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Up Front



Growing a helmet business proves to be no headache.

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Root of Problem

Could hair care line be washed up after class action?

By HENRY MEIER Staff Reporter

HOLLYWOOD celebrity hair stylist Chaz Dean hasn't brushed off his troubles just yet. Even as a proposed settlement of more than \$26 million could end a class-action lawsuit brought against Dean and his direct marketing distributor, Santa Monica-based Guthy-Renker, by consumers who complained the products cause extreme hair loss and scalp irritation, federal regulators have raised questions about Dean's line of shampoos and conditioners.

The settlement is awaiting preliminary approval from U.S. District Court Judge Otis Wright III, who despite raising a few issues with the proposal at a hearing last week seemed inclined to approve the terms provided a few tweaks were implemented.

"I'm extremely happy that you've all sat down and worked this out," Wright said.

The suit, filed in June 2014, detailed horror stories of people across the country who experienced adverse reactions to the Wen by Chaz Dean line of hair care products sold by Guthy-Renker at malls, online, and through infomercials on networks such as QVC.

"At first I really liked this product," one online complaint from the lawsuit reads. "Then I noticed my hair was feeling greasy and heavy. Now my hair is falling out in gobs daily. My hair is now thinning so bad you can see my scalp."

Guthy-Renker said its willingness to settle did not mean the company is acknowledging any wrongdoing.

"We made a business decision to pursue a settlement and put this behind us so that we can focus on delivering quality products to our millions of customers," a company spokeswoman said in a statement.

Dean's representative did not respond to a request for comment.

While the class action might be nearing an

Clipped: Hair stylist to the stars Chaz Dean.

GETTY IMAGES

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Offices Created In Arts District

REAL ESTATE: Developers tap hipster haven for projects.

By DAINA BETH SOLOMON Staff Reporter

Downtown's Arts District has amassed fashionable cafes, eateries, and bars along with apartments and condominiums. Even an outpost of exclusive Soho House is on the way. Now the offices are moving in, with several major projects set to offer roughly 2 million square feet targeting media, entertainment, and tech companies.

They just need tenants.

"It's not a marketplace where people are stampeding to go," said Ian Strano, executive vice president at NAI Capital. "There are a lot of looky-loos."

Agents representing Arts District projects are,

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Car App Revs Rentals Drive

TRANSPORTATION: Skurt helps young users take wheel.

By HAYLEY FOX Staff Reporter

Drivers cruising down La Cienega Boulevard might do a double take when they spot a billboard featuring a man with a suspicious-looking bulge in his pocket. It's only with the help of the tagline, "A car in your pocket," that this saucy advertisement begins to make sense as part of the newest marketing campaign for startup Skurt.

An app that delivers rental cars on demand to licensed drivers 21 years and older, Skurt launched its service in Los Angeles in October, quickly expanded to Orange County, and last week launched in San Diego. The Culver City company's ranks have grown to 50 full-time employees, according

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Ex-Makeup Exec Seeing Bright Future in Shades

FASHION: Toni Ko hopes low price point fits with sunglasses.

By SUBRINA HUDSON Staff Reporter

Toni Ko planned to retire after selling her Commerce beauty product powerhouse Nyx Cosmetics to L'Oreal in 2014 for a whopping \$500 million.

But the 43-year-old beauty maven, who built her fortune selling colorful and affordable makeup, is ready for a second act with the launch of her downtown L.A. sunglasses brand, Perverse. The company will be opening its showroom and flagship retail space in the Fashion District next week.

Ko is looking to implement the same business

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PERVERSE

/pər'vers/ adjective

Deliberately deviating from what is regarded as normal

RINGO H.W. CHIU/LASU

Visionary Venture: Toni Ko at the downtown headquarters of sunglasses line Perverse.

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Transportation: Vehicle Rental App Hits Roads

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to its co-founders, Josh Mangel and Harry Hurst.

The pair said they got the idea for the business while trying to solve a problem for themselves.

"If we wanted to rent a car, we'd have to pay a crazy underage fee as we were considered a high risk," said Mangel, 23.

So he and Hurst, 27, set out to create a company where drivers as young as 21 could rent a car without paying the surcharges some national companies require and be spared the inconvenience of visiting a rental office.

The answer came in the form of an on-demand system where drivers scan their license through their phone's camera, punch in the type of car desired, and indicate the time and place they'd like the car to be delivered.

The startup received \$1.3 million in seed funding through Santa Monica's **Upfront Ventures** and **Winklevoss Ventures** late last year. Skurt is looking to grow the company with a hiring spree and service expansion, but Mangel and Hurst won't disclose current financials.

Skurting Issue

Skurt users download its app, select the type of car wanted from a menu of classifications that includes "Utility," "Plus," "Large," or "Solid," and designate a delivery time and location. From convertible Mustangs to Priuses, flatbed trucks and 15-person passenger vans, vehicles can be reserved with a minimum of two-hour advance notice.

Costs range from about \$21 a day for the most basic vehicle to more than \$100 for larger or luxury options. The charge can be paid with a debit card and not just a credit card as required by many car rental companies.

Skurt doesn't own its own cars but rather assembles its fleet through agreements with rental car agencies, "monetizing excess inventory" by putting cars to use that would otherwise be sitting on the lot, Hurst said.

The co-founders declined to comment on the specifics of how Skurt is paid, but trade publication *Auto Rental News* reported in July that upon receiving a reservation, Skurt sends a driver's request to multiple car rental companies that may either accept or refuse it. Once a request is accepted, a Skurt employee picks the vehicle up from the rental company and delivers it to the app user.

Hurst said he built relationships with rental companies by going door to door pitching the idea.

"Getting people to buy into your concept when it's just a concept and unproven ... is the



RINGO H.W. CHIU/LAB

Revving Up: Staffer at the Culver City headquarters of car rental app Skurt, which has agreements with rental agencies.

most difficult thing," he said.

Now, Skurt has grown from contracting with mom-and-pop agencies to also dealing with national rental chains and car dealerships, according to Hurst.

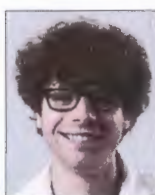
"Our fleet size has grown significantly," he said.

Skurt customers have the option of purchasing insurance through the app or using their own. Through the app, liability insurance costs \$24 a day and a damage waiver can vary in price, typically running around \$20 to \$30. Company officials would not say how many customers had signed up for the coverage nor would they say how many people had used the service.

Customers are typically between the ages of 21 and 30, Mangel said, and use the service not as a typical rental but as a substitute for owning a car.

In addition to using Skurt for long-term needs such as taking a road trip or replacing a car that's in the shop, many customers use Skurt for everyday chores, such as going to the grocery store or moving, according to **Everette Taylor**, 27, the firm's vice president of marketing. He called Skurt a cost-effective alternative to car ownership in an environment where most vehicles sit parked more than 90 percent of the time.

"We want to be a utilitarian tool," said Taylor.



Mangel



Hurst

"We don't want to be seen as a rental car company because we're not a rental car company."

Crowded market

In the ever-growing industry of transportation apps, Skurt joins a concentrated marketplace, from short-term rideshares **Uber** and **Lyft** to car rental apps such as **Zipcar**, which actively markets itself to a college crowd. **Getaround**, a San Francisco-based startup that enables drivers to rent out their own cars when they're not using them, had raised more than \$40 million in funding as of September and plans to enter the L.A. market.

Even mainstream rental companies, such as national chain **Hertz Corp.**, have been updating their services to include less paperwork and more online access. Hertz launched its own

app in 2010 and has a rewards program that lets drivers skip the rental counter and head straight to their car from the airport. **Enterprise Rent-A-Car** has long delivered rental cars to a customer and has even launched a "car sharing" program that provides hourly rentals.

"Every month we see a new variation on (the theme of) alternative personal mobility options," said Neil Abrams, president of New York-based Abrams Consulting Group Inc., which advises auto rental, travel service, and transportation-related companies. "It's basically taking existing models and looking for some variation and targeting an underserved market."

Abrams said Skurt is really more of a rental broker, sidestepping the need to own its fleet by invoking a model similar to Uber, in that the rideshare company is fundamentally a tech business that brokers deals between drivers and passengers.

"Skurt brokers transactions between rental companies and renters," said Abrams.

This means Skurt relies on outside agencies to fill inventory needs, a heavy lift for a company based in Southern California, one of the country's largest car rental markets, said Abrams.

"They have to prove to their rental suppliers that they're safe, they can protect their assets, and they vet their renters," said Abrams.