

## BUSINESS

TUESDAY, NOVEMBER 26, 2013 :: LATIMES.COM/BUSINESS

DOW 16,072.54 ▲ 7.77 | S&amp;P 500 1,802.48 ▼ 2.28 | NASDAQ 3,994.57 ▲ 2.92 | GOLD \$1,241.20 ▼ 2.90 | OIL \$94.09 ▼ 0.75 | EURO \$1.3517 ▼ 0.0041 | U.S. T-NOTE (10-yr.) 2.73% ▼ 0.01

## COMPANY TOWN



IRFAN KHAN Los Angeles Times

**FORREST LUCAS**, who bought a cable TV channel and turned it into MAVTV, has concentrated on programming that would play in the so-called flyover states and function as a blue-collar channel for gearheads. Above, Lucas at the Auto Club Raceway in Pomona.

## When holiday tables are bare

DAVID LAZARUS

For many of us, this is a time to be thankful for the blessings we enjoy.

For others, it's another week of wondering if there'll be enough food to keep the family fed.

At least 4 million Californians are struggling with what's called food insecurity — being unable to consistently put food on the table — according to the latest data from UCLA's Center for Health Policy Research.

Closer to home, the Los Angeles Regional Food Bank says it's working harder than ever to meet demand for assistance from individuals and families amid recent cuts to food-



## For oilman, TV channel's a gas

Cable's MAVTV carves out a niche among media giants by offering drag races, motocross events and tractor pulls

BY MEG JAMES

Former long-haul trucker Forrest Lucas got so disgusted when semis would break down in the desert heat that he designed a better truck oil in the 1980s and founded Lucas Oil Products.

Years later, when he needed a better way to transport his lubricants from his Midwest manufacturing plant, he bought a small railroad.

And when he needed a better way to reach potential Lucas Oil customers, he bought a cable television channel that specialized in racy entertainment for young men and turned it into MAVTV, a motor sports channel that televises drag races, boat races, motocross events and tractor pulls — all prominently featuring the Lucas Oil Products brand name.

"I have always tried to be in control of my destiny," Lucas said in a recent interview.

In doing so, the 71-year-old founder and president of Lucas Oil Products Inc. has joined a field dominated by entrenched media conglomerates 21st Century Fox, Walt Disney Co.'s ESPN and NBC-Universal.

Already a little luck has fallen on Lucas and his Riverside County-based MAVTV team.

Last summer, Fox rebranded its Speed channel, which was created in 1995 as a vehicle to televise motor sports. Now called Fox Sports 1, the channel has widened its scope to include college football, college basketball and ultimate fighting. The switch gave MAVTV an opening to break from the pack — and get additional traction.

"We are a small independent in a

land of giants," said Bob Patison, Lucas Oil's corporate attorney and MAVTV's president.

MAVTV is not the typical TV network located in Burbank or Century City. The home office, in Corona, houses more than 20 employees in a former citrus packing plant that doubles as headquarters for Lucas Oil and distribution center for some of the company's 272 formulations — oils, fuel additives and other lubricants.

Just down the hall from TV editing bays is a laboratory where technicians test chemical compositions of oil. Outsourcing doesn't seem to exist within Lucas Oil's do-it-yourself culture.

The company maintains its customer service call center on site with representatives who actually know what's under the hood. On weekends, the guys [See Cable, B3]

## Nasdaq briefly jumps above 4,000

It's the first time the index has hit that milestone in 13 years. It closes at 3,994.57.

BY WALTER HAMILTON

First came the Dow. Then the S&P 500. And now the Nasdaq is reaching a milestone.

The technology-laden Nasdaq composite index briefly jumped above 4,000 on Monday, the first time it has hit that mark since the collapse of the dot-com bubble 13 years ago.

The once-obscure index initially crossed that level for the first time at the end of 1999. It became a symbol of the tech boom that some thought would parallel the Industrial Revolution.

Instead, the Nasdaq tumbled below 4,000 four months later as investors' infatuation with unprofitable companies such as Pets.com and EToys burned itself out. The index remains far below its all-time close of 5,048.62 in March 2000.

It is one of the few major market indexes not at or near an all-time high.

"This shows how much of a bubble we really had back in 2000," said Jack Ablin, chief investment officer of BMO Private Bank in Chicago. "It's taken 13 years and we're not even there yet. It's the equivalent of the stock market crash of 1929."

Still, the Nasdaq is one of the market's best-performing indexes this year, up more than 32% since Jan. 1. It edged up 2.92 points Monday to close at 3,994.57.

[See Nasdaq, B4]

## Car show is a play area for grown-ups

## COMPANY TOWN



ANNE CUBACK Los Angeles Times

**RACE FANS** check out hardware at the IndyCar championship at Auto Club Speedway in Fontana last month. Lucas Oil Products sponsors an array of events, including Southern California's MAVTV 500.

## MAVTV gains traction

[Cable, from B1]  
from the call center can be found mingling with VIPs at prominent races that Lucas Oil sponsors. The company, on occasion, has even built its own bleachers, as well as trophies that are handed out to race winners.

In January, the network plans to broadcast the Lucas Oil Chili Bowl from Tulsa, Okla., in which 300 midget race cars roar around the dirt in pursuit of the coveted "Golden Driller" trophy.

The network features shows such as "High Tech Rednecks," "My Classic Car," "Chop, Cut, Rebuild" and other programs, including one about bull riders, "Hell on Hooves." To round out the schedule, MAVTV licensed old movies such as "The Karate Kid" and "A Few Good Men" and the TV western "Bonanza."

"It's a huge investment ... to come up with enough programming to fill 24 hours a day, seven days a week," Lucas said. He declined to say how much his company has spent on MAVTV, but acknowledged that it was well

over \$10 million and that the channel has yet to turn a profit.

"This has been like building a new factory," Lucas said. "You've got to look a few years down the road to really see its potential, but we are confident that some day it will pay off."

Lucas has long been a proponent of brand marketing. The home turf of the NFL's Indianapolis Colts is Lucas Oil Stadium, and the company sponsors an array of races, including Southern California's MAVTV 500 IndyCar race.

The company has been in the TV programming business for about eight years. Before buying the channel two years ago, it produced racing shows and sold them to other networks, a strategy that continues. But increasingly, the networks cut out the smaller events, which meant viewers at home weren't seeing the Lucas Oil name as much.

"Now we have a place for our shows, and we made it a much better channel," Lucas said. "We have also pretty much kept short-

track racing alive — not only for us but for a whole lot of other people."

MAVTV might represent the future of television, in which corporations, such as Pepsi or Red Bull, produce their own programming to serve as vehicles to showcase their brands as more people use digital recorders to fast-forward through traditional 30-second TV spots.

Gillian Zucker, president of the Auto Club Speedway in Fontana, said the Lucas family and MAVTV have been "huge" for the racing industry. "They are savvy marketers," Zucker said. "It's an extremely targeted audience that they are looking for — people who will buy their products."

DirecTV began offering MAVTV in June, and the channel is now available in about 27 million homes — more than a quarter of the households in the U.S. with pay TV. Dish Network, Cox Communications, Charter Communications, AT&T U-verse and dozens of tiny cable operators from around the country — including in Glen Elder, Kan., and Wal-

nut Bottom, Pa., have signed up since this summer.

The company's goal is to get carriage in more than 50 million homes.

But before MAVTV got traction, it had to undergo a radical transformation from its roots as Maverick Entertainment, a TV channel that displayed scantily clad women in Roller Derby races and other fare in a bid for young male viewers. But the titillating channel was on the ropes.

Cable distributors were not interested in offering it and potential buyers of the channel were scarcer — until Lucas Oil entered the picture.

"The programming was terrible," Lucas said. "These guys started the channel just to flip it, and they couldn't so they were stuck with it."

In 2008, Lucas Oil became an investor in the channel and acquired it outright in 2011.

"We had to remove the objectionable content," Patison said. "It took us eight months to make the network presentable, but we jumped in with both feet to try to make something out of it."

Lucas and Patison figured the major networks were favoring Los Angeles and New York over the rural heartland. So they added "American Real" to the MAVTV name and concentrated on programming that would play in the so-called flyover states and function as a blue-collar channel for gearheads.

"We wanted to reach the middle-class, hard-working America," Patison said. "It is a different culture and it is not well served by the media world. This is our niche."

## Randy Phillips is out as AEG Live CEO in shake-up

By RYAN FAUGHNDER

Anschutz Entertainment Group has parted ways with Randy Phillips, the chief executive of its live entertainment arm AEG Live, the company said Monday. Jay Marciano, AEG's chief operating officer, has been named AEG Live's chairman.

The exit of Phillips, who joined the company in 2002, is part of a restructuring of the division's management, in which Marciano will take a more active role in leading the subsidiary with a team of executives.

The shake-up comes after Tim Leiweke resigned as AEG's president and chief executive in March, an announcement that came as Philip Anschutz canceled plans to sell the company, which owns entertainment venues such as Staples Center in downtown Los Angeles. AEG Live is the world's second-biggest concert company, behind Live Nation.

"Jay is a highly respected veteran of the live entertainment business," said Dan Beckerman, AEG's president and chief executive. "With his increased involvement in the management of AEG Live as its chairman, and with the wealth of experience and expertise found among the rest of the AEG Live executive team, there is no limit to what this group

can accomplish."

Marciano's executive team is led by Paul Tollett, John Meglen, Shawn Trell and Rick Mueller, all of whom have been given greater authority in the company.

Tollett has been appointed CEO and president of Goldenvoice, the AEG division that is the promoter of the annual Coachella Valley Music and Arts Festival. Meglen will be AEG Live's president of global touring, while Trell has been given the title of chief operating officer for AEG Live and Mueller has been promoted to president of AEG Live North America.

Over Phillips' more than 10 years with AEG, he oversaw the development of a concert business whose roster includes artists such as Alicia Keys, Justin Bieber, Kanye West and Taylor Swift.

He also figured prominently in AEG's legal battles over the drug overdose death of performer Michael Jackson. In October, a Los Angeles jury found that the company, which before Jackson died was the promoter of his planned 50-concert comeback tour, was not liable for the performer's death.

Just last year, Phillips signed a five-year contract to remain president and CEO at AEG Live.

ryan.faughnder@latimes.com

## Entertainment jobs in L.A. rebound from '12

By RICHARD VERRIER

Employment in L.A.'s entertainment sector rebounded last month, with the number of film and TV jobs rising 3.1% from a year earlier.

Employment in L.A. County's motion picture and sound recording category — which covers the bulk of employment in the local film, TV and music industries — rose to 18,400 jobs in October, an increase of 3,600 from October 2012 and nearly 2% from September, according to state employment data.

The entertainment sector fared better than L.A. County's economy as whole. Non-farm employment in L.A. rose 1.4% in October compared with October 2012, while the number of non-farm jobs in September was up 1.2% from a year ago.

The figures, compiled by the Los Angeles Economic Development Corp., are subject to revision and do not count those who work as freelancers or independent contractors.

Nonetheless, they represent an improvement over September's job picture, when L.A. County lost 1,000 jobs in the category compared with the same month in 2012, a decline of 0.9%.

Studios including Walt Disney and DreamWorks Animation, as well post-production houses such as Rhythm & Hues and Digital Domain, have laid off hundreds of workers this year in an effort to cut costs. Southern California also has been squeezed by the movement of film and TV jobs to other states and countries.

richard.verrier@latimes.com

## Lions Gate shares fall despite big take by 'Hunger Games'

By DANIEL MILLER

Lions Gate Entertainment Corp.'s "The Hunger Games: Catching Fire" took in an estimated \$161 million over the weekend in the U.S. and Canada, the biggest November opening of all time. But Wall Street wasn't

"We are seeing a little bit of buy on anticipation, sell on the news," she said.

Research notes put out by several analysts Monday morning put a positive spin on the performance of the film, which earned a coveted A rating from CinemaScore. Analysts noted that the film received strong reviews, and

studio made \$75.5 million.

Revenue was \$498.7 million, down 29% from \$707 million a year earlier, when Lions Gate was aided by the home entertainment release of the first "Hunger Games" film.

daniel.miller@latimes.com

meg.james@latimes.com