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CHRISTINA DENNING

SAN DIEGO'S FINEST ATTORNEYS

Introducing Christina Denning, John Gomez, David Casey and Ronson Shamoun – a few of the outstanding lawyers we are featuring in this issue.

PAGE 9



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COVER STORY



ON THE COVER:

Tribute to Attorneys

In this issue we are featuring a group of San Diego attorneys who are dedicated to the law and their profession. Among them is Heather Riley (pictured). See Page 9



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Sam Mousavi, president and CEO of DigitalPro Inc. of Poway (pictured), is this year's Small Business Person of the Year. He and other small business owners will be honored by the SBA at a May 5 luncheon. Meet the winners.



15 Commercial Real Estate

The ESET Building in Downtown San Diego has sold for \$55 million while the Emerald Plaza hit the for sale market on April 18. Also included in this roundup is the Executive Complex — described as one of the worst high-rises Downtown.



18 The Cost of Workers Comp

Insurance executive Jeff Cavnignac (pictured) explains the real cost of Workers' Compensation — often an employer's single most expensive line of coverage. There are, says Cavnignac, significant indirect costs not covered by insurance.



19 Signs Help in Navigating Downtown

Residents and visitors will have an easier time navigating Downtown San Diego by foot, car or bike after Civic San Diego installed more than 200 new wayfinding signs at a cost of \$1.9 million.



21 Travel

Anderson Valley in Mendocino County might easily remind some of an earlier Napa Valley. It is rural and uncrowded. The valley is home to 30 wineries and approximately 40 grape growers. Small though it may be, it continually grows in stature. One reason is Lula Cellars, a Gold Medal award-winning winery.

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SAN DIEGO SCENE



General Atomics' Predator XP. (Courtesy General Atomics)

India is in talks with the United States to purchase 40 Predator XP surveillance drones made in San Diego to help monitor its borders with Pakistan and China, officials said.

India is trying to equip the military with more unmanned technologies to gather intelligence as well as boost its firepower along the vast land borders. It also wants a closer eye on the Indian Ocean.

New Delhi has already acquired surveillance drones from Israel to monitor the mountains of Kashmir, a region disputed by the nuclear-armed South Asian rivals and the cause of two of their three wars.

As defense ties deepen with the United States, which sees India as a counterweight to China in the region, New Delhi has asked Washington for the Predator series of unmanned planes built by San Diego-based General Atomics, military officials said.

"We are aware of Predator interest from the Indian Navy. However, it is a government-to-government discussion," Vivek Lall, chief executive of U.S. and International Strategic Development at General Atomics, told Reuters.

The U.S. government late last year cleared General Atomics' proposal to market the unarmed Predator XP in India. It was not clear when the delivery of the drones would take place.

The Indian navy wants them for surveillance in the Indian Ocean, where the pilotless aircraft can remain airborne for 35 hours at a stretch, at a time when the Chinese navy is expanding ship and submarine patrols in the region.

Moves by India to enhance its defense capabilities have in the past provoked sharp reactions from Islamabad, where the government and military are worried about falling further behind their bigger rival in the arms race.

India's air force has also asked Washington about acquiring around 100 armed Predator C Avenger aircraft, which the United States has used to carry out strikes against Islamist militants in Pakistan's northwest and neighboring Afghanistan.

But it would need clearance from the Missile Technology Con-

trol Regime group of 34 nations as well as approval from U.S. Congress before any transfer of lethal Predators could happen, officials said.

The push for the drones comes as U.S. Defense Secretary Ash Carter traveled to India for talks to cement military collaboration in the final months of the Obama administration.

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With Wikidata, Scientists Can Now Store Data that is Easily Accessed by Others

Scientists at The Scripps Research Institute are storing biomedical data into Wikidata, a public, editable database where researchers can easily link genes, proteins and other data.

The project is intended to solve the problem where scientists attempt to gather data scattered across small databases and hard-to-search PDF files.

“It’s not that the data doesn’t exist,” said Andrew Su, associate professor at the institute. “The data just isn’t stored in a way that scientists can easily access.”

“Open data is vital for progress and research,” added Assistant Professor of Molecular and Experimental Medicine Ben Good. “We need to break down those barriers.”

Su, Good and their colleagues at TSRI have integrated biomedical data into Wikidata. Built on the same principles as Wikipedia, Wikidata enables anyone to add new information to an open community database.

Technological breakthroughs in the last 10 years have led to rapid increases in the volume and rate of biomedical research, which in turn has led to a rapid growth in biomedical knowledge. However, this knowledge is currently fragmented across countless resources — from online databases to supplementary data files to individual facts in individual papers.

“As a research community, we spend a lot of time searching for good resources and trying to link them together,” said TSRI Research Associate Tim Putman, who was first author of one of the studies. “It’s cringeworthy.”

Even when databases are open to the public, current knowledge isn’t always organized in a uniform way, Putman explained.

Rather than leave each research group to tackle data integration individually, Wikidata offers a new model for organizing all this information.

While other Wikidata editors have added information on millions of items as diverse as works of art to U.S. cities, the TSRI team has focused on adding information on biomedical concepts.

TSRI Research Associate Sebastian Burgstaller-Muehlbacher, first author on one study, added data on all human and mouse genes, all human diseases and all drugs approved by the U.S. Food and Drug Administration.

As a proof of concept, Putman led the development of a genome browser based on Wikidata. Rather than having to develop one browser for every sequenced genome, this genome browser allows users to browse any genome that has been loaded into Wikidata.

“You can zoom in on a gene, click on it and the sequence will pop up,” said Good. The genome browser will then link back to the original Wikidata entry.

In the end, the researchers plan to have a comprehensive, uniform database that is easy to search and open to anyone who wants to add data and link related concepts.

“We think this data should all be open,” said Su. “This just makes intuitive sense.”



The Scripps Research team includes, from left, Andrew Su, Benjamin Good, Sebastian Burgstaller-Muehlbacher and Tim Putman.

Illumina Commits \$100 Million To Genomics Venture Capital Fund

Illumina Inc. has committed \$100 million in a new venture capital firm that is strategically aligned with Illumina’s vision to improve human health by unlocking the power of the genome.

Illumina Ventures was established by Nicholas Naclerio, Illumina’s former senior vice president.

The independently managed firm will pursue investments in early stage companies that are pioneering new applications of nucleic acid sequencing, developing products that will expand the genomics ecosystem, and utilizing genomics to improve human health.

“Under Nick’s leadership, internal venture investing has worked well for Illumina, providing strategic insight and connections to key technologies and channels in our industry,” said Jay Flatley, chairman and chief executive officer for Illumina. “Participating in an independent fund led by Nick that can leverage capital and know-how from other investors who share our strategic interests is an even more effective way for us to utilize Illumina’s capital to create incremental shareholder value.”

Illumina will be the majority limited partner in the first fund with a commitment of \$100 million, which will be callable by the fund over 10 years.



San Diego Becomes Research Hub For New Human Vaccines Project

Four scientific institutions — University of California, San Diego, J. Craig Venter Institute, La Jolla Institute for Allergy and Immunology and The Scripps Research Institute — have teamed up to create the “Mesa Consortium,” a new scientific hub for the Human Vaccines Project.

Under a collaborative agreement, the Mesa Consortium and the Human Vaccine Project aim to transform current understanding of the human immune system and expedite development of vaccines and biologics to prevent and treat many global diseases.

The Human Vaccines Project is a new global initiative that brings together leading research centers, pharmaceutical companies and state-of-the-art machine-learning methods to tackle the unprecedented mission of decoding the human immune system to accelerate the development of new vaccines and immunotherapies against major infectious diseases and cancers.



The Mesa Consortium will carry out extensive immunological analyses from Human Vaccines Project’s clinical research studies.

“Vaccines have helped us eradicate smallpox and nearly eradicate polio, but we have not yet experienced the same vaccine successes for global killers like HIV/AIDS, tuberculosis, malaria, cancer and other diseases,” said Wayne C. Koff, president and CEO of the Human Vaccines Project. “We

need new approaches to address major gaps in knowledge, leverage recent technological advances and hasten vaccine development.

“To this end, the Mesa Consortium brings an unparalleled and complementary set of scientific capabilities in the areas of immunology, vaccines and immunotherapeutic research to the Project’s network. We look forward to major contributions toward deciphering the key principles of human immunity and ushering in a new era of global disease prevention and control.”

The Mesa Consortium will carry out extensive immunological analyses from the Project’s clinical research studies designed to answer specific questions about human immunity. The Mesa Consortium will also serve as the Project’s bioinformatics core.

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Hispanics Now Lead Small Business Creation in California

Research released last week by UC Riverside found that businesses owned by Hispanics are being created at a significantly faster pace than all businesses in the United States, California and the inland Southern California region.

In fact, Hispanics are proving to be the one major demographic group that is bucking a trend of diminished business formation following the Great Recession.

Hispanic-owned businesses now comprise 37 percent of all businesses in inland Southern California — Riverside and San Bernardino counties — 23 percent in California and 12 percent across the U.S.

The new analysis finds that from 2007 to 2012, the number of Hispanic-owned businesses grew 46 percent across the U.S.,

44 percent in California, and a whopping 51 percent in Inland Southern California.

Comparatively, the rate of growth among all businesses was much slower — 3 percent across the U.S., 5 percent in California, and 8 percent in Inland Southern California.

The study by the Center for Economic Forecasting and Development at the UC Riverside School of Business Administration examined data from the Census Bureau's newest Survey of Business Owners, which is published once every five years. The most recent survey includes data on business owners through 2012 and was released in December.

“For years, Hispanics have made up a large and growing share of the population

and workforce of the nation, state, and inland region,” said Christopher Thornberg, director of the forecasting center and one of the report's lead authors. “As a measure of socio-economic advancement, it is an important and positive trend to see proprietorships increasing and a healthier balance developing between Hispanic business owners and workers.”

The one negative for Hispanic businesses, according to the study, is that they tend to have fewer employees and lower revenues. The authors say that is due to the fact that Hispanic businesses are newer overall.

- *Times of San Diego*

General Atomics 1 of 4 Defense Companies Chosen to Compete for 'Gremlins' UAV Project



The U.S. Defense Advanced Research Projects Agency (DARPA) has picked General Atomics Aeronautical Systems and three other companies for its Gremlins project, which aims to launch volleys of small, low-cost unmanned air vehicles from bombers, cargo aircraft or possibly even fighter jets, and recover them via a Lockheed Martin C-130 transport.

Finely networked for coordinated assaults on well-defended targets, these “gremlins” would conduct a variety of missions like electronic attack or target geolocation, mainly as stand-ins for “conventional, monolithic platforms” such as manned fighter jets or expensive UAVs.

Besides General Atomics, DARPA awarded Phase I contracts to Composite Engineering, Dynetics and Lockheed Martin.

The proposals submitted by those competing industry teams “cover a spectrum of technical approaches”, the agency says. The awards begin the first of three program phases, which could culminate in a proof-of-concept demonstration “of an air-launched, air-recovered, volley-quantity unmanned aircraft system.”

According to the broad agency announcement for Gremlins, posted in September, candidate launch platforms include the B-52 and B-1 bombers or C-130 turboprop. In-flight recovery is assigned to the C-130.

Each gremlin must fly out (555-926 km) at high subsonic speeds after launch and loiter for 1-3 hours before turning back to the C-130 for recovery, the announcement notes. The flyaway cost per Gremlin air vehicle should not exceed \$700,000, and

it is designed for at least 20 uses.

General Atomics manufactures mostly large, armed UAVs like the MQ-1C Gray Eagle and MQ-9 Reaper. For several years, it has been expanding its sensors, airborne networking and command, control and communications portfolios, while also developing high-technology products like the high-energy liquid laser area defence system and electromagnetic aircraft launch system.

DARPA has not announced the cost or timeline associated with Gremlins, but \$15 million is allocated for the current fiscal year and another \$31 million has been requested for 2017. Preliminary design reviews are expected in 2017, agency budget documents state.

- *Flightglobal*

SAN DIEGO'S BEST ATTORNEYS 2016



David S. Casey

David Casey is managing partner of CaseyGerry, the oldest plaintiffs' firm in San Diego. His career spans more than 40 years. His legal skills and landmark cases have had far-reaching consequences, impacting both consumers and the legal community. He was appointed to the national VCW Multidistrict Litigation (MDL) Plaintiffs' Steering Committee overseeing litigation targeting Volkswagen over its diesel emissions scandal. He also serves on the Plaintiffs Steering Committee which oversees the national MDL against the National Football League. In the past few years he has helped obtain many millions in successful results for clients in a complex range of cases that relate to aviation, maritime, premises liability, faulty equipment, government tort claims, complex motorcycle accidents, trucking and automobile accidents.



Jeff Chine

Jeff Chine is a partner in the Land Use practice in Allen Matkins' San Diego office and is highly regarded for his extensive experience in land use and redevelopment. He has represented developers in state and federal courts against environmental groups and opponents of development in CEQA, NEPA, Endangered Species Act, Clean Water Act, Subdivision Map Act, Coastal Act and other challenges to entitlements. His projects include the master planned communities of San Elijo Hills, Otay Ranch and Fanita Ranch. He recently helped secure approval from the San Diego City Council for the One Paseo mixed-use project in Carmel Valley. He also successfully represented Sempra, the developer of an international wind energy project with wind turbines in Mexico and associated infrastructure necessary to transport electricity across the border.



John Gomez

John Gomez is president and lead attorney at Gomez Trial Attorneys, which he founded in 2005. He has established himself as one of California's most recognized and accomplished trial attorneys. Lawyers USA named him the national Lawyer of the Year. He has twice been named San Diego's Trial Lawyer of the Year, a Super Lawyer in 2012, 2013 and 2014 and has been voted one of San Diego's Best Lawyers by SD METRO Magazine in 2013, 2014, 2015 and 2016. Since 2000, he has recovered over \$300 million in settlements and verdicts for his clients with more than 75 separate recoveries of more than \$1 million or more. He is a graduate of Yale University's School of Law and was an Academic All-American football player at the University of San Diego. He is a member of the Summit Council, a national group of the country's finest trial attorneys for plaintiffs.

California Businesses." He speaks extensively on tax issues to the Western Pension & Benefits Council and the University of San Diego School of Law's Low-Income Taxpayer Clinic.



Brian Katusian

Brian Katusian is a leading tax attorney with Seltzer Caplan McMahon Vitek. He was recently named a shareholder at SCMV. His practice emphasizes tax law, ERISA/Employee Benefits, and tax-exempt organizations. He has been certified as a Certified Legal Specialist in Taxation Law by the State Bar of California. He has co-authored a chapter in the Continuing Education of the Bar — California 2016 edition of "Financing and Protecting

California Businesses." He speaks extensively on tax issues to the Western Pension & Benefits Council and the University of San Diego School of Law's Low-Income Taxpayer Clinic.



Michael L. Kirby

For more than 30 years, Michael Kirby has been involved in civil litigation, trying more than 50 jury trials throughout his career and obtaining total recoveries valued in excess of \$275 million as lead counsel. He has received multiple Outstanding Trial Lawyer awards from Consumer Attorneys of San Diego (CASD). His expertise is extensive and covers a variety of practice areas that involve business, partnerships, real estate and investor disputes. He is a founding partner at Kirby Noonan Lance & Hoge. He is rated as a Best Lawyer

by a leading national rating service and has been named a Best Lawyer in San Diego for 2014, 2015 and 2016 by SD METRO Magazine. Kirby has been instrumental in growing Kirby Noonan Lance & Hoge to becoming one of the most respected litigation firms in San Diego.

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David J. Noonan

Over three decades, David Noonan has built an impressive career, representing high profile clients, receiving numerous recognitions and furthering the practice by frequently lecturing on best practices. He has played a vital role in securing multimillion-dollar judgments for both plaintiffs and defendants in complex cases that have involved consumer class actions, antitrust claims and misconduct charges. He is a founding partner at Kirby Noonan Lance & Hoge. His client list is diverse and has included American's Cup yacht races, professional athletes, Fortune 500 companies and a former Playmate of the Year. Noonan is a past recipient of the Daniel T. Broderick Award for trial excellence and professionalism, as recognized by four major trial organizations in San Diego, and has been named one of the Best Lawyers in America for the past 15 years.



Heather S. Riley

As a partner in Allen Matkins' San Diego office, Heather Riley's practice involves a variety of land use and environmental matters, with a particular emphasis on writ litigation. She has extensive experience with the California Environmental Quality Act and has defended numerous private clients and public entities in land use and environmental actions in both state and federal courts. Most recently, she was elected president of the San Diego County Bar Association. Her professional recognitions include being named one of San Diego's 25 Most Influential Business Leaders 2016, a Super Lawyers Rising Star and a 2013 40 Under 40 Award honoree by SD METRO Magazine. She is a volunteer for the Girl Scouts of San Diego.



Frederick Schenk

As a partner at CaseyGerry, Frederick Schenk concentrates his practice on product liability, serious personal injury and asbestos law. His unique knowledge in the area of automobile collision litigation was also recognized when he was selected as a consulting editor for Matthew Bender's Legal Publication. With his partner, David S. Casey Jr., he has represented the firm on the Plaintiffs Steering Committee which is overseeing national MDL litigation against the National Football League. He just finished a successful two-year tenure as president of the Board of Directors of the 22nd District Agricultural Association, otherwise known as home to the San Diego County Fair, and continues to serve on the board. The position entailed overseeing operations at the state-owned and operated fairgrounds. He is a past president of the Lawrence Family Jewish Community Center.



Ronson J. Shamoun

Ronson Shamoun is a tax controversy attorney with only 20 years of tax experience including 12 years in legal practice. He has received numerous awards, including honored as a Best Attorney and Metro Mover to Watch by SD METRO Magazine in 2014 and a 40 Under 40 Award honoree by the magazine in 2015. He is the founding partner of RJS Law Firm. He has received the prestigious AV Preeminent rating from Martindale Hubbell, an award which recognizes an attorney's excellence in legal ability and ethical practice. RJS Law has been recognized as one of the Most Admired Companies in San Diego. Shamoun has extensive experience in representing individuals and businesses before the Internal Revenue Service and the California Franchise Tax Board.



David G. Weil

David Weil is the founding attorney of Golden State Law Group. Over the past 40 years of doing bankruptcy law he has helped out tens of thousands of clients obtain a second chance in life by helping them file their Chapter 7 or Chapter 13 business reorganization. He has been listed as one of the top bankruptcy attorneys in the nation for 2013, 2014 and 2015, and was named a Best Attorney by SD METRO Magazine in 2013 and 2016. He has filed over 22,000 bankruptcies in his 40-year legal career. He is a graduate of UCLA and earned his law degree from Southwestern School of Law.



Scott Williams

As a partner at Seltzer Caplan McMahon Vitek, Scott Williams was at the forefront of one of the city's most closely watched lawsuits of the past year. Williams was the lead attorney representing the Plaza de Panama Committee in that group's effort to improve parking and traffic circulation in Balboa Park and to add new pedestrian-friendly plazas and gardens. He also prevailed in a case for S.D. Malkin Properties Inc., the developer of a beach-front destination resort for the city of Oceanside. The Malkin project had been opposed by San Diegans for Open Government. The case is now on appeal. He was a lawyer for the U.S. Department of Justice before entering private practice. Williams is a magna cum laude graduate of Harvard and received his law degree from Columbia University.



Christina Denning

Denning is a partner at Higgs Fletcher & Mack. Her practice emphasizes construction law, business litigation and personal injury. She is an Adjunct Professor at California Western School of Law for the STEPPS program — a year-long class in professional responsibility and advanced legal writing. She is a graduate of the San Diego Public Leadership Institute, a program for business-minded executives who are interested in exploring public leadership and discovering how their experience and talent could address public policy issues.



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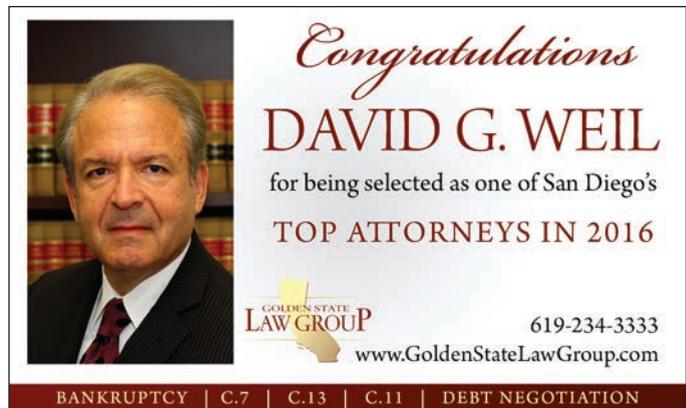
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SBA SMALL BUSINESS AWARDS

This year's Small Business Awards Luncheon, presented by SBA and the North San Diego Small Business Development Center and the MiraCosta College Foundation, will be held Thursday, May 5, 11:30 a.m. to 2 p.m., at the Wyndham San Diego Bayside, 1355 North Harbor Drive, San Diego, to publicly honor our local small business owners and advocates.

Individual seats cost \$75. Register at: www.miracosta.edu/SBA-SBDCAwards

"As America celebrates the 53rd Anniversary of Small Business Week, this is an excellent opportunity to honor the small businesses that have helped make our nation great," says SBA San Diego District Director Ruben Garcia. "SBA has helped well over 30 million Americans start, manage and grow their businesses, placing tens of billions of dollars in loans into the hands of entrepreneurs in all sectors of the economy."

Business organizations, lending institutions, chambers of commerce and trade associations typically nominate candidates. A panel is convened at the San Diego District Office to review local nominations and select a winner in each of the several categories.

SBA will honor America's top entrepreneurs at this year's National Small Business Week events during the week of May 1-7. This year's theme is "SBA: Dream Big, Start Small."

SMALL BUSINESS PERSON OF THE YEAR

Sam G. Mousavi, president & CEO
DigitalPro Inc. (Poway)



DPI Direct, a Digitalpro Inc. company, provides commercial printing products (such as business cards, brochures, catalogs, etc.), mailing services, and package printing. It is a promotional product distributor and member of the Advertising Specialty Institute. DPI Direct is a driver of digital printing technology in San Diego and also serve wholesale and retail clients in Southern California and nationally

through online services.

DPI Direct continues to lead the innovation front. It introduced the first HP Indigo 7600 Digital Press into local markets in 2005 and also the first HP Indigo 10000 Digital Press in 2013, which allowed it to support clients with short runs and give them variable data capabilities as well as many more options for their printing needs.

Since 2010, DPI Direct's sales have been growing at a rate of 12 percent; net profit have doubled; and the number of employees has grown at a rate of 10 percent.

DPI Direct has received a number of SBA loans over the years. The most recent loan was a 504 loan for \$2.3 million to purchase a new 35,000-square-foot building in the Poway Business Park. Several lending institutions have assisted DPI Direct with their lending needs over the years, including Wells Fargo Bank, Sunrise Bank, Banner Bank, AmericanWest Bank, the CDC Small Business Finance and Capital Access Group.

Sam Mousavi has 30 years of management, business develop-

ment and operations experience. He founded Digital Index Tabs Manufacturing in 2000 and DigitalPro Inc. in 2003, after a successful career in the technology sector. His focus has been in unique digital technology and JIT (Just In Time) programs. Mousavi holds a Bachelor's of Science Degree in structural engineering from the University of Arizona.

Mousavi, believes in giving back to the communities that helped his company grow and does so through DPI Direct, donating print to local organizations such as the La Costa Film Festival, Taste of Rancho Santa Fe, and the Petco Foundation. He also give discounted print rates to many non-profit organizations such as Word Alive on an ongoing basis.

SMALL BUSINESS EXPORTER OF THE YEAR

Gulshan "Gil" Dhawan, president
Applied Membranes Inc. (Vista)



Applied Membranes Inc. provides complete systems, membranes and components for water treatment, beverage production, desalination and other applications for power generation, pharmaceuticals and other applications. The company has expertise in providing reverse osmosis systems for drinking water, boiler feed water, seawater, desalination, ultrapure water, USP water and water

reuse. AMI has more than 10,000 commercial and industrial systems in operations.

The founder and CEO of the company, Gulshan Dhawan, has a Ph.D. in chemical engineering and has been active in membrane applications for water purification, water reuse and desalination for more than 35 years.

Products are exported to almost all industrialized countries located on five continents.

Dhawan credits his international success to establishing relationships, setting up distributorships and representatives, conducting seminars and participating in trade shows. He has worked with the U.S. Commercial Service and U.S. Trade Department to build his business. An additional business development strategy has incorporated Applied Membranes client's products in their exports.

Applied Membranes has received a number of 7(a) and 504 loans from SBA Lenders such as: U.S. Bank; Wells Fargo Bank; CDC Small Business Finance and Pacific Western Bank.

The company has been in business for 32 years, has been exporting for 30 years and has 175 employees. AMI has seen a 20 percent increase in total sales, which are \$22 million annually. Much of the growth of the company is attributed to an increase in export sales.

FAMILY-OWNED SMALL BUSINESS OF THE YEAR

Harley and Veronica Perry
Perry Plumbing, Heating & Air (National City)



Perry Plumbing Heating & Air is a family-owned business that has been delivering exceptional services for over three decades. Harley Perry, president, has over 38 years of experience serving San Diego County's residential and

commercial plumbing needs. He is known in the industry as "the plumber other plumbers recommend" not only because of his expertise in the plumbing industry, but also because of his desire to promote professionalism within the industry. He is highly respected by his peers as an honest, reliable, community-oriented businessman who treats his employees and his customers like family.

Harley's family plays key roles in the business as well. His wife, Veronica "Ronny," is the vice president and handles the administrative and financial side of the business. Their daughter, Anndrea Perry, oversees the office management and the dispatching for Perry Plumbing Heating & Air. She is the one that matches the right technician with the job to be done. Their son, John Perry, is a technician with a certification in HVAC repair and installation. He is also a specialist in the Nu Flow trenchless pipe relining system. Michelle Selitto-Perry is the center of the "Communications-Hub," maintaining the daily schedules of every member of the team.

Harley has been and continues to be active in his community involvement in addition to growing his company. He has been active in the Bonita Optimist Club, he belongs to the Bonita Business and Professional Association, serving as host of the Bonitafest one year. He has served on the board of the Plumbing Heating Cooling Contractors Association, the local trade organization, since 2002. He is also responsible for organizing and leading the PHCC Apprenticeship Training Program, which is a training and credentialing program for plumbing technicians. Although San Diego is his home base, he travels extensively to PHCC meetings on a statewide level as well as tirelessly working to improve the professionalism of his trade.

His philosophy at Perry Plumbing is "we will not do work that is not needed to be done."

**MINORITY-OWNED
SMALL BUSINESS OF THE YEAR**

**Regina Talamantez, president and CEO
RT Engineering & Associates Inc. (San Diego)**



RT Engineering & Associates is an architectural and engineering firm providing professional engineering services in program management, construction management, design support-utility coordination, constructability review, value engineering, environmental mitigation measures and public outreach. RTEA assist local, state and federal agencies in delivering heavy civil and high-profile projects

within the transportation, water and infrastructure industry.

RTEA is a Hispanic woman-owned civil engineering firm founded by Regina Talamantez in 2011, after she lost her job. She is a licensed civil engineer through the state of California with over 24 years of experience working in the industry. Her experience is diversified in design, construction and program management both in the public and private sectors.

Talamantez and her employees have attended several SCORE and

Small Business Development Center seminars on such topics as Certification, QuickBooks, Accounting, Writing a Business Plan, Strategic business development and business financing. She feels the seminars were very informative and well worth the time.

Talamantez is active within the community and is a strong believer in "paying it forward." Her objective is to reach out to high school students within the socially disadvantaged community and empower the youth by looking at their strengths and passions and provide them with tools for development of goals and career. She is also an active member in organizations such as the Hispanic Inland Empire Chamber of Commerce, the Mexican American Business Professional Association—San Diego and makes STEM presentations to Southern California high school and community college students, sharing her story and encouraging them to pursue their dreams.

**VETERAN-OWNED
SMALL BUSINESS OF THE YEAR**

**Gregg Torwick, president
Diamond Pacific Construction Inc. (National City)**



Diamond Pacific Construction does general construction, demolition, masonry, grading and concrete work. It specializes in public works, government projects and private sector projects throughout the United States.

Gregg Torwick, president, started his busi-



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SMALL BUSINESS

ness six years ago, with a single crew of six people. Over time, the business has grown and contracted with the ebbs and flows of the local economy. Diamond Pacific now has five crews and 30 employees with the ability to expand even further. They anticipate nearly doubling their revenue with steady growth in their profit margin for 2016. Their latest margin was almost 10 percent, which is well above the industry norm of 2-3 percent.

Diamond Pacific received an SBA guaranteed loan for \$200,000, through Pacific Commerce Bank in January 2015, which allowed it to expand into a 12,000-square-foot office and yard, and work out of two locations. It also received a \$50,000 SBA guaranteed line of credit through Pacific Commerce Bank which helps ease cash flow needs. Cheryl Brown, a consultant at the North San Diego Small Business Development Center, assisted with the preparation of Diamond Pacific's loan documentation. Gregg has also worked with Alex Galicia the veteran's representative at the South County SBDC.

Torwick contributes monetary and human resources to a number of veteran's organizations in the San Diego area and focuses primarily on helping veteran entrepreneurs find the mentorship and guidance they need to succeed. He has been an involved member and served in key positions for the Elite SDVOB Network, and the Disabled Veterans Business Alliance (DVBA), San Diego chapter. He also served a three-year term on the city of San Diego's Equal Opportunity Commission.

WOMAN-OWNED SMALL BUSINESS OF THE YEAR **Gulsum Ozturk Rustemoglu, founder and president** **GEPermit (San Diego)**



GEPermit, an environmental consulting business, was started as a home-based business in 2009 by Gulsum Rustemoglu. Gulsum has 15 years of project management, planning and permitting experience specializing in the development of federal and state environmental compliance documents (NEPA and CEQA) for numerous projects including pipeline studies, renewable energy

projects consisting of wind and solar projects, and community re-development projects.

Gulsum came to the United States as an international student in 1998; graduated with two master's degrees in English Lit. and City Urban Planning from SDSU in 2002. After working for large corporate firms and upon losing her job in July 2009, she started and grew GEPermit to where it is today.

Due to her leadership, between 2012 and 2013, sales for the company grew 146 percent. Between 2013 and 2014, sales for the company grew another 219 percent. Now, with all the pieces coming together and all the right employees in place, sales were over \$900,000 in 2015, almost double from the previous year. As a result, the company's net worth has nearly doubled each year (190 percent between 2012 and 2013 and 175 percent between 2013 and 2014).

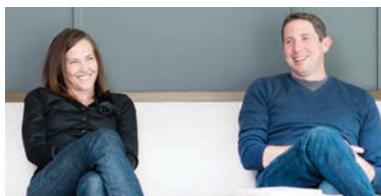
In addition to fantastic revenue growth, Gulsum was able to increase the company's number of employees by 500 percent, within the past six years.

Gulsum received SCORE counseling in finance in 2010, which was instrumental in helping her reach such a degree of success.

She is passionate about entrepreneurship and mentorship, and is a current aspiring speaker member of the National Speakers Association.

Since the beginning of her professional city planning career, she has been involved in a variety of volunteer leadership and board positions. Gulsum Rustemoglu is the current program director for the National Association of Women Business Owners (NAWBO) San Diego chapter.

DIRECTOR'S AWARD FOR INNOVATION AND GROWTH **Benjamin Hemminger, president, and Sarah Davis,** **founder and chief creative officer** **Fashionphile LLC (Carlsbad)**



Since 1999, Fashionphile has worked hard to become the leading and trusted source in the secondary market for luxury handbags. The name has become synonymous with competitive value, and unparalleled customer service. Fashionphile offers the largest selection of pre-owned vintage, rare, and limited edition handbags from luxury designers. Once acquired, every item goes through an extensive procedure by their skilled experts, to guarantee 100 percent authenticity.

Founded by Sarah Davis — and built on a foundation of her love for fashion and practicality — Fashionphile.com has worked hard to become the leading online reseller of pre-owned luxury handbags. Sarah started Fashionphile while attending law school and has never looked back. Her revolutionary vision of a safe and easy shopping destination for the buying and selling of luxury handbags has enabled thousands to purchase designer bags and accessories at exceptional prices and value.

In 2006, Davis was joined by business partner Ben Hemminger, who evolved the brand by expanding the collection and presenting it to a larger market. Hemminger obtained his bachelor's degree from Brigham Young University and he entered the MBA program at UCLA in 2006 while building Fashionphile in its early years. Prior to his work with Fashionphile, Hemminger worked for The Staubach Company and with Chevron Corporation in its real estate divisions.

Fashionphile received an SBA 504 loan for \$6.3 million, through JPMorgan Chase Bank and California Statewide CDC, in order to purchase a 30,000-square-foot headquarters facility. In addition, the company received a \$350,000 SBA line of credit, through JPMorgan Chase Bank, to assist with growing working capital needs.

Since 1999, Fashionphile has grown to over \$30 million in revenue and employs 65 people. Fashionphile now exports their products all over the world and has become one of the world's leading pre-owned luxury handbag sellers.

DOWNTOWN DIRT: ESET Building Sells; Emerald Plaza Next By Jason Hughes

The ESET Building, located at 610 West Ash, sold for \$55 million — or \$309 per square foot based on the 177,500-square-foot size of the building.

The building is 98 leased with ESET, an Internet security technology firm being the largest tenant.

Blackstone was the seller, and a newcomer to San Diego, Gemini Rosemont, the buyer. In 2003, Glenborough Fund V (which was acquired in bulk by Blackstone) bought the building for \$32.5 million or \$183 per square foot.

Emerald Plaza, located at 402 West Broadway, hit the market for sale the week of April 18. Don't bother touring or negotiating there, as prices have instantly been inflated by 15 percent or more to help justify the \$275+ per square foot that RREEF (the real estate investment management division of Deutsche Bank of Germany) is likely hoping to receive from buyers.

This is standard practice for building sellers: inflate asking rents to ridiculous levels with the hope that the “greater fool” theory continues to work.

Executive Complex, located at 1010 Second Ave., is also getting very close to selling. Jamison Services, the owner of this building and the Chamber Building (the two absolute worst high rises in all of Downtown), is praying that the above theory will work here as well.

Jamison has let this building deteriorate to such a level that there are nearly weekly episodes of major problems (e.g. elevators not working, no hot water in the building for the last year, air conditioning goes out on sweltering hot days, electrical fires forcing evacuations — even though the San Diego Fire-Rescue Department HQ is located there — etc.). The city of San Diego occupies half the building, with another 25 percent vacant, and the remaining 25 percent wondering why they haven't moved already. The likely buyer is known for its residential conversion prowess, but not office building ownership, so we'll see what happens.

110 Plaza, located at 110 A Street (with the Commonwealth sign on the top), is nearing 100 leased. My client, the city of San Diego, has a lease under review for 165,000 square feet, which will gobble up virtually every last vacant foot of space.



ESET building, Emerald Plaza and 110 Plaza. (Images by Nehrams 2020 and Gregoryc03 via Wikimedia Commons)

As part of the deal, Forester Properties is expanding and remodeling the ground floor. If finalized, the city will occupy half the building, with the federal government occupying almost all of the remaining half, between Social Security and Immigration Services.

Lastly, I want to congratulate my long-time friend Nelson Ackery. Nelson has been the senior leasing director for Irvine Company in San Diego for the last decade, and has just been recruited to head the region as senior vice president for Kilroy Realty, one of San Diego's largest landlords (and a publicly-traded Real Estate Investment Trust). I wish Nelson lots of success with this new endeavor (but Nelson, if this blog reaches you, know that I won't go any easier on you).



Jason Hughes is president, CEO, and owner of Hughes Marino, an award-winning California commercial real estate company with offices in San Diego, Orange County, Los Angeles, San Francisco and Silicon Valley.

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Engineers and Visual Artists Transform Education

In New Maker Studio at UC San Diego By Daniel Kane and Cynthia Dillon

Engineers and visual artists at UC San Diego are collaborating on final projects, even though they are in different classes.

This is just one of the many projects happening in the EnVision Arts and Engineering Maker Studio at UC San Diego. The new 3,000-square-foot studio on the third floor of the Structural and Materials Engineering building provides a wide range of design, fabrication and prototyping tools from 3D printers and welding stations to a sophisticated laser cutter. It's a creative, hands-on, experiential space where visual arts and engineering communities converge; where students are empowered to think, design,

"UC San Diego is one of the few places where this kind of integration between visual arts and engineering cannot only happen, but can be sustained and expanded," said UC San Diego Chancellor Pradeep K. Khosla at the EnVision dedication event Friday.

In its first quarter of operation, more than 400 students in engineering and visual arts worked in the maker studio through hands-on classes and labs as well as a few creative, independent projects.

"The spirit of collaboration and innovation, plus the skills that students gain through these unique courses are transferable to their careers well beyond their university years," said Cristina Della Coletta, Dean of the UC San Diego Division of Arts and Humanities. "The cutting-edge curriculum aligns with our division's intellectual priorities and the intersection of perspective, skills, tools, creativity and rigorous interdisciplinary research supported by the university."

"Our engineering and visual arts faculty are creating fantastic hands-on courses that take advantage of the maker studio's powerful mix of design and prototyping facilities," said Albert P. Pisano, Dean of the Jacobs School of Engineering. "We are giving students new opportunities to gain the confidence and motivation they will need to succeed in classes, internships, faculty re-



Visual arts student Jessica Buie holds up an open source hardware logo that she 3-D printed in the EnVision maker studio. (Photo by Erik Jepsen/UC San Diego)

search projects and, ultimately, their careers."

Transforming Education

The EnVision maker studio is a key component of the Jacobs School of Engineering's Experience Engineering Initiative, a school-wide project that aims to give every engineering and computer science undergraduate student a hands-on or experiential engineering course or lab each year— starting freshman year. In recent Experience Engineering classes, students have built robots, 3D-printed knee cartilage, and designed fuel-cell-powered cars. Every project is tied to a concept or theory they will learn later in more advanced

classes.

In the spring quarter, visual arts students interested in the new speculative design major will take classes in the new maker studio. Speculative design uses several different design technologies and methods, combining them in innovative ways. Visual arts graduate students in a working critique class will also be in the maker studio during the spring quarter.

A listing of recent and upcoming classes running in the maker studio can be found on the EnVision maker studio website.

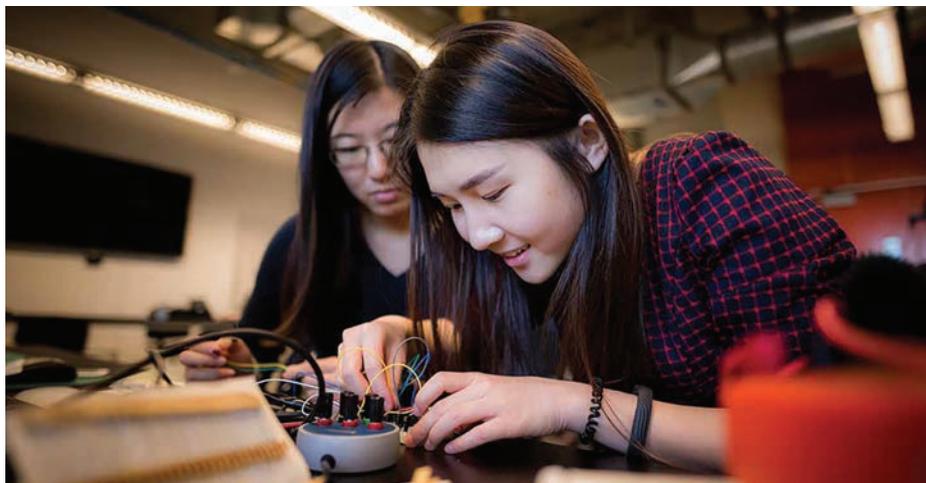
A Slam Dunk

In the case of the artists and engineers with the same final project, students in Structural Engineering 1 and Visual Arts 40 worked shoulder-to-shoulder during the winter 2016 quarter. Together they created "whole objects" that merged sculptures with engineered support structures. Lelli Van Den Einde taught the structural engineering class while Brett Stalbaum taught the visual arts course.

"We had lectures, homework and labs, but this project was the slam dunk that I needed," said structural engineering freshman William Jablonski. After struggling on the midterm, he found himself deeply engaged in his team's interdisciplinary final project. The team had to figure out the



Chancellor Pradeep K. Khosla inspects the sculpture and support building created and tested in the EnVision maker studio by an arts-and-engineering team. Structural engineering undergraduate William Jablonski (pictured) is one of the team members. (Photo by Farshid Bazmandegan)



Students in an electrical engineering class in the EnVision maker studio. Their final project: building line-following robots. (Photo by Erik Jepsen/UC San Diego Publications)

conditions under which the sea dragon sculpture their visual arts teammate designed and 3D-printed would—and would not—damage or destroy the building the engineers designed and built.

“Going into the final, I had an understanding of what the theory actually means,” said Jablonski.

Visual arts student Jeszica McPeak is part of a team that created a physical representation of a collection of pixels. She liked working with her engineering team in part because interdisciplinary teams are everywhere in the professional world and in part because the collaboration allowed her to expand and realize her artistic vision.

“The maker studio is our saving grace,” said McPeak, referring to both the access to 3D printers and other building tools as well as technical expertise from her engineering team, the teaching assistants and EnVision staff director Jesse DeWald.

While the engineering students on the teams gave oral presentations and wrote lab reports, the visual arts students got real-world curation experience by preparing, launching and running an exhibit showcasing the sculptures. The exhibit’s final day is today. It is open to the public from 10 a.m. to 5 p.m. in galleries 201 and 202 on the second floor of the Structural and Materials Engineering building.

Unleashing Creativity

The EnVision maker studio is not just for hands-on classes. It will be a space where student-organization teams and artists create; where student entrepreneurs build, prototype and innovate.

Details on the tools in the maker space as well as information on scheduling time and upcoming workshops is on the EnVision website. The goal is to open the space to as many student groups and entrepreneurial students as possible, though first priority during the school year will go to the classes running in the maker studio.

Winter 2016 classes in the maker studio included the structural engineering and visual arts classes with the combined final project, a making, breaking and hacking electrical engineering class, an experience nanoengineering class and an introduction to bioengineering.

The EnVision maker studio is part of a campus wide strategy, borne out of the UC San Diego Strategic Plan, to integrate design with innovation and better support “making” on campus.

“Our work to strengthen design at UC San Diego and our investment in the maker studio are both part of a larger move to build and support the innovation capabilities of all our students, which includes giving freshmen opportunities to unleash their creativity,” said Chancellor Khosla.

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The Real Cost of a Workers' Compensation Claim By Jeff Cavnac

Workers' Compensation insurance pays for occupational injury and illness — that's why you buy the insurance. Often times it is an employer's single most expensive line of coverage. What many people fail to grasp, however, is that there are significant indirect costs not covered by insurance.

In addition, if your company is large enough to have an Experience Modification, every claim will affect your mod factor and directly impact your costs.

The direct costs of a workers' compensation claim are pretty straightforward. Generally speaking, they include the medical costs and any indemnity (wage replacement) payments. It is this dollar amount that the insurance company will pay to resolve a claim and it is also this dollar amount that will factor in to your experience modification. Employers, however, also experience significant indirect costs.

According to a study done by the Stanford University Depart-

ment of Civil Engineering, these indirect costs often exceed the direct costs. For example, a fracture on average generates direct costs of \$50,000. The indirect costs, however, are estimated at \$55,000.

Indirect costs include, but are not limited to, the following:

- Any wages paid to the injured employee for absences not covered by Workers' Compensation.

- Wage costs related to time lost through work stoppage associated with the worker's injury.

- Time spent by administrators, supervisors, safety personnel and many others who have to handle the claim.

- Cost of hiring and training a replacement worker.

- Lost productivity related to work rescheduling, new employee learning curves and accommodating the injured employee.

- Cost to clean up, repair and replace equipment and machinery damaged by the accident.

You also have to take in to consideration the impact a claim will have on your experience modification and your insurance cost. Let's assume, for example, that your base premium (before application of the mod and other credits) is \$160,000, and you have not had any claims. You will have what is known as a claim-free experience modification. The claim free rating is a company's best possible experience modification for the year the rating is effective.

The actual claim-free rating is dependent upon the size of the business and variables such as Expected Loss Rates, as determined by the Workers' Compensation Insurance Rating Bureau. In our example, the claim-free experience mod is 66 percent, which means your premium for your workers' compensation policy will be \$105,600.

However, this single claim — where the fracture with direct costs is \$50,000 — will drive your mod up 15 points. When this claim hits your mod, your premium will go up by \$24,000 to \$129,600. This claim will stay in your experience modification formula for three years. In other words, this \$50,000 claim will ultimately end up costing you \$72,000 in additional insurance premiums. In addition to this, you have another \$55,000 in indirect costs making the total cost of this claim \$127,000. If your company has a 10 percent profit margin, you will need to generate an additional \$1,270,000 to cover these costs.

The indirect costs you pay and the additional premiums caused by an increase in your experience modification underscore why it is so important to be proactive in your safety efforts and to develop effective claims management strategies to deal with inevitable claims.

Workers' compensation is more like a finance tool than an insurance policy. Ultimately, through the experience modification, you will pay for your actual claims. The only way to lower the cost of workers' compensation in the long run is to lower the frequency and severity of the claims that are driving those costs.



Jeff Cavnac is president and principal of Cavnac & Associates, a risk management and commercial insurance brokerage firm in San Diego.

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New Signs Help Residents and Visitors Navigate Downtown

Civic San Diego project cost \$1.9 million

Residents and visitors will have an easier time navigating Downtown San Diego by foot, car or bike after Civic San Diego installed more than 200 new wayfinding signs at a cost of \$1.9 million.

Those unfamiliar with the neighborhood, or getting around on foot or by bike have long been faced with the challenge of reaching their destination using outdated signs originally designed for drivers, the agency said in announcing the project.

“At Civic San Diego, we seek creative ways to improve neighborhood infrastructure and the quality of life in our urban communities. As our community grows and we continually attract more residents, businesses, and visitors Downtown, we saw an opportunity to not only meet the growth objectives of the neighborhood, but also make it easier for everyone to navigate around this unique part of our city,” said Reese A. Jarrett, president of Civic San Diego. “Downtown has a wealth of history, attractions and businesses, and with our wayfinding project now complete, everyone, whether they’re walking, biking or driving can enjoy mobility with ease.”

The program was launched to replace aging signage throughout Downtown’s eight neighborhoods. The completed project includes a new comprehensive pedestrian wayfinding, vehicular wayfinding, destination signage, Downtown gateway signage and kiosks with printed maps of Downtown.

The preferred design for the signage was selected through three public open houses and nearly 50 stakeholder interviews. Based on this community and stakeholder input the preferred design was chosen to create a consistent and new Downtown brand that could accommodate the character of its many unique districts, and enhance community interaction, resident socializing and business vitality.

Funding for the \$1.9 million project was provided primarily through a reinvestment of dedicated parking-related revenue streams through the Downtown Community Parking District and a \$335,000 grant from the San Diego Association of Governments. Maintenance agreements were also established with the Downtown San Diego Partnership, Little Italy Association and San Diego Unified Port District to perform upkeep of the signs in their respective areas.

See pg. 20 for more photos.



Downtown Gateway 10th and Ash

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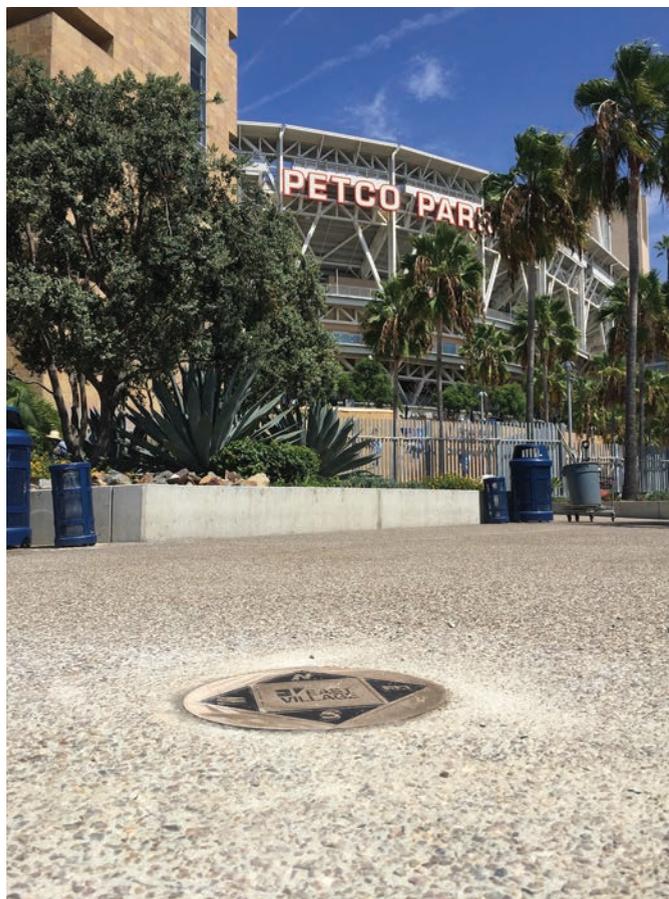
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The Lula Cellars vineyards in Anderson Valley.

WORLD-CLASS LULA CELLARS

Wine adventures in Mendocino County

By Bob Page

The next Napa Valley?

Oenophiles love the question. It's not to dismiss getting into the hearts and minds of wine lovers, but rather which appellation becomes the most compelling new road heretofore less traveled.

And therefore, into their pocket books.

California is home to 76 appellations or, AVAs (American Viticultural Areas), and anyone who has ever sipped the grape knows about, and has most likely been to Napa and Sonoma or to Santa Barbara and the Central Coast.

As neophyte oenophiles, we decided to stake out a journey to the ruggedly beautiful rolling hills and coastline of Mendocino

County.

We knew very little or, more candidly, virtually nothing about Mendocino's wine country along Route 128, which carves its way from Cloverdale to the coast.

The first few miles motoring west from Cloverdale can easily discourage. The 20 or so miles to Boonville are twisting curves and hills and not a place to be stuck behind a double-wide.

A less than seasoned traveler or, one without a plan, might surrender to the road, and turn back to Cloverdale.

Au contraire!

Into Anderson Valley you drop, the skies open and wineries aplenty are in eyeshot.

The valley is no more than 15 miles long, best known for its warm, sunny days and cool, foggy nights.

Anderson Valley might easily remind some of an earlier Napa Valley. It is rural and uncrowded. The valley is home to 30 wineries and approximately 40 grape growers. Small though it may be, it continually grows in stature.

So now the question is where do you stop, do you have a map or any semblance of a guide. No, of course not. Isn't this the fun of travel? Being adventurous.

At a pit stop in Boonville, the convenience store clerk, understated and apolitical, when asked, said, "they're all terrific."



Lula Cellars Tasting Room



Owner Jeff Hansen in the vineyard



Honey, the winery dog

That's all we needed.

As the afternoon wore on and after a sip here and a sip there, we said let's make one last stop before the day ends.

Coming up on the right hand side we saw a dirt road, a small shack and a sign which read, Lula Cellars. We said why not, pulled in and met Jeff Hansen, a bear of a man, winemaker and the owner of Lula Cellars.

A fortuitous decision.

Hearing Hansen's life story of reinvention made for interesting conversation. From the Art Center of Design in Los Angeles, he became a freelance photographer, doing assignments for some of LA's largest ad agencies.

"In early 1986, I decided to explore the idea of changing vocations. I was doing well and living in Seal Beach but the odd thing was that I wasn't happy with what I was doing. So I took some time off and went to Napa Valley. I liked the slower pace of life, put my cameras away and moved to St. Helena," Hansen said.

He found work at Spring Mountain

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 info@lulacellars.com

Vineyards, working for Michael Robbins, a noted winemaker whose chardonnay took fourth place in the fabled 1976 Paris Tasting. From there it was on to Flora Springs Winery after which he started his own label, Amici Cellars.

In 2009, Hansen left the sophisticated environment of Napa, moved to Mendocino and laid the groundwork for Lula Cellars. He opened a small tasting room near Philo and started out with 600 cases of Mendocino Pinot Noir.

Today, Lula Cellars is a Gold Medal award-winning winery. His Pinot Noirs have won Gold Medal, Silver Medal and Double Gold Medal.

To make world class wine, Hansen said, "it takes world class grapes. The grapes

must be fermented in a way that allows all of their flavors to be revealed. Next, we use just the right amount of oak barrel aging, which helps to marry the fruit flavors and acids in a harmonious blend."

Lula Cellars is named for Hansen's maternal grandmother. "She was a remarkable woman, a single mother after my grandfather passed away. She was an inspiration to all who knew her and naming the winery after her is my way of paying tribute to this noble woman," Hansen said.

Hansen now produces 3,500 cases annually, between Pinot Noir, Zinfandel, Sauvignon Blanc, dry Gewurztraminer and a dry Rose of Pinot Noir called Rosato.

You can only buy Lula Cellar wines consumer direct. It's not available in stores.

Hansen's Pinot Noir is second to none and as Hansen says it is challenging to make because "it only grows well in a few cold climate areas, and you need four to six different "clones" in order to produce world class wines."

Hansen has mastered the art.



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