

AT ISSUE

A STONE, ROSENBLATT & CHA PUBLICATION

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CALIFORNIA IMPOSES NEW STEEP PENALTIES FOR MISCLASSIFYING WORKERS AS INDEPENDENT CONTRACTORS

By: Robyn M. McKibbin, Esq.

Governor Brown signed many new employment bills which become law on January 1, 2012, including changes regarding hiring practices, leaves of absence, and providing medical coverage. Perhaps the most significant new law, labeled the "Job Killer Act" by its opponents, prohibits the "willful misclassification" of independent contractors.

The Labor Commissioner, Labor Workforce Development Agency ("LWDA"), and courts will soon be authorized to assess severe civil penalties ranging from \$5,000-15,000 for each violation. If a pattern or practice is found, the penalties increase to \$10,000-25,000 per violation. Unfortunately, the new law does not clearly define what "willful misclassification" means, which creates substantial risk for employers who don't know the complexities of the multi-factor independent contractor analysis. As written, a "willful violation" means "avoiding employee status for an individual by voluntarily and knowingly misclassifying that individual as an independent contractor." Any improper deduction or fee charged to

a willfully misclassified worker may give rise to separate penalties.

The new law also has a non-monetary, public embarrassment penalty. For one year following a "willful" violation finding, the employer must post on its website or in an area visible to employees, customers, and the general public a notice signed by an officer or owner, stating: (i) The employer violated the law by willfully misclassifying employees; (ii) the employer changed its practices to avoid further violations; (iii) an employee who believes he or she is misclassified may contact the LWDA, including the LWDA's mailing and email addresses, and telephone number; and (iv) that the notice is displayed pursuant to state order.

Lastly, the new law imposes joint and several liability on consultants who knowingly advise an employer to classify an employee incorrectly. Attorneys are expressly excluded.

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BY: IRA H. ROSENBLATT, ESQ.

Ira Rosenblatt authors a recurring column called "Legally Speaking," which regularly appears in the *San Fernando Business Journal*.

Q: What is a Subchapter "S" Corporation?

A: A Subchapter-S corporation is a corporation which has filed a certain election with the Internal Revenue Service. Although subchapter-S corporations and garden-variety corporations (sometimes referred to as "C-corps") are both considered separate legal entities in the eyes of the law, only the latter is recognized as such for tax purposes. Consequently, C-corps' profits are taxed twice – once at the corporate level and again at the individual shareholder level if and when those profits are distributed as dividends.

Selecting subchapter-S status alleviates the risk of double taxation. That is because subchapter-S corporations are taxed as partnerships, not as corporations. The result is that all profits (and losses) are passed through to the shareholders (each of whom is taxed at the individual level) in proportion to his/her stock ownership. There is no tax at the corporate level. That is why subchapter-S corporations are commonly referred to as "pass through" entities.

Subchapter-S corporations still enjoy the same benefits of a C-corporation (i.e., limited liability). Although subchapter-S status may sound like it is a win-win, it is not appropriate in all circumstances. It is also subject to certain limitations, such as the number of shareholders allowed (no more than 100), single class of stock (except as to voting rights), election requires consent of all shareholders, and kind/type of shareholder (e.g., non-resident aliens may not own stock).

Before electing or choosing not to elect subchapter-S status, I suggest you contact your corporate attorney or CPA.

Q: I run a retail sales business. My manager has been calculating overtime for our sales people and some questions have arisen. Can you explain when overtime is triggered and how one calculates a regular hourly rate for an employee who earns both an hourly rate and commissions?

A: We'll presume that California labor laws (as opposed to Federal laws) apply. A non-exempt employee (such as the ones you describe in your question) are entitled to an overtime rate of time-and-a-half for work performed in excess of 8 hours in any one day, or 40 hours in any one work week. A "workday" is any consecutive 24-hour period. A "workweek" is any 7 consecutive days starting with the same calendar day each week (e.g. Sunday through Saturday). An employee is entitled to overtime rate of double-time for work performed in excess of 12 hours in any one day, or any work in excess of 8 hours on any 7th day of a workweek. Meaning, if an employee works 7 days in a workweek (Sunday through Saturday in our example), the first 8 hours worked on Saturday are paid at a rate of time-and-a-half. Anything over the 8 hours on the 7th day (Saturday), is paid double-time. Notwithstanding the foregoing, there are wage orders that mandate different maximum hour standards for certain industries such as motion picture, live-in household, personal ambulance drivers, and agricultural occupations to name a few.

Under California law, sales commissions are included in determining an employee's "regular rate" of pay; it is not simply his/her hourly rate. If a sales person is paid a weekly commission, the commission is added to the total amount of hourly weekly pay then divided by the number of hours worked that week (up to a maximum of 50 hours). For example, say a commissioned employee is paid \$10/hour, works 50 hours one week, and earns a one-week commission of \$500. $\$10 \times 50 \text{ hours} = \$500 + \$500 \text{ commission} = \$1,000$ total compensation $\div 50 \text{ hours worked} = \20 regular rate for that week. Which means the sales person is entitled to 10 hours of overtime at a rate of \$30.00 per hour for that week. As sales commissions fluctuate, the sales person's "regular rate" would need to be calculated each week.

EDITOR'S NOTES

We are pleased to provide you with our Fall 2011 Edition of *At Issue*. *At Issue* is an in-house Stone, Rosenblatt & Cha publication comprised entirely of original material researched and authored by our attorneys, clerks, staff, friends (and sometimes even our clients). Our publication is designed to inform, educate, and entertain. As always, we welcome your comments and suggestions. Please feel free to contact us regarding any topics you would like to see addressed in future editions at Editor@srclaw.com. Thank you.

WHO WE ARE...

Stone, Rosenblatt & Cha, based in Southern California, is an award winning business law firm serving our clients' litigation and transactional needs. The firm enjoys the highest available rating ("AV") from Martindale-Hubbell (the legal industry bench-mark) for both legal ability and ethics, and is listed in Martindale-Hubbell's National Bar Register of Preeminent Lawyers. Our clients are successful businesses, entrepreneurs, artists, and high net-worth individuals.

WHAT WE DO...

"We help our clients define, and ultimately achieve, their strategic and financial objectives. We fulfill our Mission by delivering more than just quality legal services — we deliver solutions." Ira Rosenblatt, Managing Director.

QUESTIONS OR COMMENTS

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CALIFORNIA SUPREME COURT SUBSTANTIALLY REDUCES THE AMOUNT OF MONEY MANY PLAINTIFFS WERE ONCE ABLE TO RECOVER IN PERSONAL INJURY CASES

By: Gregory E. Stone, Esq.

When an injured person receives medical care for his/her injuries, the provider (e.g., doctor, hospital, insurance carrier) of that care often accepts as full payment, pursuant to a preexisting contract with the injured person's health insurer, an amount less than that stated in the provider's bill. Plaintiff lawyers always seek the full amount of medical expenses, as opposed to the discounted total for which the patient is actually responsible. The Supreme Court decided to hear the issue of whether that injured person could recover the entire undiscounted bill from the wrongdoer. The court in *Howell v. Hamilton Meats* answered that question with a resounding "No."

In the *Howell* case, the plaintiff who was seriously injured, incurred about \$190,000 in medical bills. However, those medical bills were reduced or "written off" by approximately \$130,000, pursuant to an agreement between plaintiff's medical provider and her private health care insurer, leaving an actual billing amount of about \$60,000.

Prior to this recent Supreme Court ruling, plaintiff would seek to recover the full \$190,000, ignores the discount. The theory being that a wrongdoing defendant should not benefit from plaintiff's wherewithal in purchasing health insurance and to do so would violate what is known as the "collateral source rule."

The Supreme Court rejected plaintiff's argument and changed the way personal injury cases are evaluated, settled, and litigated. The Court ruled plaintiff is only entitled to recover that amount which was actually incurred (i.e., the discounted amount) not the full billed amount. It should be noted that this current ruling is consistent with the way cases have been handled when Medi-Cal is involved.

While the plaintiff's bar is crying "foul" arguing the one who causes injury should not benefit from the fact the injured party had insurance; the defense bar is saying "it's about time!" and the injured party should not be able to recover medical bills which they were never obligated to pay in the first place.

YEAR-END CHECK LIST

By: Ira Rosenblatt, Esq.



I find that this time of year is a good time to take account of various business items that, while important, do not demand our attention throughout the year. Being a fan of checklists as I am, I thought I'd share this Year-End Check List with you with the hope it may spark you to create your own, tailor made to your business. I've seen this approach serve business executives well over the years, essentially serving as a safety net to make sure things do not slip through the cracks.

Corporate Housekeeping & Business Records:

- Fictitious Business Name Statement - renewal?
- Domestic Stock Statement Filing with Secretary of State;
- Annual Minutes;
- Ratify actions of entity by resolution (e.g. contributions to 401K, bank loans, distributions, bonuses, lease signings, etc.);
- Review shareholder, partnership, or operating Agreements to determine if any year-end evaluations are required;

General:

- Leases – check for upcoming options, notices required to produce to Landlord, etc.;

- Do we need to file documents qualifying company to do business in any other states?;
- UCC-1 – Do we have to file any renewals? Note – UCC-1's expire if not renewed within 5 years;
- Review bank loan documents for covenants, interest adjustments, and the like;
- Take account of any permits and licenses required in your business;

Employment:

- Update Employee Handbook with assistance of counsel;
- Personnel records update (e.g. I-9's, insurance forms, write-ups, etc.);
- Review benefits package;
- Ensure all required postings are in place;
- Check sexual harassment training needs for supervisors and managers;

Insurance and Catastrophe Plan:

- Check off site electronic storage needs and capacity – ensure active and meeting needs;
- Verify all required named insured's are listed on policies (e.g. any new dba, affiliates, etc.);
- Revisit all insurance policies and assess

limits to ensure still adequate;

- Assess benefits on all Key-man life insurance policies to ensure they are still adequate for needs;
- Ask broker to assess adequacy of existing policies and advise if any additional policies are recommended (e.g. earthquake; Employment Practice Liability; etc.);

Other:

- Check URL expiration, ensure all critical renewal dates are calendared;
- Review website privacy statement;
- Check all industry listings to insure accurate and up to date in terms of contact information and personnel;
- Review license agreements, maintenance and support, and website hosting agreements for any automatic renewal provisions and that vendors and terms continue to meet your needs;
- Update lists (e.g. customer, vendor, client, personnel, emergency, etc.);

This is certainly not an exhaustive list, but merely designed to illustrate how useful this tool may be and give you and your team something to start with and make your own to meet your needs.

CONTINUED FROM COVER

California hopes to benefit from the significant penalties imposed against employers and the increase in payroll taxes employers will pay by classifying workers as employees instead of contractors. Proponents claim the new law will properly bring more workers under the protections of the Labor Code, which include the right to minimum wage, overtime, anti-discrimination rights, and safety regulations, protections which are not afforded to “true” independent contractors. Employers are urged to consult with employment counsel to ensure their workers are properly classified.

Other new employment laws:

- Anti-discrimination laws clarify the protected categories of sex and gender include gender identity and gender expression, i.e., whether a person’s gender-related appearance and behavior stereotypically correspond with his or her sex at birth.
- Employers are prohibited from refusing to maintain and pay for group health insurance for an employee who takes leave for pregnancy, childbirth, or a related medical condition up to four months.
- At the time of hire, employers must provide new employees with specific written notice of the agreed upon employment terms including the pay, piece, or commission rate, designated pay days, proper name of the employer, including any dba, and the name and contact information of the company’s workers’ compensation carrier. The employer must notify all employees in writing of any changes thereafter. The Labor Commissioner is expected to develop a template for employers to use.
- Employers are essentially prohibited from using credit reports for employment purposes.
- Employers who pay commissions must have a signed agreement with the employee that sets forth the method of calculating the commissions and must obtain an acknowledgment of receipt from the employee.



TOP WAGE & HOUR MISTAKES EMPLOYERS MAKE

By: Robyn M. McKibbin, Esq.

(1) Not paying employees for all hours worked

If an employer knows or “should know” that employees are working, then payment is mandatory — regardless of whether or not the task is authorized by the employer. This may also include compensating employees for travel time, mandatory training, and “off the clock” time.

(2) Being lax with vacation pay and paid time off benefits.

Employers are not obligated to offer employees paid vacation. However, if an employer elects to offer paid benefits, there are certain restrictions. Vacation pay, floating holidays, and paid time off constitute earned wages and cannot be subject to forfeitures, “use it or lose it” practices, or unreasonable caps on accrual.

(3) Not providing and documenting meal and rest breaks.

Employees are entitled to an unpaid 30-minute meal break after five hours of

work. If the workday is a total of six hours, the employee may voluntarily waive the meal break. Employers must provide paid 10-minute rest breaks for every three and a half hours worked.

(4) Failing to properly itemize pay stubs.

Paychecks must show the employer’s name, employee’s name and address, gross and net wages, pay rate, hours worked for nonexempt employees, dates covered by the pay period, and deductions.

(5) Misclassifying employees.

There are very specific criteria for employees to qualify as exempt. The criteria focuses on actual duties, not title, position, or even a verbal or written agreement between the employee and employer. Paying an employee a salary instead of at an hourly rate also does not transform an otherwise nonexempt employee into an exempt one. See cover article to learn about how the California legislature is cracking down on misclassification.



PROFILE: KARLA ALVARADO

Karla Alvarado was born and raised in the San Fernando Valley. Karla has been working in the legal field for approximately 4 years, the last two as a case assistant for SRC. Karla has a Paralegal certificate. She is currently a student at Los Angeles Pierce College and hopes to transfer to Cal State Northridge to complete her college education.

Karla has 2 daughters, Crystal (age 7) and Lily (age 5). Karla and her daughters enjoy going to theme parks, the theater, the beach, and spending time with extended family. Karla also enjoys reading and cooking new recipes. Her favorite dish is shrimp with veggies, and her favorite holiday is Thanksgiving.



PROFILE: ZARA TER-MATEVOSYAN

Zara Ter-Matevosyan is a legal assistant with over 8 years of civil litigation experience. In addition to assisting with legal matters, Zara has also been working in SRC’s accounting department for the past year and a half. Zara’s legal career began at the age of 19 when she was hired as a receptionist for a law firm. The law firm’s head partner took Zara under his wing and helped her cultivate her litigation skills. Zara has been with SRC for over 4 years.

In her free time, Zara enjoys reading, playing board games, and spending time with her family, friends, and fiancé, Alen. Zara is currently very busy planning her upcoming wedding.



RECENT APPELLATE CASES TREND FAVORABLY TOWARD INSURANCE CARRIERS

By: Kristi Dean, Esq.

Three recent cases denied policyholders coverage under their insurance policies in three diverse situations. In *State Farm v. Frake*, the insured was sued by his high school friend after he was hurt in the groin while engaged in "consensual" drunken horseplay, resulting in a \$450,000 verdict. The court of appeal ruled that an intentional act resulting in unintentional harm is not an "accident" and therefore the incident was not a covered "accident" under the policy.

A Los Angeles Superior Court judge ruled that California's Insurance Code section 533.5 explicitly bars coverage for any criminal action, including federal claims. In *Mt. Hawley Insurance Co. v. Lopez*, the coverage dispute focused on a federal grand jury indictment against a doctor for allegedly performing a liver transplant on an unauthorized patient in exchange for money from the Saudi Arabian government. *Ins. C.* section 533.5 precludes coverage for criminal actions even when a policy promises coverage.

Prior cases have ruled that this statute applies to bar only state and local criminal actions. The Lopez ruling expands the statute to apply to federal crimes as well, and will likely be appealed.

In *California Traditions v. Claremont Liability Ins. Co.*, the Court of Appeal ruled that Claremont was not obligated to cover a developer's multi-million dollar judgment against a subcontractor for defective framing of 146 free standing units in a residential complex. The Claremont policy issued to the subcontractor excluded work on condominiums. The developer argued that the condo exclusion did not apply because the units were freestanding. The court disagreed, and noted that the project was recorded as a condominium. California law defines the term "condominium" to include "freestanding units as one type of a condominium unit that may comprise a 'condominium project.'" Therefore, a condo may be freestanding and the condo exclusion applied to the project.

Two recent 1st District Court of Appeals opinions ruled in favor of insurance carriers on bad faith claims when the insurers decided to seek attorney advice before making a decision on the handling of a claim. In the unpublished decision from the 1st District of the California Court of Appeal, *Miranda v. California Capital Insurance Company*, the carrier denied the defense of its insured, a Humboldt County dairy farm, when it was sued for trade libel. The carrier requested a coverage opinion from an attorney who concluded that there was no coverage for trade libel under the policy's personal injury coverage. On appeal the Court concluded that there was a possibility of coverage under the policy, but rejected the bad faith claim by the insured, because the insurer had relied on advice of competent counsel. Although unpublished, this ruling underscores the benefits of retaining coverage opinions in close coverage calls.



A RESOURCE GUIDE TO ELDER CARE ASSISTANCE

By: Leslie A. Blozan, Esq.

As the generation of baby boomers ages, it is confronted with the task of caring for elderly parents. A recent U.S. Health and Retirement Study conducted by the University of Michigan revealed that the percentage of adult children taking care of their parents tripled between 1994 and 2008. This translates to a huge financial and emotional toll upon the caregivers. There are many resources available to assist caring for the elderly, but many of those resources are under utilized because many are unaware that they are available.

The solution is easier for those with long term care insurance or substantial financial resources. Public programs exist in most communities to assist those who do not have access to such benefits. Los Angeles County has a Community and Senior Services Department with a wide range of services and programs designed for the elderly.

The City of Los Angeles and County of Los Angeles have wide-ranging programs which

provide assistance in care giving, nutrition, Medicare and insurance support for the elderly. There are even paratransit programs that provide transportation services for the disabled. Meal delivery and counseling can

be arranged for caregivers.

As a starting point, provided below is a list of useful contacts for seeking additional information.

LA Dept. of Aging	Wide range of activities, facilities and support services	213-252-4000	www.aging.lacity.org
LA Elder Abuse Hotline	24 hour toll free	877-477-3646	www.css.lacounty.gov
Alzheimers Day Care Resource Center	Daycare; counseling and caregiver support; care training; also meal delivery and other services.	800-510-2020	www.css.lacounty.gov
Health Care Insurance Counseling	Medicare and insurance counseling and advocacy.	800-824-0780	www.css.lacounty.gov
Integrated Care Management	Care managers to link the elderly with specific support services.		www.css.lacounty.gov Follow link to "programs"
Ventura County In Home Support and Case Management	Community resource assistance.	805-981-5144	www.vchca.org

This is the first article in a continuing series on elder care and elder abuse issues. The next article will focus on danger signs of possible elder abuse, and how one should react.



GREAT! I WON. SO, WHO PAYS MY COSTS?

By: Robyn McKibbin, Esq.

Larry Plancich was an on-road supervisor for United Parcel Service, Inc. ("UPS"). He claimed that he was erroneously classified as an exempt employee (and thus not entitled to overtime) because he did not exercise discretion or independent judgment when performing his job, and sued for, among other claims, failing to pay overtime, failing to provide meal and rest breaks, failing to keep, maintain, and furnish accurate wage statements and time records and unfair competition. The trial court found in favor of UPS on the unfair competition claim. A jury found in favor of UPS on the remaining claims. The trial court awarded \$38,387.20 in costs (e.g., out of pocket expenses covering filing fees, court

reporters, deposition transcripts, experts, etc., but not attorney fees) to UPS as the prevailing party but then granted Plancich's motion to strike costs. UPS appealed.

Although "the American litigation rule" renders attorney's fees unrecoverable unless expressly provided for by statute or contract, California allows the winning party to recover its litigation costs (like those mentioned above) from the losing party. *Labor Code* section 1194 authorizes an award of attorney's fees and costs in actions seeking to recover unpaid overtime claims only to a successful employee-plaintiff. It is a "one-way" attorney's-fee-shifting statute which precludes an

attorney's fee claim by an employer-defendant even if the employer successfully defended the claims. The one-way fee-shifting rule was meant to encourage injured parties to seek redress where they otherwise would not find it economical to sue. One Court of Appeal decision previously interpreted the *Labor Code* provisions and held that employers who prevailed in wage disputes were not entitled to recover either their attorney's fees or costs.

UPS argued that *Code of Civil Procedure* ("CCP") section 1032(b) required that costs be awarded to the prevailing party. The Plancich Court, a Court of Appeal in a different district, analyzed both statutes and concluded *Labor Code* section 1194 does not provide an "express" exception to the general rule permitting an employer as a prevailing party to recover costs under CCP 1032(b) because the statute makes no mention of prevailing employers and does not expressly bar an employer from recovering its costs. The *Plancich* Court acknowledged that their holding may have a chilling effect, however, stated the argument should be addressed by the Legislature.

With polar opposite rulings amongst the Courts of Appeal, the California Supreme Court will most likely step in to bring statewide harmony and uniformity of decision. The Supreme Court can either agree to review the *Plancich* decision and settle this issue, or if the Court disagrees with the reasoning, it can simply depublish the opinion, which would render it uncitable and allow the prior decision to stand. Alternatively, the Legislature may modify the statutes to clarify its intention. Advertising. The court has now provided guidance on acceptable competitive keyword advertising.



NEW SMART PHONE CHECK FRAUD

By: Leslie A. Blozan, Esq.

Con artists and thieves are endlessly creative when it comes to separating people from their money. A new scam has recently been reported, involving the use of a smartphone camera to defraud check issuers.

In one reported case, an escrow title agent issued a check for a property closing to the seller. The seller left with the check, only to return within a few hours with a request that the money be wired to the

seller's bank. The agent, not recognizing the risk, accepted the returned check and wired the money as requested. What the agent did not know is that the seller had used the "photo deposit" technology of a smart phone to photograph and deposit the check before he returned the check to the agent. When the money was wired, the seller then collected the same funds again.

Any individual or business is susceptible to this scam if checks are issued to third



parties. In order to avoid the risk, those who issue checks must treat them with great care. Do not agree to exchange a check already written for other forms of payment if the check has left your possession, even if for only a few minutes. Also, once a check is signed it is important to keep that check secured, or within your sight at all times. An unscrupulous person only needs a few moments alone with an executed check in order to effectuate a fraud.

YOUR GUIDE TO LOS ANGELES THIS FALL

By: Kimia Sehati

Although the change of seasons is subtle in Los Angeles, we know that fall is here. The city's seasonal menus are out with specials including butternut squash, pumpkin spice, and seasoned yams and potatoes. The holiday decorations are also popping up all over the city. There's no better time to take advantage of the many different things the family can enjoy throughout Los Angeles together. Here's a quick look:

DO:

Downtown on Ice: Southern California's annual outdoor skating rink will appear right in the middle of Downtown LA. The public ice rink, adorned with festive holiday lights, will be one of the coolest places for L.A.'s hot holidays.

When: Nov 17, 2011 – Jan 16, 2012 at Pershing Square (532 South Olive St, Los Angeles, CA 90013)

Holiday Boat Parade: Thousands of people from all over the city drive to the Marina each year to see the beautiful lights of the boat parade at Marina Del Rey. Fireworks will be followed by a parade of adorned and decorated boats. The theme for this year's parade is Christmas Carnivale.

When: Saturday, Dec. 10, 2011 at 5:55 fireworks, 6:00 parade at Marina Del Rey

WATCH:

Happy Feet Two

The cute little penguins of Happy Feet are back for a sequel. This time around Mumble's son, Erik, works towards realizing his talents in the Emperor Penguin world. Meanwhile, all those around him must work together to save their home from a new threat. This movie is sure to have both kids and adults smiling.

The Muppets

The Muppets will finally all be back on one screen. The Muppets have been split up for years, with Kermit living in his own mansion in Hollywood, and Miss Piggy as a plus-sized fashion editor at Vogue Paris. The Muppets must reunite and work together to save their old theater from being torn down.

Jack and Jill

Adam Sandler is back for the holidays with another comedy that will have the entire family laughing. In the film, Jack, a family man, has his sister, Jill, over to visit for the Thanksgiving holiday. But issues arise when she refuses to leave. Adam Sandler plays both Jack and Jill with Katie Holmes playing Jack's wife.

DRINK:

Here are some drink recipes to keep you warm during the cool fall nights:

Apple Cranberry Spice: Mix warm apple cider, cranberry juice and some pumpkin spice for a nice festive drink.

Hot Chocolate Peanut Butter: Add a tablespoon of peanut butter to your hot chocolate to give it an extra kick and a more festive feel.

Apple Pie Punch: Mix together some apple juice, apple cider, and sugar and heat it up. Add some cinnamon sticks to top it off. Adults can even spike their drink up with a little bit of liquor.

EAT:

Take a Bao Opens in Studio City: Take a Bao is one of the newest additions to the great restaurants on Ventura Boulevard in Studio City. After great success with their restaurant in the Century City Westfield mall three years ago, the trio of owners opened up a second location in Studio City. In conjunction with American tastes and French technique, their Asian-inspired menu features different dishes from all over Asia, including Korean barbecue short ribs, noodles, and very tasty rice bowls. Rumor has it, the desserts on the menu are quite amazing, especially their chocolate s'more bao, and a banana Nutella bao. The restaurant is located at 11838 Ventura Blvd., Studio City.



AND SOME THINK ATHLETES SHOULD BE ROLE MODELS?

1 Frank Layden, Utah Jazz president, on a former player: "I asked him, 'Son, what is it with you? Is it ignorance or apathy?' He said, 'Coach, I don't know and I don't care.'"

2 New Orleans Saint RB George Rogers when asked about the upcoming season: "I want to rush for 1,000 or 1,500 yards, whichever comes first."

3 Football commentator and former player Joe Theismann: "Nobody in football should be called a genius. A genius is a guy like Norman Einstein."

4 Chuck Nevitt, North Carolina State basketball player, explaining to Coach Jim Valvano why he appeared nervous at practice: "My sister's expecting a baby, and I don't know if I'm going to be an uncle or an aunt."

5 Shelby Metcalf, basketball coach at Texas A&M, recounting what he told a player who received four F's and one D: "Son, looks to me like you're spending too much time on one subject."

6 Boxing promoter Dan Duva on Mike Tyson going to prison: "Why would anyone expect him to come out smarter? He went to prison for three years, not Princeton..."

7 Former Houston Oilers coach Bum Phillips when asked by Bob Costas why he takes his wife on all the road trips, Phillips responded: "Because she's too damn ugly to kiss good bye."



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NEWS & EVENTS

- Ira Rosenblatt successfully closed a stock purchase transaction enabling Buyer/Founder to buyout its financial partner in a vintage retro apparel company. SRC represented the Buyer.
- Ira also completed successful commercial lease negotiations on behalf of various SRC commercial tenants in the entertainment, fitness, and manufacturing industries. In each case, SRC's clients were expanding operations, hopefully a good sign of things to come!
- John Cha and Robin McConnell successfully defended their client against allegations of theft of trade secrets. The litigation was long fought and heavily contested, but at the end of the day, SRC's client obtained a complete victory including recovery of costs incurred. The victory also allowed the client to negotiate with and be acquired by another company.
- Senior Associate Leslie Blozan recently completed advanced training in her capacity as an arbitrator for the State Bar mandatory fee dispute arbitration panel.
- In August, Kristi Dean and Leslie Blozan traveled to Amelia, Ohio, to meet with clients at American Modern Insurance Group and discuss current developments in California law as it relates to insurance coverage and defense.
- In September, principal Kristi Dean and senior associate Leslie Blozan traveled to London to meet with clients in the London insurance market. They had a week of productive meetings with underwriters and brokers in The City and were able to re-connect with many business friends whom they have met over the years.
- Senior associate Greg Miller recently completed a seven day motorcycle tour of Sequoia and Yosemite National Parks.
- SRC welcomes Marleigh Green, Angie Jones, and Michelle Macias to our team. Marleigh and Angie work the front desk, and Michelle assists the staff as a file clerk.

Stone, Rosenblatt & Cha is a business law firm specializing in business transactions and litigation. We represent businesses and their owners in the areas of Litigation, Business Transactions, Entertainment, IP, and Employment.

"At Issue" is the newsletter of Stone, Rosenblatt & Cha and is comprised entirely of material researched, developed, and written by the attorneys, clerks, staff, and friends of the firm. The articles are of a general nature and are not intended to be interpreted as advice on specific legal issues. The mere receipt of the newsletter does not create an attorney-client relationship.

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