

Pyott's Long-Term Memory; Freedom's Call on Kushner

David Pyott was graceful as ever during the **Leaders & Legends** luncheon hosted by the **Irvine Chamber** just a few days before **Allergan** shareholders approved the company's \$70-billion-plus sale to **Actavis**. Gracious has never meant dull with Pyott, though, and he showed the luncheon crowd at **Andrei's** that the nearly year-long battle against would-be raider **Valiant Pharmaceuticals**—that eventually led to the Actavis



deal—didn't dull his sense of humor. He drew a hearty laugh with a story that went back to his days as a young executive for **Sandoz Nutrition** in Minneapolis, where he first "discovered my frozen face—

and that was even before I discovered the benefits of Botox" ... Pyott showed off another aspect of his memory, recalling that his experience with food products at Sandoz led some to tag him "Captain Ovaltine" when he arrived at Allergan in 1998. His eventual rise to long-held status as a globally respected CEO took the sting out of that one—but don't bet on Pyott forgetting the scars from his bout with activist investor **Bill Ackman**, who joined with **Valiant** in last year's hostile bid after managing to stay under the radar while acquiring nearly 10% of Allergan's stock. Pyott has long suggested that Ackman was out of bounds in his maneuvering, and he didn't back off during his luncheon remarks. "If that isn't insider trading, then we need some new laws in this country," said Pyott, who is believed by some observers to be "well down the road" in seeking just such changes from Congress (see related story, this page) ... The Insider hears that the board of **OC Register** parent **Freedom Communications** deemed last week's ouster of **Aaron Kushner** as chairman and CEO a necessary step in a bid to rebuild relationships with the daily's vendors and creditors as it seeks a return to profitability. Seems performance and personality both played a part in Kushner wearing out his welcome. Kushner's partner **Eric Spitz**, meanwhile, resigned as president of Freedom and assumed the post of chairman to go with an ownership stake in the company ... A number of communities in Orange County lost a leader and friend with the recent passing of Lido Isle resident **Allan Fainberg** at the age of 96. Start with the three listed by longtime PR man **Martin Brower**, who called Fainberg "the most important Jewish citizen Orange County has ever had, a phenomenal businessman and a giant among philanthropists" in remarks to the Register. **Irv Chase**, a driving force behind the ongoing makeover of downtown Santa Ana, called Fainberg his father-in-law. **Ryan Chase**, who's spinning the trend forward with new flavors on Fourth Street, called him grandfather. **Russ Fluter of Fluter Properties** wasn't family but got the benefit of the fatherly influence of Fainberg as mentor and partner in various deals over many years. "He was humble and fair—a smart and positive influence on friends family, and associates who was unwavering in his support of many charities," Fluter said ... The recent passing of another OC giant, **South Coast Plaza** visionary **Henry Segerstrom**, continued to reverberate throughout world, with echoes aplenty in the pages of the Feb. 27 issue of **WWD**. The trade publication carried a special spread in Segerstrom's honor, with four full pages of coverage of his career punctuated by full-page ads from **Gucci**, **MaxMara**, **Nordstrom**, **Salvatore Ferragamo**, and **St. John**.

Actavis to Send Medical Dermatology Line to OC

HEALTHCARE: Still no word on job additions, cutbacks here

By VITA REED

The "new" **Allergan Inc.** is set to move its medical dermatology business to Irvine as part of its specialty pharmaceutical base in the wake of **Actavis PLC's** \$70 billion-plus buy of the Botox maker.

"The good news is **Brent Saunders** [current Actavis chief executive who will be CEO of the combined company] has been very, very clear that the businesses and the R&D supporting those businesses will remain in Irvine," **David Pyott**, Allergan's current chief executive, said during a luncheon presented by the Irvine Chamber of Commerce earlier



Pyott: Irvine campus "as much as anything is forever"

this month.

The decision seems to ensure that the company will retain the campus in Irvine that has been its headquarters for more than 40 years.

"The site at Dupont Drive—as much as anything is forever—will be here because that's where the expertise is," Pyott said. "It's a very rational decision."

Pyott's comments came a few days before Allergan shareholders voted last week to approve the sale to Actavis, which is based in Dublin, Ireland, and has operating headquarters in Parsippany, N.J.

The size of the combined company's eventual workforce in Irvine—currently about 2,400—remains unclear as the integration of the two companies plays out. The upper echelon of Allergan's Irvine-based executive ranks will be trimmed nearly wholesale, starting with Pyott, who could end up as a director of the combined operation but has ruled out any day-to-day role going forward.

Other cuts are expected among the various segments of the Irvine operations, which is weighted heavily toward research and development and marketing teams.

"Naturally, when the company is sold ... the finance and a lot of the legal stuff will go to Parsippany, N.J.," Pyott said. "There'll be a lot of positions here eliminated in Irvine."

Actavis noted in an integration update **Allergan 10**

Blockbuster Sales Still Strong, Move Ahead in 2015

REAL ESTATE: \$100M+ Deals Already Top 2014's

By MARK MUELLER

2015 has the makings of a blockbuster year for large real estate deals, based on the first few months of transactions in Orange County.

Four local office, apartment, land and hotel deals topping the \$100 million mark have already been announced in the first part of the year, and several more big-dollar deals are on the way, according to brokers, regula-



Plaza El Paseo: Rancho Santa Margarita retail property has high asking price due to tight market

tory filings, and real estate sources.

By comparison, only two transactions valued at more than \$100 million—a pair of office sales—are represented on the Business Journal's listing of the top deals of 2014, which features Orange County's top 10 office and industrial sales and leases and the largest apart-

ment and retail sales (see listings starting on page 28).

Sales are ranked by dollar amount, and leases by square footage.

CoStar Group Inc. provided the data, which is supplemented by details of other transactions reported by the Business Journal during the year.

A few of the 2014 listings already pale in comparison to some recent sales. Notable transactions taking place in the early stages of 2015 include:

■ The sale of the 4000 MacArthur office complex in Newport Beach. The two buildings, acquired by a venture between **Hines Interests LP** and **Oaktree Capital Management LP**, are believed to have traded hands for at least

Blockbusters 10

Chapman, UCI Grow Business, Law Rep

EDUCATION: Lag others but show progress over last year

By PAUL HUGHES

The full-time graduate business programs at **Chapman University** in Orange returned to a national ranking this year, and **University of California-Irvine** said graduates of its graduate business program ranked in the same report found improved job prospects from the year earlier.

In all, the two universities' graduate programs in business and law trail those at other schools in Southern California and statewide, but administrators found silver linings in the latest rankings.

The U.S. News & World Report survey of full-time U.S. graduate programs in business and law was released March 10.

"It's our best result ever," said Chapman Chancellor **Daniele Struppa** of the No. 83 ranking of the university's business school after being unranked last year. The list ranks 100 schools.

He attributed the jump to Chapman increasing scholarship support so that more good students opt to attend.

"Whenever you improve, it's because you invest in the quality of students and in selec-

Rankings 9



Struppa: "we will continue our ascent"

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Rankings

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tivity," he said.

UC Irvine's full-time MBA program came in 30 spots above Chapman, down four notches from last year to No. 53.

Gerardo Okhuysen, associate dean for MBA programs, said it's a good problem to have: Rankings are based in part on students finding employment within 90 days of graduation. For last year's list, 92% had taken jobs, he said, but this time the number was 82%.



Chemerinsky: "we'll be in the top 20"

This time, "92% had offers, but with an improving economy they didn't necessarily accept or begin in 90 days," he said.

U.S. News & World Report ranks the top 100 full-time graduate business programs and the top 150 full-time law schools based on criteria that also include test scores and grade point average.

It ranks part-time law and business programs and executive MBA offerings on separate lists, surveying several hundred graduate schools in all.

Other rankings released last week cover graduate programs in engineering, medicine, nursing and education.

All Business

Chapman and UCI's graduate business programs ranked below most other schools across the state that made the list. Numerous schools in California and elsewhere are listed but unranked by U.S. News.

Stanford University came in at No. 1. UC institutions in Berkeley, Los Angeles and Davis, as well as the **University of Southern California**, also outranked both OC schools. **University of California-San Diego** ranked below UCI but above Chapman.

"We are younger in terms of effort" in areas that contribute most to rankings, Struppa said.

Forty percent of a graduate program's ranking is based on its reputation with deans at other business schools and with corporate recruiters, he said, with 35% on employment and salary figures, and 25% on graduate entrance exam scores and grade point averages.

"People's perceptions are hard to change," Struppa said. "Improvement is slow, based largely on word of mouth."

He lauded business school Dean **Reggie Gilyard** for his efforts in that area. Chapman and Gilyard hosted the annual deans' conference for the Western Association of Collegiate Schools of Business in October, bringing in local business executives to lead sessions.

"We expect we will continue our ascent," Struppa said.

Okhuysen said UCI increased its standing in its part-time MBA program in which students are fully employed. UCI ranked No. 37, up from No. 46 on that list.

"For that list, [U.S. News] looks more at salary increases," Okhuysen said.

He said rankings help UCI learn what works and what needs to be improved but that the school has its own goals.

"We have to ask if it's consistent with ... what we're trying to achieve."

Students do the same, according to Okhuysen.

"There's no substitute for students asking, 'Which of these schools is the best fit for me?'"

He said rankings make business schools more visible, boosting applications from highly qualified students.

"We want 30 more outstanding students," he said. "But to get those, we have to get 300

more applications."

Legal Analysis

UCI's law school made the rankings in its first year of eligibility for the 6-year-old institution.

"Just being ranked for the first time will increase our applications dramatically," said Erwin Chemerinsky, the school's dean.

The school achieved American Bar Association accreditation in June and debuted on the U.S. News list at No. 30, the highest debut ranking for any law school in the list's history.

"It was the highest by far," Chemerinsky said.

The school expects to double the number of applicants in the next two to three years based on its debut ranking, according to **Janice Austin**, assistant dean for admissions.

It received about 1,600 applications for the 2014-15 academic year, accepted about 350,

and enrolled about 90.

Chemerinsky had marked a goal of debuting in the top 20 but said he was pleased with the results.

"I still very much believe we'll be in the top 20," he said. "It bodes well for the future."

He said the law school was fourth-best in the country in terms of student-to-faculty ratio, 11th-best in its clinical programs, and No. 23 of 25 ranked on one of the law specialty U.S. News lists: this one covering schools that teach intellectual property law.

He pointed to employment numbers that were due last Friday for next year's U.S. News list: 84% of UCI's 2014 graduates were employed in jobs that require a law degree within nine months of earning their degrees—the cutoff period for law school rankings—compared with 67% the previous year.

"Employment nine months after graduation is 20% of the ranking," he said. "Just that will

boost it. We will move up significantly next year."

Chapman's 20-year-old law school improved from No. 140 to No. 127.

Struppa said, "I suspect we will keep improving there, as well," noting that the bar pass rate for Chapman law school graduates is 76%, better than some California schools that placed higher than it in the rankings. Last year, its bar pass rate was 77%.

"If I were a student, a degree in law would be about bar pass, because that's the only way you're going to be a lawyer, and employment would be next."

In California, UCI's law program ranked below only UC schools in Berkeley and Los Angeles, and USC.

Chapman came in below those schools; UC law schools at Davis and Hastings; and programs at Pepperdine and Santa Clara. It ranked above the University of San Francisco. ■

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— **TUCKER HUGHES**
Director, Hughes Marino

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