



# OCBJ INSIDER

by Mark Mueller

Dear Readers,

The Business Journal is rethinking how we can better listen to, learn from, serve, and represent all our readers and area businesses, in light of the national **Black Lives Matter** protests.

One area we can improve on: supporting local African American-owned businesses.

We're honored to partner with the **OC Black Chamber** and **OC Business Council** on ways to strengthen our community. See page 13 to see how these groups are working to further the discussion.

**Mark Mueller** Editor-in-Chief  
**Richard Reisman** Publisher

Good luck finding a real estate deal that didn't turn out to be a good investment for **Donald Bren**.

Other matters? There's at least one long-ago art deal the **Irvine Co.** chairman might regret come July 10, when a live auction at Christie's featuring **Wayne Thiebaud's** "Four Pinball Machines" takes place.

Thiebaud, a postwar-era painter now 99 years old, is "known for his sumptuous depictions of cakes, ice cream cones, lollipops and other ordinary objects," reports note.

A price of up to \$25 million is expected for Thiebaud's 1962 piece of work, which has been out of the public eye for some 20 years.

Bren reportedly paid \$143,000 for it in 1981; it would later be showcased at the **San Francisco Museum of Modern Art** and the **Newport Harbor Museum of Art** (now the **OC Museum of Art**, and in Costa Mesa).

Bren sold "Four Pinball Machines" in 1982 to San Francisco investment manager **Ken Siebel** and his wife, **Judy**, according to Bloomberg. A price wasn't disclosed for that sale, but "it's certainly one of [my] very best investments," said Siebel, who is the father-in-law of California Gov. **Gavin Newsom**.

For **Edwards Lifesciences**, the Monday blues might not be such a bad thing. OC's largest public company recently unveiled a color system so that some employees can work on-site in Irvine.

"While some employees will continue to work remotely, others are allowed to come on-site while adhering to a special color-coded system that ensures physical distancing and safety measures," company officials told our **Alexa Corbett**. The company still has much of its local base working from home, it said.

The company's new color-coded system correlates to days of the week and specific "work zones" at its expansive and expanding campus off Red Hill Avenue.

For example, the blue group may work on Monday, Wednesday, and Friday of one week, then Tuesday and Thursday of the subsequent week. A green group of employees might have an inverse schedule to the blue group.

Employees are also coming back to physically distant workspaces and are screened upon entry with a temperature check, the company says.

A recent real estate acquisition push for Edwards isn't a result of a need to find more space for distancing measures, officials said. Deals near the company's HQ were planned prior to the pandemic; see page 11 for more.

**WGH WINTHROP GOLUBOW HOLLANDER**  
CORPORATE RESTRUCTURING AND BANKRUPTCY

**RICHARD H. GOLUBOW, ESQ.**  
rgolubow@wghlawyers.com

**GARRICK A. HOLLANDER, ESQ.**  
ghollander@wghlawyers.com

www.wghlawyers.com  
949.720.4100

# Future HQ of Glaukos Trades for \$73.5M

## REAL ESTATE: IRA Capital buys Aliso site

By KATIE MURAR

The **Element** office campus in Aliso Viejo, a 160,000-square-foot project that will soon hold the corporate headquarters for medical device maker **Glaukos Corp.** (NYSE: GKOS), has sold in one of the largest area office deals of the year.

**IRA Capital LLC**, an Irvine-based real estate investment firm that's been an active area buyer as of late, paid \$73.5 million for the three-building campus on Aliso Viejo Parkway.

The deal works out to a price of nearly \$460 per square foot for the property, the one-time home of technology firm **QLogic**.

It's one of just four office properties in Orange County larger than 150,000 square feet to have traded at that high a per-square-foot price in the past five years, according to data from real estate market tracker **CoStar Group Inc.**

Tenant-improvement work for Glaukos at the site is currently underway, although work has slowed amid COVID-19. The \$1.7 billion-valued company, now in San Clemente, is expected to move its headquarters to the Aliso Viejo facility next year.

### 4-Year Hold

Newport Beach-based **Waterford Property Co.**, formerly **Stillwater Investment Group LLC**, sold the campus, which it bought in late 2016 for \$36 million when it was being vacated by **QLogic**, a networking and storage provider now operating under the **Marvell Technology Group** umbrella in



3-building campus yet to see device maker move in

Irvine.

"We invested millions over the past few years in the campus to turn it into a state-of-the-art creative office project," said **John Drachman**, who co-founded **Waterford** and heads its commercial division.

"The project is a strong representation for the type of office investments **Waterford** anticipates acquiring in this next cycle."

**Newmark Knight Frank** represented **Waterford** and its equity partner on the deal, **CrossHarbor Capital Partners**, while **IRA** was self-represented.

"The buyer was attracted to Glaukos' long-term stability, credit and commitment to the campus," said NKF Executive Managing Director **Paul Jones**, who worked on the deal with colleagues **Kevin Shannon**, **Ken White** and **Brandon White**.

The Aliso Viejo deal was in the works prior to the market turmoil of late caused by coronavirus, with the final price reflecting a slight discount as a result.

"We had been thinking of selling the property for the past nine months or so, and we are grateful that we were able to get it done, even as COVID-19 hit," **Drachman** said.

"There was a slight restructuring in price due to where the debt markets were, but this is a good example that commercial real estate capital markets are still functioning."

The recent transaction continues a selling pattern for **Waterford**, which has been involved in \$250 million of deals in the past two years.

"We've been selling more than we've been buying, and now we are focusing on the asset management side of the company as we prepare to get through this market dislocation," **Drachman** said.

### Growing IRA Account

The buy adds another pricey office to the local portfolio of **IRA**, which has been targeting Orange County for its buying spree; it

➔ *Glaukos HQ 14*

## At-Home Workers Face Hacking Threat

### CYBERSECURITY: Changing workforce boosts CrowdStrike

By KEVIN COSTELLOE

**Bryan Cunningham**, head of **University of California-Irvine's** cybersecurity institute, says foreign government agents are increasingly trying to swipe information about the hunt for a vaccine for COVID-19, the latest example of hackers targeting those working from home during the pandemic.

"The hackers, the bad actors have done a lot of retargeting. They're now targeting many, many more people at home because they realize that's where the business is getting done now."

The extra work required to protect these at-home workers is good news for

**CrowdStrike CEO Kurtz: at-home work a 'breeding ground for cybercrime'**

Orange County's cluster of cybersecurity and IT firms; the industry is expected to see growth of more than 10% this year, based on multiple industry reports, as companies look to protect computers used by their growing ranks of remote workers.

**Cunningham** reviewed some of the cybersecurity lessons learned during the coronavirus pandemic, during a talk with the **Business Journal** on June 4.



They're now targeting many, many more people at home because they realize that's where the business is getting done now."

The extra work required to protect these at-home workers is good news for Orange County's cluster of cybersecurity and IT firms; the industry is expected to see growth of more than 10% this year, based on multiple industry reports, as companies look to protect computers used by their growing ranks of remote workers.

➔ *Cybersecurity 12*

**Digitally Driven Talent Ready to Lead During Uncertain Times**

Our graduates are consistently hired by industry-leading companies such as Amazon, Deloitte, Disney, Edwards Lifesciences, Pacific Life and Verizon, among others.

The Merage School Career Center is your top source for agile business professionals. Our portfolio of programs are designed to shape leaders for today's digital landscape and include undergraduate, MBA and Specialty Masters in accounting, biotech management, business analytics, engineering management and finance.

Internship, Project Work and Full-Time Talent Solutions Available!

Contact the Merage School Career Center at [recruiting@merage.uci.edu](mailto:recruiting@merage.uci.edu) to post opportunities on our online recruiting portal or to discuss your current or future hiring needs.

**UCI Paul Merage School of Business**  
Leadership for a Digitally Driven World™



## MARKETING & RETAIL

By Kari Hamanaka | hamanaka@ocbj.com

# Nécter Emerges from Quarantine with Fresh Perspective

## New Campaign as 10-Year Anniversary Arrives

Nécter Juice Bar Inc. executives say they've used the past couple months under the stay-at-home order wisely.

Now, as businesses prepare for post-pandemic operations, the juice and healthy snack chain is readying for its 10-year anniversary with new marketing.

Furthermore, it still has designs on growth, with planned store openings in the works.

"This whole time, it allows you to rethink. The ironic part is we were founded in 2010 on the foundation of health and wellness and immunity and being affordable and accessible. As we approach our 10th anniversary come October, we're still guided by those same principles," said **Steve Schulze**, the president and CEO who started the chain with then-wife and Chief Visionary Officer **Alexis Schulze**.

The new creative, which begins to roll out over the summer and builds up to the anniversary, updates those foundations for the company and also a new tag line: "Live Life to the Freshest."

The campaign calls for digital, print and social.

### 700K App Users

Further growth of the business through an app that got plenty of use during the COVID-



Store growth continues, as does user base of app

19 shelter-in-place orders will help as Nécter, like many others in the restaurant and food space, leveraged the digital channel to recapture sales, offer promos and other marketing efforts.

Schulze said the company has just fewer than 700,000 people ordering through the app.

It's a big audience as the company, Orange County's 20th-largest restaurant chain by systemwide sales, turns to a multi-pronged marketing approach for the anniversary ad creative.

"We'll have an all-encompassed campaign," Schulze said. "We've used this time during this [pandemic] crisis to focus on some of these things and, now, we're deliberately looking at the timing based on what's going on and wanting to get all the locations that have shuttered back open."

Most of the company's doors are back open, with the remaining reopenings imminent, Schulze confirmed.

Nécter currently contracts out its advertising work to Scottsdale, Ariz.-based **The Family Vibe**. The ad agency also works with Irvine-based yoga-inspired athleisure line **Spiritual Gangster**, along with branding for **WWE** wrestlers and entrepreneurs **Brie** and **Nikki Bella** (née **Brianna** and **Nicole Garcia-Colace**).

### 170 and Growing

The looming anniversary comes as Nécter ramps growth, with a planned 15 to 20 new store openings this year and more than 150 in the development pipeline. The growth is coming from franchised locations and will push the business into new markets, such as El Paso and the recently opened Colorado

Springs.

The company has been on a tear in recent years with aggressive expansion. Last year, it notched a 21% gain in sales to \$87.7 million across 170 locations selling its cold-pressed juices, vegan smoothies, acai

bowls and other healthy snacks.

It also began expanding into **Amazon.com Inc.**'s **Whole Foods** locations.

"We are a lifestyle brand," Schulze said, "which is a little bit different than the way people view a treat brand and some of the heritage brands in this space." ■

### Nécter Juice Bar Inc.

- **FOUNDED:** 2010
- **HEADQUARTERS:** Santa Ana
- **BUSINESS:** juice, smooth and healthy snack chain
- **CEO/PRESIDENT:** Steve Schulze
- **2019 REVENUE:** \$87.7M
- **OC EMPLOYEES:** 1,000
- **NOTABLE:** chain's 10th anniversary on horizon with ad campaign planned

## Cybersecurity

from page 3

### Russia, China

Cunningham, executive director of UCI's **Cybersecurity Policy & Research Institute**, said the countries doing much of the sleuthing after information include Russia, China, Israel and India.

He said they are "trying to get either intellectual property or government secrets or health data."

"The target No. 1 right now is anything related to COVID-19, vaccine, research, antibody testing, health records," according to Cunningham.

For example, a Chinese agent could try to steal a scientist's COVID-19 information at the researcher's home, Cunningham said.

### CrowdStrike Boost

Cunningham said cybersecurity is "definitely more complex" as a result of the pandemic.

"There are a lot fewer big institutions with good cybersecurity controlling the machines. You have less points of control over cybersecurity," according to Cunningham.

"So many people now don't work for any company, or they're consultants, or whatever and the companies don't have the ability to control how they do their work."

It's a growing issue that will only continue, according to officials with **CrowdStrike Holdings Inc.** (Nasdaq: CRWD), which was founded in Irvine and relocated headquarters to Sunnyvale in 2017. It still has sizable



UCI-based cybersecurity group sees threats from China, Russia on COVID-19 research

operations here, although most area employees are working remotely, officials said this month.

"The COVID-19 pandemic has created a breeding ground for cybercrime," said CrowdStrike co-founder and CEO **George Kurtz**, speaking to analysts following the company's latest earnings report. "The past couple of months have represented one of the most active threat environments we have ever seen."

CrowdStrike, which went public last year, has seen its stock rise more than 80% this year; it counts a \$20 billion market cap.

"IT and security teams are looking for ways to easily and remotely solve new problems inherent in work-from-home and hybrid models," Kurtz said. The security challenges associated with

a remote or hybrid workforce "are best solved by a cloud-native platform," he said.

### Home Working

Slow internet and cellphone service for some homebound workers creates its own risks, while some workers are bypassing directives to use a virtual private network (VPN) to improve cybersecurity while

working at home, according to UCI's Cunningham.

"I imagine there are a lot of people who just say 'screw it. I don't want to have that lack of capacity. I don't want to wait for stuff.'" He guesses that many people working at home will be getting frustrated with slow service. "They just connect in the fastest way they can, which is not using a VPN."

Companies can require their workers to use VPN, said Cunningham, who expects that decently sized companies concerned about their cybersecurity are doing that.

While there have been numerous reports about the vulnerability of Zoom meetings, Cunningham points out that using a password with the correct configuration helps keep "Zoombombers" from barging into meetings.

Did companies rush into working from home too quickly at the outset of the pandemic (see story, page 1)?

"I don't think they have any choice," Cunningham said. "I don't think they're moving too fast. I just hope they're understanding implications and taking the right precautions."

He said big companies are probably taking the right precautions, while "I'd be more worried about mid-market banks," as well as doctors' practices and small businesses, for example.

## Top Recommendations

Here are **Bryan Cunningham's** top three recommendations for companies, especially those allowing people to work from home.

- Multi-factor authentication to get into the computer network.
- All employees connect only through a VPN, even though it's not a "silver bullet" of protection.
- Very frequent training.

—Kevin Costelloe

UCI's Cybersecurity Policy & Research Institute is planning an event aimed at encouraging high school, college and graduate school women to go into cybersecurity.

The event will be held virtually this summer, with a prominent but as-of-yet unannounced cybersecurity leader from Orange County to be the keynote speaker and to manage the discussion. ■

### UCI Cybersecurity Policy & Research Institute

- **HEADQUARTERS:** Irvine
- **EXECUTIVE DIRECTOR:** Bryan Cunningham
- **ORGANIZATION:** 13 members on its executive committee and 19 affiliated faculty, plus the deans of three schools
- **MISSION:** "To find multidisciplinary legal, policy and technological solutions to combat cyber threats while protecting and enhancing individual privacy and civil liberties."
- **NOTABLE:** event on women in cybersecurity to be held virtually this summer