



June 23, 2011

SDSI and CONNECT News

SDSI website officially launched

SDSI is proud to announce the official launch of its new website, courtesy of **Rouge Brands**. This much anticipated resource provides information about the SDSI mission, SDSI programs, SDSI and community events, funding opportunities and much more. Use the SDSI member directory to stay connected and discover available services. Feedback is welcome! Visit the new website at www.SDSportInnovators.org.

SDSI's GameOn! featured in SD Magazine

SDSI's premier networking event, GameOn!, took place at TransWorld Media headquarters last month. The event brought together nearly 300 sports leaders, movers and shakers for an evening of fun networking and a glimpse of new products from some of the region's most innovative sport companies. Featured in the July issue of *San Diego Magazine* is a 14-page spread on everything swanky in North County, including photos from this networking event. View photos in *San Diego Magazine*. More information about GameOn! [here](#).

Anatomy of a Sports Company: From Birth to Liquidity, in partnership with SDSI, KPMG and Sheppard Mullin- NEW PANELISTS CONFIRMED

In sports or business, when your goals are on the line, there's no time for second-guessing. SDSI, KPMG LLP and Sheppard Mullin Richter & Hampton LLP partner with CONNECT FrameWorks Workshops to bring you this half-day workshop including a panel discussion with; Gustavo Lanatta, General Manager of Liquid Tribe; Stan Sewitch, CEO of KI Investment Holdings, LLC; Mark Schmid, CEO of Art Function Group and Rhett Souders, CFO of One Industries. These panelists will deliver practical advice on starting sport innovation companies and a reflection on common questions asked by CEOs and CFOs of innovation companies. The panel will focus on three stages of company development; start-up, revenue generating and liquidity. Details and registration for this June 29 workshop [here](#).

Join SDSI and the Action and Sports Zone at this month's Connect with CONNECT

CONNECT's biggest annual networking event, Connect with CONNECT, is just around the corner on June 29 and more than 50 business leaders and 50 exhibitors from all industry sectors are confirmed to attend. SDSI will have a presence in the Action and Sports Zone along with AquaLogix, Inc., Art Function Group of Companies and Sk8ology, Bessel Surfboards, ElliptiGO, Human Centric Performance, Pipe Board, Inc. and Skullcandy. Be sure to stop by and visit us! For more information and to register click [here](#).

SDSI Welcomes New Members

City National Bank

City National Bank, California's Premier Private and Business Bank, opened its first office more than 57 years ago. Since then, it has become the largest bank based in Southern California and the second-largest independent

bank headquartered in the state, with nearly \$22 billion in total assets. In San Diego County, City National has eight banking offices, including its San Diego Regional Center in La Jolla. Small businesses, middle-market companies, professional services firms and entrepreneurs look to City National for its expertise and award-winning client service. The bank specializes in serving a number of industries including export/import, distributing, manufacturing, agribusiness and entertainment, as well as accounting, legal and medical firms. It is a Preferred Lender under the U.S. Small Business Administration and SBA Express programs. City National also offers a wide range of trust, investment management, brokerage and advisory services for high-net-worth individuals, families, businesses, trusts and nonprofit organizations. *Barron's* magazine has ranked the company as one of the nation's top wealth managers for 10 years in a row. Earlier this year, City National won 10 client satisfaction awards for business banking from Greenwich Associates. The global financial services research and consulting firm honored fewer than 5% of the 750 banks it evaluated nationwide. For more information, visit cnb.com.

AquaLogix Fitness

AquaLogix, a leader in aquatic fitness and created to accommodate all age and fitness levels, is the premier omni-directional drag resistance equipment and training system. AquaLogix is an a proven system to dramatically improve balance, coordination, speed, quickness, power, sports-specific skills and calorie burning. The AquaLogix system includes five methods/sizes of resistance prescribed by personal trainers, coaches and doctors and is the choice of pro-athletes, fitness enthusiasts, weekend warriors and kids. The system is used by Wounded Warriors, athletes like Troy Polamalu and team trainers for the Colts, All Blacks and others. Seeking to capture the demographic move to aquatic exercise driven by aging baby boomers with worn joints and excess weight, AquaLogix participated in the CONNECT Springboard program to learn how to scale its business. Introducing the program and shipping aquatic exercise gear since 2004, AquaLogix is now seeking capital to expand sales nationally, internationally and into retail. AquaLogix is designed to reach all fitness goals and if injured, the best ways back to health and readiness. For more information visit www.aqualogixfitness.com or visit them at **Connect with CONNECT** on June 29.

Seasick Marketing

Seasick Marketing is a sports marketing company focused on event management, event development and sponsorship activation. Seasick Marketing offers a solution to client's most demanding marketing and consulting needs, as well as solutions for event directors seeking assistance with management, development and event execution. Seasick Marketing is dedicated to creating financially successful, breakthrough events and marketing platforms, creating a "Buzz" factor for clients and partners. Seasick Marketing stands strong in its commitment to client consulting, marketing and sponsorship needs as well as covering clients diverse needs which may include; event management, media, company or athlete management, advertising and sponsorship sales or activation. Seasick Marketing events and partnerships include connections in industries such as, cycling, triathlons, running, surfing, fitness, motorsports and active lifestyle. Learn more [here](#).

SWARM - formerly IntensifySports

With its recently introduced virtual locker room, a graphically rich and highly interactive place for teams of any sport to connect online, SWARM is changing every notion of how coaches, team volunteers, players, fans, leagues and sports vendors participate in team sports. SWARM is your locker room on the web where everyone associated with the team can collaborate on anything and everything team related. The concept is simple yet powerful providing a 100% web based team sports management solution that is highly interactive, fun and easy to use. The patent pending SWARM virtual locker room leverages best in class web technologies in a way that saves people time and dramatically enhances the overall experience of being involved with team sports. The solution looks, acts and functions just like a locker room, only it's on the web. How cool is that? As part of their Springboard program initiatives, SWARM has recently entered into a Beta program with youth sports teams from San Diego and Riverside counties. And according to the Beta teams it's not just cool it's the "best web innovation for team sports in years". Feedback from the Beta teams is being used to create additional market defining

enhancements to the virtual locker room in preparation for their planned public release this fall. Check out its **YouTube video** to catch a glimpse of SWARM.

Read to kids, just like Bill Walton

SDSI Executive Chairman Bill Walton became the first volunteer in the United Way of San Diego County's campaign which seeks 10,000 people over the next three years to provide tutoring, mentoring and reading assistance to promote literacy among youth in the region. Nationally, the United Way hopes to recruit one million volunteers for the effort. Walton said that volunteers could be "the spark that lights the candle that illuminates and shows the path to a better tomorrow." Read full article at *The San Diego Union-Tribune* and **KPBS**. To volunteer click **here**.

Member News

Win a pair of KLINT skis at Malakye.com

KLINT, founded last January, is a new all mountain ski company. The brand already has not one, but two skis being awarded "Editor's Pick" in the *Freeskier* 2012 Buyer's guide. Guess one of the two models at Malakye.com and you will be entered to win the set of your choice. Enter to win at **Malakye.com** and click on trivia.

Luce Forward featured in *TransWorld Business*: Where do you live? ... Retailers want to know

"Can I get your zip code?" Seems like a harmless retailer question at the cash register. However, according to an article by Stefanie Warren a member of the Action Sports Group at Luce Forward Hamilton & Scripps LLP, that question is the catalyst for many new class action lawsuits. The question poses significant litigation risks for anyone selling goods in California. Last month the California Supreme Court ruling, established a ZIP code as "protected personal identification information." All businesses that accept credit card payments should critically review internal policies and procedures to confirm that employees are complying with the Act and other relevant laws. Read more about how your company can develop a compliance strategy **here**.

American Wave Machines featured in *ENGINEERING.com*

ENGINEERING.com, the premier online destination for engineers of all disciplines, recently featured American Waves Machines' Surf Stream standing wave phenomenon on the Product Design Show. American Wave Machines' top engineer inventor Bruce McFarland disclosed the standing wave phenomenon that results from a hydraulic jump and showed how designers manipulate bottom contours to give an endless ride. View video **here**.

Overload x Red Bull Triplet

This past Sunday at the San Diego County Fair at the Delmar Fair Grounds, 50 of SoCal's most talented professional and amateur skateboarders battled it out for first place at the Red Bull Triplet staircase feature. Top three finishers took home a total of \$5,000 in prize money sponsored by Overload Skateshop. Congrats to 1st place Ryan Decenzo, 2nd place Manny Santiago and 3rd place Dane Vaughn. Watch the highlight video **here**. View Fox 5 Video coverage **here**. Learn more about Overload **here**.

Stance welcomes Andrew Reynolds

Professional skateboarder and owner of Baker Skateboards recently joined the Stance skate team. "We're proud to welcome Andrew Reynolds to Stance and are excited to bear witness and participate in the ongoing creation of his legacy," said Stance. Stance is a San Clemente-based sock brand, which offers a creative art collection in the world of socks mainly linked to the action sports. Read full press release at **Shop-Eat-Surf**.

Liquid Force answering dreams, one internship at a time

"If you are a fan of water sports, you know the name Liquid Force," said Senior University of Central Florida student Kelsey Herrett, who packed up and moved across the country this summer to intern at Liquid Force. "So you give me the chance to work for a company that makes gear for two of my favorite sports, sponsors some of the best riders in the industry, puts on amazing events and whose office is two blocks from the ocean? Um yeah...I'm down!" After a Skype interview with Matt Gleason, the marketing director at Liquid Force, the rest is history and now Herrett spends her day as an intern working on social media sites, shipping stickers and rubbing elbows with the biggest names in the wakeboarding community. Read the full interview at **Central Florida Future**.

Ludus Tours named official tour operator of USA Field Hockey; hires new VP, operations and strategy

Ludus Tours, a travel and hospitality company that focuses on major global sporting and cultural events was named the official tour operator and hospitality partner of USA Field Hockey (USAFH). Through the partnership, USAFH members are now eligible for discounted rates on all Ludus Tours packages, including exclusive USAFH branded tour packages to the 2010 Summer Games in London. Read full press release **here**.

Ludus Tours has hired Brian Melekian as VP of operations and strategy. Melekian will work directly with the executive account management and sales teams to oversee daily operations while applying his experience and vision toward shaping new strategy and processes that will enable unprecedented growth for the company. Most recently Melekian served as the Senior VP of the United Football League and the Virginia Destroyers. Read full press release **here**.

Active Network announces addition to Russell 2000 Index

The Active Network, Inc. the fast-growing leader in online registrations for a range of outdoor athletic competitions, from marathons to other endurance sports, today announced it has been included in the preliminary list of additions to the Russell 2000 which will be rebalanced after market close on June 24, 2011. "On the heels of our successful IPO in May, we see the addition to the Russell 2000 as a reflection of Active Network's positive momentum and market leadership," said Scott Mendel, chief financial officer of Active Network. "The inclusion in the index marks another milestone for the company." The company's addition to the Russell 2000 is part of Russell Investments' annual index reconstitution process that is done yearly in order to maintain true representation of global equity markets, capitalization and style. The Russell 2000 index measures the performance of the 2,000 smallest companies in the Russell 3000 index. Read full article **here**.

Partner News

Board-Trac skateboard market figures featured in Yahoo! sports

According to figures previously released by Board-Trac, 17% of the over nine million skateboarders in the United States are 25 years old or older. Of that 17%, 8.9% are 35 years of age or older. This change in the sport's demographics has understandably made things a bit more complicated for those on the business side of things, especially since the sport was once considered solely for the young. Board-Trac is the leading action sports marketing consulting and research company providing consumer and retail insights to companies selling products and services to consumers who participate or are influenced by action sports. Read full article **here**.

Registration for Waterman's Classic golf tournament - not just your average tournament!

Join more than 150 surf industry executives and professional surfers when they tee it up at the Waterman's Classic Golf Tournament. Now in its eleventh year Waterman's Weekend serves as the primary fundraiser to benefit the SIMA Environmental Fund. Thursday's Waterman's Classic and Friday's Waterman's Ball together will raise a projected \$400,000 for the 2011 SIMA Environmental Fund Grant Recipients. This year's tournament features on-course entertainment, contests and tee-box activities, including the chance to win a brand new Audi.

Continental breakfast, on-course lunch provided by Wahoo's Fish Taco and 18 holes of world-class golf on the ocean front Robert Trent Jones, Jr.-designed Monarch Beach Golf Links are only the beginnings. Don't miss out on this outrageous event and the opportunity to raise money for 20 proven ocean environmental groups. Sign up for the Waterman's Classic and contribute to the vital efforts to protect and preserve our oceans, beaches and surf breaks. Registration and details for this August 11 event [here](#).

TransWorld Motocross to host 5th Annual Celebrity Pit Bike Invitational at Monster Energy Mammoth MX

Going on for more than four decades, the Monster Energy Mammoth Motocross event is back this summer in Mammoth and *TransWorld Motocross* is the official media sponsor, festivities started June 16 and finals close on June 26. This world-class track rooted deep in the mountains has racers herding to Mammoth Lakes and now for the fifth year in a row, *TransWorld Motocross* will continue in its tradition by hosting the Celebrity Pit Bike Invitational in the Village on Saturday, June 25. Everyone will feel like they are a part of all the excitement with nonstop, up-to-the-minute coverage featured daily on the web at transworldmotocross.com! Read full press release [here](#).

Record turnout at UC San Diego surf for a cure event

Turnout to last Sunday's event, Survivor Beach, exceeded all expectations and broke last year's record. A lineup of more than 200 surfboards totaling an impressive 1,674 feet beat last year's record by more than 400 feet. For the fifth year in a row, Survivor Beach is the kick-off event to the annual UC San Diego Moores Cancer Center's Luau and Longboard Invitational, to be held on August 21. More than 250 cancer survivors, friends and family came out to raise awareness. Taylor Peterson, CONNECT Director of Education Programs, is co-chair of the Luau along with Cory Reynolds, Director of Business Development at Manpower. The August 21 event sponsored by Pfizer kicks off with a surf competition where longboard surf legends are paired-up with each team. Around noon, guests can feast on a tropical buffet, be entertained with live music and traditional Polynesian dancing and take part in silent and live auctions. All proceeds go toward raising awareness and supporting the Moores Cancer Center's research and education programs. To date, it has raised more than \$5 million for cancer research.

For more information on the Luau and to buy tickets, click [here](#). Read more about the Survivor Beach event at the *La Jolla Light*. Read more about the Survivor Beach event at the *San Diego Union-Tribune* [here](#) and view a slideshow [here](#). View coverage on Survivor Beach at 10 News/ABC [here](#) and [here](#). View coverage on Survivor Beach at Fox 5 [here](#) and [here](#).

Industry News

VF buys Timberland for \$2 Billion

VF Corp., the parent company of The North Face, Vans and Reef announced the acquisition of outdoor company Timberland for \$2 billion, or \$43 per share. Timberland is expected to generate \$1.6 billion in revenue in 2011. The move, which is expected to close in the third quarter, will propel VF's Outdoor & Action Sports Coalition to more than 50% of total VF revenues. VF said it will help Timberland grow 10% annually by leveraging VF's international platforms in Europe, Asia and Latin America and by leveraging VF's direct to consumer platforms. Likewise, Timberland can help VF with its footwear expertise, its experience and high penetration in Japan and by sharing its best practices in sustainability. Read full article at [Shop-Eat-Surf](#).

Madison Square Garden enters Action Sports events; partners with Quiksilver and Fuse

The Madison Square Garden (MSG) Company announced the launching of MSG Action Sports, a division of MSG Sports that will produce a variety of action sports and lifestyle events, properties and television programming. The first event – Air in the Square – kicked off June 16 with a MegaRamp ASA Triples BMX and skateboarding competition in Times Square in New York City which was televised nationally on Fox Sports Net. Read full press release at MSG.com and [Shop-Eat-Surf](#).

MSG Action Sports also announced plans to partner with Quiksilver making MSG Networks and Fuse the official broadcast partners of The Quiksilver Pro New York in September, 2011 in Long Beach, New York. "Madison Square Garden Company is a world-class entertainment organization and we are confident that they are the perfect broadcast partner for The Quiksilver Pro New York," said Bob McKnight, CEO of Quiksilver. "The newly launched MSG Action Sports group will elevate awareness for our industry's athletes and events in New York City and throughout the U.S. and their understanding of sports, music and television production will be a great asset to promoting our sports and lifestyle." Read full press release at MSG.com and Shop-Eat-Surf.

Surf Ride, Rusty, Hansen featured in *SD Magazine*: Next-generation surfers keep it in the family

San Diego Magazine dug deep into the San Diego sports community to uncover three family run, local sport shops where the next generation is taking the business reigns. The search revealed a theme: mom and pop surf shops. Surf Ride, Rusty Surfboards and Hansen Surfboards were the lucky featured brands in the July issue of *San Diego Magazine*. It's true what they say "The apple does not fall far from the tree". Josh Bernard has worked in his dad's surf shop for 17 years. He's only 29. Yep, the math means Bernard began his Surf Ride career at the ripe age of 12. At 31, Josh Hansen oversees most of the day-to-day operations of Hansen Surfboards. They're not big on official titles, but technically he's the VP and his dad, Don Hansen, is the CEO. Clint and Avalon Preisendorfe, started working in the Rusty Boardhouse as teenagers. And now in their 20's daughter and artist Avalon can't resist creating artwork for Rusty's surfboards and clothing, and son Clint shapes boards alongside his father Rusty. Read full article at San Diego Magazine.

Shop-Eat-Surf compares major industry players; PPR, Nike, VF

With the official closing of PPR's acquisition of Volcom expected this week, three multi-billion dollar global powerhouses are now firmly a part of the action sports industry: Nike, VF Corp. and PPR. All three companies have a lot to offer the action sports brands in their portfolios, including money for investing in the business, operational expertise and experience building brands. *Shop-Eat-Surf* compared the three on nearly 20 key metrics, from revenues to retail penetration, from margins to annual marketing spending. Sign up as an executive member to read full story at Shop-Eat-Surf.

Nike's action sports campaign receiving pushback

Boston Mayor, Thomas Menino is demanding that Niketown remove a display from its Newbury Street storefront, which includes T-shirts with pill bottles and the words "Get High" and "Dope" along with its "Just Do It" slogan. The T-shirts are part of marketing for its first action sports campaign under the "Just Do It" banner. "These T-shirts are part of an action sports campaign, featuring marquee athletes using commonly used and accepted expressions for performance at the highest level of their sport, be it surfing, skateboarding or BMX," Nike's statement said. Read full article at SportsOneSource.

Teva enters action-outdoor market

Teva, a division of Deckers Outdoor Corp., has action sports on the brain. The shoe brand tapped Toshi Corbet, the former Red Bull athletic manager, as its sports marketing manager and hired Sole Tech alum Mickel Tingley as its new business-development manager for "action outdoor." The move comes less than a month after Deckers acquired Sanuk, the surf sandal brand. "The outdoor world is on a collision course with the action-sports world, and the result will be a blended action-outdoor market that thrives in urban environments as well the back country," said Joel Heath, Teva's senior global-marketing director, in the statement. "Mickel and Toshi will help us empower this movement and engage with the next generation of Teva enthusiasts." Read full article [here](#) and at TransWorld Business.

Nearly 90% of high school students fail fitness exam

Nearly 90% of US high school students fail to meet the bare minimum exercise requirements for healthy living a new government study revealed. Only 12% of students met the government standard of three days of "muscle-

strengthening" activities and seven days of aerobic activities, according to the research from the Centers for Disease Control. The target requirements were set by the government's "Healthy People 2020" initiative, which sets decade-long goals for physical fitness. Read full article at [**SportsOneSource**](#).

Snowboard soft good sales summary predict impressive season

This past season saw the snowboard outerwear sales, which have been the industry's saving grace over the past several years, slow down with units dropping 5%. But while last season's numbers were relatively low things are looking up, for next season. *TransWorld Business* caught up with SIA Director of Research Kelly Davis to get her insight into next season. Read full article at [**TransWord Business**](#).

Job/Internship Openings

[**Malakye industry job round-up mid June**](#) - Body Glove, Volcom, RVCA and more

[**Malakye industry job round-up for early June**](#) - Catch Surf, Fox, Vans and DC Shoes

[**Management Operations Internship for Ludus Tours**](#) - Analyzing the macro-view business strategy, as well as helping to streamline day to day operations of this growing company. Will serve as "right arm" to the Director of Operations & Strategy as well as the Managing Director.

[**Executive Director for San Diego Coastkeeper**](#)-To lead the organization into its next decade of accomplishments. Building on Coastkeeper's strong foundation, this visionary will advance water quality and supply protection by blending education, community empowerment and advocacy.

[**Front end web developer at The Active Network**](#) - Responsible for supporting the existing infrastructure as well as the development of new web projects, assisting in updating existing sites and working on other web-related projects within our online marketing team.

SDSI and CONNECT events

[**Jun. 29**](#) CONNECT FrameWorks Workshop presents: Anatomy of a Sports Company: From Birth to Liquidity in partnership with SDSI, KPMG and Sheppard Mullin

[**Jun. 29**](#) Connect with CONNECT: Get into the Zone

[**Jul. 11**](#) Call for Nominations opens for CONNECT's 2011 Most Innovative new Product Awards

[**Aug. 3**](#) MIT Enterprise Forum Wine Social

Community Events

[**June 28**](#) Tech Coast Angels presents: Meet the Angels

[**Jun 28**](#) 6 Degrees presents: San Diego Monthly Mixer - URBN North Park

[**Jul. 13**](#) SIMA Boot Camp: New Advertising

[**Jul. 15-Aug. 14**](#) Orange County Fair: Check out the Action Sports Arena for exciting motocross, BMX, and other action sport events

Jul. 28-31 Summer X Games 17

Jul. 29 Shop-Eat-Surf Executive Roundtable: Van's President Kevin Bailey

Aug. 3-4 Agenda, Huntington Beach

Aug. 4-7 Outdoor Retail Summer Market 2011

Aug. 11 Waterman's Classic Golf Tournament, Monarch Beach Golf Links

Aug. 12 22nd Annual Waterman's Ball, The Ritz-Carlton Laguna Niguel

Aug. 21 UCSD Moore's Cancer Center Luau & Longboard Invitational

Opportunity to be included in the SDSI newsletter

Get your company's highlights and updates featured in the SDSI Newsletter, forward press releases and newsworthy information to Renne Catalano RCatalano@connect.org.

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