

SAN FERNANDO VALLEY BUSINESS JOURNAL®

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THE COMMUNITY OF BUSINESS™

The List

- 1** **uSamp**
16501 Ventura Blvd., Ste. 2
Encino 91436
- 2** **Med Exec International**
100 N. Brand Blvd.
Glendale 91203
- 3** **Canon Recruiting Group I**
27936 Lost Canyon Rd., Ste
101
Santa Clarita 91397
- 4** **Mixed Chicks, LLC**
21208 Vanowen St.
Canoga Park 91303

Learn about the Valley's 60 fastest growing private companies
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Leaders



John Mair of Blue Microphones and other Valley CEOs share secrets to fast growth
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People



Astek Wallcoverings CEO Aaron Kirsch talks about specialty wall art and more
PAGE 8

FASTEST GROWING PRIVATE COMPANIES



Dedicated to the 60 Fastest Growing Private Companies in the San Fernando Valley Region.

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News & Analysis



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Film Tools CEO Stan McClain talks about tape and debt **PAGE 17**

The List

Valley's 60 fastest growing private companies **PAGE 30**

Valley Companies Soar to Success

GROWTH: Firms grow revenues, but most aren't hiring new workers.

By **JUDY TEMES** Staff Reporter

The fastest-growing private companies in the San Fernando Valley region grew an average of 85.6 percent in the last three years.

The growth rate for this year's List was slightly less than last year, when companies grew an average of 90.49 percent. However, more companies made the List — a potentially good sign despite the continuing gloomy economic news.

There are 60 companies on the List, up from 40 last year, and 41 of the companies on this year's List were not on the List last year. We also raised the bar for being able to qualify for a ranking. All of the companies grew at least 8 percent, which was the cutoff.

Companies on this year's List had a combined total of \$2.21 billion in revenue, or an average of \$48.07 million. The range, however, was *Please see GROWTH page 28*



uSamp Surveys Key to Future

EXPANSION: Encino company launches site in effort to diversify.

By **MARK R. MADLER** Staff Reporter

Online market research firm **uSamp** is on the path to diversify its operations just one month after launching a free online surveying tool.

The Encino-based firm, which crowned the *San Fernando Valley Business Journal's* List of the Valley's fastest-growing private companies, has invested millions in SurveyBuilder, a new online survey site that it unveiled in October.

uSamp officials say the new technology platform will be instrumental to the firm's future growth, as the site is already helping it to expand beyond a traditional client base of large research agencies, such as **J.D. Power and Associates** and the **Kiplinger** organization.

"The goal now is we can diversify and potentially have tens of thousands of customers using the software," said Co-founder and CEO **Matthew Dusig**.

The target customer base: small businesses, advertising and marketing agencies and universities and colleges. Specifically, uSamp wants to get SurveyBuilder into the hands of graduate students who need survey feedback to finish dissertations.

In less than four years, uSamp has carved out for itself a position in the online survey industry through the use of proprietary technology that makes its online panels more efficient and easier for its clients to use. Revenues have skyrocketed, and the company has added offices in the U.S. and abroad and has expanded its workforce. In 2011, uSamp hired 96

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PHOTO BY DAVID SPRAGUE

Taxes: CEO Michael Rozbruch says most people who owe the IRS don't qualify for a resolution.

Touting Trust

Tax Resolution Services CEO Michael Rozbruch isn't out to scare.

By **JUDY TEMES** Staff Reporter

Eliminate debt. Get a fresh start on your financial future. Get the IRS off your back.

You've heard the late-night TV commercials, and they haven't necessarily been good for the multi-million dollar tax resolution industry, which has been the target of state and federal investigators.

Michael Rozbruch, founder and CEO of **Tax Resolution Services** in Encino, wants to send a new

message as he prepares to launch his first series of television commercials in January.

"We will tout the customer service," Rozbruch said. "We will talk about our reputation and our high standing with the Better Business Bureau."

Tough financial times have forced many taxpayers into the collection division of the IRS. As a result, Rozbruch, a CPA who helps negotiate their tax debt, has more business than he ever imagined.

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Area Tech Firms on Cloud No. 9

SERVICES: Firms offering cloud computing services are flourishing.

By **ANDREW KHOURI** Staff Reporter

As the online storage format known as the cloud has grown in popularity, Valley companies that floated up to provide support services now are reaping financial rewards and planning new product launches.

The cloud — which stores information with other companies such as **Amazon**, **Rackspace** and **Google** — frees up vital space on a company's servers. It also can save money and allows data to be accessed anywhere through the Internet.

"This paradigm shift only happens every 15 or 20 years," said **SADA Systems** CEO **Tony Safaian**. "And we are in a market position to take advantage of this."

SADA Systems, founded in 2000, jumped into the cloud four years ago. One cloud offering helps businesses migrate e-mail, documents and word processing software to the cloud. Business tied to the

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KGS KULIK GOTTESMAN & SIEGEL LLP
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KGS Law would like to thank San Fernando Valley's business leaders for nominating Glen Kulik, Donald Gottesman, Leonard Siegel and Thomas Ware for the Valley's Trusted Legal Advisors and A Special Congratulations to Leonard Siegel for being selected as one of the Valley's Top 10 Trusted Legal Advisors.

Taxes: CEO Vows to Avoid Squawking Late-Night Ads

Continued from page 1

At the same time, attorneys general across the country are chasing many of his competitors for deceptive business practices, giving his entire industry a huge black eye. Those late-night ads promising taxpayers that they could settle with the IRS for pennies on the dollar, the AGs assert, are largely lies.

Rozbruch says, in his business, there's no such thing as too much publicity, though some of his competitors took the wrong approach and it backfired.

Will his softer approach work?

Historically, companies that help consumers get out of their IRS debt have relied on dramatic late-night TV and radio commercials that feature frightened taxpayers in trouble with the IRS. While these ads are now being used as evidence in numerous lawsuits and investigations against the more disreputable companies in the business, it's hard to argue with their effectiveness.

Rozbruch himself produced many of them over the years. His radio commercials on the **Howard Stern** show, which put him on the map, prodded guys to "man up," to their IRS debt. "Be a man," was an oft-heard refrain on Los Angeles stations like KLOS. The aggressive push, together with advertising on **Rush Limbaugh**, **Glenn Beck** and **Sean Hannity**, has helped TRS grow 84 percent over three years to \$17 million, making it the 18th fastest-growing company in the Valley. TRS is on track to ring up \$23 million in sales this year, according to Rozbruch.

'Rush told me to call'

The image makeover may be necessary. But it may not come naturally for this self-described hard-driving, "unconventional CPA," whose passion is drag racing his '68 Oldsmobile Cutlas 442.

Rozbruch realized early on that he didn't fit well into the corporate world. After working for a series of companies, including **Charles David of California**, as chief financial officer, he decided to go into business for himself in 1998. "If you want to work in a company, you need to be either a phony or a politician," he said, "and I'm neither. I just tell people what I feel."

He started to look around for what he could do with his accounting experience and education. What he found was a two-by-two ad in the *Journal of Accountancy*. The ad urged accountants to call if they wanted to add up to \$25,000 a month to their accounting practice. Rozbruch sent away for what was then a \$697 guide to the tax resolution business.

"There were 42 ideas on how to market to individuals who were in trouble with the IRS," said Rozbruch. "I did every one of them. A lot of my friends, other lawyers and CPAs, thought I was crazy. They looked down on it; they thought it was low-class."

Within four days, however, he received 88 calls and he knew he had a business. But the real moment of discovery came seven months later when a salesman from KLSX convinced him to buy some rotator spots on the station, advertising that would cost just \$25 a spot and would run randomly at various hours of the day or night. Every once in a while, his ad got on the Howard Stern show, and Rozbruch noticed that his phones started to ring off the hook.

"That's when I discovered that in advertising this business it's all about where you run the spot and who the personality is." The people who were up late at night listening to Stern were his demographic.

By 2007, Rozbruch had his "demo" so well figured out that he was buying spots on Rush Limbaugh, Glenn Beck and Sean Hannity. Though he's conservative politically, it wasn't about the ideology, he said.

Fastest Growing #18 Private Companies

Tax Resolution Services

HEADQUARTERS: Encino

CEO: Michael Rozbruch

3-YEAR GROWTH RATE: 84 percent

2010 REVENUE: \$17 million

2009 REVENUE: \$12.4 million

2008 REVENUE: \$9.2 million

"I wish I could find an equivalently good market that caters to liberals," he said. "But it doesn't exist. These guys reach 30 million listeners in 800 major markets!"

The radio personalities have so much pull, Rozbruch said, that callers will literally tell TRS reps that 'Rush told me to call.' Each client account at TRS is labeled as a referral from "Rush," "Glenn" or "Sean." The radio hosts have helped TRS acquire more than 3,000 clients in all. Each pays between \$5,000 and \$25,000, depending on the complexity of their case.

Industry needs 'quality control'

While TRS has no intention of pulling its advertising from these shows, Rozbruch said that in the wake of the investigations into the industry, the tax resolution business needs a different image, one that conveys trust and integrity.

Among the firms that have come under scrutiny are Beverly Hills-based **American Tax Relief LLC**, which was shut down by a federal judge last year on the recommendation of the Federal Trade Commission. The FTC said the company bilked consumers of more than \$60 million by falsely claiming it could reduce their IRS debts.

Last August, then California Attorney General and current governor **Jerry Brown** sued Sacramento-based self-described "Tax Lady" **Roni Deutch**, alleging she preyed on consumers who could not afford their tax bills. Brown sued to permanently shut her down. Deutch finally surrendered her business license in May.

Texas-based **Tax Masters** and South Carolina-based **JK Harris & Co.** have also come under scrutiny. Attorneys general in multiple states are investigating the companies. JK Harris filed for bankruptcy protection in October.

Rozbruch said the scrutiny is good for the industry, as is the house-cleaning. He said these companies hired hundreds of salespeople with little knowledge or understanding of tax law and never delivered on what they promised.

"They take people who never qualify for any IRS program, take their money and do nothing in return."

How is he different?

"We screen the calls very carefully. We turn away half the people who call us." That's because most people who owe the IRS money don't qualify for a reduction. It's the rare person — for example, a so-called "innocent spouse" — who can expect the kind of settlement many IRS debt relief agencies advertise.

To help his sales representatives separate the people who could benefit from his services from those who really can't, Rozbruch said he puts each of them through a four to five week training program. By contrast, he said, his competition does little sales training. And while he claims that his competition hires 10 sales representatives for every case worker, he said he has more than six case workers for every sales representative.

"They are interested in getting the client in the door, not doing the work. My emphasis is on quality and quality control. I want every case done as if I was still doing it."



SAN FERNANDO VALLEY COMMUNITY MENTAL HEALTH CENTER, INC.



Corporate Office
6842 Van Nuys Blvd., 6th Fl.
Van Nuys, CA 91405
(818) 901-4830

Ian Hunter, Ph.D.
President/CEO

Marci Kass
Director of Development

Since 1970, the San Fernando Valley Community Mental Health Center has been making our community a healthier and safer place for everyone.

The Center provides mental health services to people of all ages -- children, families, transitional age youth, adults and older adults.

- Outpatient
- School-based
- Day treatment
- At home and in the field

SPECIALIZED SERVICES INCLUDE:

- Homeless
- Domestic violence
- Probation youth
- Employment services
- Wellness & Client run center
- Monolingual services
- Crisis intervention
- Dual diagnosis
- Housing
- Independent living skills

MISSION STATEMENT:

The San Fernando Valley Community Mental Health Center, Inc. founded in 1970, is a private, non-profit agency dedicated to improving the mental health of individuals and families within the community. Primary emphasis is placed on providing services to children, adolescents and transitional age youth with serious emotional disorders, and services for adults and older adults with severe and persistent mental illness. The Center is committed to treating all consumers with dignity and enhancing their quality of life.

- 94% of each dollar goes directly to services. -

For more information, please visit
www.MovingLivesForward.org or call 818-901-4830.