



Marc Lefkowitz, co-owner of Race Pace Bicycles, finally found an affordable city location.

Tuition bill stirs work force debate

Business groups at odds
 over immigration policies

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A perennial issue in Annapolis over whether to give children of illegal immigrants in-state tuition rates is stirring debate not only on immigration policy but the bill's impact on the future of the state's work force and economy.

Maryland could become the 12th state to adopt the policy, which would consider the students state residents for tuition purposes provided their parents pay state income taxes. The issue has been a lightning rod for criticism of immigration reform, with many saying it essentially condones illegal immigration.

But some say the more important issue is addressing gaping holes in the state's high-tech work force. Keeping children of immigrants — some of the fastest-growing populations in the state — in state schools could help meet that demand for workers, an argument supported by one recent study. The debate could once again come down to immigration policy concerns, and legislative leaders are pre-

INSIDE

▪ Hispanic business advocates want Maryland to set aside 3 percent of state contracts for Latino businesses, Page 15.

Retailers on the rise

Lower rental rates offer opportunities to move, expand

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Consumers aren't the only ones looking for bargains these days. So are the owners of the places where they eat and shop.

Merchants across Greater Baltimore have been gobbling up space vacated by other businesses in the past year as landlords dropped their rental rates to keep their spaces full.

Retailers have leased more than 1 million square feet of new space in just the past six months, shrinking the region's vacancy rate for retail space down from 6.6 percent to 5.8 percent since July, according to statistics from Lutherville's MacKenzie Commercial Real Estate Services LLC.

Some of that was driven by large deals, like wholesaler Costco's lease of nearly 127,000 square feet

Please see **RETAILERS**, Page 14

Please see **TUITION**, Page 15

Md. nursing homes' cash flow crimped by stalled Medicaid cases

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Maryland nursing homes are struggling to keep in the black as they grapple with an influx of Medicaid patients, state budget cuts and increased federal regulations. A backup in Medicaid applications is causing major cash flow problems for these facilities.

The eligibility process — from the time a patient applies for long-term care Medicaid benefits to the point when the state determines whether an individual is eligible — is supposed to take 30 days for the state to

complete.

But cases are getting pushed back anywhere from six months up to a year, which means nursing homes aren't getting reimbursed for the services they provide patients in that time period. The result is that nursing homes are writing off expenses as bad debt or they're deciding to dip into their cash reserves or take out new lines of credit just to keep employees on their payrolls and pay for health care services for patients.

The majority of nursing home residents are dually eligible for both Medicare and Medicaid, but Medicare has limited coverage for long-term care stays. A patient

must meet a specific medical criteria and at the most, Medicare only covers up to 100 days of a patient's stay. So nursing homes rely on Medicaid reimbursements as a significant portion of their income.

"Most businesses could never operate like this," said Danna Kauffman, senior vice president of LifeSpan Network, which represents senior care providers in the mid-Atlantic.

Kauffman said several factors have come together to create what some see as a crisis for nursing homes.

Please see **MEDICAID**, Page 14

Business Leads 31
 Networking & Events . . . 30
 Lists 21, 23
 Out & About 29
 Smart Strategies 25
 Viewpoint 39



WINERY WIN?

Bill would
 expand
 permits.
PAGE 7



BEHIND THE BILLS

Find out what legislation
 may affect you.
PAGES 7, 8

Largest turnaround and management consulting firms in the Baltimore area

Ranked by current number of Baltimore-area clients

| Prior rank | Name | Address Phone / Internet | Clients local/ total | Sample listing of clients | Local staff/ consultants/ total staff | Specialty services | 2010 revenue/% business from consulting | Top local executive, title |
|------------|-----------|---|----------------------------|---|---|---|---|--|
| 3 | 1 | PricewaterhouseCoopers LLP 100 E. Pratt St. #1900, Baltimore 21202 410-783-7600 / www.pwc.com | 113/ 12,000 | dtd | 270/ 247/ 163,000 | risk assurance, IT, security, international structuring, internal audit, tax | \$26.6 billion/ 25% | William S. Corey Jr., office managing partner |
| n/a | 2 | Protiviti Inc. 1 E. Pratt St., Suite 800, Baltimore 21202 410-454-6800 / www.protiviti.com | 100 ¹ / dtd | dtd | 38/ 30/ 2,500 | consulting, tax and financial advisory services to help clients navigate through distressed situations | \$385.62 million/ dtd | Charles R. Goldstein, managing director |
| 2 | 3 | Hartman Business Technology 8850 Col. 100 Pwy. #306A, Columbia 21045 410-740-9270 / www.hartmanbiztech.com | 75/ 87 | Hess, Ritz Camera and Image, Strata Group | 4/ 12/ 16 | independent IT advisory services, IT valuation, strategy, efficiency reviews, IT leadership | dtd/ 100% | Dave Hartman, president |
| 4 | 4 | KPMG LLP 1 E. Pratt St., Baltimore 21202 410-949-8500 / www.kpmg.com | 60/ dtd | dtd | 190/ 71/ 21,240 | tax services, corporate finance, IT services, restructuring, M&A, valuation, forensics, internal audit | \$20.1 billion/ dtd | Kevin Hall, office managing partner |
| 1 | 5 | Invotex Group 1637 Thames St., Baltimore 21231 410-539-8580 / www.invotex.com | 51/ 228 | dtd | 43/ 34/ 64 | reorganization, crisis mgmt., receivership, distressed real estate, financial investigation, fraud, valuation, litigation | dtd/ 100% | Raymond J. Peroutka Jr., CEO, managing director |
| n/a | 6 | Evergreen Advisors LLC 9256 Bendix Road #300, Columbia 21045 410-997-6000 / evergreenadvisorsllc.com | 46/ 75 | Harkins Builders, Pathsensors, Inc., Ansom Metals, Seismic LLC, Butler Capital | 14/ 15/ 14 | corporate finance, growth and exit strategies, valuations and advisory services | dtd/ dtd | Richard A. Kohr, CEO |
| 6 | 7 | PA & Associates Inc. 9515 Deereco Road #301, Timonium 21093 866-200-7283 / www.paaa.com | 44/ 89 | Perdue, Utz, Lax World, Kelly & Associates Insurance Group, Balt. Coffee & Tea | 20/ 5/ 80 | transportation spend mgmt., negotiation of small package carrier agreements, shipping systems, analytics | dtd/ 100% | Richard D. Palarea, CEO |
| 5 | 8 | Hertzbach & Co. 800 Red Brook Blvd. #300, Ow. Mills 21117 410-363-3200 / www.hertzbach.com | 35/ dtd | dtd | 119/ 15/ 119 | business performance, turnaround mgmt, restructuring, forensic services, IT | dtd/ 35% | Joel Chazen, Donald Hoffman, Jeffrey Kleeman, co-managing partners |
| 7 | 9 | CPI/New Options Group 913 Ridgebrook Road #304, Sparks 21152 410-785-1370 / www.cpi-newoptions.com | 25/ 62 | MedStar Health, Enterprise Partners, Mercy Medical Center, Md. Hospital Assoc. | 6/ 2/ 11 | talent management/development, executive coaching, leadership development | \$36 million/ 100% | Mark Hornberger, regional vice president |
| 10 | 10 | StatPay Inc. P.O. Box 3196, Baltimore 21228 410-788-9715 / www.statpay.com | 18/ 25 | dtd | 7/ 4/ 11 | medical group practice mgmt. consulting, health IT preparation, implementation, operations improvement | \$525,000/ 75% | Craig Law, president and CEO |
| 8 | 11 | Strategic Partners LLC 111 S. Calvert St. #2700, Baltimore 21202 410-653-5554 / www.strategic-partner.com | 16/ 21 | dtd | 5/ 5/ 5 | crisis management, financial restructuring, turnaround management, operations management | dtd/ 100% | Lawrence E. Feldman, John D. Reichlin, principals |
| 8 | 12 | Audacious Inquiry LLC 5523 Research Pk. Dr. #370, Catonsville 21228 301-560-6999 / www.aiinq.com | 11/ 19 | dtd | 15/ 15/ 17 | health information systems, analytical services, and software development | dtd/ 100% | Christopher Brandt, managing partner |
| 12 | 12 | Executive Sounding Board Associates Inc. 10 N. Calvert St. #647, Baltimore 21202 410-783-0098 / www.esba.com | 11/ 250 | dtd | 2/ 20/ 20 | turnarounds, crisis management, litigation support, forensic accounting | dtd/ 100% | Martin I. Katz, president |
| 17 | 14 | McShane Group 2345 York Road, Suite 102 Timonium 21093 410-560-0077 / www.mcshanegroup.com | 10/ 10 | dtd | 1/ 3/ 6 | management consulting | dtd/ 100% | Thomas P. McShane, president |
| 16 | 14 | Strategic Management Partners Inc. 522 Horn Point Drive, Annapolis 21403 410-263-9100 / strategicmgtpartners.com | 10/ 16 | federal govt. contractors, job shop manufacturers, high-tech, software, engineering | 0/ 0/ 6 | turnaround interim mgmt., private equity advisory, distressed investing, restructuring, bankruptcy/litigation | \$1.6 million/ 80% | John M. Collard, chairman and CEO |
| n/a | 16 | CRG Partners LLC 7625 Wisconsin Ave., Bethesda 20814 240-482-4737 / www.crgpartners.com | 6/ 80 | Rangers Equity Holdings, Point Blank Solutions, Pilgrim's Pride, Fuddruckers | 2/ 2/ 80 | turnaround mgmt., operational improvement, revenue enhancement, liquidity mgmt., interim management | dtd/ 100% | Lisa M. Poulin, managing partner |
| n/a | 17 | AlixPartners LLP 40 W. 57th St., 29th Fl., New York 10019 212-490-2500 / www.alixpartners.com | 5/ dtd | General Motors, General Growth Properties, Lyondell Chemical, SemGroup | dtd/ dtd/ 900 | virtually all industries, advisory and debtor, middle market and large companies | dtd/ 100% | Fred Crawford, CEO |
| 12 | 18 | NHB Advisors Inc. 822 Montgomery Ave. #204, Narberth, Pa. 19072 610-660-0060 / www.nhbteam.com | 4/ 80 | dtd | 4/ 4/ 33 | turnaround, refinancing, restructuring and recapitalization, wind-down and liquidation services, bankruptcy svcs. | dtd/ 100% | Thomas D. Hays III, principal |
| n/a | 19 | Buccino & Associates Inc. 200 W. Madison St. #2620, Chicago 60606 312-629-1200 / buccinoassociates.com | 3/ 10 | dtd | 0/ 0/ 12 | crisis management, interim management, financial advisory services and litigation support | dtd/ 75% | Gerald P. Buccino, chairman and CEO |
| n/a | 20 | Entinex Inc. 300 E. Lombard St. #840, Baltimore 21202 410-814-7513 / www.entinex.com | 2/ 7 | Mind Over Machines, Knorr Brake, CareFirst, Prudential, Carnegie Mellon University | 2/ 1/ dtd | high performance operations, lean, CMMI, agile, process improvement | \$500,000/ 100% | Hillel Glazer, principal and CEO |
| n/a | 20 | Equity Partners Inc. 101 N. West St., Easton 21601 866-969-1115 / www.equitypartnersinc.com | 2/ 12 | dtd | 5/ 4/ 6 | investment banking, business brokerage | dtd/ 10% | Kenneth W. Mann, president |
| n/a | 22 | Marvin A. Davis Inc. 80 Seville Chase, Atlanta 30328 404-441-3970 / www.marvinadavis.com | 1/ dtd | Signal Apparel, Petrowax, Orchid Industries, Pinnacle Towers, DMG Advertising | 0/ 0/ 7 | manufacturing, retail outlets, service industries domestic and international, public and private | \$4 million/ 100% | Marvin A. Davis, managing partner |

NOTE: More than 50 companies were surveyed for this List, but some declined to participate, or did not respond by deadline. FTI Consulting Inc. is known to belong on this List, but declined to disclose the ranking criteria. Waypoint Resources LLC is believed to belong on this List, but did not respond by deadline. SOURCE: The companies provided the information for this List. The *Business Journal* takes them at their word.

¹ Protiviti estimates that they have more than 100 Baltimore-area clients, but were unable to disclose the exact figure.


Compiled by: Carolyn M. Proctor and Alexander Jackson.

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What's on Tap?

FEBRUARY

18 Careers & Education

Lists: Colleges & Universities
Graduate Schools of Business/MBA Programs

25 Tax Time

Lists: Employee Benefits
Administrators, Accounting Firms

MARCH

4 Technology

Lists: Software Companies, Web Design Firms

11 Nonprofits

Lists: Charitable Foundations, Arts Organizations

18 Health Care

Lists: Busiest Hospitals, Health Systems

25 Arts & Entertainment

Lists: Top Performing Real Estate Brokers, Commercial Real Estate Firms, Commercial Real Estate Deals (all Lists inside pub)

APRIL

1 BRAC

Lists: Apartment Complexes, Mortgage Lenders

8 Marketing & New Media

Lists: Lobbyists, Advertising Agencies

15 Real Estate & Development

Lists: Landscape Architecture Firms (10), Landscape Contractors (10), Architecture Firms

22 Careers & Education

Lists: LEED-Certified Buildings, Renewable Power Supply Companies (all Lists inside pub)

29 Tourism & Travel

Lists: Toughest Golf Courses, Caterers

MAY

6 Banking, Finance & Insurance

Lists: Money Managers, Commercial Lenders

13 Sports Business (Preakness)

Lists: Automotive Dealerships, Leading Thoroughbred Horse Sires

20 Cyber Security

Lists: SBA Lenders (inside pub), Professional Search Firms

27 Health Care

Lists: Crab Houses, Environmental Consultants

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