

## Up Front



A local toy company has made politics even scarier. Really. **PAGE 3**

## News & Analysis



How Cyrena Nouzille won over the Conejo Valley with her suds. **PAGE 5**

## Profile



Banker Monica Mills has more on her mind than money. **PAGE 6**

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## SPECIAL REPORT LAW



PHOTO BY THOMAS WASPER

# LEGAL BARRIERS

Attorneys didn't do badly in the housing bust, with many starting practices that promised to save homes from foreclosure. But dishonest players nearly ruined it for everyone, spurring a regulatory crackdown that made it hard to get paid. Still, some are making it in the field, including **GARY BARR**, above, an Encino attorney who represents banks. And he's not the only one. **SPECIAL REPORT BEGINS PAGE 19**

## Tired of the City Life? Try Scrub Brush

**TOURISM:** Antelope Valley city starts Destination Lancaster campaign.

By **ELLIOT GOLAN** Staff Reporter

Lancaster is best known for its wide expanse of desert shrub, a place where cheap land has attracted giant manufacturing plants built by the likes of **Boeing Co.** and **Northrop Grumman Corp.**

But now the Antelope Valley city would like you to come visit and see the sites. That's right. Hang out, be a tourist. And it may not be an entirely wacky idea.

After all, the city is not far from the state poppy preserve, is home to terrain ideal for hikers and mountain bikers, and



PHOTO BY DAVID SPRAGUE

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**Hollywood in the Mojave: Lancaster walk.**

## \$1 Billion Contract Spurs Expansion

**DEFENSE:** ATK will produce Navy missile in Northridge.

By **MARK R. MADLER** Staff Reporter

The defense electronics systems division of **Alliant Techsystems Inc.** is expanding its San Fernando Valley operations as it prepares to go into full production on a missile that will bring it some \$1 billion in revenue.

The Arlington, Va.-based aerospace and defense contractor will lease 120,000 square feet in an industrial building in the 9400 block of Corbin Ave. in Northridge where it will build the Advanced Anti-Radiation Guided Missile. The company anticipates beginning the move by the end of the year or early 2014.

Alliant Techsystems (ATK) currently has a smaller campus in the Warner Center area of

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## Valley Businesses Place Their Bets

**POLITICS:** Donors favor Greuel, Garcetti in mayoral primary.

By **MARK R. MADLER** Staff Reporter

City Controller **Wendy Greuel** and L.A. City Councilman **Eric Garcetti** are considered the leading contenders to become the next mayor of Los Angeles.

Business interests in the San Fernando Valley region also are betting on them with their money.

Greuel, the only candidate to live in the Valley, benefitted from her strong local ties with donations of \$78,815 from businesses through the Jan. 19 reporting period, topping all candidates according to campaign finance disclosure reports filed with the Los Angeles City Ethics Commission.

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## PennyMac Lender Returns to Roots With Planned IPO

By **KELLY GOFF** Staff Reporter

When former top executives from Countrywide Financial Corp. started **PennyMac Financial Services Inc.** in 2008, they seized upon what was then one of the hottest trends in finance: buying up distressed mortgages.

But now, officials at the Moorpark company are taking the firm back to its origins.

The firm filed a prospectus this month for an initial public offering on the New York

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## SPECIAL REPORT LAW

# Foreclosure Attorney Banking on His Practice

By **JOEL RUSSELL** Staff Reporter

**W**hen a bank has a troubled foreclosure on its books, it calls **Gary Barr** to disentangle the pieces.

A partner in the Encino law firm **Alpert, Barr & Grant**, he represents banks and other lenders who are trying to either foreclose on a home or negotiate a workout for a complex loan.

Despite horror stories to the contrary, Barr said banks don't want to repossess houses. In most cases, people either negotiate a loan modification or they realize they took out a loan they can't repay and don't fight the foreclosure.

"There is a fallacy that lenders want to foreclose," Barr said. "In fact, they want anything but. Their goal is to get the customer to work out the loan. That is pure success and it happens quite a bit."

However, in cases where the borrower and bank can't reach an agreement, Barr gets involved. The firm has six attorneys and two paralegals who spend about 20 percent of their billable hours on mortgage cases for banks.

In a typical case, a homeowner falls behind on the mortgage payments and receives either letters or phone calls from the bank. Each bank has a different time threshold for when a past-due loan triggers a foreclosure, but once that point is reached the case is forwarded to a trustee, a company required by law to impartially auction off the property and pay creditors.

Barr spends much of his time on the phone monitoring the process as the trustee works out details of the

impending auction with the borrower. Some cases require litigation if the borrower contests the value of the property or files bankruptcy to delay the foreclosure.

Even after the sale, if the borrower refuses to vacate the house so the new owner can take possession, Barr goes to court to obtain an eviction.

The most difficult cases involve homeowners who don't have an attorney. These borrowers tend to avoid negotiating and only vacate the property under duress.

"They are less likely to work things out," Barr said. "People try all sorts of tricks to not give up possession of the home and that has increased over the last year."

While the number of foreclosures has fallen in recent months, the number of cases that involve litigation has increased, Barr said. He expects even more litigation later this year as attorneys on the other side of the courtroom try to leverage the new Homeowner Bill of Rights to get concessions for their clients. The state law that went into effect this year gives borrowers the ability to file injunctions to stop foreclosures and doesn't allow banks to pursue both a loan modification negotiation and a foreclosure proceeding at the same time.

"We haven't had any lawsuits yet that allege a violation of homeowner's rights, but that's because the law is so new," he said.

"I don't think that's the case anymore. (But) do I ever think we will get back to where the market was 10 years ago? I'm not sure," he said. "Ultimately, as the economy and job markets improve, the number of foreclosures will reduce even in areas where they haven't fallen yet."

legal work that goes with it," Duffy said.

Barr said his workflow coming from certain regions, including the San Fernando Valley, has shrunk, but the Inland Empire and other places still have plenty of foreclosures coming in the future. And he believes social changes assure that foreclosures will continue even as memories of the Great Recession fade.

He noted that 10 years ago, a foreclosure was like bankruptcy and carried a stigma.

"I don't think that's the case anymore. (But) do I ever think we will get back to where the market was 10 years ago? I'm not sure," he said. "Ultimately, as the economy and job markets improve, the number of foreclosures will reduce even in areas where they haven't fallen yet."



**Counsel:** Gary Barr outside his Encino practice, which represents lenders.

PHOTO BY THOMAS WASPER

## GARY BARR

**Title:** Partner

**Firm:** Alpert, Barr & Grant

**City:** Encino

**Practice:** Lender representation in foreclosures

**Attorneys:** 6

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## Clean books

**Stephen Duffy**, managing director of **Moss Adams Capital**, a real estate investment bank in Irvine that works with attorneys and investors on deals, said the banks are eager to clean up the distressed mortgages on their books. That could spell trouble for firms like Barr's because once the banking system clears out its backlog, the need for foreclosure lawyers will decrease.

"As soon as financial institution have a clear path to accelerate the disposition or clean-up of these distressed loans, that will reduce the amount of individual asset restructuring and the