

California Inc.: Filling a need for funny, tie-dyed condoms

David Lazarus

Welcome to California Inc., the weekly newsletter of the [L.A. Times Business Section](#).

I'm Business columnist [David Lazarus](#), and here's a rundown of upcoming stories this week and the highlights of last week.

Stock trading resumes today with investors still digesting last week's retail numbers. Department store companies [reported dismal first-quarter sales](#) and earnings, but government statistics showed that [overall retail sales improved in April](#). Economists took the shiny retail numbers as good news following a sharp slowdown in job growth in April, which raised worries about the health of the economy.

LOOKING AHEAD

TV previews: The major television networks will unveil their fall schedules for advertisers starting Monday in New York. The annual four-day ritual held around the city is called Upfront Week and serves as a teaser to get advertisers excited enough to open their wallets and buy commercial time in advance of the season. Fox, NBC and Telemundo have their events on Monday; Univision, ESPN and ABC present on Tuesday; CBS and Turner are on Wednesday; and the CW goes Thursday.

Google gathering: Google's annual developer conference, I/O, will take place Tuesday through Thursday at the Shoreline Amphitheater in Mountain View, close to the company's headquarters. The online rumor mill is suggesting several new developments that could be announced, including a Google competitor to Amazon's Echo, the voice-activated home automation device, and integration of the Google Play library of apps into the Chrome operating system. Google watchers are also expecting news about the company's virtual reality projects.

Medical waste: The Los Angeles County Board of Supervisors will consider on Tuesday a proposed program that would set up a network of countywide sites where unused medication and unwanted needles could be dropped off for disposal. Drug manufacturers have mounted a vigorous lobbying campaign against the program, which would be funded by them. Proponents say the program would reduce chemicals ending up in the water supply and keep needles out of the trash. Drug companies say it would be costly and ineffective.

Clothier financials: Gap Inc., the San Francisco-based retailer, will report first-quarter earnings on Thursday. Last week, the clothier reported lower-than-expected sales, issued a profit warning for the first quarter and announced that it is mulling over options for its business outside North America. The company, which operates the Gap, Banana Republic and Old Navy chains, said April sales at stores open at least a year fell 7%. Gap said it will announce more details about options for its international Banana Republic and Old Navy stores when it reports earnings.

Train line opens: For the first time since 1953, rail transit service will reach Santa Monica this week. The long-awaited 6.6-mile extension of the Expo Line officially opens on Friday, with seven new stations connecting the Westside to downtown Los Angeles. The line, which previously terminated in Culver City, will now finish just blocks from the beach in downtown Santa Monica. The Expo Line largely follows the old Exposition railroad right-of-way that was used by Pacific Electric streetcars and freight trains.

THE AGENDA

Monday's Business section turns the spotlight on crowdfunding and funny condoms. Really. Graphic Armor, based in L.A., sells condoms with custom graphics printed right on the latex. Tie-dyed, camouflaged, leopard skin. They've

got 'em. Star Wars ones too. But is this a company you would want to invest in? Graphic Armor will find out. It plans to be among the first companies to attempt to [raise money by selling stock through a Kickstarter-esque crowdfunding campaign](#) open to anyone who has just a few hundred bucks to invest. New rules that allow for those campaigns take effect Monday, a development that could give small companies access to billions of dollars in capital — and expose small-time investors to serious losses.

STORY LINES

Here are some of the other stories that ran in the [Times Business section](#) in recent days that we're continuing to follow:

TWC takeover: Charter Communications has cleared a final regulatory hurdle in its nearly yearlong quest to clinch its \$71-billion acquisition of Time Warner Cable and Bright House Networks. California Public Utilities Commission members [voted unanimously to approve the transfer of phone licenses](#), a blessing needed by Charter to complete the merger of the three cable companies. Charter is expected to finalize the Time Warner Cable and Bright House transactions this week, and then work to consolidate its cable systems nationwide. The Federal Communications Commission approved the deal last week after attaching several conditions aimed at expanding the availability of broadband Internet closing the so-called digital divide. The FCC also won a pledge from Charter that it would not try to thwart burgeoning video-streaming services.

Hyperloop advance: Development of the nearly supersonic transportation system known as the hyperloop reached a new milestone as entrepreneurs [propelled a small sled about 100 yards](#) at half its eventual targeted speed. The demonstration before reporters in the north Las Vegas desert is the latest hype-building event for the hyperloop, a concept that business mogul Elon Musk made fashionable in 2013. Two Los Angeles companies, students across the country and others worldwide are trying to develop the propulsion, autopilot and safety technologies that would underpin a hyperloop system. A full-scale test could come by year's end.

No thanks: Google has a message for payday lenders: Your ads are not wanted here. The Internet search giant announced that it was [banning advertisements for payday loans](#) to protect its users "from deceptive or harmful financial products," delivering another blow to an industry under increasing fire from regulators and consumer advocates. "When reviewing our policies, research has shown that these loans can result in unaffordable payment and high default rates for users so we will be updating our policies globally to reflect that," said David Graff, the company's director of global product policy, in a blog post. The ban, which will take effect July 13, does not prevent the lenders from being displayed in search results.

Pass the quinoa: We're in a golden age of quinoa. The pseudo-cereal — an herbaceous annual that's a cousin to beets, chard and spinach (as if you didn't know) — is [increasingly finding a place on consumers' plates](#). Quinoa farms have taken root in Colorado, the Pacific Northwest, Idaho, Northern California, and now, Brawley, just 20 miles from Mexico in the heart of the Sonoran Desert. There are at least 120 varieties of quinoa, and plant scientists have sifted through most of them trying to figure out which can grow well outside the high and dry altiplano, their native habitat that sprawls across Peru and Bolivia.

Redstone ruling: In a victory for media mogul Sumner Redstone, a Los Angeles judge [dismissed a lawsuit that challenged the 92-year-old billionaire's mental competence](#), removing one of the clouds that have been hanging over his family's corporate empire. The ruling — on what would have been the second day of the trial — doesn't entirely end the legal drama with Redstone's former girlfriend, Manuela Herzer. She vowed to appeal and promptly filed a new lawsuit against his family members. But the decision eliminates a major distraction for executives at Redstone's companies, particularly at the struggling Viacom, which can now focus on shoring up the lagging performance of its Paramount Pictures film studio and cable networks such as MTV and Comedy Central.

WHAT WE'RE READING

Recent stories from other publications that caught our eye:

What's he hiding? [Why won't Donald Trump release his tax returns?](#) The Atlantic observes that “presidential candidates have released IRS forms for years, but the GOP candidate wants to break that pattern — even though it's more important for him than anyone else.”

Tough crowd: As Bloomberg tells it, [Zenefits was the perfect start-up — and then it wasn't](#). This is the story of “what happened when an HR firm had some epic HR problems.”

Strange days: Fast Company [profiles Vanessa Quigley, cofounder of Chatbooks](#), and concludes that “growing up weird can be great for your career.”

Twilight years: The Atlantic [examines China's aging and shrinking population](#). “The consequences for China's finances are profound. With more people now exiting the workforce than entering it, many Chinese economists say that demographics are already becoming a drag on growth.”

Messy business: Here's all you need to know about [this yucky but fascinating tale from Quartz](#): “Big Poultry workers are literally peeing their pants so that Americans can have cheap chicken.”

SPARE CHANGE

Americans are angry — we hear it over and over. But why are they so peeved? NerdWallet offers a helpful chart showing that, [while working-class wages have plummeted, the incomes of rich people have soared](#).

So I don't leave you on a down note, though, [here's a great video](#) of an autistic kid swooning over Snow White at Disney World. I could watch this again and again.

For the latest money news, go to www.latimes.com/business. Until next time, I'll see you in the Business section.

David Lazarus' column runs Tuesdays and Fridays. He also can be seen daily on KTLA-TV Channel 5 and followed on Twitter [@Davidlaz](#). Send your tips or feedback to david.lazarus@latimes.com.