



OC Insider

by Pete Weitzner

'Favorite Issue'

In managing this week's OC's Wealthiest issue—my first, our 17th—I placed a call to a source to confirm a few figures in our write-up. "Wealthiest," the source sighed, "my favorite issue."

I get it. There's an old saying: "You know what gentlemen (and ladies) say? They don't." It's a malleable adage, but let's say the maxim can also be applied to one's wealth.

That said, please rest assured we don't compile this issue simply because it's a business-publication staple—much less out of financial voyeurism.

I hope you agree when reading their stories. We produce this issue foremost for the unique narratives behind the building of each personal fortune. We also take equal pains with our wealth estimates, to detail the massive giving that seems both an inspiration and an imperative to the men and women on the 2017 list of OC's Wealthiest.

Dean Stoecker is not on our wealthiest list. But the CEO of the data-analytics firm Alteryx is having a good year.

Alteryx is the IPO SNAP and Blue Apron hoped to be—up 40% from the March debut, sales more than doubling over the last two years. Alteryx didn't happen overnight. Stoecker, Olivia Duane Adams and Ned Harding started the predecessor firm SRC 20 years ago.

Stoecker is a civic booster's poster child—filled or replaced most of his executive positions in the last 18 months from within Orange County.

When it needed funding Alteryx raised some from Silicon Valley, but also from Vinny Smith's Toba Capital here. And Stoecker likes being here. "...less expensive, less competition for everything," Stoecker said



'27 Yankees: Ball fetched \$10K+ thanks to OC Goodwill

OC Gains Public Co. in 167-Year-Old Firm's Move

AEROSPACE: Ducommun HQ to Santa Ana office

By HOWARD FINE and CHRIS CASACCHIA

Orange County's public company ranks will gain another member with the recent headquarters move of **Ducommun Inc.**, Los Angeles' oldest company. The aerospace manufacturer's relocation to Santa Ana will include about 40 personnel, including several executives with established ties here.

"Many of the executive team are Orange County residents," said Chief Financial Officer **Doug Groves**, who lives in Costa Mesa.

Other OCers will include newly tapped Chief Executive **Stephen Oswald**, general

counsel **Amy Paul** and **Jerry Redondo**, vice president of operations.

The aerospace manufacturer, which trades under DCO on the New York Stock Exchange and has a market value of \$335 million, will be the seventh addition to OC's roster of publicly traded companies since February. All of the others were gained through initial public offerings.

Irvine-based **ShiftPixy Inc.**, which trades under PIXY, was the most recent, raising \$12 million in a late June IPO. It's a hospitality and restaurant staffing company. Alteryx was the biggest addition. The analytics-software firm in Irvine went public in March and has a market value of \$1.2 billion.

Ducommun, which has called Los Angeles County home for all but two of its 167 years,

➔ *Ducommun 62*



200 Sandpointe: Ducommun's new headquarters was part of recent office campus sale

Pacific Life CEO Jim Morris on the Company at 150

FINANCE: CEO bullish on annuities and airplanes

By PETER J. BRENNAN

Next year Pacific Life Insurance Co. will celebrate its 150th anniversary since being founded by Leland Stanford. Jim Morris is its 14th CEO and celebrating his 35-year anniversary this month at Orange County's largest private company.

I recently met with Morris for an hour-long, rare interview in his Fashion Island office overlooking Newport Beach harbor. Last week the 57-year old executive discussed how he steered PacLife through the 2008 financial crisis and helped reshape an old company in an "old industry." Here's part



Morris: PacLife boss on why 'Newport Beach works great for us'

two of our discussion, including PacLife's future in Orange County.

Q: Your annuities are often ranked among the best in the industry by media like the Wall Street Journal. On the other hand, financial adviser Ken Fisher advertises how much he hates them. What are your thoughts on the direction of annuities?

A: I'm bullish on the future of annuities. It's the only place you can go to get guaranteed lifetime income. Today, only one in 11 workers have pensions. If you want a guar-

anteed income, the only place to get that is an annuity.

The products have fees, which the Ken Fishers object to. But if you talk about delivering certainty to consumers who need it, it's a good product.

Q: I've heard of commissions of 5% to 10% on annuities. Do you see that coming down?

A: We've never had 10% commissions. Generally, they're trending down.

Q: Are hybrid annuities exciting?

A: Hybrids are annuities tied to indexed products or long-term care benefits. We do both. We got into this area a few years ago. It's the fastest growing subset of the annuity world today, and it's fast growing for us. That's an attractive product for someone who

➔ *Pacific Life 8*

OC Banks' Q2



million park, was about 94% leased at the time of the sale, and its units have an aver-

aging to CBRE data. The Orange County-Los Angeles region, where Olen-

coff's wealth. His firm owns about 7.5 million square feet of office space, much of it

Chicago skyscraper in 2006. It's now likely worth nearly \$600 million, Olenicoff said. ■

Ducommun

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will relocate headquarters operations from a manufacturing plant in Carson to a Santa Ana office campus, where it's leasing 15,000 square feet at 200 Sandpointe Ave. The office is part of the two-building Sandpointe at the MacArthur Place complex in the South Coast Metro area recently sold to Newport Beach-based investor **Cress Capital LLC** for nearly \$60 million.

Groves said that's where Ducommun found the best deal, and the office put it just three miles from John Wayne Airport.

"We needed Class A office space near an airport that could host meetings of people from our various facilities and our customers."

The move started several months ago, though it won't be completed until next month, company executives said.

Groves said the transition had long been in the works, as executives felt they could no longer make do with cramped offices in a manufacturing plant.

Ducommun, which reported \$551 million in revenue last year, employs 2,700 at 13 U.S. facilities and at one plant each in Mexico and Thailand.

Only the headquarters, which comes with 40 full-time employees, is moving. Ducommun still has L.A. County manufacturing plants in Carson, Gardena and Monrovia that employ a total of about 530.

The company hadn't publicized the move, which it disclosed in a Securities and Exchange Commission filing.

Gold Rush roots

Ducommun, which claims the title of the oldest continually operating company in California, began as a watchmaker's store founded in 1849 by Charles Ducommun in downtown Los Angeles, just as the Gold Rush era started and one year before California be-



At work: Ducommun employee at its Carson plant

came a state. Los Angeles had 1,600 residents at the time.

The founder, who'd just moved to L.A. from Arkansas, immediately expanded his store to sell accessories to prospectors heading north to seek their fortunes in gold. The store sold general merchandise for the next 50 years.

Ducommun expanded into metal manufacturing in the early 20th century, and by the 1920s was supplying steel and other metals to the fledgling aerospace industry. Some Ducommun steel found its way into the Spirit of St. Louis, the plane that **Charles Lindbergh** flew solo over the Atlantic Ocean in 1927.

The company converted almost all of its business to aerospace after World War II, split between the commercial and defense sectors.

Ducommun now specializes in electrical and structural systems, about 90% of its revenue coming from the aerospace sector, including big customers, such as **United Technologies Corp.** in Farmington, Conn., and Toulouse, France-based **Airbus**. The remaining 10% comes from general industrial customers, including tractor makers **Caterpillar Inc.** and **Deere & Co.** of Peoria and Moline, Illinois, respectively.

Downtown departure

It isn't the first time Ducommun has

crossed the Orange Curtain.

The company left downtown L.A. in the late 1980s, moving its headquarters to Cypress for two years, then back to L.A. County in Commerce before settling in Carson around 1990. The earlier shifts came as it tried to ride out a steep defense sector downturn as the Cold War wound down.

The latest headquarters is a sign of an ongoing shift in the leading industries in L.A., according to **Fernando Guerra**, director of the Center for the Study of Los Angeles at **Loyola Marymount University** in Westchester.

"Aerospace was the leading sector of the 1950s and 1960s. Today the leading sector is technology and its tie-in with entertainment content. The newer sectors push out the older sectors."

Guerra noted that Ducommun didn't find a good deal for Class A office space around Los Angeles International Airport, in part because coastal-area technology companies have taken up much of the space.

He also said it's rare in L.A. for companies to stay put for many years.

"One of the hallmarks of Los Angeles history is the moving around of companies and institutions over the decades," Guerra said.

One vestige of Ducommun's Los Angeles presence remains: a street named Ducommun just east of the Civic Center and across the 101 freeway from Union Station.

New Chief

Ducommun's new chief executive started in January, replacing **Anthony Reardon**, who retired at age 66 after serving in the role since 2010.

Groves said the headquarters move had nothing to do with Oswald's appointment, since the Santa Ana lease had already been signed.

"We had been planning this move for almost two years," he said.

Groves said Oswald, 53, was unavailable for comment last week because he was in the

process of moving from Minnesota to the OC area. Oswald had been chief executive of **Capital Safety**, a workplace safety equipment company based in Bloomington.

Groves said Oswald will lay out his vision for Ducommun's future when he leads a company presentation to investors this fall. The pair is scheduled to host a conference call on Thursday with the release of its second-quarter results.

Ducommun is coming off a weak first quarter, with net income of \$2.1 million, down from \$13.5 million a year earlier on revenue of \$136 million, down from \$142 million year-over-year. The company attributed the revenue drop to the winding down of a regional jet program, the closure of some operations at its Tulsa, Okla., plant, and the sale of its Pittsburgh facility.

The company's order backlog was also down: \$581 million at the end of the first quarter compared to \$600 million year-over-year. The company attributed the drop to "the timing of orders."

Edward Marshall, an analyst with New York-based **Sidoti & Co.**, said Ducommun has had contract pricing that undervalues its capabilities, a larger physical footprint than it needs, and unused capacity.

"The 1Q results were not as strong as we would have liked, mainly due to timing of commercial aerospace shortfalls but the military business was strong for the first time in many quarters," Marshall said in an email.

Oswald told analysts on a conference call that it intends to focus more on boosting margins and reducing manufacturing costs. He also said the company is expanding its Parsons, Kan., plant to handle more orders of titanium products.

Despite the lackluster first-quarter results, shares have been trading near the upper end of their 52-week range, closing on July 25 at \$31.15.

Staff Writer Mark Mueller contributed to this article. ■