Lancaster Brewery Launches Its Own Female Football League

SPORTS: Startup scheduled to play games in 2021.

By MARK R. MADLER Staff Reporter

Lupe Rose has started a women-focused beer company and now hopes to perform the same trick with football.

The founder of SHE Beverage Co. in Lancaster has launched the Women’s Football League Association with 32 teams that plan to start playing in 2021. SHE Beverage owns the league, which has sold 12 franchised teams so far.

For Rose, it’s a passion project as well as a business.

“We have the ability to come in and structure it so that women are taken seriously and professionally in the sport of women’s football,” she said. “We are working collaborative-ly to move women’s equality forward.”

Please see SPORTS page 4

Vape Insurance Looking Risky

FINANCE: Industry ‘hanging by a thread,’ says agency owner.

By ANDREW FOERCH Staff Reporter

Calco Commercial Insurance has developed the niche business of covering e-cigarette manufacturers and retailers for product liability. But with the entire vaping industry under siege by lawmakers seeking to ban flavors, the specialty business may go up in smoke.

“They’re banning flavors which are not

Please see FINANCE page 10

Halloween Shops Sell Year-Round

RETAIL: ‘Holiday season’ changes for costume stores.

By ANDREW FOERCH Staff Reporter

For Halloween stores in the Valley, the next few weeks are the most profitable time of the year. But those that stay open in the offseason must change their inventory to appeal to shoppers on other holidays.

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CSUN CAMPUS HOTEL

University plans to build 149-room Hilton Garden Inn

By MICHAEL AUSHENKER Staff Reporter

The California State University Board of Trustees has signed off on the construction of a 149-room Hilton Garden Inn hotel on the school’s Northridge campus, despite protests from a labor union.

The board approved the long-in-the-market plan to build 149-room Hilton Garden Inn to serve campus visitors and the surrounding market.

Construction is expected to begin in June. The opening is projected for September 2021. Evolution Hospitality, which currently manages some 5,545 rooms at

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THE LIST

ASSISTED LIVING FACILITIES

See page 16

SKILLED NURSING FACILITIES

See page 20

Environmental Dilemma

New law begs the question: If the state over-regulates recyclers out of business, who will turn trash into usable materials?

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Sand Canyon Roadblock

A Korean billionaire wants to transform a money-losing golf course in Santa Clarita into a resort, but some residents resist.

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Financier: Vape Insurers Hit With Epidemic

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killing anybody,” said Sarkis Kaladzhyan, owner of Calco in Sherman Oaks. “People are getting sick and dying because of drug dealers who push THC cartridges with vitamin E acetate ... to make it look like their product is high quality.”

He said the flavor ban, which applies to products he believes have no connection to the recent slowing of pulmonary health issues, will cripple his business and many others if left in place for the long term.

“Around 95 percent of my business comes from the vape industry,” Kaladzhyan said. “If there’s a flavor ban, we’ll go bankrupt.”

Calco is a brochure that wrote most of its business with Lloyd’s of London. Kaladzhyan declined to disclose any of its big-name clients but said Calco works with the majority of the industry’s well-known manufacturers, as well as small distributors and importers.

The company covers vape businesses if their products malfunction and injure someone, like if a battery shorts and blows up in a user’s pocket. Kaladzhyan said Calco has received about 150 claims for this problem.

But it also provides coverage if customers suffer health problems after long-term, intended use of the products. Kaladzhyan said Calco has received zero of these claims so far, despite the growing media spotlight on health perils.

“Ten years without a single health lawsuit,” he said.

Kaladzhyan founded Calco in 2008, at the height of the recession and the beginning of the vape industry’s explosion into the U.S. market.

At the time, vape companies were the only ones approaching him for new policies, and he was making money when others were losing it hand over fist.

But in the months since the surge of reports of deaths from vaping, the public’s growing fear of the device has resulted in declining sales for his clients, and therefore slower business for Calco.

“Eventually (clients) shrink, their policies shrink, we shrink. New York, Michigan and a couple other states are banning two or three flavors and complete bans. I have orders right now from New York to cancel policies. Just in the state of New York, I have $75,000 in commissions I’d have to pay back (in a statewide ban),” Kaladzhyan said. “We have 50 states. If all these bans are successful, I’m going to have to shut down.”

Death increase

The number of people hospitalized with lung injuries related to the use of vape or e-cigarette products has surged to 1,080 in 48 states with 19 confirmed deaths, including two in California, according to the Center for Disease Control and Prevention.

The epidemic has led legislators in Massachusetts, Rhode Island, Oregon, San Francisco and elsewhere to pass restrictions on the sale of flavored vape products. The L.A. County Board of Supervisors passed an ordinance earlier this week that would ban the sale of flavored tobacco products in unincorporated territories of the county. Sales are still allowed in L.A. for now, but the city is considering a complete ban.

Kaladzhyan and other business owners in the nicotine vapor industry are telling lawmakers that the health problems don’t have anything to do with flavored nicotine vapors — rather, they are caused by additives present in some illegal THC vape products.

Today, Kaladzhyan said, the $4 billion vape industry is “hanging by a thread.”

One of Kaladzhyan’s clients is Vapor Shop & Lounge of Sherman Oaks, owned by his cousin Mher Malayan.

The shop stocks an array of e-cigarettes, vape devices and juices in hundreds of flavors, but does not sell traditional tobacco products like cigarettes. For 29 years, Malayan was a die-hard cigarette user, but in 2013 he was hospitalized after suffering a life-threatening heart attack due to his use. Doctors and family urged him to find any alternative. Kaladzhyan, having worked in the industry for five years, suggested a nicotine vape.

“That was May 10, 2013. From then I haven’t smoked even one cigarette,” Malayan said. “I’m 51 and I feel so much better. I exercise five days a week and I now have no problems.”

He started his store to help others make the same change, but said mass perception of e-cigarettes and vaping as deadly may drive eager-to-quit smokers back to cigarettes.

And a comprehensive flavor ban would be

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Kaladzhyan suggested the study’s discrepancy is similar to the mustard gas-like injuries doctors are seeing.

“I’m not seeing a connection between pulmonary injuries and nicotine,” Van Tassel said.

She added Jull is positioning itself well to ride out the wave of flavor bans by working closely with the FDA and changing their marketing tactics.

Prohibition problems

Kaladzhyan suggested a permanent flavor ban would result in the emergence of a black market for nicotine vape products, which a market would be far more detrimental to public health than the current products.

“Prohibition never works,” he said. “People are going to make this stuff at their house.”

Van Tassel agreed.

“I’m not fond of bans,” she said. “You lose control of the supply chain.”

In the long term, the industry underground, she supports a measure the FDA plans to enact in May 2020 that will heavily restrict the ingredients used to make vape juice. If the epidemic wanes, we’ll know the triggering substance was among those banned.

“The decreased number of ingredients means decreased risk. And increased regulation means increased oversight of the supply chain. Decreased risk means decreased costs for insurance companies,” she said.

“Many would be good news for Calco in Sherman Oaks. Van Tassel conceded that some small businesses will likely go belly up because of a flavor ban, but for vape companies that can weather the storm, as well as new entrants, the new regulations will make it cheaper. And insurers will incur lower payout costs simply because the risks are lower.

“In the long term, regulations will be good not only for public health but for business,” she said.