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AMOSER@UCSD.EDU

FOREIGN BORN ENGINEERS AND SCIENTISTS CREATE JOBS FOR AMERICANS

By *William Otterson, botterson@ucsd.edu*

Rather than stealing jobs from working Americans, as argued by some, many foreign born engineers and scientists create jobs for Americans. This is because America is a magnet for innovative and entrepreneurial people. They come, they bring their talents, they create new products and services and they create jobs.

HERE ARE SOME EXAMPLES:

Georges Daou — Beirut, Lebanon

In 1975, Georges Daou and his family landed in France after fleeing the increasing violence of their native Lebanon. In 1980, Georges arrived in the United States, where he proceeded to earn a bachelor's degree in electrical engineering and a master's degree in information and communications theory from UCSD. Together with his brother Daniel, also a UCSD graduate, he founded Daou Systems in San Diego in 1987 to provide information technology solutions to large, complex healthcare provider organizations. Started in part with a \$50,000 investment from their father, Daou now has five regional offices (including a San Diego headquarters) and over 300 employees.

Peter Preuss — Berlin, Germany

Born in Berlin, Peter Preuss earned a scholarship at the University of California at San Diego to study for a PhD in mathematics. While at UCSD, he and a partner founded the world's first computer business graphics software company, ISSCO, in San Diego. At its maximum, ISSCO employed over 500 Americans in San Diego. Employees of ISSCO subsequently founded many of the software companies in San Diego, and ISSCO is properly referred to as the father of San Diego's software industry. Today, Mr. Preuss is a Regent of the University of California.

Professor Ramesh Jain — Nagpur, India

Born in Nagpur, India, Dr. Jain is a member of the UC San Diego faculty in the School of Engineering. His present company, Praja is the third company he has founded and is based on his advanced research in the emerging field of visual computing. Praja, located in San Diego, is only three years old and already employs 25 people. Previously, Dr. Jain founded Imageware in Ann Arbor, MI, which employs about 100 people and Virage in San Mateo, CA, which employs about 50 people. At each of these companies, about 90% of the employees are American citizens.

Andrew Wrobel — Warsaw, Poland

Born in Warsaw, Poland, Mr. Wrobel escaped before the fall of the Iron Curtain and attended MIT, where he earned a Masters of Science Degree. He came to San Diego where he founded Gigatek Memory Systems, Inc. and became its Chairman, Chief Executive Officer and President. Gigatek Memory Systems employed 250 at its maximum. Recently, he became Chief Executive Officer and President of Microelectronic Packaging, Inc. currently employs several hundred people.

Tsvi Goldenberg — Kiryat Shemona, a small town in the northern frontier in Israel

Dr. Goldenberg received his B.S. from the Technion, Israel Institute of Technology, in Haifa Israel in 1975. He came to the US in late 1974 and subsequently started graduate work at Ohio State University where he received a Ph.D. In 1986 Dr. Goldenberg co-founded Advanced Interventional Systems (AIS). AIS developed a laser angioplasty device to treat patients that had undergone angioplasty, a procedure to unblock coronary arteries. That com-

pany had 115 employees before it merged with another company in 1993. Dr. Goldenberg co-founded Immusol in 1992 in Irvine, CA and moved it to La Jolla in 1994. He is currently CEO of Immusol. Immusol is a biopharmaceutical company doing R&D in Genomics and Drugs. At the present time there are 35-40 employees (some part time) in the company consisting of Ph.D.s, M.D.'s and junior scientists from all over the world — including Americans born in this country.

Salvatore Albani, MD — Siracusa, Italy

Dr. Albani was born in Siracusa, Italy and moved to the United States in 1989. He is currently an associate professor at UCSD, working in a lab devoted to the understanding and treatment of human immune mediated diseases. He is the cofounder of Cevis, his first entrepreneurial effort. Cevis is currently in its start-up phase and expects to start operations by the beginning of next year, with an estimated initial work force of ten people.

Pandi Veerapandian — India

Before coming to the United States to join the faculty at the University of Maryland, Rockville campus, Dr. Veerapandian studied in India and trained in London. Dr. Veerapandian later became Head of Scientific Computing at the Cancer Research Foundation in San Diego. In 1995, he started Axiom Biotechnologies Inc., a biotech now focused on drug discovery and high throughput screening. 1998 has been a breakout year for Axiom, it has grown to about 23 employees, has raised over \$10 million in equity and R&D funding and has received notice of allowance from the U.S. Patent and Trademark office on its core technology. Axiom is Dr. Veerapandian's first company, and he intends to start a few more down the road.

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FROM THE DIRECTOR

By William W. Otterson (botterson@ucsd.edu)

THE FOLLOWING COMMENTARY IS THE OPINION OF THE WRITER, AND DOES NOT NECESSARILY REFLECT THE OPINION OF UCSD CONNECT AND/OR OUR SPONSORS AND MEMBERS.

BEST PRACTICES

As we reported last week, the Council on Competitiveness focuses on the “why” innovation and entrepreneurship. The **Arthur Anderson** Best Practices Award focuses on the “how”. As **Dick Bigelow** said in his opening remarks, “Best Practices” are a series of steps to achieve desired goals. In our view, the great value of the winners’ stories are the “take home” lessons we get.

Our favorites from this session, unsurprisingly, were the two winners. The reason we were so excited over the **Townsend Agency** application in the personnel practices category was because we judges got much more detailed information in the application than it was possible to cover in the short award presentation. To help readers, we asked Jackie if she would be willing to distribute her more complete information. She said she was putting together a book on the subject and would be willing to send out what she has now to anyone calling her to request it. If you are running a company, we suggest you call Jackie for a copy. (619 457- 4888, phone and 619 453-7010, fax).

We also liked **Cloud 9 Shuttle’s** application in the “most effective use of technology” category because the company really used technology (in this case, networked computer) to pull his troubled company out of the doldrums, namely by giving his drivers more and better information with which to accomplish their objectives – transporting their customers where they want to go on time. Previously, without the computer system, there were vexing errors that caused great customer concern. We also liked the way that president **John Hawkins** called his supervisors “coaches” and the benevolent patina that puts on the issues of training, supervision and discipline

A surprise (to us) was the addition of the keynote speaker to the agenda. David Pasek, CEO, Services Performance Corporation, who was the winner of the 1997 Best Practices Award for Customer Satisfaction. “We are firm believers in the importance of quality and customer satisfaction and of communicating those values at every level of the company. We do this through a variety of mechanisms, ranging from twice monthly management, TQS (Total Quality Service) meetings and weekly TQS coaches’ meetings, to our company newsletter – The Performer – and formal recognition events.”

Pasek meets monthly at each of the SPC locations with four to eight janitors for an hour and an hour-and-a-half to discuss the janitors’ work environment and the value of customer satisfaction to both the company and its employees.

SPC employs approximately 1,000 people and serves more than 100 customers. Pasek follows the dictates of his role model, W. Edward Deming, the godfather of Total Quality Management. Sounds like some good practices to us!

UCLA’S ANDERSON SCHOOL DEMONSTRATES ENTREPRENEURIALISM

Alfred E. Osborne, Jr. Director of the Harold Price Center for Entrepreneurial Studies, gave his San Diego Alumnae as good a lecture on entrepreneurship as they are likely to have. This popular professor greeted many of his past students by name prior to his speech, and then went on into defining the subject, describing its economic benefits, explaining its reliance on compensation and incentives and then advised his former pupils to “take their time to find the right business. You’re going to be devoting all your time and energies to this new venture – make sure you’re right.”

Following Dr. Osborne, **Stan Fleming**, UCLA, ‘86, and now general partner of **Forward Ventures**, translated his general conclusions into specific requirements his firm has for entrepreneurs they are willing to back. One of their successes, **Triangle Pharmaceuticals**, has already raised over \$45 million. “To be able to do that, the CEO must have impeccable credentials with BigPharma,” said Fleming.

UCSD CONNECT co-sponsored the event. **Eldon Hylton** is transcribing and editing both talks. Call **534-4750** for a copy when its ready in a week.

INSIGHTS

SAN DIEGO STOCK REPORT

Last week we opened our stock price discussion with the following disclaimer, “This column is not a market forecaster. We offer no assurances of our precision. These are observations of a lay person. (The above disclaimer was written with some assistance from our attorney - if it doesn’t scare you, read on - but don’t blame us if we are wrong!) This disclaimer is still operative for the following comments:

Each month, we await with great anticipation, **Bud Leedhom’s**, *San Diego Stock Report*.” First, it gives us his San Diego 40-Stock Composite Index (of San Diego’s Largest 40 largest companies). That index, with a graph, replaces the ill-fated “Otterson Index” of five years ago, which tracked only four high-tech and four communications companies. In the opinion of this novice, his is far superior to ours. Secondly, he gives us his column, “*San Diego Market Watch*,” which yields his comments on the community’s major stocks. And in the October issue (just received), he has delivered an extremely comprehensive article on the situation at **Lidak Pharmaceuticals**. (We know both **David Katz** and **Jerry Yakatan**, and we think David did make a great mistake. Sorry, David, we wish you had talked with us!) In the article, Bud clearly indicates that approval from the FDA for Lidakol is likely. He estimates that the market for the product may be only \$60-70 million at first, but then projects a (possible) conservative growth, as the company’s sales people convince sufferers to switch from over-the-counter products to its prescription product.

In conclusion, please note that this column reported that Jerry proposed a name change for the company last week. If you want the detailed report on Lidak, call Bud at **619-622-0321**.

RAPPONGI OPENING

Jeannie Jones, Bertrand Hug (of Mille Fleurs fame), Diane Bell, Kate Adams, Linden Blue and others all descended on **Rappongi’s** Tuesday night for a “pre-opening party”. The purpose of the party is two-fold. First to introduce the new restaurant to the cognoscenti, and second to “stretch” the chef and the kitchen crew before the restaurant really opens. At our table, **Brenda Baker Baum** was taking notes and scoring the meal. We found most of the fare to be exceptional and declared it a huge success! Rappongi’s is at Prospect Street and Fay Avenue in La Jolla.

BILL’S BITS

Even our friend, **Neil Morgan** of the *Union-Tribune*, reads it. We’re referring to **Bill Nelson’s** weekly letter on economics. Bill, a Ph.D., economics, is chairman of **Scripps Bank**, and he writes a weekly letter on economics. When we heard about it a month ago, we asked to be included in its distribution. Although, we are not a customer of Scripps (and they are not yet a member of CONNECT), Bill graciously included us. Bill has not yet upgraded to the 21st Century, so the weekly issue is stuffed and mailed, not e-mailed. Since that is expensive, we assume that Scripps Bank will eventually charge for it. In the meantime, if you care about economics, call 456-2265 to see if you can get on their list.

Most of us are aware of the terrible results of the introduction of thalidomide many years ago – children born with stubs for arms, etc. But the FDA just approved the drug for treating certain cancers. How can that be? For starters, the FDA realized that half of cancer patients (men) plus many women over the age of 40 don’t produce children, so birth defects are of no concern. The issue is of particular interest to us, since **Dr. John Mendelsohn**, president of **MD Anderson Cancer Center**, indicated that the drug is being tested with multiple myeloma patients (our type of cancer) and we may find ourselves using the formerly-condemned drug!

HEALTHCARE NEWS...

Daou Systems Inc. has signed a contract with Saint Mary's Health Network to develop critical procedures and deploy state-of-the-art tools to help Saint Mary's Network take a huge step forward in technology management. When complete, the project will span more than 1500 desktops, 22 servers and 14 sites.

Digital Gene Technology, Inc., total gene expression company, announced that its patented gene expression technology (TOGA™) will be activated as a powerful new tool in the search to find an effective treatment for those chronically infected with the hepatitis B virus (HBV).

La Jolla Pharmaceutical Co. announced that it has enrolled approximately 200 patients in its Phase II/III clinical trial of LJP 394 for lupus. LJP 394 is designed to reduce the levels of double-stranded DNA antibodies associated with lupus nephritis. In addition La Jolla Pharmaceuticals has announced it will receive a U.S. patent on Oct. 6 for its discovery of a novel chemistry for making peptides that may be more biologically active and stable than their conventional counterparts. The new chemistry will facilitate the broad development of peptides that are more able to hold their shape, more biologically active and less susceptible to biological degradation.

Ligand Pharmaceuticals, a leader in gene transcription technology, particularly intracellular receptor technology and STATs technology, announced the signing of a binding letter of agreement with Elan Corp. The terms include Elan's purchase of \$20 million of Ligand Common Stock and will provide Ligand with up to \$110 million in zero coupon convertible notes in exchange for an exclusive licence for Ligand's Morphelan oral morphine to treat pain in cancer and HIV in the U.S. and Canada.

Structural Bioinformatics Inc. announced that BioChem Pharma has accepted a lead compound for the treatment of a human viral infectious disease, triggering a milestone payment in their BioChem Pharma collaboration.

HIGHTECH NEWS...

Drake Beam Morin San Diego, provider of career transition and career management services, was awarded two prestigious awards: 1998 Office Peak Performance and Dynamic Team at the DBM annual conference in Orlando Florida.

Leap Wireless International, Inc. announced that Pegaso Telecomunicaciones, S.A. de C.V., a Mexican company that Leap owns a third of, made the final payment for nine 1900 MHz licenses that will enable it to provide nationwide service. Leap Wireless, a September 1998 spin off from QUALCOMM, is a wireless communications carrier that deploys CDMA networks in domestic and international markets. In addition Leap Wireless announced that one of its operating companies, OzPhone Pty. Ltd., has acquired two additional cellular licenses in Australia, bringing OzPhone's portfolio to ten licenses covering 6 million potential customers in Australia.

Mentus, Inc., a marketing communications agency, captured two awards at the recent Edward L. Bernays Mark of Excellence Awards, presented by the San Diego chapter of the Public Relations Society of America. Mentus won first place for its work with Diversa Corp. and first runner-up for work done for Neurex Corp. which is now part of Elan Corporation.

QUALCOMM Inc. announced that it has signed a royalty-bearing license agreement for Code Division Multiple Access (CDMA) test equipment with Willtech Inc. of Korea. Willtech will be able to design and develop test equipment based on QualComm's cdmaOne™ technology.

FOREIGN BORN (CONTINUED FROM PAGE 2)

Drew Senyei, MD — Budapest Hungary

Drew Senyei moved from Hungary while still a child. He attended school in this country and received his M.D from Northwestern University and completed residency training in Obstetrics and Gynecology at the University of California Irvine where he served on the faculty prior to becoming active full time with venture capital funding of early stage medical companies.. Drew is now a partner of Enterprise Partners, San Diego's largest Venture Capital firm. Enterprise has invested in 90 companies. Their portfolio companies employ over 100,000 Americans! Thanks, Drew.

Mang Yu, PhD — Shanghai, China

After teaching at Shanghai Medical University as an assistant professor, Dr. Yu came to the land of opportunity in 1985 on a student visa. He earned his PhD and had a post-doctoral fellowship training with Dr. Flossie Wong-Staal in UCSD, and later became the scientific co-founder of Immusol, Inc., a gene therapy company employing over fifty people in San Diego when Dr. Yu was there - over seventy percent of which were Americans. In 1997, Dr. Yu and his wife founded CFY Biomedicals in San Diego. This start-up biotech company has already filed three patents and has already had a commitment of significant venture capital financing. We can be sure that Dr. Yu will follow the trend of these foreign-born entrepreneurs and hire a lot of Americans to develop CFY's flagship product ColdSol, a solution for the common cold.

These are but a small handful of the foreign-born engineers and scientists who have used their skills, ingenuity and entrepreneurial drive to bring jobs, innovation and economic development into the San Diego area. They are a testament to the continuing vitality of the "American Dream" and living refutations of provincialism and xenophobia. Moreover, their efforts speak to the backwardness of denying entry to foreign born engineers and scientists in the name of protecting American jobs.

Lest we focus exclusively on high-tech jobs in San Diego, we should remember that for every job added in a high-tech company, one is added to provide goods and services to these employees. Nowhere is this more evident than in the restaurant and hotel businesses. Our representatives here are the brothers Sami and Sam Ladeki.

Born in Beirut, Lebanon, and educated at the American University there, he moved to the U.S. in 1963 on a professional visa. In addition to his new restaurant, Rappongi, Sami has seven (soon to be nine) Sammy's California Wood-fired pizza restaurants and employs 650 Americans.

Sami is the quintessential entrepreneur. He has a real passion for his business, lets his key employees (like his new chef) own a piece of the business and continually coaches his employees. Sami's brother, Sam Ladeki is another foreign-born entrepreneur. Sam Ladeki is the owner of Ladeki Car Rental and himself employs 82 Americans.

HIGHTECH NEWS... (continued)

Vista Information Solutions, Inc., provider of environmental information and reporting, announced that it has acquired the assets of Environmental Information Services, Inc., an environmental database and reporting company located in New York City. The acquisition complements VISTA's existing products and strengthens its leadership position among legal, engineering, and corporate environmental professionals.

UPCOMING EVENTS...

The San Diego Software Industry Council presents, "Mission Critical Systems: Navy Information Technology" with Rear Admiral John A. Gauss, commander, Space and Naval Warfare Systems Command, on **Thursday, October 8**, from 5 – 7 p.m. at the La Jolla Marriott. \$10 members/\$20 non-members. RSVP by phone to 760-930-9163, by fax to 760-930-9164.

The International Communications Council at SDSU presents a forum on Regulation and Public Policy: "The New Regulatory Mosaic", featuring the Honorable Michael Powell, Commissioner, Federal Communications Commission, on **Monday, October 12**, 7:30 - 9:00 a.m. at the KPBS Television Studios. Communications Council members no charge, non-members \$25. Please RSVP to Cindy Hicks at 619-594-6933 by October 2.

The San Diego Software Industry Council in conjunction with UCSD CONNECT presents the Software Investment Conference on **Tuesday, October 13** at the Sheraton Grande Torrey Pines. The conference is designed to help early stage software companies meet "business angels" and early stage venture capitalists. For more information call the SDSIC at 760-930-9163 or find an application on their website at www.sdsic.org.

"Help Wanted: Getting and Keeping Good People," will be offered as a one meeting course by UCSD Extension on **Tuesday, October 13**, from 7-10 p.m. Fee is \$45. For more information or to enroll call 619-534-3400.

Systemwide Biotechnology Research and Education Program presents "Rethinking Graduate Education in the Life Sciences, Creating Strategies for Change" on **Tuesday, October 13** at the Laurel Heights Campus, UC San Francisco. Register Online at: www.biotech.berkeley.edu.

The SDRTA Brown Bag Lunch Seminar Series will be presenting "Small Business Financing Through Creative Supplier Relationships" on **Wednesday, October 14**. The speaker will be Jean Keyes of J.Keyes & Associates. For information call 619-615-1050.

The Graduate School of International Relations and Pacific Studies presents a town meeting featuring Mexico Senator Adolfo Aguilar Zinser, leader of democratic change and an outspoken critic of government corruption in Mexico, on **Thursday, October 15** from 7 to 9 p.m. at The Gardner Room, Robinson Complex. The topic will be "Current Political and Economic Change in Mexico; Impact on the United States and Mexico's Social Fabric."

The International Forum for Corporate Directors presents David A. Purcell, Chairman of the Board and CEO of ENCAD, speaking on "How to Successfully Retain Directors and Other War Stories," on **Thursday, October 15** starting at 5:30 p.m. at the La Jolla Marriott. For information or to register call 619-597-4718.

Sunrise at the Shores, coffee and conversation with leading entrepreneurs, will take place **Tuesday, October 20** from 7:30-9:30 a.m.

at the Sea Lodge on La Jolla Shores Beach. The program features: George DeVries, American Specialty Health Plans; Cam Garner, Dura Pharmaceuticals; Ron Ragland, REMEC; and Ralph Rubio, Rubio's Restaurants. Sponsored by the Foundation for Enterprise Development, Ernst & Young LLP and the Entrepreneur of the Year Institute. Cost is \$55 (\$45 for Foundation contributors/\$60 at the door) RSVP to 619-459-4662.

"Building Technology Enterprises in the New Millennium" is the title of the next MIT Enterprise Forum to be held **Wednesday October 21**, - 5:30 - 8:00 p.m. at the La Jolla Marriott. Presentation begins at 6:15 p.m. Moderator: Nola Masterson, President/CEO, Science Futures, Inc. Panelists: David E. Robinson, Chair/Pres./CEO Ligand Pharmaceuticals; Kenneth Potashner, Chair/President/CEO, Maxwell Technologies; Paul Eichen, President/CEO of Rokenbok Toy Company; Richard Grannis, V.P. & Treasurer, Qualcomm. Cost: \$25 prepaid by Oct.20/\$80 book of 4 tickets/\$30 at the door. All programs are open to the public. For more information or reservations please call 619-236-9400 or visit the Forum's Web Site at www.sddt.com.

Baker & McKenzie and UCSD CONNECT will present a seminar on "Proprietary Information and the Limits of Employee Privacy in Today's Workplace" on **Thursday, October 22** from 7:30 a.m. - 9:00 a.m. at the UCSD Faculty Club. For more information call Rajka Hayden at 619-235-7799.

November 17 - 19, 1998

UCSD CONNECT Biotechnology/Biomedical Corporate Partnership Forum

See only the very latest cutting edge technology coming out of the leading emerging biomedical and biotechnology companies as well as some of California's distinguished research institutions. By focusing on only the newest and most exciting technological developments, UCSD CONNECT, provides an ideal opportunity for bringing together: leading edge biotechnology and biomedical companies, corporate representatives, venture capitalists and investment bankers, for the purpose of establishing new business partnerships. For more information phone: 619-534-6114 or E-mail: cquaranta@ucsd.edu or see our website: <http://www.connect.org>.

October 14, 1998

ATHENA After-Work Mixer Kiva Grill from 5:00pm to 7:00pm

Please join us for an Athena after-work mixer. We will use this reception to talk informally about Athena program direction for next year and new opportunities for member participation. You are welcome to bring a potential member with you.

RSVP to Tanya Hincapie at 619-534-8410
or email: thincapie@ucsd.edu.