

BUSINESS

TODAY'S FOCUS **IDEAS**

ACTIVISION EARNINGS: Ongoing decline in spending on traditional video games continues to hit Irvine company. **Page 4**

Investors draw lessons from fund arrests

Pacific Property Assets lost an estimated \$115 million. Its owners face 320 years in prison.

Burned investors reacted with glee to news that the owners of an investment fund that lost an estimated \$115 million have been arrested on charges of running a Ponzi scheme.



JEFF COLLINS
STAFF WRITER

"Justice finally prevailed," Kamal Rajkanan, chairman of a creditors committee, said of Wednesday's arrests of Michael J. Stewart of Phoenix and John J. Packard of Long Beach. "It took a while... I hope people doing the same thing will learn the same lesson."

Victims of Pacific Property Assets' bankruptcy said there also are lessons for those who might be approached with similar investment pitches.

The first is, be skeptical. Do research and ask a lot of hard questions, Rajkanan said. Don't assume that something is safe just because it's on paper. "Watch out for your own interests," he said. "Nobody else is going to watch for you."

Second, be leery when someone is offering you interest well above the market rate. PPA, as the firm is known, paid up to 15 percent on promissory notes, at a time when banks were lending money at 6 percent.

"If someone is borrowing money ... above the market rate, you should ask yourself, why are they not borrowing from banks?" said Irvine investor Richard McDonough, 76, a retired editor. "The answer probably is because a bank would not lend it to them."

Stewart, 66, and Packard, 63, were charged with 16 counts of mail, bank and bankruptcy fraud stemming from their operation of the Irvine-based firm. Packard pleaded not guilty in Santa Ana on

SEE PPA • PAGE 3



PHOTOS: SAM GANGWER, STAFF PHOTOGRAPHER

Union organizers and workers rally outside the El Super grocery store on Euclid Street in Anaheim in November.

ETHNIC-FOOD WORKERS WANT TO SHARE IN GROWTH

Last November, Adrian Rocha, a meat cutter, walked a picket line with about 50 fellow union members in front of the El Super grocery store on Euclid Street in Anaheim. The store caters to Latino shoppers with a bakery that churns out tortillas, a meat counter running the length of the store packed with beef tripe, tongue, chicken and pigs' feet, and a produce section piled high with such exotic fare as cactus.

What the store doesn't offer, Rocha and others like him say, is paid sick days for its workers. Members of the United Food and Commercial Workers say that their pay is so low they often have to show up even when

they're ill.

"I haven't missed work for five years," said Rocha, 26, a Fullerton resident. He's on the high end of the store's pay range, earning \$15 per hour. "I've come in sick before. With what you get paid, if we miss one day, it's not enough. You gotta choose sometimes between your health and not paying the bills or rent."

It's unusual for union grocery store workers not to have paid sick days. At ethnic supermarkets, though, it's a rarity to have a union contract at all.

Since the end of September, the food workers union has been tackling the first renewal of its agreement with El Super, a contract the market inherited when it acquired seven Los Angeles-area and Orange

SEE ETHNIC • PAGE 3



Adrian Rocha, 26, a meat cutter at El Super, marches with union members and other workers outside El Super in Anaheim on Nov. 22.



MARNI USHEROFF
STAFF WRITER

MORE INSIDE

HACKERS LIKELY GAINED ACCESS THROUGH TARGET HEATING SYSTEM

Investigators zeroed in on remote access granted through Target's computerized heating and cooling software in the recent data breach at the retailer. **Page 6**

MICROCHIP CARDS

There's a renewed push to fortify personal data by switching U.S. credit and debit cards to ones embedded with a tiny microchip containing a customer's data. **Page 7**



BEST DAY OF 2014 FOR STOCKS

The stock market had its best day of the year, nearly erasing the steep losses from early this week. The Dow jumped 188 points. **Page 4**

Amazon snaps up another O.C. company

Tech giant acquires Irvine-based game studio Double Helix in continued drive to build hub.

Amazon acquired Irvine-based game studio Double Helix, continuing its drive to build a technology development hub in Orange County.



IAN HAMILTON
STAFF WRITER

The secretive technology giant confirmed the acquisition in a prepared statement but declined to elaborate on its plans, saying only the purchase was "part of our ongoing commitment to build innova-

tive games for customers."

Orange County development studio Shiny Entertainment, which was founded by Dave Perry and made games such as "Earthworm Jim," merged with The Collective in 2007 to become Double Helix. It has 75 local employees.

Perry eventually founded Aliso Viejo-based Gaikai, which Sony bought in 2012 for \$380 million. Sony is using the purchase to run PlayStation games across multiple devices by way of ultra-quick Internet connections.



The new acquisition by Amazon follows the 2008 purchase of another O.C. game studio, Reflexive Entertainment, which made a digital game distribution service; the leasing of more than 100,000 square feet of office space next

SEE AMAZON • PAGE 3

MARKET RECAP



Dow Industrials
Close: 15,628.46
Change: +188.23



Nasdaq Index
Close: 4,057.12
Change: +45.57



S&P 500 Index
Close: 1,773.43
Change: +21.79



10-year Treasury:
Close: 2.70%
Change: +0.03



Oil per barrel:
Close: \$97.84
Change: +\$0.46



O.C. gas prices:
Gallon: \$3.626
Change: +0.005

MORE ON PAGE 4



Casual Friday?

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