

FASTEST-GROWING PUBLIC COMPANIES: LARGE COMPANIES

Rank	Company •Address	•Website •Email	Two-year revenue growth	Revenue for 12 months ended 6/30/2016	Net income (loss) for 12 months ended 6/30/2016	Market capitalization as of 10/24/2016	OC employees •yearly % change	Companywide employees •yearly % change	Stock symbol Stock exchange	Company/product description	Top local official(s) •Title •Phone/fax
1	TRI Pointe Group Inc. 19540 Jamboree Road, Ste. 300 Irvine 92612-8452	tripointegroup.com info@tripointegroup.com	660.1%	\$2.6 billion	\$237.7 million	\$2 billion	177 14.2%	1,110 9.4%	TPH NYSE	Homebuilder	Doug Bauer CEO (949) 438-1400
2	CalAtlantic Group Inc. 15360 Barranca Parkway Irvine 92618-2215	calatlantichomes.com	135.2%	\$5.2 billion	\$309.6 million	\$3.8 billion	228 4.1%	2,842 124.5%	CAA NYSE	Homebuilder	Scott Stowell/Larry Nicholson executive chairman/CEO, president (949) 789-1600
3	Banc of California Inc. 18500 Von Karman Ave., Ste. 1100 Irvine 92612-0546	bancofcal.com	116.1%	\$587.8 million	\$77.1 million	\$647.9 million	945 3.5%	1,730 5%	BANC NYSE	Bank	Steven Sugarman CEO (949) 236-5436/(949) 777-5118
4	TTM Technologies Inc. 1665 Scenic Ave., Ste. 250 Costa Mesa 92626-1455	ttn.com investor@ttmtech.com	93.6%	\$2.5 billion	\$18.6 million	\$1.2 billion	709 63%	4,436 72.4%	TTMI Nasdaq	Circuit board maker	Thomas Edman CEO (714) 327-3000
5	William Lyon Homes Inc. 4695 MacArthur Court, eighth floor Newport Beach 92660-1882	lyonhomes.com	80.4%	\$1.2 billion	\$62 million	\$582.9 million	178 11.3%	586 0.3%	WLH NYSE	Homebuilder	William Lyon/William H. Lyon/ Matthew Zaist chairman emeritus/executive chairman/CEO, president (949) 833-3600/(949) 476-2178
6	Boot Barn Holdings Inc. 15345 Barranca Parkway Irvine 92618-2216	bootbarn.com custserv@bootbarn.com	66.7%	\$606.4 million	\$8.2 million	\$308.9 million	203 -8.6%	2,935 72.4%	BOOT NYSE	Western and work footwear and apparel	James Conroy CEO/president (888) 440-2668/(949) 453-4406



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7	Ensign Group Inc. 27101 Puerta Real, Ste. 450 Mission Viejo 92691-8566	ensigngroup.net ckeetch@ensignservices.net	58.8%	\$1.5 billion	\$47.6 million	\$978.3 million	1,025 16.5%	22,651 28.1%	ENSG Nasdaq	Skilled nursing homes, rehabilitation care, assisted living, home health and hospice	Christopher Christensen/Barry Port/Suzanne Snapper/Chad Keetch/Beverly Wittekind CEO, president/COO/CFO/ executive VP, secretary/VP, general counsel (949) 487-9500/(949) 540-3007
8	Microsemi Corp. 1 Enterprise Aliso Viejo 92656-2606	microsemi.com	43.4%	\$1.5 billion	(\$47.7 million)	\$4.6 billion	237 -19.7%	4,224 19%	MSCC Nasdaq	Chipmaker	James J. Peterson chairman/CEO (949) 380-6100
9	CoreLogic Inc. 40 Pacifica, Ste. 900 Irvine 92618-7487	corelogic.com alaustin@corelogic.com	39.6%	\$1.7 billion	\$134.1 million	\$3.5 billion	472 -2.7%	6,294 29.9%	CLGX NYSE	Data provider to insurance, real estate and mortgage companies	Anand Nallathambi CEO/president (949) 214-1000/(949) 214-1006
10	Edwards Lifesciences Corp. 1 Edwards Way Irvine 92614-5688	edwards.com	28.8%	\$2.7 billion	\$528.4 million	\$24.9 billion	3,823 13.6%	11,140 14.8%	EW NYSE	Medical device maker	Michael Mussallem chairman/CEO (949) 250-2500/(949) 250-2525
11	Masimo Corp. 52 Discovery Irvine 92618-3105	masimo.com	18.4%	\$660.4 million	\$101 million	\$2.9 billion	610 7%	4,140 14%	MASI Nasdaq	Medical device maker	Joe Kiani founder/chairman/CEO (949) 297-7000/(949) 297-7499
12	BJ's Restaurants Inc. 7755 Center Ave., Ste. 300 Huntington Beach 92647-3084	bjsrestaurants.com guestrelations@ bjsrestaurants.com	17.6%	\$956.2 million	\$48.7 million	\$828.7 million	1,379 2.1%	21,000 5%	BJRI Nasdaq	Restaurant chain	Gregory Trojan CEO/president (714) 500-2400
13	Universal Electronics Inc. 201 E. Sandpointe Ave., eighth floor Santa Ana 92707-5778	uei.com info@uei.com	16.1%	\$644.2 million	\$24.9 million	\$997.2 million	153 7.7%	2,309 16.1%	UEIC Nasdaq	Remote controls, software, accessories, security sensors and home automation	Paul Arling chairman/CEO (714) 918-9500/(714) 918-4100

Source: B. Riley & Co. and the Business Journal. Abbreviations: NA: not applicable; wnd: would not disclose
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Researched by Dana Truong

FASTEST-GROWING PUBLIC COMPANIES: MIDSIZE COMPANIES

Rank	Company •Address	•Website •Email	Two-year revenue growth	Revenue for 12 months ended 6/30/2016	Net income (loss) for 12 months ended 6/30/2016	Market capitalization as of 10/24/2016	OC employees *yearly % change	Companywide employees *yearly % change	Stock symbol Stock exchange	Company/product description	Top local official(s) •Title •Phone/fax
1	Pacific Premier Bancorp Inc. 17901 Von Karman Ave., Ste. 1200 Irvine 92614-5248	ppbi.com sgardner@ppbi.com	95.8%	\$158.1 million	\$34.8 million	\$685.9 million	230 13.9%	450 4.7%	PPBI Nasdaq	Bank holding company	Steven R. Gardner chairman/CEO (949) 864-8000
2	California Republic Bank⁽¹⁾ 18400 Von Karman Ave., Ste. 1100 Irvine 92612-0517	crbnk.com jdecero@crbnk.com	88.2%	\$107.2 million	\$9 million	NA	295 26.6%	487 12.7%	NA	Bank	John DeCero CEO/president, Mechanics Bank (949) 270-9700/(949) 271-5769
3	The New Home Co. 85 Enterprise, Ste. 450 Aliso Viejo 92656-2680	nwhm.com press@nwhm.com	80.3%	\$475.7 million	\$18.4 million	\$221 million	160 21.2%	279 15.8%	NWHM NYSE	Homebuilder	Larry Webb/Tom Redwitz CEO/COO (949) 382-7800/(949) 382-7801
4	First Foundation 18101 Von Karman Ave., Ste. 750 Irvine 92612-0005	ff-inc.com	74.3%	\$110.6 million	\$14.9 million	\$403.7 million	215 51.4%	330 54.2%	FFWM Nasdaq	Private banking, financial advising	Scott F. Kavanaugh chairman/CEO (949) 476-0300
5	Willdan Group Inc. 2401 E. Katella Ave., Ste. 300 Anaheim 92806-5909	willdan.com info@willdan.com	69.3%	\$157.9 million	\$5.4 million	\$139.4 million	95 8%	688 8%	WLDN Nasdaq	Engineering services	Thomas Brisbin/Mike Bieber CEO, president/senior VP, corporate development (714) 940-6300/(714) 940-4920
6	Autobytel Inc. 18872 MacArthur Blvd., Ste. 200 Irvine 92612-1448	autobytel.com abtllegal@autobytel.com	56.5%	\$149 million	\$2.8 million	\$185.5 million	116 10.5%	200 1%	ABTL Nasdaq	Internet marketing services for automotive industry	Jeffrey H. Coats CEO/president/director (949) 225-4500/(949) 862-1323
7	CalAmp Corp. 15635 Alton Parkway, Ste. 250 Irvine 92618-7328	calamp.com calamp@nvnadvisors.com	27.1%	\$306.4 million	\$10.2 million	\$490.5 million	44 4.8%	852 86%	CAMP Nasdaq	Wireless service provider and products maker	Michael Burdick CEO/president (949) 600-5600/(805) 856-3857
8	Acacia Research Corp. 520 Newport Center Drive, 12th floor Newport Beach 92660-7020	acaciaresearch.com info@acaciaresearch.com	25%	\$116.6 million	(\$194.5 million)	\$297.3 million	40 ⁽²⁾ NA	42 -26.3%	ACTG Nasdaq	Patent licensing company	Marvin Key interim CEO of Acacia Research Corp./CEO of Acacia Research Group LLC (949) 480-8300/(949) 480-8301
9	Bridgford Foods Corp. 1308 N. Patt St. Anaheim 92801-2581	bridgford.com publicrelations@ bridgford.com	24.7%	\$166.2 million	\$18 million	\$113.4 million	60 ⁽²⁾ NA	507 4.1%	BRID Nasdaq	Maker, distributor of bread, meat products	William Bridgford chairman (714) 526-5533/(714) 992-9321
10	Endologix Inc. 2 Musick Irvine 92618-1631	endologix.com customerservice@ endologix.com	21.9%	\$170.8 million	(\$140.7 million)	\$1 billion	350 ⁽²⁾ NA	619 4.9%	ELGX Nasdaq	Medical device maker	John McDermott chairman/CEO (949) 595-7200/(949) 699-9622
11	DynTek Inc. 4440 Von Karman Ave., Ste. 200 Newport Beach 92660-2011	dyntek.com marketing@dyntek.com	21.5%	\$172.3 million	\$6.5 million	\$33.8 million	55 0%	220 2.3%	DYNE OTC	Technology services	Ron Ben-Yishay CEO/president (949) 271-6700/(949) 271-6794
12	ICU Medical Inc. 951 Calle Amanecer San Clemente 92673-6212	icumed.com customerservice@ icumed.com	15.5%	\$361 million	\$56.5 million	\$2.3 billion	165 10%	2,819 15.2%	ICUI Nasdaq	Medical device maker	Vivek Jain/Scott Lamb/Steve Riggs chairman, CEO/COO/VP, operations (949) 366-2183/(949) 366-8368

Source: B. Riley & Co. and the Business Journal. Abbreviations: NA: not applicable; wnd: would not disclose.

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⁽¹⁾ Irvine-based California Republic Bancorp merged with Walnut Creek-based Mechanics Bank, effective Oct. 1.

⁽²⁾ Business Journal estimate.

Researched by Dana Truong

Growing Public

FASTEST-GROWING PUBLIC COMPANIES

Dollars and Jobs

Data below show the revenue, profit or (loss), market cap, and employee count at Orange County's fastest-growing small, medium, and large public companies (see lists on pages 18, 21 and 22, and related story page 1).

The 47 companies across all three sizes combine for \$25.5 billion in revenue, \$1.3 billion in net income, \$54.5 billion in market cap, and 13,085 local employees.

Small
22 companies

\$452.3M **(\$130.8M)**
Revenue Net income

\$1.3B **1,154**
Market cap Local Employees

Midsize
12 companies

\$2.5B **(\$158.7M)**
Revenue Net income

\$5.9B **1,825**
Market cap Local Employees

Large
13 companies

\$22.5B **\$1.6B**
Revenue Net income

\$47.3B **10,106**
Market cap Local Employees

Source: B. Riley & Co., the companies, regulatory filings

Note: Financial data as of June 30; employee count as of September 30

Research by Dana Truong and Paul Hughes
Graphics by Brette Miller

FASTEST-GROWING PUBLIC COMPANIES: SMALL COMPANIES

Rank Prev. Rank	Company •Address	•Website •Email	Two-year revenue growth	Revenue for 12 months ended 6/30/2016	Net income (loss) for 12 months ended 6/30/2016	Market capitalization as of 10/24/2016	OC employees •yearly % change	Companywide employees •yearly % change	Stock symbol Stock exchange	Company/product description	Top local official(s) •Title •Phone/fax
1	mLight Tech Inc. 3100 Airway Ave., Ste. 141 Costa Mesa 92626-4614	thedingking.com	199.5%	\$2.5 million	\$24,840	\$702,100	6 ⁽¹⁾ NA	6 500%	MLGT OTC	Ding King Training Institute Inc. (wholly-owned subsidiary) provides training and equipment for paintless dent repair and other related auto appearance programs	Todd Sudeck CEO (949) 981-3464
2	Blackcraft Cult Inc. 2830 E. Via Martens Anaheim 92806-1751	blackcraftcult.com	194.1%	\$2.3 million	\$63,730	\$398.3 million	8 60%	8 60%	BLCK OTC	Apparel company	James Somers president (949) 547-5916
3	Terra Tech Corp. 4700 Von Karman Ave., Ste. 110 Newport Beach 92660-2194	terratechcorp.com	172.4%	\$15.4 million	(\$13.5 million)	\$161.4 million	41 272.7%	41 272.7%	TRTC OTC	Designs and manufactures horticulture equipment	Derek Peterson CEO/president (855) 447-6967/(888) 330-6883
4	XsunX Inc. 65 Enterprise Aliso Viejo 92656-2705	xsunx.com info@xsunx.com	135.6%	\$906,598	(\$534,099)	\$1 million	3 0%	3 0%	XSNX OTC	Solar energy solutions	Tom Djokovich CEO (949) 330-8060/(949) 266-5823
5	ChromaDex Corp. 10005 Muirlands Blvd., Ste. G Irvine 92618-2533	chromadex.com info@chromadex.com	122.5%	\$26.8 million	(\$1.3 million)	\$109 million	40 14.3%	81 1.3%	CDXC OTC	Natural products company	Frank Jaksch co-founder/CEO (949) 419-0288/(949) 419-0294
6	Premier Holding Corp. 1382 Valencia Ave., Ste. F Tustin 92780-6472	prhlcorp.com info@prhlcorp.com	117.2%	\$5.3 million	(\$5.7 million)	\$16.7 million	1 NA	1 NA	PRHL OTC	Energy efficiency products and services provider	Randall M. Letcavage chairman/CEO/president (949) 260-8070
7	Adaptive Medias Inc. ⁽²⁾ 16795 Von Karman Ave., Ste. 240 Irvine 92606-4998	adaptivem.com marketing@adaptivem.com	109.5%	\$3.7 million	(\$16.8 million)	\$67,991	30 0%	30 0%	ADTM OTC	Internet software and services	John B. Strong CEO (949) 525-4634
8	Cryoport Inc. 17305 Daimler St. Irvine 92614-5510	cryoport.com info@cryoport.com	104.9%	\$6.4 million	(\$11.8 million)	\$27.7 million	31 14.8%	31 14.8%	CYRX OTC	Cold chain frozen shipping systems provider	Jerrell Shelton CEO/president (949) 470-2300
9	Seychelle Environmental Technologies Inc. 22 Journey Aliso Viejo 92656-5304	seychelle.com info@seychelle.com	102.6%	\$9.5 million	\$132,838	\$4.7 million	22 -47.6%	25 -44.4%	SYEV OTC	Portable water filtration products	James Place CFO (949) 234-1999/(949) 234-1998
10	Peregrine Pharmaceuticals Inc. 14282 Franklin Ave. Tustin 92780-7062	peregrineinc.com info@peregrineinc.com	99.5%	\$44.7 million	(\$55.7 million)	\$86.6 million	303 21.7%	306 21.4%	PPHM Nasdaq	Drug developer	Steven King CEO/president (714) 508-6000/(714) 838-5817
11	Pro-Dex Inc. 2361 McGaw Ave. Irvine 92614-5831	pro-dex.com investor_relations@pro-dex.com	86.4%	\$20.2 million	\$822,000	\$20.1 million	65 8.3%	80 0%	PDEX Nasdaq	Medical devices and motion control systems, engineering services, staffing and consulting, contract manufacturing	Rick Van Kirk CEO/president (949) 769-3200/(949) 769-3280
12	Propel Media Inc. 2010 Main St., Ste. 900 Irvine 92614-7215	propelmedia.com contact@propelmedia.com	83%	\$68.7 million	\$1.5 million	\$7.5 million	62 ⁽¹⁾ NA	62 -24.4%	PROM OTC	Performance digital media company	Marv Tseu CEO (949) 251-0640
13	Accelerize Inc. ⁽³⁾ 20411 S.W. Birch St., Ste. 250 Newport Beach 92660-1771	getcake.com info@getcake.com	79.9%	\$22.6 million	(\$3.8 million)	\$19.5 million	75 -21.1%	95 -18.1%	ACLZ OTC	Digital marketing software provider	Santi Pierini/Dave Stewart/ Anthony Mazarella president of CAKE, COO of Accelerize/CTO/CFO (949) 548-2253/(949) 515-2122
14	CombiMatrix Corp. 300 Goddard, Ste. 100 Irvine 92618-4624	combimatrix.com info@combimatrix.com	60.8%	\$11.3 million	(\$6 million)	\$5.8 million	65 16.1%	65 16.1%	CBMX Nasdaq	Medical diagnostic testing	Mark McDonough CEO/president (949) 753-0624/(949) 753-1504
15	True Drinks Holdings Inc. 18662 MacArthur Blvd., Ste. 110 Irvine 92612-1205	truedrinks.com sales@truedrinks.com	57.9%	\$4.3 million	(\$12.3 million)	\$11.9 million	13 30%	13 30%	TRUU OTC	Beverages and health snack products manufacturer	Kevin Sherman CEO (949) 203-3500
16	GreenGro Technologies Inc. 1100 Orangefair Lane, Ste. I Anaheim 92801-1107	greengrotech.com info@greengrotech.com	55.2%	\$468,431	(\$3.6 million)	\$42.1 million	wnd	wnd	GRNH OTC	Eco-friendly vertical cultivation systems	James Haas Jr. CEO (714) 441-1408/(714) 441-1409
17	Service Team Inc. 18482 Park Villa Place Villa Park 92861-5321	serviceteaminc.net	43.6%	\$3.4 million	(\$386,599)	\$255,107	wnd	wnd	SVTE OTC	Manufactures commercial truck bodies primarily for transporting frozen or refrigerated food products	Carlos Arreola CEO/president (714) 538-5214
18	Auxilio Inc. 27271 Las Ramblas Mission Viejo 92691-8041	auxilioinc.com info@auxilioinc.com	40.6%	\$61.5 million	\$2.5 million	\$20.1 million	50 0%	320 0%	AUXO OTC	Manages print and cyber security services for the healthcare industry	Joseph Flynn CEO/president (949) 614-0700/(949) 614-0701
19	California First National Bancorp 28 Executive Park Irvine 92614-6740	calfirstbancorp.com invest@calfirstbancorp.com	28.8%	\$32.6 million	\$8.6 million	\$145.5 million	98 -3.9%	99 -3.9%	CFNB Nasdaq	Bank holding company	Patrick E. Paddon chairman/CEO/president (949) 255-0500/(949) 255-0501
20	MRI Interventions Inc. 5 Musick Irvine 92618-1638	mriinterventions.com info@mriinterventions.com	27.7%	\$5.3 million	(\$5.3 million)	\$12 million	33 -10.8%	33 -10.8%	MRIC OTC	Medical device company	Francis Grillo CEO (949) 900-6833/(949) 900-6834
21	CommerceWest Bank 2111 Business Center Drive Irvine 92612-1019	cwbk.com info@cwbk.com	24%	\$21.2 million	\$4.4 million	\$71.7 million	70 16.7%	70 0%	CWBK OTC	Bank	Ivo A. Tjan chairman/CEO/president (949) 251-6959/(949) 251-6957
22	Iteris Inc. 1700 Carnegie Ave., Ste. 100 Santa Ana 92705-5551	iteris.com info@iteris.com	20.2%	\$83.3 million	(\$12.4 million)	\$114.2 million	138 8.7%	387 -8.5%	ITI NYSE	Applied informatics for transportation and agriculture	Joe Berger/Andy Schmidt CEO/CFO (949) 270-9400/(949) 270-9406

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⁽¹⁾ Business Journal estimate

⁽²⁾ Adaptive Medias plans to combine with AdSupply Inc. and move its headquarters to Culver City

⁽³⁾ Previously listed as Accelerize New Media Inc.

From Fee Builder to Fastest Grower

Weyerhaeuser Buy Helps TRI Pointe to 660% Jump in Sales

■ By MARK MUELLER

You can add another first to the resume of **TRI Pointe Group Inc.**, a homebuilder whose growth over the past seven years is among the most rapid of any Orange County company on record.

The Irvine-based company, which oversees a family of regional homebuilders that span the country, ranks No. 1 among this week's Business Journal list of the fastest-growing large public companies in Orange County.

TRI Pointe's revenue jumped 660% in the 12 months ended June 30 to \$2.6 billion, up from \$339 million for the 12-month period ended June 2014.



Bauer: 'continuing to unlock the value that was embedded in the homebuilding assets we acquired from Weyerhaeuser'

It now has a market value of about \$2 billion and ranks among the country's top 10 homebuilders in terms of revenue.

Not bad for a company that kicked off operations in 2009 amid the rubble of the last recession and real estate downturn.

TRI Pointe was formed by Chief Executive **Doug Bauer**, President **Tom Mitchell**, and Chief Financial Officer **Mike Grubbs**, former executives of Newport Beach-based **William Lyon Homes**.

The company got its start working as a fee builder for Newport Beach-based **Irvine Company** on the land owner's first post-recession home development on the Irvine Ranch. It soon moved into more traditional homebuild-

ing arrangements in California and later in Colorado.

Its next big break was getting the financial backing of **Barry Sternlicht's Starwood Capital Group**, which helped jumpstart its operations with a \$150 million investment in 2010.

TRI Pointe weathered a couple of rocky years as the national housing market looked to find its feet after the recession, and eventually became the first builder to capitalize on Wall Street's renewed interest in the homebuilding industry, raising \$233 million in an initial public offering in January 2013.

It was the first U.S. homebuilder to go public via an IPO in nearly eight years. The IPO was also the largest in OC in several years.

A few other national builders, including William Lyon Homes, No. 5 on our large companies list, and Aliso Viejo-based **New Home Co.**, No. 3 among midsized companies, followed suit and went public shortly after TRI Pointe, which ranked No. 1 among local fast-growing midsized companies in 2014.

All that prior growth turned out to be just a warm-up act for the Irvine builder, whose headquarters are in the Google Center office campus near the intersection of Jamboree Road and MacArthur Boulevard.

In 2014, it completed the blockbuster buy of the homebuilding division of timber conglomerate **Weyerhaeuser Co.** in Federal Way, Wash., in a \$2.8 billion cash-and-stock



TRI Pointe Homes Group Inc.

- **Headquarters:** Irvine
- **Business:** Homebuilder
- **Founded:** 2009
- **Ticker symbol:** TPH (NYSE)
- **Revenue for 12 months ended June 30:** \$2.6 billion
- **Recent earnings:** \$75.4 million in Q2
- **Market value:** About \$2 billion



deal.

Weyerhaeuser's homebuilding operations—in Arizona, California, Texas, Washington, Nevada and Washington, D.C.—sold more than 3,000 homes for more than \$1 billion in revenue in the year prior to TRI Pointe's buy.

TRI Pointe, in comparison, sold about 400 homes in the same period. As one national report put it, the buy of the Weyerhaeuser assets was "like the minnow swallowing the whale."

The digestion of the larger company doesn't appear to be causing issues, based on recent bottom-line results.

The combined operations of TRI Pointe and Weyerhaeuser have seen more sales than when the two companies operated separately, a big chunk of them in its home state.

The company reported 1,258 new home orders in this year's second quarter, including 547 in California, where it operates as **TRI Pointe Homes** and as **Pardee Homes**, long

one of Southern California's most active builders and a former Weyerhaeuser unit that was based in El Segundo.

Pardee owned more than 4,000 home lots in San Diego County, among other assets, at the time of the 2014 deal, including over 1,000 lots at the Pacific Highlands Ranch development near Carmel Valley.

TRI Pointe has been selling some of those lots recently; last quarter it made \$62 million from the sale of 102 lots at Pacific Highlands Ranch.

"We are continuing to unlock the value that was embedded in the homebuilding assets we acquired from Weyerhaeuser just over two years ago," said Bauer, speaking after the company's latest earnings call with analysts.

"This value will continue to be realized through our homebuilding activity with increased communities and deliveries, along with periodic land sales, as we bring several strategic land assets to market in both coastal and inland California," he said.

TRI Pointe expects to sell between 4,200 and 4,400 homes this year with an average sales price of approximately \$550,000.

It's currently selling in 17 Southern California developments, including a pair of projects at Irvine Co.'s Orchard Hills, and two more at Rancho Mission Viejo LLC's Esencia development. Two more sets of homes at the Parasol Park development at Great Park Neighborhoods in Irvine will open for sales next year.

The company brought in \$624.8 million from home and land sales last quarter, up from \$495.3 million a year earlier. Net income rose to \$73.9 million in the quarter from \$54.9 million. ■



Even If Marijuana Initiative Passes, Employers' Substance Abuse Policies Won't Go Up In Smoke

By: James J. McDonald, Jr., Fisher Phillips

One of the many ballot propositions facing voters on November 8 will be Proposition 64, known as the "Adult Use of Marijuana Act." If enacted it will legalize the private recreational use of marijuana by persons 21 years of age or older. It will also make it lawful for each person to grow up to six marijuana plants for personal use. It will tax and regulate the growth and sale of marijuana as well.

Proposition 64 has been popular in pre-election polling, causing many employers to wonder what impact it will have on workplace substance abuse policies if it passes. Fortunately it appears that at least initially it would have little impact.

The language of Proposition 64 is clear. Its intent is to allow public and private employers to enact and enforce policies regarding marijuana. The proposition goes on to state that nothing in its language shall be construed or interpreted to:

- Amend, repeal, affect, restrict, or preempt the rights and obligations of public and private employers to maintain a drug and alcohol free workplace,
- Require an employer to permit or accommodate the use, consumption, possession, transfer, display, transportation, sale, or growth of marijuana in the workplace, or
- Affect the ability of employers to have policies prohibiting the use of marijuana by employees and prospective employees, or prevent employers from complying with state or federal law.

In addition the proposition states that it shall not amend, repeal, affect, restrict, or preempt laws making it unlawful to drive or operate a vehicle while smoking, ingesting or impaired by marijuana.

This language makes it clear that if the proposition passes employers will still be able to enforce drug-free workplace policies, including a prohibition on marijuana. Employers will not be required to "accommodate" marijuana use, medical or otherwise; there is already a California Supreme Court case holding that employers need not accommodate the use of medical marijuana.

James J. McDonald, Jr. is managing partner of the Irvine, California office of the labor and employment firm Fisher & Phillips LLP. He is author of *California Employment Law: An Employer's Guide*, published this year by the Society for Human Resource Management. He may be reached at jmcdonald@fisherphillips.com.



MCDONALD

Employers also will be able to continue drug testing of new hires and of employees upon reasonable suspicion of marijuana use. Employers, such as those in the transportation industry, that are required under federal law to conduct random drug testing will be permitted to continue such testing.

Workplace substance abuse policies should prohibit employees from using, selling, possessing, or having illegal drugs in their system while at work, versus prohibiting employees from being "under the influence" of illegal drugs. This is because a drug test can confirm whether someone has illegal drugs in their system, while being "under the influence" is a more subjective standard. A person could test positive for drugs under the latter standard yet argue that he was no longer "under the influence." Given that marijuana remains in a person's system for up to 30 days after use, the question may arise if Proposition 64 passes of whether an employee who engages in legal recreational use of marijuana and fails a drug test weeks later has violated her employer's substance abuse policy.

The language of Proposition 64 suggests an affirmative answer. The proposition upholds the right of an employer to maintain a drug free workplace. Employees having a testable amount of marijuana in their system would not qualify as drug free. The language of the proposition states that employers may still "prohibit the use of marijuana by employees and prospective employees" without limitation.

Therefore, while court challenges to determine the extent of an employer's ability to prohibit recreational marijuana use that results in a failed drug test are likely, for now employers should continue to apply their drug free workplace policy in the event Proposition 64 passes.

Pacific Premier's New Place

Streak Reaches Years, Puts Bank Atop Midsize Category

By MICHAEL DE LOS REYES

Irvine-based **Pacific Premier Bancorp Inc.** continued its fast growth for a fifth consecutive year.

The bank has been on the Business Journal's list of fastest-growing public companies since it was a "small" company with less than \$100 million in revenue in 2012. That year it had 148.7% revenue growth over a two-year period to \$45.2 million in annual revenue.

This year Pacific Premier is the No. 1 mid-size public company with about \$158.1 million in revenue, up 95.8% over a two-year span.



Gardner: 'timely and efficient acquisitions' boosted growth, performance

Pacific Premier had previous two-year revenue gains of 74.1% through June 2015, 32.4% through mid-2014, and 28.4% through mid-2013.

Assets, Acquisitions

Pacific Premier is the third largest Orange County-based bank in terms of assets, with about \$3.6 billion on June 30, according to the most recent report to the Federal Deposit Insurance Corporation.

That's up almost 37% from a year earlier and compares with a little more than \$1 billion in assets five years ago, when it moved its headquarters from Costa Mesa to Irvine.

The bank acquired about \$2.2 billion in assets and about \$1.8 billion in deposits through six transactions dating back to 2012. It paid about \$290.7 million in cash and equity for all of the acquired companies.

The "timely and efficient acquisitions" accelerated Pacific Premier's growth and performance, said **Steven R. Gardner**, president and chief executive, in an investor presentation in September.

The acquisitions expanded operations beyond Orange County or allowed the bank to enter niche markets.

The largest and most recent acquisition closed in January when the bank acquired **Security California Bancorp Inc.** in Riverside. The \$118.9 million cash-and-stock deal added about \$734 million in assets and \$654 million in deposits to the Irvine-based bank.

Pacific Premier added six branches in the counties of Riverside, San Bernardino and Orange, and a loan production office in Los Angeles County.

The bank's second largest acquisition, for \$71.5 million in cash and equity, occurred in 2014 with the purchase of **Independence Bank** in Newport Beach. It added about \$426 million in assets and about \$358 million in deposits.

The deal allowed Pacific Premier to offer "larger lending limits" and more services to customers, Gardner said in an SEC filing.

Pacific Premier Bancorp Inc.

- **Headquarters:** Irvine
- **Business:** banking
- **Founded:** 1975
- **Ticker Symbol:** PPBI (Nasdaq)
- **Recent earnings:** \$10.4 million for Q2
- **Market value:** About \$702 million



Two of the more interesting acquisitions occurred in 2012 and 2013 with the purchase of **First Associations Bank** in Dallas, Texas, and **Infinity Franchise Holdings LLC** in Montvale, N.J., respectively.

Pacific Premier acquired First Associations for about \$54 million in cash and stock, adding about \$356 million in assets and about \$306 million in deposits. First Associations primarily served homeowners associations and HOA management companies nationwide.

"This acquisition is a unique opportunity for us to acquire a highly efficient, consistently profitable and niche-focused business that will complement our existing banking franchise,"

Gardner said in a news release. "Additionally, this partnership will improve Pacific Premier's deposit base, lower our cost of deposits and provide us the platform to accelerate future core deposit growth."

The bank expanded its client base when it purchased Infinity Franchise in a \$16 million cash-and-stock deal in 2013. Infinity

Franchise had about \$79 million in loan commitments and solely provided financing to franchisees in the quick-service restaurant industry.

The Infinity Franchise management team originated more than \$1.7 billion in loans over 20 years to the owner-operators of **Yum Brands** restaurants, **Dunkin' Donuts**, and other national fast-food burger franchises.

"The franchisee lending business is an appealing niche market that provides excellent growth opportunities in the future," Gardner said regarding the opportunities to provide additional loans for real estate development and business growth.

The bank reported about \$9.2 million in net income in a "disappointing" third quarter ended on Sept. 30, Gardner said during a conference call.

The bank needed to double a provision to \$4 million because of a commercial-and-industrial loan to an OC engineering company.

The client "had performed well for years," Gardner said, but closed after it lost its largest customer and one of the partners had a "medical issue."

The bank had to increase its loan losses and report lower income due to that client's misfortunes.

But commercial-and-industrial loans are about 20% of Pacific Premier's assets, according to the FDIC. About 61% of the bank's assets are in real estate, about \$1.2 billion in commercial real estate loans. ■



Ding King Lives Up to Title on Small Companies List

■ By DEIRDRE NEWMAN

The fastest-growing public company in the small company category on this week's Business Journal list doesn't really live up to its name anymore.

The Costa Mesa-based enterprise is officially called **mLight Tech Inc.**

But the name reflects a reverse merger that was a means to an end for auto-repair specialist **Ding King Training Institute** to go public.

Ding King acquired mLight Tech—a one-time software developer—in the 2013 deal.

Any seeming mismatch on the corporate ID hasn't gotten in the way of growth. The company known as mLight Tech and doing business as Ding King has achieved 200% growth in revenue over the past two years.

Match-Up

Ding King is a state-licensed dent-repair training school that's been around for almost 25 years. It trains employees of used-car dealers and body shops on how to provide painless dent repair and auto reconditioning services. It also offers training programs for entrepreneurs who want to open their own businesses, with a focus on military veterans and others seeking vocational training.

mLight Tech was an early-stage company working on creating software to simplify the management of networked personal computers. It planned to develop technology, such as automating network

inventory. It was founded in 2010 and based in Costa Mesa with two employees.

Beginnings

Ding King founder **Todd Sudeck** was inspired to start his company after getting a dent in his car and taking it to a body shop for a quote, according to the company website. He then decided to do the repair himself and tried to pop the dent

out, with no luck. His neighbor was watching and told him about a painless dent-repair technician that he used. When Sudeck brought the car in, he watched the technician take the dent out in less than 10 minutes, saving him a few hundred dollars.

Sudeck initially grew the company to 275 technicians, servicing more than 25 car washes, hundreds of used car dealers and several large rental-car companies. He eventually opened training centers, and now has locations in California, Colorado, Texas, Missouri, New York and South Carolina. He could not be reached for comment.

New Tools

Master Instructor **James Ramirez**, who's been working at Ding King for 20 years, said he attributes the fast growth of the company to a combination of factors, including new tools, systems and training techniques. The tools include a new version of a "whale tail" that Ramirez helped create through a manufacturing company Ding King uses, he said. Whale tails are

named for the shape of their heads and are used to get under tight braces.

Ding King also has a new auto-detailing system with new chemicals, he added. And its training techniques are evolving constantly based on new car models being rolled out, he said.

The Costa Mesa school location, which is also the company's headquarters, attracts students from all over the world, including Puerto Rico, Greece and Thailand, Ramirez said.

Details

Rob Ridgeway, detail manager at **Price Automotive Group**, a Honda and Acura dealership in Delaware, has been a student at the Costa Mesa school for a couple of weeks. He brought one of his technicians, **Dylan Burk**, with him. Ridgeway selected Ding King after checking out several auto repair schools online. He chose this one, he said, because of the follow-up by the administrative staff. Ding King offers comprehensive training packages that include hotel rooms and airfare, he said. He likes the fact that students can pace themselves—new classes start every Monday—and stay as long as they need to, depending on what kind of training they're seeking. He said it's helpful that the trainers will accommodate students' schedules, coming in early, staying late and working on weekends.

"The trainers are great," he said. "They work with you through the whole process. They will adapt to your schedule and cater to your needs." ■



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