



SDBJ INSIDER

By Stephen Adamek

Co.'s Vision Is Customers' Vision

I didn't know you needed special glasses for gaming. Back in the day, we played Pong. In the time it took for the "ball" to reach your opponent, today's gamer could have grabbed a snack and ordered a pair of glasses online.

Carlsbad-based **GUNNAR Optiks LLC** is always ready to fill that order.

The company, founded in 2006, just announced the launch of Torpedo 360 and Torpedo Fit.

According to privately held GUNNAR, "these advanced glasses offer gamers customizable frame and lens options designed to enhance focus, heighten visual endurance and elevate gaming performance."

The Torpedo 360 has interchangeable lenses for gaming or outdoors... yes outdoors. The Torpedo Fit allows for seamless use with headphones.

According to GUNNAR, its "portfolio of products includes solutions for gaming, computer, reading glasses, prescription and sunglasses." In other words, it has your eyes covered.

The life science news seems to never slow in San Diego.

Stedical Scientific Co. Ltd. (Shanghai) and its U.S.-subsidiary **Stedical Scientific Inc.**, based in San Diego, announced the acquisition of **PermeaDerm Inc.** has been completed. Terms of the deal were not disclosed.

"The transaction will allow us to invest greater capital and resources than we historically have been able to and maximize shareholder value," said **Aubrey Woodroof**, founder and CEO of PermeaDerm.

PermeaDerm is a privately held medical device manufacturer based in Carlsbad. It is working on an innovative wound treatment that "will evolve into a product called PermeaDerm dressing which possesses all the characteristics and attributes known to be important for optimal wound healing, as well as new advances that result in minimization of wound desiccation and infection complication," according to the company's website.

"Our newly acquired products from PermeaDerm are expected to impact large addressable markets across the globe that will deliver multiple benefits for the entire health-care ecosystem," said **Lin Sun**, chairman of Stedical Scientific. "We expect to build out the platform and create additional life-changing products that serve this large market opportunity."

Stedical said it will target the U.S., Europe and China.

We love those media rankings in San Diego. We seem to always do so well — except in the housing/rent categories. We're fit, well fed and generally Top-Ten fabulous. Even our airport soars above others.

Add one more plus for us, **FitSmall-Business.com** ranked San Diego as No.2 for best cities for female entrepreneurs for 2019. Austin came in at No. 1.

Ranking was based on market size and buying power; startup environment; quality of life; availability of resources and funding; safety; and corporate tax rate. ■

C3bank Aims to Be Local, National Presence

FINANCE: It Sees Opportunity in Active Startup Community

■ By TOM YORK

After doubling in size in just five years, **C3bank** was more than ready for its move into an impressive new 12,000-square-foot flagship building in downtown Encinitas.

C3bank Chief Executive Officer **Adam "A.J." Moyer** said the move-in in late spring capped a long period of strong growth that the bank has experienced after area real estate investors **Evert "Chooch" Alsenz**, **Paul Becker** and **Michael Persall** bought the institution in 2014.

"It was a sleepy traditional business bank until we took it over," said Moyer. "It had been just sitting there 30 years not really making much of an impact."

"Obviously, we've changed that," said Moyer.

Indeed, the ability to grow rapidly is no small accomplishment in a jostling marketplace where more than 5,000 banks large and small compete to make loans and provide other services nationwide.

As of March 31, C3bank — **First**



Michael Persall



C3bank's **Paul Becker** (from left), **Adam Moyer**, **Michael Persall**, **Evert Alsenz** and **Richard Skay** meet at the bank's Encinitas office.

National Bank of Southern California

until a name change last year — reported assets of \$308.2 million, loans of \$259.6 million, deposits of \$263.5 million and equity capital of \$43.9 million.

The loans, mostly in commercial real estate, represent 84% of the bank's assets. Net profits for the period were \$1.2 million, according to the **FDIC's** website.



Adam Moyer

C3bank ranks No. 6 on the San Diego Business Journal's Small Banks published in mid-2018.

Moyer said the bank has also been able to exceed the industry standard for a well-capitalized bank as well as rapidly expand its loan portfolio.

It boasts a Tier 1 capital ratio average of 14.02% compared with 10.71 percent by other institutions in the \$300 million to \$1 billion asset range. That key ratio is a primary measure of a bank's financial health.

Because of that strong Tier 1 posting,

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County, USD Create Incubator for Small Biz

STARTUPS: Assistance Targets Underserved Neighborhoods

■ By ELISE REUTER

San Diego County and the **University of San Diego** will launch a new incubator focused on supporting small businesses in underserved communities. The program, called "Innovate-Up," is aimed at starting and growing businesses in Chollas, City Heights, Encanto, Linda Vista, Rolando and Redwood Village.

Entrepreneurs will have access to workshops on the basics of starting a business, scaling up, small business certification, and how to design and patent products. They will also have dedicated mentors to help them build their business.

"I really wanted to launch something where we could go into communities that are historically disadvantaged and provide access," San Diego County Supervisor **Nathan Fletcher** said. "I've spent a lot of time around entrepreneurs... I've come to the realization that there's no limit to the number of folks with inspiring ideas, but there is a significant limitation in access to high-quality mentors, legal services, IP lawyers and access to investors."

Serving Six Neighborhoods

Innovate-Up will open to companies starting August 22. Fletcher said the program will be open to businesses of all sectors, so long as they are located in one of the six neighborhoods in Southeast San Diego County.

Two entrepreneurs have already joined the program: **Andre Mattson**, who is developing a lower leg-strengthening device to help people recover from sports injuries, and **Ruth Young-Loeza**, who has a patent

pending for a better fitted bed sheet.

Mattson, of Chollas, said he came up with the idea after studying sports performance and having an internship with the **New York Knicks**. He noticed one of the players was struggling to recover from an ankle injury, and was trying traditional exercises to strengthen it.

"I was thinking, there has to be a better way to return him to play sooner. I created a device that would use the foot and ankle together simultaneously to strengthen the tissue and lock the joint up," he said at a press conference.

Mattson worked on his own to design and patent the device. He took out a credit card to help cover the cost of provisional patent fees. Now, he's looking forward to working with attorneys and engineers to secure a patent.

Young-Loeza started her business after working as a housekeeper for 24 years. She would make three to seven beds every day, and constantly dealt with fitted sheets that would be too big or too small, or would snap up at the corner.

"I got tired of waiting someone to create a solution. So, I decided to create a better bedsheets," she said.

Her City Heights-based company, **Genius On**, currently has a patent pending for sheets with stretchable sides and flaps that prevent them from moving after they are applied to the mattress. She previously took her business through local incubator **Stella Labs**.

Long-Term Impact

Unlike most incubators, which span the course of a year, Innovate-Up will be available to entrepreneurs for as long as they need it. The **Small Business Development Center** at USD, the **Brink**, will run the program and help connect founders to the resources they need. Faculty and staff from



Photo courtesy of the County of San Diego
San Diego County Supervisor Nathan Fletcher, left, entrepreneur **Andre Mattson** and **University of San Diego President James Harris** celebrate the launch of a new incubator program, **Innovate-Up**.

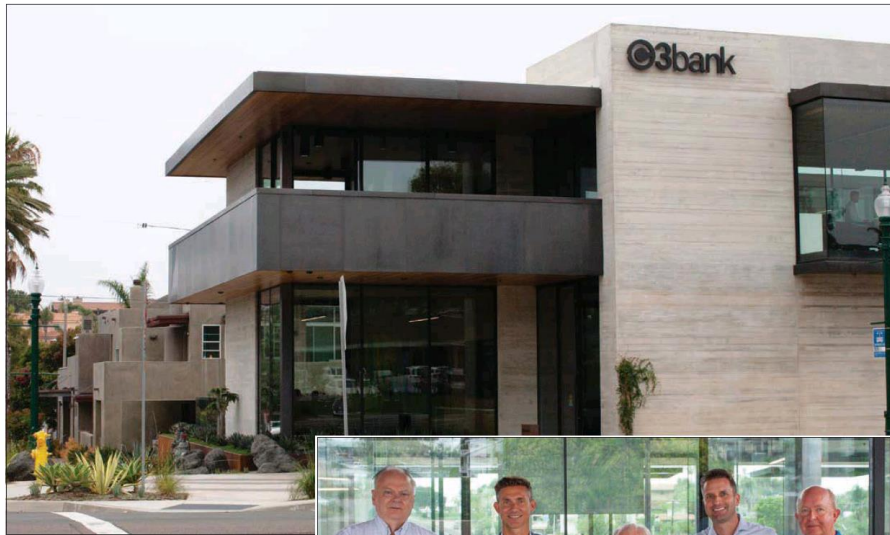
USD's 13 departments will be available to provide tailored support to small businesses.

"We'll stay with them as long as they're committed to seeing it through," Fletcher said. Once you start up, then you have challenges associated with growth and expanding. The dream would be, down the road, we have so many successful companies that we have to figure out how to deal with that."

Innovate-Up is open to new founders or existing businesses that are looking to expand. The County of San Diego is supporting the program through a \$300,000 grant to the **Brink**.

Innovate-Up isn't the only program to turn to a public-private partnership to help startups. In May, the City of San Diego set aside \$2.5 million to support a program run by **Connect All @ the Jacobs Center**. The group brought in its first cohort of startups for the six-month program in May.

"No one individual program alone is going to do it. This is something that we as a region have to really take seriously — ensuring everyone in our region has an opportunity for economic success," Fletcher said. "I'm committed to seeing this through." ■



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national rating services **Bankrate.com** and **Bauer Financial** have given C3bank their highest five-star rating.

Moyer said the bank has not disclosed the construction costs of the new headquarters building.

But to be sure, the glass-and-concrete structure is impressive. It features two levels of underground parking in addition to an atrium open to the sky that brings in lots of light into the workspaces. The boardroom can also serve as a meeting space for customers who don't have similar facilities.

"This is our new anchor, our new home, and reflects our intention to own the San Diego market for business loans and banking services," said Moyer.

Deposit Customers

An increasing slice of its recent growth has come from adding an increasing number of local businesses as deposit customers.

The current roster of depositors includes **Lofty Coffee Co.** in Encinitas, **Prager Brothers Artisan Breads** and **Homegrown Meats** in Carlsbad, the **San Diego Seals** professional lacrosse team in San Diego, **Seaside Market** in Cardiff-by-the-Sea and North County active wear manufacturer **Vuori Clothing**.

Still, other depositors include **Hansen's Surfboards** in Encinitas and **Rob Machado Surfboards** in Oceanside, reflecting Moyer's lifelong hobby of surfing.

Access to the Owners

Customer **Ryan Buell**, CEO and founder of accounting consulting firm **Saya Solutions** in San Diego, said one of the reasons he's banked with C3bank for several years that he can talk to the owners as well as the officers.

"I have really been impressed with their accessibility," said Buell. "This matches up well with the entrepreneur ecosystem here in San Diego."

"They are very much about helping you reach the business goals you're trying to achieve," he added.

Joe Kudla, owner and founder of **Vuori Clothing**, said he thinks of the bankers at



Photos courtesy of Libre Design
C3bank's Paul Becker (from left), Michael Persall, Evert Alsenz, Adam Moyer, and Richard Skay welcome the chance to interact with the bank's customers.

C3bank as partners as well as a service provider. Vuori has emerged as one of the fastest-growing companies in \$48 billion market for athletic and leisurewear.

"They've worked to understand how the business operates," he said. "The nature of banks can be a little detached, and sometimes you feel like you're dealing with a robot on the other end. At C3bank, I always feel that they are accessible, and looking out for our best needs."

CRE Still Dominates

Though the bank is trying to increase its depositor base, commercial real estate still dominates the loan portfolio.

Bank owners and directors Alsenz, Becker and Persall are also partners in the private construction real estate business **ABP Capital LLC**, which occupies the second floor of the new building.

Moyer said that by buying the bank, they added the ability to offer long-term financing to clients who need to refinance short-term construction debt.

"We are the only game in town for financing almost any real estate transaction from short-term construction loans to long-term mortgages"

In addition to the Encinitas facility, the bank also has offices in Carlsbad, Riverside and San Marcos.

Moyer said C3bank will hold an open house for its new headquarters later in the summer.

Looking ahead, Moyer said the bank is increasing its visibility in the greater San Diego region.

For example, the bank has signed to be a sponsor of **Wonderfront Festival**, which is sponsoring a three-day music and arts

festival Nov. 22-24 along San Diego Bay. Wonderfront is also a C3bank customer.

Moyer also wants to bring more startup entrepreneurs into C3bank's informal business network, which takes places are periodic social gatherings.

The bank hosts regular networking dinners where up to 150 current customers and potential customers can attend and network.

The next networking event is schedule at the Del Mar Racetrack later in August.

And in addition, Moyer said C3bank is pushing aggressively to increase its presence on the internet, particularly the fast-evolving mobile banking.

This expands the market for lending nationwide.

An Online Platform

"We're really an online platform, as well as a traditional bank," said Moyer. "Most of our customers don't walk into our branches to do transactions. In fact, if they're walking in, we're failing them."

But the bank won't neglect the local market. Moyer said the long-term strategy is to reach deeper into the region's emerging business sector and capture small business clients as they grow into bigger ones.

"We're impressed with just how entrepreneurial San Diego continues to be," he said. "San Diego has facilitated these great networks and these great relationships. That's one of the reasons that we've really succeeded in being a locally based business bank." ■



Adam Moyer

EXECUTIVE Q&A

C3bank CEO Adam ("A.J.") Moyer joined C3bank in May 2014 as VP of finance. Moyer, who is also part of the ownership team, became chief executive officer in early 2016. He is a CPA with more than 13 years of experience in financial planning and analysis.

Before joining C3bank, Moyer served as an executive at **Behr Process Corp.**, a paint supplier based in Orange County. Earlier, he was an auditor at **KPMG**.

He graduated from the **University of San Diego** with a Bachelor of Accountancy. He was class valedictorian.

Moyer met C3bank founder and Chairman Mike Persall while two were attending classes at USD. The two were also members of the school's surf team.

A resident of Carlsbad, Moyer is married with two children.

What do you do for fun? "I am a big surfer. It's one of my favorite things to do. I have been surfing since I was seven and was captain of the surf team at the University of San Diego."

What has surfing taught you about the business world? "It's taught me a lot about relationships, and the importance of relationships. I met my best friends because of surfing. All that I have accomplished in life has been because of surfing. The sport has taken me to places around the world that I would never otherwise have gone to."

I grew up surfing Salt Creek Beach in Dana Point. I was team captain on the University of San Diego surf team my senior year. Because of surfing, I have traveled to Costa Rica, El Salvador, Fiji, Nicaragua, Hawaii, Mexico and Western Samoa — places I would have never otherwise visited if I had not been into the sport.

What beaches do you like to surf from? Locally, I like to surf the reefs in Cardiff, Seaside Reef and Ponto Beach in Carlsbad.

How do you rate yourself as a surfer? I would say I am above average in skill, but I would like to believe that if I were put to the test, I'd prove to be the best surfing banker in town!

What did you learn during your tenure so far at C3bank? Coming into the banking world was a tough transition, for all of us involved, because of the government regulations. There are a lot of rules to deal with, and it has been a straight up learning process. It was a challenge, but all four of us were determined to face the challenge and make a go of it. And we did.