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SAN DIEGO'S
young
INFLUENTIALS



2010

The Daily Transcript congratulates San Diego's Young Influentials

By **JADA THOMAS**
The Daily Transcript

San Diego's Young Influentials 2010 is the culmination of a search for San Diego County's newest rising stars, market leaders and entrepreneurs crafting our region and our business landscape for the better. In our search for the next generation of Top

Influentials, more than 140 nominations were received. The final 20 were hand-picked by *The Daily Transcript* editors.

Nominations were open to San Diego County business leaders, 45 and under from any business industry, who are entrepreneurs, leading newsmakers and up-and-coming leaders. Each nomination also included a statement (500 words or less) answering why each nominee qualifies as a Young Influential and what makes the nominee stand out among other leaders.

Representing San Diego's varied economic landscape, the group of nominees included and ranged from the owner of a custom bridal gown

shop to a restaurant proprietor to the CEO of a pharmaceutical company — plus many in between.

Daily Transcript editors were looking for young executives in pursuit of business excellence, who believe in the spirit of hard work and are contributing to the growth of our local economy. This inaugural crop of influentials represents the major business industries across San Diego, including finance, retail, biotech, tech, construction, health, renewable energy, hospitality and more.

Good leadership and entrepreneurship are definitely forces that drive our economy. We pay tribute to San Diego's leadership and highlight

these young entrepreneurs and business leaders. Pay attention to these faces and remember their names, because they are shaping San Diego's future and you'll hear about them again.

Throughout the year, *The Daily Transcript* will be following up with our 2010 Young Influentials to gauge their thoughts and concerns about San Diego County's economy. Find out more about them through *Daily Transcript* roundtables, video interviews and articles.

The Daily Transcript is pleased to present the following section highlighting San Diego's Young Influentials 2010.

The Daily Transcript®

Founded April 3, 1886
www.sddt.com

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San Diego Daily Transcript

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Beyond biotech

Handful of other San Diego industries also see growth

By **JILL BLACKFORD**
Special to the Daily Transcript

The San Diego region was certainly not immune to the challenges of the market over the past year, but it is seeing some growth in spite of the downturn — or, in some cases, because of it. And even beyond biotech, innovation

companies still reign.

"There have been lots of spinoffs in San Diego started by highly talented individuals with technical knowledge of how to create a product or service, and it's been fueled by the recession and layoffs," said Steve Hoey, senior program manager of Connect, a network committed to growing technology clusters. "People may have been kicking around an idea and know people, and so when they got laid off they banded together, attracted management talent and got new startup endeavors going. Even though we're in a recession, new companies still get formed every day."

Across the seven sectors Connect tracks, about 70 percent of new companies formed in the first quarter of this year fall into the biopharma and software categories.

"In terms of innovative tech, the San Diego life sciences industry is the most buoyant, as they have the most traction and receive the most venture capital money. Traditionally, 65 percent of money that's funneling through goes to them," Hoey said.

Most notable as a burgeoning sector in the life science arena is the convergence of wireless and health. Companies like **Jitterbug**, **Awarepoint** and **Sotera Wireless** are creating products and services ranging from cell phones for the elderly, to RFID asset tracking technology in hospitals, to rapid response monitoring.

"San Diego is the center of wireless health in the world," said Rob McCray, CEO of the Wireless Life Sciences Alliance. "There are a lot of good companies here. I believe we can do some good, and fundamentally we have to figure out how to deliver more and better with the same or less resources.

There are, say, 60-90 wireless health companies in San Diego, and 10 years ago there were maybe one or two. It's now ramping up very rapidly."

McCray likens the current momentum behind this convergence to the pairing of online with commerce 10 years ago. He believes 2010 will be looked back upon as a turning-point year for the field, with San Diego at the forefront. With wireless leaders like Qualcomm (Nasdaq: QCOM) in the market, San Diego's position as top biotech hub, and a host of entrepreneurs, scientists and capital here, industry leaders think this may well be the case.

Another key industry that's still gaining ground in the region is clean tech. Under this broad umbrella falls solar and wind power, where companies like **AMSOLAR** are making an impact, as well as niches like algae biofuels and energy storage.

"In terms of energy generation, I see us partnering more with Baja for not only green energy generation but natural gas as well," said Ruben Barrales, president and CEO of the San Diego Chamber of Commerce. "With the Sunrise Power Link and others, we'll have the ability to transport power from Baja and the Inland Empire and beyond. I think this is going to be a growing field here in San Diego."

Large companies like **Sapphire Energy** are key players in the algal bio-fuel space, creating green crude — renewable crude oil — by refining CO₂, sunlight and algae into fuel. But David Andresen, director of clean tech corporate finance for **Oracle Capital Advisors**, said the clean tech space in

See **Biotech** on 15



The staff and Board of Directors send our Congratulations to Steve Sullivan, CEO on being named one of San Diego's Top 20 Young Influentials.

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VCS more selective, but San Diego continues positive trend

By REBECCA GO
The Daily Transcript

Venture capital trends look positive, particularly in San Diego, but the sector won't see an echo of the bubble days going forward, experts say.

"We're never going to see it the way it was," said Bill Molloie, PricewaterhouseCoopers partner and leader of the firm's San Diego pharmaceutical/life sciences practice. "And I'm not sure that's necessarily a bad thing."

Molloie and other venture veterans use the word "efficient" to describe this new world of venture capital. Limited partners, or LPs — the institutions and individuals who provide funds with capital — are more close-fisted these days after losing money in the downturn.

In turn, venture capitalists are more selective about how they choose to deploy their funds: Companies should be further along in development and able to make a little capital go a long way.

In a recent survey of its members, the National Venture Capital Association found that venture capitalists still consider the strength of the management team as the most important factor, followed by market sector. Also, venture capitalists now favor venture-backed talent and value vision and fundraising abilities in a chief executive more than they did nine years ago.

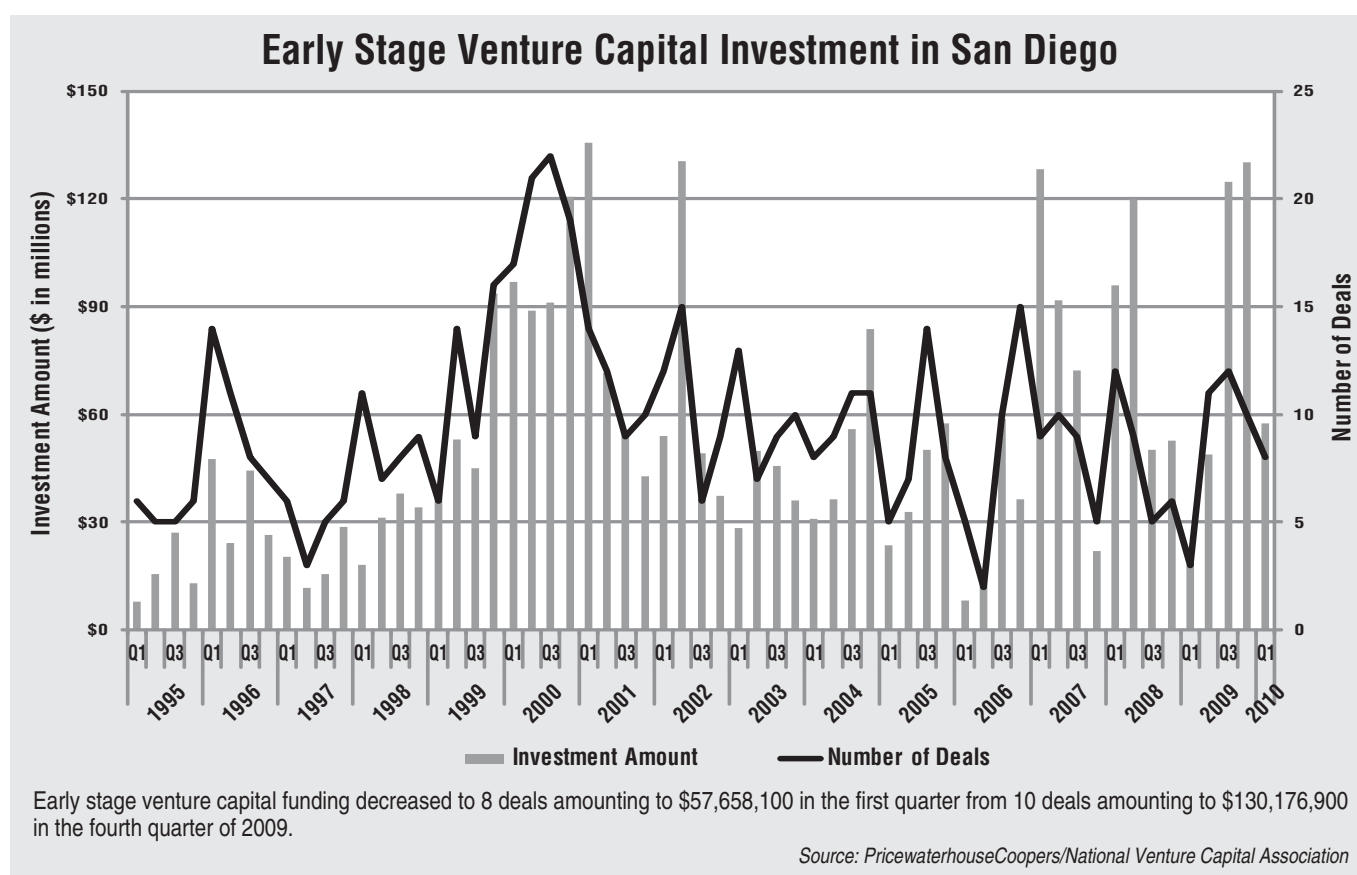
The results "reflect shifting priorities in an environment where both raising funds and the path to liquidity have become more challenging for VC-backed companies," wrote NVCA marketing director Jeanne Metzger on the advocacy group's blog.

Indeed, most agree that venture investors have to be committed for the long haul: Most early stage deals take anywhere from eight to 10 years to reach an exit these days, a panel of venture capitalists agreed at a San Diego Venture Group event in June.

For those in the industry, it's just the reality of the situation. The solid companies with disruptive technology and a stellar management team will still get funded, they say. Investors need to cherry-pick the "innovation nuggets," said Bryan Roberts, a partner at Venrock.

"I think you're going to have a greater sorting of wheat from chaff," he told the SDVG crowd. "But it will remain a picking game ... you don't want to invest in the basket."

This is especially the case since returns have been comparatively poor, the SDVG panel said. Roberts, Austin Ventures' Mike Dodd and Battery Ventures' David Dreesen all agreed



that there is still too much money in venture capital and most sectors are "overfunded" — although some say that it's really a matter of perspective. As a result — to use Roberts' terminology — some chaff is getting funded along with the wheat, depressing returns in the long run.

The clean-tech sector is a case in point, Dreesen said. Targeted stimulus funds and tax credits have diverted a recession in clean-tech, and the sector has attracted \$30 billion in venture funding for more than 900 companies since 2005 — but with very few exits or even failures to show for it.

"There hasn't really been a shakeout yet," Dreesen said, dryly remarking that an investor at least wants his money back and typically wants to see a return of five times the cash invested on an individual deal.

He acknowledges that the sector drivers are all very real: His firm is selectively funding companies for that reason.

"But if you look at the sector as a whole, I have a hard time saying that math is going to work," Dreesen said.

Earlier this month, solar energy company Solyndra canceled plans for a highly anticipated initial public offering that would have raised up to \$300 million. The company said it would sell \$175 million in notes instead.

"Given the ongoing uncertainties in the public capital markets, we elected

to pursue alternative funding from our existing investor base," said Solyndra CEO Chris Gronet in a statement.

Still, the venture capital numbers seem to be improving. Nationally, venture capitalists invested more than \$4.7 billion in 681 deals in the 2010 first quarter, according to the MoneyTree report released quarterly by PricewaterhouseCoopers and the NVCA.

The figures are lower than the \$5.2 billion invested in 832 deals in the fourth quarter of 2009, but represent an improvement from a year ago. In the first quarter of 2009, the amount invested dove to \$3.4 billion in 635 deals from \$5.8 billion in 913 deals the quarter before, and \$7.7 billion in 1,020 deals in the first quarter of 2008.

In San Diego, dollars invested surged to \$222 million in 29 deals in the first quarter. This figure was down slightly from \$305 million in 31 deals in the fourth quarter but a vast improvement from the \$92 million invested in 16 deals in the first quarter of 2009.

"We often hold up San Diego as an ecosystem that is working," said Emily Mendell, NVCA vice president of strategic affairs and public outreach, pointing to the local community of entrepreneurs, trade support groups and universities.

PricewaterhouseCoopers' Molloie

warns that quarterly totals can be skewed by large deals and other factors. For him, the percentage of dollars going to fund startup, early-stage and early-sequence deals is more an indicator of growth than the number of investment dollars per quarter.

Those numbers are trending positive, too: The percentage of dollars and deals going to startup and early-stage companies as well as the percentage of dollars and deals going to companies for the first, second or third time have been steadily edging up over the last few quarters.

San Diego's data is even stronger: Forty-two percent of dollars and 41 percent of deals went to startup or early-stage companies in the first quarter, compared to 32 percent and 44 percent nationwide, respectively. The average deal size was \$7.9 million, compared to the national average of \$4.8 million.

Fifty-four percent of dollars and 55 percent of deals were in the first three funding sequences, compared to 52 percent and 60 percent, respectively, nationwide. The average deal size was \$7.5 million, compared to the national average of \$5.9 million.

Venture capitalists are also keeping an eye on financial reform. The overarching issue for the industry is taxation treatment of carried interest, or a percentage of profits that the venture

See **Venture capital** on 15

Steve Bond

TAG executive VP strives to set new standard

By **REBECCA GO**
The Daily Transcript

For Steve Bond, building a positive brand is important, both in his career and on a personal level.

The executive vice president at local accounting and software services firm **TAG** works to ensure that his company lives up to its name and promise in delivering quality service while developing quality relationships.

TAG provides outsourced accounting, accounting software and high-net-worth family accounting.

“It focuses on relieving a business owner of noncore competencies,” said Bond, 36, who prior to joining TAG oversaw business development for human resource outsourcing company **Administaff**. “If you have quality vendors managing noncore competencies, then you can focus on running a business.”

Bond joined TAG in 2006 as managing director of TAG subsidiary Next Stage Software, and subsequently led the company to become one of the top accounting and operations software value-added resellers in San Diego.

Founded 14 years ago as two separate companies — The Accounting Group and Next Stage Software

— TAG is no newcomer to the marketplace, but it was only a few years ago that Bond and founder Rob Scherer worked to rebrand the company and shape TAG into what it is today.

The management team merged the disparate companies, acquired a handful of additional companies and implemented an employee stock ownership plan, awarding stock options to its employees.

“Rebranding may be an understatement,” Bond said. “It was a shift in the business model.”

Bond says he’s happy with the results: a cohesive, growing, employee-owned company with a unified value proposition and a positive culture. He added that he could see the possibility of a profitable exit in five years and pointed to the billion-dollar success of Administaff as an example of an outsourcing model that worked.

“I really love what we’re doing,” Bond said. “I really believe it can impact companies, and I really

believe it can be something that can be considered a new standard.”

Over the past year, Bond has shifted more of his attention to community involvement. Already an active member of the downtown Rotary Club, MIT Enterprise Forum, Software Industry Council and Execs San Diego, Bond joined the board of Promises2Kids in April 2009. Promises2Kids is a local nonprofit that fights child abuse and neglect in the region.

For Bond, helping others is the bottom line — and in a society where it’s hard to live in anonymity, it plays a part in building a positive personal brand. Bond notes that he has a sign on his wall that encourages

him to aid a prospective client and make an introduction that benefits a friend.

“I try to check those boxes every day,” Bond said. “The way I try to build relationships is by helping other people.”

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Bobby Brannigan

Online textbook site founder aggressively 'taking on Goliath'

By **JEN LEBRON KUHNEY**
The Daily Transcript

The saying goes that one man’s trash is another’s treasure. It held true for Bobby Brannigan when he tried to sell his books back to the campus bookstore on the State University of New York (SUNY) at Fredonia campus in the early 2000s.

The bookstore wouldn’t buy back textbooks that were not being used by a Fredonia professor the next semester, leaving students like Brannigan with unwanted books.

“I was a college student tired of paying the high prices at the campus bookstore for my textbooks only to find out four months later that I couldn’t sell them back because the school no longer felt that they were of value,” said Brannigan on his blog. “I believed otherwise and started the company.”



Brannigan, who did not return multiple phone calls for this story, and a dozen of his college peers started **Valore Books**, an online site for students to buy and sell thousands of college books each year.

The company was located in Buffalo, N.Y., for the first six years of existence. Brannigan said it was difficult to find experienced programmers and executives there, but what sent the company West was a tax law that required out-of-state retailers to pay state taxes on all transactions if they had a physical presence in New York.

In July 2008, Brannigan, a

team of five employees and the company’s online division moved to San Diego.

Since then, he has grown the company through aggressive approaches to “taking on Goliath.”

Google searches for “textbooks” brings up a variety of sites including Amazon, Half.com, Textbooks.com and Campus Books. Valore Books is eighth in the search.

So what does Brannigan do to set his company apart?

He said he keeps his offerings unique with contests for free books and hiring agents to promote the company on college campuses.

These days, Brannigan is working hard with his company, but also blogging for *Fast Company*, a website and magazine that focuses on finding creative businessmen and women and has them share their experiences.

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Reid Carr

Focused leadership netted big name clients for Red Door

By **PADMA NAGAPPAN**
Special to the Daily Transcript

As one of San Diego's 100 fastest growing companies and a three-time Inc. 5000 company, **Red Door Interactive**, an internet presence management firm, has a client list that reads like a "Who's Who" in business.

Founded eight years ago in 2002 by Reid Carr and his wife Amy, the firm has grown from two employees to more than 50 and has offices in San Diego, Carlsbad and Denver.

From the get-go, Carr said the mission has been to help clients run a profitable online business by building their website and maintaining it, and managing their social media, e-mail systems, search functions and other platforms.

Clients include well-known names such as Rubio's Fresh Mexican Grill, Cricket Communications, Sony Online Entertainment, Cox Communications, Overstock.com, Petco, and Souplantation and Sweet Tomatoes Restaurants.

"A constant focus on the kind of clients we wanted helped — our current clients were once on our radar. We jumped on the right kind of service mix early on and we've had a fanatical focus on their needs. We worked on being the best, then showed them," said Carr, 33, who is president of the firm.

Carr takes the lead in generating imaginative strategies with the aim of making each client's website, online campaign and brand image unique, yet is quick to give credit to team effort for the big client wins.

When he graduated from the University of Oregon, Eugene with a degree in journalism and advertising, the industry focus was on online advertising.

"The young guy in the room gets dumped with internet initiatives and that's how I got started. I showed folks it's not just ads, there's online business potential," he said.

Soon after graduation, Carr began working in the Los Angeles office of **TBWA/Chiat/Day**, handling Nissan's account. He then became COO and accounts director at **PBJ Digital**, a bicoastal interactive development and incubator shop, where he was responsible for more than 30 interactive as well as brick and mortar plays.

He then was tapped to form the interactive arm of San Diego public relations firm **McQuorter Group**. As the director of interactive and advertising, Carr quickly built up the division, which topped \$1 mil-



lion in billings in its first year.

When Red Door launched, the first year was tough and Carr recalled a make or break point.

"The last month of our first year was when we had a breakthrough; until then we didn't know if we could make it. Since then, we haven't stopped growing."

One of the priorities he set early on was to hire the right people and retain them. The Carlsbad office was opened to accommodate many employees who were commuting downtown from the North County.

Red Door was this year's winner of the *Inc. magazine's* Top Small Company Workplace.

Carr is a frequent presenter at industry conferences and college campuses. His advice for other young entrepreneurs: "Know what your priorities are, know your target customer base, attract and retain the right folks. At first it will be difficult to prove your worth, then it gets better."

Nagappan is a San Diego-based freelance business writer.

Jeff Daley

Family the root of Daley's success

By **CARLOS RICO**
The Daily Transcript

It's not long after first meeting Jeff Daley that the conversation turns to his family and the importance of spending time with loved ones.

So it's no coincidence that after he got a taste of building homes and experiencing the financial side of business, he started his own investment, custom home, ground-up commercial and multifamily construction company.

"Family is really important to me, so (being your own boss) allows time and freedom to be able to raise your kids, spend time with your wife and spend time with your family," said Daley, who started **J.R. Daley Construction** in 2005.

Daley's background in the construction and housing development industries comes from both his family and post-undergraduate career.

He started working for his grandfather's company, **Daley Corp.**, at age 7 and continued off and on through college until he started his own company.

Daley developed his residential and development interests while attending California Western School of Law, which he attended after graduating from the University of Southern California with degrees in political science and business administration.

He first started J.R. Daley Construction so his company could self-perform all the residential developments his investment company, Southern California Investments, was bringing in. But when

he noticed the housing market was starting to go sour in 2006, he decided to expand J.R. Daley and construct other firm's development projects.

One such project, which he says was the springboard for subsequent projects, was a \$25 million purchase and construction job that involved turning four residential lots into a 70,000-square-foot student housing project near San Diego State University.

"I have been working on that deal for about two years," said Daley, 35, who took over the project from another developer after they could no longer finance it.

Daley obtained his banking and lending experience from working at North American Mortgage Co., where he worked after graduating from USC until the end of 1998.

After receiving his law degree, Daley's interest in real estate grew and he returned to Daley Corp., which specializes in heavy highway construction and land development. At the family business, he was in charge of land sales and transactions. He managed more than \$20 million worth of construction contracts.

In 2002, Daley was recruited by **Premier Communities LLC** to be the director of construc-



tion. His role involved acquiring properties, coordinating the conversion process, and transforming and developing more than 1,000 apartments into condos. He also was responsible for developing all project budgets, supervising and managing multiple projects and, ultimately, organizing the entire construction process.

During the last five years, Daley has purchased and sold more than \$75 million worth of his own holdings in real estate while constructing over 1,000 apartment and condo units.

In 2009, Daley negotiated the purchase of a multimillion-dollar, 700-acre rock quarry located near Brawley, Calif.

Other projects include the construction of several custom homes, including one for actor Richard Dreyfuss in Encinitas.

Daley attributes his success to his past experiences and always having a strong family unit. Having his father and grandfather in the construction industry didn't hurt, either.

"Growing up in a family of entrepreneurs, it's really all I've been exposed to," said the former USC football player.

"When I grew up, we did a ton of family trips together," the San Diego native said. "We were always doing stuff as a family. And I think being a successful entrepreneur really comes from having a great family."

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Malcolm Davies

Davies adapts through diverse roles in real estate, finance

By **SYDNE MOORE**

Special to the Daily Transcript

Malcolm Davies has always loved to work puzzles. In fact, he likens his work in investing and real estate finance to “piecing together a giant jigsaw puzzle.”

Davies, 34, has plenty of pieces to put together. Wearing several hats, he is the principal of **Opes Advisors Inc. San Diego**, a private wealth management firm, and the CEO of **CANVAZ**, a real estate investment firm.

His multiple roles require him to be adept at piecing together complex strategies and solutions.

“Much of my profession involves gaining an understanding of a situation, assessing that situation, and then coming up with solutions to address whatever situation that may be,” he said.

Fueled by a “never-ending desire to learn,” he has spent the past 15 years in real estate, real estate development and real estate finance, involved in more than \$270 million in transactions either as a principal, lender, or investor.

Indeed, he has weathered quite a bit at a young age, and is particularly proud of “surviving the financial collapse of 2008, a very difficult experience for me.” Now, he says confidently, “we are on a very positive road to recovery. This experience has

helped make us much wiser and stronger.”

After the challenges of 2008, Davies rebounded quickly by adopting a proactive attitude — making strategic moves to assure he had multiple revenue streams both personally, and for his respective businesses. Diversification is now key, he said.

“Not having too much vested in one type of business is critical in today’s environment” he said.

To that end, Davies now runs a successful finance firm, real estate and real estate investment company. Each has different revenue models and assures that when one is sluggish, the other two can pick up the slack.

“Even when two may be lagging, one will be able to keep things moving along,” he explained.

Raised in Singapore, Davies is both a citizen of the United States and the United Kingdom, and acknowledges that he has adapted a global view due to his international upbringing. He also spent time in the Bay Area, and then studied urban planning at the University of Arizona’s Regional Development

Department, where he was inspired to enter the fields of real estate and real estate finance.

An active member of the La Jolla Rotary and the Del Mar/Solana Beach Lions Club, Davies also recently helped form The PEERS (Philanthropy, Entrepreneurism, Environment, Relationships and Social Endeavors) Network. He, along with nine other entrepreneurs, all contribute annually to a donor advised fund, which they then donate to various charitable organizations, among them Equinox Center and The Tariq Khamisa Foundation (TKF). Over the next five years, the group anticipates contributing nearly \$3.8 million in donations and like kind services.

“A great element of PEERS is not only the philanthropy, but also the great rapport and feedback all of us give each other as it relates to our businesses,” he said. “There is nothing better than to receive advice from fellow business leaders.”

Moore is a San Diego-based freelance writer.



Scott Fetters

Co-founder of Webceleb sings a different business tune

By **JILL ESTERBROOKS**

Special to the Daily Transcript

Scott Fetters is a rock star in indie music circles.

Not only is he one of the biggest fans of emerging artists and undiscovered musicians, he’s recently launched a new online social platform for showcasing and financing their rich talents.

“I’ve always loved finding new music and sharing it with friends,” said Fetters, co-founder of **Webceleb Inc.** “Now, there’s a way to enjoy great talent, bolster artists’ careers and perhaps save the entire music industry.”

According to Fetters, the industry is very volatile due in large part to the “devaluation of music” as a result of free downloading and music sharing sites like Napster.

“There’s an inherent value to music and it shouldn’t be given away,” Fetters said.

Claiming to have “10 thumbs and no musical talent,” Fetters’ deep appreciation for music was fostered at the liberal arts high school he attended just outside of London.

A U.S. citizen born and raised abroad, Fetters put aside his fledgling career as a copywriter profiling independent businesses in Colorado to voice his “love for music and technology.”

With seed money from friends and family, Fetters

and two co-founders formed Webceleb Inc. in 2007 and launched its website, www.webceleb.com, in the fall of 2008.

It is what Fetters describes as “the next-generation music store where everyone gets paid when songs are downloaded.”

For instance, he says when fans spend \$1 to download a song, they also get one “slice” of that artist’s financial pie. The musician nets 50 percent of the sale and 40 percent is split between every “slice” received within 30 days.

Music lovers can use their slice funds to buy more songs or cash out when they’ve earned \$20 or more.

“The beauty of Webceleb is that, for the first time, when people make a decision to buy music, they will be give, the chance to form partnerships with musicians and have a vested role in the marketing and discovery process,” he said.

Through the online site that uses crowd-sourcing technology, artists are rewarded with online exposure and music sales, and so are their fans who use their dollars and votes to essentially become investment partners.

“It’s like a game,” Fetters said. “Fans become early adopters and then as their favorites get more popular,

they receive rewards like cash and free concert tickets.”

More than just a music store, Webceleb also is active on other online social networking sites like Twitter and Facebook, giving fans and artists a chance to post, tweet and instant message.

The fan-artist exchange isn’t just online, Fetters said. An events-booking element was just added to further extend and enhance the overall music experience.

“This way, fans help venues like San Diego’s Wave House find out who is hot locally and then book those popular artists,” he noted.

His company, which earns a 10 percent fee per online transaction, currently is focusing on San Diego’s vibrant music scene as well as a handful of other cities throughout the country, including Los Angeles, New York City, Oklahoma City and Austin.

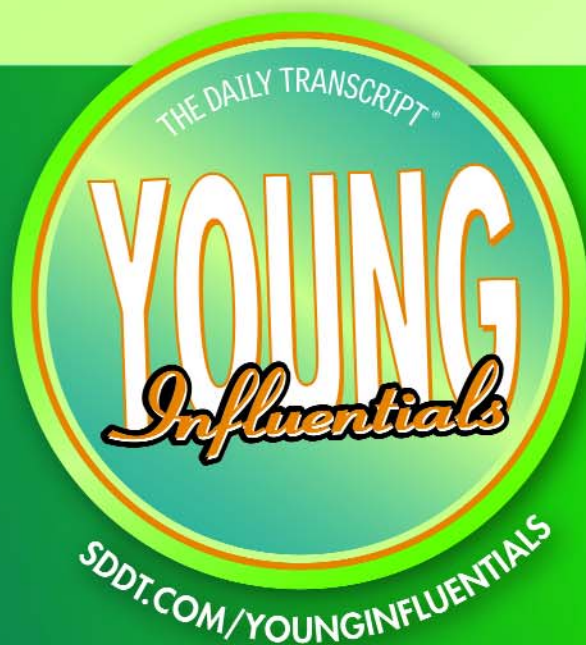
The 27-year-old University of Colorado graduate applies his academic background in social psychology to Webceleb’s business development.

His networking and relationship-building efforts have secured a number of vital partnerships that “bridge the gap between the online and real world,” including a deal to air music videos on MTV Tr3s’ “That Music Show.”

His advice to other budding entrepreneurs with the next big idea: “Don’t wait. Get to market as quickly as possible, because there’s someone else with the same concept right on your heels.”

Esterbrooks is a San Diego-based freelance writer.





SAN DIEGO'S
young
INFLUENTIALS
CONGRATULATIONS FINALISTS!

Steve Bond
TAG

Bobby Brannigan
ValoreBooks

Reid Carr
Red Door Interactive

Jeff Daley
JR Daley Construction

Malcolm Davies
Opes Advisors

Scott Fetters
Webceleb.com

Erik Groset
Digital Group Audio

John Higgins
Ligand Pharmaceutical

Zeynep Ilgaz
Confirm BioSciences

Keith Jones
Ace Parking

Ken Mills
Wine Steals

William Molloie
PricewaterhouseCoopers

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Field Technologies

Bryan Pate
Elliptigo

Joshua Rychak
Targeson

Christophe Schilling
Genomatica

Jason Severson
California Bank & Trust

Steven Sullivan
Sullivan International Group, Inc.

Joshua Weinstein
AMSOLAR Corporation

Erik Groset

Born entrepreneur capitalizes on opportunities

By **PADMA NAGAPPAN**
Special to the Daily Transcript

For someone who got bitten by the entrepreneurial bug at the tender age of 7 — as a Kool-Aid salesman who zeroed in on the lucrative market of thirsty construction workers in suburban Chicago — it's not surprising that the first thing Erik Groset did soon after he graduated was start a new business.

Groset, 26, co-founded **Digital Group Audio (DGA)**, with the aim of perfecting portable sound, when he graduated from California State University, San Marcos with a degree in business.

The company's first product is Livespeakr, an ultra-portable, multifunctional speaker system made for smart phones, with unique rechargeable lithium-ion batteries that last 10 hours.

Though DGA was launched during the recession two years ago, the audio product has racked up 25,000 units in sales for 2009, a good portion of it



through Amazon.com as well as other e-tailers, with minimal marketing. The company is also the No. 1 seller on Amazon.com for portable media player accessories.

"I knew the iPhone was coming out. The only docking station available worked in portrait mode, so we wanted to develop something that worked in both portrait and landscape modes," said Groset, explaining the idea behind DGA.

The system can be used with a variety of devices, including the iPhone, iPod, Droid, Nexus One and Palm Pre.

The innovative smart phone accessory was responsible for Groset being inducted into the Young Inventors International Hall of Fame.

Groset and his co-founder and friend, Robin DeFay, were hawking the speaker system at the Consumer Electronics Show in Las Vegas when a buyer from **Urban Outfitters** (Nasdaq: URBN) saw their demonstration and liked it.

The clothing retailer, which also offers unique items, became DGA's first big client.

Groset and DeFay developed the product internally, but contracted out the manufacturing to a Chinese supplier.

"We tried approaching manufacturers directly

and quickly realized it wasn't going to work, so we looked for project managers with experience in Asia. We found someone who said he'd take us to China, but I didn't have a passport. He told me I could get it in one day by going to the Los Angeles passport office. We stayed in China for six weeks," he said.

That first trip taught Groset how things worked in China, and he got to see how the product was put together and tested.

He had no trepidations about launching a new business during tough times. Instead, he felt strongly that if it could survive the recession, the company could make it through anything.

Groset plans to expand internationally, likely in Europe. He also will explore distribution channels, since he found certain challenges in placing his product in brick and mortar stores.

In September he also plans to launch a second audio product, ZipBuds, which is under wraps for the moment. The product will do away with the frustration of untangling earbud wires.

All he will say about it: "It's going to change the way you listen to music on the go."

Nagappan is a San Diego-based freelance business writer.

John Higgins

Local pharmaceutical company restructures, gains strength in downturn

By **JILL BLACKFORD**
Special to the Daily Transcript

The pharmaceutical industry is certainly one that puts San Diego on the map, and **Ligand Pharmaceuticals** has been a recent key player.

"In 2007 when I joined, I moved in and quickly started to get Ligand back to what it's good at, which is drug research," said John Higgins, president and CEO of Ligand Pharmaceuticals (Nasdaq: LGND). "We divested the commercial brands and downsized. It was an intense 12 to 18 months where we dramatically changed the business to really refocus on what it's good at."

Higgins believes this restructuring was in part what led the company to its current strong position — just as the financial markets and the economy fell apart, Higgins says, Ligand was extremely relevant and had a chance to shine because it had just finished rebuilding.

"Despite Ligand's history, we hit a difficult period in the mid-2000s where the business started to struggle. That's when the board recruited me," Higgins said. "One of the things I'm most proud of is that we have pulled off some very compelling: shrewd acquisitions. We aren't aware of any other company that has been able to assemble assets like we have. It took tremendous work, a good business

philosophy and brilliant execution. And we managed to pull off very, very good transactions. We haven't received immediate gratification, but I feel very good about the deals because they are structured quite well, are attractively priced for us, and led us to pick up a tremendously exciting portfolio of assets."

Another success Higgins notes is the number of drugs Ligand has discovered that have made it to approval.

"Our success rate has been very good," he said. "We've been around for two decades and we've discovered five drugs that have made it all the way to approval. For a small company, that is a very, very successful track record."

Ligand works largely in drug discovery and then partners with larger drug companies that in turn take over the much more expensive and intensive human development side, including clinical research. Ligand now has around 50 employees, and recently announced it anticipates turning profitable on an operations basis by next year, with the rev-



enue it generates from partnerships to exceed expenses.

"We are excited about this, and next year we also expect that one of our largest programs with **GlaxoSmithKline** will have phase three data in development for a very significant indication. It could be a watershed for Ligand if that trial data are positive next year," Higgins said.

Higgins began his career on the other side of the industry as an investment banker in biotech. Instead of just working on transactions for several different companies, though, Higgins wanted to be a part of the executive leadership team that could drive a company forward — and to be responsible for the business and strategy overall.

"I enjoyed the industry and thought it was an exciting mix of business and finance," Higgins said. "It's a chance to really make big gains from a business perspective but it's also an industry rooted in medical research. And like the old saying, 'doing well by doing good,' I found it exciting to participate in an industry focused on investing and growing young medical research companies."

Blackford is a Los Angeles-based freelance writer.

Zeynep Ilgaz

Confirm Biosciences founder corners instant drug-test market

By **ELIZABETH MALLOY**
The Daily Transcript

If you want to buy a product that uses a person's hair to determine if he or she has used drugs, there's a strong chance you'll go through Zeynep Ilgaz' company.

Ilgaz, 37, is the president and chief executive of San Diego-based **Confirm Biosciences**, a company that makes drug-testing kits. The company's Hair Confirm is the only over-the-counter hair-based drug test on the market, and Ilgaz estimated the company has about 90 percent of that market.

"My husband and I work together," she said. "It's a family-owned business."

In some ways, Ilgaz and her husband have created a family of businesses. They first founded a test-kit distribution company called **Test Country** out of their garage 10 years ago after earning master's degrees at San Diego State University. Ilgaz said she and her husband chose SDSU because it had a good program, and because they wanted to go to school in a city where they could start and raise a family. For them, San Diego was a perfect match.



Her husband got the idea for test-kit distribution after learning about the business for a school project.

"We just saw the opportunity and we went for it," Ilgaz said.

After a few years of Test Country growing and succeeding, the Ilgazes decided to start manufacturing their kits and created Confirm Biosciences. The company creates test kits using technology licensed from others. While drug tests, including steroids, are their main products, they also make fertility tests.

Their products are manufactured both in San Diego and overseas, and sold all over

the world.

"The instant drug-test market is very competitive," Ilgaz said. "The way we deal with that is we do a lot of international sales."

Confirm Bioscience and Test Country are closely related. They share office space and some employees

in the Sorrento Valley, and Test Country helps distribute Confirm Bioscience's products.

In addition to running her company and raising two children, Ilgaz is an adviser to the National Institutes of Health commercialization assistance program and participates in the educational and entrepreneurial programs at SDSU, the University of California, San Diego, High Tech High and the San Diego Unified School District.

She initiated a corporate giving program whose beneficiaries include The Alpha Project for the Homeless, The McAlister Institute, San Diego Youth and Community Services, Teen Challenge International and Volunteers of America's Alcohol and Drug Services Center.

Ilgaz has received a number of awards for her business success. She was the 2008 recipient of the YWCA TWIN (Tribute to Women in Industry) awards and, in 2009, SDSU presented her with the Charles Lamden Rising Star in Business award.

She said her alma mater was vital in helping her and her husband get their companies off the ground.

"San Diego State has been very, very supportive," she said.

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Keith Jones

Jones takes the driver's seat of family parking business

By **JILL ESTERBROOKS**
Special to the Daily Transcript

Keith Jones was only 8 when he landed his first job at Ace Parking collecting tickets and riding around the Qualcomm Stadium parking lot in a golf cart with his relatives.

Now, the 29-year-old is readying to take the driver's seat of **Ace Parking Management Inc.**, the 60-year-old company founded by his grandfather, Evan Jones, and currently owned and operated by his father, Scott Jones.

"I grew up in the business and it really revs me up," says the youngest Jones, managing principal and chief operating officer of the privately held company that services nearly 350,000 customers daily and generates annual revenues exceeding \$335 million.

Being the heir apparent to the expanding family parking empire is both a boon and a bane for the third-generation Jones, who studied business and philosophy at New York University during the Sept. 11 era and calls the last five years working up the ranks at Ace Parking "a hands-on, real-world master's program."

"I'm grateful to be on a bigger stage and operating at a higher platform so early in my career," said Jones, whose sheer will and determination helped him overcome severe childhood dyslexia to earn a college degree.

"I became more observant and found other ways to get tasks done," said Jones, a strong supporter and advocate for others with learning disabilities.

The biggest challenge he's found working in the family business is that "everything is personal."

"I leave work at night and then go to a family dinner where we talk about business," he said.

At the same time, he feels extremely lucky to work for his father, who Jones describes as "not only my boss but also my best friend."

"We work well as a team," he said. "My dad has a wealth of institutional knowledge, while I'm working on the ground level, observing things in real-time and hearing from the front line."

The prospect of some day taking the helm of a company with approximately 5,000 employees throughout the Western United States is both "exhilarating and terrifying."

"I'm honored with the prospect of refining the long-held family traditions and philosophies, and also excited about leaving my own stamp on the business," said Jones, who travels extensively to client sites in six states and hopes in coming years to ramp up operations in new markets, including Hawaii.

"The company grows organically," he explained. "Expansion usually comes from existing clients relocating or opening projects in other markets."

He also believes that a world with just cars isn't necessarily a good thing.

"More and more we're partnering with cities and communities and corporations to better manage transportation and parking needs," he said.

In both business and civic duties, he's following in the "giant footsteps" of his forefathers on the Jones

side, as well as those of his maternal grandfather, Malin Burnham. Both prominent San Diego families are notable for their philanthropic contributions and community leadership.

Jones is proving to be a quick understudy, having recently been named one of the youngest members of the Young President's Organization, as well as serving on the San Diego Chamber of Commerce Executive Committee, Downtown San Diego Partnership Executive Committee, Father Joe's Toussaint Academy Board of Directors and San Diego Rotary 33.

"It's my turn to step up and take on the necessary duties and responsibilities of my predecessors," said the wise-beyond-years Jones. "But I'm sure glad my dad and granddad are still around to serve as sounding boards."

Jones and his wife, Megan, have plans to start a family soon. Though he hopes his children ultimately will be interested in taking over the family parking management business, they'll first be riding in the back as Jones takes his turn in the corporate driver's seat.



Esterbrooks is a San Diego-based freelance writer.

Ken Mills

Passion for wine, good service helps restaurateur grow business

By **DOUG SHERWIN**
The Daily Transcript

For Ken Mills, the secret to success in the food and beverage industry is pretty simple.

“Really, what it is for me, is servicing your customer,” he said. “If you can find a way to make your customers happy, then it can work out. If you’re doing it just for you, then it may not work out.

“Basically focusing on customer happiness, that’s the best advertisement, especially these days with tweeting and Facebook and Yelp! It’s changed dramatically. When I first started, none of those existed.”

The philosophy has worked well.

Mills launched **Wine Steals**, a European-style wine bar, seven years ago in Hillcrest, and the business now has four locations, including one with an English “gastropub.”

During a time when restaurateurs and other businesses are contracting, Mills has continued to hire employees, which now number more than 100.

“What’s impressive about him is his total dedication to his business and his ability to dream and fulfill those dreams,” said Michael Bartley, a general manager and wine buyer for Wine Steals. “And his ability to deal with people at every level so that they feel like they’re an important part of his life, which is rare.”

When he’s in any of his stores, Mills tries to “touch every table,” talk to patrons and figure out what he’s

doing right and, more importantly, what he’s doing wrong.

“Since I was a little kid, I always wanted to own my own business,” said Mills, now 42. “I always knew that’s what I’d do. Whether it would be successful or not, it’s all I wanted to do. I like having employees and providing jobs and having customers.”

During college, he worked as a food runner and buser at Invader Cruises, which would soon be purchased by **Hornblower Cruises**.

He quickly moved up the ranks from waiter to bartender to floor manager and eventually assumed the role of food and beverage manager for Hornblower. He oversaw the company’s catering facility along with business operations for its six boats.

After 12 years, he left to start a real estate company with his wife, Wendy, entering the housing market as it was booming. Sensing the good times wouldn’t last forever, he took the profits from the real estate business to open the first Wine Steals around Thanksgiving of 2003.

“When we first opened in Hillcrest, most people in the food and wine business said we wouldn’t make it and it didn’t make any sense,” Mills said. “We put it out there and consumers got what we were trying to do. We had no idea. For the first three months, I thought everyone was right for a minute.”

Bartley, a former sommelier for the Queen Mary, never doubted Mills.

“I suppose that with somebody else or under different circumstances, I might have felt that way (had reservations),” Bartley said. “But I have terrific faith in him, and it’s fully justified. His critics must be saying, ‘I guess we were wrong.’”

The idea of Wine Steals grew out of a trip Ken and Wendy took to Lake Como in Italy, where in one rustic wine bar customers sit on barrels and taste test exotic wines for free.

“I just found the whole wine motif here different than in Italy or Spain or France, where wine is food, part of a meal,” Mills said. “Wine bars (in California) are really expensive. It makes it hard to start enjoying wine if you’re just out of college or young or don’t make as much money.

“We really wanted to allow people to test wine and bring in wines nobody had heard of before.”

Mills initially hadn’t planned on serving a full food menu. He simply offered cheese that was cut on the back of the bar. But — listening to customers — he added pizza, salads and other items, hired an executive chef and now has installed an English “gastropub” at Wine Steals’ newest location in downtown San Diego’s East Village.

Wine Steals also has locations in Point Loma and Cardiff.

Warren Mack joined Mills in 2006 as the company’s chief financial officer to help with Wine Steals’

See **Mills** on 15

William Molloie

Accounting firm partner constantly looking for next opportunity

By **REBECCA GO**
The Daily Transcript

PricewaterhouseCoopers partner William Molloie is not one to embrace career stasis: Rather than just maintaining the status quo, Molloie favors fixing, growing or changing things.

“I thrive on energy,” Molloie said. “When I’m bored, I get grumpy.”

Growth is the key word while Molloie, 45, is in San Diego. The New Jersey native was brought in late 2008 — after a fast-paced three years in Shanghai — to lead PricewaterhouseCoopers’ new San Diego life sciences and pharmaceuticals practice. The accounting firm’s local partners already had clients in the space but did not have an executive focused solely on the industry.

Molloie said the firm has attracted a number of new life sciences clients since he arrived, but emphasized that his focus, as it has been throughout his career, is on building long-term relationships and giving back to the local community.

“A lot of what I’ve done is not directly tied to serv-

ice or revenue,” Molloie said. “We’ve won a fair amount of clients since I’ve been here, but that’s not what it’s all about. ... It’s doing the right thing. You get involved. You contribute. You help others.”



Molloie is currently involved with trade organizations Connect, Biocom, the San Diego Venture Group and women executives’ organization Athena, and coaches a co-ed soccer team of 10-year-olds. He has already been tapped to lead panel discussions and speak to student groups.

Molloie encourages his Pricewaterhouse team to give back to the community as well.

“He walks the walk and talks the talk,” said PricewaterhouseCoopers senior manager Vanessa Herbert, who described Molloie as sup-

portive and entrepreneurial. “It sets a really good tone at the top.”

Molloie exudes an energy and enthusiasm that

reflects the way he has seized new opportunities throughout his career of more than 20 years. He tells stories of walking the streets in Shanghai, frequenting local markets, doing his best to pick up Mandarin and solving one crisis after another for his venture-backed Chinese clients.

“I didn’t want to be sorry for anything I did or anything I didn’t do,” Molloie said, describing the emerging market experience as exciting and intense.

Even in the first 17 years of his career in the PricewaterhouseCoopers’ Philadelphia office, Molloie continually shifted roles within the company, eventually leading the firm’s local venture capital practice.

“I get bored after five years,” he quipped.

Molloie has now brought his zeal to San Diego, even after he was asked to continue leading the technology practice in China. He said he has enjoyed being able to connect with others without having a language barrier and praised the region’s intellectual resources and collaborative spirit.

“It’s a great community,” he said.

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Jim Navarra

New marketing strategy helps furniture business stay on track

By **MONICA UNHOLD**
The Daily Transcript

Furniture is in Jim Navarra's blood. The marketing director has been working at **Jerome's Furniture** intermittently since the age of 10.

"I've really been working there on and off my whole life," said Navarra, now 32.

After graduating from San Diego State University with a Master of Business Administration degree, the San Diego native decided to return to the company his father owns.

Navarra has watched Jerome's change from a small furniture retailer with just four stores in San Diego to a household chain in Southern California. Interviewed by phone, Navarra was working from Corona, Calif., where he is helping to open the company's seventh showroom in Southern California.

Despite opening a new store in a space formerly occupied by Wickes Furniture Store, Jerome's has no immediate plans to continue expanding, Navarra said. The company experienced rapid expansion during the 2000s, when the housing market was at its peak. However, the furniture market has gone the way of the housing sector.



"Furniture is really closely tied to housing," Navarra said.

The furniture industry mimics the housing market, but tends to experience more extreme peaks and valleys.

"Furniture is feast or famine," Navarra said. "Whatever the economy is doing tends to be more exaggerated in the furniture business."

To cope with a tough economy, Navarra has reconfigured the company's marketing strategy. Once driven by promotions, such as financing or 20 percent off weekend specials, Jerome's now offers consistent everyday values.

"What we found was, it wasn't a good way to build trust," Navarra said.

Navarra's new strategy is to offer the same price every day and give the consumer the idea that the product is a good one. Financing also is more difficult for customers to qualify for, and more expensive for businesses to offer, therefore such deals no longer pencil out, Navarra said.

Unlike competitors, Jerome's has continued to advertise with the same frequency that it had during boom years. The strategy has paid off, Navarra said. Jerome's is gaining market share, and the company is ideally positioned for when the economy recovers.

"Other companies, the first thing they did was pull the marketing budget," Navarra said.

Such strategies have been very successful. Jerome's has not been forced to close stores or lay off a single employee, Navarra said.

Despite such achievements in his professional life, Navarra also strives for athletic and charitable accomplishments in his free time. He and his wife, whom he married in May, plan to soon begin training for a triathlon.

An avid surfer and ocean swimmer, Navarra also supports athletes with disabilities. He recently helped organize a fundraiser for the Challenged Athletes Foundation, which provides grants to athletes with physical disabilities for prosthetics and training.

Navarra also recently participated in a golf tournament organized by Jerome's, benefiting City of Hope, a Los Angeles-based cancer research and treatment center. Jerome's raised more than \$500,000 for the nonprofit.

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Yukon Palmer

Entrepreneur proves business plan works by starting own company

By **ELIZABETH MALLOY**
The Daily Transcript

Plenty of office workers think they could run their companies better than the bosses. Yukon Palmer went out and did it.

In 2000, while studying for his Master of Business Administration at San Diego State University and working for a fleet tracking company, Palmer, 36, wrote a business plan to improve his own company. He wanted to utilize more technology to reduce labor costs and improve operations. Feeling like he didn't have enough influence in his company to get the plan put into action, Palmer decided to start his own business, **FieldLogix**, in 2002.

"We have customers all over the country," he said. "New York, Florida, here. Really all four corners of the U.S."



FieldLogix uses GPS technology to help companies keep track of their fleets of vehicles. The company offers services that help customers not only see where their cars and trucks are, but how fast they're going, or if they're spending a lot of time idling. The company offers a "green GPS" product as well, where employees will analyze how much pollution a customer's fleet is putting into the air and help them find ways of reducing it.

FieldLogix uses analytics, creating reports on many different aspects of fleet management. Customers can choose which reports are important to them, whether it's speed, carbon emissions or something else.

Palmer keeps his company small, with only seven employees, by using a lot of automated technology and contractors. He estimated the company uses 50 or 60 contractors. The company also established technology partnerships with **Garmin International** (Nasdaq: GRMN) and **Google** (Nasdaq: GOOG) to provide better solutions to its customers.

After starting the company with \$3,500 and turning it into a \$3.5 million business, Palmer has reason enough to think the business plan he wrote 10 years ago was a success. But through that plan, he's able to influence students even today. One of his professors at SDSU liked the plan so much that he now teaches it to students. Usually he'll have them read the report, then talk about it in class — with Palmer present, although the students don't know he wrote it. After the discussion, the professor introduces Palmer and lets the students ask him questions.

"It's always kind of interesting to sit in the back of the class and hear them tear it apart," he said with a laugh.

But Palmer said he gets a lot out of those sessions as well. When he first wrote his business plan, it was from a very academic standpoint, he said. He adjusted much of it once he got into the real world. He said it's nice to be able to approach it from the original angle again.

"When I'm there, I rethink it from an academic standpoint, which helps a lot," he said.

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Bryan Pate

Athlete forms elliptical bike company

By CAMERON LEIGH JAMES
Special to the Daily Transcript

Five years ago, Bryan Pate was an injured runner with a problem. He hated exercising in the gym. Some people might think his solution extreme: He contacted his friend and fellow Ironman Brent Teal with the idea of building an elliptical trainer he could ride outdoors.

Teal thought the idea had legs, and less than a year later, they were riding the first prototype. In February they launched the world's first elliptical bike.

"The intent wasn't to build a company," said Pate, whose background is in strategic marketing and management consulting. "I wanted one and was shocked it didn't exist. I figured there were others who would want it, injured runners like myself, or for cross-training."

The ElliptiGO 8S combines aspects of cycling and running with an elliptical trainer. It looks and performs like a bicycle, but has no seat. Instead of pedals, it uses an elliptical propulsion system, and can go anywhere a road bike can.

"It's, flat out, a lot of fun; it's really comfortable and people are shocked at how well it climbs," said Pate, 37.

The native San Diegan has a bachelor's degree in earth systems from Stanford and a Columbia law degree. In 1997 he was commissioned as a 2nd lieutenant in the U.S. Marine Corps. Prior to his Persian Gulf deployment, he ran the San Diego marathon, his first. But the impact of years of distance running ruined his knees and hips and by age 32, he could no longer run for fitness.

Teal, 36, holds a bachelor's in mechanical engineering. He competes in ultra marathon trail races.

The two met in 2000 at **Palomar Technologies**, where Pate was a marketing manager when Teal was recruited as a mechanical engineer. They had both moved on to other companies when they started the ElliptiGO project. Two years ago they left those jobs to focus on it full time.

The race to bring it to market screeched to a halt when they discovered Larry D. Miller, inventor of the first compact elliptical trainer for **Precor**, held the patent on the basic concept: using elliptical motion to propel a vehicle.



"That was one of the worst days," Teal said. "We really thought we were going back to our day jobs."

Ultimately they approached Miller and acquired the exclusive license to his patent.

Teal and Pate hold the patent on the adjustable drive system, which adjusts to 25 inches, 25 percent longer than an elliptical trainer. Patents are pending for other features such as the folding steering column, modular track system and composite drive arms.

A staff of eight works out of Solana Beach. The firm is manufacturing a limited number of 8S models. It is currently out of stock and taking reservations.

"We have more customers than we have bikes," Pate said. "We have real traction with legitimate professional athletes who are testing it and really like it."

They solved one runner's problem. In the process, they may have given birth to a new industry and a new sport.

James is a Carlsbad-based freelance writer.

Joshua Rychak

Targeson brings noninvasive approach to early-stage drug discovery research

By JILL BLACKFORD
Special to the Daily Transcript

Initially founded as a repository to house patents for contrast ultrasound imaging to be used in drug discovery research, **Targeson Inc.** reinvented itself at the end of last year as a company to develop, manufacture and sell products based on those patents.

"Our goal is to make sick people feel better," said Joshua Rychak, Ph.D., co-founder and vice president for research and development for Targeson. "There is so much really great science that's out there. During grad school, my project was a way to use tiny contrast agents to bind to, say, cancer or heart attack cells to label them so that they're detected by ultrasound. We were working on projects where the lab developed a gas-encapsulated microbubble that when injected into the bloodstream shows up brighter than surrounding areas."

That grad school research led to the patents that



are now the basis of Targeson's products. While Rychak sees big market potential for using Targeson's molecular imaging agents in drug studies, he also sees it as a little premature to push molecular imaging as a diagnostic to the clinical side. As such, Targeson's current strategy is to work on the ground floor with researchers in the nonclinical, animal model market first. The goal is to convince clients such as **Merck** (NYSE: MRK) and **Pfizer** (NYSE: PFE) on the drug discovery side that Targeson's contrast agent technologies, including signature product TargestarTM-P, are a cheaper, faster and better option than methods being used currently.

"We are trying to show that researchers save money because they don't have to kill the mice and it doesn't take as long. There's also no radiation, so it's the safest imaging tool," Rychak said. "Yet the idea of molecular imaging, as opposed to histology, is really a pretty radical shift. There are obvious benefits and people are excited, but there's

also a lot of inertia because people are used to pathology techniques — some of which are 100 years old. It's very entrenched. While our imaging doesn't completely replace the old methods, it can make work go a lot faster and cheaper — and ultimately will help bring these drugs to market more efficiently."

In December 2009, Targeson relocated from its birthplace near the University of Virginia to San Diego. Rychak reports that the company made the move to this market because of San Diego's high concentration of medical science and research. He likes that Targeson's sales team can reach hundreds of potential customers within half a day's drive and believes that sort of concentration can't really be found anywhere else.

"We are working with sites all over the world, but it seems in San Diego we get more traction — people here are more used to new technology and are more open-minded," Rychak said. "There's also really a sense of camaraderie where people are willing to let us in the door and talk to us. I don't think any other place would get this type of response."

Blackford is a Los Angeles-based freelance writer.

Christophe Schilling

Genomatica co-founder focuses on sustainable bio-manufacturing

By **ELIZABETH MALLOY**

The Daily Transcript

As the president, chief executive and co-founder of the sustainable chemicals company **Genomatica**, Christophe Schilling is both in the lab developing products and on the road drumming up support for his business.

Schilling, 37, and his co-founder Bernhard Palsson, wanted to change chemical processes through bio-manufacturing, which is more sustainable. The company focuses on chemicals that are essential to major industries and incorporated into products that are part of the everyday world.

With a bachelor's degree in biomedical engineering from Duke University and a doctorate in bioengineering from the University of California, San Diego, Schilling holds some of Genomatica's core technology patents, but he's also been essential in securing funding.

A privately held company, Genomatica is largely funded with venture capital and grants. Under Schilling's direction, the company secured more than \$10 million in research and development funding through over 30 federal research awards from agencies including the Department of Energy,



National Institutes of Health, Department of Defense, and the National Science Foundation. The company also credits him with successful efforts to secure financing from leading venture capital firms in 2007, which has enabled the current phase of the company's growth.

In March, the company announced that a group of firms, including **TPG Biotech**, **Mohr Davidow Ventures**, **Alloy Ventures** and **Draper Fisher Jurvetson** collectively invested \$15 million in Genomatica.

The company has a team of more than 40 researchers and other employees, bringing sustainable chemicals to the world.

Genomatica is currently trying to scale up its flagship process for commercial-scale production of 1,4 butanediol (BDO). BDO is used to make high-performance polymers, solvents and fine chemicals in clothing, cars and electronics. In 2007, the world consumed approximately 2.5 billion pounds of BDO, made entirely from non-

renewable hydrocarbon feedstocks. The global market for BDO is valued at approximately \$4 billion per year.

The company is also looking to expand its pipeline to include additional large-market chemical targets that the company aims to produce from renewable feedstocks. As company president, Schilling has secured commercial collaborations and licensing transactions with large companies like **Dow Chemical** (NYSE: DOW), **Cargill**, **DSM** and **Unilever** (NYSE: UL) to make these projects work.

A native of Michigan, Schilling started Genomatica in 2000 with Palsson, a UCSD professor with whom he had worked while studying there. The company is built on much of Palsson's research, but credits Schilling with advancing and promoting the use of computational modeling and simulation technologies in life sciences at Genomatica.

In April of this year, Schilling won a prestigious award from his undergrad alma mater, Duke University's Distinguished Young Alumnus Award.

"His ambition to positively impact the environment is matched by his desire to succeed as an entrepreneur," Professor Tom Katsouleas, dean of the Pratt School of Engineering at Duke University, said upon granting Schilling the award.

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Jason Severson

Banker works toward success of others

By **REBECCA GO**

The Daily Transcript

Banker Jason Severson plays a number of roles in the community, but they all eventually boil down to one thing: helping people meet or exceed their potential.

As **California Bank & Trust** vice president, the 37-year-old oversees operations at the bank's Del Mar branch, working with both businesses and bank employees to help them achieve their goals.

"Jason does a terrific job and has everything you want in a relationship banker and branch manager," said CB&T regional manager Pam Campbell. "My job is to support him and help him be successful, and frankly, it's quite easy."

Severson says he enjoys building long-term relationships with his entrepreneurial clients and being part of their success. For the Oceanside native, it's not about being influential: It's about taking care of people, being honest, showing integrity and following through — values that have served him well over his 14-year banking career.

His own foray into business has aided him in better understanding his clients. In 2006, Severson and his wife, Diane, founded wedding registry **Go Honeymooning**, which allows couples to register for a dream honeymoon rather than — or in addition to

— the usual roster of kitchen appliances.

Starting a business "gives you a whole new perspective and respect for what an entrepreneur has to do," Severson said. "It's a great learning experience."

Those who know Severson well use a similar set of adjectives, describing him as a caring, genuine, attentive and reliable person and a dedicated father of two.

Severson has sat on the American Heart Association's local board of directors for the last seven years and has been instrumental in planning and securing sponsorships for the annual gala, which this year featured a casual beach theme.

"He has an uncanny ability to be honest in an unthreatening manner," said American Heart Association executive director Melissa Wilimas, who added that Severson's candid feedback has been crucial in shaping the event. "He's really helped us transform our gala."

Severson's other involvements outside of finance touch the lives of children in the community. He vol-



unteers with Pro Kids Golf Academy, which seeks to engage underserved youth through golf while encouraging them to pursue their education.

The avid golfer also helps organize and raise funds for the March of Dimes annual golf tournament. A colleague suggested Severson get involved with the infant health organization several years ago, which, in hindsight, seems fated: Severson's aunt had a premature baby three years ago, while a friend is father to triplets who were between one-and-a-half to two pounds at birth. Also, Severson's two-year-old daughter, Sadie, was born with a deformed hand.

Severson, whose second child, Colby, was born two months ago, credits his parents for his outlook on life and his success in his banking career. He described his mother, a dedicated philanthropist, and his father, the former president of Grossmont Bank (now CB&T), as "incredible people" and supportive parents.

The two taught him to critically evaluate his own strengths and weaknesses and to be open to criticism and change, Severson said — a legacy that he will likely pass on to his own children.

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Steven Sullivan

Sullivan International CEO grows environmental services company

By **JEN LEBRON KUHNEY**
The Daily Transcript

Steven Sullivan, the chief executive officer and chairman of the board for **Sullivan International Group Inc.**, grew his company from a one-man commercial environmental services business to a 150-employee, \$30 million company with the federal government as its primary contract.

Sullivan said he has always been interested in environmental issues, but was given the opportunity to really learn more about handling them while he was in the Navy.

When the Federal Facility Compliance Act of 1992 was implemented, government agencies like the Navy had to comply with environmental regulations similar to what the public sector had to deal with.

Rather than solely hiring contractors to better understand and implement new policies due to the regulations, the Navy asked for volunteers. Sullivan was one of those who raised his hand at the opportunity.

"It was a two-prong thing," he said about starting



Sullivan International Group. "I had interest from the technical perspective in the Navy, and I really had a passion to help the community."

Though founded in 1998, the company took off in 2000 and 2001 when it made the shift from providing consulting services in the commercial sector to working more closely with governments.

Since then, Sullivan International has grown exponentially. In 2004, it was ranked number seven on the Inc. 500 list. Within four years it grew nearly 4,000 percent and today, the company brings in more than \$30 million in revenue.

One of the projects Sullivan's team currently is working on is a database for a clean-up effort in Jacobsville, Ind., for the Environmental Protection

Agency.

Homes were built on top of toxic land left over from a lead smelting plant. The EPA is digging up 10 inches of soil off each homeowner's property and replacing it with 10 inches of clean soil.

Sullivan Group International is providing updated information for homeowners and the community regarding the project.

"What we try to do is bring value to every project we support," Sullivan said. "That value is in the new technology we provide to streamline projects."

Sullivan said it is the innovation of his engineers and the skill of his employees that really make the company thrive.

"We've got a very friendly, fluid, creative consulting environment," he said. "Our employees are the company."

Over the coming months, Sullivan's reliance on his management team and employees will grow as he goes to Manchester Business College in London for his Master of Business Administration.

Most of the program will be done remotely through working groups and online classes, allowing Sullivan to conduct business in San Diego. However, he will have to go to England for two months to participate in various workshops.

Sullivan said he hopes going back to school will teach him how to make Sullivan International a world-class company as well as expand the company name abroad.

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Joshua Weinstein

AMSOLAR executive brings solar energy to education facilities

By **MONICA UNHOLD**
The Daily Transcript

An influx of new solar startups catering to more professional clients represents a huge opportunity in the U.S. solar market.

As managing partner of San Diego-based startup **AMSOLAR Corp.**, Joshua Weinstein is poised to take advantage of the trend, particularly in the education market.

AMSOLAR provides solar energy systems to educational institutions through power purchase agreements. The company owns and operates the solar energy systems it installs and leases the power back to the educational institutions. Under such contracts, schools pay nothing up front for installation.

"AMSOLAR has set a goal to become the No. 1 provider of solar solutions to educational institutions," Weinstein said.

The company recently signed a 25-year power purchase agreement with the University of San Diego, to install 1 megawatt of solar generation on the campus. The installation will be among the eight largest in the United States and will reduce the university's utility bill by 15 percent each year.

Solar arrays at the university will include outdoor laptop charging stations and rooftop panels on nine buildings, including academic facilities, residence

halls and a parking structure.

In addition to reducing institutions' reliance on utility power, the company provides educational services for students through its corporate community action arm, **AMSOLAR Giving**. Representatives of the company travel to schools to talk to students about solar energy.

Education is important as solar technology continues to advance.

"Like any efficient market, this is rapidly evolving," Weinstein said.

Solar technology will one day integrate with other renewable energy technologies in a smart grid that ensures reliable power supply, Weinstein said.

"I think solar energy is one piece of a renewable energy ecosystem," Weinstein said.

The U.S. solar market currently lags behind the rest of the world's, due to lack of financing. The U.S. market is driven by federal and state subsidies, however **AMSOLAR** is fortunate to work with **GCL Solar Energy Inc.**, which assists with financing,

Weinstein said.

Weinstein is experienced in the global solar market, having worked as an adviser and investor and executive at solar companies in Europe and Asia.

Prior to the launch of **AMSOLAR**, Weinstein served as an investor and adviser to leading German solar companies **Payom Solar AG**, **SD Solardach GmbH** and **Wirsol Solar AG**. He also has ties to the Asian solar community, having worked in mainland China.

Weinstein's resume may sound extensive, especially for a 30-year-old, but it does not end there. Prior to striking out on his own with **AMSOLAR**, Weinstein worked as an investor with Beverly Hills-based **Brener International Group LLC**. He began his career as manager of Corporate Synergy & Special Projects at **The Walt Disney Co.** He also served as a White House intern under Gene Sperling, national economic adviser to the Clinton administration.

In his spare time, Weinstein serves as a member of the Coalition for Green Capital, a consortium of leaders in energy development enterprises.

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Venture capital

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industry sees as its return on investment rather than compensation for services.

Carried interest, or carry, is currently taxed at the long-term capital gains tax rate of 15 percent. However, both the House and Senate versions of the evolving financial reform bill call for blended tax treatment of carried interest, with a large portion being treated as ordinary income and the remainder being treated as capital gains.

The venture industry argues that treating carried interest as income removes the incentive to invest in high-risk startup companies.

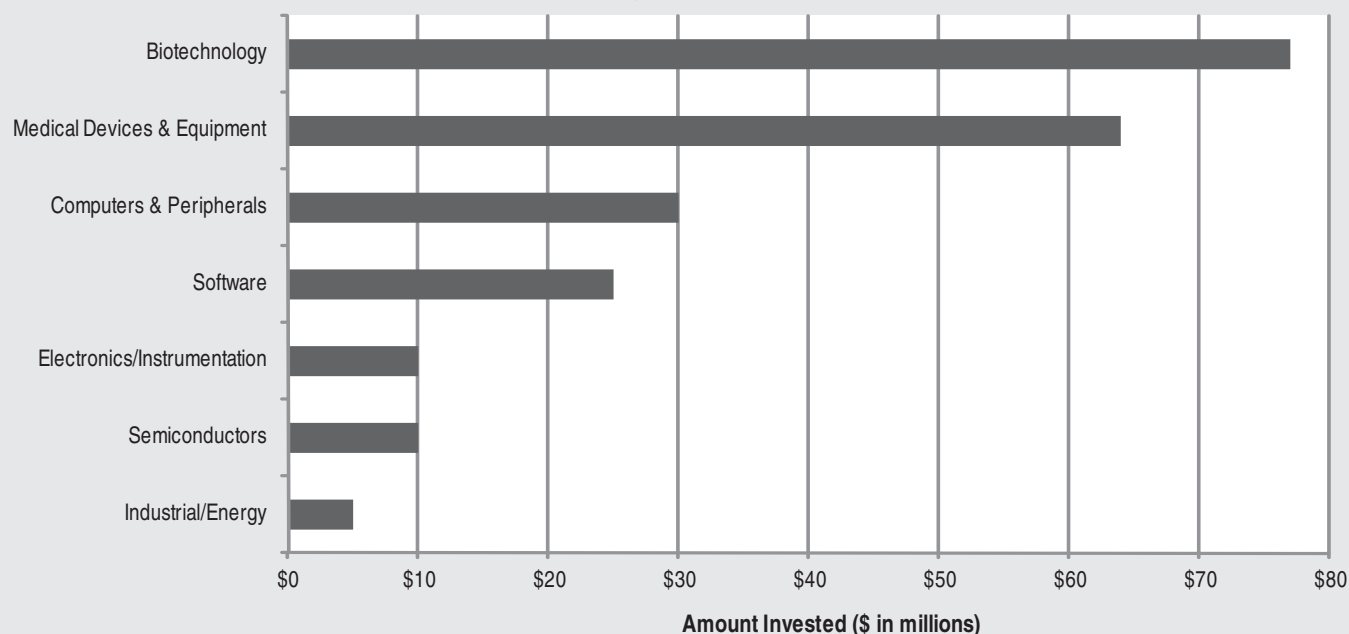
Still, Molloie says the industry is resilient.

“Whenever economic policy changes, it has an impact on people’s behavior. ... Do I think it will shut down investment forever? No,” Molloie said. “It’ll just take some time to figure out how the investment process becomes efficient again.”

The Associated Press contributed to this report.

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Venture Capital Investment in San Diego Q1: 2010



The Biotechnology industry in San Diego received the highest level of funding in the first quarter of 2010, with 11 deals amounting to \$77,489,700. The Industrial/Energy industry received the least amount of venture capital investment in San Diego, with four deals amounting to \$5,350,000 in the first quarter.

Source: PricewaterhouseCoopers/National Venture Capital Association

Biotech

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San Diego is really dominated by small, innovative firms — which he believes are largely a result of UCSD as well as other institutions.

“We are blessed with a lot of talent in San Diego disproportionate to other regions, I can honestly say,” Andresen noted. “We see deals from Asia, North America and Europe, and San Diego is really a hotbed of clean tech innovation. We think San Diego over the next 10 years won’t just have biotech or IT — but also clean tech.”

Andresen expects algal biotech, energy storage and the use of solar to continue growing. He sees energy storage as critical to the renewable energy equation and to energy independence. And while he noted that some of the potential solutions in the market now may take another four to 10 years to fully mature, these fields are certainly evolving right now.

Jay Konini, who’s on the board of directors for Tech Coast Angels, highlighted nanoscale technology, a branch of nanotechnology, as an industry that’s been seeing some investment activity recently. He also mentioned San Diego’s growing sports innovation economy, such as local company **Banshee Bungee**, which creates cords for launching skateboarders, snowboarders and surfers. But beyond tech and innovation, a much

older industry is gaining ground as well: education.

“Especially in these economic times, I’ve been impressed with **Bridgepoint Education** (NYSE: BPI), National University, and others,” said Barrales. “I sense they are going to help establish San Diego as a center for innovation in education. With online private education, it gives people the opportunity to move up in their careers. Bridgepoint is the best in the industry and is growing tremendously — and they’ve got to be one of the top companies in terms of hiring in San Diego right now.”

Blackford is a Los Angeles-based freelance writer.

Mills

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expansion.

Mills doesn’t plan on stopping with four locations either.

“His business is basically to bring to the general public the best values he can find in wine,” Bartley said. “And also customer service — he’s red hot on that. He wants people to enjoy their time with us and want to come back and want to tell others what a good place it is.”

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Startup lets you stream music over Web

By **BARBARA ORTUTAY**

The Associated Press

NEW YORK — A music service launched Monday lets you listen to your collection of tunes from any computer or Android phone over the Internet.

mSpot’s service stores your music on its computers and lets users access it remotely through a Web browser. It makes use of a concept known as “cloud computing,” following music subscription services such as Rhapsody and Thumbplay. But unlike those, which offer access to huge collections of songs for a monthly fee, mSpot users play music they already own.

mSpot, which until Monday was available to a closed group of “beta” testers, is free for 2 gigabytes of music, or about 1,600 songs. It charges between \$3 and \$14 per month for up to 100 gigabytes of extra storage.

To use mSpot, you first install an application for your computer (PC or Mac), which then lets you pick what songs you want to upload to the company’s servers. This can be music you bought on iTunes, songs you’ve downloaded elsewhere, or your CD collection if you’ve ripped it and loaded it on your computer.

Once your music is in the mSpot “cloud,” you can log in to your account through a Web browser to listen at

work or on your mobile phone while out and about.

The service detects cellular networks, which the company says helps make sure that your tunes don’t get interrupted by spotty coverage. An “airplane mode” allows you to play songs you’ve preselected when you don’t have Internet access.

For now, mSpot works on smart phones only if they run **Google**’s (Nasdaq: GOOG) Android software. The company says it plans to launch soon on other phones, including the iPhone.

Music streaming services like mSpot have the potential to run afoul of the licenses that recording companies enable for downloads because the services could technically open a new way for people to share their music with others. But mSpot CEO Daren Tsui says the company has done “everything possible” to make sure people use mSpot to listen only to their own music. Users can only upload music from one computer and listen only from one mobile phone. There is no simultaneous streaming to different devices.

“We feel that it is the consumer’s right to stream music that they already own to their own mobiles,” Tsui said. “We’re just making the process easier.”

Congratulations Jim Navarra



Congratulations Jim on
being named one of
San Diego's Top 20
Young Influentials
by the *Daily Transcript*.

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