

## The Rouse Company Case Study

**Synopsis:** Over roughly a ten year period your company is able to more than triple its revenue. One key component of that growth is – a solid relationship with Pinnacle Surety which substantially augments your bonding capacity thereby giving you an advantage on major projects.

**The Situation:** You're already a profitable and successful company but have not really needed or had major bonding capacity. Opportunities arise for growth, but your current bonding relationship seems difficult, unresponsive, and not in tune with the vision you have for the company. Then you begin a relationship with Pinnacle Surety.

**The Story:** The Rouse Company ([www.TheRousecompany.com](http://www.TheRousecompany.com)) is now a major subcontractor specializing in both the installation and maintenance of commercial floor coverings. They have worked with some of the largest and best known general contractors in southern California including Turner Construction (<http://www.turnerconstruction.com>), Snyder Langston (<http://www.snyder-langston.com>), Swinerton Builders, (<http://www.swinerton.com/web/do/index>) Matt Construction, (<http://www.mattconstruction.com/>) C.W. Driver, (<http://www.cwdriver.com/>) and McCarthy Construction (<http://www.mccarthy.com/>) among others.

Their assignments have included high end and prominent projects like the Pelican Hill Resort Hotel, (<http://www.pelicanhill.com/>) LA Live, (<http://www.lalive.com/>) Bacara, (<http://www.bacarasort.com/welcome-to-bacara/>) The Sony Lot, JPL Flight Projects, (<http://www.jpl.nasa.gov/news/factsheets.cfm>) Harvard Westlake Middle School, (<http://www.hw.com/>) St. Jude Medical Tower, (<http://www.stjudemedicalcenter.org/>) UCSD north campus housing (<http://www.turnerconstruction.com/sandiego/content.asp?d=6098>) to name a few.

But that success story was much less evident in 2005. According to Jeffrey Lasher, Chief Operations Officer of The Rouse Company, their relationship with their former bonding company was not smooth. They were difficult to work with, created too much red tape, and even required the owners to pledge personal property in order to obtain bonding. When cash flow issues arose, they would not listen to the plans and vision the company had to resolve those issues.

“Eric Lowey [of Pinnacle] was willing to listen and work with us to see the vision we had to grow our company,” said Lasher. “It’s not so much that the actual requirements were different, but rather in the way that they saw the possibilities with us. It became a win/win situation.”

Pinnacle suggested that they meet with a new underwriter and ultimately moved the business there. As of now, The Rouse Company has an aggregate bonding capacity of \$20 million and Pinnacle would consider more on an as-needed basis.

It is currently a subcontractor on the Kaiser Anaheim Hospital ([http://www.buildingtradesnews.com/index.php?option=com\\_content&view=article&id=534:kaisers-500-million-anaheim-hospital-on-schedule&catid=1&Itemid=77](http://www.buildingtradesnews.com/index.php?option=com_content&view=article&id=534:kaisers-500-million-anaheim-hospital-on-schedule&catid=1&Itemid=77)) with a \$5 million bond securing their work. They are installing flooring for barracks at Camp Pendleton, (<http://www.defenseindustrydaily.com/USMC-Moves-Ahead-with-Camp-Pendleton-Barrack-Renovations-05709/>) and have submitted a bid bond on a major LA Airport expansion and modernization project ([http://www.airport-int.com/news/lax\\_tom\\_bradley\\_terminal\\_expansion\\_begins.html](http://www.airport-int.com/news/lax_tom_bradley_terminal_expansion_begins.html)).

Over a two year period, in 2009 and 2010, while the economic climate was the most challenging in decades, the company installed more than 435,000 square feet of flooring in a 41 story residential condominium project in Century City. (<http://articles.latimes.com/2010/jul/24/business/la-fi-century-condos-20100724>)

**Summary:** Clearly many factors have contributed to the success and growth enjoyed by The Rouse Company. Turner Construction recently recognized them with the subcontractor of the year award for their quality work, customer service, and client relationships.

But a key factor in that success has also been their relationship with Pinnacle Surety, which has allowed them to pursue and achieve the vision articulated to and understood by Eric Lowey, President and Founder of Pinnacle Surety.