

## TOP STORIES

What's the city's most innovative agency? You'll never guess

PAGE 2

Blame boards for City Opera, Folk Art Museum troubles

PAGE 2

Applesauce's odd journey from China to public schools

PAGE 3

Secrets of Gotham's drop in crime

THE INSIDER, PAGE 8

Bold new brewer seeks to tap the Bronx mystique

NEIGHBORHOODS, P. 14



## BUSINESS LIVES

## GOTHAM GIGS

Bicycles built for one, by hand **P. 27**

## • ANNE FISHER

Mastering the art of working the room **P. 27**

## • MOVERS &amp; SHAKERS

Morgans Hotel CEO makes suite deals **P. 28**

• GAEL GREENE Three hats for The Dutch **P. 30**

## INDEX

VIEWPOINT	10
REAL ESTATE DEALS	16
CLASSIFIEDS	22
FOR THE RECORD	24
HOT JOBS	27
EXECUTIVE MOVES	27
THE WEEK AHEAD	30
WEEK ON THE WEB	31
CHEAT SHEET	31

# CRAIN'S

## NEW YORK BUSINESS®

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**TOP  
ENTREPRENEURS**  
AND THE WINNERS  
FOR 2011 ARE ...  
**PAGE 17**



**SEAGRAM'S ON ICE:** The relationship between (counterclockwise from top) RFR Holding co-founders Michael Fuchs and Aby Rosen, and billionaire partner Peter Brant and his wife, Stephanie Seymour, started with a savvy deal but ultimately soured.

# PRICKLY PARTNERS

Wanted: buyer for major stake in prestige tower. Must play well with others

BY THERESA AGOVINO

It's not surprising that an opportunity to own 49% of the landmarked Seagram Building has attracted major investor attention. Hailed as a masterpiece of modern architecture, the sleek Park Avenue tower commands some of New York's highest rents and boasts some of its most elite investment firms as tenants.

But the asking price—said to be more than \$700 million—may be the least of prospective buyers' concerns. Majority owners Aby Rosen and Michael

Fuchs have left a trail of fractured partnerships in recent months. One of the reasons that billionaire Peter Brant is unloading his share of the property is because of disparaging remarks the pair made about his wife, former supermodel Stephanie Seymour.

Separately, investor Harry Lis is suing Messrs. Rosen and Fuchs for allegedly withholding millions in proceeds from the sale of two buildings they owned jointly. And last year, the duo split with noted hotelier Ian Schrager amid a reported clash of egos.

"The problems in the real estate market put a lot of pressure on partnerships," said Dan Fasulo, man-

**See PRICKLY PARTNERS on Page 26**

## IN THE MARKETS

## Wall St. green pales

Pay droops along with revenues, profits. It's a whole new world, NY

BY AARON ELSTEIN

A job at Goldman Sachs may well be the closest thing in life to a golden ticket. But even Goldman folks are feeling less wealthy these days. Average pay per employee fell 14% last year, to more than a third below 2007's peak.

The explanation is simple. Business is down—way down—at Goldman and elsewhere on Wall Street. Last week, the New York Stock Exchange noted that the total pretax earnings among its member firms fell more than 50% last year, to \$28 billion. Revenues were down \$30 billion, or 16%.

Wall Street is on a downward trajectory, and its fortunes won't be re-  
**See IN THE MARKETS on Page 4**

**GREG DAVID** Actually, city's jobs picture is brighter than many think **Page 11**

## Retailers follow the money

Private-label brands help stores control profits and stand out

BY ADRIANNE PASQUARELLI

Items from new apparel brand Bar III are flying off Macy's shelves, with young fashionistas grabbing the line's floral dresses and sheer ruffled blouses. Bar III is not the latest creation from a hot designer but is one of Macy's private labels, which the department store designs, manufactures and markets in-house.

"Bar III has been on fire since its debut" in February, said Molly Langenstein, Macy's executive vice president of fashion and new business de-  
**See RETAILERS on Page 26**

**ELECTRONIC EDITION**

## NEXT WEEK PEOPLE TO WATCH IN SILICON ALLEY

Meet the geeks, the execs and the financiers who are rebooting New York City's economy



## IN BRIEF

### THE BLOOMBERG ADMINISTRATION IS ANGLING FOR UBS TO RELOCATE ITS

investment banking unit to the city. The bank, facing mounting pressure from Swiss regulators, is considering New York, London and Singapore as alternatives to its current Swiss home, according to *The Wall Street Journal*. UBS is also considering moving its Stamford, Conn., operation back here as well. "As the global financial capital, with the world's most talented work force and unsurpassed quality of life, New York City would be a logical place," said a city Economic Development Corp. spokesman.

### AFTER A LONG DROUGHT, CORPORATE SPONSORSHIP FOR THE ARTS IS SHOWING

signs of life. Last week, The Museum of Modern Art and MoMA PS1 announced a two-year partnership with Volkswagen that will mark the museum's most extensive corporate sponsorship ever. Under the terms of the agreement, the German carmaker will help fund a major art exhibition at MoMA PS1 in 2013, sponsor a series of installations in MoMA's sculpture garden, help expand MoMA's online course offerings and donate to MoMA's collection two works by the artist Francis Alÿs. The museum would not release the dollar amount of the sponsorship. ■

## BY THE NUMBERS

Weekly shift of the city's economy



**HOLD THE CHAMPAGNE** Figures for spending by all-powerful consumers and for GDP growth surprised on the downside. Meanwhile, the latest jobless claims data showed a rise.

8

**NYC-EUROPE** flights added this summer, out of 19 U.S.-Europe flights added  
Source: Airline/Aircraft Projects Inc.

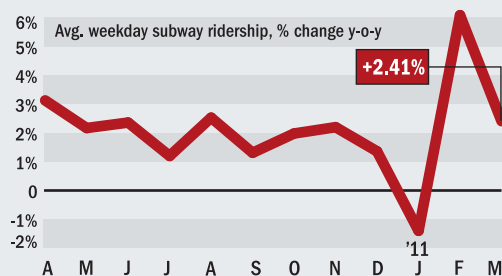
\$7.3B

**AMOUNT** spent on Internet advertising in U.S. in 1Q, up 23% from year earlier  
Source: Interactive Advertising Bureau

11.5%

**BRONX'S** April jobless rate, highest in state, 4.7 points above Manhattan's  
Source: NYS Dept. of Labor

**WATCH THE CLOSING DOORS** Over the past year, more people have been crowding onto the city's subways every day.



**ADDICTED TO NUMBERS?**  
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### CORRECTIONS

The profits from impact investing over the next decade are estimated at \$183 billion to \$667 billion. The amounts were misstated in the May 23 story "Making philanthropy pay."

Roosevelt Island has several sit-down restaurants. The nature of the existing eateries was misrepresented in the May 23 story "Life's a new deal on Roosevelt Island."

Hedge fund mogul Philip Falcone's wife is Lisa Maria Falcone. Her name was misstated in the article "At the head of the (High) Line," published June 22, 2009.

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# NYC deputy mayor's



**HOW GREEN WAS MY AGENCY:** Deputy Mayor Stephen Goldsmith (left) and Caswell Holloway, head of his star department, Environmental Protection

BUCK ENNIS

## Two institutions for the arts

### Poor management leaves New York City Opera, American Folk Art Museum struggling to survive

BY MIRIAM KREININ SOUCCAR

New York City Opera chief George Steel spent last week in meetings with his department heads, deciding how to cut the company's 48-person staff.

After taking the arts world by surprise a few days earlier with the sudden announcement that it was leaving Lincoln Center, plans for where the opera company would go and what it would present next season were still up in the air—decisions that are usually ironed out years in advance.

If that's not bad enough, the company is engaged in contentious labor negotiations with its singers' union, which last week filed unfair labor practice charges against the company and is seeking an injunction against its move out of Lincoln Center.

Meanwhile, just blocks away at the American Folk Art Museum, trustees were figuring out how to save that struggling in-

stitution after being forced to sell its new home on West 53rd Street to the Museum of Modern Art and retreat back to its paltry 5,000-square-foot space across from Lincoln Center.

As two major Manhattan institutions fight to stay alive, many cultural wags are questioning their chances, while trying to figure out how things went so wrong.

"There are little theater groups and small arts organizations that are failing all the time," said Toni Goodale, a fundraising consultant. "But I've never seen two major institutions in New York struggling for survival at the same time."

Cultural institutions across the city have been hit hard by the recession. With major government funding cuts and no substantial upticks in individual and corporate giving, arts groups are being forced

to slash their budgets. But experts said it wasn't the recession that brought down the City Opera or the Folk Art Museum, but negligence by their boards.

#### Plans should have been in place

"The question is why their boards let these organizations go bankrupt," said Geri Thomas, president of ArtStaffing.com, a consulting firm specializing in culture. "Everyone will say it's the economy, and that's ridiculous. At this level of institution, they should have had plans in place."

Former and current opera employees, who spoke off the record, place the bulk of the blame on Susan Baker, who became chairman in 2003. At that time, the organization had an endowment of around \$55 million—now it's \$9 million. Ms. Baker oversaw the embarrassing hire of General Manager Gerard Mortier, who resigned before his official start date, and an expensive renovation of the theater at his behest that caused the company to go dark for a season.

When Mr. Steel became general manager in 2009, he put together a smaller, less expensive season for this year. But opera



**LISTEN** to a discussion at [CrainsNewYork.com/audio](http://CrainsNewYork.com/audio)



# high-water mark



## To get innovation flowing, Goldsmith starts in the gutter

BY JEREMY SMERD

When he arrived at City Hall a year ago this week, Stephen Goldsmith was hailed as an outsider who would infuse Mayor Michael Bloomberg's third term with fresh ideas. The new deputy mayor for operations quickly realized that New York, with its \$65 billion budget, powerful unions and fractious politics, is a far cry from his former domain of Indianapolis.

As a two-term Republican mayor in that Midwestern city, he had privatized the wastewater system and slashed red tape. But workers here, the wonkish former Harvard professor said last year, operate in "some of the worst systems I've seen or taught about anywhere."

Union rules stifled creativity. State laws undermined city autonomy. "I've not had an innovative idea in any meeting that's legal," joked Mr. Goldsmith, 64.

But the deputy mayor did eventually find his showcase for the future of city operations. Its name is the Department of Environmental Protection. Yes, the agency responsible for providing tap water and treating sewage has emerged as a model for transforming the government itself.

The man behind it is not an outsider, like Mr. Goldsmith, but a City Hall insider: Caswell Holloway, a former chief of staff to Mr. Goldsmith's predecessor. Unknown in environmental circles when he was appointed, Mr. Holloway, 37, has won over skeptics.

"There are people who have ideas and people who implement the ideas. Who is the real innovator?" said one former doubter, Peggy Shepard, executive director of We Act for Environmental Justice. "You have to give them credit in moving ahead aggressively and implementing some good ideas."

Policy papers, like PlaNYC and a green infrastructure plan, contain the ideas. Mr. Holloway's job is to bring as many as he can to fruition before the Bloomberg era ends in 2013.

Whether Mr. Goldsmith can export them to the rest of city government is another question. Other agencies may be hard-pressed to imitate Mr. Holloway's overhaul of his department, if only because, unlike DEP, they don't have independent revenue streams and may be more sensitive to political considerations.

### Criminal federal probation

The department's willingness to embrace new ideas and respond to critics' concerns represents a departure from its previous intransigence. The agency spent Mr. Bloomberg's first two terms under federal criminal probation for workplace-safety and Clean Water Act violations.

Its probation ended Dec. 31, 2009. Mr. Holloway started as commissioner the next day, new playbook in hand.

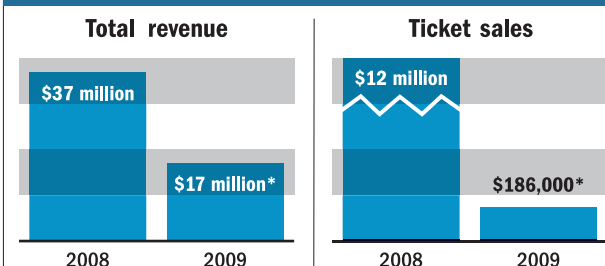
See INNOVATION on Page 25

# on the outs

insiders said he made poor programming choices, staging a long-running revival of Jonathan Miller's *The Elixir of Love*, when it had been presented in 2006. It received strong reviews, but was poorly attended.

City Opera executives have said they will soon announce a new venue for next season. They just approved a budget that is substantially less than this season's \$22 million, though they wouldn't say how much. The company's new chairman, Charles Wall, contributed \$2.5 million as a challenge grant to help erase a \$5 million deficit. So far, City Opera has raised more than \$1.5 million to meet the challenge.

## NEW YORK CITY OPERA WOES



\*City Opera presented fewer performances during the 2008-2009 season compared with 2007-2008 because its theater was being renovated.

Source: Audit reports

"New York City Opera has every intention to produce exciting and innovative work for the next 60 years," a spokeswoman said. "We are focused on moving the company forward with a responsible and balanced budget to ensure 'The People's Opera' continues to thrive."

Though leaving Lincoln Center may be an inspired idea, observers said the way the move is being handled may force the opera company to go dark for another season, and could ultimately result in its demise.

"You don't jump out of the boat unless you have something to hang on to," said a former employee. "City Opera is completely in limbo. What director or set designer wants to work there?"

The Folk Art Museum faces a similar problem. After defaulting on the \$31 million of debt it took on to build a 30,000-square-foot home next door to MoMA, museum officials are developing a plan to stage exhibitions around the city and send its collection on tour.

Museum experts are questioning why the board hired Executive Director Maria Ann Conelli, an academic with no experience running a museum. Though many of the exhibitions under her direction were acclaimed, they failed to attract attendance. Besides questioning the board's decision to build a museum it couldn't afford, observers find it strange that a well-known Manhattan institution can't raise a fairly meager \$31 million. The Folk Art Museum declined to comment.

Now observers question its very survival.

"If I was a collector thinking about giving my collection to them, would I now?" said ArtStaffing.com's Ms. Thomas. "No." ■

# For lunch—applesauce from China

## Records show schools buy abroad

BY SHANE DIXON KAVANAUGH

Apples are the official fruit of New York state and the pride of its agricultural system. No fewer than 21 varieties grow in the state, the nation's second-largest apple producer. New York's apples are sold far and wide, including to the city Department of Education, which serves applesauce in its schools.

It turns out, however, that not all that applesauce comes from the Empire State, despite the department's pledge to buy more local food. In fact, at least some of it—the DOE won't disclose how much—comes from China.

Documents show that a food importer used by city schools purchased thousands of cans of applesauce from Shanghai last year. Other data show that canned pears, peaches, tuna and spinach from the Far East were also dished out.

"The Department of Education gets an 'A' for serving applesauce," said Cecil Corbin-Mark, the deputy director of We Act for Environmental Justice, a nonprofit advocating for more locally grown food in schools. "But it gets an 'F' for sourcing it 11,295 miles away ... and serving it from a can instead of fresh from a tree in New York state."

The DOE has promoted its efforts to serve nutritious food, which is often purchased from upstate and elsewhere in the Northeast. It has highlighted lunch menus free of monosodium glutamate, trans fats and artificial ingredients and has encouraged school vegetable gardens. The system gets 36% of its produce and dairy from what it says are local producers, according to a statement, though it does not define "local."

### Parents, politicians frustrated

But food from China is not local by any stretch of the imagination.

"It shocks me," said Beatriz Beckford, a school food coordinator with the Brooklyn Food Coalition.

Ms. Beckford, whose son is a preschooler in Bedford-Stuyvesant, said parents have tried to learn more about where school food comes from but with little success.

"There are a lot of things we need information on," she said.

Councilwoman Gale Brewer introduced a bill early this year that would require agencies to make greater efforts to buy local food, but it has been tabled since February. In any case, it excludes city schools because state law gives the chancellor

control over such purchases.

Food from China represents a fraction of what the DOE buys, according to the statement. "We are working with our distributors to buy more locally," the department said.

A major challenge is that city law requires the agency's food distributors to buy from the lowest bidder.

### Whatever's cheapest

"Budgetary constraints are the name of the game," said Chris Buckley, president of Northeast Marketing Co., in Lakeville, Mass., which has imported applesauce from China purchased by Driscoll Foods of Clifton, N.J., a distributor for the Department of Education.

The commodities market is global and constantly shifting, Mr. Buckley said, and his company buys from whoever provides the best price. Despite transportation and other costs, sometimes that's China. Of the items *Crain's* identified, Driscoll bought nearly all the school food from China, including the applesauce. The company declined to comment. Driscoll obtained most of the canned fruit and tuna from importer

Port Royal Premium, in Woodbury, N.Y. Labels on the cans show they came from China.

The Department of Education serves more than 860,000 meals a day at a cost of \$142 million a year. It is the country's second-largest public purchaser of food, behind the Department of Defense.

Some of the \$20 million the DOE spends on produce has gone to local growers. The New York Apple Association said it has worked closely with the department in recent years to bring more of the state's fruits and vegetables to city schools.

"The [city] really leads the nation in school food," said David McClurg, vice president of marketing for the association, which represents more than 600 growers. "And they've made some amazing changes."

For example, city schools specify a preference for New York apples when they are using federal funding. Even some upstate school districts in the heart of apple country don't do that.

But the association was surprised to learn that the DOE gets applesauce from halfway around the globe.

"Why not support local agriculture if you've got to buy the applesauce anyway?" a spokesman asked. "We'd put our apples and our applesauce against anyone in the world." ■

LISTEN to a discussion at [CrainsNewYork.com/audio](http://CrainsNewYork.com/audio)



# Crane test could tip balance in labor contract negotiations

## Unions, employers are at odds over national certification

BY DANIEL MASSEY

The Bloomberg administration is set to require tower crane operators to obtain a national certification, a decision that pressures operators' unions to make concessions in ongoing labor talks.

"National testing administered by an accredited body ... provides us with the most up-to-date exams for today's modern crane equipment," said Department of Buildings Commissioner Robert LiMandri in a statement. "These exams mean more qualified crane operators, which increases safety."

### Federal deadline looms

His spokesman would not say when the change would be made, but sources said a process to implement it could be in place by the end of June. Mr. LiMandri said the certification will bring the city into line with new standards established by the Occupational Safety and Health Administration, which must be met by 2014.

Crane operators in the city currently must pass a local test admin-

istered by the Department of City-wide Administrative Services. But Locals 14 and 15 of the International Union of Operating Engineers have a stranglehold on the process because it requires three years of training under licensed operators, almost all of whom are unionized.

Mr. LiMandri's announcement comes as labor leaders negotiate nearly two dozen contracts with the Building Contractors Association and the Contractors' Association of Greater New York to replace ones expiring June 30. The employers are pressing to drop workers such as highly paid master mechanics and rules like double pay for back-to-back shifts. Talks with Locals 14 and 15 are expected to be the most contentious.

A shift to national exams could lead to contractors hiring nonunion operators, increasing pressure on unions to give in to employers' demands. Outside consultants recommended national testing to Mr. LiMandri in 2009. The city had already moved to a national exam for mobile-crane operators, but had been slow to make the move on tower cranes, largely because of lobbying by construction unions.

The Building and Construction Trades Council of Greater New York has argued to city officials that the

push for a national exam, led by the Real Estate Board of New York and the Building Trades Employers' Association, is about getting concessions from unions, not safety.

### Safety issue is doubted

The operating engineers unions did not return calls. Building and Construction Trades Council officials declined to comment.

"The idea that this is about safety is complete nonsense," said a source close to the building trades who argued that most crane accidents are not caused by operator error. "They think if they can get the operating engineers unions to the point where there's a greater possibility of getting a nonunion operator on the job, they'll be more willing to concede on other employees they represent."

REBNY President Steven Spinola, while acknowledging an impact on contract talks, said, "Of course, there's a safety issue here." Unlike the city's test, the national one requires retesting every five years, has more exacting requirements for experience, prohibits crane operation under the influence of alcohol and compels workers to train on the type of crane they will operate.

"If everything gets solved tomorrow on the labor negotiations," Mr. Spinola said, "we're not going to drop our position that we need national testing." ■

# IN THE MARKETS

by Aaron Elstein

### Continued from Page 1

versed anytime soon. That might sound like a well-deserved comeuppance for a group of too-big-to-fail institutions that brought the world to the brink. But the Street's cash crash has repercussions for the rest of New York, which has become accustomed to the billions in taxes the securities industry generates and the additional jobs it supports.

No one cries for bankers. After all, average pay at Goldman last year—\$431,000—was nearly eight times as high as the median household income in New York state, according to Census Bureau data. Additionally, Wall Street's crunched profits were still its third-highest ever and not far below the bubblicious haul of 2006.

The mortgage boom that created those profits for banks is gone, of course. So is the gusher of tax revenues from lucky bankers' bonus checks that filled city and state coffers.

"The city has built 20 years of budgets on a Wall Street bubble that's coming to an end," said Nicole Gelinas of the Manhattan Institute, a free-market-oriented think tank.

Though it represented only about 5% of local jobs, Wall Street was generating 20% of New York state's tax revenues and 13% of the city's just before the financial crisis. The industry's tax contribution has fallen to 13% for the state and 7% for the city in the current year, the state comptroller's office reports.

The tax dive will only continue. In a report last week, the Independent Budget Office projected that Wall Street earnings would decline to \$17 billion this year before bottoming out at \$12 billion in 2013. Meanwhile, the city budget is forecast to grow 3% annually.

More than taxes are at stake. It's estimated that each Wall Street job creates another one elsewhere in the city, so a drop in the Street's fortunes directly affects the livelihood of others, from accountants and landlords to restaurateurs and personal trainers.

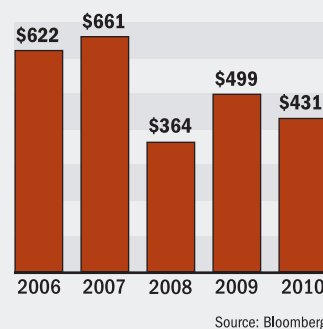
With its deal machine churning out offerings, Wall Street has at least started hiring: Its work force is up by 3,100 this year, according to Eastern Consolidated. But those jobs won't pay as much as they once did.

### The cold heart of the matter

Business fell on Wall Street last year because investors returned to their bunkers amid fears of debt defaults in Europe. In addition, the financial regulatory climate has turned

### LESS GOLD, MAN

Average pay at Goldman Sachs, in thousands



chillier everywhere. But the biggest difficulty for banks is the lack of new revenue opportunities. There's no growth in lending, and while LinkedIn's blockbuster stock debut might have some hoping for an IPO boom, investors aren't buying it.

Financial stocks are the only group in the S&P 500 to fall this year, dragged down by Goldman (-18% through last week) and Morgan Stanley (-12%). Interest rates near 0%—an extraordinary government subsidy and the chief reason Wall Street made a record \$61 billion in 2009—will inevitably climb.

Meanwhile, regulators are clamping down on banks' riskier (and more profitable) trading activities. Soaring trading revenues—goosed with gobs of borrowed money—were the secret behind the big profits and bonuses of the boom. Banks are now allowed to use only about half as much leverage in their trades.

Boxed in, big banks are getting more parsimonious. Compensation used to consume fully half of Wall Street revenues. In addition to their sluggish income, firms are now required to conserve more capital. And shareholders are demanding their piece of a shrinking pie.

Only 44% of Goldman's revenues went to pay employees in the first quarter. Those revenues, by the way, were about \$1 billion less than in the same period last year.

Steve Eisman, a hedge fund manager who identified the bubble long before the herd, captured the grim mood when he gave a presentation at a conference last week titled, "Are U.S. Financials Dead Forever?"

"Investors last year hoped for revenue growth, but it didn't happen," he said. "They've given up." ■

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## Boxed in, the big banks are getting more parsimonious

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**44%** THE LOSS—at least on paper—of the Blackstone Group, TPG Capital and the Carlyle Group when Freescale Semiconductor was taken public last week, according to peHUB. The private equity giants bought Freescale for \$17.6 billion at the peak of the market in 2006.

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# NEW YORK, NEW YORK

edited by Valerie Block

## Straddling the Hudson with a brew

**R**adegast Hall & Biergarten was an instant hit when it opened in Williamsburg, Brooklyn, in 2006. Co-founder **Andy Ivanov** now aims to replicate that success at Pilsener Haus & Biergarten (right), soon to grace Hoboken, N.J. ¶ “We are trying to create an artsy Brooklyn approach, and I think there are enough people on this side of the river who want an authentic experience,” said Mr. Ivanov, a Czech Republic native who decided he didn’t want to commute after he moved to the Garden State with his family. His new partner, **Ladi Sebestyan**, is a fellow Czech from a family of brewers. ¶ Like Radegast, the 10,000-square-foot Pilsener Haus will feature live music, including jazz, swing and gypsy bands. It’s slated to open by the end of June. ¶ Meanwhile, the craze for beer halls (see *Crain’s*, April 11) continues in the city. Hospoda opened last week in the historic Bohemian National Hall on the Upper East Side. “This is all part of a craft-beer revolution,” Mr. Ivanov said. ¶



—LISA FICKENSCHER



## Bullett flies to foreign markets

The summer issue of *Bullett* hits newsstands this week in the U.S. and, for the first time for the year-old quarterly, in 11 other countries. Editor-in-chief and co-founder **Idil Tabanca** is proud to report that this is also the first issue in which the edgy, 200-plus-page glossy doesn’t have a single ad.

At least not the conventional kind. *Bullett* also functions as a creative agency for clients looking to reach younger, luxury-oriented consumers, so a photo essay includes shots of a Porsche (the car company is a client). Designer **Betsey Johnson**, the subject of an interview and photo spread, bought 1,200 copies to sell in her stores.

Altogether, 25,000 copies will be in stores and on newsstands, with a cover price of \$8.99. The product placements blur the traditional line between ads and editorial, but Ms. Tabanca says *Bullett* is trying a different model—one that she insists doesn’t compromise the magazine’s vision.

“When we started, we felt, ‘If we’re going to use the old business model, just forget about it,’” Ms. Tabanca said. “Unless you’re going

to do something new, you might as well not try anything at all.”

An unnamed foreign backer is financing the operation, which includes a film and TV production arm. Current projects include a short film with *Boardwalk Empire* star **Paz de la Huerta**.

—MATTHEW FLAMM

## S.I. arts groups’ money blues

Staten Islanders may soon have to ferry to Manhattan to get their cultural fix.

The borough’s five main institutions, including the Snug Harbor Cultural Center and Botanical Gardens, the Staten Island Children’s Museum (below) and the Staten Island Zoo, face a proposed city budget cut of about 50% for the next fiscal year. All on city-owned property, the groups receive a total of \$5.2 million in city funding; \$1 million of that is allocated to energy costs and is exempt from cuts. The remainder accounts for half of the nonprofits’ operating budgets.

They have already reduced hours and staff to deal with previous cuts. They are now considering shutting down for certain days during the week and may even have to close altogether.

“All cultural groups are struggling right now, but the difference between Staten Island institutions and those in



Manhattan is we don’t have the large endowments that some of the Manhattan groups do,” said **Lynn Kelly**, chief executive of Snug Harbor.

—MIRIAM KREININ SOUCCAR



## Pets get bargains, too

A proliferating gaggle of Groupon clones tout discounts on everything from spa treatments to teeth whitening. Make room for doggie day-care deals.

In early May, former financial analyst **Matthew Kunkel** launched ThePetDeal.com with \$50,000, offering savings on grooming, sitting services and more.

“There was a need for this in the pet industry,” said Mr. Kunkel, noting that pet ownership in New York is especially high—there are nearly 1.5 million dogs alone. “Besides being something where people can save money, it’s a good way to find out about [pet] products and services in their area.”

PetDeal, which is partnering with 10 Manhattan businesses, has already attracted nearly 1,000 members. Mr. Kunkel, himself in the process of adopting a dog, hopes to expand the business soon.

“Brooklyn would be a logical next step,” he said.

—ADRIANNE PASQUARELLI



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# THE INSIDER

by Jeremy Smerd and Shane Dixon Kavanaugh

## The truth about NY crime stoppers

In researching the city's policing strategies for a forthcoming book, criminal justice expert **Franklin Zimring** of the University of California, Berkeley found no clear evidence that stop-and-frisk is effective. While use of the tactic has coincided with a drop in crime, it cannot be isolated as a cause because, he said, it is "part and parcel" of other proven strategies: hot-spot policing and cracking down on public drug markets. By itself, stop-and-frisk in other cities has not reduced crime, the law professor said.

**William Bratton**, former commissioner of the New York Police Department, told *Crain's* that stop-and-frisk is "an essential element of policing," but agreed that "it's hard to



ISTOCK PHOTO

measure its particular impact."

Mr. Zimring, addressing an anti-crime group in midtown last week, said three other strategies have "probably worked" in reducing crime here: **CompStat**, gun interdiction and increased manpower. **CompStat**—an intense focus on crime statistics and mapping—is often hailed as a key element behind the unprecedented drop in city crime over the past two decades, so the professor's less-than-absolute endorsement is noteworthy.

He was even less enthusiastic about "broken windows policing," the Giuliani-era emphasis on stopping minor crimes in order to deter major ones. "Whatever was going on in New York City [to reduce crime]," Mr. Zimring said, "it wasn't 'broken windows.'"

He cheered the NYPD's focus on high-crime areas and corners where drugs were openly sold. Drug use has not decreased, but sales have moved into people's apartments; gone are turf wars between dealers.

"That's when the guns come out," he said.

### Truck statistics taken for spin

The state Legislature passed a bill last week, at Mayor **Michael Bloomberg's** request, to require mirrors that enable truckers to better see pedestrians. Meanwhile, the state **Motor Truck Association** issued a statement noting that trucks account for just 4% of fatal or serious injuries incurred by

## UNCHECKED *Check-casher loans?*

**EVERY DAY COULD BE PAYDAY** for New York state's 700 check-cashing companies and thousands of their customers, if an industry-backed bill clears Albany.

The bill would allow licensed check-cashers to lend as much as 25% of a borrower's gross monthly income, to a limit of \$2,000. The head of the new state **Department of Financial Services** would set the interest rates for the loans, which could exceed the 25% limit set by New York's usury laws.

Critics, such as **New Yorkers for Responsible Lending**, warn that the annual interest rates of these loans could skyrocket into the triple digits, spurring lending that might bury people in debt. Proponents argue that many New Yorkers need small, short-term loans but have few options in low-income areas that lack banks and credit unions.

"People who realize that we're their financial resource have often asked if they can get a loan," said **Edward D'Alessio**, a lawyer with Financial Service Centers of New York, a check-cashers trade group. "Over time, there appeared to be an unmet need for credit."

Perhaps, but high-interest loans are not the answer, said state Sen. **Gustavo Rivera** of the Bronx.

"We should not be encouraging what amounts to a predatory financial practice on poor communities," he remarked.

Yet the bill has gained traction, especially among legislators in low-income communities where check-cashers serve as the go-to financial institutions for residents. It passed the Senate Banking Committee in mid-May.

The check-cashing industry has lobbied hard for the bill over the past few years. Between January 2008 and April 2011, Financial Service Centers of New York and its members contributed almost \$600,000 to state elected officials' campaigns, according to an analysis by the **New York Public Interest Research Group**.

The industry employs about 4,000 people in New York state and cashes \$15 billion worth of checks each year.



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## No good deed goes unpunished

When some Queens co-op owners went ballistic in January over increases of up to 147% in assessed property values, city Finance Commissioner **David Frankel** did something unheard-of: He capped this year's increases for Class 2 property, which includes co-ops, condos and rentals, at 50%.

Some called his action insufficient, but there's another problem: It might be illegal.

"I don't believe the commissioner can, by administrative fiat, do this and comply with the statutory framework," said real estate attorney **Joel Marcus**.

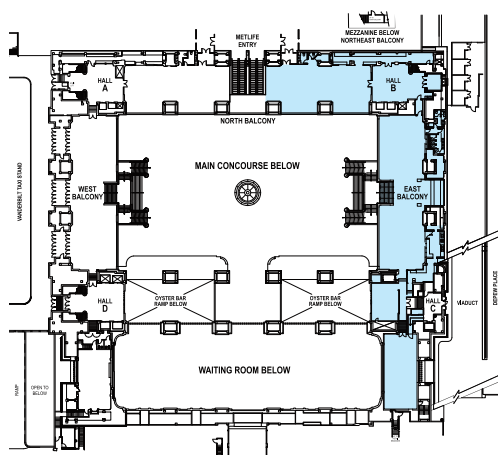
Mr. Frankel's spokesman said the commissioner's move was indeed legal.

## NYS tax revenue lags nation's

State tax revenue increased 6.2% in the first quarter of 2011 versus the year-earlier period, but growth lagged the 9.1% national rise, according to a new analysis by the **Rockefeller Institute**.

State corporate income tax revenue grew 15.3%, compared with 6.9% nationally; sales tax revenue climbed 12.7%, compared with 5.6% nationwide. But personal income tax revenue rose only 3.2% in New York, versus 12.4% nationally. ■

## REQUEST FOR PROPOSALS Extraordinary Lease Opportunity in Grand Central Terminal



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The MTA is seeking proposals from experienced retailers/restaurateurs to lease a 15,230 square-foot space on the East and North Balconies within Grand Central Terminal, New York. This is a premier location for a flagship store or restaurant, with a lease term of up to 20 years.

All proposals will be publicly disclosed in the agenda for the meeting of the MTA Board, at which the transaction will be considered for approval. All contacts relating to the Request for Proposals must be made through the individuals who are designated as "Points of Contact" in the Request for Proposals. Contact with anyone else at the MTA relating to the Request for Proposals may be a violation of the law and may result in disqualification.

This RFP is at [www.mta.info/mta/realestate](http://www.mta.info/mta/realestate), or contact Nicole Aguirre-Filder at 212-878-1281, or [naguirre@mtahq.org](mailto:naguirre@mtahq.org).

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pedestrians in the city.

But a city **Department of Transportation** spokesman said the proportion is much higher—19%—if only fatal accidents are counted.

The truckers group did not directly attack the bill, saying, "We believe even one injury is too many."

## Ravitch shocked by firm's demise

Former Lt. Gov. **Richard Ravitch** was surprised and saddened to hear of the liquidation of HRH Construction, which was detailed in the May 23 issue of *Crain's*.

"My grandfather started that company in 1925," he said.

Mr. Ravitch (right) joined the firm in 1960 and spent nearly two decades there, focused on affordable housing.

"We built 40,000 apartments," he said, "but also the Citicorp Center, the Whitney Museum, hospitals and office buildings."

The company was sold to Starrett Corp. in 1977.

Mr. Ravitch, also a former MTA chairman, said he had heard nothing about HRH for 20 years until a *Crain's* reporter told him of the Chapter 7 bankruptcy filing.



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# Orlando rises above NYC

## Florida's Disney city sets record with 51.4 million visitors

BY LISA FICKENSCHER

Oh, no, Orlando! The Disney tourist town in Florida attracted a record 51.4 million visitors last year, becoming the first U.S. city to top 50 million—well before the Big Apple, which expects to achieve that goal

by 2012. Last year, 48.7 million people visited New York.

Orlando tourism officials rubbed their record number in competitors' faces last Tuesday, announcing that the Florida city is the most-visited destination in the country. It is a claim that New York City made in January 2010, when Mayor Michael Bloomberg crowed about the previous year: "For the first time in 20 years, we were the most popular tourism destination in the country, surpassing Orlando."

Gary Sain, president and chief

executive of Visit Orlando, credits a new marketing campaign, "Orlando Makes Me Smile," with helping the city reach its milestone. He also pointed out that Orlando is one of the lowest-airfare markets in the U.S. and that a new attraction at Universal Orlando—The Wizarding World of Harry Potter—also helped lure more visitors.

"There was pent-up demand for Orlando, since a lot of people cut out travel in 2008 and 2009," he added.

On the bright side for New York, Orlando did not attract more inter-



terms of the international base," said George Fertitta, CEO of NYC & Company, the city's official tourism bureau. Mr. Fertitta also pointed out that Orlando includes outlying counties in its tally.

Mr. Sain confirmed that his agency included visits to Seminole, Osceola and Orange counties (Orlando is in Orange), but said that the vast majority of travelers come to Orlando.

From a hotel room occupancy and rate perspective, New York City surpasses both Orlando and Las Vegas. Each of those cities has more than 100,000 hotel rooms, compared with New York's 85,000 or so, according to Scott Berman, principal of the hospitality and leisure practice at PwC U.S. ■

# Amazon launches publishing house

## Imprint will produce print and e-books; industry vet to lead

BY MATTHEW FLAMM

After having dipped one toe after another into book publishing, online retail giant Amazon.com will dive in with the launch of a New York-based publishing house later this year. The yet-to-be-named imprint will produce books in both print and e-book formats.

Amazon has picked industry veteran Larry Kirshbaum to be vice president and publisher of the new division, according an e-mail that Amazon Publishing Vice President Jeff Belle sent to literary agents last week. Mr. Kirshbaum, 67, will begin his new job in July. The former chairman of the Time Warner Book Group, who has been running a literary agency in recent years, is still a high-profile figure in the industry.

Amazon has lately been launching digital imprints, like Montlake Romance and Thomas & Mercer for thrillers. The new imprint will be a general-interest publisher that will put out literary and commercial fiction and nonfiction.

For several months, Amazon had been looking for a publisher to launch a New York operation, according to executives who were contacted. High on its list was someone with connections to best-selling authors, whom the new imprint could poach to jump-start its business.

One stumbling block for any Amazon imprint will be convincing Barnes & Noble and independent booksellers to carry its titles. Amazon has partnered with Houghton Mifflin Harcourt for print editions of its original e-books, and may continue to do so, according to industry e-newsletter Publishers Lunch.

An Amazon spokesman did not respond to a request for comment. ■



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# For real: a functioning Albany

Perhaps Gov. Andrew Cuomo was correct: Albany was broken, but not beyond repair. All it needed was the right mechanic. And Mr. Cuomo has proved to be just that.

In light of Albany's recent accomplishments, including a timely and responsible state budget and last week's agreement to cap the growth of property taxes, state government may yet lose its longtime label of "dysfunctional."

It turns out that the standard laws of politics do indeed exist in our state capital. It had just been so long since they were properly applied that voters had begun to write off the whole town. Since taking office in January, Mr. Cuomo has adeptly leveraged his popularity and used a combination of carrots and sticks to persuade lawmakers to act.

In response to earlier criticism that his promises were short on specifics, the governor had said he was leaving room to negotiate. Events have borne him out: The property tax debate led to a compromise, instead of the usual stalemate, with Republicans and Democrats tweaking the deal just enough to satisfy their constituencies (except for the state teachers union).

Sheldon Silver's role in these developments should not be understated. Often characterized as an obstructionist who takes arrows for his members to keep their loyalty, the Assembly speaker has shown leadership in his chamber throughout the session. Not long ago, it would have been inconceivable for Mr. Silver to agree to a property tax cap, given his fondness for education funding and the New York State United Teachers. He would have insisted that it be tied to some unattainable piece of legislation on the Assembly's wish list.

On the Republican side, Senate Majority Leader Dean Skelos prevailed upon his members to pass the property tax

bill with no guarantee that the state would relax mandates that force school districts to spend money against their will. The linking of bills has in past years been standard procedure in Albany; too often, it sabotaged the legislative process.

A major reason for the change, it appears to us, is that trust has grown between the two legislative branches and the governor. Senate Republicans are confident enough in Mr. Cuomo's ability to deliver mandate relief that they were willing to pass a tax cap without it. Assembly Democrats seem certain that they will get stronger rent regulation, and so were amenable to capping property tax growth outside of New York City first.

## Trust has grown between the Legislature and the governor

taking his case to the people.

In all, it's been a masterful job by Mr. Cuomo, with strong supporting performances by legislative leaders. The new Albany is just 5 months old but is off to a promising start. We're optimistic that we'll see a same-sex marriage law, pension reform and—in the longer term—a more open legislative process with less of the sophistry and spin that have given Albany a bad name.

Last week, Mr. Silver even said his conference would not leave town without passing an ethics bill.

If this is a dream, don't pinch us.

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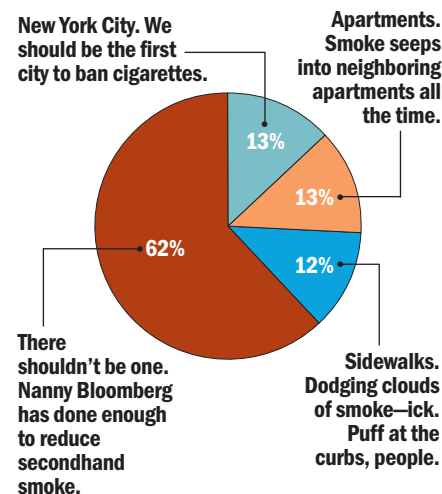
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### COMMENTS

## Back to study hall, critics

### LIVING-WAGE BACKER MISSES THE MARK

Paul Sonn ("Living wage in practice in L.A.," May 23) provides an inaccurate and unfair assessment of the city Economic Development Corp. study of proposed "living wage" mandates in New York City.

The city's study is based on a comprehensive look at data on workers, households, employers, and real estate developers and financiers. It is objective and applies methods that have been vetted by reviewers and discussed with organizations from all sides of the debate. It provides the only quantitative estimates of the economic impact of proposed wage mandates here.

Mr. Sonn suggests that the study should have focused on Los Angeles policies to infer results for New York. Mr. Sonn ignores the fact that L.A.'s living-wage ordinance does not cover tenants in private developments, as New York's proposes to. L.A. is simply not an appropriate case study for the potential effect of the legislation.

—FRANCESCO BRINDISI  
Chief economist  
New York City Economic Development Corp.

### LOW-SKILLED WORKERS GET SHORT END OF L.A. LAW

Paul Sonn claims that Los Angeles offers New York a "nuts-and-bolts guide" on how to mandate a "living wage" without negative consequences. The rhetoric is impeccable, but the facts don't back it up.

According to research published in the *Southern Economic Journal*, evidence from L.A. suggests an unintended consequence of its living-wage law: Employers replaced less-skilled employees with workers who had more formal training and other desirable characteristics.

In other words, not only are jobs lost as a direct result of a wage mandate, but there's also a hiring shift toward workers whose greater skills justify the higher wage.

—MICHAEL SALTSMAN  
Research fellow  
Employment Policies Institute

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# NYC doing better than you think

**T**he unofficial start of summer is an opportune time to assess how New York is doing so far this year, and the news may shock some people. The economy is gaining momentum in a broad-based recovery, Wall Street is proving just how resilient those despised traders and investment bankers are, and tourism just keeps growing.

In the first four months of the year, seasonally adjusted data

from Eastern Consolidated show, New York City added just under 40,000 jobs. In the 19 months since the city's economy hit bottom, New York has regained half the jobs lost in the downturn; the U.S. as a whole has recovered only one in five. That's quite a performance.

The expansion encompasses every important industry but two.

In fact, if the pace of the first four months continues, an unlikely but possible scenario, the city's job gains in 2012 would be record setting.

The biggest surprise is Wall Street. Last November, the usually authoritative report on the securities



**GREG DAVID**

industry from the state comptroller predicted that Wall Street would shed some 7,000 jobs this year as firms adapted to the new rules under Dodd-Frank and that profits would be hurt by the tighter regulations and higher interest rates.

Instead, securities industry profits last year were the third highest ever and payrolls have increased by 3,100 so far in

2011. One obvious conclusion is that traders and others jettisoned by big firms are landing with hedge funds and other boutiques and staying in New York, rather than heading over the Connecticut line to Greenwich. Meanwhile, the news that Or-

lando was the first U.S. city to attract more than 50 million tourists in a year means only that it has regained a very small lead on New York. Thanks to the Federal Reserve Board's quantitative easing known as QE2, which had the effect of weakening the dollar and guaranteeing a flood of international visitors, New York should break the 50 million mark for sure this year. With something like 30 new hotels opening, employment is going to jump as well.

Not to be forgotten is the now noticeable rise of Internet companies. Online retailer Gilt Groupe just hired its 700th person, quite a trajectory for a 4-year-old company.

The drag on the economy comes from two areas: construction, where no pickup is likely, and government, which will be shedding jobs through attrition, if not layoffs.

It's true that manufacturing is also contracting. But it accounts for such a small part of the economy—1.8% of all jobs in the city and falling—that it doesn't have an impact the city's economic health.

Unemployment remains unacceptably high, but that statistic is less and less the best way to take the pulse of the economy. Many of the jobless lack the skills that are in demand and represent a long-term structural problem in New York and the rest of the nation. Unfortunately, it's a problem that will not be solved solely by economic growth.



**LISTEN** to a discussion at [CrainsNewYork.com/audio](http://CrainsNewYork.com/audio)

# Health exchanges: applying lessons

BY VINCENT C. ASHTON

**D**iscussions about the New York state health insurance exchange have become intense. The failures of the state's individual, sole proprietor and small group markets have produced competing recommendations, many of which address the needs of one group at the expense of another. Because there has been so little success in these three markets nationwide, recommendations are often based upon untested theory

or undocumented assumptions.

HealthPass New York is a self-sufficient, commercial, nonprofit exchange, similar to the Small Business Health Options Program Exchanges required by federal health care reform. HealthPass—which covers almost 4,000 small businesses and nearly 30,000 employees and dependents—has served such enterprises in the New York City area, including sole proprietors, for 12 years. During that time, we have learned three essential lessons:

- Premiums are only part of the cost for small businesses that provide health benefits.

- The current model for employer-sponsored health benefits places

too much of a burden on the small business owner and compels most workers to choose between being under- and overinsured.

- Employers and employees want robust choice and market simplification.

In addition to premiums, other significant costs in providing coverage come in the form of the time, energy and manpower expended in trying to find one or two products that will meet the needs of as many employees as possible. Then there's managing enrollment and renewal, Cobra and myriad other administrative details, plus assisting workers with coverage-related medical and cost issues, claim disputes, etc.

Large companies address these issues more efficiently than other businesses through benefit management departments. These help make them employers of choice, able to recruit the best staffers—often from the small enterprises that trained them. The inherent loss of return on investment and retraining becomes an additional cost to small businesses.

Most employers don't want to face the impossible task of choosing one or two health plans that are best for all of their workers. Such choices inevitably lead to more losers than winners, creating employee discontent. Conversely, most staffers—who often contribute more to their premiums than their companies do—prefer to have more choices, so that they can find better matches for their health needs and budgets.

Both employers and employees want access to the complete range of products, and they want access to innovations when they become available. For them, simplifying the market means eliminating product duplication, giving them the ability to filter product options and make apples-to-apples comparisons online, and including easy-to-understand information on value and quality.

If New York's SHOP Exchange is designed to heed these lessons and provides what small firms and their employees need and want, we will have truly reformed this market.

*Vincent C. Ashton is executive director of HealthPass New York.*

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# Tweaking won't solve pension crisis

BY E.J. McMAHON

In his opening message to the Legislature, Gov. Andrew Cuomo pointed out that public-pension costs are “exploding” across New York state.

He certainly wasn't exaggerating. New York City alone has seen its annual bill rise from just over \$1 billion a decade ago to a projected \$8.4 billion in fiscal 2012. Pension costs for other localities are doubling, tripling or even quadrupling over the levels of a few years ago.

The state's own pension bill has increased 50%, or \$500 million, in the past three years. It would be climbing much higher in coming years if the Paterson administration had not adopted a funding gimmick that will delay and “amortize” a projected \$5 billion in pension contributions by 2017-18.

After months of preoccupation with other fiscal matters, Mr. Cuomo is getting ready to present his

long-awaited proposals for dealing with the pension-cost crisis.

Among other things, the governor will reportedly propose higher retirement ages, lower benefit levels and increased employee contributions to retirement funds. He is also likely to address notorious abuses, such as overtime “spiking” and double-dipping.

But if Mr. Cuomo's plan begins and ends with changes to the bound-

aries of defined-benefit pensions, it will represent yet another missed opportunity to reform the state's pension system.

The problem is not only the system's cost but its basic structure, which is dauntingly complex, encourages excess and abuse, and needlessly exposes taxpayers to open-ended financial risk and volatility.

It's no coincidence that the latest rise is occurring after a deep recession, when New Yorkers can least afford it. This is not a bug but a feature of the traditional defined-benefit system, and it can't be fixed by tweaking benefit levels—especially when public employee unions have a track record of persuading the state Legislature to boost benefits whenever economic conditions improve.

Real structural reform would move government workers to defined-contribution plans, already the prevalent retirement savings vehicle in the private sector.

With such a system, taxpayers would no longer bear all the financial risks associated with providing guaranteed pension benefits. The tax-funded share of retirement benefits would become both predictable and easily understandable, and the real costs of proposed benefit increases would be transparent.

Even if New York's current pension plans are closed to new entrants, their legacy cost will be a gigantic headache for decades to come. But we should at least heed the lesson of what the late Sen. Daniel Patrick Moynihan called Political Economy 101: When you're in a hole, stop digging.

*E.J. McMahon is a senior fellow at the Manhattan Institute's Empire Center for New York State Policy.*



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For more details, visit [www.coronewyork.org](http://www.coronewyork.org) or e-mail Recruitment Manager Erin Tarica at [etarica@coronewyork.org](mailto:etarica@coronewyork.org). The application deadline is July 15.



# MEET AND MINGLE

with the Top Entrepreneurs featured in this issue

Launching a business in this uncertain economy is not for the faint hearted, and yet many New York City entrepreneurs are taking the plunge. What does it take to pull off a successful launch now?

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# CRAIN'S 2011 TOP ENTREPRENEURS



## 2011 TOP ENTREPRENEURS

### DATE

Monday, June 20, 2011

### PLACE

The Yale Club  
50 Vanderbilt Avenue  
New York, NY

### TIME

8:00-8:30 am  
Networking Breakfast

8:30-9:30 am  
Program

### COST TO ATTEND

\$70 for individual tickets  
if pre-registered by June 13, 2011;  
\$75 thereafter.

\$700 for table(s) of ten  
if pre-registered by June 13, 2011;  
\$750 thereafter.

### TO PURCHASE TICKETS

Pre-register online by going to [crainsnewyork.com](http://crainsnewyork.com) and clicking on "Events", or fax your business card and credit card information to "Top Entrepreneurs Breakfast" at 212.210.0499.

You must be pre-registered to attend this event.  
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# Brewers hop on Bronx bandwagon

Hoping to tap into the appeal of city's mainland borough

BY MARINE COLE

**N**early 25 years after a pair of entrepreneurs started The Brooklyn Brewery and capitalized on the borough's

rising popularity, a small group of investors are hoping to achieve similar results with a borough still almost untouched by fame and fortune. They are planning to begin selling Bronx Pale Ale in September.

Local boosters swear the timing is right.

"The Bronx has come back from decades when everyone wanted to run away from it," observed Rubén Díaz Jr., Bronx borough president. "Now, the negativity is going away

and more people are starting to embrace it."

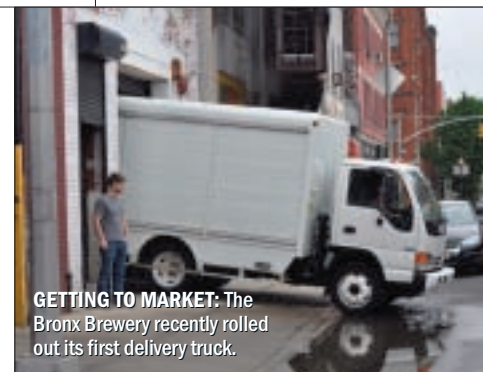
## Context counts

To put things in statistical perspective, while more than 70 companies have come out with products with *Brooklyn* in their name in recent years, only a handful—including a soda company and an apparel company—have been down that road with the Bronx. The good news is that people have heard of it—just not

necessarily in the best of contexts.

"People from around the world know where the Bronx is," said Christopher Gallant, general manager of The Bronx Brewery.

A graduate of MIT's Sloan School of Management and a former beer-industry consultant, Mr. Gallant joined the company in 2010, a year after its founding. He points



GETTING TO MARKET: The Bronx Brewery recently rolled out its first delivery truck.

KIRK VOLITZ

with pride to such borough stars as the Yankees, aka the Bronx Bombers, and the zoo, home of the elusive Egyptian cobra. He doesn't mention the borough's gritty past, when it was known for its high crime rates and crumbling neighborhoods.

Mr. Gallant joined the company's two founders: Pace University M.B.A. holder and Bronx native Stephen O'Sullivan, who now serves as an adviser; and Damian Brown, a Yale graduate and holder of an advanced degree in brewing, who is the head brewer. They hired a part-time creative director. Together they have raised half a million dollars for an operation that will capitalize on not just the Bronx name but also the borough's location and standing as the city's only mainland borough.

"Logistically, the South Bronx is great for distribution," said Mr. Gallant, noting that the company can readily reach the rest of the city via the Whitestone and Throgs Neck bridges as well as the Harlem River spans. From its recently leased building on Bruckner Boulevard in Mott Haven, the brewer-to-be also has easy access to suppliers to the north via Interstate 95.

Once the 3,300-square-foot former ink-cartridge warehouse is cleaned up, it will be used for offices, warehousing and a small pilot facility for the testing of new brews. The company already has two other recipes finalized and two in the hopper. And to get its elixirs to market, the company recently purchased a 2005 Isuzu beverage truck. The aim is to target beer-centric bars and restaurants—like Daniel Boulud's DBGB in lower Manhattan—that have a large number of beers on tap.

## Made in Connecticut

The catch is that, despite the label, the beer won't be made in the up-and-coming borough right away. Instead, Bronx Pale Ale will hail from a microbrewer in Connecticut.

"We want to do that for a few years, go back to raise more money and then start producing in the Bronx," said Mr. Gallant.

In the meantime, the brewers and others are hoping that the Bronx's popularity will reach heady new highs.

"Other folks are starting to use the Bronx as part of their marketing," said Mr. Díaz. "Hopefully, people are going to start naming their kids Bronx."

In fact, Ashlee Simpson, sister of Jessica, gave her newborn boy that very gift in 2008.

"The Bronx is on an upward swing," said Garrett Lucien, a director at the South Bronx Overall Economic Development Corp. "It's going in the right direction." ■

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WOMEN**  
IN NEW YORK CITY

DATE  
**MONDAY, JUNE 27, 2011**

PLACE  
**583 PARK AVENUE**

TIME  
**12:00-2:00 PM**

PURCHASE TICKETS  
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**TABLES OF TEN: \$3,000**  
For tickets, go to  
[www.craigslist.com/events-women](http://www.craigslist.com/events-women)

Crain's New York Business recognizes what it means to command incredible power in this city. On June 27th, Crain's will unveil *The 50 Most Powerful Women in New York City* —an authoritative list of the most important female leaders running businesses and organizations that drive New York's economy. Meet these elite women and join Crain's in commemorating their accomplishments at an exclusive luncheon.





# Boston firm buys downtown landmark

Beacon takes 70% to 80% of former AT&T headquarters

**B**eacon Capital Partners signed a contract to purchase between 70% and 80% of **195 Broadway** from L&L Holding and its capital partner, GE Pension Trust, sources familiar with the

transaction said.

Published reports put the valuation of the landmarked 29-story building near the World Trade Center site at about \$285 million, which would mean Beacon is ponying up as much as \$228 million.

A spokesman for L&L, which is run by David Levinson and Rob Lapidus, declined to comment.

A spokesman for Beacon, a Boston-based real estate investment company whose local holdings in-

clude 1211 Sixth Ave., didn't have an immediate comment.

Real estate sources said Beacon is considering selling the Sixth Avenue tower.

The deal was brokered by Adam Spies of Eastdil Secured, who declined to comment. A spokesman for GE Pension Trust didn't return a call.

The property was built to be the headquarters of American Telephone and Telegraph. According to CoStar, the property is 88% leased

and commands rents of about \$44 a square foot.

—THERESA AGOVINO

## Private equity firm doubles space

A private equity firm is doubling its space in the tony Plaza district.

Siguler Guff & Co. has signed an eight-year lease for 20,000 square feet at **825 Third Ave.** The asking rent

### DOUBLING UP

Manhattan office building sales closed in the first quarter.

2010

2011

3

8

NUMBER

\$513.7M

\$1.2B

VALUE

Source: CB Richard Ellis

was \$49 a square foot.

The lease started May 1, but the firm is currently doing work on the eighth-floor space.

"Their business is expanding," said Philip Sprayregen of Sprayregen Real Estate Advisors, who represented the tenant in the deal. Siguler has several private equity funds that focus on the BRIC countries of Brazil, Russia, India and China.

Mr. Sprayregen first worked with Siguler nearly a decade ago, when the firm subleased from Morgan Stanley approximately 10,000 square feet in the same building. About five years ago, he helped Siguler lease 20,000 square feet on the 10th floor of 825 Third Ave., and it will continue to occupy that office.

Dave Hollander and Gregory Tosco of CB Richard Ellis Inc. represented landlord Advance Publications Inc. in the negotiations. Advance is the owner of Condé Nast.

—MARINE COLE

## French jeweler nabs Mad Ave. bargain

A French jewelry designer has picked a prime Madison Avenue address for her first U.S. store. Better yet, she got a bargain.

Marie-Hélène de Taillac has signed a lease for nearly 1,000 square feet at **824 Madison Ave.** She will occupy the 310-square-foot retail space on the ground floor and 600 square



824 Madison Ave.

feet on the second floor, which will be used for offices and showrooms.

The asking rent for the ground floor, which has its entrance on East 69th Street, was \$450 a square foot in an area where rents peaked at \$1,200 a square foot in 2007. The asking rent for the second floor was \$70 a square foot.

Ms. de Taillac launched her first collection of jewelry 10 years ago.

"She has stores in Paris and Tokyo and is sold through Barneys outlets in the U.S.," said Philip Sprayregen of Sprayregen Real Estate Advisors, who represented both the tenant and landlord Bicent Properties in the deal.

The designer is currently doing work on the space and plans to open in September.

—MARINE COLE

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# 2011 TOP 20 ENTREPRENEURS

**THIS YEAR'S CROP OF TOP ENTREPRENEURS** come from industries as diverse as you can imagine, from winemaking to asbestos removal. But these standouts have something in common: They spotted opportunities that others overlooked and then ran with them.

Consider Ramit and Rohit Arora. Hearing how tough it was for other immigrants to get small business loans, they launched online matchmaker Biz2Credit. The brothers persistently built their business, despite the global credit crunch.

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## EXCLUSIVE

Video interviews of our award winners can be found online.

Go to [www.craigslist.com/topentrepreneurs](http://www.craigslist.com/topentrepreneurs)



Then there's Anthony Casalena of Squarespace. When he found it awkward to add features to his website using existing software, the computer science whiz turned around and created his own—while still in college. He raised one of the city's largest rounds of venture capital in 2010.

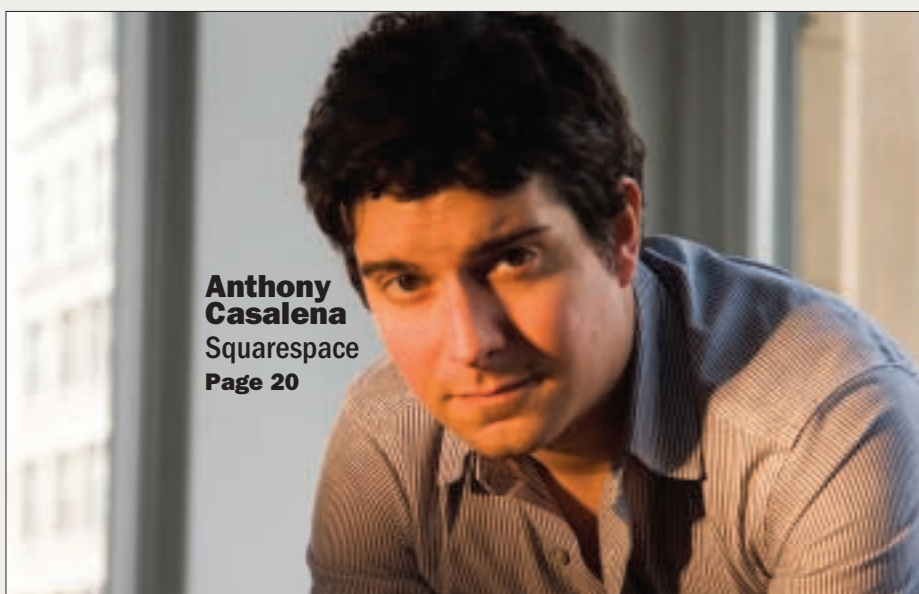
When City Winery's target customer base collapsed along with Lehman Brothers, founder Michael Dorf re-evaluated his

model and changed course. Revenues are expected to rise 25% this year.

Each of these entrepreneurs is committed to New York, with all of the excitement and challenges it offers. Our winners provide plenty of inspiration for other opportunity-spotters looking to make their mark.



**Michael Kirban**  
Vita Coco  
Page 20



**Anthony Casalena**  
Squarespace  
Page 20



**Lee Zalben**  
Peanut Butter & Co.  
Page 18



**Ramit and Rohit Arora**  
Biz2Credit  
Page 21



**Karen Grando**  
International Asbestos Removal Inc.  
Page 18



**Michael Dorf**  
City Winery  
Page 21

PHOTOS BY BUCK ENNIS



# Slick step: Eatery owner sticks with his dream

## PB scores with diners and at retail

**LEE ZALBEN** is a born peanut butter fiend. During his boyhood, his mother grew so weary of finger grooves in the peanut butter jars that she took to giving him his own jar, labeled "Lee." At Vassar College, he challenged roommates to late-night contests to see who could invent the most outrageous PB&J sandwich. A typical concoction: peanut butter, carob chips, dried apricots

and orange marmalade.

"I always won," said Mr. Zalben, 38, who began to dream of opening a restaurant to showcase his unique talent.

However, after graduating, he moved to New York City and landed a magazine publishing job: It just seemed more practical than indulging in his passion. He rose quickly through the ranks on the business side at outfits such as Hachette and News Corp., but just as rapidly began to lose interest.

One day in 1998, while walking through Greenwich Village, he spotted a boarded-up business. Then it hit him: The location could become the site of his deferred dream.

Never mind that Mr. Zalben's only restaurant experience was work-



**15,000**  
Stores carrying  
**PEANUT BUTTER  
& CO.** products

ing at a frozen yogurt shop as a teenager. He liquidated his savings, took out loans (start-up costs: \$150,000), and at age 24 opened sandwich shop Peanut Butter & Co.

He faced considerable obstacles. Sure, he loved his product. But now, he had to contend with staffing, marketing and working with suppliers.

To learn the ropes, he turned to others for input.

"Lee is a great listener," said J. Robert Hall, a senior adviser at Centerview Partners, a Rye, N.Y., private equity firm, and an informal adviser to Mr. Zalben. "It allows him to learn quickly on the fly, and it fuels his enormous creativity."

Listening was the key to a breakthrough success at the new venture.

A friend told Mr. Zalben that Elvis was unusually fond of peanut butter. So the entrepreneur whipped up The Elvis, a favorite of The King's featuring peanut butter, bacon, bananas and honey. As the sandwich shop got started, Mr. Zalben often sold hundreds of Elvises a day.

Other exotic sandwiches followed. They include the Pregnant Lady (peanut butter and pickles) and The Heat Is On (a spicy, Thai-accented sandwich). Mr. Zalben then

added drinks, such as peanut butter smoothies. But The Elvis remains the best-seller.

Peanut Butter & Co. is now a Greenwich Village mainstay, catering to local residents, NYU students and tourists.

In 2003, Mr. Zalben decided to expand, offering his custom, homemade peanut butters for sale at grocery stores. High-end Dean & DeLuca was the first taker.

As the retail business grew, Mr. Zalben faced a new challenge: It became impossible to satisfy demand via his small Brooklyn factory. He

spoke with various executives before choosing a larger company (whose name he won't divulge) that meets his exacting specs.

Mr. Zalben notes that his peanut butter is all-natural, sweetened with evaporated cane juice and preserved using palm fruit oil. A jar costs \$6, about a third more than the typical mass-market brand.

The company's products are now available at 15,000 stores around the U.S. and Canada, including Whole Foods, Walmart and Target locations. Mr. Zalben regularly goes on QVC to hawk his creations. There's

even a Peanut Butter & Co. cookbook, with an intro by Jerry Seinfeld.

Mr. Zalben projects that his fiefdom will generate a profitable \$12 million in revenue this year, up 20%. The revenue split is roughly 85% for products sold at retail versus 15% from mail-order sales and the shop, where he employs 15 people.

"I've found success by focusing on one thing," Mr. Zalben said, "and doing it really well."

Building on the ties between his products and healthy living, he sponsors a women's pro bicycling team.

—JUSTIN MARTIN



**BREADWINNER:** When Lee Zalben started making a sandwich that was an Elvis favorite, it became his top seller.

# Diversity insulates asbestos remover

## Certifications help win contracts

**KAREN GRANDO'S FORAY** into small business ownership was as unforeseen as the 1984 skydiving accident that put her husband, John, in a full-leg cast and turned her into his chauffeur.

While waiting in his office to drive him around, Ms. Grando would often hear her spouse—who owned a duct and pipe insulation firm in Woodside, Queens—turn down customers

requesting asbestos removal. Those frequent calls persuaded her to go into the asbestos-removal field herself.

"I thought, 'I can do this,'" recalled Ms. Grando, now 53, who had retired from Citibank's credit card division in order to stay home with her children.

She wasn't fazed by her lack of hands-on experience in the construction trades. She believed that her accounting degree from Hofstra University, her employment history and her willingness to learn the ropes would stand her in good stead.

Ms. Grando enrolled in a training program to earn the requisite city and state licenses, and formed her company in 1987. International Asbestos Removal Inc. was housed in a 1,000-square-foot space at a

building she and her husband owned, also home to his insulation business. The couple later purchased two buildings adjoining that property, creating an 8,000-square-foot site that the firms still share.

From the beginning, IAR grew—but not fast enough to suit Ms. Grando. So in the early 1990s, she began pursuing certifications as a woman business enterprise, or WBE.

"A ton of doors opened," she said.

The firm won contracts from a slew of city and state agencies that still use her services, including the Metropolitan Transportation Authority, the School Construction Authority and the Dormitory Authority of the State of New York.

Still, Ms. Grando thirsted for more work. In 1995, she deployed her



**PIPE DREAMS:** Karen Grando has built her firm by getting certified as a woman-owned business and as an insulation energy appraiser.

WBE certification to bid for pipe and duct insulation projects in the public works arena, her spouse's domain.

"I wasn't competing with my husband, since a percentage of a public contract has to be given to women contractors," she said.

Having a diversified workload has more than paid off. It has not only insulated IAR from the eco-

nomie downturn but also enabled the profitable firm's revenues to jump more than 10% last year to top \$10 million, versus \$9 million in 2009. In the same period, IAR's employee roster grew 27%, to 70 workers from 55. (Two of Ms. Grando's four children work in the business.)

The company, a union contractor, handled about 80 projects last

year, with fees ranging from \$5,000 for insulating the pipes and ductwork at a renovated office to \$5 million for removing asbestos at a water pollution-control plant.

True to form, Ms. Grando continues seeking opportunities. Last year, she became a certified insulation energy appraiser, able to help customers promote efficiency and achieve cost savings. She then participated in an entrepreneurship program, run by the city's Department of Small Business Services, that prompted her to create a marketing plan for her green revenue stream.

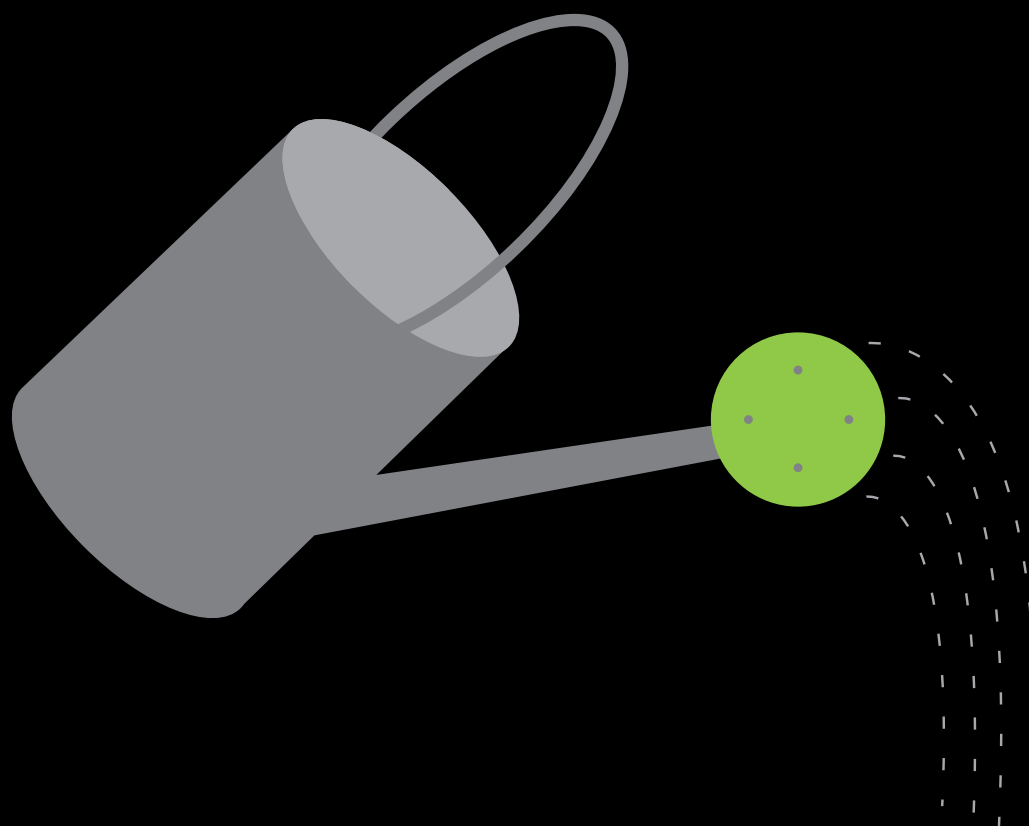
Tanya Pope, executive director of SBS's education and corporate programs, hails Ms. Grando for "making the effort to get the information she needs to develop and grow her company," and then freely sharing her knowledge. In class, Ms. Grando "gave pointers about how to navigate the city's bidding and contract process."

Ms. Grando has not always had an easy ride. Her husband died two years ago after a 10-year battle with lung disease. She now serves as CEO of John Grando Inc.

Mindful of her husband's suffering, she and her children contribute to and raise funds for an annual Long Island walkathon held by the Leukemia & Lymphoma Society.

—CARA S. TRAGER





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# Coconut water sets off healthy-beverage wave

Barroom chat brings drink to U.S.

**IT'S A DAUNTING TASK** to introduce yet another nonalcoholic drink into the saturated U.S. beverage market. But Michael Kirban, 36, and Ira Liran, 33, rose to the occasion with Vita Coco.

It began in 2003, when the men, childhood pals, started a conversation with two Brazilian women at a bar in Manhattan. Their new acquaintances said that what they missed most about

their country was coconut water.

Mr. Liran began a romance with one of the women—whom he later married—and moved to Brazil with her. He and Mr. Kirban, who ran a software firm that helped owners manage corporate housing, started looking for business opportunities there. They decided they could position coconut water as a new type of healthful drink back home.

"We felt coconut water could be as big a market as orange juice in the United States," said Mr. Kirban.

In 2004, using \$100,000 in savings, they set up All Market Inc. in Brooklyn to sell the beverage. Mr.

Kirban became CEO, while Mr. Liran oversaw production development. They started manufacturing in Brazil, using a new process that allowed them to pasteurize the liquid without boiling it, thereby preserving its nutrients.

Their first sales were to independent stores and delis in the city; Mr. Kirban traveled door-to-door on in-line skates to reach sites as quickly as possible. Their big break

was landing the Whole Foods stores in New York. Two years later, the store started selling the product nationally. Vita Coco is now stocked at many Walmart and Costco locations. It's distributed largely on the East and West Coasts.

In their firm's early days, Messrs. Kirban and Liran came up with a cost-effective way to attract talent: They hired independent contractors and part-timers, paying some in equity. They later hired many full-time.

In 2006, the partners secured an investment (they won't reveal the amount) from Verlinvest, a private equity fund run by the founding families of Anheuser-Busch InBev in Belgium. It bought 20% of the company.

After hearing that Madonna is a Vita Coco fan, the duo finagled an introduction to her manager, Guy Oseary. Both invested in the firm, as did Demi Moore and Matthew McConaughey; in all, celebrities have contributed about \$10 million. The performers have plugged the brand at concerts, fashion shows and the like.

Gary Hemphill, a senior vice president of market research firm Beverage Marketing Corp., notes that the partners have made a series of smart branding and distribution moves.

"Coconut water is one of the hotter niche ideas of the last several years," he said. "This company is do-

ing everything you need to do to enter a market with a new category."

Perhaps the savviest step was its distribution deal with Dr Pepper Snapple Group, announced last June. Such arrangements are "the gold standard of nonalcoholic-beverage distribution," said Mr. Hemphill.

That's important, because both Coca-Cola and PepsiCo have begun distributing coconut water. Even so, 100-employee All Market Inc./Vita Coco, now based in Manhattan, has about 60% of the market.

The business, which is profitable,

brings in \$40 million in sales; the figure doubled between 2009 and 2010. Mr. Kirban says growth is now limited only by the availability of raw materials. To address this challenge, the company recently added production capacity in Southeast Asia.

"We could have grown 300% last year if we had more coconuts," Mr. Kirban said.

Vita Coco has made over \$2 million worth of donations to charities ranging from the American Heart Association to the Special Olympics.

—ANNE FIELD



**UNDILUTED ENTHUSIASM:** Michael Kirban skated from store to store to win clients; he and partner Ira Liran won funding and PR by approaching Madonna's manager.



60%

Share of market for coconut water held by VITA COCO

# Dorm biz gets angle right on blogs

Software assists users of all stripes

**FRUSTRATION SPARKED** Anthony Casalena's dorm-room startup. He launched Squarespace Inc. in 2004, while he was a senior at the University of Maryland, after having an unexpectedly difficult time designing his website. He'd found that integrating all the disparate components—software for displaying photos, blogging, analytics and the like—was a cumbersome process.

"It was just so annoying," said Mr. Casalena, now 29.

So, as any self-respecting computer science whiz might do, he created his own way to pull in all the pieces of the puzzle. When friends started asking to use the program for their websites, Mr. Casalena realized he had stumbled on a business opportunity: a one-stop publishing platform. It enables clients to create high-quality websites and integrate other services—which now include Flickr and Twitter—easily and seamlessly.

After spending about eight months refining the software, Mr. Casalena borrowed \$30,000 from his father, a former sales exec at Cisco and Hewlett-Packard, to buy servers. He housed them in New York, knowing that he'd set up shop here.

"The creative spirit of the city fits very well with Squarespace," he explains today. "We see design as something fundamental to our business, so New York is a very natural home for us."

After taking an extra year to graduate and work on the business, he moved home to northern Maryland and spent six months saving money before finally settling in Manhattan five years ago.

Mr. Casalena experimented with offering a free service, like archival WordPress, along with a paid option. But he decided early on to nix that model and go after a more serious user.

The 50-employee company offers three levels of service, charging \$12 to \$36 a month, serving "tens of thousands of users," Mr. Casalena says.



\$38.5M

July 2010 VC funding for SQUARESPACE



**INSIGHTFUL SITE DESIGN:** Anthony Casalena's customers include both individual bloggers and big businesses such as Kiehl's.

Clients include both individual bloggers and companies such as fashion firm Marc Ecko Enterprises and cosmetics retailer Kiehl's. Squarespace, which has been profitable since 2005, posted 2010 sales of \$10.2 million—up 95% from the year before.

The ability to appeal to both ends of the spectrum is one of the team

members' major accomplishments, says Jeffrey Carr, executive director of NYU's Berkley Center for Entrepreneurial Studies.

"They've found a way to combine ease of use and one-stop shopping for everyday users and still provide value to professional developers," Mr. Carr said. "That's rare."

Squarespace got a big boost in July 2010, when it earned one of the year's largest rounds of venture capital in New York: \$38.5 million in funding, led by Accel Partners and

Index Ventures. Mr. Casalena, the majority shareholder, formed a five-person board that includes Dominique Vidal, an Index Ventures partner; Andrew Braccia, an Accel partner; and Jonathan Klein, CEO of Getty Images.

Mr. Casalena is using the money to build his next version, which he promises will offer a "drastic improvement in the experience of using the software." He expects to launch it this summer. Ultimately, he said, "we hope to grow the number of publishers using our site to millions."

This isn't Mr. Casalena's first startup experience. As a high school senior, he worked on design and implementation for HyperOffice.com, an online provider of communication and collaboration software.

"It really helped get the business to the next level," he said.

With that vision and moxie, it's a wonder he waited until his senior year in college to launch a business.

Squarespace has reduced its carbon footprint by buying carbon offsets and purchasing energy that's supplied entirely by wind turbines.

—ANNE FIELD



# Lending immigrants' firms an ear

## Simplifying credit access fills a void

**WHILE WORKING** for Deloitte Consulting, Rohit Arora discovered that small business loans made up banks' most profitable portfolios, and that those serving ethnic-owned firms had the fewest defaults.

Armed with these pieces of information—and a longtime desire to start a company with his brother, Ramit—he canvassed

his Indian compatriots in the small business and banking communities in Jackson Heights, Queens, about their financial needs.

What he got was an earful about many immigrants' lack of understanding of the U.S. banking and credit systems, and their dim view of loan applications as cumbersome, time-consuming and futile.

In response, the brothers developed Biz2Credit, an immigrant-friendly online operation that eases access to commercial loans, credit reports and other financial products. The 4-year-old firm matches small businesses with three to 10 potential lenders, and enables clients to upload, store and update their financial documents online.

"Biz2Credit has created a platform that connects small business with lending institutions in a very

innovative fashion that I haven't seen in the market before," said Dan Csont, chief marketing officer of Equifax Commercial Information Solutions.

Mr. Csont's company recently partnered with Biz2Credit to sell credit reports through the latter's website.

"My whole vision was to make life easier for small businesses, helping them become more creditworthy, access credit and get up to speed with their business," said Rohit. He serves as the firm's CEO, while Ramit is president.

Rohit's vision has evolved into a 37-employee firm, headquartered in Manhattan, with a 5,000-square-foot technology, support and security center in India, a roster of 7,000 clients and more than 300 lenders. Biz2Credit has facilitated a total of \$400 million in loans. Its clients, in-



**\$400M**  
Loan volume  
facilitated by  
**BIZ2CREDIT**



**CREDITABLE PLAN:** Rohit and Ramit Arora (from left) want to make life easier for those puzzled by the U.S. banking system.

cluding medical practices, gas stations, restaurants and franchises, typically secure \$200,000 to \$4.5 million in financing. About 55% of customers are immigrant-owned businesses.

"We are demystifying and streamlining the credit process," said Ramit.

Last year, as the credit crunch began to ease with the passage of the Small Business Jobs Act, Biz2Credit facilitated about 2,500 loans, a 150% jump over its 2009 figure. Revenues

skyrocketed 100% to a profitable \$1.8 million, from \$900,000.

About 80% of Biz2Credit's revenues come from banks, which fork over 1% to 1.5% of a loan's value, depending on a borrower's business and collateral. Biz2Credit also reaps fees from monthly subscriptions, which run as high as \$100 for accompanying clients to bank meetings and providing financial advice. Since February, when the firm start-

ed selling Equifax's credit reports for \$49 and Dun & Bradstreet's for \$119, Biz2Credit has been getting about 10% of the proceeds.

At the outset, the brothers self-financed Biz2Credit, each investing \$200,000 from their savings. They also brought a wealth of financial experience. Rohit, 35, who earned an M.B.A. from Columbia, has worked for Goldman Sachs and a Singapore-based private equity firm. Ramit, 31, became a chartered accountant in India; his résumé includes stints at the automotive division at Bosch Inc. and at Affiliated Computer Services, now a Xerox company.

The partners' tenaciousness got Biz2Credit off the ground just as the economy was tanking. They assiduously hawked their business online and in person at banking conferences and other industry gatherings, including a gathering of Pakistani and Arab gas station owners.

To create a network of lenders, they initially focused on small banks in the New York area and in the Midwest, cold-calling top lending officers before the start of the business day to increase the likelihood that bankers would answer their own phones. Today, their network includes institutions such as NewBank, located in the Asian community in Flushing, Queens, and some of the nation's largest banks, like Wells Fargo.

On the philanthropic front, Rohit leads workshops for nonprofits such as Seedco Financial and Acción New York, which teach skills to foster entrepreneurship.

—CARA S. TRAGER

# Surprising urban winery cultivates classy crowd

## Impresario caters to mature tastes

**NEW YORK CITY** may be the center of finance, fashion and media—but winemaking? Forget about it.

Michael Dorf's City Winery is trying to fill that void by arranging for fresh-off-the-vine grapes to be express-shipped to Manhattan from the Finger Lakes, California, Oregon, even Chile. Customers who purchase certain memberships can

make an entire barrel of wine under the tutelage of a master vintner. City Winery is also an event space: It both hosts its own concerts and tastings, and rents out the venue for private parties, wedding receptions and the like.

Mr. Dorf, 49, is a veteran impresario. In 1987, he founded the Knitting Factory, a legendary downtown venue, now defunct, where hipsters swilled warm beer from plastic cups and caught acts like Sonic Youth and Yo La Tengo at the outset of their musical careers. But he resigned under pressure in 2003 after battling

with investors over a variety of issues, such as the proper strategy for running the sideline record label. (The investors declined to comment.)

Mr. Dorf spent a few years licking his wounds and casting about for his next opportunity. By the time he hit his 40s, he was married with kids and he'd become a wine aficionado.

"I wanted to create something based on where my head was at," he said, "and for a crowd that was a little older and more mature."

As recently as 2002, fortified kosher wine was made on the Lower East Side, but Manhattan has no tradition of producing high-toned vintages. Mr. Dorf planned just such

an operation. In 2008, he leased a 21,000-square-foot space at Hudson Square—but his timing was terrible.

One of the first events on his new business's calendar was a holiday party for Lehman Brothers. By Christmas 2008, the company didn't even exist anymore, a victim of the massive economic meltdown.

"My business plan was to sell barrels to bankers," Mr. Dorf said, "but I was forced to re-evaluate everything."

City Winery still sells its memberships to produce barrels of wine, which range from \$5,000 to \$15,000, depending on the type of wine and the process involved in making it. But the ever-resilient Mr. Dorf has also placed greater emphasis on holding concerts and selling wine by the glass.

His enterprise has turned out a bit like one of those bars that brews beer on premises, storing it in huge vats. In this case, customers can get wine fresh from the barrel. Offerings cost roughly \$10 a glass and boast clever names, such as SoHo Vignon Blanc and NY City Cab.



**TOAST OF THE TOWN:** Michael Dorf, founder of the Knitting Factory, now brings high-end wine and entertainment to the city.

Not surprisingly, the 300-seat concert venue features acts for a mature, wine-quaffing crowd, such as Allen Toussaint and Rickie Lee Jones.

"It's the Knitting Factory for grown-ups," Mr. Dorf explained.

"Michael is not afraid to get knocked down," said David Pakman, a partner at Manhattan venture capital firm Venrock, who has teamed up with Mr. Dorf for several ventures over the years. "He simply finds a fresh angle."

Mr. Dorf is certain that City

Winery—projected to post \$10 million in revenues in 2011, a 25% gain—is a scalable business. He's opening a location in Chicago, and he's looking at Miami, London and other major cities where there are oenophiles but no nearby vineyards.

The entrepreneur gives heavily to charity. He donates about 8% of his product to auctions that raise money to help New York City public schools, battle diseases such as leukemia and assist other causes.

—JUSTIN MARTIN

**\$5-\$15K**  
Fee for making a  
barrel of wine at  
**CITY WINERY**





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For more information, contact: Charlotte Hall, Project Manager, Division of Revenue and Concessions, 830 Fifth Avenue, the Arsenal-Central Park, Room 407, New York, NY 10065 or call (212) 360-1397 or to download the RFP, visit <http://www.nyc.gov/parks/businessopportunities> and click on the "Concessions Opportunities at Parks" link. Once you have logged in, click on the "download" link that appears adjacent to the RFP's description. You can also email her at [charlotte.hall@parks.nyc.gov](mailto:charlotte.hall@parks.nyc.gov).  
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**ACG New York Intellectual Property: Optimizing the Hidden and Unrealized Value.** When: Thursday, June 2, 2011. 7:30 a.m. - 9:30 a.m.  
Where: Yale Club, 50 Vanderbilt Avenue, New York, NY 10017. ACG New York Members: \$50.00. ACG Members from other Chapters (You MUST choose your chapter in the drop down menu): \$75.00 Non Members: \$100.00.  
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Notice of Qualification of Pegasus Investors V (GP), L.L.C. Authority filed with NY Dept. of State on 5/6/11. Office location: NY County. Princ. bus. addr.: 99 River Rd., Cos Cob, CT 06807. LLC formed in DE on 4/6/11. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: all lawful purposes.

Notice of Formation of GREENACRES PRESERVATION, L.P. Cert. of LP filed with Secy. of State of NY (SSNY) on 05/04/11. Office location: NY County. Princ. office of LP: 60 Columbus Circle, NY, NY 10023. Latest date on which the LP may dissolve is 12/31/2111. SSNY designated as agent of LP upon whom process against it may be served. SSNY shall mail process to c/o Corporation Service Co., 80 State St., Albany, NY 12207. Name and addr. of each general partner are available from SSNY. Purpose: Any lawful activity.

Notice of Formation of 43 NORTH BRISTOL, LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 04/26/11. Office location: NY County. Princ. office of LLC: 801 Second Ave., 19th Fl., NY, NY 10017. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Kane Kessler, P.C., Attn: Robert L. Lawrence, Esq., 1350 Ave. of the Americas, 26th Fl., NY, NY 10019. Purpose: Any lawful activity.

Notice of Qual. of Half Moon GP, LLC, Auth. filed Sec'y of State (SSNY) 3/4/11. Office loc.: NY County. LLC org. in DE 3/1/11. SSNY desig. as agent of LLC upon whom process against it may be served. SSNY shall mail copy of proc. to Att: Eric DeLamarter, 168 First Ave., NY, NY 10009. DE off. addr.: CSC, 2711 Centerville Rd., Wilmington, DE 19808. Cert. of Form. on file: SSDE, Townsend Bldg., Dover, DE 19901. Purp.: any lawful activities.

Notice of Qualification of VNO-MHP JV LLC. Authority filed with NY Dept. of State on 2/7/11. Office location: NY County. Princ. bus. addr.: 210 Route 4 East, Paramus, NJ 07652. LLC formed in DE on 1/20/11. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: 1209 Orange St., Wilmington, DE 19801. Arts. of Org. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: all lawful purposes.

Notice of Qual. of TIG Falconer Partners, L.P., Auth. filed Sec'y of State (SSNY) 12/10/10. Office loc.: NY County. LP org. in DE 12/9/10. SSNY desig. as agent of LP upon whom process against it may be served. SSNY shall mail copy of proc. to Att: Michael Tiedemann, 520 Madison Ave., 26th Fl., NY, NY 10022. DE off. addr.: CSC, 2711 Centerville Rd., Wilmington, DE 19808. Cert. of LP on file: SSDE, Townsend Bldg., Dover, DE 19901. Name/addr. of each gen. ptr. avail. at SSNY. Purp.: any lawful activities.

Notice of Qualification of TAVROS MERCER MANAGER LLC. Authority filed with Secy. of State of NY (SSNY) on 05/13/11. Office location: NY County. LLC formed in Delaware (DE) on 05/12/11. Princ. office of LLC: Attn: Dov Barnett, 33 W. 19th St., 4th Fl., NY, NY 10011. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC at the princ. office of the LLC. DE addr. of LLC: c/o Corporation Service Co., 2711 Centerville Rd., Ste. 400, Wilmington, DE 19808. Cert. of Form. filed with Secy. of State of DE, 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of Univision Deportes, LLC. Authority filed with NY Dept. of State on 4/11/11. Office location: NY County. Princ. bus. addr.: 605 3rd Ave., 12th Fl., NY, NY 10158. LLC formed in DE on 3/23/11. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Formation of MOVEMENT MATTERS REHABILITATION, OT, PT, PLLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 04/28/11. Office location: NY County. Princ. office of PLLC: 264 Canal St., Ste. E, NY, NY 10013. SSNY designated as agent of PLLC upon whom process against it may be served. SSNY shall mail process to the PLLC at the addr. of its princ. office. Purpose: Profession of occupational therapy and physical therapy.

Notice of Formation of Tolland Realty Company Limited Partnership filed with the NY Dept. of State on 4/1/2011. Office Location: NY County. NY Sec of State ("SSNY") designated as agent of LP upon whom process against it may be served and SSNY shall mail process to: c/o Stephen H. Penn, 114 W. 47th St., 19th Fl., NY, NY 10036. Name/Addr. of genl.ptr. is available from SSNY. Latest date LP to dissolve is 12/29/2029. Purpose: acquire and dispose of investment property situate in Tolland, MA.

NOTICE OF FORMATION of limited liability company (LLC). NAME: SARSEN REALTY, LLC. Articles of Organization filed with Secretary of State of New York (SSNY) on April 7, 2011. Office Location: New York County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail copy of process to: c/o the LLC 41 CARMINE STREET, STOREFRONT NEW YORK, NY 10014. Purpose: Any lawful purpose.

Notice of Qualification of Camuto Group LLC. Authority filed with NY Dept. of State on 5/17/11. Office location: NY County. LLC formed in DE on 1/11/10. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to the principal business addr.: 411 W. Putnam Ave., Ste. 210, Greenwich, CT 06830. DE addr. of LLC: The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Qualification of COMCAST VENTURES, LLC. Authority filed with Secy. of State of NY (SSNY) on 05/17/11. Office location: NY County. LLC formed in Delaware (DE) on 05/10/11. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o CT Corporation System, 111 Eighth Ave., NY, NY 10011. DE addr. of LLC: c/o Comcast Capital Corporation, 1201 N. Market St., Ste. 1000, Wilmington, DE 19801. Cert. of Form. filed with DE Secy. of State, 401 Federal St., Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of Morgan Stanley HedgePremier/Paulson Advantage Plus Fund II LP. Authority filed with NY Dept. of State on 4/21/11. Office location: NY County. Princ. bus. addr.: 522 5th Ave., 13th Fl., NY, NY 10036. LP formed in DE on 4/19/11. NY Sec. of State designated agent of LP upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LP: 1209 Orange St., Wilmington, DE 19801. Name/addr. of genl. ptr. available from NY Sec. of State. Cert. of LP filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Qualification of SunRun Solar Tenant IV, LLC. Authority filed with NY Dept. of State on 4/29/11. Office location: NY County. Princ. bus. addr.: 45 Fremont St., 32nd Fl., San Francisco, CA 94105. LLC formed in CA on 2/17/11. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. CA addr. of LLC: 818 W. 7th St., Los Angeles, CA 90017. Cert. of Form. filed with CA Sec. of State, 1500 11th St., Sacramento, CA 95814. Purpose: any lawful activity.

Notice of Formation of METHUSELAH LIVES LONG LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 04/18/11. Office location: NY County. Princ. office of LLC: 888 Seventh Ave., 35th Fl., NY, NY 10106. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Spielman, Koenigsberg & Parker LLP at the princ. office of the LLC. Purpose: Any lawful activity.

Notice of Qualification of InspectMyRide LLC. Authority filed with NY Dept. of State on 4/28/11. Office location: NY County. LLC formed in DE on 7/28/10. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Formation of RAA MEDIA, LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 05/02/11. Office location: NY County. Princ. office of LLC: 88 Pine St., NY, NY 10005. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Ralph Appelbaum Associates, Inc., Attn: Sharaf M. Hassan at the princ. office of the LLC. Purpose: Media production services and other related services.

Notice of Qualification of CTAM IPM LLC. Authority filed with NY Dept. of State on 5/9/11. Office location: NY County. LLC formed in DE on 5/5/11. NY Sec. of State designated as agent of LLC upon whom process against it may be served and shall mail process to the principal business address: 599 Lexington Ave., NY, NY 10022. DE address of LLC: c/o The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, P.O. Box 898, Dover, DE 19903. Purpose: all lawful purposes.

Notice of Qualification of 47 East 34th Street (NY) Lender, LLC. Authority filed with Secy. of State of NY (SSNY) on 4/19/11. Office location: NY County. LLC formed in Delaware (DE) on 4/13/11. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The LLC, 2804 Gateway Oaks Dr., #200, Sacramento, CA 95833. Address to be maintained in DE: 40 E. Division St., Ste. A, Dover, DE 19901. Arts of Org. filed with DE Secy. Of State, 401 Federal St., #4, Dover, DE 19901. Purpose: any lawful activities.

Notice of Qualification of HealthCor Long Master GP, LLC. Authority filed with Secy. of State of NY (SSNY) on 04/05/11. Office location: NY County. LLC formed in Delaware (DE) on 03/17/11. Princ. office of LLC: Carnegie Hall Tower, 152 W. 57th St., 43rd Fl., NY, NY 10019. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC at the princ. office of the LLC. DE addr. of LLC: 2711 Centerville Rd., Ste. 400, Wilmington, DE 19808. Cert. of Form. filed with DE Secy. of State, Div. of Corps., John G. Townsend Bldg., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Any lawful activity.

Notice of Qualification of PYRANDER CAPITAL MANAGEMENT, LLC. Authority filed with Secy. of State of NY (SSNY) on 04/07/11. Office location: NY County. LLC formed in Delaware (DE) on 02/12/09. Princ. office of LLC: 500 Park Ave., 4th Fl., NY, NY 10022. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC at the princ. office of the LLC. DE addr. of LLC: 615 S. DuPont Hwy., Dover, DE 19901. Cert. of Form. filed with DE Secy. of State, Div. of Corps., 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: Investment management, advisory or trading activities.

NOTICE OF FORMATION of EFFIE'S PAPER, LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 03/21/11. Office location: NY County. SSNY designated as agent upon whom process against the LLC may be served. SSNY shall mail process to: Effie's Paper, LLC, 27 Leonard St, 5th Floor, NY, NY 10013. Purpose: To engage in any lawful act or activity.

NOTICE OF FORMATION of THIRD CROWN LLC. filed with the Secretary of State of NY (SSNY) on 3/14/11. Office loc: NEW YORK Cty. SSNY designated as agent upon whom process may be served. Mail a copy of any process to: 18 Saint Nicholas Pl, 4C, NY, NY 10031. Purpose: any lawful acts.

Notice of Formation of Moskit Investor, LLC. Arts. of Org. filed with NY Dept. of State on 4/20/11. Office location: NY County. Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: Ballon Stoll Bader & Nadler, P.C., 729 7th Ave., 17th Fl., NY, NY 10019, principal business addr. Purpose: real estate holding.

NOTICE OF FORMATION OF Zandra Management, LLC. Articles of Org. filed with Secy. of State of NY (SSNY) on 3/14/11. Office loc.: New York Co. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to LLC c/o Zandra Management, LLC, 469 7th Avenue, Suite 314, New York, NY 10018. Purpose: any lawful act or activity.

Notice of Formation of TOMITA TECHNOLOGIES USA, LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 4/22/01. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: c/o Clifford David, 50 E. 77th St., Apt. 8A, NY, NY 10075. Purpose: any lawful activity.

NOTICE OF FORMATION OF Rubenstein Casting and Production, LLC. Arts of Org filed with the Secy of State of NY (SSNY) on 4/25/11. Office loc: NY Cty. SSNY designated as agent upon whom process may be served and shall mail a copy of any process to the principal business address: 210 E 68th St., NY, NY 10065. Purpose: any lawful acts.

LYDIA PROPERTIES, LLC a domestic Limited Liability Company (LLC), filed with the Sec of State of NY on 3/29/11. NY Office location: New York County. SSNY is designated as agent upon whom process against the LLC may be served. SSNY shall mail a copy of any process against the LLC served upon him/her to The LLC, 390 West End Ave., Unit 6G, NY, NY 10024. General Purposes.

NOTICE OF FORMATION OF **Quartermaster Corps LLC**. Articles of Organization filed with the Secretary of State of NY (SSNY) on **March 24, 2011**. Office location: **NEW YORK** County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the **LLC** served upon him/her is: **1240 N. Lake Shore Drive, #4B, C/O Ellis Regenbogen, Chicago, IL 60610**. The principal business address of the **LLC** is: **1240 N. Lake Shore Drive, #4B, Chicago, IL 60610**. Purpose: any lawful act or activity.



PUBLIC & LEGAL NOTICES

Notice of Qualification of Klingenstein Fields Asia Fund Management, LLC. Authority filed with NY Dept. of State on 11/18/10. Office location: NY County. Princ. bus. addr.: 787 7th Ave., 6th Fl., NY, NY 10019. LLC formed in DE on 10/21/10. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice is hereby given a License Number 1253899 for on-premises Summer Tavern Wine has been applied for by the undersigned to sell Wine/Beer at retail under the Alcoholic Beverage Control Law at the 15th Street Porch, The High Line, New York, NY 10001 for on premises consumption. FRIENDS OF THE HIGH LINE, INC. D/B/A THE PORCH

A&A 2011, LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 1/6/11. Office in NY County. SSNY designated agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Reinhardt LLP, 44 Wall St 10th Fl, NY, NY 10005. Purpose: General.

Notice of Formation of 2EG Media, LLC. Arts. of Org. filed with Secy. of State of N.Y. (SSNY) on 1/06/11. Office location: New York County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: The LLC, 40 Harrison St., #31G NY, NY 10013. Purpose: any lawful activity.

Notice of Formation of Skin Holdings, LLC. Arts. of Org. filed with NY Dept. of State on 4/27/11. Office location: NY County. Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: Klestadt & Winters, LLP, 570 7th Ave., 17th Fl., NY, NY 10018, Attn: Ian R. Winters, regd. agent upon whom process may be served. Purpose: any lawful activity.

**NOTICE OF REGISTRATION of Newman & Morrison LLP.** Certificate filed with Secy. of State of NY (SSNY) on 4/5/11. Office location: NY County. SSNY designated as agent of LLP upon whom process against it may be served. SSNY shall mail process to the principal business address: 44 Wall Street, 20th Floor, New York, NY 10005. Purpose: Practice the Profession of Law.

Notice of Formation of Mindsmack.tv LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 03/04/08. Office loc.: NY Co. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC, c/o Lazer, Aptheker, et al., 225 Old Country Rd, Melville, NY 11747, Attn: Scott Feuer. Purpose: any lawful act or activity.

MOUNTAIN 99, LLC Articles of Org. filed NY Sec. of State (SSNY) 4/5/2011. Office in NY Co. SSNY desig. agent of LLC upon whom process may be served. SSNY shall mail copy of process to c/o The Law Firm of Hugh H. Mo, P.C., 225 Broadway, Ste. 2702, NY, NY 10007. Purpose: Any lawful purpose.

Notice of Qualification of Braemar Energy Ventures III, LP. Authority filed with Secy. of State of NY (SSNY) on 1/7/11. Office location: NY County. LP formed in Delaware (DE) on 8/20/10. SSNY designated as agent of LP upon whom process against it may be served. SSNY shall mail process to: c/o Braemar Energy Ventures, LLC, 340 Madison Ave., 18th Fl., NY, NY 10017, also the address of the principal office. DE address of LP: c/o National Registered Agents, Inc., 160 Greentree Dr., St 101, Dover, DE 19904. Name/address of genl. ptr. available from SSNY. Cert. of LP filed with DE Secy. of State, 401 Federal St., Ste. 4, Dover, DE 19901. Purpose: any lawful activities.

**NOTICE OF FORMATION OF The First Robin Productions LLC.** Articles of Organization filed with the Secretary of State of NY (SSNY) on **02/04/2011**. Office location: **NEW YORK** County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the **LLC** served upon him/her is: **United States Corporation Agents, Inc. 7014 13th Ave Brooklyn, NY 11228**. The principal business address of the **LLC** is: **307 E. 78th St. 3W, NY, NY 10075**. Purpose: any lawful act or activity.

FLAMINGO ROAD NORTH LLC, a domestic Limited Liability Company (LLC), filed with the Sec of State of NY on 4/1/11. NY Office location: New York County. SSNY is designated as agent upon whom process against the LLC may be served. SSNY shall mail a copy of any process against the LLC served upon him/her to Cohen and Frankel LLP, 286 Madison Ave., Ste. 2100, NY, NY 10017. General Purposes.

ALL ENTERPRISES, LLC, a domestic Limited Liability Company (LLC), filed with the Sec of State of NY on 2/9/11. NY Office location: New York County. SSNY is designated as agent upon whom process against the LLC may be served. SSNY shall mail a copy of any process against the LLC served upon him/her to Al Lawrence & Company, Inc., c/o Anthony Degrotta, 225 E. 45th St., NY, NY 10017. General Purposes.

Notice of Formation of UPPER MANHATTAN PARKING LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 04/21/11. Office location: NY County. Princ. office of LLC: 405 Park Ave., Ste. 1103, NY, NY 10022. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Phillips Nizer LLP, 666 Fifth Ave., NY, NY 10103. Purpose: Any lawful activity.

Notice of Formation of 273-277 Kosciuszko, L.P. Certificate filed with Secy. of State of N.Y. (SSNY) on 11/22/10. Office location: NY County. SSNY designated as agent of LP upon whom process against it may be served. SSNY shall mail process to: 37 W. 20th St., Ste. 603, NY, NY 10011. Name/address of each genl. ptr. available from SSNY. Term: until 12/31/2060. Purpose: any lawful activity.

Notice of Formation of GALLUS PROPERTIES, LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 05/09/11. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Any lawful activity.

Name of LLC: MADE NICE, LLC. Art. of Org. filed Dept. of State of NY on 1/19/11. Off. Loc. in NY: New York Cty. Secy. of State designated as agent of LLC upon whom process against it may be served. Sec. of State shall mail a copy of process to: The LLC, c/o Dornbush Schaeffer Strongin & Venaglia, LLP, 747 Third Ave., NY, NY 10017, Attn: Landey Strongin, Esq. Purpose: any lawful activity.

Notice of Qualification of Blackstone Real Estate Partners VII.TE.1 L.P. Authority filed with NY Dept. of State on 4/22/11. Office location: NY County. LP formed in DE on 4/18/11. NY Sec. of State designated agent of LP upon whom process against it may be served and shall mail process to the principal business addr.: c/o The Blackstone Group L.P., 345 Park Ave., NY, NY 10154. Regd. agent upon whom process may be served: CT Corporation System, 111 8th Ave., NY, NY 10011. DE addr. of LP: c/o The Corporation Trust Co., 1209 Orange St., Wilmington, DE 19801. Name/addr. of genl. ptr. available from NY Sec. of State. Cert. of LP filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

NOTICE OF FORMATION of Seven Story Productions, LLC. Article of Organization filed with the Secretary of State of NY (SSNY) on 04/26/2011. Office location: NY County. SSNY has been designated as agent upon whom process against it may be served. The Post Office address to which the SSNY shall mail a copy of any process against the LLC served upon him is 10 West 66th Street, #22B New York, NY 10023. Purpose of LLC: to engage in entertainment production. Street address of Principal Business location is: 10 West 66th Street, #25H New York, NY 10023.

THERMOCYCLOMICS, LLC, a domestic Limited Liability Company (LLC), filed with the Sec of State of NY on 2/18/11. NY Office location: NEW YORK County. SSNY is designated as agent upon whom process against the LLC may be served. SSNY shall mail a copy of any process against the LLC served upon him/her to The LLC, 200 W. 57th St., Ste. 1301, NY, NY 10019. General Purposes.

Notice of Formation of Orcan LLC. Articles of Org. filed with Secy. of State of NY (SSNY) on 04/21/11. Office loc.: New York Co. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC, 149 W. 36th Street, 6th Fl., New York, NY 10005. Purpose: any lawful act or activity.

The Public is hereby notified of the Formation of a limited liability company in the county of Kings in the State of New York. The company name: **HUR Trading LLC**. The address is: **1074 Coney Island Avenue, Brooklyn, NY 11230**.

Notice is hereby given that a license (#TBA) for BEER & WINE has been applied for by GAZALA 2 INC, at retail, in a restaurant, under the ABC Law, at 380 COLUMBUS AVE. A/K/A 101 W. 78 ST. NY, NY 10024 for on-premises consumption.

Name: 1180 AOA PROPERTIES LLC Art. Of Org. Filed Sec. Of State of NY 03/15/2011. Off. Loc.: New York Co. SSNY designated as agent upon whom process against it may be served. SSNY to mail copy of process to THE LLC, 747 Third Avenue, 22nd Fl., New York, NY 10017. Purpose: Any lawful act or activity.

JAJU Realty LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 2/16/11. Office in NY County. SSNY designated agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Bryan W Kishner & Associates, 420 Lexington Ave Ste 300, NY, NY 10170. Purpose: General.

Notice of Formation of MSI Hospitality Resources, LLC. Arts. Of Org. filed with NY Dept. of State on 3/31/11. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to c/o General Counsel, 6 E 43rd Street, NY, NY 10017. Primary place of business is 6 E 43rd Street, NY, NY 10017. Purpose: Facility rentals.

The Public is hereby notified of the Formation of a limited liability company in the county of Kings in the State of New York. The company name: **Thow LLC**. The address is: **23 Brighton 4 Terr, Brooklyn, NY 11235**.

Notice of Qualification of JER Management, L.L.C. Authority filed with NY Dept. of State on 4/26/11. NYS fict. name: JER Partners LLC. Office location: NY County. Princ. bus. addr.: 1650 Tysons Blvd., Ste. 1600, McLean, VA 22102. LLC formed in DE on 5/7/10. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o Corporation Service Co., 80 State St., Albany, NY 12207. DE addr. of LLC: 2711 Centerville Rd., Ste. 400, Wilmington, DE 19808. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

Notice of Appl. for Auth. GIREHBAN, LLC, a foreign limited liability company (LLC). Appl. for Auth. filed with SSNY 11/24/10. LLC organized in DE 11/22/10. NY office location: NY County. SSNY designated as agent for process. SSNY shall mail copy of process to: The LLC, 161 Hudson Street, Apt. 6C, New York, NY 10013. Office address of LLC in jurisdiction of organization: c/o National Registered Agents, Inc., 160 Greentree Dr., Ste. 101, Dover, DE 19904. A copy of the Cert. of Form. on file with State of Delaware, Div. of Corp., 401 Federal Street, Ste. 4, Dover, DE 19901. Purpose: Any lawful act or activity.

Notice of Formation of ALEXANDRE PLOKHOV LLC, a domestic LLC. Arts. of Org. filed with the SSNY on 03/30/2011. Office location: NY County. SSNY has been designated as agent upon whom process against the LLC may be served. SSNY shall mail a copy of process to: 27 W. 20th St. Ste 1201, NY, NY 10011. Purpose: Any Lawful Purpose.

CandyGirl-NYC LLC Articles of Org. filed NY Sec. of State (SSNY) 4/22/2011. Office in NY Co. SSNY desig. agent of LLC upon whom process may be served. SSNY shall mail copy of process to c/o Kaplan Fox Kilsheimer LLP, 850 3RD Ave., 14th Flr., NY, NY 10022, which is also the principal business location. Purpose: Any lawful purpose.

Notice of Formation of DPA New 2766 Barnes, LLC. Arts. of Org. filed with NY Dept. of State on 4/8/11. Office location: NY County. Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to the principal business addr.: c/o The Dermot Company, 729 7th Ave., 15th Fl., NY, NY 10019. Purpose: any lawful activity.

NOTICE OF FORMATION of CAGE LLC. Arts of Org filed with the Secy of State of NY (SSNY) on 2/16/10. Office location: NY County. SSNY designated as an agent upon whom process may be served AND shall mail a copy of any process to: Jose Martinez, 325 E 41st St. Suite 305 NY NY 10017. Principal business address: 83 A Hester St. NY NY. Purpose: any lawful acts.

Notice of Formation of Choctaw LLC. Articles of Organization filed with Secy. of State of NY (SSNY) on 03/15/11. Office location: New York Co. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC, 900 Greensward Lane, Apt. G207, Delray Beach, FL 33445. Purpose: any lawful act or activity.

Maat Enterprises LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 3/22/11. Office in NY County. SSNY designated agent of LLC upon whom process against it may be served. SSNY shall mail process to Jonathan S Berck, LLC, 757 3rd Ave 20th Fl, NY, NY 10017. Purpose: General.

Notice of Formation of LEFKAS REALTY LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 10/22/01. Office location: NY County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: 44-12 43rd Avenue, Sunnyside, NY 11104. Purpose: any lawful activity.

Notice of Qualification of C-III Recovery Fund I TIER Holdings LLC. Authority filed with NY Dept. of State on 4/6/11. Office location: NY County. Princ. bus. addr.: 300 N. Main St., Greenville, SC 29601. LLC formed in DE on 4/4/11. NY Sec. of State designated agent of LLC upon whom process against it may be served and shall mail process to: c/o CT Corporation System, 111 8th Ave., NY, NY 10011, regd. agent upon whom process may be served. DE addr. of LLC: 1209 Orange St., Wilmington, DE 19801. Cert. of Form. filed with DE Sec. of State, 401 Federal St., Dover, DE 19901. Purpose: any lawful activity.

NOTICE OF FORMATION of Kanook Capital LLC Art. of Org filed Sec'y of State (SSNY) 5/4/11. Office location: New York County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail copy of process to Edward Farrell, Esq., Tarter Krinsky & Drogin LLP, 1350 Broadway, 11th Floor, New York, NY 10018. Registered agent upon whom process may be served is Edward Farrell, Esq., Tarter Krinsky & Drogin LLP, 1350 Broadway, 11th Floor, New York, NY 10018. Purpose: any lawful activities.

Notice of Formation of MAXIMILIAN IS KING LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 04/07/11. Office location: NY County. Princ. office of LLC: 1724 2nd Ave., Apt. 6A, NY, NY 10128. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Arthur L. Levine at the princ. office of the LLC. Purpose: Any lawful activity.

Notice of Formation of SOPHROSINE ENERGY INVESTORS, LLC. Arts. of Org. filed with Secy. of State of N.Y. (SSNY) on 1/31/11. Office location: New York County. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to: c/o Andrew M. Jacobs, 1 Penn Plaza, Ste. 2527, New York, NY 10119. Purpose: any lawful activity.

Name: ARCADIA HAVEN LLC Art. Of Org. Filed Sec. Of State of NY 04/01/2011. Off. Loc.: New York Co. SSNY designated as agent upon whom process against it may be served. SSNY to mail copy of process to THE LLC, C/O Mindy Stern, Esq., Schoeman, Updike & Kaufman LLP, 60 East 42nd Street 39th Fl., New York, NY 10165. Purpose: Any lawful act or activity.

KNS Enterprises LLC. filed with Secy. of State of NY (SSNY) on 3/17/11. Ofc in NY Cty. SSNY designated agent of LLC upon whom process against it may be served. SSNY shall mail process to 240 E. 83rd Apt 5C, New York, NY 10028. Purpose: General.

Notice of Formation of MOBILE TRANSIT SOLUTIONS LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 04/29/11. Office location: NY County. Princ. office of LLC: 322 Central Park West, NY, NY 10025. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to c/o Alex Bell at the princ. office of the LLC. Purpose: Any lawful activity.

Notice of Formation of AAXIAL RESOURCES LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 04/12/11. Office location: NY County. Princ. office of LLC: 405 Lexington Ave., 7th Fl., NY, NY 10174. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to the LLC at the addr. of its princ. office. Purpose: Any lawful activity.

Notice of Formation of DON ANTONIO RESTAURANT, LLC. Arts. of Org. filed with Secy. of State of NY (SSNY) on 05/19/11. Office location: NY County. Princ. office of LLC: 28 Iris Circle, Glen Rock, NJ 07452. SSNY designated as agent of LLC upon whom process against it may be served. SSNY shall mail process to Corporation Service Co., 80 State St., Albany, NY 12207-2543. Purpose: Operate a restaurant.

Notice of Qual. of Half Moon Capital Partners, LP, Auth. filed Sec'y of State (SSNY) 3/4/11. Office loc.: NY County. LP org. in DE 3/1/11. SSNY desig. as agent of LP upon whom process against it may be served. SSNY shall mail copy of proc. to Att: Eric DeLamarter, 168 First Ave., NY, NY 10009. DE off. addr.: CSC, 2711 Centerville Rd., Wilmington, DE 19808. Cert. of LP on file: SSDE, Townsend Bldg., Dover, DE 19901. Name/addr. of each gen. ptr. avail. at SSNY. Purp.: any lawful activities.



ABOUT THIS SECTION

FOR THE RECORD is a weekly listing of information from the public record that can help businesspeople in the New York area find opportunities, potential new clients and updates on competitors.

To ask questions or get more information on this section, contact Suzanne Panara at SPanara@crainsnewyork.com.

BANKRUPTCIES

The following listings are selected from the most recent available filings by companies seeking bankruptcy protection in the Southern and Eastern Districts of New York. Information was obtained from U.S. Bankruptcy Court records available on Public Access to Court Electronic Records. Listings are in alphabetical order.

● **Lenox 126 Realty**  
1027 Hylan Blvd., Staten Island  
Filed for Chapter 11 bankruptcy protection on May 12. The filing cites estimated liabilities of \$10,000,001 to \$50 million and estimated assets of \$10,000,001 to \$50 million. Among the creditors with the largest unsecured claims are the law office of Lorenzo Deluca, owed \$45,000; Kurzman Eisenberg Corbin & Lever, owed \$22,000; and D&D Elevator, owed \$7,000.

● **MAC Conglomerate**  
398-A Hancock St., Brooklyn  
Filed for Chapter 11 bankruptcy protection on May 13. The filing cites estimated liabilities of \$100,001 to \$500,000 and estimated assets of \$100,001 to \$500,000. Among the creditors with the largest unsecured claims is the New York City Department of Environmental Protection, owed \$5,206.45.

● **Madison Hotel Owners**  
440 W. 41st St., Manhattan  
Filed for Chapter 11 bankruptcy protection on May 16. The filing cites estimated liabilities of \$1,000,001 to \$10 million and estimated assets of \$1,000,001 to \$10 million. Among the creditors with the largest unsecured claims are Chaim Cohen, owed \$750,000; Goldberg & Rimberg, owed \$135,000; and Shlomo Segev, owed \$80,000.

● **Profile Technologies Inc.**  
2 Park Ave., suite 201, Manhasset, L.I.  
Filed for Chapter 11 bankruptcy protection on May 9. The filing cites estimated liabilities of \$500,001 to \$1 million and estimated assets of \$0 to \$50,000. Among the creditors with the largest unsecured claims are Estate of Chuck Christenson, owed \$109,500; Chartis Insurance, owed \$100,000; and Pulse Power Physics Inc., owed \$60,814.78.

● **Seafood Sales Inc.**  
43 Elderberry Road, Syosset, L.I.  
Filed for Chapter 7 bankruptcy protection on May 17. The filing cites estimated liabilities of \$1,000,001 to \$10 million and estimated assets of \$1,000,001 to \$10 million. Among the creditors with the largest unsecured claims are Castlerock Fisheries, owed \$295,800; Wells Fargo, owed \$51,500; and Capital One, owed \$40,400.

● **Tudor Oaks Owners Corp.**  
67-50 Thornton Place, Queens  
Filed for Chapter 11 bankruptcy protection on May 18. The filing cites estimated liabilities of \$1,000,001 to \$10 million and estimated assets of \$1,000,001 to \$10 million. Among the creditors with the largest unsecured claims are National Grid, owed \$41,463.55; CBS Electric Inc., owed

\$30,000; and SOS Cesspool, owed \$4,453.

GOVERNMENT CONTRACT OPPORTUNITIES

Following are selected contract opportunities recently announced by New York City agencies. To learn how to sell goods and services to city government, visit [www.nyc.gov/selltonyc](http://www.nyc.gov/selltonyc). For a searchable database of current procurement notices, visit [www.nyc.gov/cityrecord](http://www.nyc.gov/cityrecord). Listings are alphabetical by category and department.

CONSTRUCTION SERVICES

● **Department of Citywide Administrative Services**  
Requests proposals by 12 p.m. on June 29 from appropriately qualified developers to supply electricity generated by solar photovoltaic systems through a long-term power purchase agreement. Under the agreement, the developer will provide electricity services through the installation, ownership and operation of PV systems on the rooftops of five city-owned buildings. A copy of the RFP is available at the DCAS Office of Contracts, 1 Centre St., room 1860, between 9 a.m. and 4 p.m. To make inquiries, contact Erkan Solak at (212) 669-3530 or [esolak@dcas.nyc.gov](mailto:esolak@dcas.nyc.gov).

● **Department of Parks and Recreation**  
Seeks competitive sealed bids by 10:30 a.m. on June 10 for the planting of new and replacement street trees at various locations in Manhattan and Queens. Bid documents can be purchased in the Blueprint Room, Olmsted Center, Flushing, Queens, from 8 a.m. to 3 p.m. Contact Juan Alban at (718) 760-6771 or [juan.alban@parks.nyc.gov](mailto:juan.alban@parks.nyc.gov).

● **Department of Parks and Recreation**  
Seeks competitive sealed bids by 10:30 a.m. on June 17 for the reconstruction of the basketball courts and a portion of the tennis courts in Inwood Hill Park and the reconstruction of Neufeld Playground in Riverside Park. Bid documents can be purchased in the Blueprint Room, Olmsted Center, Flushing, Queens, from 8 a.m. to 3 p.m. Contact Juan Alban at (718) 760-6771 or [juan.alban@parks.nyc.gov](mailto:juan.alban@parks.nyc.gov).

GOODS AND SERVICES

● **Economic Development Corp.**  
Requests proposals by 4 p.m. on June 17 for the development and execution of the “Designer as Entrepreneur” program: an intensive, classroom-style “mini-MBA” to educate designers on the day-to-day aspects of running a fashion business. The program is part of Fashion NYC 2020, a yearlong program launched by fashion industry stakeholders and NYCEDC. For more information, contact Maryann Catalano at (212) 312-3969 or [designerasentrepreneur@nycedc.com](mailto:designerasentrepreneur@nycedc.com).

● **Economic Development Corp.**  
Requests proposals by 4 p.m. on July 28 for the redevelopment of a Department of Sanitation site at 525 E. 73rd St. The site is about 68,000 square feet, zoned M3-2 and partially occupied by a month-to-month tenant. Redevelopment proposals must use the site for expansion or creation of a health care, education or

scientific research facility. Contact Maryann Catalano at (212) 312-3969 or [east73rdstreetrfp@nycedc.com](mailto:east73rdstreetrfp@nycedc.com).

● **Housing Authority**  
Seeks competitive sealed bids between 10 a.m. and 10:10 a.m. on June 10 for the installation of vinyl composition tiles in various apartment developments in Brooklyn. Bid documents are available at [www.nyc.gov/nychabusiness](http://www.nyc.gov/nychabusiness). To make inquiries, contact Sabrina Steverson at (212) 306-6771 or [sabrina.steverson@nycha.nyc.gov](mailto:sabrina.steverson@nycha.nyc.gov).

● **Housing Authority**  
Seeks competitive sealed bids between 10:15 a.m. and 10:25 a.m. on June 10 for maintenance painting of apartments in the Bronx and Brooklyn. Bid documents are available at [www.nyc.gov/nychabusiness](http://www.nyc.gov/nychabusiness). To make inquiries, contact Sabrina Steverson at (212) 306-6771 or [sabrina.steverson@nycha.nyc.gov](mailto:sabrina.steverson@nycha.nyc.gov).

REAL ESTATE DEALS

Companies that would like to have details of their recent transactions appear in these listings should e-mail descriptions following this format to [TFernandez@crainsnewyork.com](mailto:TFernandez@crainsnewyork.com), with “Real estate transaction” in the subject line, or enter them online at [crainsnewyork.com/submitadeal](http://crainsnewyork.com/submitadeal). Deals are listed in order of square footage.

COMMERCIAL

● **RP Management** signed a 10-year lease for 13,280 square feet at **110 E. 59th St.**, a 37-story building owned by Jack Resnick & Sons. The firm occupies the 33rd floor. Michael Goldman and Daniel Posy of Studley represented the tenant, while Dennis Brady represented the landlord in-house. The asking rents on the top floors are \$100 a square foot.

● **Bruce Weber** signed a 10-year lease for 11,150 square feet at **205 Hudson St.**, a building owned by Trinity Real Estate. The firm will occupy the 10th floor. George Grace of G.E. Grace & Co. represented the tenant, while Tom Lynch negotiated on behalf of the landlord in-house. The asking rent was \$43 a square foot.

● **GroupMe** signed a lease for 5,300 square feet at **26 W. 17th St.**, a building owned by The Winter Organization. Slater Traaen of the Kaufman Organization represented the tenant, while Robert Fink represented the landlord in-house. The asking rent was \$37 a square foot.

● **The American Symphony Orchestra** has signed a lease for 4,800 square feet at **263 W. 38th St.**, a 17-story building owned by Handler Real Estate Organization. Peter Newman of Handler Real Estate represented the tenant, while his colleague Scott Handler represented the landlord in-house. The asking rent was \$28 a square foot.

RETAIL

● **Barnes & Noble** renewed a lease for 22,200 square feet at **70-00 Austin St.** in Forest Hills, Queens, a building owned by Muss Development. Don Kuszmar represented the tenant in-house, while Stan Markowitz represented the landlord in-house. The asking rent was \$75 a square foot.

● **Ricky’s** signed a lease for 3,000 square feet at **2385 Broadway**, a building owned by the Zabar family. Craig Slosberg of Newmark Knight Frank Retail represented the tenant, while Christine Emery of The Lansco Corp. negotiated on behalf of the landlord. The asking rent was \$150 a square foot.

STOCK TRANSACTIONS

Following are recent insider transactions at New York’s largest publicly held companies filed with the Securities and Exchange Commission by executives and major shareholders. Listings are in order of transaction value. The information was obtained from Thomson Reuters.

● **Hain Celestial Group (HAIN)**  
Irwin D. Simon, president, chairman and CEO, exercised options on 245,000 shares of common stock at \$25.40 between May 10 and May 17, in a transaction worth \$6,223,000. During the same period, he sold 245,000 shares at prices ranging from \$33.21 to \$34.94, in a transaction worth \$8,411,650. He now directly holds 442,893 shares.

● **Weight Watchers International (WTW)**  
Ann M. Sardini, chief financial officer, exercised options on 60,000 shares of common stock at \$36.32 on May 13, in a transaction worth \$2,179,200. On the same day, she sold 60,000 shares at prices ranging from \$81.80 to \$82.69, in a transaction worth \$4,941,839. She now directly holds 7,224 shares.

● **PepsiCo (PEP)**  
Albert P. Carey, president and chief executive of Frito-Lay North America, exercised options on 91,110 shares of common stock at \$50.00 on May 13, in a transaction worth \$4,555,500. On the same day, he sold 91,110 shares at \$71.05, in a transaction worth \$6,473,238. He now directly holds 142,917 shares.

● **CBS Corp. (CBS)**  
Leslie Moonves, president, chief executive and a director, exercised options on 187,500 shares of common stock at \$13.43 on May 16, in a transaction worth \$2,518,125. On the same day, he sold

187,500 shares at \$25.83, in a transaction worth \$4,843,425. He now directly holds 1,799,150 shares.

Joseph Ianniello, executive vice president and chief financial officer, exercised options on 66,000 shares of common stock at \$5.20 between May 13 and May 17, in a transaction worth \$343,200. On the same day, he sold 66,000 shares at prices ranging from \$25.77 to \$26.27, in a transaction worth \$1,713,360. He now directly holds 59,945 shares.

● **C.R. Bard Inc. (BCR)**  
Todd C. Schermerhorn, senior vice president and chief financial officer, exercised options on 33,125 shares of common stock at \$30.51 on May 16, in a transaction worth \$1,010,644. On the same day, he sold 33,125 shares at \$109.48, in a transaction worth \$3,626,558. He now directly holds 132,654 shares.

● **Viacom (VIA’B)**  
Carl D. Folta, executive vice president, corporate communications, exercised options on 58,867 shares of common stock at prices ranging from \$35.26 to \$43.86 on May 13, in a transaction worth \$2,294,204. On the same day, he sold 58,867 shares at \$49.76, in a transaction worth \$2,928,969. He now directly holds 14,097 shares.

● **Alcoa (AA)**  
John Thuestad, executive vice president and group president of global primary products, exercised options on 135,254 shares of common stock at prices ranging from \$8.33 to \$13.54 on May 17, in a transaction worth \$1,511,789. On the same day, he sold 145,991 shares at \$16.40, in a transaction worth \$2,394,749. He now directly holds 145,991 shares. ■

DEALS ROUNDUP

SELLER/TARGET	TRANSACTION SIZE (IN MILLIONS)	BUYERS/INVESTORS	TRANSACTION TYPE
AlpInvest Partners N.V., DLJ Merchant Banking Partners (Manhattan), Nordic Capital, Coller Capital Ltd., Avista Capital Holdings (Manhattan)/Nycomed SICAR S.C.A.	\$13,735.9	Takeda Pharmaceutical Co.	SB M&A
DLJ Merchant Banking Partners (Manhattan), Allianz Capital Partners GmbH, Sofina SA, Bayard Energy Pty. Ltd., Dubai International Capital, Australian Capital Equity Pty. Ltd., Propel Investments Pty. Ltd., Marinya Holdings Pty. Ltd./Landis+Gyr AG	\$2,300.0	Toshiba Corp.	SB M&A
Lindsay Goldberg (Manhattan)/Rosetta Marketing Strategies Group Inc.	\$575.0	Publicis Groupe SA	SB M&A
KKR & Co. (Manhattan)/Primedia Inc.	\$525.3	TPG Capital	FB M&A
Essex Woodlands Health Ventures, Lehman Brothers private equity division (Manhattan), William Harris Investors Inc., Cortina Asset Management/Orthovita Inc.	\$331.1	Stryker Corp.	SB M&A
Iconix Brand Group Inc.	\$300.0	Not disclosed	GCI
3i Group plc, Prism VentureWorks, RWI Ventures, VenGrowth Asset Management Inc., Matrix Asset Management Inc., BDC Venture Capital, Samsung Venture Investment Corp., Covera Ventures, Vista Ventures, Caisse de dépôt et placement du Québec, W Capital Partners (Manhattan), Shiprock Capital, Fairhaven Capital Partners, Garvin Hill Capital Partners/SiGe Semiconductor Inc.	\$295.0	Skyworks Solutions Inc.	SB M&A

Selected deals announced for the week ended May 22 involving companies in metro New York. FB M&A: Financial buyer M&A represents a minority or majority acquisition of existing shares of a company with the participation of a financial buyer. GCI: Growth capital investment represents new money invested in a company for a minority stake. SB M&A: Strategic buyer M&A represents a minority or majority acquisition of existing shares of a company without the participation of a financial buyer.

SOURCE: CAPITALIQ



# Innovation flowing

Continued from Page 3

He faced a difficult truth. Having spent \$15 billion to comply with federal mandates, DEP had 835,000 customers furious about three consecutive years of water-rate increases of 10% or more.

"It looked like double-digit increases as far as the eye could see," Mr. Holloway said.

He instituted an 8% budget cut and prioritized projects based on the savings and efficiencies they could deliver. He hired managers with private-sector experience, appointed DEP's first chief financial officer and reorganized departments according to goals, such as sustainability, to better coordinate across formerly distinct divisions.

Mr. Holloway's restructuring inspired new approaches to old problems. He resurrected an idea that the agency had considered years earlier and that Mr. Goldsmith tested in Indianapolis: allowing unionized workers to bid on department contracts.

Mr. Holloway had his agency treat ratepayers like the customers they are, civic leaders say. He installed wireless meters to provide more accurate assessments. He attended community meetings.

An agreement with environmentalists last year to improve Jamaica Bay's water quality showed that the department could respond to a problem without being ordered to do so by the courts.

But the accord—to reduce nitrogen in wastewater—is one reason the department's heavy electricity use will grow by 53% in the next four years. Mr. Holloway's solution is to make the system more efficient and turn its waste into energy.

He aims to keep electricity costs at \$100 million a year, in part through private-sector partnerships that will construct facilities to turn wastewater into electricity, and build wind and solar farms on city land. One such project is under way: a plant that will pipe DEP's methane emissions back into the natural gas grid.

## Sewage problems

The agency has a green infrastructure plan to address the long-standing problem of sewage flowing into the city's waterways during storms. To make the concrete jungle more absorbent, the department will encourage planting green roofs, dig water catchments under city trees, and pave streets with porous cement, which means less storm water will flood treatment plants. The improvements, some of which have begun, do double duty by helping other agencies pay for improvements, like roadwork and trees, that they previously funded on their own.

Mr. Holloway has met costly clean-water mandates this year while holding water-rate hikes to single digits—7.5%—for the first time in five years.

In short, the manager has become the innovator.

"New York City is now leading the nation in looking at alternative ways of addressing these issues," said Stuart Gruskin, former executive deputy commissioner of the

state Department of Environmental Conservation. "When Cas got there, because he was a manager from the City Hall mold of management, he was able to give these innovative programs urgency."

## Plumbing the department's depths

Mr. Holloway graduated from Harvard and the University of Chicago Law School. But he jokes that his summers working at construction sites owned by his father, a residential developer in Philadelphia, prepared him to become the city's plumber-in-chief.

A personable numbers guy, the commissioner has ventured to Brooklyn to sell Greenpoint residents on a partnership with National Grid to convert methane from the Newtown Creek wastewater treatment plant into natural gas.

"There was an aha moment when they thought, 'Wow, when I flush, I'm going to heat somebody's home,'" said Vincent Sapienza, deputy commissioner for wastewater treatment.

The Koch administration pioneered DEP's practice of issuing bonds, which allowed the department to craft its own capital plan—the largest for any city agency—and not have to compete with education and public safety agencies for funding.

## DEP'S INNOVATIVE INITIATIVES

- 1 Build green roofs and porous roads to absorb rain
- 2 Turn landfills into solar and wind farms
- 3 Let union employees bid on consulting contracts
- 4 Turn solid-waste gas into energy

But that also makes it hard for other agencies in city government to emulate DEP, said Marilyn Gelber, who ran the department from 1994 to 1996.

Because DEP commissioners are

more like chief executives of a public utility, they have more autonomy than other agency heads to try new ideas—or reject them. When Ms. Gelber was commissioner, she scrutinized Mr. Goldsmith's privatization efforts in Indianapolis before deciding not to adopt them. Likewise, Mr. Holloway has convinced Mr. Goldsmith that DEP engineers are better-equipped to solve certain problems than consultants are.

The decision 15 years ago to keep core operations in-house may have enabled some of Mr. Holloway's innovations, such as collaborating with other agencies. When the marriage works, Ms. Gelber said, "you've created leverage, and the taxpayers are getting some value for their money." ■

March 2011



**FAIRMOUNT**  
Minerals  
a portfolio company of



**AMERICAN SECURITIES**

**\$1 Billion**  
Senior Secured  
Credit Facility

Joint Bookrunner,  
Joint Lead Arranger

March 2011



**\$1.5 Billion**  
Senior Unsecured  
Credit Facilities

Sole Bookrunner,  
Joint Lead Arranger


February 2011




**\$55 Million**  
Senior Secured  
Notes

Sole Placement Agent

February 2011



**VIGOR**  
INDUSTRIAL LLC  
has acquired



**\$145 Million**  
Senior Secured  
Credit Facilities

Joint Bookrunner,  
Joint Lead Arranger

February 2011




**INLAND WESTERN**  
Retail Real Estate Trust, Inc.

**\$585 Million**  
Senior Secured  
Credit Facilities

Joint Bookrunner,  
Joint Lead Arranger

January 2011



**\$250 Million**  
Senior Notes

Joint Bookrunner

January 2011



**\$1 Billion**  
Senior Unsecured  
Credit Facilities

Joint Bookrunner,  
Joint Lead Arranger

December 2010



has been acquired by  
**THE JORDAN COMPANY**  
&  
**NAUTIC PARTNERS LLC**

**\$190 Million**  
Senior Secured  
Credit Facilities

Sole Bookrunner,  
Joint Lead Arranger

November 2010



**\$325 Million**  
Senior Notes

Lead Manager

November 2010



**\$225 Million**  
Senior Secured  
Credit Facilities

Joint Bookrunner,  
Joint Lead Arranger

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# Retailers follow the money

Continued from Page 1  
velopment.

As they face unprecedented pressure from rising costs for raw materials, competition from online discounters and shoppers still reluctant to spend, more and more department stores are turning to a money-saving solution: private-label and exclusive apparel lines.

Midrange chains such as Macy's and Kohl's, as well as upscale stores, including Bloomingdale's and Saks Fifth Avenue, have recently added more private labels.

Such brands allow retailers to eliminate middlemen and capture more earnings. Exclusive partnerships, such as Macy's with Madonna and J.C. Penney Co.'s with Liz Claiborne, are also on the rise.

At some stores, the mix of private and exclusive lines has risen to 40% from 20% a few years ago, according to retail consultancy Kurt Salmon. The development stands in stark contrast to the recession, when most department stores focused on big-name designers to get shoppers in the door.

"Retailers got more aggressive with the recession and are looking at how they can keep more of the

dollars," said Amy Klaris, a strategist at Kurt Salmon. She notes that producing clothes in-house has been trending up for the past five to seven years.

## Hanging on to dollars

Analysts say that even though private-label lines often require additional staff, they are able to add about 7% to a store's profit margins.

## During the recession, there was a move to get aggressive

Stores can also choose when and how much to mark down their goods, while reducing prices on designers' lines is usually a joint decision.

When stores do work with outside designers, they're more frequently asking for exclusive collections, which help distinguish a store's brand and add cachet.

"The increase in raw material costs is pushing a lot of stores in the direction of trying to offset some of these costs with their own product," said Jeff Edelman, director of retail and consumer advisory services at RSM McGladrey.

Of course, with reward comes risk. The retailer eats all the costs if a private collection fails with shoppers, so investing resources to market it becomes more important than ever, according to experts.

"It's all about consumers walking into a place and having familiarity with a brand," said Andy Jassin, managing director of Jassin Consulting Group. Selling recognizable names is what allows a discounter such as Marshall's to thrive, he adds.

Macy's rolled out Bar III in a carefully planned promotion. In conjunction with New York's winter fashion week, the chain hosted a "pop-up" shop in the Flatiron district to introduce the brand. It also used social media, incorporating suggestions from influential fashion bloggers into Bar III designs.

Cincinnati-based Macy's reported net income of \$131 million for its first fiscal quarter, which ended April 30, versus \$23 million for



EXCLUSIVELY OURS: From left, Mango for J.C. Penney, Saks' Crown label and Macy's Bar III.

the year-earlier period.

J.C. Penney has focused on exclusive lines. In addition to Liz Claiborne, it has deals with cosmetics chain Sephora and fast-fashion retailer Mango.

## Exciting to shop

Saks has also been ramping up its private-label offerings. The high-end retailer unveiled a menswear line, Crown, late last year and plans to launch a second one geared toward younger men in the fourth quarter. The company has also expanded its exclusive offerings, including a men's

collection with Valentino.

For the quarter ended April 30, Saks reported a \$28.4 million profit, 51% higher than the same quarter last year. Same-store sales were up 10.2% during the period—the biggest rise in four years.

"The idea is that we can differentiate ourselves from our competition if we have things that are not out there and readily available to other retailers," said Tom Ott, senior vice president and men's general merchandise manager at Saks.

Otherwise, Mr. Ott said, "it's all the same and not exciting to shop." ■

# Prickly partners seek fresh cash

Continued from Page 1

aging director of Real Capital Analytics.

The issues of Messrs. Rosen and Fuchs' firm, RFR Holding, stand out because of the high-profile nature of the players, as well as their spouses and blue-chip portfolio. And although Mr. Rosen told *The New York Times* late last year that 99% of his recession-induced headaches were over, he evidently still needs the Advil.

Like many other real estate firms, RFR has suffered during the downturn. The setbacks came after a 25-year run during which the two founders—friends since kindergarten in Frankfurt—amassed an impressive U.S. collection of about 26 buildings, including the landmarked Lever House, catty-corner from Seagram on Park Avenue.

Mr. Fuchs is known as the more cerebral and detail-oriented. Mr. Rosen is RFR's public face, a bon vivant whose parties and marriage to a socialite are chronicled in the gossip pages, and whose Warhol-heavy art collection is celebrated in glossy magazines.

## Loser takes 35%

A passion for art helped cement Mr. Rosen's relationship with Mr. Brant, a fellow Warhol collector. They met when each was trying to buy the Seagram Building. In 2000, RFR outbid Mr. Brant, then turned around and asked him for cash to close the deal in return for about a 35% stake.

Their relationship soured last year. Mr. Brant's newsprint business, in which Messrs. Rosen and Fuchs were investors, filed for bankruptcy. They demanded to be

bought out in exchange for voting for the reorganization plan while simultaneously trying to leverage their position to get Mr. Brant to sell his Seagram stake, which is included in what is for sale now.

At about the same time, Mr. Brant and Ms. Seymour were going through an especially toxic divorce, with allegations of infidelity and drug use providing weeks of tabloid fodder. Messrs. Rosen and Fuchs strained the partners' relationship further by voicing unflattering opinions about Ms. Seymour, and the three decided to end their arrangement after the couple unexpectedly reconciled.

Neither Mr. Rosen nor Mr. Fuchs would comment; Mr. Brant did not return a call seeking comment.

Sources expect Mr. Brant to receive between \$100 million and \$150 million when the sale is concluded. That range is based on a valuation of about \$1.1 billion for the building and its debt.

A sale could take awhile, however. Sources say interested parties

have balked at the \$1,800 a square foot that RFR is seeking, and experts insist that \$1,200 to \$1,500 a square foot is more reasonable.

## Lis seeks his due

Meanwhile, Mr. Lis' suit, filed in January, demands at least \$7.3 mil-



Seagram Building



Lever House

## Passion for art helped cement Mr. Rosen's relationship with Mr. Brant, a fellow collector

lion for his share of the sale of 451 Lexington Ave., which fetched \$29 million last year. Mr. Lis declined to comment.

Messrs. Rosen and Fuchs filed a countersuit charging that Mr. Lis' demands violate the terms of their partnership agreement, which allows sale proceeds to fund other

properties.

In another suit, filed in early May, Mr. Lis alleges that RFR is withholding \$4.4 million owed him on the sale of the leasehold on 400 Park Ave. late last year. He says that RFR lent that cash to a portfolio of Stamford, Conn., properties that it had bought at the peak of the market in 2007. The firm had to renegotiate the loan after the value of the buildings plunged.

Like many other developers in the past couple of years, RFR has had to cope with a number of troubled loans. Sources said that the firm bought back one of its defaulted loans on the Gramercy Park Hotel, which it owned with Mr. Schrager.

There was widespread speculation that the hotel's financial problems had led to the splintering of that partnership. But in comments to the *Times*, Mr. Rosen blamed a collision of strong personalities. Mr. Schrager did not return a call for comment.

## Hotel site at risk

Additionally, lenders are foreclosing on a mortgage RFR held on 610 Lexington Ave., a site where it had planned to build a high-rise luxury hotel. And looming tenant departures mean difficulties for a loan on the firm's office building at 980 Madison Ave.

Despite RFR's problematic partnerships, many in real estate continue to hold Messrs. Rosen and Fuchs in high regard. They point to the many successes, including at least tripling the value of the Seagram Building by turning it into a showcase for modern art and the favorite address of high-end financial firms.

"Aby's very honest, very creative," said Mitchell Konsker, a vice chairman at Jones Lang LaSalle. "He's a real visionary—look at what he did at the Seagram Building." ■

# Brooklyn hospital in a bind

BY BARBARA BENSON

Brookdale University Hospital and Medical Center is \$23.4 million in arrears to the 1199 SEIU benefit fund, leading the union to demand a \$6.1 million payment to restore benefits through June 30.

A hospital spokesman said that Brookdale offered a \$1.4 million payment in early May, but that was rejected as insufficient to cover the costs of providing health benefits to 3,400 workers and their dependents.

Management "has given no indication to date that they intend to make any kind of payment to correct this situation," the fund said in a statement last week.

A Brookdale spokesman acknowledged that the hospital had failed to make payments to the union fund but emphasized that it cannot make even a \$4 million payment.

"It's not doable—there is no \$6 million to hand to them," the spokesman said. He added that the hospital's deficit would be "in the tens of millions of dollars a year without making some changes."

The union also called last week for Brookdale's chief executive and board to resign, and asked the state to appoint a temporary receiver to put the hospital's finances in order.

CEO Bruce Flanz assumed the top post in March after David Rosen was indicted on bribery charges. Brookdale is part of the nonprofit MediSys Health Network. ■



# BUSINESS LIVES

**43,800**  
private-sector jobs  
were added to  
the state economy  
in April

Source: NYS Department of Labor

## HOT JOBS

### CFO/CLIENT MANAGER

**COMPANY** BTQ Financial

**JOB DESCRIPTION** Coordinate fiscal management for various non-profits, as a member of those clients' executive management teams

**MOST IMPORTANT TASK** Deliver high-quality financial reporting and advisory services

**CREDENTIALS NEEDED** Minimum seven years in financial accounting, consulting or related field; minimum two years' supervisory experience; M.B.A. or M.P.A.

**SALARY** \$120,000-\$140,000

**RECRUITER** Internal

**DOWNSIDE** Working with a client base that has experienced a decline in funding

**UPSIDE** Providing cost-effective fiscal operations without sacrificing agencies' social mission

BTQ Financial offers outsourced services to meet the fiscal and accounting needs of NYC nonprofits.

—SUZANNE PANARA

## EXECUTIVE MOVES



**The Madison Square Garden Co.:** *Casey Coffman*, 43, has been promoted to the newly created position of senior vice president, corporate strategy and

development. In her new position, she will take a lead role in helping manage and expand the company's corporate initiatives. She was previously divisional executive vice president, MSG Sports.

**Milk Street Cafe:** *Kathryn Cunningham*, 36, joined as director of catering sales for the Boston-based corporate catering organization's new Manhattan outpost. She will be responsible for new business development and corporate catering client retention. She was most recently national sales director, wholesale division, for Hermès.



**Young Audiences New York:** *Thomas Heymann*, 53, was named president and executive director of the arts-based organization that works with New York

City public schools. He will raise the visibility of the organization and increase donor support. He was most recently president of Sepsis Alliance.

**Food Network Magazine:** *Stephen Boblinger*, 47, has been named associate publisher of the Hearst Magazines and Food Network title. He was most recently vice president/publisher of

See EXECUTIVE MOVES on Page 29

**MATERIAL ISSUE:**  
Marty Odlin wanted to make his own bike but couldn't afford a metal frame.



## GOTHAM GIGS

# Bamboo Bicyclist

**People who can't use a hammer 'ride out on a bike they made'**

After a bad experience with a pushy bicycle salesman four years ago, Marty Odlin decided to build his own. Mr. Odlin, who was then a product designer for a Seattle ski company, couldn't afford metal, so he used bamboo; soon, his friends were suddenly all asking for the customized bikes. ¶ Two and a half years ago, Mr. Odlin co-founded Bamboo Bike Studio in Red Hook, Brooklyn, which runs building workshops, sells DIY kits and helps construct turnkey factories in developing countries. Bamboo Bike has a plant in Maine and a location in San Francisco; others will soon open in Toronto and Alabama. ¶ Mr. Odlin, 29, also teaches small groups how to create their own durable, high-quality bamboo bikes. The price of the class and materials starts at \$700, and some of the 400-plus participants have traveled from as far away as Australia and Japan. ¶ "We've had people come in who don't know how to use a drill or a hammer," said Mr. Odlin, a Maine native whose father is a commercial fisherman. "Two days later, they're riding out on a bike they made from scratch."

—MIRIAM KREININ SOUCCAR

## EXECUTIVE INBOX

*Anne Fisher*

## Mastering the art of working the room

**WE'VE PROBABLY** all done it at some point: emptied our pockets after a big networking event, found a wad of business cards, and tried to recall, "Who were these people again? And why did I think I wanted their cards?"

Collecting that fistful of cards is a reflex for many hopeful networkers. But more deliberate steps can yield better results.

"Lots of opportunities are wasted at business gatherings, because people don't know **how to turn a brief conversation into a relationship**," said Arlene Isaacs of Respectful Communications, whose coaching clients have included Fortune 50 CEOs and numerous entrepreneurs.

Her prescription for effective networking: Start with a clear idea of why you're attending a gathering and what you hope to get out of it. If one of your goals is to introduce yourself to a luminary who'll be there, research that person ahead of time.

"Find some personal connection," she advised. Mention it when you meet. "That way, you'll stand out from the crowd."

Particularly for introverts, working a room can be a lot of ... well, work. Jennefer Witter, head of Manhattan PR firm The Boreland Group Inc., has a word of advice: Keep at it anyway.

**"Attend at least three or four networking events a month,"** she urged. "It's about perseverance. Great results don't typically come from a single meeting."

What if you're still not making enough of the right connections? You can always do what Avi Marko and Eli Mechlovitz did: Launch your own networking group.

The co-founders of Brooklyn-based retailer KidsSocks.com started ECommerce Vendors. Members meet once a month for dinner. In the four months since the informal club started, Mr. Marko said, **recommendations from the group** have saved KidsSocks "hundreds of thousands of dollars."

**WHAT NETWORKING TECHNIQUES** have been most effective for you? Tell us at [www.crainnewyork.com/execinbox](http://www.crainnewyork.com/execinbox).

BUCK ENNIS



# Maker of suite deals

## Chief's vision for Morgans: more of a hotel manager

BY LISA FICKENSCHER

Since he became the chief executive of Morgans Hotel Group in March, Michael Gross has sold three of the five hotels it owned and bought out the company's restaurant partner for \$20 million.

The Long Island native, 35, took the reins of the boutique hotel company—founded by legendary hotelier Ian Schrager—after serving on its board for nearly two years and helping to engineer its turnaround. Morgans, a publicly traded company, had been struggling under heavy debt as well as a leadership vacuum.

This year, billionaire supermarket mogul Ron Burkle of The Yucaipa Cos. became Morgans' largest stakeholder. He tapped Mr. Gross, who had helped facilitate Yucaipa's initial 30% investment in 2009.

**You've never run a hotel company. What experience are you drawing on?**

I'm a young CEO, but I have a good understanding of who our customer is because of my age. I also went to Cornell University's school of hotel management and spent time on Morgans' board. We brought in two senior executives from Marriott, Dan Flannery and Yoav Gery.

**What's your vision for the company?**

We clearly have a vision to become a management company. We sold the Mondrian Los Angeles and have agreements to sell the Royalton and Morgans hotels in New York. We bought out our partner, China Grill Management, because we want to have control over our food, beverage and nightlife. We recognize that is a critical part of our DNA. It was time to go in a new direction.

**Has the company's financial picture improved?**

We'll have no debt in 2014. We've gone from

playing defense to playing offense. That's a pretty significant change.

**You just opened the Mondrian SoHo property. Does the company own that?**

We own less than 30% of the asset, but we manage it. Having a hotel downtown was critical. We think this hip location brings us back to the cutting edge. It's been a shot in the arm for the company overall.

**Will you open more hotels?**

Our focus is on new hotel openings. Morgans is predominantly a U.S. company, but we think there is a huge upside for us to grow into an international brand. We have two properties in London. [The company also manages properties in Mexico and Puerto Rico.]

**Does running a hip hotel brand mesh with family life?**

I have twin girls, soon to be 4 years old. My life is an interesting combination of a young family at home with a job that is very much about travel and nightlife. Let's just say my day job is a contrast with coming home to the family at night. ■



### MOVERS & SHAKERS

Michael Gross

## RÉSUMÉ REVIEW

Is your job search all it could be? We ask the experts.

**NAME KAREN J. BERG**

### SUMMARY

Executive experienced in developing airline customer-service operations strategies

### PROFESSIONAL EXPERIENCE

- KLM Royal Dutch Airlines, Amsterdam, 2002-present  
Vice president of sales, North America, Air France Industries KLM Engineering & Maintenance, 2008-present  
*Increased budgeted regional third-party B2B maintenance sales by 65% via four direct reports; led integration of multilocation subsidiary*  
Director, KLM fleet maintenance, KLM E&M, 2005-2008  
*Led aircraft modification and maintenance projects through five direct reports; generated EUR 2 million revenue*
- Actinium B.V., Amsterdam, 2000-2001  
Senior consultant  
*Saved EUR 1 million for travel industry client in four months; established 80-seat customer contact center*

### EDUCATION

- University of Minnesota, St. Paul, M.B.A. courses
- Wartburg College, Waverly, Iowa, B.A.
- Fluent in English, Dutch, German and French

Résumé appears in condensed form.

### EXPERT ADVICE

Delighting a recruiter or hiring manager with a compelling résumé is essential to a successful job search; Karen's résumé has the potential to do so. Her accomplishments in leading cross-national teams for major airlines need to stand out more. She should highlight her global experience by including her positions' locations. Her multicultural experience, exceptional results and fluency in four languages will be highly marketable when made more explicit, especially to growing Asian carriers focusing on U.S. and European markets.

—DICK BATTEN, director, Karp Resources

To contact this candidate or to be featured in "Résumé Review," e-mail us at [cnyb\\_resume@crainsnewyork.com](mailto:cnyb_resume@crainsnewyork.com).



## SOME OF US WOULD RATHER BE AT WORK. AND IT SHOWS.

Building upon its 25 year history as the most trusted name in New York business, Crain's is giving readers the opportunity to tell us why their company is the best place to work. Nominations are now open for this annual New York City honor, recognizing outstanding employers in the five boroughs. Companies will be profiled in Crain's New York Business and honored at an event in the fall of 2011.

Does your company allow you to:

- Work with a stellar group of people?
- Do what you enjoy?
- Explore new opportunities for growth?
- Follow your own path?



Tell us why your company is so great by nominating it as one of New York City's Best Places to Work at [www.bestplacestoworkNYC.com](http://www.bestplacestoworkNYC.com)





## EXECUTIVE MOVES

Continued from Page 27

*Cooking Light.*

**Ruder Finn Inc.:** *Sabrina Guttman*, 39, was appointed executive vice president and global head of technology and innovation, for the communications, counseling and services agency. She joined from AxiCom North America, where she was general manager.

**RSM McGladrey Inc.:** *Joseph Decilveo*, 57, was named managing director of the assurance, tax and consulting services provider and will lead the litigation support practice in the New York office. He was previously managing director at LECC.

**Lebenthal & Co.:** *Matthew Deane*, 57, was appointed co-head of public finance, a newly created position, for the broker-dealer. He will oversee municipal bond banking relationships. He was formerly a managing director at Bank Hapoalim.



**Doremus:** *Alexandra Bissett*, 33, was named account supervisor for the business communications firm. She was formerly an account supervisor at Agent16.

**Robinson & Cole:**

*Kathleen M. Furey*, 52, joined the law firm as a partner in the real estate group. She was most recently a partner at Edwards Angell Palmer & Dodge.

*Kevin C. George*, 47, joined as counsel in the real estate group. He was most recently counsel at Edwards Angell Palmer & Dodge.

**A.C. Lawrence & Co.:** *Brian G. Bey*, 48, was named senior vice president of the real estate brokerage firm. He was previously managing director of Prime Manhattan Realty.

**Francis Cauffman:** *Michael Bonomo*, 34, was appointed director of corporate interior design for the architecture firm. He was formerly studio design director at Mancini Duffy.



**Chadbourne & Parke:** *Pamela Marple*, 47, has joined the law firm as a partner and will focus on financial litigation and government enforcement actions and investigations.

She was most recently a partner at McDermott Will & Emery.

**Crowell & Moring:** *Paul J. Pollock*, 50, joined the law firm as a partner. He was previously a partner at Katten Muchin Rosenman.

**Jun Group:** *Joe Gallagher*, 47, joined the social video company as chief revenue officer, a newly created position. He had been executive vice president, global sales at BBE.

**Freshfields Bruckhaus Deringer U.S.:**

*Timothy P. Harkness*, 46, was hired as a partner in the litigation practice at the law firm. He had been a partner at Kramer Levin Naftalis & Frankel.

**The Week Inc.:** *Stephen Acunto Jr.*, 35, has joined the news and opinion magazine and its website, TheWeek.com, as account manager. He was previously vice president, corporate sponsorships, for HSM Americas.

**TidalTV:** *Christa Rimonneau*, 34, has joined the video advertising company as senior sales director, East Coast.

Previously, she was sales director at Adconion Media Group.

*Brett Tabano*, 32, has joined as director of sales strategy. He was previously an

## EXECUTIVE PROMOTIONS

The fastest way to get an announcement into *Crain's* is to submit online. Fill out the form at [www.crainnewyork.com/section/executive\\_moves](http://www.crainnewyork.com/section/executive_moves). The Executive Moves column is also available online.

account executive at Demand Media. *Caren Wachtenheim*, 34, has joined as sales account executive. She had been senior account executive at TotallyHer, a division of Gorilla Nation and Evolve Media.

**Interbrand:** *Daniel Diez*, 35, was promoted to the newly created position of North American director of strategic marketing for the brand consultancy. He was formerly associate director of marketing and public relations.

**Pipeline Trading:** *Hans Heidle*, 41, joined the institutional electronic brokerage as director, execution management consulting. He had been vice president of research, financial engineering at ITG.

**Spring Mountain Capital:** *Avi Faliks*, 36, joined the investment management firm as a managing director in its private

equity business. He was previously chief executive of Vertex Capital Management, which he founded.

*Jamie Weston*, 46, joined as a managing director in its private equity business.

He was previously a partner at the Wicks Group of Companies.

**Gardner Nelson & Partners Inc.:** *Kate Cusick*, 36, was promoted to partner and director of project management for the creative, media and digital agency. She had been a partner and project director. *Hank Kosinski*, 43, joined as partner and executive creative director. He had been a creative director for McCann.

**GFI Insurance Services:** *Peter A. Hutton*, 49, was named president of the insurance brokerage firm. He was most recently executive vice president at The NIA Group, a Marsh & McLennan Agency.

**New York State Society of Certified Public Accountants:** *Marc Engel*, 54, was appointed chairman of the consulting services oversight committee. He had been chairman of the litigation services committee.



**7thOnline Inc.:** *Jerry Inman*, 47, joined the retail services provider as chief marketing officer, a newly created position. He had been global vice president of iMANY Inc.

**Weil Gotshal & Manges:**

*Harvey M. Eisenberg*, 50, joined the private equity practice group as a partner. He had been a member of the investment funds and mergers and acquisitions practices at O'Melveny & Myers.

*Douglas A. Ryder*, 40, has joined the private equity practice group as a partner. He had been a partner and a member of the transactions department at O'Melveny & Myers.

**STV:** *D. Kent Turner*, 50, has joined the architecture, engineering and planning firm as senior vice president. He will direct the buildings and facilities Eastern office in New York. He was most recently vice president and director of architecture for HNTB.

**Big Lead Sports:** *Brian LaRock*, 47, was named chief executive and chief financial officer of the integrated marketing and media company. He will oversee all day-to-day operations, financials and acquisitions. He had been chief financial officer of 5MinMedia.

—LAURA SHIN

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\*To qualify for an HSBC Premier relationship, you need to open a Premier Checking account and maintain \$100,000 in combined U.S. personal deposits, including Online Savings Account, and investment balances. Business owners may use their commercial balances to qualify for a personal Premier relationship, but these balances cannot be used to meet the new money requirements. A monthly maintenance fee of \$50.00 will be incurred if minimum balance requirements are not maintained. You have up to 90 days after account opening to meet the full \$100,000 balance requirement. The Annual Percentage Yield (APY) and balance for a Premier Checking account which is accurate as of April 18, 2011 is 0.01% APY on balances of \$5.00 or more. APY is variable and subject to change after opening. Charges and fees may reduce earnings. Qualified Premier clients will be notified via mail within 90 days of account opening; notification will include instructions for redeeming gift of choice. Eligibility requirements may apply for some gift choices. Limit one gift per eligible new Premier relationship. This offer cannot be combined with any other offers or promotions, is nontransferable, good while supplies last. Any gift not chosen by October 31, 2011 will be forfeited. The cost of the gift will be reported on IRS Form 1099. Apple®, the Apple Logo and MacBook Air are registered trademarks of Apple Inc. All rights reserved. Apple is not a participant in or sponsor of this promotion.

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INSATIABLE  
CRITIC

Gael Greene

# The Dutch: treat in SoHo

New 'joint' knows  
American regional  
food; book in advance

**O**ur tight little foursome has found a window of calm in the clubby back room at The Dutch. I suspect chef-partner Andrew Carmellini's new SoHo joint is probably the most besieged spot in town right now. Settled into a status booth—I had a number to call, I must confess—we've sliced each other a chunk of the cakey cornbread spiked with chile and scallions, still warm from the oven, a prologue of riches to come.

I am quickly swooning over a tiny oyster sandwich. The fat, briny, delicately fried bivalve, as full and soft and voluptuous as Angelina Jolie's lips, sports an ooze of mustardy pickled okra rémoulade. All of us are oohing and ahing over this \$5 thrill.

It's my second visit. I told myself that I needed to taste more to be certain that Carmellini, with partners Josh Pickard and Luke Ostrom—so good in Italian at A Voce and Locanda Verde—is just as inspired rethinking American regional classics. And that I hadn't been lulled by the measured laid-back feel of bare tables, padded booths, half-curtained windows and the march of red-and-black metal light shades in the Roman and Williams design.

It really was the mounting surprise and pleasure in what we ate: smoked ricotta ravioli napped with tomato sauce. Hefty Asian-flavored ribs, tender and chewy, sweet and spicy. The satiny mouth feel and aggressive flavoring of the grilled flank steak with fresh greens and a tingle of horseradish on smoked potatoes. Oddly satisfying lamb neck mole, melting with fat, served in a sauté pan.

Most portions here are old-fashioned American: big enough to share. A ceviche of clams, mussels and squid with champagne mango, lime and red onion, almost a soup in fact, is enough for all four of us to taste, as is the New Jersey asparagus—pencil-thin and green, correctly cooked, though its kaffir curry puddle with peanuts, mint and basil would be a reach in New Jersey. A splash of spicy Bloody Mary sauce gives shredded crab surprising oomph.

I'm surprised that I'm not knocked out by the legendary fried chicken special of Monday nights at Locanda. I'm put off by a too-sharp buttermilk brine and the honey butter slick on top of the made-to-order biscuits. But barely gelled sea scallops are marvelous in a citrusy swirl of spring onions, peas, haricots verts, favas and Texas bulb onion.



**DRIVES YOU WILD:** Veal pizzaiola

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**PRICE RANGE** Entrées \$18 to \$48

**SERVING** Lunch, dinner

**RESERVATIONS** Recommended

**NOISE LEVEL** Raucous up front, sustainable in rear

I can't wait to return.  
 I will definitely go back.  
 I'll let them simmer awhile.

**NO HATS** Never again.

I'm wild for the genius gentrification of old-fashioned veal pizzaiola: pancetta-ribboned slices of veal porterhouse paired with veal cheeks, fried artichokes and sweet peppers and topped with clots of garlicky smashed San Marzano tomatoes and olives.

It would be wanton to resist desserts here. Carmellini worked with pastry chef Kieran Baldwin to get the same inventive edge and exuberance he's given the savories. The pie, which changes daily, is rhubarb again—last time, it was fortified with apple. Now with rhubarb in full season, it's full-force rhubarb with rhubarb jam, scattered candied kumquats and buttermilk-lime sherbet.

Don't let the name lead you to expect Netherlands Bitterballen. It was the sound of the words that Carmellini responded to more than the discovery that these blocks were once Dutch farmland. "The Dutch" had an old-time New York feel, "Damon Runyonesque," he said. "It sounds like a joint." And that's what it feels like, too: a joint with a canny interior decorator. You can dress up or dress down—but I can't predict how far ahead you'll have to book to get an 8 o'clock table.

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## THE WEEK AHEAD JUNE 6-12

### CONFERENCES AND SEMINARS

#### MONDAY, JUNE 6

**STERLING NATIONAL BANK** presents a complimentary CPE and CLE seminar, offering two credits for attorneys and accountants. Presenters Melissa Gillespie and Bryan Skarlatos will discuss topics related to foreign bank and financial accounts regulations. The free event will take place from 8 a.m. to 10:30 a.m. at the bank, 650 Fifth Ave., fourth floor. Registration is required, and breakfast will be served. To register, call (212) 935-4163 or e-mail [anita.khan@sterlingnationalbank.com](mailto:anita.khan@sterlingnationalbank.com). For more information, visit [www.sterlingnationalbank.com](http://www.sterlingnationalbank.com).

#### TUESDAY, JUNE 7

The NYC Department of Small Business Services invites you to **FRANCHISING 101: ARE YOU READY TO FRANCHISE YOUR EXISTING BUSINESS?** Attendees will explore topics including the importance of branding before expansion. The free seminar will take place from 8:30 a.m. to 10 a.m. at the MetLife building, 260 Madison Ave., 11th floor. For a list of topics and to register, visit [www.manhattancc.org](http://www.manhattancc.org). For more information, call (212) 391-9500 or e-mail [me@ed-lawfirm.com](mailto:me@ed-lawfirm.com).

#### TUESDAY, JUNE 7

**NEW YORK PUBLIC LIBRARY** invites you to learn how to find the right college and pay for it with Allan Katz. The free lecture will take place at the Science, Industry and Business Library, 188 Madison Ave., from 6 p.m. to 7 p.m. For information, visit [www.nypl.org](http://www.nypl.org).

#### WEDNESDAY, JUNE 8

**FINANCIAL WOMEN'S ASSOCIATION** presents "The Ability to Improve While Communicating," a seminar on eliminating communication obstacles. Acting coach Anthony Vincent Bova will present techniques to improve communication skills. The event will run from 5:45 p.m. to 8 p.m. at the Times Square Arts Center, 300 W. 43rd St., suite 504. Registration is required by June 6 through [www.fwa.org](http://www.fwa.org). The cost is \$40 for members and \$50 for nonmembers. For more information, call (212) 620-0414 or visit [www.fwa.org/event/2011\\_0608\\_ent\\_ips.htm](http://www.fwa.org/event/2011_0608_ent_ips.htm).

#### THURSDAY, JUNE 9

Graffiti PR invites you to **PR SUMMIT CONFERENCE 2011**. Panel discussions will explore how business and public relations organizations can create impactful campaigns. The event will take place from 9 a.m. to 8 p.m. at the New York Hilton, 1335 Sixth Ave. Tickets are \$175 for the general public, \$75 for students and \$200 at the door. Breakfast and lunch will be served, and a cocktail and networking reception will be held. For more information, visit [www.prsummit.org](http://www.prsummit.org).

### NETWORKING RECEPTIONS

#### THURSDAY, JUNE 9

Join organizer Aditi Gautam for

**BUSINESS NETWORKING 101: POWER PITCHING SECRETS.** The networking reception will take place from 6:15 p.m. to 8:00 p.m. at the Graybar Building, 420 Lexington Ave., New York Life offices. The fee is \$15 with advance registration and \$20 at the door, and includes refreshments. To get more information and to register, visit [www.meetup.com/NY-Smart-Business-Networking/events/18553381](http://www.meetup.com/NY-Smart-Business-Networking/events/18553381).

### WORKSHOPS

#### SATURDAY, JUNE 11

Blogger Robin Horton and facilitator James Navé host a workshop on **CREATIVE BLOG WRITING**. The workshop will take place at the Lounge at North Square, 103 Waverly Place, from 9:30 a.m. to 4:30 p.m. Tickets are \$247 and include a blogger's tool kit and lunch during the workshop. To register, visit [www.theblogworkshops.com/registration](http://www.theblogworkshops.com/registration). For more information, call (203) 698-2630 or e-mail [robin@theblogworkshops.com](mailto:robin@theblogworkshops.com).

### CULTURAL EVENTS

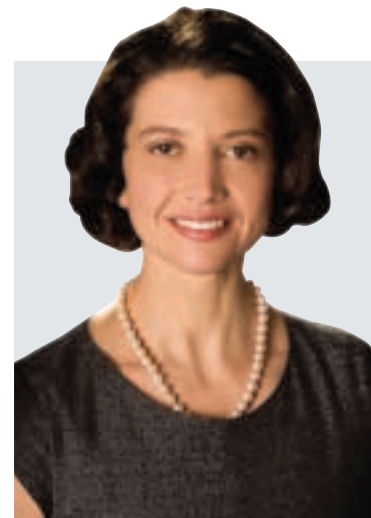
#### MONDAY, JUNE 6

The Public Theater kicks off a summertime tradition, **SHAKESPEARE IN THE PARK**, with a performance of *Measure for Measure* at the Delacorte Theater in Central Park at 8 p.m. The free performances continue until July 30 and will also feature *All's Well That Ends Well* in repertory. For information, visit [www.shakespeareintheatre.org/about.aspx](http://www.shakespeareintheatre.org/about.aspx).

#### SATURDAY, JUNE 11, AND SUNDAY, JUNE 12

**BIG APPLE BARBECUE BLOCK PARTY** returns for a weekend of food, music and festivities. The party takes place from 11 a.m. to 6 p.m. both days at Madison Square Park, Madison Avenue between East 23rd and East 26th streets. For a list of pit masters and event details, visit [www.bigapplebbq.org](http://www.bigapplebbq.org). —SUZANNE PANARA

To view *Crain's* classified events listings, go to [www.crainsnewyork.com/events](http://www.crainsnewyork.com/events)



## WHAT SHE'S READING

**HELENA ROSE DURST** is a vice president of The Durst Organization and a member of one of New York's real estate dynasties.

When she's not working the room or the office, Ms. Durst is working the land at her family's McEnroe Organic Farm in Millerton, N.Y., where she started an educational program that partners with local schools to provide internships in organic agriculture.

Ms. Durst's current reading includes Malcolm Gladwell's **What the Dog Saw: And Other Adventures**, a collection of his essays for *The New Yorker*.

The book provides "deeper insight into the socioeconomic impact of marketing, which is important to me," Ms. Durst remarked.

—VALERIE BLOCK



## PICK OF THE WEEK

**CITY PARKS FOUNDATION** celebrates the opening week of **SummerStage**, a free summerlong performing arts festival. Saturday night's Central Park main-stage performance features the **Blue Note Jazz Festival**, which kicks off at 6:30 p.m. at Rumsey Playfield. For a complete list of SummerStage performances and program descriptions, visit [www.summerstage.org](http://www.summerstage.org).

MON.  
6.6

TUES.  
6.7

WED.  
6.8

THURS.  
6.9

FRI.  
6.10

SAT.  
6.11

SUN.  
6.12



# THE WEEK ON THE WEB

MAY 23-27

CRAIN'SNEWYORK.COM

## Martha's (tasteful) 'For sale' sign

**E**ven DIY craft maven **Martha Stewart** knows when she needs help. On Wednesday, her limping **Martha Stewart Living Omnimedia** announced that it had hired Blackstone Advisory Partners to evaluate its options, including a possible sale of the company.

The news sent MSLO shares soaring nearly 30%—to all of \$5 each. The value of Ms. Stewart's famed franchise, nearly \$2 billion back in early 2005, was a mere \$250 million after the day's trading.

It's been **a hard few years** for the media and home decor franchise. Magazine ad dollars dried up; a merchandising deal with Kmart wasn't renewed. In January, NBC dropped Ms. Stewart's morning television show and its related spinoffs, relegating them to Hallmark Channel oblivion. The company's CEO position has been vacant since 2008; Lisa Gersh, a founder of Oxygen Media, is slated to assume the post June 6.

The company's announcement came just as 69-year-old Ms. Stewart, who has had the job title of chief editorial officer the past few years, is set to rejoin its board of directors, ending a five-year banishment due to her 2004 federal conviction for obstruction of justice.

**TAX-SQUEEZED SUBURBANITES, REJOICE:** Gov. Andrew Cuomo and state leaders agreed to impose a 2% limit on annual property tax increases statewide. The gov says property taxes soared 5.5% per year between 1999 and 2009, and the new cap aims to combat economic decline. Still, the state teachers union said limiting tax increases would devastate low-income schools outside of New York City. Legislators seem set to vote on the cap next month. ... **HEDGE FUNDER DAVID EINHORN BET \$200 MILLION ON THE METS**, buying a minority stake in the financially strapped team. Whether that's enough to buy a championship, or even downplay owner Fred Wilpon's recent tongue-lashing, remains to be seen. ... **THE HUFFINGTON POST IS NOT OFF THE HOOK, YET.** A federal judge declined to throw out a lawsuit claiming the media company's founders, Arianna Huffington and Kenneth Lerer, stole the idea for the online news site from a duo of Democratic political consultants—a charge AOL Huffington Post Media Group said is “pure fantasy.” ... **THE FEDS ARRESTED GERARD DENAULT**, the lead manager on the controversial CityTime project, and charged him with receiving \$5.6 million in kickbacks from a technology subcontractor. Mr. Denaunt, who oversaw the rollout of the computerized timekeeping system for more than 100,000 municipal workers, could not be reached for comment. His employer, Virginia-based SAIC, has not been charged with wrongdoing. ... **TWO MASSIVE, LONG-VACANT BROOKLYN PROPERTIES WERE FINALLY CLEARED** for redevelopment. A judge rejected a community group's lawsuit and green-lighted a \$2 billion redo for the former Domino Sugar factory in Williamsburg. The city is now free to rezone the 11-acre site for a mixed-use residential project. And in Sunset Park, a 1.1 million-acre warehouse shut since 2000 gets its own shot at redemption: The city's Economic Development Corp. tapped Salmar Properties to redevelop the charmingly named Federal Building #2 for light industrial use.

—BENJAMIN J. SPENCER



BLOOMBERG NEWS

## CHEAT SHEET

Last week, the Port Authority of New York & New Jersey and Condé Nast Publications signed a 25-year lease for 1 million square feet at 1 World Trade Center. The publisher of *Vogue*, *Vanity Fair* and other fashionable media brands will occupy 21 floors in the 1,776-foot tower, the signature skyscraper of the rebuilt Sept. 11 site.



BUCK ENNIS

**WHAT'S THE BIG DEAL?** Condé Nast has a reputation for creating buzz—and spurring development—when its legions of designer-duddled workers move to a nontraditional location. After the company chose then-still-gritty Times Square as its headquarters, other big companies followed. Downtown's office market could use that kind of ripple effect.

**HOW MUCH IS CONDÉ NAST PAYING?** Sources said it will pay an average of \$60 a square foot for the first 10 years. That's a bargain, even before a raft of government incentives for companies moving downtown.

**ANY OTHER TENANTS YET?** China's Vantone Industrial Co. signed a lease for nearly 191,000 square feet, which could make for some interesting elevator moments with the Condé Nast crowd.

**HOW IS THE CONSTRUCTION FARING?** The tower was at 66 stories last week and should reach its full 104 stories by early next year. It's slated to be completed by 2013 and ready for the Condé Nast move-in by 2014.

**WHAT ABOUT THE REST OF THE SITE?** The Sept. 11 memorial will be ready for visitors by the 10th anniversary of the attacks, and the museum should be open a year later. Another office tower, developed by Larry Silverstein, should be finished by 2013, while a third is set for 2015. The Santiago Calatrava-designed transit hub has a late-2014 completion date.

—THERESA AGOVINO



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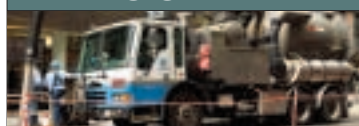
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## HOORAY!



**FINALLY, CON ED** is the one to fork over cash. The utility cut a \$557,000 thank-you check to Rockefeller Group for greening a tower.

## OY VEY!

**LEGENDARY CELEB HANGOUT** and drunken-writer haunt Elaine's is shuttered less than six months after Elaine Kaufman's passing.



NEWS.COM

BUCK ENNIS



**SHIFT** the way you move



12:01 PM  
HEADQUARTERS

high roof available with  
up to 320+ cu ft. for cargo  
and 6'3" of headroom

11:32 AM  
MARKETER

near-vertical  
sidewalls offer ample  
advertising space

2:45 PM  
CORNER OFFICE

optional locking center  
console includes file  
cabinet and laptop storage  
with 120V power



7:15 AM  
EXTRA HAND

magnetically secured  
243-degree opening rear  
doors with storage pocket

6:12 PM  
STORAGE FACILITY

choice of either custom  
shelving or exterior graphics  
at no additional charge

4:45 PM  
POWER PLANT

powerful 5.6L V8 and  
4.0L V6 engine options

## INNOVATION THAT WORKS

The All-New Nissan NV Lineup



Being your own assistant is never easy. It's especially tough when you're acting as a marketing agency and storage supervisor too. Luckily, the Nissan NV is well equipped with reinforced mounting points for shelving that eliminate the need for drilling into sheet metal. It also has ample exterior space for advertising, and near-vertical sidewalls that maximize cargo space and minimize the number of trips you need to make. So you can concentrate on the task at hand.

**NISSAN** Commercial Vehicles

**The all-new Nissan NV is coming to New York.**  
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