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Big Employers Grow Ranks

EMPLOYMENT: Private, public firms flex hire power.

By **NEIL NISPEROS** Staff Reporter

Los Angeles County's largest private-sector employers combined to grow their workforce by 3.3 percent over the past year, while public-sector firms edged up staffing 0.7 percent.

Government agencies, universities, health

THE LISTS:
LARGEST PRIVATE EMPLOYERS
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LARGEST PUBLIC EMPLOYERS
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care companies, retailers, aerospace manufacturing and the entertainment sector all were among the region's top job creators on the Business Journal's lists of private- and public-sector employers as ranked by

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L.A. Port Rides Digital Wave

SHIPPING: Program aims to consolidate cargo data online.

By **SHWANIKA NARAYAN** Staff Reporter

The Port of Los Angeles is expected to be the first port in the United States to create a centralized online cargo database as it moves to expand a successful pilot program.

The effort could give the busiest port in the



Seroka

ordination in the sharing of maritime data as a

Please see **SHIPPING** page 8

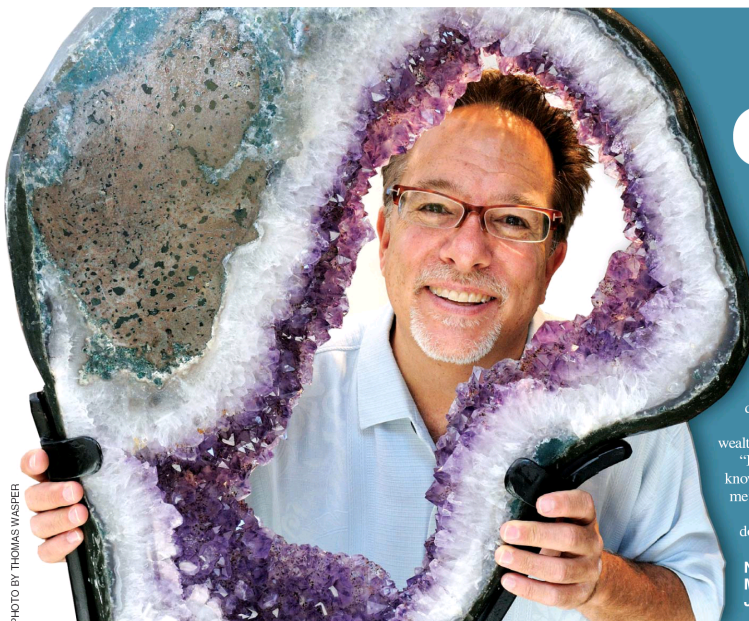


PHOTO BY THOMAS WASPER

CRYSTAL CLEARANCE

Mystic Journey gallery among businesses boosted by 'healy-feely' industry.

By **HENRY MEIER** Staff Reporter

A multipointed white quartz cluster the size of a minifridge greets clients entering **Mystic Journey** crystal gallery on Lincoln Boulevard in Venice.

The 1,841-pound stone is the largest – and arguably most dramatic – piece at the center of owner **Jeff Segal's** high-end crystal venture, which opened late last month. It is also the most expensive stone among the three dozen or so pieces on display, with an asking price of \$74,000.

Segal said the market for crystals like this is growing in Los Angeles, with wealthy clients viewing such stones as unique art pieces for display in homes or offices. "I'm sure there are other places in the country that have as much interest in and knowledge about (crystals), but there can't be many," he said. "Whether it's for the metaphysical aspects or just for the beauty of the stones, more people want them."

It isn't clear how large the crystal market is, and some mineral trade insiders doubt its long-term viability. But the U.S. psychic services industry – which includes businesses that offer expertise in astrology, palmistry, aura readings and other

New Age in Retail:
Mystic Journey owner Jeff Segal with amethyst.

Please see **MINERALS** page 54

Toymaker Puts China in Play

MANUFACTURING: Kids at center of Mattel push.

By **SHWANIKA NARAYAN** Staff Reporter

El Segundo-based **Mattel Inc.** is expanding beyond toys and into classrooms in China as the company struggles with declining domestic sales and a battered share price.

The toymaker recently announced the next

phase of its partnership with **Babytree**, China's largest parenting website, to co-develop a network of learning centers across that country.

Mattel is not a stranger to the educational toy sector, but the

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MANUFACTURING page 55

Gal's Pal:
Ken doll by Mattel.



Puma Back Up on FDA OK

BIOTECH: Cancer drug firm achieves new shelf life.

By **DANA BARTHOLOMEW** Staff Reporter

It's taken years of clinical trials, hundreds of millions in annual losses and a roller-coaster market ride toward federal approval.

Now Nerlynx, a new breast cancer drug developed by **Puma Biotechnology Inc.** of West

Los Angeles, has hit pharmacy shelves.

"I'm excited," said **Alan H. Auerbach**, Puma's founder and chief executive. "For every 100 drugs that people bring in for human testing, you're lucky if one of those goes to market. The production is already being



Auerbach

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5 Higher Expectations
SolarReserve Chief Executive Kevin Smith has inked a towering \$512M deal for a power plant in Australia.



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Boon to Industry

The political wrangling in Washington to repeal and replace Obamacare has stoked business for benefits consultants.

30

Exclusive Neighborhood

1933 Bel Air mansion Chartwell has been listed at the record-breaking price of \$350 million.



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PHOTO BY THOMAS WASPER

Rocking Out in Venice: Mystic Journey looks to serve customers in the high-end market for crystals, such as this 1,841-pound white quartz cluster, priced at \$74,000.

Minerals: New Agers Energize Sales of Crystals

Continued from page 1

metaphysical offerings often connected to crystals – had 2016 revenues of \$2.1 billion with 2.4 percent annualized growth over the previous five years, according to a December report from IBISWorld Inc.

Mystic Journey is Segal's second retail location. He also owns a shop with the same name on Abbott Kinney Boulevard, a self-funded venture he started in 2008 after a 27-year career as an attorney. Thew two shops in total have four full-time workers, about 13 part-time employees and more than 20 independent contractors who teach classes or give psychic readings at the stores.

Segal declined to give exact revenue numbers for his business, but said crystals have been integral to its success despite an initial focus on New Age healing books and other metaphysical accoutrements.

In 2016, he saw a 40 percent surge in crystal sales, which followed a 50 percent jump in 2015 and 30 percent spike in 2014, Segal said. These steady revenue increases helped convince him there was long-term market demand, which led this year to the new gallery space dedicated to large-scale pieces.

"I think (the popularity of crystals) is going to continue to grow," he said. "You can't put that genie back in the bottle."

Mystic Journey isn't the only company tapping into the growing crystal demand. Shops dedicated to these stones proliferate in Los Angeles County, with most offering an assortment of metaphysical wares including smaller, less expensive crystals. There are, however, several high-end gallery-style retailers similar to Mystic Journey's new location that offer five- and even six-figure specimens, including **Crystalarium** in West Hollywood and **Serenity Rocks Malibu**.

The uptick in demand for crystals is part of

a surge of interest in wellness and alternative healing in the United States. Products and services that were once considered niche, such as cold-pressed juice and yoga classes, are now enjoyed by millions of Americans.

High-profile brands such as actress **Gwyneth Paltrow's Goop Inc. Ltd.** are getting in on the crystal game. The company sells a self-described "medicine bag" with eight small polished crystals inside for \$85.

Pricey pursuit

These stones are a far cry from the large-scale pieces sold at the Mystic Journey and Serenity galleries, but not everyone can afford to drop \$50,000 – something Segal said he realized early on.

"One of the things I've tried to do is have price points that cater to everybody," he said, sitting on an open-air patio at his Abbott Kinney location. "You can buy a tumbled stone here with the metaphysical properties of that stone in a little mesh bag for \$2.95 and you can also buy a stone here for over \$10,000."

Segal said the profit margin on his stones varies by size. With larger stones – like the ones featured in the new gallery – the markup is a smaller percentage, but the overall profit is much larger.

"If I buy a stone and it's \$10 and let's say I sell it for \$50, so I've made \$40," he said. "But if I buy a stone that's let's say \$5,000 and sell it for \$10,000 and make \$5,000 – well, there's a lot of 40s that go into 5,000."

Size plays some role in profit margin, but the biggest factor is that most of the in-demand crystals are relatively abundant and can be bought on the cheap from wholesalers, at gem shows or directly from miners.

Some of the most popular stones, such as quartz, amethyst and citrine, all can be found in surface-level deposits, according to **Aaron Celestian**, the associate curator of the mineral

sciences department at the **Natural History Museum Los Angeles County**.

"There is more quartz in the Earth than oil," Celestian said. "There are so many places where it comes out of the ground."

Many of the specimens that wind up as gallery pieces in the United States are imported from South American countries. Segal gets most of his specimens from Brazil and Uruguay, where the stones are plucked from shallow mines and, in some places, directly from mountainsides where erosion can leave them exposed.

The \$74,000 white quartz specimen at the Lincoln gallery is from the Niquelandia region of the Brazilian state of Goias, Segal said. He

were not so bullish in their predictions for where more the business is heading.

"Collecting minerals as a hobby is trending down," said downtown's **Guild Laboratories Inc.** founder **Charles Carmona**. "Huge collections that grandpa has been hoarding for years suddenly are going on the market and no one wants them."

Carmona has been involved in the gem and mineral trade since the 1970s and said that for a long time, most hobby collectors were boys between 8 and 15 years old. With the rise of video games and social media, that demographic has abandoned collectibles, leaving far fewer young rock hounds than 20 or 30 years ago.

'There is more quartz in the Earth than oil. There are so many places where it comes out of the ground.'

AARON CELESTIAN, Natural History Museum Los Angeles County

happened across it through a network he's built up over the years, first at gem shows in the United States – most notably the Tucson Gem & Mineral Show in Arizona – and then on trips to visit dealers in their native countries.

Segal declined to disclose what he paid for the massive piece, but said there is a fairly hefty initial investment when you get into the crystal retail business.

"It's tens of thousands of dollars in upfront investment," he said. "That part can be challenging. After doing it for a number of years, I prepare for it. But no matter what, if I say I'm going to spend X, it's never X. And it's never less than X. It's just not possible."

Not everyone is enchanted with the crystals market, however. Some longtime gem dealers

Some of the hobby collecting crowd has been replaced by a new class of crystal enthusiast, Carmona said.

"Some people do see it as natural, decorative art," he said. "People buy them because they're beautiful or because they're a healthy-feely type."

The healthy-feely types, as Carmona puts it, still spend money, otherwise businesses like Mystic Journey wouldn't exist, something Segal admitted.

"I want to place these in people's homes, I want the stones out there, so I've worked to keep the crystals at what I consider to be a very fair price," he said. "But it remains a business, and I'm on Abbott Kinney and it's no secret that the rent here isn't cheap, so I have to manage that."