Located in all major US markets, PwC’s Private Company Services (PCS) provides customized tax, audit and advisory services to private companies, their owners and high net worth individuals. According to Forbes 2013 America’s Largest Private Companies, over 60 percent of America’s largest private companies are PCS clients.

A hallmark of PCS’s robust thought leadership program is the Guide to Tax and Wealth Management. This comprehensive publication covers a broad array of topics ranging from tax planning, managing your investments, charitable giving, estate and gift planning, to business succession, family meetings, family offices, risk management, and cross-border considerations. The infographic below is taken from the Family Meetings chapter. To download a copy of the 2015 Guide and for additional information, please visit http://www.pwc.com/us/wealthguide.

Family investing 101
Educating the next generation

As younger generations mature and start to beneficially vest in the family’s dynasty trust," it becomes increasingly important that they understand the family’s investment philosophy.

A family meeting can be the ideal forum for this type of education.

Younger generations become beneficially vested.

Family’s dynasty trust

In a special session, the family investment policies and fundamental asset allocation can be shared, along with an explanation of how they apply to the family’s investments as a whole.

Younger generations will also learn how their investment allocation may be affected by their short- and mid-term needs, as well as by their long-term goals.

Individual allocation

Family’s overall portfolio

These discussions will not only educate younger members of the family in sound investment principles, but also give them the tools to understand the allocation made for each of them individually and how that fits in the family’s overall portfolio.

A dynasty trust can provide for multiple generations far into the future.

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Anatomy of a CFO

- Analyzes the bottom line.
- Sees the big picture.
- Knows the language of shareholders, employees, and the community.
- Shoulders the weight and responsibilities of a growing organization.
- Knows the meaning of integrity.
- Serves as the CFO’s right arm and business partner.

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Congratulations to this year’s CFO of the Year honorees and finalists. You make Orange County a dynamic and thriving business community.
Data breach is a hot topic – and for good reason. Any business, large or small, is at risk. According to The Hartford Insurance Company, one third of the data breaches investigated in 2012 took place at organizations with fewer than 100 employees. To hackers, any information is good information, so even small companies are vulnerable.

Why should you be concerned about data breaches? Breaches can have tremendous negative affects on your business, both in terms of cost and damaged reputation. The most obvious is the cost of corrective measures needed in the aftermath of the data breach including forensic investigation, legal services, notification costs, auditing and consulting services, public relations services, credit monitoring and more. In 2014, the average loss for a company with an information security breach is $3.5 million, a 15 percent increase from last year, according to a study by the Ponemon Institute.

In addition to being extremely expensive, a data breach can destroy trust and customer loyalty. Ponemon Institute’s study pointed out that for healthcare and financial services companies in particular, the risk of customer abandonment is high post-breach. Had the breaches at Target, Home Depot, P.F. Changs and other retailers been included in that study, the retail sector would have been undoubtedly at the top of the high risk category.

The Data Breach Most Wanted
According to the Cyber & Data Security Survey Report released by Marsh & McLennan Agency, more than 80 percent of employer respondents face five or more cyber risks, many of which are typically commonplace in today’s work environment. Processing credit cards, holding employee records, computers with internet connection, hosting a web site that collects personal or confidential information, using the Cloud, and having employees who use laptops and or PDAs linked to an employer’s network are common risks most employers face. For retailers, the risk of data breach is significant as credit cards are easily monetized. But even if an organization does not process credit card payments, there are numerous types of sensitive data that need to be protected just as securely as credit card information, including:

- Employee data, which includes personally identifiable information on current and former employees, their dependents as well as job applicants.
- Corporate data, including confidential, nonpublic information, as well as data about corporate partners.
- Intellectual property, including all of the company’s proprietary technology, product designs, data bases and other properties.
- Website log-ins, log in credentials are considered personal identifiable information in California and law requires notification of users in the case of a breach.
- Protected health information for those in the healthcare and insurance industries.

Further, if companies have sensitive data, they may outsource the processing and storage to cloud providers, incorrectly believing that by hiring an outside organization to process reservations, run credit cards, host a website or store data, they have transferred their responsibility. In reality, the privacy laws require the “data owner” – not the data storer or processor - to notify their clients. In addition, while you may be able to recover some of your costs from the vendor, the amount will depend on their financial strength or their cyber insurance policy, assuming one is in place.

Beyond the data, viruses and malware have been known to shut down computer systems and render organizations paralyzed for days if not weeks. While hackers seem to be getting all of the attention, it is important to know that more than 60 percent of breaches reported are the result of employee errors, mistakes or intentional acts.

Mitigating the Risk
The first priority for any organization, regardless of size or the nature of the data collected, should be to manage the risk before it occurs. Building employee awareness, identifying targets and investing in infrastructure to increase protection are key to mitigating risk and cost associated with a breach. A simplified version of this is as follows:

1. Take Stock – Identify the types of data that need to be protected.
2. Scale Down - Keep only the data you need.
3. Protect It – Invest in technology and systems.
5. Practice It – Test your incident response plan.

Cyber Liability Insurance
Preventive steps are always prudent, but what happens if a cyber breach does occur? One of the best solutions is to have cyber insurance. Cyber insurance policies will reimburse you for the costs incurred to respond to the breach (i.e. forensics, legal, crisis management, notification and credit monitoring). Further, it will defend you, should litigation arise from the affected individuals and regulatory bodies. Lastly, it will provide funds to keep you operating if your systems are shut down. The policy premiums vary widely, with some as low as $1,000 a year, depending on the coverage type. The lower your risk, the lower the cost.

Historically, cyber insurance was most commonly purchased by technology firms or financial institutions because of their storage or handling of confidential personal information. Today, retailers, healthcare entities, restaurant chains, and other mainstream businesses and companies across all industries are looking to cyber insurance. An increase in demand has led to a wider range of insurance solutions, and in turn reduced the cost of premiums significantly over the past decade.

Action Required
Being adequately prepared to weather a data breach is important, but it can be absolutely vital to small and midsized employers who are the most likely to suffer irreparable damage resulting from the fallout from such an event. According to the Cyber & Data Security Risk Survey Report, employers with cyber liability policies are more likely to have a corporate recovery plan in place and are “144 percent more likely to evaluate the financial strength of all vendors than those without cyber insurance.”

Knowing your risk, the preventative measures your organization should be taking and your insurance options are all key to managing a threat that by no means will be going away any time soon.

To read the full Cyber & Data Security Risk Survey Report or to learn more about Cyber Liability Insurance visit: www.barneyandbarney.com/cyber-liability.
Wells Fargo congratulates the 2015 OCBJ CFO of the Year nominees

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Startups come in different shapes and sizes, but they tend to share a common characteristic—need of capital. Startups are also typically difficult to value. Venture capital firms, which are the logical candidate to value and invest in a startup, have been more hesitant to make equity investments in pre-revenue companies since the 2008 financial crisis. Given a startup’s lack of operating history and little or no financeable assets, it is also difficult for them to secure traditional sources of debt funding. To meet this gap in the market, recent years have seen a trend of seed-round financing in the form of convertible notes where the notes convert into equity once the startup closes a subsequent, more traditional round of equity financing. This structure allows the convertible note investor to receive stock once there is a more established basis for valuation. Plus, the noteholder is entitled to repayment upon maturity if a conversion event does not occur, just like with traditional debt (although the likelihood of a startup that fails to reach its first equity financing round having funds or assets to satisfy its convertible note obligations are typically remote at best).

To compensate investors for the increased risk of their early-stage investment, the convertible notes often feature a conversion discount, a valuation cap, or both. Advantages of this convertible note structure is that it does not require valuation of the startup and typically involves significantly less negotiation and drafting than a typical preferred stock financing.

But there are some down sides. Since the convertible note is a debt instrument, the startup is required to carry the investment as a liability on its balance sheet and may repay the note at a future round of financing or sale of the business does not occur prior to the note’s maturity. Issuing debt can also potentially implicate certain regulatory issues depending on the startup’s industry. And while typically less complex than other financing structures, convertible notes require at least moderate negotiation and drafting and the terms and form of convertible note documents can vary significantly based on the investor and its counsel.

In the continuing evolution of early-stage financing, over the past 14 months two Silicon Valley-based seed accelerators, Y Combinator and 500 Startups, have unveiled new forms of financing documents aimed at bringing more standardization to the structure and terms of seed financing.

SAFE Financing

In December, 2013, Y Combinator released a set of documents called SAFE (simple agreement for future equity). According to Y Combinator’s website, “SAFE is intended to replace convertible notes in most cases, and we [Y Combinator] think it addresses many of the problems with convertible notes while preserving their flexibility.”

SAFE is not truly a debt structure, since it does not provide for interest and does not have a maturity date. Instead of these debt features, the SAFE documents contain a conversion feature that does not give fixed return, or a valuation cap, or both. As a result, the convertible note investor to receive stock once there is a more established basis for valuation. Plus, the noteholder is entitled to repayment upon maturity if a conversion event does not occur, just like with traditional debt (although the likelihood of a startup that fails to reach its first equity financing round having funds or assets to satisfy its convertible note obligations are typically remote at best).

KISS Financing

In July 2014, 500 Startups released its KISS (Keep It Simple Security) financing documents. Like SAFE, KISS is aimed at bringing more standardization to the structure and terms of seed financing, albeit with more traditional, investor-friendly documents. According to 500 Startups, the KISS documents are derived from its research and compilation of the most frequently used versions of convertible notes. 500 Startups has made two types of KISS financing documents available: one for a convertible debt structure and one for an equity structure somewhat similar to SAFE. Based on the 500 Startups website, its 500 financing documents are designed to be flexible without being overly customizable, simple while still including all of the necessary features, and balanced from both a company and investor standpoint.”

KISS documents are available on the 500 Startups website or may be prepared through a number of automated online platforms, including Clerky (which is, somewhat ironically, a Y Combinator startup). When utilizing an automated platform, the KISS documents are personalized automatically as users answer questions about the startup and financing terms.

While the variable terms of the documents change somewhat based on the particular internet platform from which they are accessed, the KISS convertible debt instrument typically is pre-populated with an annual interest rate of 4% or 5% and matures in 18 months. The note converts to preferred stock upon a financing round of at least $1 million. If there is a change in control, the debt holder can cash out at 2X or convert into common stock. All of the rates, thresholds and multiples are fairly simple to modify from the pre-populated amounts as necessary to reflect the startup’s financials. If the security never reaches a conversion event and the company does not want to (or is unable to) pay the note balance in cash, the balance can be converted into common stock along standardized terms or the maturity of the note can be extended, at the note holder’s option. KISS investors receive most favored nation treatment and investors who invest a specified minimum amount are guaranteed the right to participate in future rounds.

The KISS equity document is almost identical to the convertible debt, except that there is no interest feature. However, unlike SAFE, it matures after a pre-populated term of 18 months.

Conclusion

Any attempt to standardize and increase efficiencies in the structuring and documentation of startup seed financing should be appreciated by startups, investors and their respective counsel alike. Generally speaking, nobody wins when a startup is burdened by unnecessary time and expense negotiating and documenting early-stage financing. In this vein, enthusiasm for the SAFE and KISS documents appears to be growing.

However, while both SAFE and KISS documents are effectively formatted for self-use through completing the open information and blank deal terms in their respective form documents, both startups and investors are well advised to consult with experienced counsel in their preparation and review of SAFE or KISS documents. The KISS documents in particular are fairly robust and contain a number of legal and financing concepts (and corresponding consequences) that may be unfamiliar or otherwise not fully appreciated by your average founder or occasional angel investor. In addition, both SAFE and KISS financings are subject to compliance with applicable federal and state securities law. All said, however, both SAFE and KISS provide a valuable foundation to create greater efficiencies and standardization in the seed financing markets.
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Executive Compensation: Expanding Your Options
by James Hughes, Partner, Grant Thornton LLP

Companies are becoming more creative with pay packages every year. That’s good news, but it comes with a catch. Whether you’re an employee of a publicly traded company or an employee-owner of a privately held business, you now must think beyond salary, fringe benefits and bonuses. You need to get a grip on the tax consequences of more complex pay plans.

Considerations for executives and employee-owners

Benefiting from incentive stock options

Incentive stock options (ISOs) remain one of the most popular types of incentive compensation and deserve special attention in your tax planning. If your options qualify as ISOs, you can take advantage of favorable tax treatment.

ISOs give you the option of buying company stock in the future. The price (known as the “exercise price”) must be set when the options are granted and must be at least the fair market value of the stock at that date. The exercise price is customarily set at exactly the fair market value. Therefore, the stock must must rise before the ISOs have any value. If it does, you have the option to buy the shares for less than they’re worth.

ISOs have several tax benefits:
- There is no regular income tax when the options are exercised.
- Long-term capital gains treatment is available if the stock is held for more than one year after exercise. (If the stock isn’t held for at least two years after the option’s grant date and at least one year after the exercise date, the increase in value over the exercise price as of the exercise date is taxed as ordinary compensation income rather than as a capital gain.)

There is potential alternative minimum tax (AMT) liability when the options are exercised. The difference between the fair market value of the stock at the time of exercise and the exercise price is included as income for AMT purposes. The potential AMT liability on this bargain element is a problem because exercising the option alone doesn’t generate any cash to pay the tax. If the stock price falls before the shares are ultimately sold, you can be left with a large AMT bill in the year of exercise even though the stock actually produced no income.

As noted previously, if the stock from an ISO exercise is sold before certain holding period requirements are met (referred to as a “disqualifying disposition”), the gain at the time of exercise is taxed at ordinary income tax rates. If you’ve received ISOs, you should decide carefully when to exercise them and whether to sell the shares immediately or hold them. Acting earlier can be advantageous in some situations.

Be careful, however, because exercising early accelerates the need for funds to buy the stock. It also exposes you to a loss if the value of the shares drops below your exercise cost and may create a tax cost if the exercise generates an AMT liability. Tax planning for ISOs is truly a numbers game. With the help of a Grant Thornton professional, you can evaluate the risks and crunch the numbers using various assumptions.

Considerations for restricted stock

Restricted stock, which is granted subject to vesting, presents different tax considerations. The vesting is often based on time, but can also be based on company and individual performance.

Normally, income recognition is deferred until the restricted stock vests. You then pay taxes on the fair market value of the stock as of the vesting date at the ordinary income rate. There is an election under Section 83(b), however, to recognize ordinary income when you receive the stock rather than waiting until it vests. This election must be made within 30 days after receiving the stock and can be very beneficial in certain situations. This deadline is statutory, and the IRS doesn’t offer relief for missed elections for any reason, including reasonable cause.

Considerations for designing your plans and attracting and retaining talent

ISO employer costs and benefits

- There is no income tax on the gains from ISOs for employees make them a very attractive form of compensation for the executives receiving them, however, can be less useful to the employer because of the following:
- The employer receives no income tax deduction for ISOs unless the employee makes a disqualifying disposition.
- There is a per-employee limit of $100,000 on the amount of ISOs that can first be exercised for the employee during any one year. The limit is based on the value of stock at the grant date.

To qualify as ISOs, employers must meet the following strict requirements for stock options:
- The exercise price cannot be less than the fair market value of the stock at the time the option is granted.
- The exercise term cannot exceed 10 years from the date the option is granted.
- The option can be exercised only by the executive and cannot be transferred to anyone else except upon the executive’s death.
- At the time the option is granted, the executive cannot own more than 10 percent of the total combined voting power of all classes of stock of the employer, unless:
  - The exercise price is at least 110 percent of the fair market value on the grant date.
  - The term option does not exceed five years.
- The option plan must be approved by the employer’s stockholders within 12 months before or after the date the plan is adopted.

Privately held business strategies

Privately held businesses often face different executive compensation challenges. Many owners and shareholders want to give key employees and managers the benefits of equity ownership without actually giving up any share of their ownership.

If you have a privately held business, consider a phantom stock plan or a performance-based cash payment plan as a solution. These offer opportunities for your company to share the economic value of an equity interest without the equity itself. A typical phantom stock plan merely credits selected employees with stock units that represent a share of the firm’s stock. Essentially, it is a promise to pay the employee the equivalent of stock value in the future. Alternatively, a stock appreciation right (SAR) can be issued to provide an employee with a payment equal to only the appreciation in the stock value between the date the right is granted and some future date, rather than the full value of the stock.

You can value your stock by a formula or by formal valuation. The phantom stock or SAR can be awarded subject to a vesting schedule, which can be performance- or time-based. A phantom stock plan must comply with restrictions on nonqualified deferred compensation (NQDC) unless the employee is paid for the value of the phantom stock shortly after vesting. The same holds true for SARs, but unlike phantom stock, SARs can meet certain other conditions that exempt them from the restrictions on NQDC.

Performance-based cash payment plans similarly promise employees a cash bonus in the future if performance goals are met.

For more information, contact Partner James Hughes at 949.608.5241 or James.Hughes@us.gt.com.

Tax professional standards statement

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James Hughes

James Hughes is a partner in Grant Thornton’s Federal Tax Services group in Southern California. He has more than 14 years of experience advising clients on accounting methods, corporate reorganizations, mergers and acquisitions, accounting for income taxes and accounting for uncertain tax positions (ASC 740), and evaluating individual and state tax planning opportunities.

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To learn more contact Dan Wilson, EVP, Southern California Commercial Banking (949) 757-1341.
5 Steps to Making the Right Hire

by Ron Proul, CEO, Century Group International

The Bureau of Labor Statistics has reported that unemployment for individuals with college degrees has trended below 3.8 percent nationally. The competition for quality professionals is at an all-time high. What can you do to ensure you have the right talent on your team? Make sure you have the best process for making the best hires.

STEP 1: The Process
Mitigating the risk of making the wrong hire involves having a good and clearly defined interview process. Eliminate unnecessary steps before bringing candidates in for interviews: decide who is going to interview and define their role, and then have every candidate go through the same process. If you need more than one person’s buy-in, understand which interviewers are assessing culture fit and which are assessing skill. With too many people involved in the process, interviewing can turn into a popularity contest. You want feedback about how the candidate can perform the duties and how they can fit in with the culture. Professional relationships and friendships will develop on the job after everyone has had an opportunity to work together, provided the candidate fits the culture.

STEP 2: The Goal
To fill an opening, you need to evaluate the candidates relative to the position. Regardless of the number of candidates for a particular opening, the measure should be against the job requirements and the specifications, not the other candidates available to interview. Don’t let interviewing take precedent over hiring. If you aren’t seeing the candidates you need, adjust the position requirements or expand your network. When you find a candidate that has potential for the job, run them through the process. They either are right or they aren’t; make a decision and move on.

STEP 3: The Challenge
When working with your recruitment partner and designing a job specification, determine what skills are essential and what can be developed. Candidates that have to stretch for a particular job are often motivated to perform beyond someone that has “been there done that.” By hiring candidates that have the essential skills for the position and letting them grow into the job, you will end up reducing self-selected turn-over of employees desiring a challenge. Hire the candidate that wants the challenge and the job.

STEP 4: The Compensation
Compensation isn’t the number one reason that people accept a new job, but when it’s too low, it’s the number one reason candidates turn down a job offer. There is a general market rate for the skills and background you are seeking. Most candidates have a good understanding of the compensation range that applies to their skill and the career opportunities they’re seeking. They know what peers are earning; they have access to online salary resources and, of course, they have their current salary and benefits as a point of reference. Align yourself with the resources that make you informed. If your company doesn’t have a wage and compensation department, check the available resources from recruitment providers, industry associations and your own professional network.

STEP 5: The Authority
Determine who has authority to make the hiring decision and the offer up front, and make sure they take responsibility for the success of the hire. Integration and training are an important part of making a successful hire. Empower yourself and/or your staff to make a decision they will live with. If you are delegating the decision, make it clear to your subordinates. If you want to retain control, outline the influence the subordinate will have in the process. Ultimately, I have found that letting my subordinates make their own decisions and being there as a sounding board garners great results.

With these tips, successfully navigating the hiring process becomes more efficient and effective, maximizing the time and resources spent to make the best hire possible.

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Ron Proul
Ron Proul is a noted expert on executive recruitment and a frequent contributor to the Wall Street Journal, Fordyce Letter and Los Angeles Business Journal. He is one of Southern California’s foremost executive recruiters and CEO of Century Group International. During his 23 years at Century Group, Mr. Proul has completed more than 500 CFO, executive and management searches for leading entertainment, manufacturing, technology, real estate as well as private equity. He has also served on numerous committees and boards and is currently a judge for the annual CFO of the Year Awards.

Tim Calley
Tim Calley is Managing Director of Century Group’s Orange County Office and a member of the firm’s Executive Recruitment and Interim Services practices. Based in Costa Mesa, he manages key client projects and searches in real estate, consumer products, entertainment, manufacturing and financial services. Mr. Calley’s success in completing searches and providing a valuable consultative service to his clients has resulted in repeat business clients. Prior to joining Century Group, he was Regional Managing Director with an international staffing firm, where he ranked as one of the top Managing Directors in 2011.
GUIDING CLIENTS TO SUCCESS

Rutan & Tucker, LLP has the knowledge and expertise to structure, negotiate and close all aspects of domestic and international mergers and acquisitions, financings and securities transactions. These are just a few of our recent notable transactions. We have experience covering a broad spectrum of industries and sectors, such as healthcare, education, software, construction, food and consumer products, aerospace, and oil and gas, among others. Whether you are a private business owner contemplating an exit or growth transaction, a private equity fund expanding or realizing on your portfolio, or a public company making strategic moves, we look forward to being your partner and trusted advisor in achieving your business objectives.
The Multifaceted CFO Role in Executive Compensation and Wealth Planning

by Kjell Gronvold, Managing Director

Congratulations to the Orange County Business Journal’s 2015 CFO of the Year honorees. Thank you for your contributions to your organizations, employees, and communities. We appreciate the depth of your responsibilities and recognize the importance of your leadership within your companies. In today’s complex, fast-changing business climate, your increasingly multifaceted role extends to all aspects of your business, including providing insight to senior leaders in your organization on the integration of complex executive compensation with personal wealth planning.

Executive Personal Wealth and Needs Affect the Company

As the competitive environment becomes more and more challenging, business owners and senior executives face ubiquitous demands on their time, resulting in less and less time for their personal lives. Most executive energy is placed on growing the company. If successful, this focus results in an increase of executive wealth, which needs to be managed judiciously for the fiscal health of the individual and the company.

Between ownership and stock options, executive personal wealth frequently resides within the business and may comprise a substantial portion of its value. Consequently, executive wealth decisions often significantly impact the future of the company.

Executive personal financial planning may involve diversification to reduce concentration risk by divesting interests in the business. Life events, such as an owner or executive divorce or death, can also trigger wealth management changes. In both circumstances, these changes can result in succession planning, mergers and acquisitions, tax payments, and credit needs that all affect company finances. We work with these types of situations on a daily basis, all of which require advanced strategic planning to mitigate the potential negative impact to the business.

The Executive Team Looks to the CFO for Personal Wealth Guidance

Often executives look to their CFOs for advice on personal wealth management. While considered experts on corporate financial management, CFOs may be unwilling to take on the liability of providing this type of financial advice and may not have the particular expertise to effectively manage private wealth. Further, CFOs have time constraints and might even be challenged to attend to their own wealth planning and financial management.

Consider the example of an executive making the decision to exercise non-qualified stock options. A situation like this involves thoughtful, integrated planning around legal and corporate policies, shareholder perceptions, income and alternative tax planning, pre- and post-tax investment planning and implementation, breakeven analyses, and potential retirement planning that require expert support from a variety of professionals.

CFOs Need Strong Advisor Support

The complexity, liability, and conflict of interest involved in providing financial advice on managing executive company interests and associated wealth are too great for CFOs to take on alone and require the assistance of strong financial advisors. Look to trusted and skilled bankers, transaction attorneys, insurance representatives, wealth managers, and tax advisors to support you and your executive team. As corporate bankers with specific insights on company financials, we often collaborate with our wealth management professionals to provide thoughtful planning in connection with other corporate transactions. You are in the unique situation to use your own financial experience and management skills to select your key advisors.

The foregoing article is intended to provide general information about business planning and wealth management and is not considered financial, legal, or tax advice from Union Bank. Business and wealth strategies have legal, tax, accounting, and other implications. Clients should consult legal and tax advisors.

About The Private Bank at Union Bank

The Private Bank provides specialized solutions designed to respond to personal wealth needs and those of your business, including building and preserving wealth and transferring your legacy to future generations. Our relationship managers focus on your goals, concerns, and preferences and work with your other advisors to help ensure all of your strategies are aligned.

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1 Exchange rate of USD=$101.36 (J-GAAP) as of June 30, 2014.

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Five Financial Strategies Businesses Should Consider for 2015

Strong U.S. Dollar Among Factors Pushing Multinational Companies to Adopt Commercial Banking Strategies That Enhance Competitiveness

By Dan Wilson

As businesses in Southern California approach the New Year, CFOs and treasurers are assessing strategies to navigate a changing—and increasingly competitive—marketplace. The U.S. dollar continues to strengthen against other currencies, putting downward pressure on import prices and heightening competition among importers while creating currency risk. Speculation about the Federal Reserve raising interest rates also continues, and will likely result in interest rate volatility in the coming months.

How can your business manage these risks and navigate the changing landscape to gain an edge in the New Year? Here are five important strategies to help enhance your competitiveness in 2015:

1. MATCH YOUR INTERNATIONAL PRESENCE WITH YOUR BANK’S FOOTPRINT

Businesses in Southern California are increasingly pursuing new markets outside the U.S. For companies seeking to go abroad for the first time or looking to expand their existing international presence, ensuring your foreign footprint matches your commercial bank’s footprint is critical.

Your commercial bank should have a presence wherever you operate globally—meaning wherever you have employees and facilities—whether it’s in Europe, Asia, Pacific Asia, or the Middle East. If your footprint doesn’t match, the lack of fit may hinder your growth momentum overseas. Working closely with a single bank that has a presence everywhere you operate around the world creates consistency, increases transparency, and improves economic efficiency for your business over the long term.

A banking partner with comprehensive global cash management capabilities is also imperative to help strengthen your business’s liquidity management, risk management, and accounting controls, while facilitating your cross-border transactions. Bank of the West’s Global Cash Management team helps meet businesses’ treasury needs across international markets—giving them visibility over their cash, increasing their control, and helping optimize their working capital so they can deploy capital wherever they need to.

2. IMPORTERS: PAY IN FOREIGN CURRENCIES TO GAIN EXTRA BUYING POWER

Southern California is home to large ports that play a central role in U.S. economic activity. A strengthening dollar, along with the ongoing Eurozone slowdown, means foreign exporters are directing more sales to West Coast ports, particularly from Asia. This is creating a much more competitive market for logistics companies and any business involved in product distribution.

While U.S. importers have greater buying power as the dollar strengthens against all major currencies, they will need to pay for goods in the exporter’s foreign currency in order to maintain that advantage. If an importer pays for goods in dollars, it gives up that extra buying power by handling the exporter’s stronger currency, which can then be converted to receive more local currency. Remember that it’s also standard practice for exporters to add an additional foreign exchange margin—sometimes as high as 10%—if they invoice you in dollars.

As a result, importers in Southern California should ask foreign exporters to provide prices in their local currency. Once you receive an invoice in the foreign currency you can compare prices, securing current market pricing from a knowledgeable banking provider or FX advisor. After agreeing on a price you can “lock” an exchange rate, including:

• **Spot Values** Typically these payments settle 1–2 days from booking.
• **Forward Values** Typically these payments match your purchase order date.

Most invoices are paid within 12 months or less, depending on the goods involved.

An experienced commercial bank can recommend other hedging tools to help your business manage currency risk and benefit from a strengthening dollar. Bank of the West’s Capital Markets team works with clients to identify the best strategy for sending money overseas so companies can take full advantage of FX opportunities.

3. EXPORTERS: REVIEW TRADE STRATEGIES FOR OVERSEAS BUYERS TO BE MORE COMPETITIVE

On the flip side, the stronger U.S. dollar means exports—from technology products to scrap—leaving Southern California bound for other countries are becoming more costly. In this kind of environment, U.S. exporters’ default response is often to cut prices to keep sales uninterrupted. While no company likes to lose customers, reducing prices will result in lower profits.

To offset the strong dollar and gain a competitive edge over other U.S. exporters, suppliers selling overseas should consider trade strategies such as extending payment terms. Foreign buyers may be willing to pay a higher price—relative to a strong dollar—for the products, materials, or services they need if they can negotiate more favorable payment terms, particularly if liquidity tightens overseas or supply is disrupted.

Bank of the West’s Global Trade Solutions team offers a unique asset purchasing solution on foreign high-quality or insured receivables that can increase a company’s competitiveness by extending more attractive credit terms to its buyers. This solution, which also applies to domestic transactions, allows the seller to accelerate its collection cycle, creating incremental liquidity with no disruption as generally both the collection flow and the accounting treatment remain unchanged.

4. GUARD AGAINST POTENTIAL INTEREST RATE VOLATILITY

With U.S. job growth steady and the unemployment rate improving, many economists including Bank of the West Chief Economist Scott Anderson expect the Federal Reserve will begin hiking short-term interest rates as early as the third quarter of 2015. Actively managing exposure in a volatile interest rate environment can help reduce one of the expense uncertainties of running your business. Bank of the West’s Interest Rate Risk team works closely with businesses to understand their unique operating environment and considers economic and market conditions before building and delivering prudent interest rate hedging strategies.

5. EXPLORE INNOVATIVE WAYS TO MEET CFO TARGETS

The technical targets of CFOs are becoming increasingly aggressive. Often CFOs outgrow traditional financial counsel and require more innovative thinking, especially when considering global implications and common pain points such as international cash management and supply chain management.

CFOs often focus on trying to improve their company’s cash conversion cycle—how quickly their company gets paid. The ultimate goal is to accelerate payments that the business is owed while pushing back the money the business needs to pay as long as possible. Whether this calculation puts a business in positive or negative territory often depends on the industry. Efficient retailers, for instance, can be in the positive single digits when it comes to the cash conversion cycle, while high-volume, tech-based companies can have double-digit negative numbers.

Operations and CFO targets can determine, among other things, whether the business spends cash, how much it borrows, and whether stock is issued. Prioritizing, balancing, and achieving CFO targets are crucial to having a successful year. Bank of the West’s Commercial Banking Group works closely with growing businesses to deliver solutions—including innovative global supply chain and cash management strategies—to help them meet and exceed targets.

Just like personal New Year’s resolutions, business resolutions should be specific, realistic, and ambitious. If your business uses the five strategies we outline here, we think you’ll look forward to many happy returns.

**DAN WILSON**

Dan Wilson is an Executive Vice President at Bank of the West, leading the Southern California Commercial Banking team. Dan joined Bank of the West in the 1970s and has developed a premier team in Southern California focused on relationship banking with an emphasis on driving the long-term growth of middle-market companies.
Often, the most impressive numbers are not about numbers at all.

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The Expanding Role of the Chief Financial Officer

by Peter Fitzpatrick, Senior Vice President/Group Manager for Orange County Middle Market Banking, Comerica Bank

The role of the chief financial officer (CFO) in corporate America has evolved, even expanded, over the past decade, which has been a time of tremendous economic upheaval. It is no longer feasible or good enough to simply be the smartest number cruncher – today’s CFO has to be responsible for more than just accounting.

CFOs are being challenged to go beyond the traditional assessment of financial results and become involved in a much broader way both in operations and in strategic decisions. Top management expects the CFO to play an active, expanded role in helping to enhance corporate profitability and competitiveness.

This new role requires a different skill set and a different mind-set. The CFO today has to be able to look beyond the numbers and move beyond the technical issues of financing and cash flow, although these items remain important. The CFO must have a diverse skill set to survive and thrive in today’s business world.

Typically, companies with $15-$500 million in annual revenue for privately held companies are recognized as “middle market.” Once a company grows into this middle market range, the owner must pay attention to an entirely new set of company needs, like negotiating new customer contracts, creating more sophisticated management reports and communicating effectively with new capital sources. As the company’s financial needs continue to grow and become increasingly complex, an experienced CFO can help the company in many different ways.

“There is not a set time for knowing when to develop an enhanced management team, like hiring a Chief Financial Officer (CFO),” said Comerica Bank Senior Vice President and Orange County Group Manager Peter Fitzpatrick. “Generally companies that do $1 to $10 million in annual sales do not normally have the need or the resources to hire a CFO. Once the company grows to $10 to $20 million, though, it should consider hiring someone who can bring a level of expertise it does not already have.”

So how do you find the right CFO to fit your company’s needs? Often times, it is all about networking with people you trust. Reaching out to your business partners, like your CPA firm, your bank and even your attorney is a great way to find a good match.

“We know a lot of CFOs who have expertise in middle market companies and when they’re looking for new opportunities, we can introduce them to our clients who may be a good fit,” said Fitzpatrick. “There are also search firms that specialize solely in placing CFOs with companies. If you go with a search firm, make sure you ask for references on the candidates they provide you so you can do further research on your own.

Finding a CFO with the right attributes is important for your company’s continued growth. Foremost, a CFO must be a good – if not great – communicator. He or she must be able to communicate in a concise and credible manner – inside the organization to the executive team and employees as well as externally to customers, shareholders, regulators and others. CFOs today have to look well beyond the balance sheet to truly understand and manage risks and opportunities and express them accordingly.

A CFO needs to be a partner with the CEO and, in the case of larger organizations, heads of the major business units to help shape corporate strategy, drive alignment across the organization and achieve success. CFOs need to think strategically, providing insight and guiding operations by aligning internal operations with external market conditions. Moreover, the CFO has to focus on sustaining future business performance of the company to enhance shareholder value.

As owners of the financial process, CFOs are often expected to be responsible for all aspects of sourcing, procurement, invoice automation and treasury management. He or she must also ensure the company’s compliance with financial and regulatory reporting requirements. Knowing the financial tools of the trade, which are becoming more technologically sophisticated by the day, is vitally important. Financial reports must be generated accurately and quickly.

In this complex world, the CFO must also drive a focus on risks all across the company. He or she must ask: Are we measuring potential threats and if so, how do we manage them? CFOs must be able to avoid future surprises as much as possible. Exploring solutions to identify risks improves the organizations’ ability to manage and respond to external events, and reduce uncertainty in future reporting.

The human resources department is another non-traditional, but ever-increasing area of responsibility for the CFO. For many organizations, human capital is the most critical asset. Smart management of staff resources can be both cost efficient and an important strategic activity. By working closely with human resources to set policies, CFOs can weigh and better manage the long-term viability of the company, employee retention, risk tolerance, productivity concerns, and the cost containment of benefits and associated expenditures.

And finally, the CFO must be an agent of change – to help challenge the status quo, to understand trends, to be questioning the business model, and to help move the organization forward. A CFO should never be too content with today’s success. What about tomorrow?

The outcome of successfully accomplishing these roles can be quite rewarding, especially for shareholders. After all, they have entrusted their investments to the company, and, in return, it has a responsibility to deliver results. It is also personally rewarding in the sense CFOs today have a great opportunity to help drive positive change in an organization.

Whether at a mid-sized or large business, the CFO is a team member first, serving as a bridge between business line units, management, the board and shareholders. The value that person brings to the organization is more significant now than ever before.

Peter Fitzpatrick
Peter Fitzpatrick is Senior Vice President/Group Manager for Orange County Middle Market Banking at Comerica Bank. Mr. Fitzpatrick can be reached at 714.424.3812 or pfitzpatrick@comerica.com.
Reason says: applaud the achievement.

Instinct says: admire the effort.

Behind every great achievement lies talent, dedication and inspiring perseverance. On behalf of the Grant Thornton professionals who live and work here in Orange County, we are proud to salute all the nominated Chief Financial Officers on their dedication and hard work. To see how we help unlock potential for growth for businesses and organizations here at home and around the world, visit grantthornton.com

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business Climate

Mirroring the mood of the economy, CEO confidence is on the upswing in the United States. With consumer sentiment strong, the market booming and some of the other indicators up, CEO’s feel like there’s a recovery happening. For a usually conservative crowd that is promising, or even downright upbeat.

The uneven nature of the economic recovery is evident across California, with the coastal areas largely enjoying stronger job gains, reduced unemployment and more robust gains in home prices. The interior parts of the state have by and large not been as lucky, with meager job gains, stubbornly high unemployment rates and less of a rebound in home prices. Although overall conditions in the state are improving, a number of splits are evident; newer industries such as mobile devices, social media, search and cloud computing have taken off, while old mainstays such as agriculture, manufacturing and construction have struggled to regain traction. Tourism, international trade and the media and entertainment industry have come back solidly, albeit somewhat belatedly, as have healthcare and life sciences. These industries have had to carry a heavier burden, however, as the lack of job growth in the high-paying goods-producing sector has generally held back wage and salary growth.

Optimism among finance executives about the U.S. economy is now above the long-run average for only the second time since 2007. The U.S. Business Optimism Index rose to 61 on a scale from 0 to 100, well above last quarter’s reading of 55 and also above the long-run average Index value of 59.

We have experienced a material pick–up in client demand at all levels in all industries. Clients are still very specific on the type of talent they are looking for but the overall demand has doubled for us in the last year for both interim and direct hire roles.

What an amazingly tough year for business globally. 2014 has been a turbulent year for the U.S. economy, political climate and labor market. Increasing corporate profits, lingering unemployment, volatility in the stock market and war has weighed heavily on the overall business environment, creating an uncertain but improving outlook for 2015.

Jobs created so far this year are overwhelmingly in service industries, including retailing, restaurants and health care, where wages are lower and more part-time jobs are offered. Goods producers are keeping a rein on payrolls until economic growth improves. And governments are restrained in their hiring because of budget restraints stemming from the federal sequester, uncertainty over healthcare reform and its cascading impact on state and local spending.

Orange County Employment Market

On average, the 2015 base salaries for technically skilled business professionals are expected to increase by 5 percent from 2014, which is astonishing given the roughly 5.5 percent increase experienced in 2014.

Bonuses have returned as a motivating component of the total compensation package. Companies are still offering the upper level of compensation ranges listed in Beacon’s 2015 CFO Compensation Study Guide for candidates with strong certification’s as well as appropriate technical and industry experience.

Over the last three years, base salaries were up approximately 5 percent cumulatively. However total headcount and non-base compensation spending was down drastically. Companies have chosen to invest in automation and technology whenever possible, which has led to higher unemployment, leaner cost structures and consequently increased profits. In the second half of 2014 companies were investing the profits back into their core operational and management teams.

Unemployment

Broad unemployment hovers at 6.5 percent nationally and in Orange County 4.6 percent. Nationally, unemployment for professionals with technical degrees such as accounting, engineering and technology concentrations is less than 3 percent. The unemployment numbers for business professionals with advanced technical certification such as a CPA and other technical graduate degrees from top 25 U.S. institutions is below 1 percent. Due to this shortage of supply, companies are increasingly utilizing Beacon for assistance in filling their interim gaps and direct hire roles.

2015 Prediction

The Orange County post-recession recovery lagged in the first half of 2014, but has aggressively picked up speed in the latter half. Beacon predicts 2015 unemployment to recover more rapidly than the national rate due to pent-up demand across all industry sectors especially real estate. It is also important to note the lack of top talent will be exacerbated by the high cost of living locally pushing many talented professionals to other lower cost cities such as Dallas and Denver.

This dynamic will truly create a battle to secure top talent in 2015.

For additional information, please visit www.beacon-us.org.

Mike Kelly, CPA
Prior to co-founding Beacon Resources, which was acquired by DLC Holdings (Gryphon Investments), Mike Kelly had a successful career in the Entrepreneurial Services Group of Ernst & Young. After Ernst and Young he founded Spinnaker Financial Resources which was acquired by Tatum CFO. He serves on the Ernst & Young alumni board of directors and is also a member of the American Institute of Certified Public Accountants.

About Beacon Resources

Beacon Resources (Beacon-us.org) Beacon specializes in Interim/Project Staffing and Direct Hire Placement services in the financial and accounting disciplines, throughout Southern California, for companies ranging from start-up to Fortune 500.

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Long before companies like Tiffany and Cartier existed, Black, Starr & Frost had established its brand as the trusted resource for discriminating clientele, building its legacy as an innovator and pioneer in the luxury jewelry world. The company coined the term “the carriage trade,” and claims many firsts including the creation of the first class ring, the Gillmore Medal of Honor that inspired the Congressional Medal of Honor, the development of the first safe deposit box system, and the first retailer to take a location on New York’s Fifth Avenue, a mecca to luxury brands today.

Black, Starr & Frost has long been a favorite among European royalty, Hollywood celebrities and captains of industry. Black, Starr & Frost’s heritage and fame was earned by representing some of the world’s most storied stones including the 127.01-carat Portuguese diamond, represented as the largest, faceted blue diamond in the world, now in the Smithsonian Institute; the Lucky Baldwin Ruby and most recently, the 76.01-carat Archduke Joseph diamond, the largest Type 2A Golconda D Color Internally Flawless Diamond in the world, obtaining three world records. Black, Starr & Frost is named in the famous song Diamonds Are a Girl’s Best Friend performed by Marilyn Monroe in Gentlemen Prefer Blondes.

In 2006, world-renowned jeweler, Alfredo J. Molina, acquired the famous brand of Black, Starr & Frost. Today, based in Newport Beach, California, Molina is committed to restoring the brand to its prior prominence, building on the history and tradition of the founders. The bayside location offers every elegance first conceived by Messrs. Black, Starr & Frost, and the commitment to excellence and gracious service continues today. The staff at the stunning salon will greet you as if you are entering their home. The salon consultants are experts who are passionate about jewelry and take the time to educate the clients they serve. The service is legendary, as you are offered a demitasse of hot espresso, fine chocolates or a glass of champagne on the patio upon your arrival. Offering full concierge services to its clients, Black, Starr & Frost strives to deliver the world to Orange County. Every detail is perfect and of the finest quality.

Chairman Molina believes that true quality is all about rejection. Only the world’s finest quality gemstones are Black, Starr & Frost gems, rejecting more than 99 percent of the diamonds and gemstones he inspects.

This fall, Black, Starr & Frost introduced its new collection of everyday luxury pieces called TRIO, which includes stackable rings, bangles and bracelets in sets of three featured in yellow, white and rose gold. In addition, Black, Starr & Frost has returned to its tradition as a world-class watchmaker, introducing the first, new man’s watch collection in more than three decades. Finally, Black, Starr & Frost also introduced its signature diamond stud collection, with three distinct designs that can be worn from the beach to the boardroom to the ballroom…a classic jewelry staple that will last a lifetime and be treasured as an heirloom for generations to come. With more than 204 years of expertise and gracious service, who better to create a one-of-a-kind masterpiece for a lifetime than Black, Starr & Frost?

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America’s economic engine: Opening the throttle

According to the survey findings in Deloitte’s Fall 2014 report, America’s economic engine: Opening the throttle, mid-market companies are translating increased confidence in the economy into action: hiring new employees, investing in new technology solutions and other equipment, and acquiring businesses to reach new markets. “We are seeing the mid-market start to open the throttle,” says Roger Nanney, Vice Chairman of Deloitte LLP and National Managing Partner of Deloitte Growth Enterprise Services. “After months of cautious optimism, mid-market companies are looking to leverage the improving market conditions to their advantage. They are making investments in areas that will drive and sustain growth, eyeing a variety of expansion opportunities and even considering going public. This is the most optimistic the mid-market has been since we started our survey in 2011.”

These findings are consistent with those in Deloitte’s CFO Signals™: 2014 Q3 survey (http://www.deloitte.com/us/cfosignals2014q3), which also show signs of positive momentum and growing confidence among CFOs that their companies will be able to make the adjustments necessary to survive and thrive in the near and longer term.

Strong fundamentals, improving economic conditions drive optimism and investments

According to the Deloitte report, mid-market fundamentals are looking increasingly healthy, with 56 percent of executives reporting higher revenues, compared to 50 percent in Spring 2014; 48 percent reporting higher profits, compared to 37 percent in Spring; and 46 percent reporting higher productivity, compared to 37 percent in Spring. A majority (52 percent) anticipate more than 10 percent revenue growth in the next 12 months and recognize that achieving these growth targets will require strategic investments. As such, 63 percent of mid-market executives say they expect to increase their workforces in the coming year, compared to 43 percent in Spring 2014. Similarly, nearly half (45 percent) of mid-market leaders say they expect an increase in capital investments over the next 12 months, compared to 36 percent in Spring 2014.

Faced with talent shortages, mid-market companies adapt

The report also addresses the constraints companies are encountering as they seek to expand, including the challenges involved with acquiring and retaining skilled talent. Nearly two thirds (64 percent) of mid-market executives agree that it is difficult to find new employees with the skills and education to meet the needs of their businesses.

Technology is another key factor in the evolving landscape of talent management: More than three quarters (78 percent) of executives say they use technology as a recruiting tool and about the same amount (77 percent) say they use it for training and development programs. Finally, responding to the needs of an increasingly mobile and diverse workforce, companies are offering a variety of work-life fit programs, such as flex hours (offered by 58 percent of mid-market companies), wellness/exercise programs (45 percent), and telecommuting (41 percent) to attract and retain talent.

Mid-market eyeing M&A and IPOs

Nearly half (46 percent) of executives say they are likely, or very likely, to make an acquisition in the next 12 months — a significant jump from the 31 percent who held the same view just six months ago. And 28 percent believe their company is likely to be the target of a merger in the next 12 months, compared with 13 percent in Spring 2014. Meanwhile, mid-market companies are considering taking advantage of the strength of the capital markets, as 19 percent of mid-market executives express interest in an IPO in the coming year, compared with just eight percent in Spring 2014. “The mid-market will undoubtedly play a key role in sustaining the economy’s upward trajectory moving forward,” says Rob Lucenti, Managing Partner, Orange County practice, Deloitte & Touche LLP. “As these companies move on to the next stage of growth, it will be critical for them to prioritize investments and focus on areas that are most likely to fuel growth.”

What’s ahead?

As companies seek to shift into the next stage of growth, business leaders will have to turn their attention to building the necessary resources for realizing their potential. Talent constraints are coming to the fore, as are unique and innovative ways companies are adopting to alleviate them. Questions that mid-market companies will likely need to answer to sustain growth in the months and years ahead include:

- Are we investing in the right areas (markets, products, talent, technology) for growth?
- How much emphasis should we place on in-house training and development programs?
- Do we have the right talent in place to lead our company in the future?
- Are we taking full advantage of social media platforms in our recruiting efforts?
- Is now the right time to be a buyer or a seller? Should we consider going public?

The results of our survey indicate that the throttle may be opening for many businesses. Keeping your eyes on the horizon, along with what’s immediately ahead, is good business sense as well as good driving sense. Asking the right questions and being deliberate in finding the right answers can better prepare your company for the journey on the road to growth.

To read the full report, please visit www.deloitte.com/us/sdps/openingthethrottle.

Research Methodology

From October 5 to October 17, 2014, a Deloitte survey conducted by OnResearch, a market research firm, polled 504 executives at U.S. mid-sized companies about their expectations, experiences and plans for becoming more competitive in the current economic environment. Respondents were limited to executives at mid-market companies with annual revenues between $50 million and $1 billion.

About Deloitte Growth Enterprise Services

The Deloitte Growth Enterprise Services team delivers a distinctive client experience through service offerings tailored to address the unique needs of mid-market and privately held companies. As used in this document, “Deloitte” means Deloitte LLP and its subsidiaries. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Rob Lucenti

Managing Partner, Orange County Practice, Deloitte & Touche LLP

Rob has more than 20 years of public accounting experience with Deloitte. As managing partner of the Orange County practice, Rob oversees Deloitte’s four businesses: audit, tax, consulting, and financial advisory services. Rob serves as an advisory partner to many of the practice’s major clients. Contact Rob at 714.436.7241.

* CFO Signals™ What North America’s top finance leaders are thinking — and doing. Deloitte LLP, October 2014.

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To Sell or Not to Sell?

That is the Question on the Minds of Many Board Members, Executives and Investors

Board members, executives and investors alike are weighing the pros and cons of whether to sell or hold and expand their business with the prospect of a higher valuation in the future. For directors, executives and investors managing toward a liquidity event, the question of when to sell can be one of the most difficult questions to answer, but if done right, can be extremely rewarding. While some see this question as a conundrum, others embrace the issue with total clarity. Interviewee, Samantha McDermott, connected with Randy Krauthamer, Managing Director of Duff & Phelps Securities, Rich Anderson, Managing Director of Moss Adams Capital, and Chris Ivey, Shareholder and Co-Chair of Stradling’s Corporate Department, about the advice they are giving their clients and the trends they see in M&A.

Samantha McDermott: When posed with this question, how do you respond?

Chris Ivey: The question is a difficult one because there is not one answer that fits all situations. A company needs to assess its growth prospects and the potential for a higher valuation in the future resulting from that growth versus the current M&A environment and multiples being paid for companies within the same industry. Valuations are at record highs since 2007, primarily resulting from low interest rates and competition among buyers to put excess capital to work. The general sentiment is that interest rates will increase over the next year, which will make debt more expensive, reducing leverage, and possibly reducing valuation multiples. However, given the state of the U.S. economy, international interest rates and the stance of international banking authorities, like the ECB, interest rates in the U.S. are unlikely to increase swiftly or dramatically in 2015. In addition, deal terms that affect valuation and risk allocation after closing are also much more favorable in the current environment and we do not expect significant changes on that front in 2015.

Rich Anderson: The majority of companies that we represent in M&A transactions are private enterprises. With such businesses timing is a function of emotion as much as it is of valuation – though the latter is frequently the tipping point in the decision process. The U.S. equity market has been treading up for five years and now trades near all-time highs. Such an environment compels business owners to evaluate a liquidity event. We are helping owners evaluate whether to pursue a sale now or to address specific initiatives with their business to enhance value and make them more attractive to buyers in the future.

Owners that are thinking about retiring also need to understand that their willingness to stay on post-closing can enhance value (i.e., they are not running for the exit). It takes six to eight months to complete a transaction. Beyond this period, management should expect to enter into one-to-two year employment agreements. Therefore, if you wish to retire in 2016 or 2017, you should hire a lawyer and investment banker now to start the process.

Chris Ivey: Also, companies need to be realistic and pragmatic about growth prospects. There is one thing that everyone knows about projections, that is that they will be wrong. There will be risks to meeting or exceeding projected growth rates. If these risks are significant, and particularly if the identified risks are outside of the control of management, such as regulatory risks, then pursuing a sale today may be the better decision.

Samantha McDermott: Expanding on the responses above, if you can generalize, what do valuation multiples look like today compared to a year ago and what changes do you anticipate in the next year?

Randy Krauthamer: Valuation multiples, while sector specific, have generally continued to increase in the past year. However, as previously mentioned, multiples appear to be reaching their peak given the rebound in corporate profits and the vast amounts of liquidity in the market. The timing couldn’t be better to take some or all of your chips off the table. However, since deals take extensive planning and preparation with an investment banker, attorney and accountant, the decision needs to start now. For business owners contemplating a transaction, 2015 represents an excellent opportunity to capitalize on valuation multiples that exceed the 2007 peak.

Rich Anderson: Multiples are up moderately in most industries over the course of 2014. We are seeing double digit EBITDA multiples for companies with growth over 15% per year, earnings momentum and strong teams executing on multiple growth initiatives. The stars are aligned now to pursue a transaction. Multiples are at all-time highs, strategic buyers are flush with cash, public shareholders no longer are excited about stock buybacks as a sole means to deliver EPS growth - hence acquisitions are encouraged and, as Chris points out, there is an abundance of cheap debt to finance buyouts. Shareholders should think about how they’ll feel if the market trades down significantly before they complete a transaction. There was no shortage of remorse during 2009–2010.

Chris Ivey: Randy, I’d be curious to hear more of your perspective here as some have postulated that closely held business owners are less likely to sell their business now, notwithstanding high valuations, because of the lack of alternatives in which to reinvest the proceeds. Do you think this concern is affecting the behavior of closely held business owners?

Randy Krauthamer: That is a great question and one that has come up repeatedly over the past several years. While money markets and bonds offer little to no real return, the stock market has realized significant gains since 2009; much like the rebound in the value of private companies. A sale will allow the business owner to diversify from all or most of their eggs in one basket, to diversification in a broad portfolio of real estate, stock, private equity, bonds and money market; thus reducing the risk inherent with overexposure to one particular asset class – their business. Many business owners have reached an inflection point with their business due to size, capital commitments, age, shareholder disputes or other life events that make the lack of alternatives secondary to locking in a premium value now.

Warren Buffet amassed enormous wealth and fame for buying when others are selling and selling when others are buying. The lack of quality companies for sale has pushed valuations to the point where selling is an alternative that should be strongly considered.

Samantha McDermott: Chris, from a legal perspective, how do the various constituencies view this question differently?

Chris Ivey: Directors, executives and investors may all have different perspectives and it’s important that each perspective be taken into consideration. From a board perspective, the directors must exercise their fiduciary duties to the stockholders and oversee management in an effort to maximize value to stockholders. That may be through a sale of the company in the short-term or pursuing growth or strategic initiatives. Executives may have a different view on how to maximize value and may be influenced by financial incentives. Stockholders may not share in some of the same financial incentives as management and both management and directors must adhere to their duties of loyalty and not let personal benefits affect their decisions that are in the best interests of stockholders. These can be complicated issues and adhering to good corporate governance practices to facilitate thoughtful and deliberate decision making is paramount.

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February 2015
The CFO OF THE YEAR AWARDS program is designed to honor financial professionals in Orange County for outstanding performance as corporate stewards. A total of five prestigious awards are given in the Public, Private, Not-For-Profit, Rising Star, and Lifetime Achievement categories. In 2015, the program will be in its eighth year.

March 2015
The EXCELLENCE IN ENTREPRENEURSHIP AWARDS program is designed to recognize individuals who exemplify the American entrepreneurial spirit — who, by their creativity and determination, have established and nurtured successful business ventures. In 2015, the program will be in its 14th year.

June 2015
The WOMEN IN BUSINESS AWARDS luncheon recognizes the accomplishments of outstanding professional women for their extraordinary contributions to their organizations and the community. In 2015, the program will be in its 21st year.

July 2015
FAMILY OWNED BUSINESS AWARDS are presented annually to outstanding Orange County based family firms in five categories: Small, Medium and Large Businesses (based on number of employees); Up & Coming Business; and Longevity Award. In 2015, the program will be in its 16th year.

September 2015
The INNOVATOR OF THE YEAR AWARDS honor, recognize and celebrate individuals and organizations creating game-changing products and services in five categories: Technology, Science/Medical, Consumer Products, Engineering/Design, and No Boundaries. This 2015 inaugural event is the newest addition to the Signature Event Series!

November 2015
The GENERAL COUNSEL AWARDS are presented annually to five outstanding individuals among the Orange County in-house counsel community, in the following categories: Outstanding GC of a Public Co., Outstanding GC of a Private Co., and Rising Star. In 2015, the program will be in its sixth year.

For information about sponsorships, nominations and reservations, please visit www.ocbj.com/bizevents or call 949.833.8373.
is the season with many benefit plan sponsors completing their renewals; though, all are not jolly as most continue to see cost increases and a cumbersome regulatory environment impacting their ability to offer affordable coverage. While current trends remain below historical levels, increasing employment, cost shifting and utilization trends will influence future pricing leaving many plan sponsors unprepared for the future impact of the ACA on their plans.

Healthcare delivery continues to undergo radical changes as providers, employers and consumers are faced with new realities, unproven solutions and continued cost increases being thrust upon them due to Obamacare (ACA). The ACA promised health insurance access for all, including affordable premiums and reforms. Though some of these promises have been kept, many have been postponed, and others simply ignored leaving many consumers confused about the future of their healthcare.

Despite the political rancor, employers have forged ahead with implementing many of the provisions found in the Act and most have chosen to continue offering subsidized health insurance as part of their overall compensation strategy. However, decision makers remain frustrated with rising costs and lack of transparency, while employees increasingly raise questions about costs, quality and misperceptions of the public exchanges.

With many employers done with their 2015 renewals, most are now developing their strategic plans for 2016 and beyond. We’re frequently asked by clients what they can and should be doing to continue providing competitive benefit plans for their employees. Engaged executives are consistently reviewing three key strategies to manage this new normal.

Understanding Cost Drivers

Benefits costs are a function of claims (unit cost times frequency) and retention (expenses). Increased risks (guaranteed issue), claims trends, mandated benefits and increasing taxes continue their upward pressure on rates. Employers need to better understand these components making up their pricing.

Under the ACA, new taxes, penalties and mandated benefits are affecting product pricing, especially fully insured products. New taxes embedded in premiums and mandated benefits have given rise to an increased interest in self funding. To avoid penalties, many employers are meeting the ACA’s offering and affordability requirements causing them to enroll newly eligible employees (many of whom formerly had no coverage offered and/or affordable); however, carriers concerned with future utilization patterns have been very conservative in their pricing and participation modeling.

Develop a strategy to manage health risks long-term, and don’t equate lowest cost with best outcomes. Historically, carriers retained an advantage in the negotiating process because they held the data. Data drives decisions, use analytics tools to identify trends within your insured population so you can evaluate and measure cost-reduction solutions.

Look for providers who deliver integrated care, focused on prevention and managing their cost structure. Recognize many providers will increasingly raise questions about costs, quality and misperceptions of the public exchanges.

As a cost mitigation strategy, changing carriers is disruptive and usually only for short-term financial gain, so push back on your incumbent carrier to demonstrate they’re a good business partner. Carriers are introducing new products and narrower networks which could limit the rate of trend, so consider these in the context of your employees’ utilization patterns.

Understanding Risks

Claims are a function of unit cost and frequency, i.e. healthier employees spend less health care dollars than unhealthier ones. Educate participants, including dependents, on their personal accountability in improving their own health status. Use plan design and contribution modeling to target integrated care and improve clinical outcomes.

An underlying premise of the ACA encourages employers to adopt wellness programs. Studies have shown for example that normal weight employees incur 47 percent less costs than employees who are obese. While some of these actions have created some questions about ‘incentives’, employers with active programs are seeing a reduction in the severity of claims and a positive impact on their workers compensation costs.

Implementing wellness strategies holds employees and dependents accountable for their health. Utilize embedded resources sponsored by most carriers and structure plan designs and contributions to incent employees to complete risk assessments, age appropriate screenings and implement biometric data collection. Doing so enables sponsors and advisors to target specific solutions which can accelerate results.

Consider self funding which may improve cash flows while providing claims transparency enabling you to directly impact these cost drivers. Analyze the available data and compare the financial impact based on your existing contracts and utilization patterns. Fully insured plans are a large source of carrier profits, self funded plans operate at much smaller margins. Employers who profile the risks inherent to their populations and are risk tolerant can recognize savings of 5-8 percent below fully insured funding, primarily due to the reduction in fees and taxes which apply to fully insured contracts.

Understanding Compliance

The regulations put forth in order for employers to comply with the ACA are voluminous, and many employers remain confused about their roles and responsibilities. Understanding the components of compliance and potential liabilities may help to avoid fines and penalties. Your advisor should be reviewing your current plans and modeling potential risks, especially the looming excise tax in 2018 affecting many sponsors.

One of the biggest challenges with the ACA will be tracking employee eligibility. Reporting requirements in 2016, based on 2015 enrollment, are extensive. Payroll providers are gearing up to offer improved tracking, especially of hourly employees.

Review existing notifications and administrative processes. As a plan sponsor, these requirements are extensive and an increase in audit activity by the DOL focuses primarily in this area. Make sure employee benefit communications, including print and multi-media meet updated requirements, especially the exchange notifications.

Summary

While the ACA remains the law of the land, employers must actively engage in identifying long-term solutions to navigate this new landscape. Employers need to understand their cost drivers, improve health risks and can grasp the ominous regulatory environment will be at a competitive advantage versus those who don’t.

For more information, contact Thomas R. Lewis, CLU, ChFC; Regional CEO – West, 290 Technology Drive, Suite 100, Irvine, CA 92618; 818.251.3090; thom.lewis@usi.biz.

About USI

USI is a leading middle market insurance brokerage and consulting firm in the United States with a substantial presence in southern CA. With nearly $1 billion of revenue in the United States, USI brings a unique combination of national capabilities with locally provided services. The firm is focused on market leadership in four major business needs: Commercial Property & Casualty, Employee Benefits, Personal Lines and Retirement Plan Consulting. USI has over 100 years of brokerage experience with agency offices dating back to the late 1800s. More than 4,200 industry leading professionals serve over 100,000 commercial clients across a wide range of industry verticals. The USI One AdvantageSM brings all of the firm’s collective knowledge and experience via proprietary analytics tools to each client delivering USI’s unique breadth and depth of expertise and insight.
How the Ascent of Asian Corporations and Consumers Will Impact Your Business

by Christopher Baclawski, Managing Partner, CB Capital Partners and Henry To, CFA, CAIA, FRM, Partner and Chief Investment Officer, CB Capital Partners

Founded in 2001, CB Capital has worked as advisors in Asian-U.S. cross-border financing, mergers and acquisitions (M&A), and investment transactions since 2003.

On a recent day, the Partners at the firm had these scheduled on their calendars:

► 7 am conference call with a major Chinese apparel and athletic wear company to discuss licensing and investment opportunities with a major global brand
► 10 am meeting in Beverly Hills with a major Chinese investor to discuss Orange County real estate investment opportunities
► 3 pm conference call with a Hong Kong real estate investor to discuss an investment in a U.S. ski resort
► 7 pm conference call with a major Indian entertainment company to discuss U.S. financing and M&A opportunities

As Asian businesses grow and mature as global corporations, many of you have no doubt worked with them on a highly intimate level. If you have not, you will. Here are three ways how the ascent of Asian corporations and consumers will impact your business over the next 5-10 years.

1. Your biggest market is now in Asia
The impact of the rising Asian consumer will be felt by global corporations as well as local businesses. Orange County is one of the most popular destinations for Chinese and Indian investments. One of our Chinese clients had bid for several Orange County-based hotels in the recent past as a means to cater to the expected influx of wealthy Asian tourists. As Asian incomes rise, leisure and travel spending by Chinese and Indians, will rise significantly higher. Today, leisure and travel spending only makes up 3 percent of total Chinese consumer spending, versus 9 percent for American consumers. Asian leisure and travel

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Christopher Baclawski

Christopher Baclawski is the Founding Managing Partner of CB Capital Partners, which was established in 2001. Prior to forming CB Capital Partners, Mr. Baclawski held Investment Banking and Corporate Finance positions with firms including Wells Fargo Securities and the Real Estate Investment Banking divisions of both Goldman Sachs Co. (Archon Group) and CB Richard Ellis Investors. Mr. Baclawski received a BA degree in Economics and Business with distinction from the University of California, Los Angeles in 1994 with a concentration in Biological Sciences. Christopher Baclawski can be reached at 949.415.7321 or Chris@cbcapital.com.

Henry To, CFA, CAIA, FRM

Henry To serves as Partner and Chief Investment Officer for CB Capital Partners by leveraging his many years of investment management experience. Previously, Mr. To was the Founder and Managing Partner of MarketThoughts LLC, an investment advisory service catering to global investors, including the world’s largest alternative asset management firms (e.g. Tudor Funds and Raptor Group). Mr. To received a BA in Mathematics and Economics from Rice University, an MBA in Finance from UCLA Anderson School of Management, and a Masters of Public Policy in International Policy from UCLA Luskin School of Public Affairs. Henry To can be reached at 949.415.7325 or Henry@cbcapital.com.
spending will catch up. With Congress now granting 10-year visas to Chinese tourists and business travelers, you can expect more Asian consumers at your doorsteps over the next 5-10 years.

2. Your next biggest investor will come from Asia
Last year, the number of Asian high net-worth (HNW) individuals (those with $1 million or more in investable wealth) surged by 17 percent to 4.3 million, on par with that in North America. Similarly, total investable wealth held by Asian HNW individuals rose to $14.2 trillion last year, just shy of the $14.9 trillion held by North American HNW individuals. Both the number of Asian HNW individuals and the amount of investable wealth are expected to surpass their North American counterparts by the end of 2015. Such an accumulation of investable wealth in Asia — as well as its rise above that of North America — is unprecedented in modern history. More importantly, the U.S. is the number one investment destination for Asian wealthy individuals.

3. Your advisor needs to have U.S.-Asian cross-border transactional and investment experience
We all know this: The investment banking and advisory business is relationship-driven, but this is especially important when you work with Asian customers or investors. CB Capital's Managing Partner, Christopher Baclawski adds, “Many of our Asian corporate and investor clients only work with advisors they have known intimately for many years. This high level of trust is necessary especially for Asian clients who are seeking partners or investments in the U.S.”

If your company is exploring Asian financing or investment opportunities, you can rely on CB Capital Partners for the relationships and hands-on guidance that you need. Our team will sit down and work with you to find a customized financing or investment solution that can help you achieve your long-term objectives.

You can find out more about CB Capital Partners at www.cbcapital.com.
Invested in your success

Wells Fargo Commercial Banking congratulates each of the nominees of the 2015 CFO of the Year Awards presented by the Orange County Business Journal. We are delighted to join in honoring these outstanding and truly deserving individuals for their achievements. We are proud to be able to support their efforts through our capabilities in our Orange County Commercial Banking office.

Wells Fargo Commercial Banking focuses on building relationships. That means we take the time to get to know you and your business. Our relationship team members live and work where you do, so they are in tune with your local economy. As a result, we consistently offer relevant recommendations and advice as your business grows and changes over time.

Through your local team, you have access to the full spectrum of industry-leading products and services at Wells Fargo. We offer you the strategies and services you need to manage your company through various market environments and business cycles.

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Tracy Albert-Muller  
American Handforge, Irvine  
Family-owned, American-made and manufactured in the USA, American Handforge (AHF) has over 100 years of cumulative experience in the manufacture of a wide variety of materials used in the hand forging industry. AHF specializes in titanium, aluminum and stainless steel. Forging produces the strongest and most reliable metal products available and are frequently used as components where dependability and human safety are imperative, such as airplanes, automobiles, ships, aircrafts, missiles and more. Industries that make frequent use of forgings include aerospace, national defense, automotive, agriculture and electronics. In 2013, a 20 percent growth was realized under the direction of Tracy Albert-Muller as CFO, managing a $131 million budget. Her dedication, experience and vision have enabled a strong financial foundation for AHF, and the company is well-positioned to remain competitive in both foreign and domestic markets. Under her leadership, the company has kept the work force here in America. Albert-Muller is equally passionate about non-profits as she is about the success of American Handforge. She devotes a tremendous amount of time to the community, specifically to animal shelters and to aid in the fight against breast cancer.

Kurt Allergott  
MIG Capital LLC, Newport Beach  
Kurt Allergott has contributed to the overall growth of MIG via several avenues, including organization wide restructuring, cash flow management, debt and capital sourcing, registration of investment management entities, and operational streamlining. He has led the planning and execution of corporate structure to enable efficient capitalization and management of risk while increasing the asset value of the overall portfolio. By April 2013, MIG was accomplished while implementing new ERP solutions; generating new policies, procedures and SEC compliance materials; transitioning certain systems to cloud-based providers; and providing for a more efficient platform in which to share information. MIG is affiliated with the Menage Institute, which promotes economic growth between the United States and Israel. This is accomplished through a number of leadership programs with instruction from some of the finest professors, CEOs and practitioners in America in fields including life sciences, homeland security and media.

Debbi Anders  
Horizon Technology LLC, Lake Forest  
Debbi Anders joined Horizon in Oct. 2011 as the vice president of finance, where she made an immediate impact during an exciting and challenging time for the company. Anders helped secure and manage working capital during the hard disk shortage resulting from the flooding in Thailand. She was appointed as chief financial officer in 2013 and will work to provide division heads to support their finance and accounting needs, and is actively engaged in helping them define and implement strategies for growth. Anders also works with Horizon’s outside financial and risk advisers to ensure the organization has adequate liquidity and sufficient asset protection. Her accomplishments at Horizon include reducing the closing cycle from 20 days to five days; aggressively outsourcing routine tasks, which resulted in reducing headcount by 13 percent; through automation, increasing department productivity by over 100 hours per month; analyzing customer and product profitability, which led to the decision to discontinue certain customer and product lines that were not delivering minimum returns. Horizon Technology is an internationally recognized independent distributor of storage devices and displays for computing and other technology applications.

James Arnold Jr.  
Kofax Inc., Irvine  
James Arnold Jr. has thrived in the highly competitive software industry. As an integral part of Kofax’s leadership, Arnold has been instrumental in the company’s growth, profitability and accountability. Under his direction, Finance has created one centralized finance organization, renegotiated banking relationships, enabled five high-growth software company acquisitions, divested a $100 million hardware business, achieved a dual listing by completing a U.S. IPO under the JOBS Act, and converted accounting reporting from IFRS to U.S. GAAP—and he did all of this in four years. While his CFO responsibilities coupled with starting a family hasn’t left much time for extracurricular activities, he is a big supporter of Kofax community initiatives including Second Harvest and Habitat for Humanity.

Susan Berglund  
Easter Seals Southern California, Santa Ana  
Susan Berglund has 25 years of professional accounting experience. She began her tenure with Easter Seals in 1994 as the controller and was promoted to chief financial officer in 2001. During her two decades with Easter Seals, gross revenues have grown from $6.5 million per year to $109 million currently. Berglund is responsible for the organization’s financial management including all accounting, treasury, tax, credit/collections, audit, planning and analysis. She oversees and coordinates the corporate budgeting process. As a member of the executive team, Berglund helps develop the overall strategic plan for Easter Seals. She has built her department from 5 to 21 individuals, all in positions essential to the financial functioning of Easter Seals. Her financial leadership has provided Easter Seals with stability and the opportunity to grow all of the organization’s programs including autism therapies, employment services, Child Development Centers, Living Options and Adult Day Services. Berglund worked for the former Big 6 accounting firm, Ernst and Whitney and became a Certified Public Accountant in 1989. A member of AICPA and the CPA Society of CPAs, she has a B.S. in Accounting from the State University of New York Oswego.

Brad Biddle  
InSulcro, Lake Forest  
Brad Biddle assumed the role of CFO at InSulcro over 9 years ago, and made an immediate impact to the organization. Biddle has successfully improved operations around the company’s supply chain and distribution, saving InSulcro millions of dollars each year. He has streamlined their financial process across the board, allowing the focus to be on relationships with vendors and customers. Additionally, Biddle has assembled a team of true professionals supporting the impressive growth of InSulcro, even with the significant economic challenges. Biddle is a proud member of the financial community and contributes significantly both through his day-to-day job, and also through various groups and community events, including completing Ironman Arizona in 2014.

Kurt Binder  
VIZIO Inc., Irvine  
Kurt Binder is responsible for assessing new product/business initiatives outside of televisions, as well as operating existing product categories such as audio, computing/tablets, accessories, etc. Binder’s accomplishments at VIZIO include orchestrating a realignment of the BTV business, which had generated losses in 2011 and 2012. Included within the BTV business is VIZIO Audio products, which increased unit volume by nearly 40 percent each year since Binder took over. Currently VIZIO is a market share leader in North America competing directly with all major brands including Samsung, LG, Bose, etc. Binder was promoted to vice president and chief financial officer in April 2012, along with maintaining his previous responsibilities as vice president of partner management. Binder has guided company in 2012, 2013 and 2014 through a period of exceptional sales volume and revenue growth.

Joseph Binotto  
Raj Manufacturing Inc., Tustin  
Joe Binotto has successfully led the financial operations of 48-year-old swimwear firm, RAJ Manufacturing, for the last seven years. In that period, Binotto has navigated through the tumultuous banking and lending environment, ensuring that RAJ maintains its financial wherewithal and leadership in its industry. During his tenure, the company refinanced and paid down its bank borrowings while growing its business both at home and internationally. Additionally, Binotto has helped to establish controls and procedures at RAJ and its wholly owned subsidiary, Swimsuit. Lastly, he has mentored his staff, leading to several promotions within the accounting structures, as well as operations.

Peter Bretschger  
Integrated Marketing Works, Costa Mesa  
Peter Bretschger and his wife co-founded Integrated Marketing Works with a borrowed Macintosh computer and $1,500. Since then, they have built a solid and sustainable company that provides jobs in Orange County and helps to promote the local economy. In addition, Bretschger saw an opportunity to further stabilize his company and its position by buying and developing out his company’s headquarters in 2012. Through his hard work, Bretschger’s company is accredited by the Agency Management Institute, which oversees best practices and financial integrity within the advertising and marketing industry. Bretschger is constantly working to raise the bar in his industry with extreme professionalism and integrity. In the community, he sits on the board of directors of NOSA, which is the organization that runs the Newport to Ensenada International Yacht Race, and is the secretary and a founding board member of the Southern California Children’s Choirs.

Nicole Carrillo  
Opus Bank, Irvine  
Along with the Opus Bank CEO, Nicole Carrillo has led the efforts for the successful IPO of Opus Bank in April 2014. She is responsible for all financial data and materials submitted to regulators, listing agent and potential investors. She coordinated with attorneys, investment bankers and auditors to include both primary and secondary shares in the offering and meet all underwriting and due diligence requirements in order to achieve most optimal market timing for launch of the IPO. Carrillo is part of the three-member executive team that led the IPO road show to present Opus’s story and investment opportunity to over 60 investors in a seven-day road show to market the IPO, which led to a successful close. Since the $460 million recapitalization, and subsequent name change, of Bay Cities National Bank in Sept. 2010, Opus Bank has grown from approximately $275 million to $4.3 billion in total assets and over 600 bankers, with 59 banking offices located in metropolitan markets up and down the West Coast.

Scott Cooper  
WaveTec Vision Systems Inc., Aliso Viejo  
Scott Cooper has spent nearly his entire career in financial and accounting positions at...
Who’s in your corner?

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Member of Deloitte Touche Tohmatsu Limited
high technology and medical device companies primarily in Orange County. Cooper joined Aliso Viejo-based WaveTec Vision Systems Inc. in Sept. 2007. When he joined the company, there were 17 employees, a company product that he helped develop to help eye surgeons when they perform cataract surgeries. For the first half of his career at WaveTec, Cooper raised capital and managed financial operations to support WaveTec’s research and development efforts. These efforts led to the late 2011 commercial launch of the ORA System®, the world’s first intraoperative aberrometer, a diagnostic tool that helps eye surgeons perform precise cataract surgery procedures to deliver the best possible vision for their patients. Cooper worked with the CEO to develop the business model, pricing and support structure to grow the revenue from $0 to a projected $17 million and 69 employees in 2014. Along the way, he helped to raise over $80 million of new venture-capital backed equity in four financing transactions.

Kent R. Crandall
MBK Real Estate, Irvine

Kent Crandall joined MBK in 2006 and has been instrumental in the transformation of the company from a single operating division in California to a multi-divisional real estate company with operations spanning the Western U.S. The first several years of Crandall’s tenure were spent restructuring the company’s Homebuilding division, helping to return it to profitability in 2010. Additionally, during this time period, Crandall was instrumental in the development and growth of the company’s Senior Housing start-up division. Under his tenure, the division has acquired over $50 million in Senior Housing properties and grown its operations and footprint outside of California. Today, the division has operations and assets throughout the Western U.S. and employees over 1,300 employees. In addition, Crandall initiated and led multiple internal infrastructure projects to better support the company’s businesses. In 2014, Crandall’s focus has been on the capital structure of the company and its operating divisions. After retaining an investment banking firm in February, he led the road show and investor presentations culminating in the signing of a $150 million equity JV term sheet specific to the company’s Senior Housing division.

Stephen DeSantis
Predixion Software, San Juan Capistrano

In the five years since Steve DeSantis co-founded Predixion with CEO Simon Arkel and CTO Jamie Maclennan, the company has transformed from a risky start-up (focusing primarily on product development, customer acquisition and cash flow) to a growth-stage company with over 70 employees, $33 million in capital raised and an award-winning product. Predixion has continued its positive momentum in the first half of 2014, reporting record revenue in the first quarter alone. More than 200 companies currently use Predixion Insight, spanning multiple industries and including GE, Chevron, United States Armed Forces, Kaiser Permanente, Carolinas Healthcare Systems and Marriott, with global partners and investors including Accenture, GE, EMC and most recently, Salesforce.com. Predixion’s involvement in the community includes the Predixion internship program for 20+ students a year. The Predixion in the Classroom program allows students and teachers free access to Predixion Insight™ and all of Predixion’s labs, coursework and other materials for educational purposes. Predixion also is a corporate sponsor of Megan’s Wings, a nonprofit whose mission is to improve care and quality of life for children with cancer and to provide financial support to their families.

Don DeVore
Cadence Aerospace Inc., Newport Beach

Don DeVore is responsible for rebuilding the financial and information technology teams for Cadence Aerospace, a aerospace manufacturing business with seven U.S. and one Mexico location. He implemented a new enterprise resource planning system which include P&L, BI, Cash Flow and a significant amount of additional detailed data which vastly improved the ability to understand and manage the business. He supports the president, CEO and board on non-financial related matters, including capital expenditure analysis, project management and footprint outside of California. Today, the division has operations and assets throughout the Western U.S. and employees over 1,300 employees. In addition, Crandall initiated and led multiple internal infrastructure projects to better support the company’s businesses. In 2014, Crandall’s focus has been on the capital structure of the company and its operating divisions. After retaining an investment banking firm in February, he led the road show and investor presentations culminating in the signing of a $150 million equity JV term sheet specific to the company’s Senior Housing division.

Gary Fabian
Steams, Santa Ana

Gary Fabian’s contributions to Steams have helped the company grow to a top 20 lender in the last two years. Steams has experienced record growth and achieved the number one position in wholesale lending. As CFO, Fabian has developed and implemented financial strategies and programs to position the company for growth, and to optimize revenue and profit. The work of the finance organization has helped position Steams as a leader in the mortgage industry; in addition, under his leadership, the company continues to implement financial reporting and controls to ensure regulatory and agency compliance. Fabian is known among his peers as an exceptional leader in the industry and at Steams.

Marcy Finamore
Jamboree Housing, Irvine

Marcy Finamore began working at Jamboree Housing in 2001, handling the role of accounting and finance. Today, as executive vice president and CFO, Finamore oversees resident services, asset management, human resources, fundraising, office management and marketing. Staying current with what is required of Jamboree and incorporating best business practices to reach the highest levels of accountability and transparency is Finamore’s main focus. Setting a high standard in a dynamic market, Finamore formed the internal Audit Committee, which works diligently year round to conduct, monitor, update and/or implement audits, policies, procedures, risk management and internal controls aimed at the company’s expansion. Jamboree Housing Corp., an award-winning, broad-based nonprofit housing organization that develops, acquires, renovates and manages permanently affordable rental and ownership housing for working families, seniors and people with special needs. It currently has $233 million in affordable housing projects in its development pipeline for a $1.5 billion asset portfolio that includes the development of and/or ownership interest in more than 7,400 homes in more than 75 California communities. Currently, Housing with HEART programs and services that foster learning, health and community building are offered at 30 Jamboree communities.

Joyce Foley
Second Harvest Food Bank of OC, Irvine

Joyce Foley is responsible for all of the administration functions of Second Harvest, including finance, HR and information technology. When she first arrived 26 years ago, Foley started as an administrative manager and over the years was promoted to controller, director of administration and now CFO. She has professionalized the organization with financial accounting systems, attractive employee benefits and work processes that enable it to run as efficiently as possible. One of Foley’s most significant accomplishments was establishing and transitioning Second Harvest Food Bank as a new corporate entity in 2013. Second Harvest Food Bank is the largest hunger relief organization in Orange County, leading the fight to end hunger in our community. The organization has provided food to people in need for more than 30 years through a network of more than 340 community partners in 470 locations, including church pantries, homeless shelters, soup kitchens, afterschool and senior programs, feeding 200,000 people per month. Last year, Second Harvest provided enough nutritious food for more than 17 million meals. More than 90 cents of every dollar Second Harvest spends goes to feeding the hungry.

Ann Fong
Insync Technologies, Irvine

As a strategic CFO, Ann Fong is an invaluable asset to Incipio and acts as a trusted advisor to the CEO of the company. Fong is known as a demonstrated leader with proven ability to direct teams that help increase profitability and has a strong record of success in financial and operational management in both manufacturing and licensing. She has a broad-based functional background in managing projects that require strong financial and operational experience in rapidly changing environments. She is experienced in debt restructurings and post sale transactional work. Fong has held senior financial positions with companies such as Trina Turk, Paul Frank Industries and Volcom.

Bryan Giglia
Sunstone Hotel Investors, Aliso Viejo

Prior to Bryan Giglia’s appointment to CFO, he served as senior vice president-corporate finance since March 1, 2010 and oversaw capital market transactions, corporate financial planning and analysis, and investor relations. Giglia joined Sunstone Hotel Investors in March 2004 as a financial analyst, serving in the capacity of director of finance from Oct. 2005 through Feb. 2007. From March 2007 to Feb. 2010, he served as vice president-corporate finance. From Aug. 1998 to Aug. 2002, he served in a variety of accounting positions for Hilton Hotel Corp. From Aug. 2002 until joining Sunstone in March 2004, Giglia attended the Marshall School of Business at the University of Southern California, where he earned an MBA degree. Giglia earned his B.S. in Business Administration from the University of Arizona.

Bob Gonda
Fresh Enterprises LLC, Irvine

Bob Gonda is the operator of 240 fast casual Mexican restaurants including 200 Baja Fresh and 40 La Salsa restaurants in 27 states domestically, and Dubai and Singapore internationally. As chief financial officer of Fresh Enterprises, Bob Gonda is responsible for all accounting and finance activities of this private-equity owned company, including monthly, quarterly and annual financial reporting, as well as budgeting and forecasting. Gonda’s duties with the company include, but are not limited to: refinancing the company’s debt on favorable terms, presenting monthly financial results to the board of directors and equity holders, providing strategic support to the CEO, and updating and filing the annual Franchise Disclosure Document.

Scott Homan
City Ventures, Newport Beach

Scott Homan joined the City Ventures team in Sept. 2009 as CFO. Prior to City Ventures, Homan was the CFO of The Olson Co. since 1998. In addition, Homan served as the vice president of finance for Greystar – the Orange County Division of the publicly traded homebuilder, Lennar. Homan joined Greystar at the initial formation of the company in 1992, and managed the financial challenges in growing the company to $150 million. His business experience of enhancing systems and financial infrastructure in a rapidly growing company has helped City Ventures and its investors to understand and meet our clients financial needs in a timely manner.
Magnaflow Exhaust Systems, Rancho Santa Margarita

Stephen M. Kasprisin

professionals, as well as maintaining involvement in a number of nonprofit organizations. Outside the office, he has maintained an equal focus on mentoring aspiring finance lead high-impact teams, conducting in-depth market, business and financial analysis. Innovating solutions to complex problems and issues. He has always strived to build and teams, he has always been focused on overcoming obstacles, as well as developing plans, as well as accurately quantifying and forecasting enterprise-wide initiatives. With his productivity by designing, launching and collaborating on strategic solid history of maximizing returns, reducing costs and accelerating as well as the establishment of a credit facility. Historically, he has a progression to 80 employees, the closure of a Series-B funding round, organization through its first 2.5 years of growth, which has seen a Cylance, he joined the company as employee #7 and has guided the multi-million dollar, national and global corporations. As the CFO of company adds great value to City Ventures. Homan is responsible for the company’s capital markets, corporate finance, financial reporting, accounting, taxes, legal, risk management, information systems and project finance. Prior to joining Greystone, Homan’s career began as a CPA with Fox and Co. Homan has also held several financial positions with Arnel Development, Kaufman & Broad, and Birtcher Real Estate Inc.

Hal Hurwitz

Pro-Dex Inc., Irvine

Hal Hurwitz has been a part of the Pro-Dex Inc. team since Oct. 2010, holding the position of CEO, president and CFO. In this role, he is responsible for finance and accounting, business planning, corporate legal, investor relations, information technology and human resources disciplines. He took leadership of the company at the request of the largest shareholder in the wake of his successful proxy contest. Imperatives Hurwitz accomplished during the turnaround include: conceptualizing and implementing initiatives to strengthen relationships with major customers, resulting in the retention of the largest customer that had been at risk; establishing and executing strategically focused cost control measures, which led to a headcount reduction of 50 percent and operating expense reduction of 33 percent; and negotiating new development and supply contracts.

Jeff Ishmael

Cylance Inc., Irvine

Jeff Ishmael has proven himself to be an accomplished finance professional with an impressive history of increasing revenues, raising EBIT, and optimizing P&L management for several industrially diverse, multi-million dollar, national and global corporations. As the CFO of Cylance, he joined the company as employee #7 and has guided the organization through its first 2.5 years of growth, which has seen a progression to 80 employees, the closure of a Series-B funding round, as well as the establishment of a credit facility. Historically, he has a solid history of maximizing returns, reducing costs and accelerating productivity by designing, launching and collaborating on strategic plans, as well as accurately quantifying and forecasting enterprise-wide initiatives. With his teams, he has always been focused on overcoming obstacles, as well as developing innovative solutions to complex problems and issues. He has always strived to build and lead high-impact teams, conducting in-depth market, business and financial analysis. Outside the office, he has maintained an equal focus on mentoring aspiring finance professionals, as well as maintaining involvement in a number of nonprofit organizations.

Stephen M. Kasprisin

Magnaflow Exhaust Systems, Rancho Santa Margarita

Stephen Kasprisin has been the CFO of both private and public companies, including the IPO of a $150-million consumer products company. In his current role, he has managed an accounting department that has increased from 8 to 10 staff members while the company has grown tremendously in seven years. The company accomplished this by embracing technology and developing systems to automate as many processes as possible. Magnaflow processes over 5,000 customer orders per month and 95 percent are electronic. Magnaflow is currently poised to continue its expansion and growth into new markets, new products and potential acquisitions due to the fundamentals Kasprisin and his team have put into place over the last seven years. Today, he continues to work on transitioning a family company from a patriarchal management style to an empowered management team while transitioning to the next family generation.

Chris Lawrence

American First CU, La Habra

Chris Lawrence has helped American First CU (AFCU) experience its biggest loan growth in at least a decade. Since joining AFCU, Lawrence has helped the company pass its first clean audit in years, which led to improved regulatory ratings. He has improved data integrity and analysis, which has helped him identify unprofitable financial products. He pushed to change company policy in order to move swiftly on investment opportunities while starting wholesale lending for single-family homes, leasing for automobiles and commercial real estate lending, which have all contributed to almost doubling core income. Lawrence actively sought low-risk investment opportunities and restructured the balance sheet to both improve income and reduce risk. All the while, he is proud to be part of an executive management team that embraces altruism through volunteering for special causes and helping to improve employee morale. A 2013 survey taken by the Peter Barron Stark companies ranked AFCU in their top 12 percent of all companies across the country.

John Luker

Orangewood Children’s Foundation, Santa Ana

In 2014, John Luker was tapped by the Orangewood Children’s Foundation to become its new COO and CFO, and oversee the development of the new Academy Charter School campus. The Academy Charter School is the first charter school by the Orange County Department of Education and will serve 480 students with a specific focus of helping foster children. The project is financed through generous donors and a partnership with F&M Bank with a new loan package closing in Oct. 2014. Orangewood Children’s Foundation began over 30 years ago with a vision to build a facility to shelter Orange County children who were the victims of abuse, neglect and abandonment. After its construction, the operations/administration of the
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The MBK Real Estate Family of Companies Congratulates

Kent Crandall

on his CFO of the Year Nomination

We Appreciate Your Strategic Contributions and Leadership in Helping Us Achieve Our Goals

2014 CFO of the Year Nominee

Kent Crandall

SENIOR LIVING | HOME BUILDING | MULTI-FAMILY
Mike McGee  
Discover Cube, Santa Ana  

Mike McGee has served as vice president of finance at Discover Cube (formerly Discovery Science Center) for five years where he has overseen two significant construction projects happening simultaneously in Santa Ana and Los Angeles, totaling over $67 million. For the Santa Ana campus expansion, McGee secured $26 million in financing, enabling the Center to break ground in 2014. McGee developed a 60-page memorandum presented to 15 banks and two lenders that included market research, operating growth strategies and realistic economic models that explained the need for expansion, identified risks and mitigating strategies. This demonstrated a sound financial rationale for banks to finance the project. As the executive in charge of opening a second science center in Los Angeles — opening Nov. 13, 2014, McGee secured $44 million in capital for the project, including $15 million in New Market Tax Credit financing, $18 million in government grants and an $11 million donated building. He has facilitated the conversion of a single entity to a multi-unit corporate operation with multiple operating locations and governing boards.

Rodney Miller  
AutoAlert LLC, Irvine  

Rodney Miller has been CFO for several technology companies in Southern California for the last 15 years. His most recent accomplishment has been the sale of a majority ownership of AutoAlert LLC to private equity group HGGC LLC of Palo Alto. Miller was brought in by Boyd Warner and Jeff Cotton to provide financial leadership for the 11-year-old company that had experienced phenomenal growth in the preceding five years. Miller’s first goal was to bring the company’s information systems up to speed and bring the company into full GAAP accounting. Miller also guided the company’s entry into the Canadian market with an emphasis on compliance in order to avoid regulatory issues that cropped up in the past. AutoAlert LLC’s data provider, has grown the business to over 5,000 franchised automotive dealers in North America. The company’s patented software has sold nearly 300,000 car sales for its customers through the third quarter of 2014. AutoAlert LLC was founded in 2002 and has surpassed a 70 percent CAGR for the last five years while growing to over 120 employees.

Lenny Moon  
Payoff Inc., Costa Mesa  

Lenny Moon has been an invaluable asset to Payoff, a next generation financial services company, designing products that help people pay off their credit cards faster and save money. His accomplishments cover a broad range of fundraising and asset management, administrative, and typical corporate finance functions. He has successfully managed a large and growing investor base and nearly $20 million in new investment capital into Payoff in the last year. A key part of Moon’s administrative duties was assisting with the move of Payoff from Los Angeles County to Orange County. This move resulted in approximately 55 technology jobs relocated to the Payoff Costa Mesa headquarters. Prior to joining Payoff, Moon was a vice president with Lazard Franchise Investment banking. He is one of the founding partners of the Bear, Stearns & Co. In addition to investment banking, he was part of the founding team that launched a Softbank-funded technology firm in Korea. He also has prior experience at Bear, Stearns & Co. and has surpassed a 70 percent CAGR for the last five years while growing to over 120 employees.

Anna Narsailim  
New Horizons Computer Learning Centers of Southern California, Anaheim  

New Horizons Computer Learning Centers of Southern California (NHSoCal) is an authorized training provider for many industry-recognized software and certification organizations such as Microsoft, Cisco, VMware, Citrix, IBM, CompTIA, Adobe, Project Management Institute and more. NHSoCal was named CompTIA’s 2014 Partner of the Year, Microsoft’s 2013 Western Learning Partner of the Year and 2013 North American Training Partner of the Year. A significant portion of NHSoCal’s business comes from the consumer segment, requiring a high amount of cooperation with the government. As a result, NHSoCal goes through extensive audits. Anna Narsailim is an essential part of these audits. Narsailim has shown extreme dedication to the continued growth of this side of the business, committing herself to being with her audits in any manner. He drops other work to ensure all numbers to present for audits are consistent, and goes above and beyond to ensure that records of students’ progress are prepared and accurate. As a result, the consumer division has grown to be the largest portion of revenue over the past year.

Dave Quimby  
Aria Group Inc., Irvine  

Aria Group Inc. works closely with key leaders in the transportation, entertainment and aerospace industries to rapidly turn design ideas into prototype models and production components. Aria has expertise in design engineering, composite materials, project management and manufacturing that it utilizes to satisfy its customers’ requirements. Over the past year, Dave Quimby has assisted Aria in improving the speed at which financial information is provided to the owners. He has been able to alert them to impending issues so that they can be addressed proactively. Quimby has also been willing to introduce change as needed, notably shopping Aria’s health plan coverage to ensure compliance with the ACA and simultaneously holding costs flat year over year. As Aria has begun to develop new business opportunities internationally, he has worked with the company’s banks to support Aria’s needs in both Europe and Asia, as well as assist internal staff with the complexities of operating in a global environment.

Larry Rosolowski  
Razor USA LLC, Carlsbad  

Founded in 2000, Razor USA was started “from scratch” in the middle of the scooter craze. During the first seven years, the company grew by selling its basic scooter product in the domestic market. Since Larry Rosolowski joined the company in 2006, Razor USA has been transformed from an entrepreneurially managed business to a professionally managed company with a broad line of products, significant international expansion and a highly skilled management team. As the senior executive responsible for finance, accounting, treasury, information technology, risk management and human resources, Rosolowski has played a crucial role in this evolution. The most impressive characteristic of Razor USA is the sustained profitability generated from the company’s growth over the last seven years. The achievement of this profitability, which is tenfold the average profitability of similar sized companies in Orange County, is another testament to Rosolowski’s capabilities and accomplishments. He has played an integral and decisive role in strategic product-market expansion strategies, pricing strategies, protection of gross margin by implementing margin improving strategies for the products which are all bought from China, corporate expense control etc.

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Brian D. Scharkey  
Olive Crest, Santa Ana  

Brian Scharkey serves as the chief financial officer for Olive Crest. He currently oversees the organization’s accounting/finance, IT and properties functions. One of the largest not-for-profits in Orange County in terms of annual revenue — $45 million — and number of employees (700+), Olive Crest has transformed the lives of over 60,000 abused, neglected, and at-risk children and their families since its inception in 1973. Olive Crest serves nearly 2,000 children and families each day throughout California, Nevada and the Pacific Northwest. One of Scharkey’s primary goals for the past two years was to improve the organization’s financial condition. He accomplished this by implementing new financial reporting systems, increasing the financial acumen of the senior leadership team, working closely with that team to cut costs and identify new revenue sources. These efforts resulted in Olive Crest’s largest surplus in its 42-year history for the FY ended June 30, 2014, which enhanced its financial position. Prior to joining Olive Crest, Scharkey served for 17 years at the Evangelical Christian Credit Union (ECCU).

Colin T. Severn  
William Lyon Homes, Newport Beach  

Colin Severn has served as William Lyon Homes’ chief financial officer since 2009. He has successfully helped to navigate the company through bankruptcy, execute a successful IPO, three major acquisitions and a number of capital markets events. As a result, the company is now positioned as a premier Western regional homebuilder. Severn successfully helped the company navigate through a challenging reorganization via a Chapter 11 plan of reorganization and restructured $500 million of debt into $310 million of equity. This year, Severn also led the financial review and production of registration statements filed with the SEC related to two bond offerings, an equity offering and a universal shelf registration. The equity and bond offerings were completed within very tight time frames and successfully raised over $900 million in capital. Founded by General William Lyon, William Lyon Homes has been a staple in Orange County for more than 58 years. Over this period, the company has sold over 95,000 homes to residents in California, Arizona, Washington, Oregon, Nevada and Colorado.

Guita Sharifi  
Alzheimer’s Family Services Center, Huntington Beach  

Guita Sharifi has been an invaluable part of the professional team at Alzheimer’s Family Services Center (AFSC), a nonprofit agency exclusively serving patients with dementia. In her three years, she has significantly improved the financial position of the company by improving the patient billing process, reducing expenses — $700,000 last year alone — and improving the organization’s cash on-hand position from 30 to 140 days in two years. In addition to her financial responsibilities,
The best leaders don’t seek recognition, but there is always a time and a place to acknowledge greatness.

Congratulations to Colin Severn from your friends & colleagues at William Lyon Homes on your nomination!

William Lyon Homes is recognized as one of the largest and most respected homebuilders in the country. More than 120,000 William Lyon Homes can be found throughout California, Nevada, Arizona, Colorado, Washington and Oregon.
Madhu Vijaya
Aviation Capital Group Corp., Newport Beach
Madhu Vijaya has completed over $15 billion of innovative and industry-leading financing for ACG, a global top 10 commercial jet aircraft leasing company with 260 aircraft assets leased to approximately 90 airlines in 40 countries. His financings, combined with proprietary asset valuation models and enterprise risk management strategies, have been critical in transforming ACG to a top tier global leasing company with $8.5 billion in assets. Vijaya creatively structured the acquisition financing of a major competitor, doubling ACG’s size; secured ACG’s investment grade ratings; and launched ACG and the industry into unsecured capital markets financing. A native of India, Vijaya came to the U.S. for college where he received both a B.A. in economics and an MBA and ultimately gained citizenship. He has served as a Pacific Life Foundation board member and is a Chartered Financial Analyst. An avid cricket fan, Vijaya also is involved in promoting youth cricket in Southern California.

Todd Taylor
Impac Mortgage Holdings Inc., Irvine
Todd Taylor began his career in mortgage banking industry in 1992, when he started as a staff accountant for Imperial Credit Industries Inc., a local Orange County mortgage banking firm that was the predecessor of Impac Mortgage. While at Imperial Credit, Taylor also completed his B.A. in business from California State University at Fullerton. In 1998, Taylor had an opportunity to join a newly established commercial mortgage lending firm, an affiliate of Impac Mortgage, as the VP and controller. Here, he established accounting procedures and internal controls, and helped the firm to complete a public offering in raising over $60 million. In 2000, the controlling interest in the firm was acquired by another company. Taylor joined Impac in 2004 as the SVP, controller responsible for all accounting, reporting and financial controls, including preparing the organization for implementation of SOX controls. In Feb. 2008, Taylor was promoted to EVP and CFO. Impac Mortgage Holdings Inc. offers consumer and wholesale lending, title, escrow and REO services.

Thomas Varvaro
ChromaDex, Irvine
Thomas Varvaro has guided ChromaDex from a small private business to a public company. He played a lead role in closing multiple rounds of financings, raising over $30 million. Varvaro has in-licensed and manages technology patents that have enabled ChromaDex to develop and commercialize its proprietary ingredient technologies which have shown a 155 percent year-over-year growth through Q2 2014. The ChromaDex ingredient technologies unit includes products backed with extensive scientific research and intellectual property. ChromaDex was founded in Orange County in 1999. It has since gone on to become a recognized innovator in its marketplace by discovering, acquiring, developing and commercializing proprietary-based ingredient technologies through its unique business model that utilizes its wholly owned synergistic business units, including ingredient technologies, natural product fine chemicals, chemistry and analytical testing services, and product regulatory and safety consulting.

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CONGRATULATIONS

Dan Walker

CFO OF THE YEAR NOMINEE!
Congratulations
to the nominees
of the Eighth Annual

Tracy Albert-Muller
American HandForge
Kurt Altergott
MGI Capital LLC
Debbi Anders
Horizon Technology LLC
James Arnold Jr.
Kofax Inc.
Susan Berglund
Easter Seals Southern California
Brad Biddle
Insutek
Kurt Binder
VIZIO Inc.
Joseph Binotto
Raj Manufacturing Inc.
Peter Bretschger
Integrated Marketing Works
Nicole Carrillo
Opus Bank
Scott Cooper
WaveTec Vision Systems Inc.
Kent R. Crandall
MBK Real Estate
Stephen DeSantis
Predixon Software
Don Devore
Cadence Aerospace Inc.

Gary Fabian
Stearns
Marcy Finamore
Jamboree Housing
Joyce Foley
Second Harvest Food Bank of OC
Ann Fong
Inciplio Technologies
Bryan Giglia
Sunstone Hotel Investors
Bob Gonda
Fresh Enterprises LLC
Scott Homan
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Jeff Ishmael
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Kevin Rubin
MSC Software Corp.
Brian D. Scharkey
Olive Crest
Colin T. Severn
William Lyon Homes
Gita Sharifi
Alzheimer’s Family Services Center
Todd Taylor
Impac Mortgage Holdings Inc.
Thomas Varvaro
ChromaDex
Madhu Vijaya
Aviation Capital Group Corp.
Daniel Walker
Young’s Market Co.
Robert Weaning
Quick Bridge Funding LLC

Dinner &
Awards Program
Wednesday, February 4, 2015
6:30 p.m. - 8:30 p.m.
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Irvine, CA 92614

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