



## **Building Valuable Companies**

**By John Watson, San Diego Tech Coast Angels**

Angel investing isn't just about money. It is also about mentoring, strategic advice and providing connections to customers and venture capital firms. The Tech Coast Angels (TCA) are helping to fuel the growth of the most innovative companies and entrepreneurs in southern California. TCA's 280+ members devote time, expertise and capital to help companies grow and succeed. Companies benefit from working with a group of seasoned, well-connected advisors. That's why TCA is the largest angel network in the U.S. and the number one source of startup funding in southern California. TCA operates five networks in Los Angeles, Orange County, San Diego, Westlake/Santa Barbara and the Inland Empire.

An important part of the TCA outreach program to entrepreneurs, company founders and start-up businesses is the annual Quick Pitch event. Entrepreneurs are invited [at no cost to the startup companies], to compete in a one hour competition with 15 or more companies for three prizes before a panel of expert judges, in front of an audience composed of Venture Capitalists, Bankers, Accountants, Lawyers, CEO's other entrepreneurs and TCA members. Prior to the Competition on October 8<sup>th</sup> each company worked diligently with the coaches and mentors from TCA – so that they could present professionally their company in the two minutes allowed.

This year the judges included:

Mike Elconin, President, San Diego Tech Coast Angels

Mr. Elconin has been actively investing in and consulting with California technology start-ups since 1999, serving on numerous corporate and organizational boards. In addition to TCA, he is a Technology and Business Advisor at the von Liebig Center at UCSD and is Technical Manager for the Center for the Commercialization of Advanced Technology. In previous lives he was an elected official in Wisconsin politics and later founded and eventually sold a medical services software company.

Timothy Shull, Director, Strategic Accounts, Covance Inc.

Mr. Shull has been in the CRO industry since 1993. He has worked intimately with many new and start-up biotechnology companies in southern California, and understands the region's unique and exciting scientific business environment. He has a great understanding of the steps necessary to turn a great idea into a successful company.

Gary Sutton, Entrepreneur, Investor and Author

Mr. Sutton is an angel investor in ten businesses, ranging from a billion dollar public company to two just reaching positive cash flows and seven struggling in places from “no visible pulse” to “gasping for air.” He has authored “Corporate Canaries,” “The Six Month Fix” and several other books. He boasts that each title has successively failed to make any best seller lists.

Michael Brown, Attorney & Shareholder, Stradling Yocca Carlson & Rauth

Michael Jon Brown represents emerging growth companies in many industries, including life sciences, technology, and education. He has extensive experience in corporate and securities matters, including general corporate representation, venture capital financings, public offerings, corporate reorganizations, joint ventures, private placements, mergers and acquisitions and public company representation. Mr. Brown received his J.D. from the University of Virginia in 1996 and his B.A. from the University of Washington in 1993.

Julia Brown, Director, Targacept

Julia Brown is a senior life science executive from the pharmaceutical and biopharmaceutical industry. In San Diego, she served in senior management at Hybritech, IVAC, Dura Pharmaceuticals, and Amylin. She has served on the boards of six development stage life companies and has participated in the startup of several life science companies in San Diego. She was a Tech Coast Angel from 2003-2008 and led the due diligence team that resulted in TCA’s investment in Trius Therapeutics. Business Week named Trius one of the most exciting startup’s in 2008. Julia is Vice Chair of the Board of Trustees of the University of California, San Diego Foundation. She is a member of the Director’s Cabinet at the Scripps Institution of Oceanography. Julia is a member of the National Association of Corporate Directors and the Corporate Director’s Forum. She is a member of the board of CONNECT.

From over 150 applications received, there were 17 emerging high tech and life science companies selected to compete, each company received two (2) minutes to Pitch or present their company to the five Judges and the audience of ~300 people. The Judges then had two minutes to adjudicate their individual performance in two areas:

1. Content: e.g. Is this a fundable deal; Did you want to hear more etc.
2. Style: e.g. Did they capture your attention; Was it persuasive and informative?

Each company is rated 1-10 by each judge for each category – and time is allowed for helpful comments.

2009 Overall Winner:

Roberta A. Gottlieb, President and CEO of Radical Therapeutix, Inc.

Radical Therapeutix is developing drugs that can reduce the amount of tissue damage after a heart attack. Two drugs have been validated in porcine studies and are already approved for use in humans for other indications. Remaining pre-clinical studies will optimize dosing and route of delivery before initiating a Phase I/II clinical trial. About \$6 million over 12-24 months is needed for this effort. Based on a novel mechanism of

action—autophagy—these agents are first-in-class for treatment of ischemia/reperfusion injury, representing a U.S. market opportunity of \$1 billion

2009 Best Content Winner:

Mark Bowles, CEO, ecoATM

ecoATM's patent-pending self-serve eCycling stations visually and electrically inspect used consumer electronics, connect them to secondary markets, and provide immediate payment to consumers. ecoATM's will become commonplace in electronic retailers over the next few years allowing consumers and retailers to automatically monetize billions of dollars of used devices annually and comply with expanding eWaste laws. A large WW market exists for a majority of used consumer electronics with ABI estimating the 2009 WW market for used phones alone at \$4.6B. In-store pilots are underway with national electronics retailers and full nationwide deployments in 2010. Over the past 20 years, the ecoATM team has founded 12 companies which collectively have built and profitably deployed 200,000 kiosks, collected/recycled/resold over 1M handsets, has 4 issued and 11 pending patents, and driven 3 IPOs & 5 positive M&As.

2009 Best Style Winner:

Raj Krishnan, CEO, Biological Dynamics, Inc.

Cancer is the #1 killer worldwide. If detected early, there is a high survival rate for all cancers using current treatments, while lowering exorbitant treatment costs. Biological Dynamics Inc.'s PCT patent-pending AC Electric Field technology isolates multi-cancer biomarkers directly from unprocessed, undiluted whole blood in a rapid and accurate manner for early detection of cancer. Using human blood samples, we have positive pilot studies ongoing for pancreatic, ovarian and chronic lymphocytic leukemia cancers currently, with plans to expand to other cancers soon. Sales projections for our multi-cancer screening tool are \$100M-\$200M for the first cancer indication pursued, and \$700M-\$1B annual sales once we have obtained FDA approval for screening of multiple cancers. We plan on launching our own products as well as partnered ones and have made excellent progress in developing collaborations with several large biotech companies.