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KCK manufacturer expands

New site will add 35 jobs by summer

BY MARK KIND | STAFF WRITER

A longtime Kansas City, Kan., manufacturer is adding another site in the city after the company's merger in the summer with two other U.S. foam-product companies.

"We're bringing on some additional production capacity in Kansas City that we don't have right now," said Richard Nickloy of Kansas City, executive vice president of ACH Foam Technologies LLC.

ACH is leasing 100,000 square feet near downtown Kansas City, Kan., at 1400 N. Third St. this month and bringing it online in 2006. By late summer 2006, the downtown plant will have about 35 employees, Nickloy said.

Nickloy was president of KCK-based Contour Products Inc., a manufacturer of polystyrene insulation for buildings, until June 30. That's when ACH grew out of a merger of Contour Products with Denver-based Advance Foam Plastics Inc. and Heartland EPS Inc. of Wisconsin.

Nickloy still oversees the 100-employee factory in Kansas City, Kan., and another former Contour Products plant in Newton, Kan., he said.

The plant at 4001 Kaw Drive sits between the Kansas River and Interstate 70 just east of I-635.

The expansion should help ACH produce revenue of about \$100 million in 2006, Nickloy said.

Growth was part of the reason



DAVE KAUP | KCBJ

Richard Nickloy, executive vice president of ACH Foam Technologies LLC, pours some polystyrene beads,

which are used in all of the company's products.

for the merger, said Rich Waller, former president of Advance Foam Plastics.

"The concept of merging these

three companies to form a platform for future growth became

SEE MANUFACTURER | 44

Firm's sale may cost 115 jobs

BY STEPHEN ROTH | STAFF WRITER

As many as 115 employees could lose their jobs as a result of the sale of part of FBD Consulting Inc. to a California company.

FBD President Michael Juffa said in a Nov. 22 letter to the Kansas Department of Commerce that the layoffs will begin April 30.

The 115 local jobs is the maximum that will be cut in a year's time, Juffa said in an interview.

FBD's reimbursement business in health savings accounts and other flexible spending accounts will be consolidated into other offices of WageWorks Inc. of San Mateo, Calif., he said. Some of the employees could remain with FBD or join WageWorks.

"We did severance agreements and packages for 115 people, but not all 115 may be affected," Juffa said.

"It's going to take about a year or so to transition this business. It's not going to happen overnight."

Overland Park-based FBD filed its letter to comply with a law that requires employers to notify the state of a reduction of 50 or more workers.

WageWorks CEO Scott Halstead could not be reached for comment.

National Financial Partners Corp., the New York City company that owns FBD, announced Oct. 11 that FBD would sell its reimbursement business. Juffa said the deal closed Nov. 1.

In announcing the deal, National Financial Partners said FBD's reimbursement administration business "did not con-

FBD CONSULTING INC.

FOUNDED IN 1967, FBD Consulting Inc. provides consulting, actuarial and administrative services related to employee benefits, human resources, pension plans and retirement planning. The Overland Park company has a national clientele, including several Fortune 500 companies. New York City-based National Financial Partners Corp. acquired FBD in January 2001.

New owner takes wheel at Chezik

Son-in-law buys dealership in multimillion-dollar deal

BY CHRIS GRENZ | STAFF WRITER



DAVE KAUP | KCBJ

One immediate change after the Nov. 23 sale of John Chezik Honda is the dealership's name.

John Chezik's final "desk-smashing good deal" was a big one: his Honda dealership.

His son-in-law, Robert Hennessey, bought John Chezik Honda in a deal that closed Nov. 23.

Hennessey declined to disclose the terms, but one dealer said the sale easily could have been in the \$10 million to \$15 million range.

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SEE SALE | 45

Waddell's Ivy Funds' growth climbs 87 percent

BY STEPHEN ROTH | STAFF WRITER



Butch

Ivy Funds has seemingly sprung overnight, taking up a growing portion of Waddell & Reed Financial Inc.'s \$40 billion mutual fund garden.

At the end of September, Ivy Funds' assets under management had increased 87 percent during the past year, to more than \$6 billion, according to Waddell & Reed's third-quarter earnings report. Strong sales through brokers not

affiliated with the Overland Park company's network of financial advisers explain much of the fund family's explosive growth.

"The growth rate has been encouraging and has been pretty substantial," said Thomas Butch, Waddell & Reed's senior vice president and chief marketing officer. "What we want to do is ensure we continue to grow."

An amalgam of portfolios and managers from three fund families, the Ivy Funds is a relatively new ven-

ture for Waddell & Reed (NYSE: WDR). For decades, the Overland Park company sold its mutual funds exclusively through its national network, which today numbers about 2,400 affiliated advisers.

The 2002 acquisition of Ivy Funds adviser Mackenzie Investment Management Inc. signaled Waddell & Reed's first big attempt to market funds to nonaffiliated brokers.

After merging Ivy Funds with its W&R Funds group and parts of another acquisition, Advantus Capital

Management Inc., Waddell & Reed relaunched the fund family under the Ivy banner in 2003.

It built a 25-person wholesale staff and hired industry veteran Brad Ross as Ivy Funds' national sales manager.

"We felt there was an opportunity to expand the distribution of those products into other broker-dealers and financial advisers," Butch said. "Ivy Funds really became the bridge

SEE WADDELL | 44

Keeping MRIs safe attracts Jünk Architects Higher-tech scanners edge closer to KC

BY ROB ROBERTS | STAFF WRITER

Tobias Gilk was observing the installation of a magnetic resonance imaging scanner at a Columbia hospital a few years ago when two burly construction workers tried to carry a steel plate past the device's powerful magnet.

"A second later, they were the filling in an MRI sandwich," said Gilk, a medical architect for Jünk Architects PC in Kansas City.

Fortunately, the magnet the men were pinned against was part of a low-field, open MRI system, allowing them to be freed without significant injury.

Since then, however, the magnetic-field strength of some clinical MRI scanners has increased to 3 Tesla — about 60,000 times stronger than Earth's magnetic field — and a corresponding safety void has pulled Jünk Architects into a new market niche.

"I see them, along with Dr. Emanuel Kanal (a professor of radiology at the University of Pittsburgh Medical Center), as the leading experts on MRI safety today," said Kemp Massengill, CEO of Mednovus Inc. of Lecadia, Calif.

Massengill, who designs ferrous-only metal detection systems to help prevent "missile-effect" MRI accidents, began carving his niche in the field 11 years ago.

Robert Jünk, who co-founded Jünk Architects in 1987, said the firm has done design work for health care clients from the outset. But it wasn't until a few years ago that the firm saw the crying need for architects specializing in MRI facilities.

Since then, Jünk Architects has done work for MRI facilities from coast to coast, and MRI-related jobs have grown from about 10 percent of the six-person firm's work in 2002 to about 50 percent today.

The popularity of MRIs has grown as stronger magnets have improved the quality of images and because no radiation exposure is involved, Jünk said.

That absence of radiation, he said,



SEE JÜNK | 45

Tobias Gilk (left) and Robert Jünk of Jünk Architects PC have helped the firm become one of the "leading experts on MRI safety today," one CEO says.

DAVE KAUF | KCI

BY ROB ROBERTS | STAFF WRITER

Jünk Architects PC has worked on magnetic resonance imaging installations in just about every large U.S. city — except Kansas City.

Tobias Gilk, a medical architect with the Kansas City firm, expects that to change as more of the powerful new 3 Tesla MRI scanners hit the local health care market, heightening the need for safe designs.

But opinions vary on how quickly the 3 Tesla scanner will replace its half-as-powerful predecessor, the 1.5 Tesla, as the gold standard of the local MRI market.

The Hoglund Brain Imaging Center at the University of Kansas Medical Center in Kansas City, Kan., and the Heartland Spine and Specialty Hospital in Overland Park are the only local facilities with 3 Tesla MRI scanners.

"I think we're going to see a real explosion of these new 3 Tesla magnets starting in 2006," Gilk said.

But Lou Wetzel, director of MRI at The University of Kansas Hospital and Medical Center, said the 3 Tesla rush may be a few years off.

The head-only 3 Tesla scanner at the Hoglund Brain Imaging Center is much better than the 1.5 Tesla scanner for research applications such as spectroscopy, a noninvasive chemical analysis of tissue, and functional MRI, which measures metabolic brain activities corresponding to repetitive body movements, Wetzel said.

But when it came time to buy a new MRI for clinical use at KU Hospital nine months ago, Wetzel chose a 1.5 Tesla scanner.

One reason was price. The 3 Tesla scanners cost about \$2.5 million —

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PHOTO COURTESY OF WWW.SIMPLYPHYSICS.COM

Morie NessAiver, an adjunct professor of diagnostic imaging at the University of Maryland, posts photos on his Web site of objects that have been sucked into MRI scanners throughout the country. Among the unintentional flying objects have been chairs, floor buffers, welding tanks and oxygen tanks.

JUNK: 'We've seen some crazy, stupid things'

FROM PAGE 3

has allowed the estimated 10,000 MRI scanners in the United States to operate with far less government regulation than is applied to computed tomography (CT) scanners or X-ray facilities. But that doesn't mean MRI facilities carry less potential for bodily harm.

In one recent instance, Gilk said, a bobby pin had to be surgically removed from an MRI patient's nasal cavity after it was worn into the scanning room and sucked into the bore of the scanner at about 40 mph.

"In another situation at one of our client facilities, somebody walked into the magnet room with an oxygen cylinder while a patient had their head inside the bore," Gilk said. "It was only by dumb luck that the cylinder was sucked out of the person's hands and into the bore without striking the patient."

Six-year-old Michael Colombini wasn't as lucky.

Michael, sedated after brain surgery, was receiving an MRI scan at Westchester Medical Center in Valhalla, N.Y., when his oxygen supply failed. An anesthesiologist responding to the situation brought a steel oxygen tank into the scanning room, and it flew into the bore, dealing a fatal blow to the boy's head.

A year after that 2001 tragedy, the American College of Radiology issued a white paper addressing MRI facility safety issues. That year, Jünk Architects followed the white paper's recommendations in auditing an existing MRI suite and planning for another at Boone Hospital in Columbia.

"It was the first time the white paper had been turned from words on a page to walls in a building," Gilk said.

In addition to their MRI design, auditing and consulting work, Gilk and Jünk give frequent MRI safety talks to everyone from hospital maintenance personnel to emergency responders.

"There's a documented case where a German firefighter responding to a fire at an MRI facility entered the scanning room with his breathing apparatus on," Jünk said. "He thought that because the power had been shut off that the magnet would be shut down."

Instead, the magnet sucked the firefighter into the bore, folding him in half and critically injuring him.

Most of the powerful bore scanners made today include large coils of copper wire surrounded by as much as 1,000 liters of liquid helium, which at minus-450 degrees Fahrenheit turns the copper into a superconducting material.

That allows the MRIs to run without outside electrical power for days, Gilk said. But extended power failures, intense vibration or exposure to water can cause the liquid helium to start to boil off, "quenching" the magnet.

If the MRI suite is not properly vented, an inadvertent or intentional quench can flood it with boiling cryogen, freezing human tissue on contact, liquefying enough oxygen to create a fire hazard and increasing air pressure to "just this side of explosive," Gilk said.

Other MRI-related risks to humans include disruption of implants, which can prove fatal for someone with a pacemaker or ferromagnetic aneurysm clip, and movement of metal fragments in the eye, which can cause blindness.

Jünk Architects helps prevent those types of accidents by recommending various screening protocols and zones, and educating personnel who frequent MRI suites.

The firm also designs shielding, using steel plating and/or reverse magnets, to contain magnetic fields and protect nearby equipment.

At facilities where MRI vendors have been the sole source of design assistance, Gilk said, "we've seen some crazy, stupid things."

At one facility, the only door to the scanning room was designed to swing in — a potentially fatal flaw for anyone in the room at the time of a quench pipe failure.

At another site, Gilk said, an electronic radiology image storage system was going to be located within a scanner's "bloom field" — the expanded magnetic field that exists when reverse magnets periodically fail.

That's the last thing a hospital should do, Gilk said, "because then you've just wiped out all those medical records."

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SCANNERS: Doctor foresees increasing use

FROM PAGE 3

around \$1 million more than a 1.5 Tesla scanner.

"And quite honestly, there are a number of disadvantages to the 3 Tesla that, at this stage of development, outweighed their advantages," Wetzel said. "With the increased field strength and increased power also comes increased artifact, or blurring of the image. Somewhere down the road, they'll get that all worked out. But right now, I think it's too early to invest in a 3 Tesla magnet."

Dr. Graham Lee disagreed. He is a radiologist at Heartland Spine and Specialty Hospital.

Lee, who has used both types of MRI scanners, said the full-body 3 Tesla scanner at Heartland provides much more detailed images.

It also outperforms Heartland's 16-slice computed tomography (CT) scanner in some instances, Lee said.

"A CT scan will give you good detail of the spine and disks," he said. "But 3 Tesla MRI can also resolve differences in tissues, which allows you to identify nerves within the spinal canal."

Within five years, Wetzel said, 3 Tesla scanners also should be able to pro-

'RIGHT NOW, I think it's too early to invest in a 3 Tesla magnet.'

Lou Wetzel

director of MRI,
University of Kansas Hospital

vide detailed images of the coronary arteries.

The latest CT technology — the 64-slice CT scanner — already is being used to diagnose coronary disease.

But Gilk said MRI scanners have one important advantage over CT scanners: no radiation.

"In the *Journal of the American Medical Association* last spring, they quantified the amount of radiation an average person receives in their lifetime from X-rays and CT scans," Gilk said.

"The cumulative dosage was comparable to what people received in the outlying areas of Hiroshima and Nagasaki after the atomic bombs were dropped."

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SALE: FBD will keep about 50 jobs in OP

FROM PAGE 1



'IT'S GOING
to take about
a year or so to
transition this
business.'

Michael
Juffa
president,
FBD Consulting Inc.

tribute meaningfully to NFP's 2004 gross margin."

FBD will continue to offer administrative and consulting services from its College Boulevard headquarters.

Juffa said the company has about 50 employees in that part of the business.

WageWorks will serve FBD clients. It also will administer the health savings account product of National Financial Partners and provide administrative services for the company's flexible spending accounts and health reimbursement arrangements.

WageWorks describes itself as a leading provider of consumer-driven spending accounts for health, commuting and dependent care; it has branch offices in Chicago, New York and Washington.

On Oct. 14, Juffa told the *Kansas City Business Journal* that no FBD employees would transfer to WageWorks as part of the acquisition.

At the time, he declined to say whether the transaction could lead to the elimination of jobs at FBD.

"Now you have that information," Juffa said Nov. 28.

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