



Investors critique startups

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Investors dished out criticism and praise to three entrepreneurs who pitched their startups during a forum at the Mission Inn in Riverside last week.

The TriTech Small Business Development Center in Riverside held its first workshop and deal review Sept. 21. The event attracted an audience of entrepreneurs, investors and business leaders who attended morning workshops for improving business plans, funding strategies and presentations.

The city of Riverside, in celebrating TriTech's January arrival, paid for the luncheon, which would normally cost \$150 a person. The audience watched as five angel investors critiqued the presentations of three startup owners anxious to land funding to take their companies to the next level. The entrepreneurs sought investments for developing a bank-style money card for the Hispanic market, a software program for real estate brokers and an expandable and retractable home theater speaker system for flat-panel televisions.

The investor panel consisted of Frank Peters, president of Tech Coast Angels in Irvine and of The Frank Peters Show, a Podcast featuring interviews with entrepreneurs; Sid Mohasseb, president and chief executive officer of The Venture Farm in Orange County; [Steven Mednick, president of The Plenum Revenue Group in Newport Beach](#); Steve Abbott of Redlands, a startup consultant and member of the Tech Coast Angels; and John Murphy, also a Tech Coast Angel investor.

The investors praised Zaia Youkhanna of real estate software firm Iress for having a customer and for Youkhanna's personal \$400,000 investment in his firm from the sale of a house in England. They criticized his lack of clarity on what his company does and for a bumpy presentation that began with slide equipment glitches.

"You shouldn't have that," said Peters who served as deal review moderator. "You need some more practice."

"I have no idea what you do. I have no idea how you make money," Mohasseb said.

"You're not in business unless you've got a customer. You've got a customer and that to me speaks louder than anything else," Mednick said.

"My sense is you have something there but we haven't uncovered it yet. It's a matter of communication," Murphy said.

The investor panel dinged Jay Goth, chief executive officer of Temecula cash card startup Arriba for his speaking style, but praised his company's branding campaign.

Arriba proposes to sell cash cards to Latinos. The card functions like a pre-paid bank debit card, but card holders need not qualify for it, Goth said. He clicked through a slide presentation showing market statistics and projections. Arriba needs \$300,000 in investment capital. Competitors include Bank of America's Safe Send which transfers money to Mexico for free.

"Jay you killed me. You're monotone up there," Peters said. "Where was the passion, the zeal?"

"Don't start off with the summary," he said. "Tell us what you do right away. . . . We look at deals all day long. We want the wind up."

"I got off easy. I've seen him do other people," Goth smiled.

Ginni Designs Inc., a Corona firm that designs and licenses extendable speaker systems for flat-panel televisions received accolades for an effective presentation. Investors praised the firm for securing a patent and a licensing deal with a major manufacturer.

Peters suggested Ginni Designs Director Alan Gillengerten use the firm's patent number in the slide show and avoid milestone figures. "You were on a roll. Take me to the finish line. I want to know if I can afford this deal," Peters said.

Four-year-old Ginni Designs moved to Southern California in 2004 to work with TriTech counselors on its business plan and investor pitch.

The company is seeking \$500,000 to establish management teams overseas near television manufacturers to secure licensing agreements.

Mohasseb asked Gillengerten why he and partner Wendy Cable want to give up control of their firm to investors when they will soon reap revenue from the current licensing deal with Chief Manufacturing in Savage, Minn.

Tech Coast Angels has 280 members, Peters said.

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