

BUSINESS

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DOW 25,656.98 ▼ 76.62 | S&P 500 2,856.98 ▼ 4.84 | NASDAQ 7,878.46 ▼ 10.64 | GOLD \$1,187.00 ▼ 9.30 | OIL \$67.83 ▼ 0.03 | EURO \$1.1536 ▼ .0053 | U.S. T-NOTE (10-yr.) 2.82% — Unch.



GARSON KELSICK Associated Press

A MAN LOOKS at a vehicle turned upside down by winds brought on by Hurricane Irma on the Caribbean island of Anguilla last September. The Titan HST app was put through its paces as Anguilla faced a direct hit from Irma's 185-mph winds.

Fires, floods, fiascos fuel app's popularity

Start-up helps groups share information during emergencies



LUIS SINCO Los Angeles Times

TITAN HST CEO Vic Merjanian created an app to help with emergency communications. New sensor hardware, right, helps pinpoint app users' locations.

BY RONALD D. WHITE

On the morning a fire forced the evacuation of her daughter's school, Ruth Kobayashi found out about it when her smartphone beated out the distinctive tone she knows she can't ignore: the Orange County high school's app-based emergency communications system.

The app, created by Newport Beach start-up Titan HST, sent her a series of reassuring messages. The fire was small. It was quickly extinguished. The evacuation was precautionary. All of the students were safe.

"It was great because kids don't always have accurate information in an emergency," Kobayashi said. "If I was just relying on my daughter to send me a text saying, 'There's a fire. They're making us evacuate,' you can imagine me thinking that the whole school's burning down. I didn't have to go through that."

Since its release in 2016, Titan HST's emergency communication system has been embraced by businesses, educators and the medical profession. One reason, customers say, is the system's reliability.

Another? Americans are hungry for ways to feel safe and well informed. And little wonder, considering:

- In 2016 and 2017, the FBI reported 50 active shooter incidents that left more people dead and wounded than in any previous two-year period.
- U.S. natural disasters caused a record \$306.2 billion in damage in 2017, shattering the inflation-adjusted mark of \$214.8 billion that had stood since 2005, according to the National Oceanic and Atmospheric Administration.
- The American Psychological Assn.'s most recent Stress in America Survey showed fears over personal safety and terrorism beginning [See App, C5]

STATES' EFFORTS FACE A BLOCK BY IRS

Agency aims to stop legislation that helps filers bypass new local tax deduction cap.

BY JIM PUZZANGHERA

WASHINGTON — The Trump administration has delivered another blow to California.

The Internal Revenue Service and Treasury Department on Thursday moved to block efforts by lawmakers in California and other Democratic-controlled states to help their residents avoid a new limit on state and local tax deductions.

The proposed rule, which is likely to face legal challenges, targets legislation in those states that would allow taxpayers to claim a charitable deduction for state and local tax payments above the \$10,000 limit set in the tax cuts passed by Congress last year.

The Treasury Department said the legislation being considered in various states amounts to a tax dodge for wealthier Americans.

"Congress limited the deduction for state and local taxes that predominantly benefited high-income earners to help pay for major tax cuts for American families," Treasury Secretary Steven T. Mnuchin said.

"The proposed rule will uphold that limitation by preventing attempts to convert tax payments into charitable contributions," he said.

However, the limits on state and local tax deductions will hit some middle-class families in California hard even though the wealthy reap the most benefits from it.

Some 6.1 million California residents filed for the deduction in 2015, reducing their federal tax bill taxable income by \$18,438 on average, according to the Tax Policy Center. Only New York and Connecticut had a higher average deduction.

The IRS will accept comments on the rule through Oct. 11 and then will hold a required public hearing on it Nov. 5. The rule is likely to be in place by the end of the year.

Thursday's announcement escalated a partisan [See Deduction, C4]

CFPB choice has 'no qualifications'

DAVID LAZARUS

Now that White House aide Kathy Kraninger has received the blessing of the Senate Banking Committee's Republican majority to become the nation's top consumer financial watchdog, it's worth highlighting who's in her corner and who isn't. Kraninger is supported, of course, by President Trump, who nominated her for the job. She's also backed by her boss, White House budget chief Mick Mulvaney, who currently serves as the Consumer



Financial Protection Bureau's acting director. "I have never worked with a more qualified individual than Kathy," Mulvaney said in a statement. He cited her "sharp-as-a-tack intelligence and simple, old-fashioned, Midwestern humility." Opposing Kraninger is, well, pretty much everyone who takes consumer protection seriously. "Ms. Kraninger doesn't have one iota of the necessary experience, and it's unclear whether she even has the will to carry out this job," said Christine Hines, legislative director of the National Assn. of Consumer Advocates. It's a sentiment shared by every Democrat on the [See Lazarus, C4]



ALEX WONG Getty Images

AT THE Office of Management and Budget, Kathy Kraninger oversees funding for Homeland Security.

Senate panel OKs Kraninger

Trump's nominee for watchdog role clears a hurdle despite worries that she isn't qualified.

BY JIM PUZZANGHERA

WASHINGTON — Kathy Kraninger is a step closer to becoming the nation's top consumer financial watchdog: A Senate committee on Thursday narrowly approved the White House aide's nomination to lead the Consumer Financial Protection Bureau despite strenuous objections from Democrats that she's not qualified for the job.

Opponents of President Trump's nominee to head

the Consumer Financial Protection Bureau said that she has no experience in consumer protection, financial regulation or the banking industry and questioned her involvement overseeing the budgets of agencies that developed and implemented the child-separation policy at the border and the response to Hurricane Maria in Puerto Rico. Democrats complained that Kraninger would not detail her role in those policies during her confirmation hearing or in written questions.

"She is refusing to describe her role in two very public management failures because she knows it would destroy her case for her nomination," Sen. Elizabeth [See Kraninger, C4]

Emergency app finds a following

[App, from C1] to rival more typical worries about money, work and the economy. The percentage of people citing personal safety as a significant source of stress climbed to 34% in 2017, the highest since the question was first asked in 2008.

One-third of business owners are relying on advanced technologies such as apps, drones, wearable devices and building sensors to support workplace safety, according to Nationwide Insurance's fourth annual business owner survey, conducted in June. This use of such technology has "become a part of the business ecosystem," Nationwide Vice President Tony Fenton said.

Vic Merjanian, chief executive of Titan HST, has been riding that wave since founding the company in 2013. In 2016, his company closed seed funding and began signing up clients.

Business has been booming. Most recently, Merjanian said, Titan HST has signed a contract with the Cal State University system, beginning with the chancellor's office. In April, the company signed a contract valued at \$300 million with New York-based Titan Global, an unrelated security firm.

It wasn't the likeliest of outcomes for a UC San Diego graduate who majored in sociology, earned his law degree from University of San Diego law school and then founded a law practice. He began to wonder how people, rather than suing after an injury, could avoid mishaps in the first place.

"People date from apps, you order food from apps," Merjanian said. "You do everything from apps, right? So why can't you get help from an app?"

Merjanian called his company Titan Health & Security Technologies Inc. but he shortened it to Titan HST for marketing and branding.

"We saved our first life within 20 minutes of public deployment," Merjanian said, recalling how a teacher returned to a science class-



VIC MERJANIAN holds a tablet using the Titan HST app, which allows emergency personnel and others to communicate tactical and status information such as GPS coordinates, text, audio, pictures and videos.

CHRISTINA HOUSE Los Angeles Times

room and found a student trying to drink bleach.

Usage has exploded. Merjanian said the system was used 62 million times in 2017, up from 16 million in 2016. The private company doesn't reveal revenue.

The app, designed for schools, businesses and government agencies, allows users to transmit emergency alerts by picking from a menu of emergency icons on a smartphone or Apple Watch. The system also is accessible through text message, email, the web and social media feeds including Facebook and Twitter. It's available in multiple languages.

"The first core function is the SOS. So you can select

any kind of emergency you have," Merjanian said.

"Even though everyone is worried about active shooters, 40% of the use of the system is for medical emergencies. So we're talking about everything from diabetic shock to food allergies," he said. "A college sorority has used this to alert people at parties if they fear the drinks are being spiked."

The app can access a phone's camera to send visual alerts.

"If people are hiding from a shooter, you can see where they're hiding and whether they're injured or not," Merjanian said.

The app shows the location of people who are safe and those who are not, and

lists those who have not checked in to report their status.

The technology is still being refined, Merjanian said. The company is adding "mesh networking" to allow a phone to link to nearby phones if cellular towers are down and Wi-Fi isn't accessible.

Titan recently partnered with Newport Beach-based Exoio to make and market small sensors with a communication range of 30 feet to 1,000 feet to help pinpoint app users' locations during emergencies.

Exoio is the latest technology company started by Shawn Dougherty, co-founder and former chief operating officer of Mo-

phie, the Tustin-based maker of phone charging accessories.

The app's cost varies by sector, volume and use type, Merjanian said.

For schools, the cost starts at \$2 a student per year paid by the institution, not parents. Private-sector clients usually pay between \$2 and \$10 per user per month.

Emergency management consultant Bill Cunningham has made the Titan HST app part of preparedness plans and training he devises for businesses, government agencies and other customers.

Cunningham, chief executive of Irvine-based Building Emergency Response

Teams, got to try the app out sooner than expected in early September with some clients on the Caribbean island of Anguilla, including a hotel, as they braced for a direct hit from Hurricane Irma's 185-mph winds.

Cunningham had created a preparedness plan but hadn't had time for a trial run.

The Titan HST app "helped keep track of everyone to make sure they were safe," Cunningham said. "It really worked."

The 23,000-student Newport-Mesa Unified School District has rolled out the app systemwide.

It has already gotten quick medical attention for a teacher who had an emergency during a class. It's also enabled immediate lockdowns when strangers were on campus.

"It has proved to be a fantastic emergency broadcast and communications platform for our schools, our students, our families and our staff," said Phil D'Agostino, director of student and community services for Newport-Mesa.

David Marcus, campus business manager at West Hills' De Toledo High School, said the school uses the Titan HST app but hasn't had a real emergency yet, just lots of practice sessions for when the real thing happens.

Marcus said the app has been useful in non-emergencies, alerting parents that students returning from games or field trips will be arriving late because of heavy traffic.

The technology is designed to resist pranks, employing such things as geofencing to prevent someone from declaring a school emergency when they are actually far away from campus.

"There are good control features," Marcus said. "That's really important because we didn't want just anyone sending a message out to our entire school community."

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Los Angeles Times IDEAS EXCHANGE



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