complied with demands for more information.

In June, a Superior Court judge ordered Orange County Employees Retirement System to release to the California Foundation for Fiscal Responsibility the names and benefits amounts of retirees. The retirement system didn't appeal the ruling.

"For us, it's the end of the story," said David Lantzer, OCERS staff attorney.

Patents

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concerned that they would be deluged with petitions, or applicants trying to "game the system" by saying its patent application fell under the green technology pilot program, lawyers said.

That has turned out to be less of an issue, and the patent office announced last month it was loosening the categories of technology that are eligible for the pilot program.

"It does open [the program] up to a broad new swath of applications," said Stuart Meyer, a Mountain View-based partner with Fenwick & West who represents green tech clients.

Meyer said the extension and expansion of eligible technology could make a significant difference in the green tech market.

"We've seen great results so far for those applications in the Green Technology Pilot Program, so we want to extend it for another year and open the program to additional green inventions," Kappos said in a statement. "By doing so, we hope to help stimulate investment in green technology, bring more inventions to market, and create jobs."

Still, Meyer said many startup companies may not be eager to seek their patents on an expedited basis, because that requires more money and disclosure upfront.

But Karen Laub, an Irvine-based partner with McDermott Will & Emery said the program, allowing applicants to get a patent in a year instead of three or four, "is perfect for startups." She said the only reason startups are not using the program is that many do not know about it.