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BUSINESS AWARDS

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Using Independent Contractors in California is a Risky Business: Exposing Five Common Myths

by Gregory M. Clement, Partner, Burkhalter Kessler Clement & George LLP

Despite much publicity, an immense amount of ignorance still persists among California businesses regarding the legally permissible use of independent contractors.1 Some businesses use independent contractors only occasionally for special projects, others use independent contractors on a regular, ongoing basis, instead of hiring permanent employees. Further complicating matters is the army of individuals enthusiastically offering their services to companies as freelance “consultants,” “outsourced IT departments” and the like. Rising employee costs and cheap “work from anywhere” technology have persuaded many companies to outsource to independent contractors functions that they previously entrusted to employees.

An in-depth analysis of what differentiates an employee from an independent contractor is beyond the scope of this article and, as the California Department of Industrial Relations states on its website, there’s no set definition of the term “independent contractor,” making this a legally grey area. The “main” test in California is whether the principal has the right to direct and control the manner and means by which the work is done. However, the mere existence of that right is exercised, however, the goal of this article is to dispel five of the most common myths that persist about engaging independent contractors in California.

Myth #1: As long as I have a written agreement with someone who agrees to be an independent contractor, it’s fine. Under California Labor Code Section 337, there is a “rebuttable presumption” that when an individual performs services for a business, that individual is an employee. What does this mean in practice? It means that an independent contractor (or a third party—more on that later) never claims she was your employee (whether in a lawsuit, Labor Board, or other administrative agency claim), you will be presumed “guilty” of being that person’s employer unless you can prove your innocence. Proving innocence is difficult in any context and, practically speaking, this author has found that there is rarely any downside to the independent contractor claiming to be an employee whenever it is financially beneficial for her to do so. Even a signed, well-drafted agreement does not necessarily cure the problem either, because in California the mere existence of a written agreement purporting to establish an independent contractor relationship is not dispositive of the issue. Neither does simply issuing the independent contractor a Form 1099, rather than a W-2.

Myth #2: I’m only hiring someone as an independent contractor on a short-term or part-time basis, so it won’t be a problem. California law makes no distinction between the status of an individual working on a short-term or part-time basis on the one hand, versus a long-term or full-time basis on the other hand. While it’s true that the length of time an independent contractor is engaged is a factor considered in evaluating the individual’s status, someone hired to perform services just for one day, or for a few hours a week, can certainly be found to be an employee. Businessmen often make the costly mistake of hiring former employees back on a part-time basis as independent contractors because they fail to recognize that it is the nature of the work performed, the level of skill involved and, first and foremost, the control exerted over the worker, and not the length of the engagement or the individual’s working day, that are the most important legal factors. For example, hiring a former employee receptionist or clerical assistant back in the same part-time role as an independent contractor receptionist or clerical assistant would never pass legal scrutiny if challenged.

Myth #3: I only hire people who I know and trust as independent contractors and they would never sue me or claim to be my employee. Unfortunately, your independent contractors aren’t the only people you have to worry about! Unbeknownst to many businesses, there are numerous third parties who may have a significant financial incentive to challenge the classification of your independent contractors. In addition to obvious ones like the IRS and the Franchise Tax Board. For example, if your independent contractor is injured while performing services for you and receives medical treatment through his health insurance carrier, that carrier may then attempt to recoup the treatment costs from you through a subrogation action, claiming that the claim should have been paid by you, as the person’s legal employer, through your workers’ compensation policy. Such claims can be very problematic, especially if the business lacks a workers’ compensation policy since it did not think it needed one. Workers’ compensation carriers such as State Fund also regularly audit their insured’s use of independent contractors and issue supplemental bills if they conclude the insured’s independent contractors were really employees. As another example, if your independent contractor seriously injures someone in a vehicle accident while working for you and has minimal auto liability insurance, it is highly likely that the injured party’s personal injury lawyer will make a claim against you. If an employment relationship is found, you will be responsible for any liability resulting from the driver’s negligence and, depending on your business’ commercial auto liability insurance policy, or lack thereof, you could be faced with defending a multi-million dollar lawsuit with no insurance in effect.

Myth #4: Using independent contractors is common in my industry and everyone does it and therefore so can I. Things change and so do the targets of plaintiffs’ contingency employment lawyers. For example, for many years delivery services and trucking companies have relied heavily on so-called “owner-operated” drivers to service their customers and have faced relatively few legal challenges to this practice. However, in the past two years, class action lawsuits have proliferated calling this practice into question and the California Supreme Court recently concluded that the State of California could pursue a trucking company for independent contractor classification claims under California’s unfair competition law, despite the company’s assertion that the State’s claims were preempted by a Federal statute regulating Federally licensed motor carriers. This author is also personally aware of numerous other class action lawsuits and hundreds of wage claims filed with the California Division of Labor Standards Enforcement against trucking companies in Southern California within the past year or two. Accordingly, it is very unwise for a business to assume that just because others in the same industry use independent contractors, they can too.

Myth #5: The IRS/EDD audited my company’s use of independent contractors last year and we passed the audit so I have nothing to worry about, right? Firstly, the IRS applies a different test in some cases to determine whether a worker is an employee or an independent contractor than does the State of California. However, the most important thing to recognize is that an IRS or EDD audit is very different to a civil lawsuit. And, while a defendant employer could certainly cite the positive outcome of an EDD audit as evidence in a civil lawsuit, an experienced plaintiffs’ employment lawyer or personal injury lawyer for someone seriously injured or killed by an independent contractor, with the ability to conduct depositions and undertake significant discovery, is very unlikely to be deterred from filing or pursuing a lawsuit just because of the result of a past audit conducted by an overworked governmental agency auditor.

Conclusion. Many California businesses are either very naïve or very cavalier in their use of independent contractors to reduce their costs and give themselves more flexibility. Few realize just how easy it is for an independent contractor, or any number of third parties to win a claim that your independent contractor was actually your employee. One successful claim alone could be enough to put even a financially healthy company out of business. Accordingly, businesses should tread carefully and enlist the help of knowledgeable professional advisors such as HR specialists and employment lawyers before making a decision to use independent contractors. Believing any of the myths discussed in this article could prove to be very harmful to your business’ wealth.

1 In this article, the term “independent contractors” is used to connote individuals, not well-established bona fide businesses, which are legal entities and have bricks and mortar offices.

Gregory M. Clement
Gregory M. Clement is a partner at BKCG whose practice focuses on corporate, real estate and other transactional matters, as well as a wide array of employment law issues. He has handled the purchase and sale of numerous companies, including several multimillion dollar acquisitions by publicly traded companies. Mr. Clement represents clients in a wide variety of fields including transportation, software, entertainment, insurance, internet and telecommunications. For more information, please contact Mr. Clement at 949.975.7500 or gclement@bkcglaw.com.
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Getting Your Credit in Shape
How to strengthen your credit for better financial health

by Ben Alvarado, Executive Vice President, President, Wells Fargo Orange County-Inland Community Bank

Your credit is much like your physical health: the weaker it is, the harder it may be to get fit and accomplish your goals. But with hard work and dedication, maintaining good fiscal and physical health can be accomplished. Getting the results you desire takes discipline and does not depend on one action, rather a combination of responsible actions like keeping a healthy and balanced diet, getting a good night’s sleep, exercising regularly and scheduling yearly checkups with your doctor. Maintaining good credit is no different—a little work and some good habits can take you far. This means that you should pay your bills on time, manage your debt, and keep track of your credit report and spending.

Why is it important to keep an eye on your credit? First, lenders aren’t the only people who look at an individual’s credit history to make decisions—many insurance companies, cell phone providers and landlords do, too. So even if you aren’t planning on applying for new a loan or a credit card, maintaining healthy credit can help in other areas of your life.

A recent study by the National Foundation of Credit Counseling revealed that 37 percent of Americans are embarrassed about their credit card debt, followed by 30 percent feeling shame about their credit score. The good news is that less than perfect credit can be fixed. Establishing or rebuilding credit takes time and the best way to get your credit in shape is to manage it responsibly over time; just as you would routinely exercise if you wanted to maintain a healthy weight.

Create a Monthly Routine
Whether you have a credit card or just simply have the responsibility of paying your cell phone bill, making on-time payments on all your bills is essential to maintaining and building healthy credit. Missing a payment can have many consequences: not only can it cost you more money with late fees and increase interest rates, but it can lower your credit score once reported to the credit reporting agencies.

Your payment history is one of the biggest factors in your credit score, so making loan and other payments like phone bills and even utility bills on time will help keep your credit strong. A good practice to making timely payments is to keep a list of all the bills you have due. You can contact your lender to adjust the payment due date to coincide with others and having one set due date for all your bills will make it easier to remember. Another simple way to avoid late/missed payments is to sign up for automatic payments when possible. Always make sure you have sufficient funds by scheduling the payments to coincide with your pay schedule. Most importantly, you should develop a routine that you are comfortable with and works best for you.

Manage a Healthy Spending Habit
Maintaining a good credit score also requires you to manage a healthy spending habit. This means that you should not spend more than you can manage or exceed your credit limit.

Your credit limit is the maximum spending amount established by your lender, which is set when you apply for a credit card or line of credit. Lenders and credit card companies determine your credit limit based on many factors, including your ability to repay and the strength of your credit. Avoid spending more than you can manage to pay back and don’t go over your credit limit because doing so suggests you have trouble managing your credit responsibly.

To avoid going over your limit and acquiring any unnecessary penalty fees, try to keep your spending below the set amount. Keep debt at no more than 35 percent of your gross monthly income. Lenders look at the amount of debt a consumer has compared to their income when making credit decisions.

Conduct an Annual Credit Report Check
Part of making sure that you’re maintaining good health also involves taking preventative actions, such as going to the doctor at least once a year for routine check-ups. Maintaining a good credit score also requires you to check your credit report at least once a year to make sure there are no errors that can prevent you from getting credit or a better interest rate.

It’s also important to review your information regularly to protect yourself against identity theft by looking for unusual activities such as credit inquiries you don’t recognize. If you were to find an error, you can fill out a dispute form provided by the credit agency. If you find an error and are in the process of applying for a loan, you should immediately notify your lender. Even though small errors may not affect your credit score as much, significant errors can have a much bigger impact.

You can review your credit report from any of the three major U.S. credit reporting agencies: Equifax®, Experian® and TransUnion®. Consumers are entitled to one free credit report from each of the three major agencies once a year. You can order your free credit report through www.annualcreditreport.com.

From Oct. 1 through Nov. 16, 2014, Wells Fargo is providing a free credit report to its consumer customers as part of its Get Smart About Credit initiative, a national financial educational program about responsible use of credit and the important role it plays in a person’s overall financial health and wellness. If you’re a Wells Fargo customer, you can visit www.wellsfargo.com/freecreditscore for more information.

Achieving financial health takes practice and dedication. Your credit is like your health in the sense that it takes commitment and practice of healthy actions to strengthen it. To learn more on how you can get your credit in shape, visit Wells Fargo’s My Financial Guide site.

Ben Alvarado
Ben Alvarado is executive vice president and president of Wells Fargo’s Orange County-Inland Community Bank. He oversees approximately 2,000 financial professionals at 121 banking stores and manages more than $18.9 billion in deposits and $5.9 billion in loans.

Alvarado, a 25-year banking veteran, assumed his current role in July 2011. Prior to being named president for the Orange County-Inland Community Bank, Alvarado served as area president for the Long Beach Coastal Community Bank. He also has served in various positions at the company, including retail bank district manager for the Pasadena and South Bay markets; commercial loan officer; sales development coach; banking store manager; personal banking officer, and bank teller.

Alvarado earned his bachelor’s degree at California State University, Long Beach, and an MBA from Pepperdine University. Alvarado is active in the community and serves on the board of directors for Orange County United Way; the advisory board for Miller Children’s & Women’s Hospital Long Beach; the board of directors for Bundles of Books in Los Alamitos; and the alumni board for La Salle High School in Pasadena.

Alvarado resides in Rossmoor with his wife and two children.

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Assisting Clients in Achieving Their Goals
A unique part of Italian heritage and design has a special home here, and it can be found at the Maserati of Newport Beach showroom. Maserati was founded in Italy in 1914, and this year marks the brand’s 100th anniversary. From its origins in racing, to the evolution of its incredible model range of road vehicles today, Maserati’s success, passion, innovation and prestige can be experienced here in our area, and in cities and countries around the world.

Since 2002, Maserati of Newport Beach has served customers in Orange County and throughout Southern California. It is the largest Maserati-dedicated store in the United States, boasting a 12,500-square-foot showroom on Pacific Coast Highway in Mariners Mile. The community has embraced the store’s sales and service teams which has enabled the dealership to experience steady growth since its beginnings. Plans to expand its footprint to accommodate more models and inventory are underway, and the dealership’s new sales manager, Shawn Veronese, says the store is pleased to offer extended hours of operation.

Maseratis requiring service, maintenance or collision repairs are expertly handled by certified, trained technicians at the new Maserati of Newport Beach Service and Collision Repair Center in Costa Mesa – one of the only factory-certified repair facilities in the country.

The esteemed Maserati Trident badge has adorned every Maserati vehicle throughout its 100-year history, and symbolizes everything the brand has become known for – unmatched style, innovative design, technology, luxury, performance excellence and more. Its sleek looks and distinctive sound, known to car enthusiasts and aficionados everywhere, gets noticed on the street. It’s not surprising that an increasing number of BMW, Mercedes-Benz, Audi and Lexus owners are turning to Maserati for their next luxury vehicle purchase. The Ghibli, a 2013 IIHS top safety pick and starting at an impressive $66,900, has been the driving force behind an infusion of new buyers into the Maserati family, according to Veronese.

“We provide our customers with an unparalleled level of service, and it shows in the success our dealership has achieved as the pinnacle luxury vehicle brand in Newport Beach,” said Veronese. “It helps that our vehicles offer owners the absolute best in quality, styling and performance. We’re passionate about our cars and enjoy connecting with local customers all over Southern California, which is why we welcome the opportunity to educate customers about our longstanding heritage, and about the unique features of our vehicles that set them apart from other luxury vehicles on the road today.”

Maserati of Newport Beach invites you to experience its Italian masterpieces. Visit the showroom to view the full range of Maserati models, located at 1100 West Coast Highway in Newport Beach. Expanded hours of operation are: Monday through Friday 9 am – 8 pm; Saturday 9 am – 7 pm; and Sunday 11 am – 6 pm. Call 888.703.7242 to speak with a Maserati professional. Visit the dealership’s website at www.maseratiofnewportbeach.com for more information. Follow Maserati of Newport Beach on Facebook to learn about events and special lease offers.
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Burkhalter Kessler Clement & George LLP (BKCG) offers experienced legal counsel and strategic representation to small and medium-size businesses and high net worth individuals throughout Southern California.

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We invite you to visit our website at www.bkcg-law.com to review our team, our experience and our vast capabilities ready to help you and your business succeed.

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“BKCG understands what is important to our business, our unique company dynamics and they represent us as if they are our partner, not just a client.”
- Pete MacInnis, Founder, Chairman and Chief Executive Officer, E-LEND

“I was able to obtain very strong and solid references from their existing clients, promptly. From the onset, I valued their honest approach and client-centric philosophy of doing business.”
- Jessica Huang, Managing Director of Kirin International Holding Incorporated
I you’ve been keeping up with the news, you may know that California lost out to Nevada in its effort to persuade Tesla Motors to build its so-called giga-factory in the Golden State. But California is still seeking ways to draw in businesses and strengthen its jobs picture. One of its key tools? The California Competes Tax Credit (CCTC).

Opportunity Knocks

Part of the Governor’s Office of Business and Economic Development (GO-Biz), this initiative consists of an awarded credit that offsets California state income or franchise tax. It’s designed to help businesses continue or expand their operations in the state and to encourage out-of-state businesses to move to California. The credit is available to any size company in any industry, with no boundary restrictions anywhere within California. Each fiscal year through 2017-2018, up to $200 million will be awarded.

Of the aggregate amount of tax credits available each fiscal year, 25 percent is reserved for small businesses. For the purposes of the credit, a small business is defined as one that had less than $2 million in gross income in the prior year. Any credit amount not awarded during the application period will carry over to the next application period.

GO-Biz will announce the application periods before each new fiscal year. There may be more than one period in any fiscal year so that the available tax credits aren’t exhausted at the beginning of a fiscal year.

The application process involves a two-phase review. The first takes a high-level look at your business:

▶ What do you do?

▶ Are you a small business (that is, did you have less than $2 million in gross receipts last year)?
▶ What is your proposed project, and does it involve retaining, expanding or relocating your business in California?
▶ What will your investment be?
▶ How many employees do you have?
▶ What is the employees’ compensation?
▶ Where is the business located, or where will it be located?
▶ Will you leave California if you’re not considered for this credit?

Phase 2 asks to see further details from the most competitive applicants, including:

▶ How many existing employees will retain their jobs as a result of this proposed project?
▶ What’s the strategic importance of your project to California?
▶ Will there be opportunities for growth or expansion in the future?

Following the application review process, GO-Biz will contact selected applicants to negotiate the terms and conditions of their tax credit agreement.

Next Steps

For the 2014–2015 fiscal year, GO-Biz has allocated $150 million (plus any unallocated funds from the previous application period) to be awarded during the three application periods:

▶ $45 million from September 29 to October 27, 2014
▶ $75 million from January 5 to February 2, 2015
▶ $30 million from March 9 to April 6, 2015

The review process is competitive and can be complex, so reaching out to an accounting firm that specializes in California state tax credits and incentives is important. You can gain valuable insight from advisors who have helped other companies qualify for the credit and who monitor the legislature to stay informed about proposed changes to the credit and additional allocation amounts. The right advisors should also be able to provide:

▶ Guidance on your overall application package
▶ Recommendations for improving selection criteria
▶ Help reviewing and evaluating available documentation
▶ Advice on the level of risk associated with any published information
▶ A computation based on the quantitative selection criteria
▶ Advice on subjective selection criteria
▶ Evaluation of sites selected for potential California investment
▶ Research on other state incentives, if needed
▶ Assistance responding to any follow-up requests by GO-Biz
▶ Negotiations on terms and conditions of the agreement, credit computation, terms of credit use and terms of recapture
▶ Representation for your business before the CCTC Committee, GO-Biz and the Franchise Tax Board as needed

The CCTC offers a valuable incentive to businesses that want to either keep and expand operations in the Golden State or move them here. It may not have been quite enough for Tesla, but it might be just right for you.

Alan Villanueva

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Robyn Davis

Based in Sacramento, Robyn Davis specializes in helping her clients take advantage of a wide range of California tax credits and incentives, including the CCTC. You can reach her at 916.503.8109 or robyn.davis@mossadams.com.
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Succession Planning for Closely Held Businesses
A succession plan eases the transfer of power

by Jeff Hipshman, Partner, HMWC CPAs & Business Advisors

If something were to happen to yourself or other owners, what would happen to your business? What are your plans for transitioning your business, either by selling it to an outside party or passing it on to your heirs? These issues point out the need for succession planning. A succession plan is a tool to help a business to be prepared for the transition of management and ownership, clarifying authority and decision-making and thereby maintaining accountability and ensuring stability. It not only helps ensure the ongoing prosperity of your business, but also protects family members and reduces turmoil in the event of unexpected circumstances. Here are a few considerations in preparing a succession plan.

Key Components

It is typically best to begin creating your succession plan while you are healthy and fully involved in running your company, perhaps no later than your mid-50s to early 60s. For maximum effectiveness, your plan should address a number of issues, including management, ownership, legal concerns, expansion plans, product development, finances and taxes. The plan should reflect both the needs of your business, as well as your personal interests and goals. To ensure a continuity of business goals and strategies, consider which aspects of the plan should be prepared in conjunction with your successor(s).

This process may point out the need for an appropriately structured buy/sell agreement. Buy/sell agreements protect the business, owners and their families if one of them can no longer work. Without a buy/sell agreement, an owner’s family would own his or her share of the business if he or she passed away. They could participate in the profits without contributing to them. A buy/sell agreement solves that problem, as well as other issues. Work with your CPA and attorney to develop a buy-sell agreement.

Sell or Transfer It?

A difficult decision is whether you’ll give ownership to your children or sell the business. Your successor should possess the appropriate education, skills, professional experience and management abilities necessary to preserve and grow your business. Key characteristics to look for in a potential successor include motivational and conflict resolution skills and the ability to communicate ideas and a vision for the company that’s in line with yours. Keep in mind that as your business evolves, your successor may need a different set of skills than you possess.

If your children will take over, you need to decide whether you’ll transfer your ownership interests during your life or at death and plan for any gift or estate tax liability, which could be sizable. If you choose to sell, you can sell to an outsider or to employees. If you choose the latter, you may want to consider setting up an employee stock ownership plan. Once you’ve decided who will own your business, your plan should detail how the ownership transfer will take place. For instance, how will the successor purchase company assets or stock? In some cases, insurance policies provide funding for the purchase. The succession plan should include a timeline of when company property or management tasks will be transferred to your successor. Your retirement income could be significantly impacted by these decisions.

Jeffrey Hipshman

Jeffrey Hipshman, CPA, is a partner with HMWC CPAs & Business Advisors (www.hmwccpas.com) in Tustin. He specializes in family wealth planning for the high net worth individual, as well as business and tax planning for closely held businesses and owners. He can be contacted at 714.505.9000.
At the turn of the 20th century, the Ayres family came out west to Southern California from beginnings in the idyllic American Midwest and helped develop Los Angeles into the sprawling, sun-soaked metropolis it is today. Placing an emphasis on family values, community and excellent service, the Ayres family expanded into the hospitality industry in the mid-1980s. Over the last 35 years, Ayres Hotels has grown to 21 locations all across Southern California. The secret to success has always been simple: Make guests feel like family whenever they stay and offer an exceptional and distinctive product.

A distinctive product begins with innovation, and this has been an essential part of Ayres Hotels’ ever-growing collection of boutique-style properties. While still maintaining that unique, home-grown feel, each new Ayres property offers something a little different, be it one-of-a-kind interior design or value-added amenities. This year, the 139-guestroom Ayres Hotel Orange opened its doors and greeted guests with new Indonesian-inspired decor, delighting patrons with a Zen-like ambiance as they enter. And there is more to come for this opportunistically expanding company. The next location, the first ever resort for Ayres Hotels, will open in 2015 in the lush wine country of Paso Robles.

For the Ayres family, the Ayres Hotels have become the capstone in a rich business experience spanning over 100 years. Creativity, constant growth and an adherence to well-defined principles and values have ensured a continued success that has laid the foundation for another 100 years of accomplishment.

To learn more about the Ayres Hotels online, prospective guests are invited to visit www.ayreshotels.com where they can view each of the hotels, make reservations and view current specials. Planning an upcoming event? There’s even an online Request For Proposal (RFP) for planners to easily submit their requirements and receive a timely proposal in return.

Ayres Hotels – A Distinctive Hospitality Experience

Since 1968, HMWC CPAs & Business Advisors has specialized in serving the financial and tax needs of family-owned and other privately-held businesses and their owners throughout Southern California. In fact, our commitment is so strong that we do not serve any publicly-owned companies.

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Who to Trust as Your Trustee?

by Lisa Johnson, Tax Partner, KSJG

When should you trust to be the trustee for your Irrevocable Trust? Often, trustees are chosen for who they are and not how capable they will be.

Irrevocable trusts are created when a grantor dies or while a grantor is living and wants to save state taxes or for asset protection purposes. Grantors can be trustees, but this is not advisable. Grantors need to give special attention to who they choose to be trustees. What will a trustee have to do? First and foremost, they will administer the trust and make impartial decisions relating to property and investments. They need to keep meticulous records, enforce and defend any and all claims to the trust, while keeping beneficiaries informed.

Considerations to take into account when selecting a trustee:
► Does this person share your values, life style, faith and financial prowess?
► Would this person get advice in areas they are not qualified to make decisions on? Do they know their limitations?
► Will this person be available physically and emotionally when the time comes?
► If there are children involved, this person must be equipped to take on the parental role for potentially a long period of time.
► The trustee must be able to make impartial and objective decisions when dealing with beneficiaries. For this reason it may not be a good decision to use a beneficiary as a trustee.
► This person should have an eye for details, understand their fiduciary responsibility and be held accountable for their actions.
► Diplomacy is a beneficial trait.

There is a school of thought that the team approach has great merit. Spreading out the duties to a number of individuals creates diversity and parity in the administration of the trust. Having an odd number is wise to prevent deadlocks. This paradigm works well when family members work in conjunction with professionals. Being a trustee can be time consuming, so deadlocks. This paradigm works well when family members work in conjunction with professionals. Being a trustee can be time consuming, so keeping beneficiaries informed.

Choosing the right trustee is one way to guarantee beneficiaries a well-managed trust. Choose wisely! Visit us at www.ksjgcpa.com.

The 5 Keys of Transitioning a Business

by Edward J. Lieber, Shareholder, ELLS CPAs & Business Advisors

Successful family owned businesses eventually must decide what to do when the current generation running the business wants or needs to retire. Unfortunately, most owners do not begin to consider their options until it is too late. We have all heard of “others” who had the sudden unexpected heart attack and can no longer work or tragically met an untimely death. These are uncomfortable decisions but the lack of planning that comes with inaction and avoidance is the primary reason why only one out of three family owned businesses survive the transition to the second generation.

Most successful family owned businesses are started by talented entrepreneurial-minded individuals. These individuals grow with their businesses and learn many valuable lessons along the way. When they try to fit others into their shoes, they find it to be a tough fit! Their successor(s) may not have the same talents or passion to be successful. Sometimes the owner(s) find that passing the business to the next generation may not be the best idea. Unfortunately, this realization takes place too late to alter the course, which can cause a large decline in the value of the business or even render it worthless. So how do we avoid these mistakes?

1. Start early! You may need 5 to 10 years to find the proper replacement to run the company. If you think a family member is the solution, start talking to them early and find out if they even aspire to run the business. If you can get your children involved in the business at an early age, you may be able to have them work their way up.

2. Look at the financial implications. How will you value your interest in the company and how will your replacement raise the funds to buy you out? What is the most tax-efficient method to structure the buyout? You should be meeting with your financial team (accountant, lawyer and banker) to develop a plan.

3. Get an early start introducing and transitioning customers to the new regime. Some of your customers have been with you a long time and may be loyal to you, but may not feel that loyalty with new management. The earlier you start the transition process, the higher the chance of success.

4. Employees may also be loyal to you, but may not be loyal to the new management. In some cases, key employees leave and start competitive businesses and take customers with them. If you suspect this could happen, you may want to tie key employees to the company with ownership opportunities.

5. If your business is a corporation, you may want to consider enlisting the board of directors, especially non-family member directors, to help you manage the company and prepare it for transition. Board members can be very valuable, not only to the current success of your business, but long after you are gone.

Consider these steps to make sure your business is ready to succeed with the next generation.

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We are currently working on the document and will provide the text shortly. If you have any other requests or need assistance with something else, feel free to let me know!
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The Eighth Annual

CFO
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The Orange County Business Journal’s CFO of the Year Awards are designed to honor financial professionals in Orange County for outstanding performance as corporate stewards. Awards are presented in five categories: Outstanding CFO of a Public Co.; Outstanding CFO of a Private Co.; Outstanding CFO of a Not-for-Profit Organization; Rising Star and Lifetime Achievement.

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Briggs & Sons in 1946. Conceived in the garage of Briggs’ home in Newport Beach, the electrical contracting company would go on to Inc. by the early ’70s, when the elder Briggs sold the company to his son Bob Briggs and Tom Perry. Serving the commercial and industrial building mar- kets, Briggs Electric provides installation, wiring, maintenance, and repair services at both new and remodeled structures. Together with its Carson City, Nevada-based of- fice, the full-service electrical contractor caters primarily to the West Coast region. Among Briggs Electric’s projects, which range from commercial buildings and parking structu- res to medical facilities to manufacturing plants to interior improvements are: Hoag Hos- pital, Newport Beach; Tustin Market Place, Tustin, Irvine; Rainforest Cafe, South Coast Plaza and the Pacific Mall, and many others.

Business Communications Solutions, Irvine
Sunny Rajab, CEO
Reza Khorramian, Vice President of Business Development and Sales
Amir Rajab, Project Manager
An Rajab, Field Engineer
Business Communications Solutions (BCS) is a technology-driven, single-source solution provider for all telecommu- nications, internet, telephone and IT services. BCS covers every voice and data facet for both small and medium-sized businesses — cloud, internet, telephone and IT service providers along with cabling, networking, phone system and server installation. BCS builds long-lasting relationships with reputable ven- dors, who easily and quickly adapts to the latest technologies to deliver a unique blend of prod- ucts and services, allowing them the ability to provide the most optimal solutions customized specifically to the needs of each client. BCS simplifies technology and unifies communication with affordable, effective solutions while providing quality local support, ideal for all types of businesses ventures — newly opened, expansion, relocation and system refresh or upgrade. BCS truly has the passion, expertise and experience that is fostered in the company’s driven, yet family oriented, culture, giving reason to why BCS has been recognized multiple times in several publications.

Cafe Tu Tu Tango, Orange
Jim Hall, President
Heather Reiter, CFO
Jim and Heather Hall purchased Cafe Tu Tu Tango’s backyard of Jim’s aunt and uncle and Heather’s mom and dad. Jim and Heather are excited to be in their sixth year of business and have retained a major initial loan. As every small business owner knows, this is a major milestone. Cafe Tu Tu Tango is a landmark location at The Outlets at Orange (formerly The Block). The restaurant serves a mostly tapas style menu famous for the Chipotle Chicken Em panadas and Sangria, and also features local artists’ masterpieces and one of the best happy hours in OC. The restaurant is great for lunch, dinner, late night and hosting events. Cafe Tu Tu Tango is also expanding business and now offering off-site catering for events and weddings of all sizes. Jim and Heather are always happy to donate to children’s charities and local nonprofits, especially CHOC and Leukemia and Lymphoma Society.

Carolina’s Italian Restaurant, Garden Grove
Tim Ibrahim, Owner/Operator
Mary Ibrahim, Manager
Mike Ibrahim, Manager
Al Ibrahim, Partner
Carolina’s Italian Restaurant is a small family owned restaurant and bar proudly serving Garden Grove, Anaheim and other surrounding cities for almost 40 years. The Ibrahim family takes great pride in providing excellent guest service and huge portions to customers. The restaurant also features over 400 beers, which is the largest of any restaurant in Orange County. Today, Carolina’s Italian Restaurant deliv- ers 200 pizzas every day and has expanded from 12 tables in one room to three rooms and nearly 40 tables. As an active member of the community, the organization is also happy to serve others through donations and fundraisers for youth sports and various other community groups.

Casey’s Cupcakes, Newport Beach
Casey Reinhardt, Chief Creative Officer
Kelly Roberts, President/COO
Duane Roberts, CEO
Casey’s Cupcakes was created by Casey Rein- hardt and Kelly and Duane Roberts, during her junior year at Pepperdine. The first Casey’s Cup- cakes opened in 2009 in Riverside at the Historic Mission Inn Hotel and Spa, which is owned by her parents. Duane Roberts is currently the chief executive officer. Kelly Roberts serves as president and chief operations officer and Casey Reinhardt serves as chief creative officer. With the success of the first location, Casey’s Cupcakes has since expanded into four other locations in Newport Beach, Huntington Beach, Woodbury Town Center-Irvine and Irvine Spectrum Center. Reinhardt’s cupcakes became nationally known when she won the Food Network’s “Cupcake Wars” in 2011 with her four winning flavors: white chocolate cherry, white Russian, chili chocolate and lavender. She is a member of the Riverside, Newport Beach and Index of Chamber of Commerce organizations. Reinhardt is also the founder of the C.A.S.E.Y. Foundation, Children’s Alliance for the Success and Education for Youth, which serves and helps children in need build self-esteem by focusing on aca- demics and extracurricular activities.

CHEF JOHN LEDBETTER, Personal Chef, Newport Beach
John Ledbetter, Chef
Nicole Ledbetter, Director of Operations, Marketing and Catering
A native of Huntington Beach, John Ledbetter attended the California School of Culinary Arts in Pasadena, graduating in 2000. Shortly after, he ventured to New Orleans and New York, taking on various challenging roles. He moved back to California and joined the Lark Creek Steak in 2007, and was promoted to executive chef. In 2011, John left Lark Creek Steak, because as executive chef, he started a new restaurant in Jack London Square, Oakland. After two years in this position, John returned to work with the Lark Creek Restaurant Group as the executive opening chef at the new location in Newport Beach. In 2014, John and his wife, Casey, who is also an experienced event coordinator and restaurant manager, left Lark Creek Newport Beach to start CHEF JOHN LEDBET- TER, Personal Chef. By starting this new venture, John and Nicole are doing what they love by bringing the restaurant experience into someone’s home, with the added bonus of having more time to spend with their three-year-old daughter. Fresh produce, humanely raised meats and education are at the center of the Ledbetter brand.

Clay Oven, Irvine
Geeta Bansal, Owner/Executive Chef
Praeven Bansal, Co-Owner
Tarun Bansal, General Manager
When she never formally studied the culinary arts, that didn’t stop Geeta Bansal from opening her own restaurant, the Clay Oven in Irvine, Calif. in 1986. Here, she takes pride in preparing a modernized version of Indian cuisine, which makes great use of sustainable local produce, as well as the highest-quality lamb, fish, beef and chicken available. Among her creations is Mango Corn Soup, which is fast becoming a staple in fine restaur- ants around the world. Geeta incorporates the changing colors, flavors and aromas of each season into her rotating menus and her interest in Ayurveda (traditional Indian med- icine) has led to her use of various spices and ingredients to maximize the health benefits of the food she serves. Geeta’s passion for food and wine has taken her on many food cen- tered journeys around the globe. She has interviewed many of the world’s leading chefs, some of whom rarely, if ever, agree to interviews. Among her prizeworthy interviews are Joel Robuchon, Elena Arzak, Albert Adria, Joan Roca and many others.

CycleLab Studio, Anaheim Hills
Pon Saradeth, Owner
Mary Jean Galvez, Owner
CycleLab doesn’t believe in shortcuts or trendy fit- ness fads. Pon Saradeth and Mary Jean Galvez, along with their group of the most passionate and ex- perienced indoor cycling instructors in the business, are committed to enhancing people’s physical and mental well-being long after the ride is over. With the latest in modern equipment and instructors trained by the best in the world, Pon and Mary have created an environment that is a great place to ride, with the best instructors; all supported by state-of-the-art technology available nowhere else in the area.

DeNault True Value, Rancho Santa Margarita
Ruth DeNault, President
Bob DeNault, Vice President
Steve DeNault, Vice President
Don DeNault, Vice President
Tom DeNault, Vice President
Corinne DeNault Scaroni, Buyer and Merchandise Manager
Kimberty DeNault Munyon, House wares and Gifts Manager
Mike DeNault, Manager of the Laguna Niguel Store
Kevin DeNault, Assistant Manager
Brian DeNault, Assistant Manager/Manager, Paint Department
Cambria DeNault, Cashier
After serving in the U.S. Army from 1951 to 1953, Jim and Ruth DeNault visited his parents in San Clemente and fell in love with Southern California. His parents did not want them to leave, so they arranged for Jim and Ruth to work at the local hardware store, Builder’s Hardware and Paint Supply. It wasn’t long before Ruth and Jim bought out the original owners who were ready to retire. They kept the original name until 1964 when they moved to a new, larger building and named it San Clemente Hardware Co. Under their guidance, the tiny store grew until they had to once again look for larger quarters. In 2001, they bought lots on the old high- way (now El Camino Real) and DeNault’s Hardware was born. Today, the DeNault family owns and operates multiple stores in South Orange County and North San Diego County. All four of Jim and Ruth’s sons entered into the family business and continue to run the stores today. Now a third generation of DeNaults can be found working in the family busi- ness.

Dual Graphics, Brea
Jim Joyce, CEO
Jaimie Bengard, Controller
Jennifer Joyce, Accounts Payable/Human Resources
Gil Gill, Billing
In 1971, Richard Joyce partnered with Wayne Dutt at Dual Graphics with only four employees and two small printing presses. Nine months later, Richard brought his partner and his son, Jim Joyce, joined him to assist with the fledgling Anaheim shop. In 1991, Richard retired and his sons Jim and Jeff Joyce assumed operation of the com- pany. Four years later, the Joyce brothers purchased Premier Printing Corp. and moved the expanded Dual Graphics to its current location in Brea. In 2004, Jim assumed the role of CEO. Today, with more than 100 employees, Dual Graphics operates in a 62,000-square-foot facility in northern Or- ange County. Recently, the company has upgraded its storefront ordering software, of- fering variable data input and output capabilities.

Orange County Business Journal Business Awards Supplement
OCTOBER 13, 2014
Earth Friendly Products, Garden Grove
Kelly Vlahakis-Hanks, CEO
John Vlahakis, President
As chief executive officer of Earth Friendly Products/EOS, the world’s leading manufacturer and distributor of eco-friendly cleaning products, Kelly Vlahakis-Hanks has been internationally recognized for her influential voice in leading the way for sustainable business practices. Kelly oversees five geographically diverse manufacturing facilities across the United States, as well as the European offices. She has been featured on ABC News, Wall Street Journal, LA Times, FOX, CNN, NBC, and has received numerous prestigious awards including Orange County’s 20 Women to Watch and Global Woman of the Year. Under her leadership, in 2013 Earth Friendly Products became the first carbon neutral manufacturer in the United States, and as of 2014, pays the highest minimum wage in the nation.

Elbows Mac n’ Cheese, Brea
Punta Patel, Owner/Co-Founder
Ajit Patel, Owner/Co-Founder
Founded in 2011, Elbows Mac n’ Cheese brings a new twist to an American comfort food favorite: mac n’ cheese. The restaurant, which offers guests a casual gourmet dining experience that caters to consumers’ busy lifestyles, operates two locations in Orange County: Century City, Calif., and Brea, Calif. Named Orange County’s best mac n’ cheese by CBS Los Angeles in 2012, Elbows Mac n’ Cheese uses fresh vegetables, gourmet cheeses and high-quality meats to create signature dishes and specialty creations. In addition to being a fan favorite, Elbows Mac n’ Cheese is also actively involved in the communities in which it operates. Everything from donating toys during the holiday season to local-area domestic violence shelters to giving a percentage of proceeds back to school districts, Elbows Mac n’ Cheese looks to support the community wherever it can. On Oct. 17, 2014, National Pasta Day, Elbows Mac n’ Cheese will give back 10 percent of gross receipts to Breast Cancer Angels, a nonprofit that provides financial and emotional assistance for individuals as they endure treatment for breast cancer.

Electron Beam Engineering Inc., Anaheim
Richard Trillwood, CEO
Grant Trillwood, General Manager
Hilary Hurt, Executive Sales Manager
Tom Hurt, Production Manager
Electron Beam Engineering Inc. (EBE) provides precision electron beam and laser beam welding services throughout the United States, Europe and Australia. EBE is a leader in the field of aerospace welding and testing and has the capability to provide innovative welding services for aerospace components. In 2010, EBE was awarded “Manufacturer of the Year” by the Anaheim Chamber of Commerce. It has earned many important industrial certifications around the world, and its work has even appeared on Mars for the weld performed on NASA’s Curiosity rover. The Trillwood family and the staff at EBE are longtime supporters of Bethesda Lutheran Communities, a human service organization dedicated to meeting the needs of people with intellectual and development disabilities. Richard’s daughter, Frances Trillwood, lives at one of the homes that is managed by the organization. EBE recently announced a donation of $10,000 to Bethesda Lutheran. EBE is also a long-time supporter of the nonprofit Vocational Visions. Richard has been a board member for many years, and his other daughter Hilary Hurt is vice chairperson of the board of directors.

FirmGreen Inc., Newport Beach
Steven Wilburn, CEO
Margaret Wilburn, Vice President of Administration
Stephen P. Wilburn, IT Consultant
Christopher Wilburn, Director of Communications
Nathan Wilburn, Construction Manager
FirmGreen Inc. was founded in 2007. The company has patented the proprietary technology for renewable energy generation and LED Lighting Technology. FirmGreen’s owners Steven and Margaret Wilburn have distinguished themselves locally, nationally and internationally. Steven is a 90 percent disabled Veteran of the Vietnam War. Steven served in the United States Marines Corps from 1967 to 1969 and received numerous combat decorations, including the Purple Heart Medal. FirmGreen has received many awards for its renewable energy technology including, DOE Project of the Year in 2004, EPA Award for Project of the Year in 2008 and Export-Import Bank of the United States Project of the Year Award 2013. FirmGreen is also a great supporter of various nonprofits in the community, and has also been a contributing sponsor of the Hoag Hospital Toshiba Golf Tournament since 2007.

Friar Tux Shop, Anaheim
Mike Meskell, Founder/CEO
Ryan Goodwin, Wholesale Sales Manager
Evan Goodwin, Division Manager
Greg Goodwin, President
Lauren Meskell Dorta, Marketing Manager
Baley Meskell, Mascot
Dawn Lemnitzer, Administration
Jeff Lemnitzer, Director of Store Operations
Frim family owned and operated in Southern California since 1974, Friar Tux Shop has 31 locations and is known for its expertise in men’s formalwear. The company provides suits and tuxedos for rent and purchase for all of its celebrations, including weddings, proms, special events and quinceaneras. Friar Tux is the third largest privately owned formalwear company in North America and employs 250 people. The company has a Retail Division, Uniform Division and Wholesale Division, and is headquartered in Anaheim. Serving thousands of weddings and proms each year, Friar Tux has over 300 affiliate locations nationwide and in Canada. Heavily involved in the community, the company provides rentals to charities including Wish Upon a Wedding, National Charity League and the Susan G. Komen Foundation. Friar Tux also provides 200+ free rentals annually to local high school students in need. 1,700+ free rentals annually to schools and college scholarships to 10+ students per year.

Galardi Group Inc., Irvine
Cindy Galardi Cuseppe, Chairman/CEO
JR Galardi, Chief Visionary Officer
In 1961, Wienschnitzel founder, John Galardi built an American brand representative of a time when life was simpler. John opened the first Wienschnitzel at the age of 23. Over the past 55 years, the company has grown from a single location to the world’s largest hot dog chain, operating 350 locations and selling more than 120 million hot dogs annually. The company celebrated its 50th anniversary in 2011. Under the Galardi Group umbrella are also The Original Hamburger Stand, Taste Frezz and Two Moodies Mexican Kitchen concepts. Since it all began in 1961, he touched countless lives through his generosity as a business leader opening doors and presenting opportunities for employees to build his vision into the successful company it is today. After John’s passing in 2013, his former wife Cindy Galardi Cuseppe took the reins as CEO and chairman. She is passionate about growing the brand while continuing the family legacy, just as John had always wanted.

Grand Prix Performance, Costa Mesa
Jerry Palanjian, President
Alex Palanjian, Director of Sales/Manufacturing
Jessica Palanjian Rankin, Director of Marketing/Business Development
Berj Palanjian, Manager
Bono Palanjian, Grand Prix Mascot
Jerry Palanjian is the founder and president of one of the longest-running businesses in Costa Mesa: Grand Prix Performance. He has built a successful reputation for himself and his business by maintaining a steadfast commitment to customer service, product knowledge and expertise. Jerry is one of the most tenacious people you will ever meet. He has been so successful because he understands the importance of good, old-fashioned hard work, as well as relationships: whether it be with his customers, vendors or employees. He is beloved by many in the community, but most of all by his family which includes his wife, Marion, his children, Jessica and Alex, as well as his nephew, Berj. Jerry built a business based on very fundamental principles that have

Is it in the time you spend managing staff and operations, or is it merely your bottom line? Either way, Haskell & White has your back. Our team of experienced CPAs are here to ensure that your compliance needs are met and serviced in a personal and proactive way, leaving you free to run your business.

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Mackenzie Corp., Irvine
Jennifer Dinnen, President, Sales and Marketing
Kathryn Rucker, President, Operations
Don Vivette, Founder & Chief Ideation Officer
Ron Rucker, Production Manager
Carol Cowwell, Project Coordinator

At the core of everything Mackenzie does is data. The company is passionate about helping companies be more efficient by better utilizing the data they already have and/or collecting additional information to take their businesses to the next level. In this fast-paced world, companies are bombarded with information about their customers, prospects, employees and the world around them. Mackenzie’s team of experts have an unexplainable fascination with finding patterns and trends within data and then using this information to help businesses solve a multitude of business issues that range from marketing, sales, operations, finance and throughout the entire organization. Data is everywhere and Mackenzie is excited about making better use of it. Being a family business, the organization is also passionate about taking care of employees (both family and non-family members) and giving back to the community. Mackenzie is strongly committed to Make-A-Wish Foundation and Girls Inc., both of which share the same core values and ideals as the company.

MPA Landscape Services, Santa Ana
Chuck Galanti, President/CEO
Cathy Carley, CFO

Chuck Galanti has over 30 years of experience in the landscape industry. Chuck’s experience with upscale properties began in the early 80’s when he assisted with the original installation at the iconic Ritz Carlton, Laguna Niguel, and continued working for them for four years. He continued his five-star hotel experience at the Four Seasons Newport Beach, where he supervised the landscape for 18 years while with three different companies — as Chuck switched jobs, the hotel chain followed. Chuck was the project manager on one of the largest renovations in downtown LA history, at ARCO Center. In the 90’s, he developed and grew an interior and exterior landscape division for a large janitorial company. Chuck has installed and maintained five-star hotels, shopping malls and office buildings. His personal dedication to customer service, longstanding customer relationships, creative design abilities and many years of experience prompted him to start MPA Landscape Services in 2004. His hard work and reputation have enabled him to excel in the industry and run his own successful business.

New American Funding, Tustin
Rick Ariavito, CEO
Patricia Arvielo, President
Marcia Gregorio, Sr. Loan Officer
Jim Golay, Building Manager
Tara Briggs, Customer Care Representative
Tara Briggs, Customer Care Representative

New American Funding is a mortgage banker, licensed in over 40 states across the nation, funds over $550 million in home loans every month and maintains a servicing profile of over $6 billion. New American Funding is a direct lender/servicer with Fannie Mae, Freddie Mac and Ginnie Mae. Achieving direct approval with all agencies is vital as it enables the company to make its own credit decisions and lend to the broadest base of customers possible. New American Funding has over 1,300 employees nationwide and has grown by over 600 percent between 2009 and 2012. Rick Ariavito sits on the Residential Board of Governors for the Mortgage Bankers Association in Washington DC and also enjoys fulfilling his passion of helping underserved borrowers by sitting on the diversity panels for Fannie Mae and Freddie Mac, as well as her recent appointment on the MBA Diversity and Inclusion Committee. Patty also serves on the Corporate Board of Directors for NAHREP, The National Association of Hispanic Real Estate Professionals and on the board for Big Brothers Big Sisters.

Newport EBX, Newport Beach
Jennifer Armstrong, President
Ryne Holliday, Vice President

Newport EBX offers a unique opportunity to local physicians — to partner together and build medical facilities that provide advanced treatment options, and offer them to patients. The company builds and operates patient-focused facilities using the most cutting-edge technologies available in the market today. Newport EBX’s facility was built by physicians focusing on patient care every step of the way. The company provides advanced, non-surgical treatment options for skin cancer by building, staffing and operating a skin care center of excellence. Newport EBX then provides physicians in cancer centers the ability to offer these services to Orange County patients before they become widely available. Affiliations with leading medical experts have helped the Newport EBX center become a designated hub for a nation-wide clinical study, bringing in academic excellence and treatment options for the patients of Orange County.
Established in 1951 by William H. Remland, Remland Insurance Services Inc. has grown to a full-service insurance agency. Currently, Remland Insurance Services holds the net worth of over $300 million and the insurance needs of over 300 business concerns in Orange County and adjacent areas. The office includes state-of-the-art computerized systems to provide quick and accurate information. Gary Remland is an active member of the Orange County community and is a strong supporter of many community organizations including the Orange Chamber of Commerce; Allied Agents & Brokers of America LLC; Parks and Recreation Commission, City of Orange; Orange Rotary Club; the Community Foundation of Orange; St. Joseph’s Care for the Poor Council; Wild Edge Adventures Hall of Fame; Orange County Independent Insurance Agents; and Mary’s Kitchen of Orange.

Reliable Wholesale Lumber Inc., Huntington Beach
Jerry Higman, President/CEO
Will Higman, COO
David Higman, CFO
Colleen Higman, Corporate Secretary
Daniel Higman, Corporate Secretary & Treasurer (retired)
Reliable Wholesale Lumber Inc., founded in 1928 by Jerome and Anna Higman, began as a small lumber yard in Rosemead, Calif. In 1971, Anna Higman and her two sons, Jerry and Daniel, opened a Temple City lumber yard to serve the mobile home industry, as well as residential contractors. In 1974, the Higman purchased 10 acres of land in Huntington Beach in order to best serve their Orange County customers and to foster growth. In 1980, the company purchased a 15-acre dual rail and rework facility in Riverside. Today, after over 80 years of service, Reliable is the largest privately owned forest products distributor/wholesaler on the West Coast.

Royal Alliance Associates Inc., Lake Forest
Stan Brun Jr., Financial Advisor
Stan Brun Jr., Financial Advisor
Royal Alliance Inc. is a full-service financial firm committed to helping people pursue their financial goals. The company offers a wide range of financial products and services to individuals and business owners. Royal Alliance believes that every client will be better able to identify their goals and make sound decisions to help reach those goals with the sound financial information that they provide. Stan R. Bruno’s financial planning experience helps clients with the navigation of today’s ever-changing financial landscape. Whether it’s saving for retirement, creating an investment strategy or reducing estate tax exposure, his seasoned perspective helps guide clients successfully through the decision-making process. Stan is a graduate of the University of Southern California with a Bachelor of Science degree in Business Finance.
how family businesses do work if you set the right foundation and you continue to support each other’s dreams. In the community, the sisters are supporters of Project Mosaic – a Vietnamese-American youth mentorship program, mentored students from Fountain Valley High School and support many other philanthropic initiatives.

Sullivan Solar Power, Irvine
Daniel Sullivan, President/Founder
Noah Sullivan, Project Developer/Assistant
Sullivan Solar Power is a privately owned, family and closely held business that has been created to change the way Southern California generates electricity. Led by Daniel Sullivan with the inspiration of his son, Noah Sullivan, the company was built from the ground up with only $2,500 in the bank into one of the nation’s leading renewable energy companies that expects to do $34 million in business this year. The company gives back to the local community through philanthropic work, policy, advocacy and leadership. The firm has helped more than 2,000 homeowners and high-profile clients, such as Camp Pendleton, the Port of Long Beach and LA Harbor College in declaring energy independence.

SummerSet Professional Grills, Irvine
Jeff Straubel, President
Brady Straubel, Procurement/Account Executive
Nick Straubel, Product Development/Owner
Leslie Straubel, Secretary
SummerSet Professional Grills was started in 2002 as a brokerage for high-end stainless steel grills. The company was originally an OEM supplier to some well-known brands then added commercial kitchen equipment products such as griddles, char-broilers and deep fryers. Due to the Great Recession in 2009, SummerSet decided to build its own brand because of the shrinkage of the economy and OEM companies that have gone bankrupt. Thus, SummerSet Professional Grills officially launched in Dec. 2009. Sales have grown at a steady pace of 25 to 30 percent since inception with a projected 42 percent growth for 2014. SummerSET has rebranded and has been recognized by the Inc. 5000 list in 2012, and in 2013 was featured at No. 162 on the list of fastest-growing companies in America. The Straubel family’s experience stems from a long history of entrepreneurship, including manufacturing, service and government contracting. The company also supports a variety of charities within the community.

Timeshares, Irvine
Jadon Yaden, Founder
Ryan Beachum, Founder
Brandan Beachum, Founder
Timeshares is a simple and trusted platform for individual vacation owners to monetize unused access, making an exclusive resort experience available to everyone. In 2010, two brothers, Ryan and Brandan Beachum, and their former business partner, Jadon Yaden, identified a void in the vacation ownership industry. After working at the largest timeshare company in the world, they realized how underutilized owners’ properties were, and saw an opportunity. Timeshares set out to create a platform where owners were able to offset their maintenance fees, while still being able to take full advantage of the resort experience. After many tribulations, the company gained the attention of several large online travel agencies. Once these agencies were convinced to take a chance and try something different by offering multi-room rentals, things began to fall into place. Timeshares has experienced growth in the thousands of percents in the last four years and has transformed the way people view the timeshare rental experience. Timeshares has been recognized as Orange County’s eighth fastest-growing company in 2013 and 25th fastest-growing company in 2014.

TLT Food, The Lime Truck, Irvine
Daniel Shemtob, CEO/Executive Chef
Joseph Shemtob, Executive Assistant
When it comes to food trucks, The Lime Truck has an institution in Orange County. The company has been in business for over four years, with sales ranging from $500,000 to $1.5 million. The Lime Truck has raised more than $600,000 for local charities, public school and various fundraisers. In addition, the organization has also donated food and raised $15,000 for Second Harvest food bank. Additionally, The Lime Truck was a winner on the Food Network’s “Great Food Truck Race” and featured as the No. 5 “Best New Restaurant in the U.S.” from Yahoo. Chef and sole owner Daniel Shemtob has also been featured on the Zagat list of 30 under 30. Today, the food truck is serving students along with two brick and mortar locations in Westwood and Irvine. The company will open its third location next year in downtown LA.

Total Apps Inc., Aliso Viejo
Rey Pasinli, Executive Director
Linda Pasinli, Executive Director
Total-Apps is a worldwide processing solution that currently processes with 15 major banks and 150 currencies. Total-Apps’ commitment to payment innovation is based on the vision of Executive Director and Co-Founder Rey Pasinli, an engineer who contributed to the design of the International Space Station. In recent years, Total-Apps has received awards that illustrate its success in the payments industry. In 2013, the company was recognized by the Orange County Business Journal and Inc. 500. Total-Apps has also been named the 50th fastest-growing firm in Orange County and the U.S. Total-Apps is currently involved with many local organizations such as BNI and Vistage. In addition, the company encourages its employees to give back in every way possible. Total-Apps’ success has only just scratched the surface of its capabilities. Rey believes the company has only just begun to build relationships with the titans of these industries. The most impressive aspect of this achievement is the dedication of the employees. Total-Apps has accomplished this without a team of salespeople. Rather, Tom and June have earned the trust and respect of their Fortune 500 clients by repeatedly delivering exactly what their clients need, on time and on budget. Word of mouth has accounted for virtually all of the company’s growth. Trantronics suffered what most would consider a fatal setback in July 2014 when the company’s banking business ground to a halt. The family-owned company had paid nearly two months with only $250,000 in the bank to the first major bank. To keep their doors open, the family has kept their employees paid for nearly two months while they located temporary manufacturing facilities. Even their competitors helped keep them going by allowing them to come in and take over jobs in their facilities. Early this year, Trantronics reopened in their newly rebuilt buildings.

ValuEscrow Inc., Santa Ana
Shawn Murphy, President
Robert (Bob) Murphy Jr., Chairman/CEO
Kathryn Smith, CFO
ValuAmerica was founded by Bob Murphy Jr. in 1996 with the concept of mastering supply chain control through technology efficiencies. The company’s mission is to make the vision of ValuAmerica happen, a state-of-the-art technology platform was needed but didn’t exist. Through a strategic partnership with Deloitte Technologies, ValuAmerica has developed its own operating platform. ValuNet xsp. ValuEscrow Inc. was founded in 2013 to fill a void for a national title company, relative to supporting escrow services across California out of a centralized location. Once the company’s infrastructure was established and all necessary licensing, insurance, bonding, etc., was in place, it took less than three months for ValuEscrow Inc. to begin realizing a profit. On Aug. 28, 2014, ValuEscrow achieved its third consecutive year with default status with the Better Business Bureau. ValuEscrow has no institutional debt, and has been cash positive and earning a consistent profit, all while Bob, Shawn and Kathryn are also operating ValuAmerica in Pittsburgh, PA.

WinCorp Solutions, Irvine
Tom Nguyen, Senior Partner/Co-Founder
Khanie Nguyen, President/Co-Founder/Operations Partner
WinCorp Solutions has been in business since 2009, and was founded by Tom and Khanie Nguyen. WinCorp Solutions is an award-winning consulting, staffing and direct hire services company that supports many clients with talent needs across their organizations. WinCorp Solutions is unique in that it is a vertically integrated solutions company that delivers in three divisions (finance, technology and engineering), specializing in consulting, temporary or permanent needs and specialty training. Because the principals and many employees are local to Orange and LA counties, WinCorp Solutions has deep local community subject matter expert (SME) relationships. WinCorp Solutions contributes many community service hours as members and volunteers to many nonprofit organizations. The principals also help foster economic viability for many small businesses with free classes, and by moderating and running conferences and workshops to help small businesses and individuals develop.

Zov’s, Tustin
Zov Karamardian, Founder/Executive Chef
Gary Karamardian, Co-Founder
Talene Karamardian, Vice President of Operations
Armen Karamardian, CEO
Born in Israel to Armenian parents, Zov Karamardian recalls being inspired by her extensive travels and by working side-by-side in the kitchen with her mother and grandmother. In 1995, she and her family moved to California. On the small television screen in the living room of their San Francisco home, Zov discovered her greatest culinary inspiration, Julia Childs, who mesmerized her with French flair and passion. Despite her enormous success, Zov believes she has only just scratched the surface of her abilities as a chef/restaurant and still considers herself a student of food and culture. Since opening her first restaurant, Zov’s Bistro, in 1987, Zov has racked up countless accolades including the prestigious Angel Award from the James Beard Foundation for her “independent vision, dedicated support and significant contributions” to the culinary world. California Chef of the Year by the Governor’s Office; Restaurateur of the Year by the California Restaurant Association; and many others.
Congratulations

to our 2014 Family Owned Business Award Nominees!

Advanced Billing Consultants Inc.
Alfenen Alfen Cohn
Alkemists Labs
All Green Electronics Recycling
American HandiBarge
Anaheim White House
Antonello Ristorante
Beauty Encounter
Bowl of Heaven
Briggs Electric Inc.
Business Communications Solutions
Cafe Tu Tu Tango
Carolina's Italian Restaurant
Casey's Cupcakes
CHEF JOHN LEDBETTER Personal Chef
Clay Oven
CycleLab Studio
DeNault True Value
Dual Graphics

Earth Friendly Products
Elbows Mac n Cheese
Electron Beam Engineering Inc. (EBE)
FirmGreen Inc.
Frisar Tux Shop
Galardi Group Inc.
Grand Prix Performance
Happy Photos
Hughes Marino
Huntington Beach Chrysler Dodge Jeep Ram
Institutional Wealth Consultants
J. L. Childress Co.
MacKenzie Corp.
MPA Landscape
New American Funding
Newport ERIX
OC Slush
PeopleG2

Philly's Best Authentic Cheesesteak & Hoagie Shop
RadioActive Media
Reid and Associates
Reliable Wholesale Lumber Inc.
Remland Insurance Services Inc.
Royal Alliance Associates Inc.
Saywitz Co.
Spa Fuzion
Sullivan Solar Power
Summerset Professional Grills
Timeshare Genius
TLT Food, The Lime Truck
Total Apps Inc.
Trantronics Inc.
Tulsa Rib Co.
ValuEscrow Inc.
WinCorp Solutions
Zov's

Please join us in honoring our nominees!

Luncheon & Awards Program

November 19, 2014
12:00 p.m. - 2:00 p.m. at the Hotel Irvine
17900 Jamboree Road, Irvine, CA 92614

Tickets: $125* Table for 10: $1250
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