

CalPers Calls for Change to Standard Pacific's Board

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Irvine-based Standard Pacific Corp. saw an executive change in late March, in which director Jeffrey Peterson took over after former chief executive Stephen Scarborough abruptly stepped down.

But that's not enough change for the liking of the California Public Employees' Retirement System, a big shareholder in the struggling homebuilder.

CalPers, which owns about \$2 million worth of Standard Pacific shares, is pushing to declassify Standard Pacific's board and provide for yearly election of company directors in hopes of stopping the homebuilder's financial slide.

The issue is expected to be taken up at Standard Pacific's May 14 annual meeting.

In a recent filing with the Securities and Exchange Commission, CalPers cites a 2004 study by Harvard professor Lucian Bebchuk as justification for the proposal.

The study found "that companies with staggered boards, poison pills, supermajority voting requirements and golden parachutes deliver less shareholder value than those companies that do not have such measures in place."

"Standard Pacific currently employs each of these value destroying anti-takeover measures," according to CalPers.

The country's largest pension fund is irked with Standard Pacific because the value of its shares has slipped from \$20 million to \$2 million in a little more than two years. The pension fund calls the homebuilder's recent stock performance "abysmal" and in March placed the company on its worst-run list.

"We are committed to good corporate governance and believe that we have a strong, independent board," Standard Pacific said in response to CalPers' criticisms.

Standard Pacific's board is currently elected in staggered, three-year increments. Three new members were added in 2007, including J. Wayne Merck, chief executive of Carlsbad-based sporting goods firm K2 Inc., F. Patt Schiewitz, formerly a managing director for JP Morgan Securities Inc., and Bruce Choate, chief executive of Carson-based developer Watson Land Co.

The remaining five board members all have been at Standard Pacific for much longer periods, with start dates ranging from 1967 to 2000. Directors and executives of the company own about 5% of Standard Pacific's stock.

Following Scarborough's departure, Standard Pacific's normally nine-person board is down to eight. A decision to fill the vacant position should be made at this month's annual meeting.

COMMERCIAL

Irvine-based apartment investor Bascom Group LLC just closed on a \$63.3 million buy of an apartment complex in Hawaii.

The 406-unit Oasis at Waipahu Apartments sold for about \$156,000 per apartment. Debt financing for the deal was provided by Capmark Finance Inc. via George Smith Partners.

The Oasis complex includes 97 apartments on 18 acres. Bascom plans to spend about \$7 million in improvements.

Since December, Bascom says it has completed more than \$382 million in transactions. That includes five acquisitions totaling about 1,400 apartments, four refinancings of existing properties and four sales of complexes totaling 1,077 apartments.

CB Promotion

CB Richard Ellis Group Inc. has promoted Barry Katz to senior managing director of the Western division for asset services.

For the past 11 years, Katz has led the asset services group in Orange County, where he tripled the company's regional portfolio of managed space to more than 61 million square feet. He also has overseen the office specialty brokerage practice in OC, among other responsibilities.

Now, he'll be heading up business development and marketing for CB Richard Ellis' capital markets, agency leasing, project management and facilities management groups in the Western division.

That division counts about 265 million square feet of space under management in California, Arizona, Nevada, Oregon, Colorado, Washington, Utah and New Mexico.

He'll remain based in CB Richard Ellis' Newport Beach office.

Fight Time

The Southern California chapter of the National Association of Industrial and Office Properties is gearing up for its big social event of the year.

NAIOP SoCal's annual Night at the Fights is set for May 15 at the Hyatt Regency Irvine; about 1,000 real estate industry attendees are expected.

This year's event includes three boxing matches, including two California Golden State Championship title bouts. In keeping with this year's Olympics theme, Night at the Fights will

include “Grecian Greeters,” wine tasting and drawings including an all-expense paid trip to the Greek Isles.

Also during the event, NAIOP will donate \$10,000 to the Building Block Foundation Fund, the real estate-sponsored group that supports at-risk youth in OC.