



February 17, 2011

## SDSI News

### **Planning for rapid expansion: ElliptiGO to present at MIT Enterprise Forum with panelist from Road Runner Sports, Electra Bicycle Company and Newton Running**

SDSI partners with MIT Enterprise Forum to showcase ElliptiGO in this case presentation as the company plans for rapid expansion. In fact, interested retailers and running enthusiasts from all over the world are practically pulling them into it. Since the sale of one elliptical bike in San Diego in February 2010, ElliptiGO has gone to selling nationwide in July as well as expanding internationally. The forum will spotlight on the best practices ElliptiGO can implement in order to overcome the challenges of their rapid expansion such as transitioning from selling primarily online to primarily selling through retailers as well as deciding whether to grow international sales through distributors or wholly-owned subsidiaries. The forum will include panelist John Hradnansky, COO of Electra Bicycle Co.; Keith Simmons, CEO of Newton Running and founder of XTERRA Wetsuits; and Scott Campbell, CFO of Road Runner Sports. These panelists are very well versed in the fields of international growth and expansion as well as new product development and introduction. There is plenty of room for discussion, so please join us! The forum will be held Tuesday, February 22nd (5-8PM) details and registration [here](#).

### **Sheppard Mullin Richter & Hampton LLP renews SDSI membership**

"Sheppard Mullin is excited to continue as the lead and founding member of SDSI," said Michael Orlando, a corporate attorney at Sheppard Mullin and a member of the firm's Sports team. "It has been awesome to see the growth that SDSI has made over the past few years and especially the past 18 months with Bill Walton's leadership. There is no other organization on the planet that is doing more to help entrepreneurs in this industry realize their dreams and we are proud to be a part of it."

Sheppard Mullin is a full service AmLaw 100 firm with 550 attorneys in 11 offices located in the United States and Asia. Sheppard Mullin is actively involved in the sports equipment and apparel industry, as well as sports media and entertainment. Sheppard Mullin is pro-bono counsel to the International Surfing Association (ISA) and founding member of SDSI. Sheppard Mullin works with a broad base of sports equipment and apparel companies, from start-ups to iconic brands, including Stance, Flat Fitty, Orange 21 (Spy Optic), Reef (VF Outdoor), Rusty Surfboards, Sessions, Adidas America and Taylor Made Golf. For more information click here: <http://www.sheppardmullin.com/industries-17.html>

### **SDSI is proud to announce new members American Wave Machines and Doug Works of CB Richard Ellis (CBRE)**

#### **American Wave Machines**

Whether for surf parks, waterparks or cutting-edge research institutions, American Wave Machines is driven by an innovation imperative. With a legacy and deep roots in the surfing tradition, President and

Founder Bruce McFarland and his team are committed to developing and producing only the highest quality wave systems to deliver authentic surf and experiences. In 2010, AWM created SurfStream, the world's first true standing wave machine that delivers an authentic surf experience enabling surfers and body boarders of all abilities to ride adjustable waves on real boards. Despite the fact that the year just started, McFarland and the AWM team have already been making an international splash. History was made in Sweden on February 4, 2011 when surfers from all over the country gathered at Sundvall's Himlabadet facility to show off their skills on the SurfStream at Sweden's first Indoor Surf Championships. On January 13, 2010 "La Ola Movistar," the largest SurfStream in the world, opened to the public in Lima's premier entertainment venue, Boulevard de Asia, near Lima, Peru. Read more about **American Wave Machines**.

### **Doug Works of CBRE**

Doug specializes in representing, advising and providing commercial real estate solutions to skateboard, snowboard, surf, wake, moto, lifestyle and other action sports related companies on the tenant and buyer side throughout San Diego County and around the world. Works and his CBRE counterparts provide the market intelligence and leverage that enable clients to make the best possible, most informed commercial real estate decisions. In most cases, these services can be provided at no cost to the client. Last year, Works was named one of *San Diego Metropolitan Magazine's* 2010 **40 UNDER 40** which recognizes "the achievements of young business and civic leaders in whose hands lie our region's future." Works is a longtime contributing member of the Board Retailers Association (BRA), International Association of Skateboard Companies (IASC) and Snowsports Industries America (SIA). He has also been a contributing writer for *Transworld Business* providing words and information related to commercial real estate for many years. Read more about Doug and CBRE **here**.

### **SDSI needs your help! Call for volunteers for the Science of Sports, sponsored by Bridgepoint Education**

SDSI is seeking assistance from students, graduates and professionals in the fields of physics and engineering to make science simple for kids and parents at the Science of Sports, an interactive sports event during the San Diego Science Festival. In addition to helping kids get excited about science and engineering, this will be a great networking opportunity to meet the companies and people who are contributing the sport technology that is being displayed. More information **here** or contact Madelaine Holden at **mholden@connect.org** or 858-964-1335.

### **If your company is interested in funding or concerned with how the new overhaul of lease accounting will effect you, don't miss these upcoming FrameWorks Workshops**

#### **From Footnotes to Front Page News: How the New Accounting Rules for Leases will Impact You**

The Financial Accounting Standards Board (FASB) has proposed an overhaul of accounting for leases, which some have dubbed a hostile takeover of GAAP. These changes will have significant impacts on lease accounting, whether you are a landlord or tenant, public or private company. This panel discussion will provide an overview of the new proposed rules, their likely impact on your accounting practices, as well as their impact on the structure of lease transactions, financial reporting requirements and other significant financial implications. Details and registration for this Feb 24<sup>th</sup> workshop **here**.

### **Raising Angel Capital: Tips and Tools to Navigate the Process**

In the current economic and venture capital climate, angel investment is one of the most critical sources of start-up capital. Angel networks are the source of the majority of this funding. These groups are comprised of high net worth individuals who meet – formally or informally – to vet and discuss deals and learn about the best new business opportunities. Hear from a panel including active angel investors from

the Tech Coast Angels and Roger Rappoport from Procopio, Cory, Hargreaves & Savitch LL,P who works closely with startups. Details and registration for this March 2<sup>nd</sup> workshop [here](#).

### **Preparing for Investment**

In the current start-up environment, executives need to take steps to prepare their company for receiving outside investment long before approaching potential investors. In this workshop, Charles Bair, Patrick Loofbourrow and Ken Rollins from Cooley LLP will discuss capital investment issues for emerging companies and how best to structure your company in advance of funding considerations. Details and registration for this March 17<sup>th</sup> workshop [here](#).

## **SDSI Community News**

### **Active Network files for IPO**

Active Network, which operates a Web-based network that provides online registrations for everything from campsite reservations to tee times, filed for an IPO this Monday, proposing to raise \$150 million. Pricing terms and timing of the IPO were not disclosed. Founded in 1998 to provide online registrations for marathons and triathlons, it has expanded its services through acquisitions and organic growth. It now serves more than 47,000 organizations, including recreation leagues, educational institutions, corporations, government agencies and non-profit groups. Read more on [Xconomy.com](#) and full press release [here](#).

### **Active.com launches hyperlocal guide to Bay Area activities**

Active.com, a media property of Active Network and the leading online community that connects people with the sports and activities they love to do, introduced a new hyperlocal version of Active.com which features over 7,000 sports events, fitness activities and things to do exclusively in the San Francisco Bay Area. The site allows residents from nine counties in Northern California to easily browse and sign up for the most popular sports events in their neighborhood, post and share local activities and interact with other active individuals in their community. "We recognize that Active.com users want easy access to information that is directly relevant to their lives," explained Brian Enge, SDSI advisory board member and vice president of strategic projects at Active Network. "The new Active.com hyperlocal site provides fitness-minded Bay Area residents and sports organizations with a single destination to connect with one another." Read full press release [here](#).

### **Liquid Force introduces 2011 Wing Pro Binding**

Liquid force Global Team Rider Amber Wing demanded more comfort and more support for 2011, so SDSI advisory board member, Tony Finn and his team at Liquid Force have successfully delivered. The all-new Wing Pro Binding's new profile provides a sleeker, more supportive fit. The new Wing is lighter for faster response on the water and bigger boosts off the wake. Don't let this binding's good looks fool you... with a flex level of 7, the 2011 Wing Pro Binding is built for performance. Read more on [Transworld Business](#).

### **Skullcandy's Roc Nation Aviator Headphone takes home SIMA Image Award**

Skullcandy was acknowledged last Thursday at the 8th Annual Surf Industry Manufacturers Association (SIMA) Image Awards. The company's Roc Nation Aviator headphones, which launched as a collaborative effort in the fall of 2010 with Jay-Z's Roc Nation, were awarded SIMA's 'Accessory Product of the Year.' Dan Levine, VP of Creative, adds "This award is a real win for Skullcandy, our entire team worked tirelessly on the focus and execution of the Roc Nation Aviator. A nod like this coming from our

industry is a true acknowledgement of the fruits of this labor.” The Image Awards celebrate the best of the surf industry in outstanding innovation and contribution. Read full article on [surfersvillage.com](http://surfersvillage.com).

### **American Wave Machines’ Bruce McFarland interviewed for SurfStream**

The scarcity of perfect waves and our busy lives have led to a demand for an accessible, reliable surf experience away from the ocean. Nothing can beat the real thing but when you can’t catch a perfect wave then surf simulators can fill the void and are now seen in theme parks, cruise ships, shopping malls as well as at dedicated surf parks and extreme leisure zones. Blooloo.com, the premier Web site for the amusement/theme park and waterpark industry, recently caught up with Bruce McFarland, founder of American Wave Machines-newest member of SDSI-on how the SurfStream is bringing surfing to the masses. “We hope that people who surf for the first time on a SurfStream will have an opportunity to transfer their skills to surfing in the ocean. But beyond that SurfStream is a sports facility and attraction. It is fun and rewarding for anyone. It’s also a training opportunity. The possibility of such a long ride is rarely found in the ocean. Balance and repetition can enhance personal fitness and health,” says McFarland. Read full interview [here](#).

## **Investment Ready Companies**

### **Sweet Spot Golf featured in *Golf Today* magazine, northwest edition**

**Sweet Spot Golf: Function Follows Fashion-** “I’ve been using the [Sweet Spot Golf] club for the past month or so and I love it”, says Elizabeth Noblitt, founder of ShiShiPutter.com. “The results have been worth it...my stroke is smooth, straight and there is a satisfying ‘ting’ when you hit the ball”. Sweet Spot Golf (SSG), a 2010 CONNECT Springboard graduate, makes putters, drivers and hybrids specifically designed for women. SSG uses the Performance Positioning System (the arrows on the golf club), the perimeter weighting system and center of gravity to help mid-high handicap female golfer improve her performance while at the same time adding style into her game. Read full article [here](#) (enlarge magazine and scroll to page 21). At the PGA show in Orlando last month, SSG acquired partner Golf Bells Company, a golf entertainment and media company that provides industry business development and media solutions. Read more [here](#).

### **GOTRlbal to launch social network goody bag promotion**

GOTRlbal is currently looking for six brands who would like to be a part of its latest interactive and dynamic, multi-brand partner, promotion campaign. According to GOTRlbal founder Tanya Maslach, “GOTRlbal is taking the race goody bag out of the bag” and building “a virtual, engaging and ‘shareable’ goody package.” This social media initiative starts in April and brands will be selected by March 5<sup>th</sup>. GOTRlbal, a 2010 CONNECT Springboard graduate, is a networking organization created to empower and connect women through the journey and shared love of endurance sports. Read more about the [goody bag promotion](#) and [GOTRlbal](#).

## **Industry News**

### **SDSI advisory board member Ludo Boinnard featured in *Shop-Eat-Surf* for new ski company SnowFab**

Ludo Boinnard is best known in the moto world for creating One Industries. Now, he’s turning his attention to the ski industry with a new ski company and ski brand. SnowFab is a premium licensing company and private label supplier to established snow brands. Based in San Diego, California, they design, manufacture, sell, market and license lifestyle snow hardgoods. SnowFab celebrated the launch of its house brand, KLINT, at the SIA TradeShow in Denver, CO this past January. SnowFab recently acquired

licenses with Paul Frank and Rockstar. Read full story on ***Shop-Eat-Surf*** (executive member's login) and more about **SnowFab**.

### **Hurley CEO Appointed President of Nike Affiliates**

Vice President and CEO of Hurley International, Roger Wyett, has been named president of Nike Affiliates and will now oversee Cole Haan, Umbro Ltd. and Converse Inc., as well as Hurley International. Prior to Hurley, Wyett, served as global vice president of apparel for Nike. He first joined Nike in 1994 and held a number of key senior management roles across the company. He has also worked in senior management positions for Puma USA and the Walt Disney Company. In his new role, Wyett will report directly to Mark Parker, president and CEO of Nike, Inc. "We have tremendous growth opportunities across our portfolio of affiliates and are pleased to see Roger bring his more than 25 years of experience to the team and lead us in our next period of growth within our affiliates," said Parker. Read full press release at ***Shop-Eat-Surf***.

### **Hurley founder Bob Hurley and CEO Roger Wyett speak at Shop-Eat-Surf executive roundtable**

More than 180 people turned out last Friday at the Shorebreak Hotel for Shop-Eat-Surf's Executive Roundtable. Hurley and Wyett spoke candidly about a wide range of topics, including how Hurley has managed to grow while other companies were shrinking during the recession, what it plans to do with its Phantom patent, where the company plans to focus international growth and if Hurley plans to counter Billabong's retail moves. Wyett does not come from the industry. He said his role is to play Forest Gump, and constantly ask why the industry, and Hurley, do things they way they do. When asked about critics who say Hurley is using Nike money to buy the market share, Wyett responded assuringly that, "There is no free lunch at Nike. Hurley is profitable and spends a fraction of what other industry brands do on marketing. The company just spends its money very strategically - on fewer, yet bigger things." Read full article and view photos at ***Shop-Eat-Surf***.

### **IASC names Josh Friedberg Executive Director**

The International Association of Skateboard Companies (IASC) announced on February 6, that it has appointed Josh Friedberg, of legendary *411 Video Magazine*, as its executive director. Friedberg will take over the position following the retiring John Bernards, who will step down from his role as executive director after seven years. In 1993 Friedberg co-founded 411 Video Productions. As producer/editor he pioneered the *411VM* format that permanently changed the face of skateboard media. "I'm honored to be chosen as executive director by such an accomplished group as the IASC Board," says Friedberg, "With the combined strength of all our members I'm going to do everything I can to make IASC an indispensable resource for the future growth of the skateboard industry." Bernards will continue to work closely with the organization as Friedberg takes the reigns at the end of February 2011. Read full press release on ***Transworld Business***.

### **Transworld Business 2010 Industry and Retail Award Winners include SoCal natives: Nixon Watches, Volcom, Sector 9, Surfside Sports and Surf Ride Inc.**

*Transworld Business* announced last Friday, the companies and sales reps that had done the most this year to help support their store's growth, goals and continuing success. Among the winners were a few local brands and retailers: Surfside Sports of Costa Mesa for Shop of the Year and Regional Shop of the Year; Surf Ride Inc. of Oceanside for Hardgoods Retailer of the Year; and Volcom for Industry Brand of the Year as well as Product Award for Recession Buster. Other Product Award winners included Nixon Watches for Breakout Category #1 and Sector 9 Skateboards for Turnstile and Hard Sell #1 Brand. Read complete list of award winners on ***Transworld Business***.

## **SIMA Image Award winners announced**

The 8<sup>th</sup> Annual Surf Industry Manufacturers Association (SIMA) Image Awards were held at the House of Blues in Anaheim, on February 3, 2011. The objective of the Image Awards is identify surf industries most influential companies and recognize them for their efforts to advance and grow the industry over the past year. Companies were acknowledged from 15 categories ranging from Breakthrough Brand of the Year to Men's Marketing Campaign of the year. Overall, five San Diego Sport Innovator community members were nominated. The nominees included: Surf Diva Boutique for Women's Retailer of the Year, Firewire and C4 Waterman for Surfboard of the Year, ambsn for Breakthrough Brand of the Year and Skullcandy for Accessory Product of the Year, in which it took home the award. Read full article and complete lists of nominees on [\*Shop-Eat-Surf\*](#).

## **Job openings**

### **Malakye industry job round up for early February**

### **Malakye industry job roundup for mid February**

**President & Chief Executive Officer at Street Surfing LLC** -Responsible for providing strategic leadership of the Company by working with the Board of Directors and the executive management team to establish, implement and oversee the short and long-range goals, strategies, plans and policies of the Company.

**Lead developer at GOTRlbal.com** – To create new functionalities to improve mobile and PC experience for users of GOTRlbal community (gotribal.com). More information [here](#).

**Engineer and mobile app developer/designer at GOTRlbal.com** - To create GOTRlbal's first mobile app - due to launch in early spring 2011. Will be integral to the company's growing mobile technology offerings and the prime manager behind its website growth, administration and design. More information [here](#).

## **SDSI and CONNECT events**

**Feb. 22** MIT Enterprise Forum SD and SDSI present case presentation: ElliptiGO Sets the Pace for a New Global Industry

**Feb. 23** CONNECT Convergence Venture Round Table

**Feb. 24** FrameWorks Workshops presents: From Footnotes to Front Page News: How new Accounting Rules for Leases will Impact You

**Mar. 2** FrameWorks Workshops presents: Raising Angel Capital: Tips and Tools to Navigate the Process

**Mar. 10** Connect presents: Connect with your Digital Life! at Connect with CONNECT

**Mar. 15** FrameWorks Workshops presents: Preparing For Investment

**Mar. 22** SDSI and San Diego Hall of Champions present: Science of Sports in conjunctions with the San Diego Science Festival, sponsored by Bridgepoint Education

**Mar. 26** SDSI presents: Board Science in conjunction with the San Diego Science Festival's Expo Day

## Community events

**Feb 22** [GOTRibal Podcast Episode 3- Dr. Wendy Borlabi, Senior Sport Psychologist at United States Olympic Committee: Tips and Techniques to Get in the Mindset of an Elite Athlete](#)

**Feb. 22** [Six Degrees San Diego Monthly Mixer- Maria Maria](#)

**Mar. 19** [Junior Seau Legends "March Madness" Party featuring Bill Walton and Slightly Stoopid](#)

**Mar. 20** [Junior Seau Dinner & Auction-sponsorship opportunities available](#)

**Mar. 21** [19th Annual Junior Seau Celebrity Golf Classic, honoring Legend of the Year Bill Walton-sponsorship opportunities available](#)

**Mar. 21-26** [San Diego Science Festival](#)

**Mar. 29** [Six Degrees Cigar Society- Trulucks La Jolla](#)

**Apr. 28** [Power of Angel Investing Seminar presented by the San Diego Tech Coast Angels](#)

### 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](mailto:RCatalano@connect.org).

For more information on SDSI please contact Garrett Hale [GHale@connect.org](mailto:GHale@connect.org) (858)-964-1314 or Renne Catalano [RCatalano@connect.org](mailto:RCatalano@connect.org) (858) 964-1334 Follow us on  