

UCSD CONNECT NEWSLETTER  
TUESDAY, DECEMBER 11, 2001  
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UCSD CONNECT NEWSLETTER  
TUESDAY, DECEMBER 11, 2001

1. Weekly News Bulletins

- a. Attention Entrepreneurs: CONNECT Technology Financial Forum Call for Applications

CONNECT is now accepting applications to present at the 18th annual Technology Financial Forum on March 13, 2002. The event will feature an exhibit hall and presentations from promising early stage information technology and telecommunications oriented companies from Southern California. The Forum is designed to help emerging companies prepare to raise venture capital and then meet potential investors. The event will also present a full day of talks from leading industry experts and some of the region's top entrepreneurial talent.

Last year's Forum featured 34 presenting companies, including Astute Networks, Pyxis, Overland Data, Active.com, Egea BioSciences, Aperio Technologies, Mohomine, and ChemNavigator, as well as a keynote address by David Brancaccio of National Public Radio's "Marketplace." Presenters from the 2000 program raised over \$250 million, and despite difficult market conditions, last year's presenters have raised over \$50 million. This year's Technology Financial Forum is shaping up to be another headliner.

If you will be seeking funds in the first quarter of next year, or if you have a client who may be seeking funds, now is the time to apply. The deadline is December 28. For more information, visit Technology Financial Forum on the Web at <https://www.connect.org/programs/financialforum>.

#### b. Innovation Recognized at UCSD CONNECT's MIP Awards

"One of the biggest challenges right now is coping with all the benefits of having won," said Freeman Rose, CEO of MagneVu, an MIP Award winner. The challenge Mr. Rose is referring to is the exposure generated by the MIP Awards. The company was a winner for its MagneVu 1000 Portable MRI, which allows noninvasive views inside the human body without ionizing radiation. "Recognition from outside the company is very important to start-up companies," Rose said. "Exposure and credibility: Those two words pretty much sum it up."

UCSD CONNECT's 14th annual Most Innovative New Product (MIP) Awards took place December 5 at the Sheraton Harbor Island. Nine hundred attendees got a close look at the most promising, innovative products developed in San Diego over the last year. Five companies were honored with an MIP Award:

##### General Technology

Easy Wireless, Inc. for the PIN Dynamic Provisioning System, a network for dispensing electronic personal identification numbers. The product provides an Internet based PIN distribution system in real-time to retailers and distributors of prepaid services.

##### Hardware / Physical Device

NurLogic Design, Inc. for the ND 3007/ND 3008, a product that transmits and receives ICs that are optical/electrical (O/E) converters that operate at the first level (PHY layer) of the OSI model. The product offers four times the bandwidth commercially available in existing optical solutions.

##### Life Sciences

MagneVu for the MagneVu 1000 Portable MRI, a product allowing noninvasive views inside the human body without ionizing radiation.

##### Software

VelociGen Inc. for VelociGenX Web Services platform, which leverages advanced software technologies (such as XML, SOAP, WSDL, etc.) to solve IT integration problems that would have been too time, labor and cost prohibitive to consider until now.

##### Telecommunications / Wireless

AirFiber, Inc. for OptiMesh, a product that delivers broadband services over the air using beams of light -- without digging trenches to install fiber or acquiring expensive microwave licenses.

Two special awards were bestowed upon San Diego organizations, as well. Paul Kreutz of Gray Cary, MIP 2001's lead sponsor, awarded the Chairmen's RoundTable the Gray Cary Award for

Technology Innovation. This award recognizes those that have encouraged innovation and diversity of thought through business activities and community involvement, thereby supporting entrepreneurs. UCSD Regent Peter Preuss presented the Bill Otterson Award to Qualcomm for its CDMA technology. The award is given by CONNECT to a product or service that has had significant impact on society and quality of life. Steven Altman of Qualcomm accepted the award.

Deciding on winners from a long list of outstanding San Diego products wasn't an easy task. Roger Copeland, Director, Corporate Communications, SPAWAR was one of the Distinguished Judges. "There were some tremendous capabilities and opportunities shown to the judges," he said. "I think one of the challenges for judges came from trying to decide on the definition of innovation."

With 900 people in attendance, the event sold out in advance. "That shows me there's a lot of interest in San Diego innovation," said Copeland, "and that we're somewhat more insulated from the economic situation than the rest of the country."

Media exposure is at the forefront among the benefits of winning an MIP Award. The winners and the companies behind them were covered by most San Diego media outlets. In print: The San Diego Union-Tribune, The San Diego Daily Transcript, and the North County Times. On TV: Fox 6 News, 10 News, and KUSI News.

"The other impact that might not be so obvious," said Rose of MagneVu, "is the impact on our customers and our prospects. For people that may be potential MagneVu MRI customers, it gives them a level of confidence."

If your company is developing a product in San Diego right now, regardless of company size -- consider entering next year's MIP Awards to claim your share of the spotlight. The success of this year's MIP Awards is largely due to the hard work of Rachel Barley, Program Coordinator with CONNECT. As good as this year's event was, CONNECT would like your feedback to help make next year even better. As part of the CONNECT 2.0 initiative, the organization continually seeks ways to increase the value of its events and programs. Send your Most Innovative New Product (MIP) Award comments, questions and suggestions to [connectinfo@ucsd.edu](mailto:connectinfo@ucsd.edu).

## 2. Life Sciences

### a. Innercool Receives Regulatory Approvals in Europe and Australia

Innercool Therapies, Inc. has received CE Mark approval for its Celsius Control System, a proprietary endovascular catheter technology that exchanges heat directly with blood in the circulatory system to induce and/or reverse hypothermia (mild cooling). The CE Mark allows the company to market the product throughout the European Union. The company has also received marketing approval from the Australian Therapeutic Goods Administration (TGA). Innercool is currently conducting multi-center clinical trials with the Celsius Control System in the treatment of acute ischemic stroke (ICTuS) and during surgical repair of unruptured brain aneurysms (TCAS).

### b. Scientific Papers of Co-Discoverer of DNA to be Housed at UCSD

Copies of the collected scientific papers of Nobelist Francis Crick, co-discoverer of DNA and a member of the faculty of The Salk Institute, will be housed in the special collections section of the Geisel Library at the University of California, San Diego (UCSD). The collection is coming to the UCSD library as part of an agreement in which the original papers will go to the Wellcome Library in London for about \$2.5 million. The sum is believed to be the largest paid to a contemporary scientist for his or her archives, according to UCSD.

Crick and James Dewey Watson were awarded the Nobel Prize in Physiology or Medicine in 1962 for unraveling the double helical structure of DNA, the fundamental unit of heredity, in 1953. Crick was based at Cambridge University from 1947 to 1976, and subsequently left Britain for La Jolla and The Salk Institute, where he has worked for the last quarter century.

### 3. High-Tech News

#### a. HNC Software Launches Global Fraud Reduction Services

HNC Software Inc. announced the expansion of its Fraud Consulting Group into Europe to help companies reduce fraud losses by optimizing business practices. Consisting of former fraud managers and strategists from around the world, the team will focus its payment card and e-commerce consulting efforts throughout the region to help customers achieve the full potential of their fraud management systems. The consultancy services will consist of several response modules, including health checks, fraud reduction workshops, fraud reduction reports and fraud reduction partnerships. The fraud reduction consulting services were initially launched in Canada in 1999 with favorable results, according to HNC.

#### b. San Diego High-Tech Companies Honored by SDSIC

The San Diego Software Industry Council (SDSIC) honored six software companies at their annual "Celebration of Software 2001," held on December 6. The awards and winners were: Friend of the Council, InfoDesign; Partner of the Year, Brobeck, Phleger & Harrison LLP; Startup of the Year, Conneq Inc; Leading Edge Company of the Year, PacketVideo Corporation; Product or Service of the Year, Qualcomm/BREW; Company of the Year, Peregrine Systems, Inc.

### 4. The "Bits"

#### a. Inside Information: Corporate Boards

UCSD CONNECT Entrepreneurs' Roundtable is holding a special evening presentation. At "The Buck Stops Here: How Boards & CEO's Flex Their Muscles During Tough Times" attendees will see the inner chamber of a Board meeting and find out how members deal with tough issues. Featured presenters are David Finegold, author of "Corporate Boards: New Strategies for Adding Value at the Top," Douglas Gordon, author of "Forget Lerach's Kind Word and a Gun" and corporate governance attorney for Klinedinst; and Larry Stambaugh, CEO and Chairman of Maxim Pharmaceuticals.

This special evening presentation is part of CONNECT Entrepreneurs' Roundtable version 2.0 -- a commitment to value and continual improvement. This event is open to all corporate officers of

technology companies as well as capital providers, members of a board of directors (or future ones), and founders of technology companies. "The Buck Stops Here" is brought to you by The Spherion Corporation, and the lead sponsor for Entrepreneurs' Roundtable is Andersen.

The event takes place Thursday, December 13, from 5:30 to 7:30 p.m. at the UCSD Faculty Club. The cost is \$45 for CONNECT members and \$55 for non-members (on a space-available basis). To register and for additional information, contact Julie Rausch at 858-534-8449 or [jrausch@ucsd.edu](mailto:jrausch@ucsd.edu).

b. Qualcomm CDMA Technologies Names VP of Korea-Taiwan Unit

Qualcomm announced the promotion of Jim Doh to vice president and general manager of Qualcomm CDMA Technologies (QCT) Korea/Taiwan, where he will direct all QCT operations in the Korea and Taiwan regions. Doh was responsible for establishing the local QCT presence in Korea in 1998 and played an instrumental role in the strong growth of QCT's business in Korea and Taiwan. Doh began his QCT career in 1997 as director of sales.

c. Quorex Pharmaceuticals Names CFO and Intellectual Property Director

Quorex Pharmaceuticals of Carlsbad announced that Gary J.G. Atkinson, CPA, has joined the company in the newly formed position of chief financial officer. Additionally, Steven R. Cooper, Ph.D., has been named senior director, intellectual property. Atkinson comes to Quorex Pharmaceuticals with over 20 years financial management experience including more than seven years as vice president of finance for Isis Pharmaceuticals. Cooper, as senior director of intellectual property, will be responsible for all intellectual property, including trademarks and patents, particularly for integration of R&D programs with patent strategy. Before joining Quorex, he served as a consultant in intellectual property and R&D, and previously had founded and run discovery research at Mallinckrodt Medical.

5. Angel Angles

Vern Yates: The Father of Angel Investing in San Diego

By Brian Blazevic, CONNECT Newsletter Editor

Vern Yates can claim a lion's share of credit for organizing San Diego's private investors, a community which has had a substantial, positive impact on entrepreneurs, start-ups and arguably the success of the region. The culmination of Mr. Yates' efforts was the founding of the San Diego Tech Coast Angels (SD TCA) in the year 2000.

The history and evolution of San Diego angel investing follows that of Mr. Yates' storied career, which spans four decades with both start-ups and large corporations. He is still active in the business community despite an official retirement in 1996. Over the last four years, he has held a dozen or so board seats, is currently chairman of two, sits on two others, and acts as formal or informal advisor to several other companies. Mr. Yates discussed his experience leading to the founding of the SD TCA and the current state of angel investing with Brian Blazevic, CONNECT Newsletter Editor.

### The Road to Angel Investing

Mr. Yates' professional life began in the aerospace industry in the 1960s with Collins Radio, which ultimately became Rockwell. In a marketing capacity, he made contributions to the United States space program, including the Apollo missions and the lunar lander. In 1970 he joined a start-up company that was doing some of the first data computing, and after "10 years of persistence" as vice president of sales and marketing, the company was acquired by NCR. Yates stayed on with NCR in the 80s, starting two businesses units. One was working with ATMs, and the other was NCR's personal computer business, which he ran from '83 to '88 -- building the latter into a half-billion dollar company at a time when competition was fierce.

By the late 1980s, Yates was again ready to be involved with start-ups. "I was never really a big company kind of person" he said. In 1989 he joined Primary Access, a San Diego start-up, and stayed through 1992. The company was sold to 3Com in 1995. Yates' next stop was Deluxe, where he remained for three years, helping the company move from total dependence on paper checks to both paper and electronic transactions.

### Enter San Diego Tech Coast Angels (SD TCA)

"After I settled back into daily life, I got invited in to talk to a group of executives that were involved with helping bring Mission Ventures to (San Diego)," he said. "Venture capital is important, but we also need capital to nurture early stage businesses before they're ready for venture."

In 1997, it was clear someone should lead the efforts, and Yates was the obvious, and willing, candidate. There were many discussions, resulting in the official linkage to the TCA in the summer of 2000. "We organized what was a loose band and formalized it by joining up with the TCA."

### Why San Diego?

Yates has been in San Diego since 1989, and says it's ideal for start-ups. "It's a very collaborative atmosphere. As a result, I think that's something that sets us apart. An example of that is CONNECT and some of the other programs we have in town that bring people together in an environment of sharing ideas."

### Angel Investing and the Recession of 2001

The current economic situation "has tended to make us look at companies that can get started with lesser amounts of money. We want to invest in companies that can have access to capital markets once they get started." Noting that in periods like this, where less venture capital is being put into motion, he said, "In effect, we are a mirror of the venture community."

### Commitment Goes Beyond Cash

"The hardest thing for (entrepreneurs) to get from investment people is an honest assessment of what we're doing and what we like and dislike. When we say 'No,' we want to say why." This often spurs an entrepreneur to make changes and come back to try again. "Starting a company and trying to put a business plan together... is an educational process. Most people haven't done it before. When they get done with this process -- whether they're successful or not -- it's a learning experience and they ought to be able to take what they've learned and apply it to the rest of their career."

## Connecting with Angel Investors in San Diego

Yates said the TCA Web site (<http://www.techcoastangels.com>) is a good place to get started. "We have made it a very democratic process. You don't have to know anybody to get information or get your business plan (reviewed)."

## An Angel's Advice

For those just starting out in San Diego, with no network, he said: "I would probably call people at the various associations in town: CONNECT, SDSIC, RTA, and the San Diego Telecom Council. Ask them who you should talk to for input on a business plan."

To individuals who want to learn about becoming an angel investor, start with the TCA Web site. "They can contact a member of the group to sit in on screening sessions or a meeting. Then, if they're interested, they can make a membership application. Although you have to have some money to invest, we're probably just as focused on your ability to do work. We want people who are willing to share their expertise in working with companies whether we end up investing or not. We may end up helping (companies) get to the next step where they are investable."

## The Future of Angel Investing in San Diego

Mr. Yates is optimistic about the future, having survived many recessions in the past. "People don't stop innovating just because the economy is down. I think we've got a great opportunity right now and we'll look back in ten years and say these were the golden years. I think the crystal ball is that we haven't seen anything yet; the best is yet to come."

## 6. Connections

### a. Websense Chosen by Carnival Cruise Lines

In an effort to manage employee Internet use on land and sea, Carnival Cruise Lines has adopted Websense (Inc) as its employee Internet management (EIM) solution. Carnival initially will use Websense Enterprise, integrated with Microsoft ISA Server, to manage Web use for more than 3,000 Internet-enabled employees at the company's corporate headquarters in Miami. The company also plans to roll out Websense software in other office locations and on its fleet of 16 ships. Over 15,000 organizations use Websense Enterprise software, including more than half of Fortune 500 companies.

## 7. Who's Doing What

### AT CONNECT

\*\*\*\* "The Buck Stops Here: How Boards & CEO's Flex Their Muscles During Tough Times" is the topic of the upcoming CONNECT Entrepreneurs' Roundtable -- and is brought to you by The Spherion Corporation. Attendees will see the inner chamber of a Board meeting, and find out how members deal with tough issues. Featured presenters are David Finegold, author of "Corporate Boards: New Strategies for Adding Value at the Top," Douglas Gordon, author of "Forget Lerach's Kind Word and a Gun" and corporate governance attorney for Klinedinst; and Larry Stambaugh, CEO and Chairman of Maxim Pharmaceuticals.

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ones), and founders of technology companies. The lead sponsor for Entrepreneur's Roundtable is Andersen.

Thursday, December 13, 5:30 to 7:30 p.m. (special time); UCSD Faculty Club, UCSD Campus;  
Cost: \$45/CONNECT members, \$55/non-members (on a space-available basis); Register & Info:  
858-534-8449 or [jrausch@ucsd.edu](mailto:jrausch@ucsd.edu).

\*\*\*\* CONNECT Entrepreneur Development (CED) Winter 2002 Courses are available for registration. The CED courses are designed for entrepreneurs and executives with early-stage technology organizations looking to strengthen business and/or entrepreneurial skills. The complete listing:

- How to Start and Finance Technology Companies, with Ken Olson: Thursdays 6-9 p.m., Jan. 1 - Mar. 14
- Best Practices in Entrepreneurship/Intrapreneurship: Wednesdays 7-10 p.m., Jan. 9 - Mar. 13
- Technopreneurial Marketing, with Michael Lutz: Wednesdays 7-10 p.m., Jan. 9 - Mar. 13
- How to Develop a Business Plan, with Michael Green: Mondays 6-9 p.m., Jan 7-28
- CRM for Emerging Technology Companies with Darren Gooding and Uday Ghatikar: Mondays 6-9 p.m., Feb. 4-25
- Marketing Strategies for Emerging Technology Companies, with Barbara Bry: Mondays 6-9 p.m., Mar. 4-18
- Intellectual Property for Biotech Companies, with Cathryn Campbell: Tuesdays 6-9 p.m., Jan. 15-29
- How to Manage an Early Stage Biotech Company, with Cathryn Campbell: Tuesdays 6-9 p.m., Feb. 5 - Mar. 12

More information is available at <http://www.connect.org/programs/edconnect>. To register, visit <http://www.extension.ucsd.edu>.

#### At UCSD

\*\*\*\* UCSD Extension Winter Quarter begins in January. To find out more, attend one of the student orientation meetings offered at all three campuses:

- La Jolla: Saturday, January 5, 9-10:30 a.m.
- Sorrento Mesa: Wednesday, February 6, 6-7:30 p.m.
- North County Center: Thursday, March 7, 6-7:30 p.m.

Get answers to all your questions, find out about Financial Aid, How to Enroll, Online Courses, Career Services and more. Additional information is available on the Web at <http://www.extension.ucsd.edu>, or call 858-534-3400.

\*\*\*\* "UCSD Neurosciences Graduate Seminar Series 2001-2002" upcoming schedule:

- Computations in early olfaction: Dec. 11
- Info & Locations: 858-534-7875. Open to the public.

#### AROUND TOWN

\*\*\*\* "Why San Diego Companies Should Do Business with Australia and New Zealand" is presented by the San Diego World Trade Center. San Diego companies and individuals that are involved in international trade and interested in receiving, discussing and exchanging information on world trade should attend. Featured speakers are Robert Ayling, Honorary Consul of New Zealand and Sean Collins of Pillsbury Winthrop. Thursday, December 13, 7:30 to 9:00 a.m.; University Club at Symphony Towers, 750 B Street, Suite 3400, San Diego; Cost: \$30/members,



\$45/non-members; RSVP: <http://www.sdwtc.org/event/calendar/eventdetail.cfm?EventID=343>; Info: 619-615-0868 x109 or <http://www.sdwtc.org/event>.

\*\*\*\* "Where the Tech Workforce Lives" is presented by San Diego Regional Economic Development Corporation as a networking reception to hear a preview of the findings of the study bearing the same name. Find out which areas have benefited from the growth in technology-based businesses. Attendees will receive a copy of the study. Tuesday, December 18, 5:00 to 7:00 p.m.; US Grant Hotel, 326 Broadway, downtown San Diego; Cost: \$30/EDC members; \$40/non-members; Info: 619-615-2969 or [jh@sandiegobusiness.org](mailto:jh@sandiegobusiness.org); Register & RSVP (by Dec. 14): <http://www.acteva.com/go/edc>.

\*\*\*\* "Women and Leadership: Findings on a Local and National Level" is the 2001 Annual Athena Survey Presentation. The survey monitors the progress of executive women and the programs that support them in the San Diego technology, biotech and business communities. The results of Athena's 2001 survey will be presented together with the results of a similar study performed by Catalyst, a New York-based research and advisory organization that works to advance women in business. Featured speakers are Tamar Elkeles of Qualcomm; AnneMarie Kaiser with the law firm of Knobbe, Martens, Olson & Bear; and Theresa Isaacs of Catalyst. Thursday, January 10, 7:15 to 9:00 a.m.; Radisson Hotel, 3299 Holiday Court, La Jolla; Cost: \$40/Athena members, \$50/non-members, \$60/walk-in; RSVP & Info: <http://athena.ucsd.edu> or 858-822-4987.

\*\*\*\* "SD TCA Angel Seminar," is presented by the San Diego Tech Coast Angels (SD TCA). The seminar will provide an in-depth overview on angel investing for accredited investors who are interested in becoming angel investors, or who have limited experience as angel investors. Successful entrepreneurs who have exited their businesses and high net-worth individuals with senior business experience are encouraged to attend. Local experts in angel investing will conduct the event and cover a wide range of topics. Thursday, January 17, 7:30 a.m. to 4:30 p.m., with refreshments from 4:30 to 6:00 p.m.; San Diego, specific location TBA; Cost: \$250/TCA and Aztec Venture Network members, \$350/non-members; Register (limited to first 25 participants): Contact Karen at CONNECT, [connectca@ucsd.edu](mailto:connectca@ucsd.edu) or 858-534-6114; Sponsorship Information: Contact Don Grimm at [grimmdw@aol.com](mailto:grimmdw@aol.com) or 858-259-5278; Information about the event, contact Bill Payne at [bpayne@san.rr.com](mailto:bpayne@san.rr.com) or 858-759-1616.

For a comprehensive listing of current events in the technology industry, visit the Southern California Technology Calendar at <http://www.socaltechcalendar.com>.

#### 8. Send Us Your News By Friday

Editor: Brian Blazevic  
Editor-At-Large: T George Harris

The CONNECT Newsletter is published weekly on Tuesdays by UCSD CONNECT. The deadline for submissions is 5:00 p.m. on Friday prior to Tuesday publication. CONNECT welcomes company information and program announcements; however, all information is printed at the discretion of UCSD CONNECT and only on a space available basis. The Newsletter does not print company earnings reports or job listings. Event announcements must include date, time, sponsoring organization, a brief description and a contact phone number.

SEND COMPANY NEWS AND ANNOUNCEMENTS to [connect5@ucsd.edu](mailto:connect5@ucsd.edu).

## 9. Subscribe & Unsubscribe

**TO SUBSCRIBE OR CHANGE YOUR E-MAIL ADDRESS**, please use the online forms at <http://www.connect.org/newsletter/subscribe.cfm>. You will receive confirmation by e-mail of all changes made concerning your e-mail address.

**TO UNSUBSCRIBE**, e-mail [cwright@ucsd.edu](mailto:cwright@ucsd.edu) with UNSUBSCRIBE as the e-mail subject. If you are not sending the e-mail from the same address that receives the Newsletter, please include the address in the content of the e-mail.

**REPORT YOUR SUBSCRIPTION PROBLEMS** to [connectnews@ucsd.edu](mailto:connectnews@ucsd.edu).

**END**