

1,867 KA store owners suffer heaviest toll

Damages estimated at \$347 million

By Dexter H. Kim
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At least 1,867 Korean-owned businesses were reported burned or looted during the worst riots in Los Angeles history, according to Radio Korea.

That amounts to more than half of the approximately 3,100 businesses in Los Angeles damaged during the four days of vandalism, looting and arson that followed the verdict in the Rodney King beating case.

The losses for Korean-owned businesses were estimated at \$347 million, according to the Korean media.

Almost every sector of the Korean American business community in Los Angeles suffered directly or indirectly from the devastation.

Those most affected include:

• **Grocery stores:** Grocery stores were the hardest hit among Korean-owned businesses; 273 stores looted or burned and more than \$66 million in

Damage

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damages.

Yang Il Kim, president of the National Korean American Grocers Association, said the high concentration of Korean markets in South Central L.A. was a factor in their topping the list.

"The dollar value was there," said Kim. "The assets of the business property is very high."

Even though his own store was burned during the riots, Kim said it is important for Koreans to rebuild in South Central.

"We have to get out there," he said, "we have to fight, and we have to stay there."

• **Liquor stores:** Liquor stores were also a high priority target for looters and rioters looking for alcohol.

Koreans, who own 30 percent of all the independent liquor stores in Southern California, were hit with an almost \$42 million loss.

• **Swap meets:** Although armed Korean swap meet owners received a good deal of media coverage during the riots, 336 Korean swap meet vendors suffered from fires or looting.

Sung Kyum Yoo, president of the 2000-member California Swap Meet Sellers Association, said swap meet vendors were hit because "we are there."

"This Rodney King problem, that's a white people, black people problem, we don't understand," he said.

Yoo and 14 security guards stood watch over his swap meet in Compton during the riots.

"We protect ourselves in that emergency situation," he said. "Guards run away, only we can protect ourselves."

While Yoo said he and many of his association's members are angered over their losses, he will stay in Compton because "the bad people only few."

"They cause the fire," he said, "but we love them, we forgive them."

• **Garment industry:** According to John Cho, general manager for the Korean American Garment Industry Association, two garment factories belonging to the association were burned and five more looted. The VO Fashion factory on South Broadway lost 60 sewing machines and approximately 100,000 garments to looting and fire.

Although security guards for the 350 members of the Korean Garment Wholesalers Association were able to fend off rioters, a spokesman said they will suffer from the loss of sales to swap meet vendors and the 222 Korean-owned clothing stores that were reported to have been looted or burned.

• **Dry cleaners:** Eighty-two Korean-owned dry cleaners were reported by *Radio Korea* as damaged or destroyed.

Looters broke two windows at Regal Cleaners in Inglewood and stole over 500 pieces of clothing, said Young Hee Kim, the store's co-owner. It will cost \$1,000 to repair the windows, said Kim, but the business' insurance will repay the customers whose clothing was stolen.

Dry cleaners who do not have insurance will have to compensate customers for lost clothing out of their own pockets, said George Ma, a board member of the Korean Dry Cleaners Association. Business for dry cleaners had been slow since the Gulf War, he said, and the riot will slow it down even more.

Young Pin Choe, however, said his business will not be greatly affected. The former president of the dry cleaners association, Choe defended his store in Lawndale during the riots and was able to escape with just a broken window.

"Most dry cleaner customers," said Choe, "they have high-class job. They need shirts pressed. They need dry cleaners."

• **Electronic stores:** Cosmos Electronics on South Vermont Avenue in Koreatown was looted three times during the riots, according to owner Hee Lee.

Electronic merchandise stolen from both the 7,000-square-foot showroom and 10,000-square-foot warehouse totaled \$2 million, he said.

Lee was on his way home to get his shotgun on the Thursday of the riots when he heard over *Radio Korea* that his store was being looted. He returned to the store to ward off the looters who were taking televisions, stereo equipment, video recorders, telephones, office equipment and camcorders.

The police came late and left quickly, said Lee. After they left, he attempted to guard the store but was unable to watch both the showroom and warehouse at the same time.

• **Gas stations:** Koo Kim, president of the 80-member Korean Unocal Dealers Association, said he knows of at least 10 Korean-owned gas stations that were looted or damaged. At one

of Kim's four stations, \$80,000 worth of tires, batteries, tools and grocery items were hauled away.

Other businesses that were vandalized, looted or burned include: restaurants, auto shops, beauty salons, jewelry stores, furniture stores and video stores.

Even businesses that were neither damaged nor destroyed physically have suffered in other ways.

The Wilshire Plaza Hotel general manager, Sean Kim, reported the hotel's occupancy rate was down 50 percent. Kim said that many travel groups have canceled their plans to come to Los Angeles while others have changed their bookings to Beverly Hills hotels.

Young Kim, general manager at the Rotex Plaza Hotel on Olympic Boulevard, also reported widespread cancellations.

"Most of the hotel's guests are from Korea," said Kim. "Many Koreans [who] come to L.A. worry about this situation."

Korean Airlines said that on the Friday of the riot over 100 of its 291 scheduled passengers flying from Seoul to Los Angeles canceled their reservations. Hong M. Kim, an assistant general manager for one of KAL's passenger sales offices in L.A. said he expects sales to decrease for at least six months.

David Won Kwon, former president of the Korean Travel Agents Association is more hopeful. Of the association's 12 members, said Kwon, only a "few" experienced small-scale damage such as broken windows.

"Business is a little slow," said Kwon. "Not too much problem. It's OK. Maybe one or two months later Korean people will come from Korea."

While it would seem building contractors would benefit from the eventual rebuilding process, some contractors said those benefits will be tempered by slower growth within the Korean American community.

"I think as a result of the riots, the Korean immigration will come to a halt," said Stuart Ahn, former president of the California Korean Contractors Association.

Slower growth is also a concern for real estate agents and brokers.

David Lee, president of the Korean Real Estate Brokers Association and owner of the Hancock Realty in Rowland Heights, estimated it will take two or three years for the buying power of the Korean community to recover.

Korean brokers who have been relying on Korean buyers will now be forced to diversify their clientele, said Lee.

Despite the devastation, Lee speculated that most Korean merchants will return to South Central because they cannot compete with larger stores in other areas.

"Even though there is a big concern for security," said Lee, "I think the majority of the merchants will go back because they don't have any choice."

Korean banks and other financial institutions with Korean clients could lose money through loss of loans.

A little over 80 of Hanmi Bank's customers were affected by the riots, said Seon Hong Kim, executive vice president.

About 5 percent of those customers have loans, but Kim said the bank is willing to defer payments for a certain period.

In addition, the bank is considering a \$10 million relief program with low interest loans for customers who are riot victims. Kim said they will also be provided a grace period during which customers will only pay interest on loans.

But perhaps the greatest worry for merchants who have suffered damages or lost their business is how the insurance companies will be affected.

Chee Hoon Kim, board member for the Korean Insurance Agent and Broker Association in the United States, said he expects business to increase for insurance agents as people become more aware of the need for coverage.

Kim said he has received many calls from people who wanted to get insurance, but the companies he deals with have decided not to take new policies for the moment.

Although he has received eight damage claims worth \$850,000, Kim said, high damage claims affect the insurance companies who pay the claims—more than the Korean agents.

Korean agents could be hurt, however, if the insurance companies with whom they do business decide to abscond on claims or if they go bankrupt, Kim said.

According to Juno Eun, an insurance counselor and owner of Korean Financial and Insurance Services, claims submitted to regulated insurance companies that go bankrupt are guaranteed by the government.

Eun estimated that 90 percent of Korean merchants are insured. Of that group, half hold the basic insurance that, as defined by state law, covers riots.

The other half, said Eun, hold the non-standard form which may or may not cover rioting.

Kay Hwangbo contributed to this report.