

Technology



Jose Ramirez of AT&T Services Inc. says technology is always evolving.

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Employment



Natalie Fay-Viani of Outsource Technical LLC says formal education can lead to a higher-paying job.

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The Lists:

Property/Casualty Insurance Agencies, Brokerages

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DOLLARS AND SENSE

STATE: Lynn Reaser Brings Solid Reputation To New Economist Post

■ By MIKE ALLEN

Lynn Reaser was a bit reluctant to make any pronouncements, but, when pressed, said that 2013 should be better than 2012.

Reaser is an economist, one who is in the business of tracking, analyzing and forecasting where the economy is going since the mid-1970s, so you can't blame her for hedging her bets.

These days, she works as the chief economist for the Fermanian Business and Economic Institute that is housed at Point Loma Nazarene University. Earlier this month, she was named as the chief economist for the Council of Economic Advisors

Lynn Reaser has been named chief economist for the state Controller John Chiang's office. Reaser is also chief economist for the Fermanian Business and Economic Institute at Point Loma Nazarene University.
Melissa Jacobs



\$91.3B

General fund expenditures in the 2012-13 California budget.

for the California Controller's Office.

In her new role, Reaser will provide state Controller John Chiang with forecast reports on a statewide and national level, as well as an ongoing analysis of cash flow estimates from state departments and of certain other economic issues such as the impacts of sequestration, the pending defense cutbacks. These reports are intended to give Chiang more information to make better decisions.

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NeuroGeneration Tackles Parkinson's

BIOTECH: Stem Cells May Help Brain Illnesses

■ By JULIE GALLANT

A San Diego presence and collaborations with local industry, academia and pharmaceutical firms may go a long way toward advancing Los Angeles-based NeuroGeneration Inc.'s ambitious Parkinson's disease research efforts.

The new arrival to the Janssen Labs incubator space hosted by Johnson & Johnson in Torrey Pines is still in the process of setting up its more than 1,000-square-foot lab and recruiting a staff of five initially, with plans

➔ NeuroGeneration page 40

Clean Energy Upgrades Get an Official Boost

ENERGY: PACE to Benefit Property Owners, Contractors

■ By LOU HIRSH

Local contractors are among those hoping that a new green-upgrade financing program geared to commercial properties will energize the San Diego region's long-beleaguered construction industry.

"We're going to be out there educating the public about this," said Walt Fegley, president of Reno Contracting Inc. in San Diego. "We need the jobs locally, and it should lift that big obstacle that's been preventing owners from doing the improvements — get-



Walter Fegley

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Scripps Opens New Front in Cancer War

HEALTH: Center Brings Accurate, Faster Treatments

■ By JULIE GALLANT

A \$43.9 million radiation therapy center recently opened by Scripps Health promises to step up the delivery of cancer treatment with state-of-the-art equipment that offers greater precision and speed.

The Scripps Radiation Therapy Center, a 45,420-square-foot complex located on John Jay Hopkins Drive across from Scripps Green Hospital, comes equipped with three new linear accelerators for the delivery of radiation therapy for most types of cancer. Manufactured by Varian Medical Systems of Palo Alto, the linear accelerators include a TrueBeam STx, which has the ability to

➔ Scripps page 39



Photo courtesy of Scripps Health
Scripps Radiation Center employs innovative technology for the treatment of cancer. The center also provides an environment that is comforting and conducive to healing.

Fuel Prices Take Bite Out of Bottom Line

ENERGY: Firms 'See Red' As Their Fleet Costs Climb

■ By BRAD GRAVES

Sprawling San Diego is not the ideal place to deliver flowers. So says Jim Martin, owner of Windy's Flowers in Clairemont and Dave's Flower Box in North Park. He operates six vehicles, most of them SUVs and minivans.

Each of those vehicles grew more expensive to operate in a few short days as gasoline prices spiked to record highs in the San Diego market.

Suddenly, every 20 gallons of gas that went

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NeuroGeneration:

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to expand to a dozen within the next 12 months. The company's local focus will be on research and development while clinical studies continue in L.A.

NeuroGeneration has already completed a Phase I clinical trial for its Parkinson's disease therapy using adult-derived autologous neural stem cells. These adult neural stem cells are in contrast to embryonic stem cells.

Dr. **Michel Levesque**, NeuroGeneration's scientific founder, president and interim CEO, said the company intends to conduct a Phase II study for the treatment of Parkinson's disease in six months to a year pending animal studies that will take place in Northern California to satisfy Food and Drug Administration requirements. While the company pushes its Parkinson's treatment through to Phase II, he said it continues its preclinical studies in areas such as spinal cord injury, multiple sclerosis and amyotrophic lateral sclerosis, aka Lou Gehrig's disease.



Michel Levesque

State of the Art Tools

Levesque said one advantage to setting up shop in San Diego at the invitation of Johnson & Johnson is having access to Janssen Labs and its state of the art proteomics and neurogenomics tools as

well as advanced microscopes and tissue culture facilities. These will be useful in analyzing neural stem cell lines with pathologies from Alzheimer's disease and Parkinson's disease to study their behavior and gene profiling while interacting with molecules, he said.

Another benefit is the collaborative opportunities presented by the region's major institutions, medium to large pharma companies and even foreign companies from Japan and Europe. NeuroGeneration already has a foot in the door with the Sanford Consortium of Regenerative Medicine, comprised of The Salk Institute, The Scripps Research Institute and UC San Diego.

And a senior research neuroscientist from The Salk Institute, **Mohamedi Kagalwala**, has been tapped to head the new laboratory as director of the Division of Biotherapeutics and Drug Discovery. Levesque said Kagalwala was selected for his extensive experience in adult neural stem cell and brain repair mechanism.

"He brings an interest for pharmacological modulation of neural stem cells in patients with schizophrenia and depression," Levesque said. "These are all additional applications of our drug discovery program in looking into how these cells can help patients with these disorders — schizophrenia and depression. There's a lack of spontaneous growth of neural stem cells in patients



Mohamedi Kagalwala

NEUROGENERATION INC.

CEO: Michel Levesque.

Revenue: Not disclosed.

No. of local employees: Five.

Investors: Private.

Headquarters: Los Angeles.

Year founded: 2005.

Company description: NeuroGeneration is a life science company designing new cellular therapies and biological modulators for the prevention and treatment of neurodegenerative disorders. NeuroGeneration's Discovery Division offers molecular products using its drug discovery platforms to target neuroprotective and endogenous repair mechanisms.

Key factors for success: Successful collaboration and partnership agreements, scientific milestones to be reached and financial sustainability.

with these disorders."

The Riddle of Neurogenesis

Kagalwala said he spent nearly five years at Salk researching adult neurogenesis, a process by which neurons are born in the hippocampus — an area of the brain involved in memory formation, organizing and storage — and give rise to new neurons. The generation of new neurons in the brain applies to any study in brain repair and neurodegenerative disorders, and specifically to Parkinson's and Alzheimer's diseases, he said. Studies could lead to harnessing the power of neurogenesis to repair damaged areas

in the brain.

Kagalwala said he's excited about the potential for taking the adult stem cell platform toward endogenous brain repair.

"What we're trying to do is replace the cells that are damaged and give the patient the ability to fight the disease in their own brain," he said, noting that Parkinson's affects 1 percent of the population over 65 years old. "It will be like the immune system and how it fights disease. We want to give power to the brain to repair itself and not be dependent on outside elements anymore."

Part of the company's research will be based on recent Nobel Prize-winning technology in which skin samples taken from patients will be reprogrammed as iPS, or induced pluripotent stem cells, which are similar to embryonic stem cells but not embryo derived. Those cells can be differentiated into brain cells such as neurons so that defects in the neurons can be examined. Diseases such as Parkinson's can be modeled this way in a dish, enabling researchers to set up a drug discovery platform or even cell replacement in the future.

In addition to gaining access to expensive equipment such as a nuclear magnetic resonance machine and FACS sorting tools to sort cells, Kagalwala is enthusiastic about being able to attend more conferences and getting insight into new research happening on the mesa.

"There's so much wealth here in terms of knowledge. It will be irresistible to collaborate with the institutes here," he said.

Gas:

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into a van's fuel tank cost \$10 more, Martin said.

For Martin, delivery routes are long. One driver may have to cover ground in Chula Vista and National City before heading north to Point Loma and La Jolla, then circling back to Kearny Mesa. A new order trickling in can easily make the driver double back, Martin said.

Martin said he was monitoring gas prices and "trying to figure out what I'm going to do."

Bill Howe Plumbing has the same problem, on a larger scale. The business has 80 trucks in its fleet, most of them gasoline-powered. The cost of an individual service call has grown, said **Bill Haws**, general manager for the business. "You can't really pass that along" to the customer, he said.

Pain at the Pump

Small businesses and some larger counterparts have recently seen California fuel prices cut deeper into their revenue. The AAA Fuel Gauge Report noted recently that in San Diego, the price of unleaded regular gasoline had risen to an average of \$4.72 per gallon, up 13 percent or 54 cents from the week before.

Year-over-year the change was even greater. The price for unleaded regular had advanced 24 percent from \$3.80 per gallon in October 2011.

The spike in gasoline prices was traced to shortages in supply. The auto club reported refineries had low inventories due to the upcoming shift to the "winter blend" gasoline, which normally takes place Nov. 1. Exacerbating the problem was a power outage at a Los Angeles area refinery and a pipeline shutdown elsewhere in California.



In an attempt to get ahead of the crisis and boost supplies, Gov. **Jerry Brown** gave refiners the OK to produce winter blend early.

Sitting in the background was the price of diesel fuel. "It's the cousin no one looks at," said auto club spokesman **Jeffrey Spring**. "Diesel prices have been trending high to begin with."

The AAA survey showed the price of diesel fuel in San Diego rose a mere 7 cents over the week, but 40 cents over the year, from \$4.10 per gallon to \$4.50 per gallon. That was well off the San Diego record of \$5.15 a gallon, reached in May 2008.

Dispatching a truck to Temecula or El Centro creates mixed feelings in **John Durso**. His Kearny Mesa business, **Schmidt Fire Protection Co. Inc.**, has good customers in those cities, but the cost of sending a truck to the next county is getting more expensive.

Schmidt has a fleet of 45 trucks. Most of them take diesel fuel and the fleet gets about 12 miles per gallon. A 50-mile

round trip gulps about four gallons.

Schmidt designs, builds and installs fire protection systems. The business also maintains and services those systems, requiring return trips to building sites.

Raising rates would be tough, Durso said, adding that he faces one other cost his competitors do not: Durso pays union wages since his staff belongs to Sprinkler Fitters Local 669. Some competitors have nonunion workforces.

One of the bigger fleet operators in San Diego is **San Diego Gas & Electric Co.** It has 600 medium and heavy duty trucks, said spokeswoman **Gina Jacobs**. "We're always looking at ways to mitigate fuel prices," she said.

Fixed-Price

SDG&E has long-term contracts with suppliers that keep fuel prices fixed and not subject to constant fluctuations, said Jacobs.

The utility is also moving toward alternative fuel vehicles. Some 86 percent of



Photo courtesy of United Parcel Service Inc. **United Parcel Service Inc. recently introduced hydraulic hybrid delivery vehicles in two markets.**

Photo courtesy of San Diego Gas & Electric Co. **San Diego Gas & Electric Co. recently bought five service trucks that run on compressed natural gas. Many large companies are experimenting with alternative-fuel vehicles.**

its 111 passenger vehicles run on alternative fuels, she said. Logistics companies such as **United Parcel Service Inc.** and **FedEx Corp.** are also experimenting with alternative fuel vehicles in certain markets, those companies say.

Haws, of Bill Howe Plumbing, says his company has looked into fuels besides gasoline. However, he said the company is concerned about being in an outlying community and needing a fuel that is available in only a few San Diego County locations.

Bill Howe has also considered smaller, more fuel-efficient vans, Haws said. The downside to that is that small vehicles limit the amount of equipment that can be carried.

For now, small business owners will pay the high prices that consumers pay.

Martin, who owns the floral businesses with his wife **Michele**, said he expects to see fuel prices fall eventually.

But if the past is any guide, he said, prices will settle slightly higher than they were before the crisis.