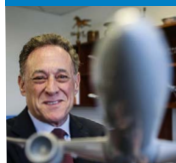


## Up Front



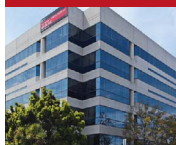
She's a bikini designer and business owner who employs 10. Oh, and she's 18. **PAGE 3**

## News & Analysis



Why high-flying lawyers such as O'Melveny's Bob Siegel are specializing in aviation. **PAGE 5**

## Real Estate



Prices are suddenly surging for El Segundo office properties, such as this one. **PAGE 64**

MAIL TO:

## High Costs Home In on Landlords

**REAL ESTATE:** Seismic retrofits, rent-control caps boost burden.

By **HOWARD FINE** Staff Reporter

It's always been tough being a landlord in rent-controlled Los Angeles. But recent developments threaten to make that much tougher.

Landlords might have to shoulder more of the financial burden of a recently enacted city mandate for seismic retrofits after Gov. **Jerry Brown** earlier this month vetoed tax credits that would have helped them out.

Meanwhile, the city is looking at placing a cap on

the number of rent-controlled units that can be demolished each year, making it harder for landlords to sell their property for redevelopment.

Taken together, these actions have rattled apartment owners and developers.

"This is developing into a perfect storm," said **Carl Lambert**, president of Venice multifamily real estate investment firm **Lambert Investments Inc.** and a board member of the **California Apartment Association**. "It's all very concerning."

The biggest concern of late has been the city's seismic retrofit mandate, which Mayor **Eric Garcetti** signed into law earlier this month. The law requires owners of the city's more than 12,000 wood-frame apartment buildings that sit atop carports to conduct surveys and reinforce the buildings to better withstand

### 12,000

Number of wood-frame apartment buildings needing seismic retrofits under new law.

Please see **REAL ESTATE** page 70

## College Passes On Downtown

By **HANNAH MIET** Staff Reporter

Places like New York and Paris typically come to mind when you hear the word "fashion." Downtown Los Angeles does, too. But the area around Los Angeles International Airport? Not so much.

That's why **Otis College of Art and Design's** decision to move its satellite campus from the downtown Fashion District has many in the industry baffled.

After operating out of the **California Market Center** at 110 E. Ninth St. for 20 years, Otis will move its fashion program this summer to its five-acre

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White House West: Frank Luntz in his replica of the Oval Office at his home in Brentwood.

PHOTO BY THOMAS WASPER

## Right Words

GOP adviser Frank Luntz's approach to messaging also speaks to businesses

By **MATT PRESSBERG** Staff Reporter

It's a perfect Friday morning in Brentwood, yet **Frank Luntz** is angry. His friend **Kevin McCarthy**, the House majority leader from Bakersfield widely tipped to become the next speaker, has suddenly decided to drop out of contention. While the drama made for cable news fodder, this Fox News fixture is not amused. Luntz answers the front door at his

home while wrapping up what's clearly not a pleasant phone call.

"You're here on a very bad day," he said. "I've been a friend of (McCarthy's) for 22 years. It will be a lifelong disappointment to me that he was unsuccessful."

So what happened?

"He's too nice," Luntz said. "In business, people assume if you're a really nice guy, you're a pushover. In politics, they assume if you're a really nice guy,

you're a liberal. He was too nice for a Republican caucus that wants revenge for **Barack Obama**."

Luntz has never had to worry about being mistaken for a pushover or a liberal. He's a long-time Republican adviser who came to national prominence as a consigliere to former Speaker **Newt Gingrich** and one of the masterminds behind Gingrich's Contract With America, which

Please see **CONSULTING** page 68

It isn't what you do,  
but how you do it.

— John Wooden

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Framing Debate: Luntz Global Partners' Frank Luntz with oil paintings of American historical figures at his home in Brentwood.

PHOTOS BY THOMAS WASPER

## Consulting: GOP Adviser Left Out by Hollywood

Continued from page 1

helped spark a Republican wave in the 1994 midterm election. He's responsible for truly effective strategies such as rebranding the estate tax as the much more sinister-sounding "death tax."

These days, Luntz, who serves as president of his Manassas, Va., focus group and consulting firm **Luntz Global Partners**, makes most of his money from TV and corporate gigs. He recently became entangled in the presidential conversation when current Republican frontrunner **Donald Trump** described Luntz as a "low-class slob" and a "clown." Luntz said he let the insults roll off because he's figured out how to handle the ochre-domed former reality TV star.

"I fully understand what Trump is all about," he explained. "Say something nice about him and he'll say something nice about you. Say something mean about him and he'll trash you. It's like dealing with an 11-year-old."

Albeit, an 11-year-old who's great for Luntz's bottom line.

"I got five paid speeches since Trump came after me," he said. "I got two new corporate gigs and two additional surveys from major corporate leaders who saw Trump attack me. His attacks made me over a quarter-million dollars."

### Home sweet home

Luntz, 53 and a lifelong bachelor who lives alone, might be best known for his political work, but his 14,000-square-foot estate is a byproduct of his robust consulting practice for corporate America.

The more than \$6 million house, which Luntz picked up in 2009, is tastefully

cluttered with ridiculously rare historical memorabilia, including a letter from Oliver Cromwell and an original copy of the Treaty of Versailles. Much of his sneaker collection, now at 140 pairs, is prominently displayed on the main staircase.

But the *pièce de résistance* of Luntz's pad, which includes a movie theater, bowling alley and shooting range, is a 76 percent scale replica of the Oval Office. The office is adorned with memorabilia from every president since Harry Truman — including a dress reminiscent of the one in the **Monica Lewinsky** scandal hanging in the kitchenette. Luntz said a coffee table and a replica of the Lincoln bed have yet to arrive.

While he's clearly obsessed with political lore and traditions, Luntz said the current climate in Washington fills him with dread. "The tone is horrific," he said. "I used to call it pathetic. Now I realize it's a poison."

As a result, Luntz said being a Fox News personality is more stressful than one might imagine.

"I know people are paying attention to every word and every phrase," he said. "And if they don't like what I say, I will be deluged with texts and emails."

But Luntz said he puts up with all of it because his appearances on Fox News — and CBS, another network where he has a TV deal — are incredibly valuable for his consulting business.

"If I want to pitch a CEO, I will make sure that I do (**Megyn Kelly**'s show) the night before," Luntz said. "Because CEOs watch her show. The other show they watch is 'CBS This Morning,' because they all like **Charlie Rose**. I actually time my television to correspond with my schedule."

He said he pitches clients on his ability

to find "words that work." He tests his messaging through three-hour focus groups where participants are given a handheld dial and register their reactions instantly and anonymously, providing insight that the best Ivy League marketing minds can't deliver, at least according to Luntz.

"I set them up so within 15 minutes, they're telling me not what they think I want to know, but telling the truth," he said. "I challenge them, I argue with them, I yell at them, I cry with them. I engage with them so they want to teach me."

Luntz pointed to a focus group he commissioned for **McDonald's** that included African-American and Caucasian mothers as his all-time favorite. He said a member of the latter subgroup told him she'd never feed such low-quality food to her children, and several members of the former took umbrage, pointing out the limited windows of time many of them had to procure dinner.

"The black moms were insulted and infuriated that it was suggested that they weren't as good as the white moms," he said. "And the white moms were righteously indignant that the black moms had to depend on McDonald's. This is an example of populations that don't understand each other. It was a vivid example of how different messaging must be applied to different populations. And it was awesome."

Luntz said his standard rate for an instant-response focus group is \$54,500, but it varies based on how hard it is to find participants for a particular topic. Surveys range from \$55,000 to \$95,000, and he said about half of his firm's clients pay a retainer, which range from \$25,000 to \$45,000 a month.

One longstanding client is the **National**

**Football League**. In September, the league's commissioner, **Roger Goodell**, gave a speech concerning the league's much criticized handling of a domestic violence incident perpetrated by former player **Ray Rice**. The remarks were panned by critics, but Luntz, appearing as a pundit on Fox Sports 1, called them "language perfection."

Through these groups and surveys, Luntz helps corporations hone a winning message. That means health care companies, for example, should build commercials not around doctors who are cold and clinical, but nurses who are caring. Luntz also has suggestions for an industry that is not overwhelmingly popular among average Americans: finance.

"The No. 1 line for that industry: You work hard for your money. We'll work even harder to protect it," Luntz said.

He then decoded that message: "First, 'you' is personal. 'Work hard' is the ultimate value in the country. Money doesn't mean cash, it means stocks, bonds, homes — everything you have. We'll work even harder — it shows your commitment to them. And people of wealth don't want more — they just don't want to lose it all. Since 2008, our whole mind-set has changed."

This kind of work sets Luntz apart from many political pollsters and pundits, who typically enjoy a three-year hibernation. Luntz said there's no offseason for him. He sold a majority stake in Luntz Global to New York's **MDC Partners Inc.** in January, but said he remains fully engaged as its president. Business, he said, has never been better, as the inability of corporate executives to relate to their customers remains an evergreen opportunity.

"They articulate a message that sounds



‘

**I got five paid speeches since (Donald) Trump came after me. I got two new corporate gigs and two additional surveys from major corporate leaders who saw Trump attack me. His attacks made me over a quarter-million dollars.’**

FRANK LUNTZ,  
Luntz Global Partners



great to them and horrible to everybody else,” he said. “It’s always brand, brand, brand. The problem with brand is that’s what you say about yourself. It should be reputation. Reputation is what other people think of you.”

**Hollywood bowled**

The lone industry yet to embrace Luntz and his firm is the one closest to his Brentwood home: Hollywood – and he said it’s because left-wing power brokers and celebrities don’t want to work with a conservative.

“It’s the one place where my business has not done as well and it’s the one place where it should be doing spectacularly well,” he said.

It’s particularly bothersome for Luntz because he said many celebrities tell him in private conversation that he delivers good results.

“Barbra Streisand told me at Mike Milken’s house that after every debate she turns to Fox to see what my focus group said,” Luntz boasted.

“There’s a bias,” he continued. “And it’s real.”

Despite the left-wing animus, Luntz acknowledged that he can’t seem to get a handle on the Republican mind-set these days – a domain he once seemed to own. The McCarthy thing clearly shook him, and he’s sounded numerous alarms on TV about the need for the Republican establishment to get it together before voters christen his sparring partner Trump as the party’s nominee.

“It’s not a game to me at all,” he said. Ultimately, though, it doesn’t matter what Luntz thinks. He’s built an empire as a highly paid adviser armed with other people’s opinions.

“This is what I do,” he said. “And there’s a real demand for it.”



**Benchmarks:** Clockwise from top, Luntz with statue of Benjamin Franklin in his backyard. In the president’s chair in his replica of the Oval Office at his home. With his footwear collection, including slippers featuring the Reagans and Margaret Thatcher as well as some of his 140 pairs of sneakers.