



March 2, 2011

SDSI News

SDSI thanks Holly Green, CEO & Managing Director of THE HUMAN FACTOR, Inc.



Holly Green recently facilitated SDSI's initial strategic planning session on Feb 25th at The Bridges Country Club at Rancho Santa Fe. Holly is a leading business consultant, bestselling author and speaker (www.thehumanfactor.biz), with a focus on enabling strategic agility in companies and organizations around the globe.

ElliptiGO: 2010 MIP Action and Sport Technologies Award Winner and recent MIT Enterprise Forum presenter featured on "The Doctors" TV Show

SDSI supported MIT Enterprise Forum in a case presentation to spotlight on ElliptiGO's plans for rapid expansion. The forum took place on February 22nd and featured panelists 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. The forum concentrated on the best practices ElliptiGO could implement as they transitioned from primarily selling online to selling to retailers, as well as whether to grow international sales through distributors or wholly-owned subsidiaries. Check out the event video by VERB TV including an interview with Bryan Pate, Co-Founder and Co-President of ElliptiGO, [here](#).

ElliptiGO has received a tremendous amount of interest from running enthusiasts and physicians alike. Early this year they were featured on an episode of CBS's groundbreaking new medical talk show, "The Doctors". ElliptiGO was acknowledged for their efforts in creating an ideal exercise for those seeking a low-impact workout. Watch video [here](#).

Join SDSI and San Diego Hall of Champions for a full day of family fun with sport science

SDSI and San Diego Hall of Champions present the Science of Sports in conjunction with San Diego Science Festival and sponsored by Bridgepoint Education. Families and children of all ages will enjoy this interactive event as they go behind the scenes to learn the science, mathematics and physics that make the sports we all love work. Displays from local companies including American Wave Machines, ShaperStudio, Freshpark Skateramps, SKLZ, H2O Audio and much more. With a special appearance by SDSI's Executive Chairman and NBA Legend Bill Walton, the event takes place on March 22nd. More event details may be found [here](#) and full festival details available at [SDScienceFestival](#). Consider yourself a science geek? SDSI needs volunteers to engage the children in the science behind the exhibits. Please contact mholden@connect.org for more volunteer details.

Security Business Bank re-invests in SDSI

"We're energized to be involved with a cause that reignites our regional economy, stimulates innovation and creates jobs," said Paul Rodeno, president and CEO of Security Business Bank. "Bill Walton and his

team have done an outstanding job getting SDSI off the ground.” As a founding investor and board member of SDSI, Rodeno is proud to offer sports-related entrepreneurs the bank’s expertise in small business lending, cash management solutions and strategic planning. Of the more than 600 sports and active-lifestyle companies in San Diego, many are seeking to raise capital, reduce costs, identify business partners and fine-tune their business plans. “SDSI provides an advantage to San Diego’s homegrown sports industry. The breadth and depth of the organization’s programming and the involvement of tenured local business leaders afford solid mentorship and sound business advice to the segment,” continued Rodeno. With offices in Carlsbad, Carmel Valley, Downtown San Diego and one set to open in Escondido, Security Business Bank is a community-oriented bank providing small and mid-sized business customers with financial innovation, access to management and superior client service. For more information, visit **Security Business Bank**.

SDSI welcomes new member H2O Audio

Established by athletes for athletes, H2O Audio is committed to developing the best high-performance waterproof/sweatproof sport headphones and accessories anywhere. By removing the boundaries that keep all athletes from the benefits of training with music, H2O Audio helps sustain motivation anywhere you need it, for workouts that are not only more fun, but more productive. Its product design and development is based on years of prototypes and close collaboration with top athletes like 17-time World Champion swimmer and 16-time Olympic medalist Michael Phelps; 6-time World Champion and 11-time Olympic medalist Natalie Coughlin; World Champion triathletes Greg and Laura Bennett and up-and-coming 16 year old Stand Up Paddling phenom, Slater Trout. H2O’s growth continues as it expands its partnerships with sporting goods stores, specialty retail shops and major consumer electronics retailers including Apple, Best Buy, The Sports Authority and Amazon.com. H2O Audio also has international distribution in over 30 countries, including the UK, Australia, Mexico and Japan further expanding the mission of bringing quality sound to all people and all activities, wet or dry. For more information, visit **H2O Audio**.

March funding month: If you are seeking funding, don’t miss these upcoming FrameWorks Workshops Preparing for Investments

In the current start-up environment, executives need to take steps to prepare their companies for receiving outside investment long before approaching potential investors. In this workshop, Charles Bair, Patrick Loofbourrow and Ken Rollins at Cooley LLP will discuss capital investment issues for emerging companies and how best to structure a company in advance of funding considerations. Details and registration for this March 15th workshop **here**.

The Employee-Ownership Alternative: Building the Business You Want

Entrepreneurs have choices about the kind of company they want to create. The VC route — giving up control over your destiny in exchange for funding — is well-known, but entrepreneurs should also be aware of the choices that employee ownership can provide. By sharing equity ownership with the rest of your team, you can gain critical advantages that help the company grow — and on your own terms. SAIC is one great example; there are now many more. Details and registration for this March 22nd workshop **here**.

The Art of the Term Sheet

For most start-up or emerging growth companies, raising capital is one of the most critical components to successfully growing and ultimately exiting a company. Having a comprehensive funding strategy that prevents excessive dilution, loss of control and ultimately diminished upside on exit is critical. In addition, understanding the provisions of a term sheet, the far-reaching implications that certain provisions can have on maintaining control of the company, the economic impact of those provisions on exit and the

effect of those provisions on subsequent rounds of funding is crucial for entrepreneurs. In this workshop Rodger Rappoport will give a detailed discussion on the anatomy of term sheets for a bridge financing, angel investment and VC funding. Details and registration for this March 30th workshop [here](#).

SDSI Community News

SDSI media partner VERB TV makes an impressive showing with GoPro's HD Hero Cameras.

At Wave House in Mission Beach San Diego, VERB TV grabbed some incredible and truly dynamic footage of the world's best flowriders in action for a segment that will air on an upcoming episode of its original television program, "9 to 5". The shoot incorporated a combination of traditional HD studio gear and four wearable GoPro HD Hero cameras. VERB has just released this ALL GoPro clip, shot and edited by Jason Johnson, as a teaser for the full upcoming television segment that will include additional footage and interviews of these and other top riders and a wide array of unique camera angles and production techniques shot by the entire crew. Featured riders in this clip include current World Champ, Eric Silverman; World # 2, Greg Lazarus; and Top Contender, Derek "Zoo" Zemen. Check out the video on [VERB Network](#).

VERB Network, LLC is an action sports media company based out of San Diego. VERB is a producer, aggregator and distributor of independently produced action sports content, with television distribution throughout Southern California. While VERB offers programming from major action sports brands like Billabong and Rip Curl, it also exists to provide a platform for independent production, showcasing the best talent in action sports filmmaking in Southern California and from around the world.

2009 MIP Action and Sport Winner, Neptunic featured in SDBJ for Sharksuit Technology

Jeremiah Sullivan initially designed a shark suit in 1978 for people to enjoy safer interactions with sharks. In the 30 years that have passed, Sullivan's ideas have snowballed into a technology solutions company, Neptunic Technologies Inc., which has recently secured both military and commercial clients, including the US Navy. The company now offers protective textiles with proprietary blends for a wide range of uses from action sports to military operations. "Our company is recognized as creating the new threshold for textiles and materials," Sullivan said. "We start at the fiber level and build the yarns." Neptunic Technologies Inc. was a 2009 CONNECT MIP Award Winner for the Action and Sports Technology Category. Read more at the [San Diego Business Journal](#).

Surf Diva and Bootique Fitness offer new program: Surf-FIT, workout and surf program for women

San Diego's top two outdoors recreation companies have teamed up to offer a comprehensive fitness program exclusively focused on getting you in the best shape of your life, while improving your surfing skills. "Most of us don't have the luxury of a two hour daily workout, so we came up with something that is quick and intense, but with the super fun element of going to surf camp," explains Izzy Tihanyi, founder and co-owner of Surf Diva Surf School. The program consists of a 45-minute beach bootcamp Tuesdays/Thursdays as well as a 1.5 hour in water surf lesson on Saturdays. Read more on [Surfline.com](#).

Adio Footwear's Jim Stroesser on remaking entire business model

SDSI advisory board member and President of Adio Footwear, Jim Stroesser sat down with *Shop-Eat-Surf* to discuss the remaking of Adio's entire business model by cutting the Adio skate team, relocating corporate offices, lowering prices and targeting a more mainstream price sensitive customer. "It was a controversial decision, but at the end of the day the brand has to make money to survive." Stroesser joined Adio in December 2009 and has been involved in the industry for over 25 years. Stroesser praises

SDSI for its ability to connect new technologies to the sports industry and provide a networking platform for companies and individuals. “Through SDSI, I have become involved with Code Technology and Neptunic Technologies, both companies that have break-through technologies that have huge potential to be game changers the sports industry.” Read full interview on ***Shop-Eat-Surf***.

CBRE takes on sports related companies

Doug Works, first vice president at CB Richard Ellis (CBRE) and new member of SDSI has recently assisted many sports related companies on the commercial real estate front in San Diego County as well as throughout the United States. Doug is able to assist companies with their commercial real estate needs outside of San Diego County through the support of his team and the tremendous global platform of CB Richard Ellis. His most recent engagement was the very favorable lease renegotiation and extension of Dragon Alliance in Carlsbad. Earlier this year Doug assisted ERGO Clothing with their east coast corporate headquarters and their west coast sales/event office. Read ERGO's testimonial letter **here** and more about Doug Works **here**.

Firewire debuts its new adjustable Deviant Fin

Your board will feel faster and looser. Forward fin cant (how the fin tilts in relation to the bottom of the board) is normally set between 6 and 9 degrees, increasing speed through turns and drawing tighter arcs than more upright fins. The Deviant Fin, developed by RADCOR Design Studio and Firewire, applies that same principle to the rear thruster fin. Now in stock at all USA Firewire dealers. Read more on ***SurfersVillage***.

Investment Ready Companies

SignWear graduates Springboard

SignWear is a lifestyle brand of apparel, jewelry and accessories that inspires young people to communicate their values using recognizable signs and symbols in a social language they understand. SignWear enables teens to express themselves by linking healthy messages to common symbols. On March 1, with the assistance of lead mentors Vince Ruggiero and Steve Seymour, SignWear completed CONNECT's Springboard program and graduated at a panel hosted by Foley & Lardner LLP. The SignWear products become a social communication tool for kids to express important values or core truths to their peers and adults in an unspoken but powerful way. SignWear provides ways to help today's young people make positive changes in their lives. More information **here**.

Industry News

Patent office struggles to catch up with technology

Patentable ideas are the basis for many start-up companies and small businesses and sports innovation is no exception. President Obama has stressed the necessity of modernizing the federal Patent and Trademark Office implying it's essential in “winning the future.” However, many critics fear that the office is fixed in the 20th, if not 19th century, when they announced last year they would open their first satellite company in Detroit. It has only been three years since the office began to accept a majority of their applications online - the patent system is so congested that it currently takes up to two years for inventors to get initial rulings and an additional year or more before the patent is actually issued. The delays and inefficiencies cost jobs and slow down the economy by suppressing venture capitalists from receiving funding for their start-ups. In the last five years, the flood of applications has grown to more than 2,000 a day last year, from 950 a day in 1997. Read full article on ***The New York Times***.

ISA & Skullcandy partner for video project - What does a better surfing future mean to you?

Submissions end March 30th and the first 50 entries will automatically win a Skullcandy prize package. There are still a few slots left, so hurry up and submit your video. It is simple and you can do it however you want to. You have 90 seconds of artistic freedom. There's a total of over \$3K in cash and Skullcandy prizes. The top prizes will be awarded to the most-viewed videos and to the ones awarded by the jury of five editors representing the most prominent online surf websites in the world. Full contest details on ***SurfersVillage***.

Nike praised for environmental design efforts

Fast Company magazine ranked Nike No. 23 on its list of "The World's Most Innovated Companies 2011." The business magazine primarily commended Nike for its efforts in environmental design. The company released an Environmental Apparel Design Tool, to facilitate industry designers in making environmentally friendly decisions. Last summer during the World Cup, nine teams wore high performance jerseys created from 13 million plastic bottles that the company had salvaged. Read full article and list of companies **here**.

World's first surfboard with integrated technology

Surfing has traditionally been a sport established by feelings; however PUKAS and TECNALIA want to turn feelings into facts and figures. PUKAS surf, a leading manufacturing and distribution company in Europe, has united with TECNALIA Research and Innovation - Spain's leading applied research center-to develop the world's first surfboard with integrated technology. With research gathered from quantitative and objective data, the new technology may possibly transform the process of surfboard manufacturing. PUMAS and Teklanika's mission is to enhance surfer's technological performance while improving features of the surfboard and allowing them capability of measuring parameters during competition. Read full article on ***SurfersVillage***.

Consolidated Skateboards continues to push the skate industry with Thank Local

Steve Gunslinger's skateboard company Consolidated Skateboards has always supported local retailers beginning with The Plan, its first grassroots movement encouraging youth to petition their local city government about making skateboarding legal and creating public skateparks. In 1997, when Nike first made a push into the skateboarding market, Gunslinger came back with the "Don't Do It" campaign, depicted in Thrasher and Transworld Skateboarding magazine ads, questioning the company's absence in supporting skateboarding in the past. Gunslinger also made the executive decision to stop selling Consolidated to larger retailers, such as mall chains like Zumiez. Today, it continues to support core local retailers with a new program, Thank Local, which sells the brand's boards at cost to Santa Cruz and surrounding area skate shops. Thank Local, along with reviving the "Don't Do It" campaign, is making a new push to educate and encourage youth to buy from local skate shops. Read full interview on ***TransworldBusiness***.

Job Openings

Malakye mid Feb roundup

Malakye late Feb roundup- Vans, Osiris, Volcom

Malakye end of Feb roundup- Quiksilver, Burton, Hurley and many other action sports companies

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 GOTRIbal.com – To create new functionalities to improve mobile and PC experience for users of GOTRIbal community (gotribal.com).

Engineer and mobile app developer/designer at GOTRIbal.com - To create GOTRIbal'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.

SDSI and CONNECT events

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. 22 FrameWorks Workshop: The Employee-Ownership Alternative: Building the Business *You Want*

Mar. 22 SDSI and San Diego Hall of Champions Presents: Science of Sports in conjunction with San Diego Science Festival

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

Mar. 30 FrameWorks Workshop: The Art of the Term Sheet

Community events

Mar. 8 Six Degrees San Diego Monthly Mixer- Phil's BBQ

Mar. 19 Junior Seau Legends "March Madness" Party featuring Bill Walton and Slightly Stoopid

Mar. 19-20 Sacred Craft Surfboard Expo

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.

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