An Orange County Business Journal Special Report

CFO

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Q&A

The expanding amount of data now available to companies to analyze and sometimes monetize is changing how many do business in big and small ways. The Business Journal's Michael de los Reyes asked some locally based chief financial officers how data is affecting their duties and creating challenges and opportunities as companies accumulate information about risk, regulatory compliance, mergers and acquisitions transactions, information technology, cybersecurity and more. Edited excerpts of their responses follow.

Chris Lawrence
American First Credit Union
La Habra

Data is both good and bad. There is so much out there that one could get paralyzed in spending all of every day reading reports and digesting data, much less making any decisions from it. I used to come into the office and look at a few summary reports, read a few articles and get on with my day. Well, things have changed. I have handled this in two ways: higher caliber employees and narrowed information sources.

For my employees, I am careful to hire people whom I think can do my job. I collaborate with both my peers and subordinates to determine the best course of action. There are too many important aspects of my role to have just one mind. Of course, everything cannot be collaborative, so for less impactful decisions, I delegate to the people who are strong in that field and usually more knowledgeable than me. I strongly agree with the Hewlett Packard adage that decisions should be made at the lowest level possible.

Lastly, my data team is clever. It isn't enough anymore to just have a quant running numbers for me. I need someone who can converse with the data and figure out what the data is trying to say. There are often hidden gems in the thousands of lines of data. Being able to listen closely and call BS when appropriate are developed skills. There are many examples when the data said something and the listeners should have called BS but didn't and ended up making a bad decision. Many AAA securities in 2006 were in fact not AAA.

For information sources, I have adopted a narrow data feed to the following three unbiased sources: Orange County Business Journal, Bloomberg, and SNL Financial. I have found these to be informative without pushing an agenda. I skim headlines and read the articles that pertain to my institution. Having a competent team and an information funnel is the only way I can continue to focus on the most important aspects of my job.

John Michel
First Foundation
Irvine

The CFO serves as one of the primary administrators in any organization due to their expertise and skill set. As more focus is put on risk assessment, compliance and information technology, my involvement in these areas requires more of my time. In response to this use of my time, we have had to expand staff in our risk assessment, compliance and information technology areas and in the finance and accounting areas.

As a result, I have a need to rely on highly qualified individuals in each of these areas to provide me with information needed to participate in the decision-making processes and to delegate more of my primary responsibilities.

These additional duties have also required me to become more knowledgeable in the areas of risk assessment, compliance and information technology. In particular, the threats posed in the cybersecurity realm have required all our executives and staff to become more cognizant of these threats and vigilant in following guidelines to minimize these threats.

Bill Torzolini
Allied Universal
Santa Ana

The role of the CFO has migrated significantly in recent years, with the availability and necessity of data being a significant driver.

The traditional responsibilities of the CFO, which include accounting, financial reporting, tax and treasury, have been focused on the reporting of historical data. With the proliferation of data, this focus has been redefined and now includes real-time, as well as predictive, analysis and reporting. The CFO is in a position to view all aspects of the company through the numbers, placing the role in a unique position, similar to the CEO, at the center of the company and its operations.

In particular, Allied Universal has a highly trained workforce that is responsible for protecting tens of thousands of work sites across the country. This responsibility drives the need for accurate, real-time information in order to support not only the business but also its clients. From a business perspective, the CFO is responsible for ensuring data is not only available to the finance staff, but also front-line operations, legal/risk teams, human resources, etc., to support day-to-day decision making. With the availability of data constantly increasing, the desire on behalf of the business for more information grows every year, which is a good thing, because when our associates are armed with data, they are in a better position to make more effective and timely decisions for the company and its clients.

Additionally, data is critical to making sound strategic decisions. With businesses moving as fast as they are today, a sound strategic plan is a necessity in order to stay competitive. It is the CFO's responsibility to understand and work with data, making it available to the business to support the strategy and ensure strong collaboration and alignment across the company.

The amount of data which companies are now capable of producing grows each year through investment in technology, and this investment will not slow down if companies want to keep pace.

Since CFOs are trained to act upon data, the diversity of information becoming available has pushed the role of the CFO and that of its finance department well beyond being the traditional "scorekeeper" into a new and more dynamic direction.

Tom Varvaro
ChromaDex
Irvine

My role as the CFO of a public company has changed more over the last two years than in my previous six years in that role. I view the changes in the regulatory environment and the increased speed at which these changes have been occurring as having had the biggest impact on the change in that role.

As the Public Company Accounting Oversight Board and Financial Accounting Standards Board continue to strive to increase the quality of the financial statements and the audit function, this has led

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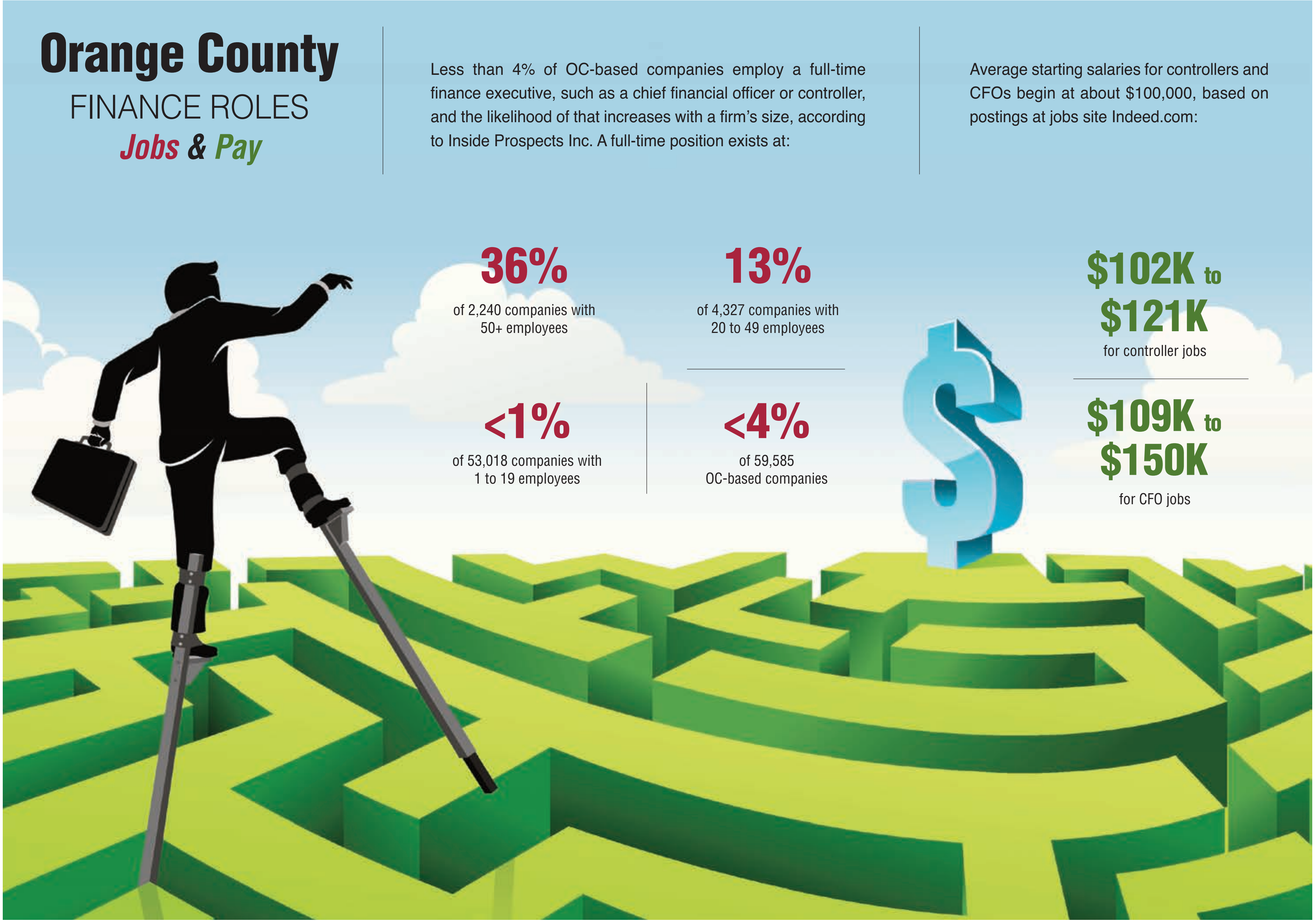

Research by Paul Hughes *Graphics by Brette Miller*

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to an increase in documentation requirements, not only for annual audits, but even for quarter reviews. The proliferation of accounting memorandums has increased the amount of time the company spends on each close cycle substantially. Audit risk, as well as the increase in regulatory scrutiny related to IT and cybersecurity, has also increased the amount of time spent in these areas.

The burden on a smaller public company like ChromaDex is the same as larger companies when it comes to Sarbanes-Oxley Act compliance and risk around these items. Given our size and limited staffing, the cost of compliance in not only dollars, but time spent as compared to larger companies is dramatically higher.

As a CFO, I find myself spending more time staying current with the risk and regulatory environment than I ever have in the past. One of a CFO's roles has always been to manage the expenses of a company, but trying to manage compliance costs without compromising the quality of in-house work, as well as third-party consultants, is becoming increasingly difficult. I have always viewed my role as the CFO as a person who should add strategic and tactical value to all functional areas of the company, and while I still think that should be one of my highest priorities and will always be, finding the time to do so effectively is becoming increasingly difficult.

Donald Voska
Goodwill of Orange County
Santa Ana

Over the past 17 years, my job as CFO of Goodwill of Orange County has changed from being primarily involved in accounting, reporting and tax issues to include a rapidly increasing emphasis on strategic planning, risk management and compliance.

The speed of change in the external operating environment, as well as the internal operating environment, resulting from growth and expansion, continues to accelerate. Consequently, my role as CFO includes acting as a consultant to all operating divisions, with the responsibility of ensuring that they are aware of emerging risks resulting from regulatory and other changes that may adversely affect the results of operations if not addressed.

I am now more involved in identifying and implementing new and improved management information systems to monitor and control risk. The cost of such systems is decreasing while the sophistication of the technology increases, yet with an extremely diverse range of programs and social enterprises, achieving the "power of one" remains an ongoing financial and practical challenge.

Promoting integrated systems, improving internal controls and increasing efficiency by decreasing reliance on manual labor-intensive systems is now a top priority.

As payroll expense continues to increase in California, the efficiencies from integrated workflow will decrease the amount of resources dedicated to administration and increase the funds available to help people with disabilities and other barriers, which is the primary reason for our existence. ■

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MANAGING YOUR WEALTH

Effective tax planning

Effective tax planning can significantly benefit your financial position.

Effective tax planning can be challenging, given the complexity of the US tax code. However, done properly, tax planning can provide significant benefits to your overall financial picture, reflecting and supporting your long-term wealth management goals. Although you won't have to reckon with significant new income tax law changes in the 2016 filing season, President-elect Trump has stated that one of his top priorities is comprehensive tax reform to significantly lower individual and business tax rates in your 2017 tax filings. Under his proposed plan, the top individual tax rate would be lowered from 39.6 percent to 33 percent, and the US corporate tax rate would be lowered from 35 percent to 15 percent. Owners of partnerships, S corporations, and other "pass-through" business entities would be able to elect to be taxed on their pass-through business income at a flat rate of 15 percent, rather than under the regular individual tax rates. US-based manufacturers also would be allowed to elect full expensing of plant and equipment (with no deduction for interest expense). President-elect Trump also has proposed a 10-percent "deemed" repatriation tax on the foreign earnings of US-based companies. As for the current 2016 filing year, here are some things to consider.

US tax rates: For 2016, married couples who file jointly and have combined taxable income above $466,950 fall into the highest tax bracket of 39.6%, as do unmarried individuals with income above $415,050.

The highest marginal tax for individual taxpayers whose gross income includes interest, dividends, short-term capital gains, and passive income, is 43.4%. For qualified dividends and most long-term capital gains, the combined tax rate for 2016 is 23.8%.

Income categories: Gross income can be divided into two broad categories: ordinary and investment. Ordinary income typically comes from wages, self-employment income, bonuses, and retirement plan distributions. Investment income generally encompasses interest, dividends, rents, royalties, capital gains, and certain income from passive investments in partnerships or other pass-through entities.

Tax planning strategies: Understanding when your income is earned and when your expenses are deductible is critical. Moving expenses into an earlier year to reduce your tax billmay have cash-flow consequences and could result in paying more tax over a two-year period, as your income may be subject to a higher marginal rate in the subsequent year. You and your advisor should consider the overall impact.

Wage earners' income: Making the maximum contribution to your 401(k) retirement plan can lower your current-year taxable income, while the earnings in the plan grow tax-deferred. Tax payments are delayed until retirement while you are saving for your future. Another possible way to defer income is to use a health savings account (HSA). Contributions to an HSA are tax-deductible, similar to most 401(k) plans or flexible spending accounts (FSAs). Unlike an FSA, however, any money in your HSA that you don't use during the year is not forfeited and can grow tax-deferred.

Business owners' and self-employed individuals' income: Because income for cash-basis taxpayers is not taxed until it is received, self-employed individuals may have an incentive to defer billing and collections until 2017. Conversely, individuals may be inclined to accelerate expense payments into 2016, since doing so will enable expenses to offset 2016 income, thus potentially resulting in tax savings. It is often possible to use ordinary losses from business activities to offset income from other sources and thus reduce the overall tax burden, but only if the taxpayer is actively involved in the business. Taxpayers should also consider this strategy's impact on their self-employment tax position.

Self-employed individuals with a simplified employee pension individual retirement account (SEP-IRA) may be eligible to make a contribution up to the lesser of $53,000 or 20% of net self-employment income after deducting self-employment tax. The contribution is an offset to the ordinary income earned in 2016, which can, in turn, reduce the individual's overall tax burden. A solo 401(k) plan allows the individual to take a loan from the plan, which is not allowed with a SEP-IRA. The maximum total contribution that an individual is allowed to make to a solo 401(k) is the same that is allowed for a SEP-IRA ($53,000).

Retirees' income: Certain qualified retirement plans allow you to receive a lump-sum payment instead of staggered annual payments. Your cash flow needs, investment potential, and tax position may be factors in determining the form you choose.

- Roth IRA conversions: Converting a traditional individual retirement account (IRA) into a Roth IRA account may create significant financial advantages in the long term. The conversion will be taxable in the year it occurs, but then the Roth IRA will grow tax-free, with no required minimum distributions. Distributions taken are also tax-free.

Investment income: The preferential tax rate on qualified dividends and long-term capital gains can help increase your after-tax rate of return. Helpful strategies include realigning your personal portfolio to include more tax-exempt municipal bonds and shifting less-tax-efficient investments into retirement accounts, where the assets may grow tax-deferred.

Capital gains and losses: Before the tax year ends, you and your advisors should review your portfolio to determine what, if any, investments might be disposed of and whether it makes sense to sell those assets.

Deductions: Generally, if no tax rate increases are scheduled, taxpayers may want to consider accelerating deductions into the current year to the extent that tax benefits can be obtained. Taxpayers should also keep a close eye on legislative initiatives aimed at limiting deductions.

Exemptions and itemized deductions: Limits on itemized deductions and phase-out thresholds should be taken into consideration. The personal exemptions for certain high-income taxpayers may be disallowed completely if a person's income exceeds the threshold amount. As for the itemized deduction phase-out, it may cause high-income taxpayers to lose a portion of their itemized deductions.

Timing of itemized deductions: Oftentimes, taxpayers should consider accelerating year-end state income tax, real estate tax, and charitable contribution payments into the current year to obtain the maximum deduction for that particular year. It is important to consider the alternative minimum tax if you are planning to accelerate deductions such as real estate taxes, state tax payments, and miscellaneous itemized deductions.

Charitable contributions: It should be noted that cash contributions to public charities are deductible only in the current year, to the extent that they do not exceed 50% of your adjusted gross income. Similarly, donations of appreciated property to a public charity are deductible only in the current year, to the extent that they do not exceed 30% of your adjusted gross income. Excess contributions can be carried forward for five years. Speak with your tax advisor to assess your best strategy.

Using losses to offset your tax liability: You may be allowed to take tax deductions for income-generating business and rental activities even if you don't materially participate in those activities (passive-activity income). However, any such deductions are subject to stringent passive-activity loss rules.

Alternative minimum tax: The alternative minimum tax (AMT) was enacted to ensure that high-income taxpayers paid at least a minimum amount of tax each year. To this end, a parallel tax calculation was created. One of the most significant adjustments in the AMT calculation is the disallowance of certain itemized deductions, including state and local income taxes, real estate taxes, and miscellaneous itemized deductions. It is important to be actively engaged in your tax planning so that you understand how the AMT might affect your tax liability.

Kiddie tax: Transferring income-producing property from a high-income taxpayer to someone who is taxed at a lower rate, such as children who are in lower tax brackets, can be an effective long-term planning strategy. Bear in mind, however, that children under age 18 and full-time students under age 24 will be taxed at the parent's higher income tax rate on investment income that exceeds a threshold amount (for 2016 this amount is $2,100), potentially preventing any tax savings that might result from shifting such income to children.

Foreign investments: If non-US assets that have a reporting requirement are not reported, even if no tax is due, significant penalties may result. It is important, therefore, that you factor this requirement into your tax planning.

Conclusion: Tax planning requires careful attention in the context of the current economic and legislative landscape, as well as with the long term in mind. The decisions you and your tax advisors make now can help preserve your wealth—not just for your own future, but also for that of the next generation.

For more information on effective tax planning and other wealth management strategies, please see our latest edition of **Managing Your Wealth:** Guide to Tax and Wealth Management at *pwc.com/us/wealthguide*

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Workers' Compensation: Top Five Issues to Manage in 2017

by Steve Fisk, Principal, Commercial Division, Barney & Barney, a Marsh & McLennan Insurance Agency LLC

Employers will have an unusual number of workers' compensation issues to manage in 2017, as a wave of new regulatory and legislative changes take effect in the new year.

While some signs point to declining rates, this positive momentum could be offset by changes in the calculation of the experience modification rating, the implementation of new officer exclusion rules under California Assembly Bill 2883 and the legalization of marijuana in the Golden State. Workers' compensation should be a top-of-mind topic for employers as they head into the new year.

1: Rates could be dropping, but will they for you?
In 2016, the state insurance commissioner recommended a 10.4% rate decrease in workers' compensation. This is largely due to reforms to California's workers' compensation programs, passed under Senate Bill 863, which have saved the system more than $1.3 billion annually.

While rates may be on the decline this year, cost savings are not necessarily a slam dunk. One of the most important ways to ensure your company will benefit from a rate reduction is lowering your overall experience modification (ex mod) rating. Ex mods play a significant role in determining an employer's premium. They are designed to penalize employers with higher than expected claims, and reward employers for better than expected claims experience.

Two recent updates (discussed below), however, may put many employer's ex mods at risk of offsetting any potential rate decreases.

What To Do
▶ Discuss your workers' compensation policy with your broker to determine if you're realizing all of the cost savings possible.

2: Is your ex mod rating at risk?
The Workers' Compensation Insurance Rating Bureau of California (WCIRB) has modified the ex mod formula in an effort to level the playing field between large and small employers. The change took effect on Jan. 1, 2017.

One effect of the new calculation will be the greater onus on employers to lower the frequency of their claims. Now, employers who have a high number of claims, even if those claims are small, could be susceptible to a significant swing in their ex mod calculation. This in turn would increase their workers' compensation premiums; a higher ex mod rating translates into higher workers' compensation costs for employers.

For the majority of employers who minimize their number of claims, they could see minimal change or a decrease in their ex mod. However, for firms that have a high frequency of claims, it's crucial to curb the trend now.

What To Do
▶ Conduct a comprehensive review of your safety program. It's critical to examine where your claims are originating and implement new strategies to prevent injuries before they occur.
▶ Ask your broker to provide you with a forecast of your 2017 experience modification using the new formula so that you can budget for any significant swings as a result of the changes.

3: Ready for changes to first aid claims reporting?
Beginning Jan. 1, the Bureau has required carriers to report first aid claims. Previously, regulatory language left room for varying interpretations of the reporting requirements, but recent amendments clarify the carriers' responsibility to report all claims for which any medical services are provided.

The key takeaway for employers: the new first aid reporting requirements, compounded by the new ex mod calculation, could create a double whammy for employers and their increasing ex mods going forward.

What To Do
▶ Revisit your safety program to minimize the number of first aid claims needing to be reported.

4: Do your officers still qualify for exclusion under AB 2883?
New rules under AB 2883 that went into effect Jan. 1 could produce an unwanted surprise in your workers' comp premium.

The new law redefines which officers can be excluded from workers' comp coverage and changes the process for excluding qualifying directors, officers and managing members. While it is often recommended to include all officers under the workers compensation policy, some companies chose to exclude them as a strategy to lower premiums. Regardless of whether this approach makes sense for your organization, it's important to be familiar with the new regulations and waiver processes as failure to do so could result in penalties or unforeseen premium increases.

Deadline for exclusion waivers was December 31, 2016 regardless of if the policy was new or already inforce.

What To Do
▶ Review your existing directors and officers workers comp exclusions and consult your broker to determine whether they can or should be excluded under the new rules.

5: What is the future of the drug-free workplace and post-accident drug testing?
The November state initiative legalizing recreational use of marijuana in California creates a thicket of issues for employers regarding drug policy and drug testing.

In terms of a drug-free workplace, the regulations implementing the law haven't been written. In fact, employers still have a right to a drug-free workplace. However, the state law creates a potential conflict with federal law about how to administer a drug-free workplace policy.

Post-accident drug testing, also adds a new layer of complexity in light of the new marijuana-friendly legislation. OSHA recently issued a final rule prohibiting employers from mandating automatic post-accident drug testing in an effort to avoid discouraging employees from reporting accidents. The burden of proof is now on employers to determine if marijuana, alcohol or an illegal substance likely contributed to the accident prior to testing. While the rule does not ban drug testing altogether, it does set new parameters for what would be considered a reasonable application.

What To Do
▶ Revisit your drug-free workplace policies and make sure any revisions include marijuana in the language. Proactively communicate your policy to employees.

Although the insurance commissioner will likely recommend workers' comp rate reductions in an effort to pass along cost savings to employers, recent reform continues to emphasize the impact claims, both large and small, can have on an employer's premiums. Employers are encouraged to identify safety as a key element in workplace culture. Implementing safety programs and injury prevention strategies remain the number one defense in battling workers' comp rates. Work with a knowledgeable insurance broker to make sure your organization is up to date on regulation changes and proactive in addressing safety as a way to control your workers' comp costs in 2017 and beyond.

Steve Fisk
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Changes to California Tax Apportionment Regulations on the Sale of Services and Intangible Property for Multi-State Taxpayers

by Rachel A. Simon, Partner, Rutan & Tucker LLP

The Franchise Tax Board ("FTB") recently adopted amendments to Regulation Section 25136-2 concerning the calculation of the California sales factor for sales of certain intangible property. The amendments which set forth "market-based" sourcing rules become effective as of January 1, 2017. The amendments are intended to provide additional clarity on the manner in which sales of marketable securities, and intangible property, such as dividends, goodwill, and interest, should be assigned to California for purposes of the California sales factor for apportioning income to California.

Taxpayers are required to source receipts from sales of marketable securities and intangible property using market-based sourcing rules. Intangible property is generally sourced based on where the intangible is used, and marketable securities are sourced based on the location of the customer. However, the current language of the regulations under Section 25136-2 fails to define certain key terms and fails to address the manner in which the location of the customer is determined. The new amendments to Regulation 25136-2 intend to make the rules less murky for taxpayers by including definitions for marketable securities for dealers and non-dealers, and providing assignment rules for marketable securities, interest, dividends, and goodwill.

With respect to the assignment of sales of intangible property, such as ownership interests in business entities (which are not marketable securities), dividends, or good will, the amendments to Regulation 25136-2 provide that if at least half of the assets of the selling entity (or paying entity, as the case may be) consist of real or tangible personal property, the receipts will be assigned by averaging such entity's payroll and property factors in California for the most recent twelve (12) month taxable year preceding such sale. If the sale occurs more than six (6) months into the current taxable year, then the average of the current year property and payroll factors will be used. However, if at least half of the assets consist of intangible property, then only the sales factor should be used. Special rules provide for start-up entities that do not have significant operating history.

The amendments to Regulation 25136-2 also provide special rules for the assignment of interest. The rules vary depending on which of three categories the interest falls into. Interest from investments (other than loans) will be assigned to California if the investment is managed in California. Alternatively, interest from loans will be assigned to California if the loan is secured by California real property. Thirdly, interest from loans will be assigned to California if the loan is not secured by real property, but the borrower is located in California.

Regulation 25136-2(b)(5) defines "marketable securities" as "any security that is actively traded in an established stock or securities market and is regularly quoted by brokers or dealers in making a market", but excludes "securities that are traded in transactions specifically excluded from gross receipts under Revenue and Taxation Code Section 25120". However, for securities and commodities dealers, a different definition of "marketable securities" is provided, which states, "'marketable securities' means any security that is defined in Internal Revenue Code Sections 475(c)(2) or 475(e)(2)(B), (C), or (D), and any contract to which Internal Revenue Code Section 1256(a) applies, which has not been excepted under Internal Revenue Code Section 475(b)," including any interest and dividends associated with such marketable securities. Revenue from sales that do not fall within the definitions provided will be subject to the general sourcing rules for sales of intangibles. Since little guidance is available on the application of such rules to sales that fall outside the narrow definition of "marketable securities", continuing ambiguities may undermine the FTB's intention of reducing disputes between taxpayers and the FTB over the application of the assignment rules to these transactions.

With respect to the assignment of sales that fall within the definition of "marketable securities", the amendments to Regulation 25136-2 provide that if a customer is an individual, then the sale should be sourced to California if the customer's billing address is in California; whereas, if the customer is a business entity, then the sale should be sourced to California if such entity's domicile is in California at the end of the taxable year, regardless of the billing address. The amendments create a rebuttable presumption that a customer's domicile is determined based on customer information contained in the taxpayer's books and records; however, the taxpayer may rebut this presumption with other documentary evidence.

If the assignment of receipts cannot be determined by the rules summarized above, the taxpayer must use reasonable approximation. For purposes of Regulation 25136-2 "reasonably approximated" means that, considering all sources of information, "the location of the market for the benefit of the services or the location of the use of the intangible property is determined in a manner that is consistent with the activities of the customer to the extent such information is available to the taxpayer." The process for reasonable approximation is not precise, and accordingly, disagreements between taxpayers and the FTB may develop on this issue.

Although the amendments made to Regulation 25136-2 are intended to provide clarity on the manner in which receipts from marketable securities or intangible property should be assigned, it is evident that there continue to remain material ambiguities in the language of the regulation, which may potentially lead to conflicts and disputes between taxpayers and the FTB.

Additionally, while the FTB estimates that the economic impact of the changes will be minimal, it is anticipated that multi-state taxpayers will experience an increase in taxes as a result of the amendments to Regulation 25136-2, while in-state taxpayers may see a reduction. It should be noted that taxpayers may face additional burdens because, although the amended regulation is effective January 1, 2017, the amendments may have certain retroactive implications, since they would be applicable to taxable years beginning on or after January 1, 2015. As such, taxpayers are required to comply with these new rules for such prior tax periods.[1] The FTB has preliminarily indicated that it will abate penalties for taxpayers who underpaid because of the application of the final regulations; however, the FTB has not yet provided details regarding these abatement procedures, creating additional uncertainties and concerns for taxpayers. Taxpayers who are impacted by these changes should consult with tax and legal professionals in order to obtain advice on the proper implementation of these changes.

[1] *Taxpayers may elect to have the amendments apply retroactively to periods beginning on or after January 1, 2012, if the statute of limitations remains open on such years.*

Rachel A. Simon

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The Multifaceted CFO Role in Executive Compensation and Wealth Planning

by Kjell Gronvold, Managing Director

Congratulations to the *Orange County Business Journal*'s CFO of the Year honorees. Thank you for your contributions to your organizations, employees, and communities. We appreciate the depth of your responsibilities and recognize the importance of your leadership within your companies. In today's complex, fast-changing business climate, your increasingly multifaceted role extends to all aspects of your business, including providing insight to senior leaders in your organization on the integration of complex executive compensation with personal wealth planning.

Executive Personal Wealth and Needs Affect the Company

As the competitive environment becomes more and more challenging, business owners and senior executives face ubiquitous demands on their time, resulting in less and less time for their personal lives. Most executive energy is placed on growing the company. If successful, this focus results in an increase of executive wealth, which needs to be managed judiciously for the fiscal health of the individual and the company.

Between ownership and stock options, executive personal wealth frequently resides within the business and may comprise a substantial portion of its value. Consequently, executive wealth decisions often significantly impact the future of the company.

Executive personal financial planning may involve diversification to reduce concentration risk by divesting interests in the business. Life events, such as an owner or executive divorce or death, can also trigger wealth management changes. In both circumstances, these changes can result in succession planning, mergers and acquisitions, tax payments, and credit needs that all affect company finances. We work with these types of situations on a daily basis, all of which require advanced strategic planning to mitigate the potential negative impact to the business.

The Executive Team Looks to the CFO for Personal Wealth Guidance

Often, executives look to their CFOs for advice on personal wealth management. While considered experts on corporate financial management, CFOs may be unwilling to take on the liability of providing this type of financial advice and may not have the particular expertise to effectively manage private wealth. Further, CFOs have time constraints and might even be challenged to attend to their own wealth planning and financial management.

Consider the example of an executive making the decision to exercise nonqualified stock options. A situation like this involves thoughtful, integrated planning around legal and corporate policies, shareholder perceptions, income and alternative tax planning, pre- and post-tax investment planning and implementation, breakeven analyses, and potential retirement planning that require expert support from a variety of professionals.

CFOs Need Strong Advisor Support

The complexity, liability, and conflict of interest involved in providing financial advice on managing executive company interests and associated wealth are too great for CFOs to take on alone and require the assistance of strong financial advisors. Look to trusted and skilled bankers, transaction attorneys, insurance representatives, wealth managers, and tax advisors to support you and your executive team. As corporate bankers with specific insights on company financials, we often collaborate with our wealth management professionals to provide thoughtful planning in connection with other corporate transactions. You are in the unique situation to use your own financial experience and management skills to select your key advisors.

The foregoing article is intended to provide general information about business planning and wealth management and is not considered financial, legal, or tax advice from Union Bank. Business and wealth strategies have legal, tax, accounting, and other implications. Clients should consult legal and tax advisors.

About the Commercial Bank

The Commercial Banking division at MUFG Union Bank, N.A focuses on companies on the West Coast with traditional Middle Market and Business Banking profiles, with revenues between $5 million to $500 million. The Commercial Bank offers a broad spectrum of commercial credit products including commercial loans and assets based loans, in addition to a full array of traditional commercial banking products including Treasury Management, derivatives, foreign exchange, Wealth Management, Trade Finance services, Global Business, Syndications, and more.

About The Private Bank at Union Bank

The Private Bank provides specialized solutions designed to respond to personal wealth needs and those of your business, including building and preserving wealth and transferring your legacy to future generations. Our relationship managers focus on your goals, concerns, and preferences and work with your other advisors to help ensure all of your strategies are aligned.

Kjell Gronvold

Kjell Gronvold, Managing Director, oversees commercial banking in Orange County. His team focuses on providing solutions to middle market and mid-corporate clients. Kjell can be reached at 714.553.7102 or kjell.gronvold@unionbank.com.

About MUFG Union Bank, N.A.

MUFG Union Bank, N.A., is a full-service bank with offices across the United States. We provide a wide spectrum of corporate, commercial and retail banking and wealth management solutions to meet the needs of customers. We also offer an extensive portfolio of value-added solutions for customers, including investment banking, personal and corporate trust, global custody, transaction banking, capital markets, and other services. With assets of $116.9 billion, as of September 30, 2016, MUFG Union Bank has strong capital reserves, credit ratings and capital ratios relative to peer banks. MUFG Union Bank is a proud member of the Mitsubishi UFJ Financial Group (NYSE: MTU), one of the world's largest financial organizations with total assets of approximately ¥293.7 trillion (JPY) or $2.9 trillion (USD)[1], as of September 30, 2016. The corporate headquarters (principal executive office) for MUFG Americas Holdings Corporation, which is the financial holding company and MUFG Union Bank, is in New York City. The main banking office of MUFG Union Bank is in San Francisco, California.

[1] *Exchange rate of 1 USD=¥101.12 (JPY) as of September 30, 2016*

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Challenges Ahead From New Revenue Standard

by Rachid Chamtieh, Audit Partner in Charge, Pacific Southwest offices Deloitte & Touche LLP

The effects of implementing the FASB's new revenue standard* likely will reach beyond corporate finance and accounting and impact the sales, IT, human resources and compliance functions. The standard replaces almost all current revenue guidance, including industry-specific guidance; greatly enhances the related disclosure requirements; and requires organizations to use significant judgment when applying the rules. As a result, management may have to reconsider how they think about contracts and commercial processes, the panel noted.

"Some of the operational aspects of the new revenue standard seem to present the greatest challenge," observed Eric Knachel, senior accounting consultation partner, National Office, Deloitte & Touche LLP. "There is a significant amount of judgment around applying the new standard, and while similar facts should be followed by similar judgments; in practice, organizations may bump up against the notion that facts can be interpreted differently."

Full Retrospective Method of Modified Retrospective Method for Revenue Recognition

One of the first decisions for organizations to consider is which of the two methods of revenue recognition to adopt: the full retrospective method or the modified retrospective method. For public companies, both methods require initial adoption beginning January 1, 2018, although early adoption is allowed. Specifically, unless early adoption is elected, public and nonpublic entities reporting under U.S. GAAP are required to implement the provisions of the new revenue standard for annual reporting periods beginning after December 15, 2017, and December 15, 2018, respectively.

The full retrospective method requires companies to apply the new standard and restate certain revenue numbers for the latest three years. The goal, is to create three years' worth of comparable results that reflect the new method for annual and interim financial statements.

The modified retrospective method does not require restated financial results, but—in effect—may require dual reporting. An organization adopting the modified retrospective approach would be required to disclose the difference between revenue under old GAAP and new GAAP in the year of adoption. "From an operations perspective, an organization likely will have two sets of internal controls and two sets of numbers for auditors to review if they choose the modified retrospective method," Mr. Knachel added.

Potential Challenges

Restatements and dual reporting can be complex issues, and the nature of contracts and guidance related to the accounting treatment of performance obligations may be similarly complex to manage. "Many organizations may find that creating a framework to apply judgment consistently to customer contracts may be one of the more challenging implementation tasks related to the revenue standard," observed Christian Chiriatti, managing director, National Office, Deloitte & Touche LLP.

For example, Mr. Chiriatti suggested that new guidance around contract modifications could affect whether a contract is considered new or modified. There is a significant amount of judgment required around assessing the scope and pricing of work being added to a contract, and the resulting decision could impact revenue recognition patterns because new contracts are accounted for differently than modified ones, depending on several other factors.

Such factors include what work was contemplated as part of the original contract scope, whether additional goods or services are being added as part of an existing performance obligation or result in the addition of a new and separate performance obligation, how optional goods or services were originally evaluated, whether modifications include an incremental price increase, and whether the modified contract falls under the new "series guidance" concept. Depending on the judgments and subsequent decisions, some contract modifications could result in the organization having to make catchup adjustments to their financial statements.

The concept of "material right" versus "class of customer" is another revenue recognition concept that likely requires substantial judgment under the new standard. From a practical perspective, if a company is rewarding customers for their prior purchases, the transactions could create what is known as a material right, in which case the revenue associated with the reward is deferred from the prior purchase until the customer claims the reward.

"Evaluating transactions on a consistent basis using the new revenue recognition framework could present challenges for many organizations," noted Mr. Chiriatti. "For example, if customers receive a 20% coupon in the mail from a retailer from which they previously purchased a pair of shoes, is that a marketing offer or a reward received from a prior purchase? It comes down to assessing why a company provides discounts to certain customer (or potential customers) and the substance of the transaction," added Mr. Chiriatti, who noted that many of the standard's practical implications are still being discussed by the FASB/IASB Joint Transition Resource Group for Revenue Recognition.

Cross-function Implications

Other corporate functions also may be affected by the new standard. For example, many companies are trying to understand the information technology implications of the new standard, as existing sales and financial systems likely will have to be updated to include varying recognition patterns, depending on contract terms, and accumulate data for disclosure purposes. The challenge will be to complete system updates in time to identify and process the information needed to meet the new standard's effective dates so financial results are reported in accordance with GAAP.

Also, there seems to be an urgency around IT with respect to the systems and processes associated with identifying performance obligations and allocating revenue to each of those obligations. To comply with the standard's new accounting and disclosure requirements, "organizations may have to document new or different judgments and gather and track information they may not have previously monitored," Mr. Knachel said. The systems and processes associated with such information may need to be modified to support the capture of additional data elements that may not currently be supported by legacy systems.

The accounting standard could also affect pay and bonus arrangements that are tied to revenue, as well as control issues that the legal and compliance functions might need to assess.

"About 18 months ago, when the standard was first issued, many organizations initially focused on the technical accounting analysis," noted Mr. Chiriatti. "However, a number of organizations now are moving toward addressing operational issues because we are nearing the end of the runway for implementation," he added.

Deloitte has an experienced team of professionals, who can assist in developing an action plan to help you implement the new revenue recognition standard for both public and private companies. These capabilities include the full breadth of services and competencies needed to help clients address their issues, and would include accounting assistance, help with process revisions, support in making system changes (including development of system business requirements), tax and other matters.

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You've Hired…Now What?

4 steps for new hire success

by Ron Proul, CEO, Century Group

The current challenge of finding skilled workers has added increased pressure to both attract and retain talent. Once an offer is accepted, how do you ensure success, so you don't find yourself conducting yet another search to fill the role?

Many companies and hiring managers forget that interviewing, making a job offer and getting an acceptance is only *half* the work when making a successful hire. There is an entire checklist of actions that need to occur in order to *complete* a successful hire.

"Successful onboarding is the completion of the recruiting process, and if done right, studies show it can increase both the effectiveness and tenure of a new hire," says Lisa Chang, Century Group's Director Talent Acquisition. "The first impression is strategic in successful onboarding."

Put The Welcome Sign Out

In the weeks leading up to a new employee's first day, the company should continue to foster the developing relationship between themselves and the new employee. This transition is often a formal onboarding process that requires the completion of pre-employment paperwork. However, less formal measures should also be taken, such as communicating with the new hire right up to the first day.

Calling to check-in before a new hire starts is crucial. Sharing valuable information with them, such as where to park, how to gain access to the building, and even inviting them out for an introductory lunch contributes to this personal touch. A new employer needs to both stay in the forefront of the new hire's mind and help them through this transition. Don't fall prey to thinking that getting an acceptance is the end of the recruitment process.

Remember, the candidate you have selected is adding valuable skills to your department. They were also valuable to their former employer, and as the notice period ends, the value of the employee and the difficulty in replacing them will become apparent. A counter-offer may upset your best-laid plans, so the more welcoming and accessible you are to the candidate, the less likely they are to accept it.

Make The First Day Special

Your new hire was excited when they left their final interview, and they were excited when they accepted the job. It's important to keep that excitement alive right up to and beyond their first day by updating them about the latest company news, introducing them to the company in an upbeat manner, and helping eliminate any first-day anxiety.

Megan Geraghty, Century Group's Associate Director of Recruiting, reminds clients to "make sure they are set up in the company's systems. Provide a tour of the facilities and introduce them to the rest of the team. Make the new employee feel at home in their new space. Let them know you are prepared and you have your act together."

The first day is a great day to go over the job expectations and objectives during the transition. You may think you've covered everything during the interview, but there is an overload of information when starting any new job. The first day of work can set the tone for a long-term relationship and has a tremendous impact on the new hire's future success with the company.

Give It A Human Touch

Assign your new employee a go-to person who can answer their questions. All employees experience some degree of difficulty in making a transition during the first 90-to-120 days, which is a common period to lose a new hire. Learning about both a new job and a new company culture, as well as creating a new routine in their daily life, can be stressful for anyone.

Anything you can do to help ensure their success is a plus. A candidate who doesn't feel they have been set up for success at your company is susceptible to returning to a prior job or inquiring about another opportunity they had been pursuing. It could even be the former boss they used for a reference who says, "Let me know how that new job works out, because we may have something coming up for you." Good candidates are good candidates, period.

Keep Them In The Loop

Managers need to let the new hires know when and how they will garner feedback on their job performance. A regular, monthly meeting can let a candidate know they have access to you as a resource, they are important, and they are able to get help. Francesca Brooks, Century Group's Managing Director of Human Resources, even goes as far as to recommend setting up a schedule for the entire first week. You may think you are providing constant feedback, but having a pre-arranged meeting is always a good policy.

Periodic reviews are also crucial. You would be surprised how many times we hear, "Well, I haven't had my annual review, so I am not sure what that means." You think it means they are doing fine. They think it means, "I am (or my job is) not a priority for you."

Finally, ask for your new hire's feedback. This is helpful for their assimilation into the organization, and it will help you improve the process for future hires. If you only ask for feedback during a resignation, you are closing the barn after the horse.

You may say, "I am so busy, I am not sure how I will fit this in." Well, ask yourself… if you are *that* busy, how are you going to fit in another recruitment process?

Ron Proul

One of Southern California's foremost executive recruiters and a noted expert on executive search, Ron Proul is CEO of Century Group. During his 26 years with the firm, he has completed more than 500 CFO, executive and management searches for clients in various industries. He has also contributed to leading business publications, served on numerous committees and boards, and is a judge for the LA CFO of the Year Awards.

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To Keep Your Business Successful, Know Who'll Follow You

by Stephen E. Tierney, CPA

Have you recruited your replacement?

If not, perhaps it is time that you do. No one is irreplaceable. At some time, you as a small business owner will want to retire. Even if you don't have plans to retire, you could become seriously ill or, let's face it, die.

Regardless of the reason you leave your company, you should have a succession plan. In other words, you should know who could take over for you. (And that designated successor should know that she is in line for your job.) Without a plan, you could be jeopardizing the livelihood of both your employees and your family.

A succession plan should be in writing. Among the items it should contain are a description of your job and qualifications for it. It should also include a timetable that provides step-by-step actions you and your organization will take to groom your successor. In addition, the plan should outline procedures to follow in the event of the unexpected, such as how the organization will function if you have a health issue for which you may need to take a leave of absence.

Who Should Succeed You?
One of the most important decisions you'll make as a business owner is naming the person who will take over for you. If you are in a business in which several family members are involved, this step could cause animosity among siblings and close relatives if not properly handled. So it is vital that you be candid with everyone and explain why your selection is best for all. Even if you head an organization that is not family-run, you should keep key employees informed regarding the reasons for your selection.

Of course the first step in naming a successor is proper recruiting. Part of the process of selection of candidates for key positions should be to assess their potential as your replacement. In most situations, no perfect candidate exists, but suitable coaching and mentoring should strengthen their ability to take over.

Set a Timetable
If you want your designated successor to stick around, you need to help her progress on the job and stipulate the timing of your exit. Without an idea of when you will actually depart the company, your designee might become restless and look for opportunities elsewhere.

Too, it is critical that you keep expanding your potential successor's job responsibilities so that she will get the needed experience to make major decisions. Consider also sending your designee to workshops and training programs that will help her gain skills that she can apply to your organization's benefit now and when she eventually takes over.

Train Subordinates for Future Roles
Succession planning is not just for the chief executive's position. You should have a succession plan for all your key personnel. You should ask your top executives who within your organization could succeed them, and you should require that they implement a plan to properly train subordinates for future roles in the management hierarchy.

Again, be sure these plans are in writing and contain job descriptions as well as instructions regarding how to handle critical tasks. Doing so will eliminate guesswork and minimize financial and procedural upheavals when key people leave for whatever reason.

Don't Neglect Your Customers and Vendors
While your succession plan is an internal matter, you should make important customers and vendors aware that you have a plan in place. They'll appreciate knowing because they'll want assurance that deliveries and payments will continue uninterrupted.

Determine Value of Business
Whether a family member, a groomed employee or an outsider takes over your business when you leave, you need to be compensated. You should hire a business valuation specialist who can determine the fair-market value of your organization.

Among the things he will assess are your cash flow, assets such as real property and inventory, and EBITDA (earnings before income tax, depreciation and amortization). The specialist also may incorporate goodwill into his valuation. Essentially goodwill includes such intangibles as your firm's reputation, trade secrets and other items that may influence how others work with your firm.

When you sell your business, you should have a lawyer draft a contract that indicates precisely what the components of the sale are. These may include the specific assets being sold, the inventory being sold and the designated date of turnover. Instead of an outright sale, you may want to consider a gradual sale in which the new owner takes over the day-to-day operation of the business and provides you with a monthly income over a specific period.

Of course you may be in a situation in which you are unable—or prefer not—to sell or turn over your business. Still you need an exit strategy. You will need to settle any debts, close bank accounts, and cancel business credit cards and utilities. If you are incorporated, you will need to legally dissolve your business or otherwise you are obligated to continue filing taxes on it until you do. And depending on the number of employees you have, you may be required to provide them with 60 days advanced notice of your impending closure.

Plan for Your Retirement
Aside from planning how to exit your business and who will take over, you should have a retirement plan in place. Don't rely on selling the business to completely fund your retirement. Your business may not be as valuable as you think.

So over the course of your working life, you should be contributing to a retirement program, whether it be a self-employed 401(k), a SEP IRA, a SIMPLE IRA. You should consult a qualified financial adviser as to the most appropriate plan for you and your business (especially if you have employees). Regardless, you should regularly contribute to the plan.

You should also have adequate life insurance. Your life insurance policy could allow your heirs time to sell your business without being under undue financial stress. It could also help them pay off any outstanding business debts.

Consult Your Advisers
You should review your succession plan at least annually. As your business grows and you age, you may want to make adjustments. Also, that vice president who you designated to succeed you may have left.

You also will want to periodically consult your key advisers, such as your lawyer, banker and CPA. Selling your business or leaving it to your heirs can have tax implications. You'll want to ensure that transferring your business before or after your death is handled in such a way so as to minimize your or your estate's tax obligations.

If you are looking for a CPA to advise your business, you can search for one through the Find a CPA service available at CalCPA.org, the website of the California Society of CPAs, the nation's largest state CPA association.

Succession planning should be an ongoing activity in your organization. You worked hard to make your business a success. So why not plan to leave it in a shape that will make you proud.

Stephen Tierney
Stephen Tierney, CPA, is a partner in the firm of Nienow & Tierney LLP in Tustin. He specializes in advising a variety of industries, including construction, real estate development, manufacturing, professional services and not-for-profit organizations. He currently is the president of the Orange County/Long Beach Chapter of the California Society of CPAs. You can reach Nienow & Tierney at 714.836.8300 or info@ntcpas.com.

Crossing State Lines: Complexities of State Business Taxes

Many state governments are placing an increased emphasis on ensuring that out-of-state businesses that should be paying sales and income taxes are registered and are paying the proper amount of taxes. Many states have discovery departments for the very purpose of locating these companies. States have also formed partnerships with federal agencies to provide a nationwide scope and are sharing audit findings and tips.

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When a Business Is Liable
A state attempting to force a non-resident business to comply with its tax code must first obtain "nexus" over this taxpayer that gives the state the legal right to make such a request.

Businesses generally have nexus for sales and use taxes when they have a physical presence in a state. Direct physical connections involve sending employees (independent contractors/agents), having property (inventory/offices), or performing services in the state. Owning or leasing real or personal property can establish physical presence, but less obvious nexus-creating activities can include providing services and making deliveries other than by mail or common carrier.

Nexus for state income taxes generally requires that income be derived from sources within a state or via activities in the state beyond soliciting orders for sales of tangible personal property that is shipped from outside the state. In addition, several states have asserted "economic nexus" based on an economic connection to the state independent of any physical presence.

Income Apportionment and Revenue Sourcing
The Uniform Division of Income for Tax Purposes Act ("UDITPA") was developed to provide states with standard rules for allocating and apportioning the income of a multistate corporation. UDITPA was incorporated into the Multistate Tax Compact ("Compact"). In 2014, the Multistate Tax Commission ("MTC") adopted a comprehensive overhaul of Article IV of the Compact focusing on Income Apportionment and Revenue Sourcing. However, the MTC is currently in the process of drafting a number of clarifying model regulations.

Taxpayers typically apportion business income to a state using an apportionment formula containing one or more "apportionment factors." UDITPA advocates the use of an evenly weighted, three-factor apportionment formula this is calculated by taking into account the sales factor, property factor and payroll factor.

In response to economic development pressures, many states moved from the three-factor apportionment formula in favor of a formula that double-weighs the sales factor.

An increasing number of states have gone further and adopted a single sales factor apportionment formula. The effect of the increased reliance on the sales factor is to reduce or eliminate the influence of in-state property and payroll on a taxpayer's state income tax liability.

Sourcing revenue in the different states where you do business can be tricky, because not all states follow the same rules. In most states, you must distinguish between revenue from the sale and rental of tangible personal property, rental of real property, and receipts from intangibles and services. There are two different methods used by states to source revenue from services performed in multiple sates:

- ▶ **Cost of Performance** – If the majority of costs are incurred in one state, then all of the revenue generated from the service is sourced to that state.
- ▶ **Market-Based Approach** – This method sources receipts to the state that provides the market for the taxpayer's services regardless of where the services are produced or performed.

It's important to consider your company's activities in all states. This assessment is necessary to ensure that a strategic move designed to save taxes in one state is not offset by increased taxes in others.

Nexus issues, income apportionment and revenue sourcing are complex topics and are worth consulting with an accounting firm to guide your company in the right direction.

Fernando Jimenez, CPA, MST
Fernando Jimenez is the chief executive officer and tax partner of RJI CPAs. Fernando has specific experience in corporate re-organizations, buy/sell transactions, representation before the IRS and state agencies, succession planning, operations planning and transactional analysis. Fernando can be reached at 949.852.1600 or fjimenez@rjicpas.com.

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Bhindi Jewelers began its journey in 1929 in the Fiji Islands. Eighty-seven years, three generations and four store locations later, Bhindi Jewelers has become a household name and trusted source in the jewelry and timepiece industry.

With the firm belief that both a truly personal experience and high-end ambiance need not be mutually exclusive, Bhindi created a showroom that exemplified the marriage of these two principles. In March 2016, the flagship store in Artesia underwent a major renovation. The once 7,000-square-foot showroom now spans more than 17,000 square feet and boasts a market-leading collection of gold and diamond jewelry and luxury timepieces over two floors. Custom-built shop-in-shops within the showroom dedicated to six watch brands allow clients to immerse themselves in the individual brand experience. From its early years trading primarily in gold jewelry, to custom-designed diamond pieces, and now to high-end timepieces, the Bhindi brand has undergone an evolution of luxury making it a one-stop shop for all clients looking for a truly upscale and intimate retail experience.

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HOW IMPORTANT IS PAY?

Hiring talent is similar to the stages of a relationship: Courtship. Proposal. Marriage. And just like its romantic counterpart, the things that attract us to a company initially may not be the same things that keep us interested and committed.

What will it take to woo, engage, and retain talent?

The Courtship

What are candidates tempted by initially? Money.

According to a CareerBuilder survey, 75% of employees were either actively looking for or open to new opportunities, and the number one reason was "higher base salary." This is consistent with the findings of a LinkedIn survey of members who recently changed jobs. The top motivator that convinced them to jump ship was "better compensation and benefits."

What this means for you: There's a big pool of candidates who are open to companies that offer attractive compensation packages. At the same time, don't rely solely on "good looking" salaries to lure fresh talent or you may find yourself with a revolving door of employees. Top candidates want more. In the interview process, connect their unique abilities and core values to the corporate vision and they will be more emotionally invested.

The Proposal

You've successfully wooed the candidate, but how do you keep them engaged? MSW Research and Dale Carnegie Training conducted a study that found 45% of employees are partially engaged, 26% are disengaged, and only 29% are fully engaged. Several factors drive employee engagement, better performance, and personal satisfaction, including:

- A good relationship with the immediate supervisor
- Belief in senior leadership
- Pride in working for the company
- Recognition
- Autonomy
- Mastery
- Purpose

What this means for you: A shift from disengaged to engaged employees increases morale, trust, and productivity and reduces turnover costs. Identify your company's strengths on the above list, as well as the areas where your company could use improvement and act accordingly.

People support a world they help create so consider conducting brainstorming sessions to help define what is most important to your employees.

The Marriage

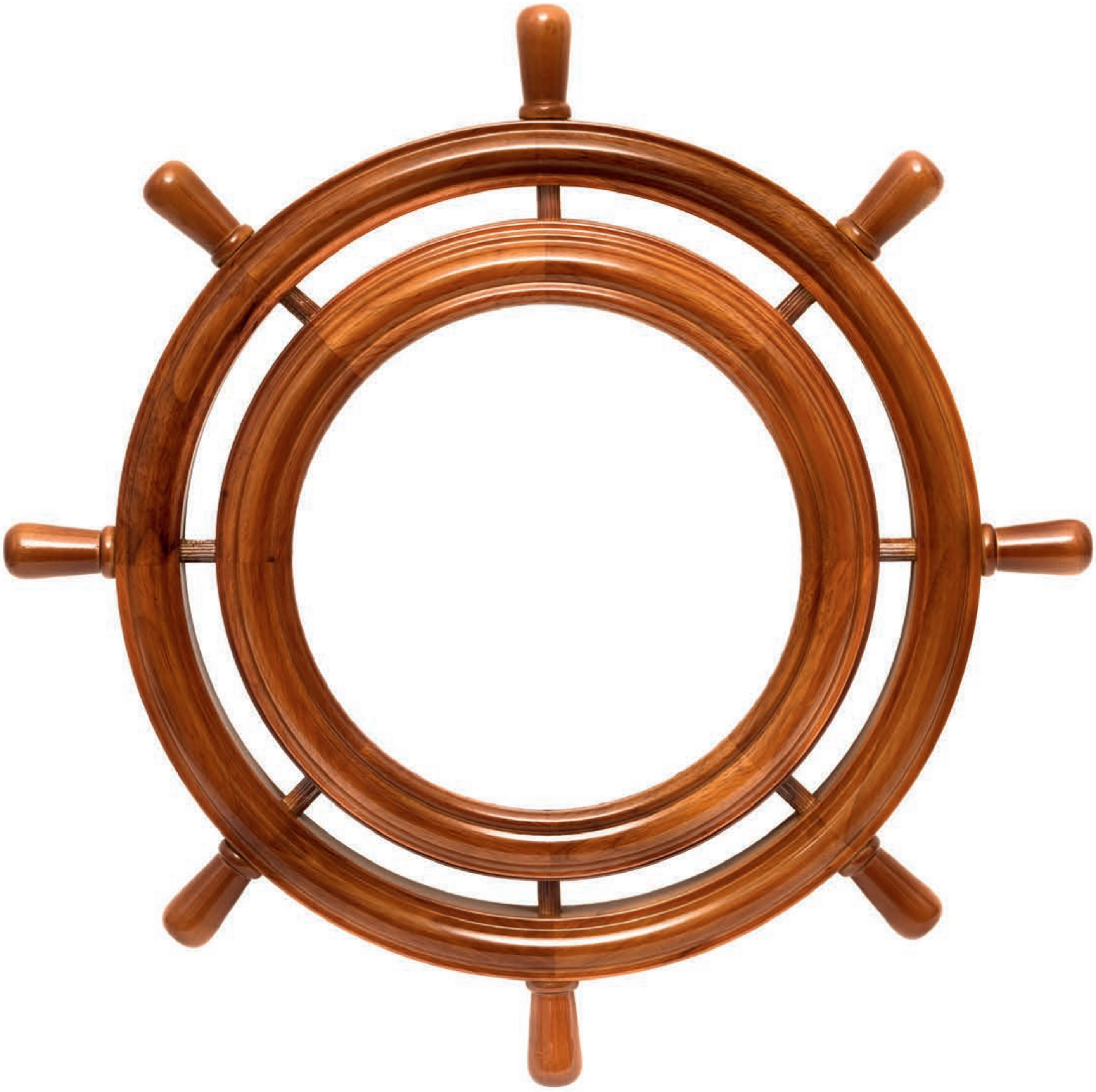
Candidates are more willing to commit when the following five contributors are achieved, according to SHRM:

- Respectful treatment of all employees at all levels
- Compensation and pay, (top five since 2002—jumped from fourth to second position in 2015)
- Overall benefits
- Job security
- An opportunity to use skills and abilities tied with trust between employees and senior management

What this means for you: As organizations compete for top talent, candidate expectations will continue to run high so organizations may need to tailor their retention and recruitment strategies, creating a total rewards program rather than relying solely on a lucrative compensation and benefits package.

As we all know, a great first date doesn't necessarily lead to marriage. Financial incentives may entice more applicants, but it's not the money that connects an individual personally to an organization and keeps them there for the long run. Focus on core values and what matters most to them and then act on it!

For more information, please contact Lisa Pierson, President of Advantex Professional Services, at 949-331-1102 or lpierson@advantexps.com.



New Year's Resolution: Win More Business

For executives, marketers, salespeople and their companies, it's a new year, a new goal. And for most, the numbers only increase. Embarking on the new year, employees will continue successful initiatives and replace others with new ideas in pursuit of greater results.

In business-to-business sales, in-person communication is often preferred to build personal relationships and ultimately close deals. Gaining personal access to clients puts salespeople in position to achieve goals and drive success. Yet in today's world, it is increasingly difficult to secure the in-person meetings that are so desired. How can companies create more opportunities for in-person engagement with their clients and prospects?

Chad Sidles, Senior Vice President, Employee Benefits Division for Hub International

Live Events as a Business Solution
More money is being invested into live events than ever. According to the *PwC 2016 Sports Outlook*, ticket revenues have grown 13% from 2011-2015 with expectations of 2.7% compound annual growth over the next five years. Additionally, a 2014 Harris Poll found that, relative to total U.S. consumer spending, the share of consumer spending on live experiences has increased 70% since 1987.

There are no signs that trends are slowing. In the 2014 LiveAnalytics "U.S. Live Event Attendance Study," 85% of event attendees expected to attend the same or more number of events in the subsequent year. For companies that recognize how these experiences are valued, live events are useful tools for in-person engagement and valued quality time with clients.

Orange County Live Event Focus: Angels Baseball
Opened in 1965 and welcoming more than 3 million attendees annually, Angel Stadium is the preeminent entertainment venue in Orange County. Led by American League MVP Mike Trout and nine-time All-Star Albert Pujols, each game presents an opportunity to see history made.

But the Angels approach is about more than on-field play. The organization works with clients to provide a fantastic customer experience that creates business opportunities. When discussing her Angel Stadium suite, Ann Page, Vice President of Client Relations for Priority Workforce, mentions, "It allows us to get in front of people that we would not have had the opportunity to meet elsewhere." Chad Sidles, Senior Vice President, Employee Benefits Division for Hub International, adds, "The suite really helps, I believe, deepen our relationships with our clients and new business opportunities by giving us the chance to get to know them better in such a fun fulfilling environment."

Clients also receive tangible results from bringing clients to Angels games. John Robertson, Partner at law firm Robertson & Culver, said, "I invited a good client of mine, and one of the representatives is a *huge* Angels fan. It was no surprise to me that pretty shortly thereafter that client became my largest client in my firm."

The Angels client-centered approach drives the customer experience. John Ratliff, CEO & President of Reata Holdings says, "I give a lot of credit to the Angels because the Premium staff goes out of their way to accommodate our needs and really deliver a first-class experience. That connection with the Angels Premium group really is one of the deciding factors in us continuing to do business with the Angels." Sidles adds, "It's really the people and exceptional services," continuing that his suite ownership "makes me feel proud, makes me feel special…and it's a very fulfilling experience."

For more information regarding Angels Baseball corporate hospitality and premium experiences, please visit www.angels.com/premium or call 877.779.9961.

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When it's the highest quality, perfectly crafted, and undeniably beautiful, a piece of jewelry that's seemingly simple makes a statement about the wearer. Jewelry sets a tone and conveys an image. Make your personal appearance one of being professional and put together exuding confidence and style.

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Choose subtle, timeless pieces such as these Cutlet Up Rose Cut Drop Earrings by Lugano Diamonds that redefine the classic diamond studs. With Rose Cut Diamonds of 3.72 and 3.59 carats, more than 328 round diamonds surround the sparkling center stones.

Style Tip: *Select simple pieces if you plan on wearing both a necklace and earrings or wear one or the other. Less is more.*

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This Lugano Cognac Diamond Briolette Bracelet has 80 Cognac Diamonds totaling 12.42 carats and represents both beauty and quality craftsmanship. The Briolette Cut is a drop-shaped stone with triangular or diamond-shaped facets all the way around resulting in brilliance from every angle.

Style Tip: *Avoid wearing clinking bracelets.*

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Lugano sets the tone for high achievement with this 9.06 carat Cushion Halo Ring with 287 round diamonds. Successful people surround themselves with other successful people - wear your jewelry proudly with confidence.

Style Tip: *Unless they are stackable, wear one or two rings, but no more.*

Send a Signal of Power.

Most men wear cufflinks in business and social settings as an accent to a suit. While there is no hard and fast rule, people should wear cufflinks in work-related settings when they are conducting business. Lugano designed these Diamond Titanium Cufflinks with two Rose Cut Diamonds using lightweight titanium versus heavier metals such as gold, silver or platinum.

Style Tip: *Coordinate cufflinks with your watch, wedding ring or shirt color and differentiate your look from others.*

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Paul Anthony, CFO & Corporate Secretary
Auxilio Inc., Mission Viejo

Paul Anthony has led Auxilio, a publically traded company, through tremendous growth in the last decade, helping the company to achieve a compounded annual growth rate of 30% from 2011 to 2015. Auxilio is a Print as a Service provider for the healthcare industry that aims to remove unnecessary print. In a time when IT security and HIPAA compliance is a top priority for healthcare organizations, Auxilio has diversified its offering through acquiring two cybersecurity companies. The foresight, jointly led by Anthony, to move into cybersecurity has created additional revenue streams for the company, while continually providing expertise to its customer base of more than 220 of the nation's leading hospitals and health systems. Auxilio is expecting a strong 2016, repeating the record revenue met in 2015. In just the last five years, the company has grown from $15 million in revenue to $60 million in revenue. Most recently, Anthony built an internal Human Resources team to serve more than 300 of its nationwide employees, a 280% growth from when he started in 2005.

Jim Balas, CFO
CoreLogic, Irvine

Jim Balas joined CoreLogic Inc. in 2011 as SVP and controller – approximately one year following the separation of The First American Corp. into two separate publicly traded companies—CoreLogic (CLGX) and First American Financial Corporation (FAF). In April 2016, Balas was promoted to CFO under Anand Nallathambi's leadership. From the time Balas joined CoreLogic, he led the transformation of the finance function and has served as a key leader in various strategic initiatives which have resulted in margin expansion of more than 1,000 bps and significant shareholder returns of more than 200%. Since 2011, Balas' major accomplishments include leading the company's finance transformation initiative, which yielded annual cost savings of more than $15 million per annum; optimizing the mix of businesses in CoreLogic through acquisition/divestiture activities, resulting in the exit of certain non-core businesses with revenues of more than $500 million while simultaneously adding revenues of more than $600 million through approximately 20 acquisitions.

Brad Biddle, CFO
Insulectro, Lake Forest

For more than 10 years, Brad Biddle has been at the financial helm of Insulectro, a privately held company that is the preeminent distributor of materials used in the construction of printed circuit boards and printed electronics. As CFO, Biddle has been instrumental in implementing cost-reduction efforts that have eliminated waste, minimized write-offs, and improved Insulectro's general efficiency and financial health. He is known at Insulectro for his "can do" attitude. He is always the first to accept new challenges and propose solutions. Recently, Biddle negotiated and closed new agreements with suppliers resulting in a 20% growth in revenue; reduced inventory write-offs from 1% of sales to 0.25% of sales; reduced bad debt write-off from 1% of sales to 0.01% of sales for nine consecutive years; increased volume rebates with vendors saving $500,000 per year; and streamlined freight lines saving $200,000 per year.

Steve Brake, Executive VP & CFO
Del Taco Holdings Inc., Lake Forest

As the CFO of the now second-largest Mexican-American quick service restaurant chain by units in the United States, Steve Brake's accomplishments have been recognized by not only his company peers, but also the entire QSR industry. In 2010, Brake led Del Taco as it completed a recapitalization transaction that involved a refinancing of the company's existing debt, the sale of a southeast subsidiary, and an investment of equity capital. The new senior credit facilities featured a $160 million term loan and a $39 million revolving line of credit. In 2015, his extensive knowledge in financial transactions and passion for the 51-year-old brand helped guide the company through a successful merger with Levy Acquisition Corp., a special purpose acquisition company that catapulted the organization's growth and expansion. One of Brake's most notable accomplishments was his successful navigation through this strategic and complex transaction that pushed the Del Taco brand to new heights. At the close of the transaction on June 30, 2015, Del Taco became a publicly traded company on the NASDAQ, which provided the chain with additional capital to accelerate expansion.

Jo Ann Escasa-Haigh, EVP & Chief Integration Officer, Providence St. Joseph Health; EVP & Chief Financial Officer, St. Joseph Health
Providence St. Joseph Health, Irvine

Jo Ann Escasa-Haigh is the executive vice president of finance and chief integration officer of Providence St. Joseph Health, one of the country's largest health systems which was recently formed from the coming together of St. Joseph Health and Providence Health & Services. Escasa-Haigh was hired at St. Joseph Health in 2007 and rose to top executive positions, becoming the chief financial officer of the $6 billion not-for-profit organization. Today, she is responsible for the St. Joseph Health division's accounting, regulatory and management reporting, operational and capital budgeting and forecasting, decision support, insurance risk management, treasury services, supply chain operations, real estate/master plan and revenue cycle services. Escasa-Haigh is also the chief financial officer of Professional Services Enterprises, a St. Joseph Health affiliate formed to participate in health care real estate ventures. Given her track record of success and ability to bring people together, it was not surprising that she was tapped for the mammoth job of integrating all corporate level functional areas when St. Joseph Health and Providence came together.

Joyce Foley, CFO
Second Harvest Food Bank of OC, Irvine

Joyce Foley is responsible for all of the administration functions of Second Harvest, including the nonprofit's finance, HR and information technology. When she first arrived 27 years ago, Second Harvest Food Bank of OC was a much smaller organization operating under the parent organization of the Society of St. Vincent de Paul. Foley started as an assistant, and over the years was promoted to controller, director of administration and now CFO. She has been a critical player in the growth of Second Harvest and its ability to provide food for more than 200,000 people each month. She has professionalized the organization with financial accounting systems, attractive employee benefits, and workflow processes that enable the organization to attract top talent and run efficiently. Most notably, Foley established and transitioned Second Harvest Food Bank as a new corporate entity in 2012, which included changing all bank accounts and legal information and creating new administrative policies, procedures and systems to enable Second Harvest to operate as a separate corporate entity.

Robin Hiatt, Treasurer
Diamond Sports, Santa Ana

Robin Hiatt been a part of the Diamond Sports team since 1988. Diamond Sports is a manufacturer of sporting equipment. Hiatt currently serves as treasurer for the company. Outside of these professional duties, Hiatt is involved with children in coaching youth sports and The Church of Jesus Christ of Latter-day Saints. Hiatt currently serves on the executive committee of the Sporting Goods Manufacturers Group and is a member of National Association of Credit Management. Hiatt is a graduate of Brigham Young University – Provo, BS in Business Management.

Jeff Ishmael, CFO
Cylance, Irvine

Jeffrey Ishmael joined Cylance as its eighth employee while the company was still in startup mode. Cylance is a cybersecurity products and services company focusing on stopping tomorrow's attacks today. The company is working with more than 1,000 companies and "millions of endpoints," with clients including government agencies and large businesses. Billings have grown over 1,000% since first being launched in 2012, and customer numbers have increased 785% in that period. Under Ishmael's financial leadership, Cylance has raised more than $177 million through four rounds of VC funding; with the latest Series D funding of $100 million in June 2016. In his prior role as CFO at DC Shoes, in partnership with the president, he improved the quality of brand revenues and effectively grew revenues annually over a three-year period during a difficult retail environment.

Scharrell Jackson, Chief Financial and Administrative Officer
Squar Milner LLP, Newport Beach

Scharrell Jackson has played a major role in the growth and success of Squar Milner LLP, one of the nation's 70 largest accounting firms, as well as one of the largest independent accounting and advisory firms in California. Jackson has been with Squar Milner since February 2000, and in her role has had direct oversight of administrating and executing the expansion of Squar Milner's the footprint from one office in Orange County to five offices throughout Southern California; including the successful execution, implementation and integration of more than six mergers and/or acquisitions and seven organic expansions, increasing revenue and profits year over year. She has also improved employee performance and efficiency through implementation of team building, leadership training and mentorship. Squar Milner's financial and accounting professionals provide audit, high-end tax, accounting and consulting services to closely held businesses and SEC companies, their owners and middle-to-high net worth individuals.

Stacey Kato, CFO
Doctor's Best Inc. & Vitabest Nutrition Inc., Irvine

Doctor's Best Inc. is a science-based nutritional supplement company. Stacey Kato's greatest challenge over the last five years has been one of managing change. This included three changes in ownership, as well as three CEOs. Kato is the only remaining executive of the original management team. In 2016, Kato was assigned the additional responsibility, serving as the CFO of Vitabest. Kato was originally hired by the company's founders, Ken and Renate Halvorsrude, to assist in the eventual sale of Doctor's Best. About four months after Kato joined the company, Renate passed away and Kato was asked to assume responsibility for the supply chain operation and remedy a significant back order problem, which he successfully resolved. The company was sold to private equity firm, North Castle Partners, in 2013 and a new CEO was hired. In late 2014, the majority of the company was sold to a strategic buyer at more than three times North Castle's original purchase price. Subsequent to the purchase of the company, Kato was asked to assume the additional responsibility of CFO for Vitabest, a sister company to Doctor's Best.

Kashif Khan, Director of Finance & Administration
United Cerebral Palsy of Orange County, Irvine

After a celebrated career in the tech industry and with other nonprofits, Kashif Khan joined UCP-OC Life Without Limits in early 2014. Since that time, he has been instrumental in the reorganization of UCP's financial operations and bringing it to long-term sustainability. Additionally, Khan was essential in the development of an enterprise-wide practice management solution that greatly contributed to the long-term success of a nonprofit that's only mission is to improve the lives of children with delays and

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Wells Fargo Middle Market Banking congratulates the **2017 OCBJ CFO of the Year Awards nominees** for their passion and commitment to excellence.

Orange County Middle Market Banking

Michael Bennett
714-712-2500 • michael.j.bennett@wellsfargo.com

Paul O'Mara
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Together we'll go far

disabilities. Khan goes far above and beyond what is required of his duties. He also volunteers his time with UCP's children, helping caregivers and working fundraising events. UCP of OC helps children with disabilities reach their full potential, improve the quality of life for their families, and foster an attitude of acceptance and inclusion. The organization helps more than 3,700 kids a year.

Chris Lawrence, CFO
American First Credit Union, La Habra

Chris Lawrence has been in finance for more than 12 years, after spending time in academia teaching high school and college. He started his finance career with banks and investment banks. He ended his for-profit finance days after being one of eight founders of Opus Bank and raising $460 million. He did this while graduating at the top his class with his MBA at the Paul Merage School of Business at UCI. Almost three years after the start of Opus Bank, he became the CFO of the nonprofit American First Credit Union (AFCU). Since joining AFCU, the new management team has restructured the balance sheet and core income has more than doubled. A Commercial Real Estate division is now operational and vibrant, and a wholesale division is now operational. AFCU struggled during the Great Recession and was almost seized by regulators in 2010. Now, after completing its most recent regulatory review, AFCU received improved ratings and no audit findings for the first time in years.

John Luker, CFO
Orangewood Foundation & Samueli Academy, Santa Ana

John Luker has spent the last 15 years in Orange County as the CFO of the nonprofits, Orange County Rescue Mission and Orangewood Foundation. During his time at these two nonprofits, Luker has overseen the construction and project-managed the completion of more than $85 million in assets that have been used to help the homeless and foster children in our community. These assets include the Village of Hope in Tustin; Hope Family Housing in Buena Park and Orange, Corona Norco Rescue Mission; and most recently, Samueli Academy, a public charter high school in Santa Ana. On the Samueli Academy campus, Luker successfully negotiated and completed a refinance of existing debt of $12.6 million into tax exempt financing. As a result of the refinance, the carrying cost of the debt through the end of the term was reduced by more than $1 million.

Chris Martin, CFO
Kush Bottles Inc., Santa Ana

Chris Martin serves as CFO of Kush Bottles Inc., a leading wholesaler of marijuana and cannabis packaging. In his tenure with the company, Martin was part of the team that took Kush Bottles public, more than doubling revenues. He structured and facilitated the acquisition of Dank Bottles LLC, which resulted in significant growth for the company. In addition, Martin also navigated Kush Bottles through two audits, four quarterly reviews, and a Form 10 registration statement filing – resulting in the company becoming a fully reporting registrant with the SEC. Among his other accomplishments, Martin facilitated the raise of approximately $1 million through the issuance of stock; secured a line of credit for the company; designed a system of internal controls, which has yet to result in a single deficiency; and refined all processes within the administrative, accounting, sales and warehouse departments.

Michael Martinson, CFO & Secretary
Ambry Genetics, Aliso Viejo

Michael Martinson is the CFO and secretary of Ambry Genetics Corp., where he manages the company's finances and accounting. Martinson previously held a role as the financial controller at Ambry Genetics. Prior to joining Ambry, he worked at Squar Milner LLP as a senior auditor with a focus in life sciences. At Ambry, he implemented a new billing system customized for medical claims adaptable to the coding system post-Affordable Healthcare Act. He also moved the company from manual billing system to a fully automated one. Martinson received his BA in Business Administration-Accounting from California State University Fullerton College of Business and Economics. Ambry Genetics is a privately held healthcare company with the most comprehensive suite of genetic testing solutions for inherited and non-inherited diseases.

Joe McCarthy, SVP Finance & Administration & CFO
Sunrise Growers Inc., Placentia

Sunrise Growers (Frozsun Foods) is the leading processor of conventional and organic individually quick frozen fruit in the United States. Sunrise Growers offers an assortment of frozen fruit products in a variety of packaging formats serving retail private label and food service customers. Joe McCarthy serves as the company's senior vice president finance and administration, and CFO. Sunrise Growers was in a turnaround situation in 2005 when the company was owned by a private equity firm. McCarthy helped lead dramatic changes in the business, and the company was sold to a different private equity firm in 2008, then again in 2013. In October 2015, Sunrise Growers was again sold to strategic buyer. Due in large part to McCarthy's efforts through internal growth and acquisitions, company sales, profitability, employment and valuation all went up substantially during this time.

James Molloy, EVP & CFO
Alorica, Irvine

Upon joining Alorica in 2013, James Molloy implemented a long-term financial strategy that combined organic growth with transformational acquisitions. As a result, Alorica has transformed itself from a primarily U.S.-based outsourced communication solutions company into the third largest customer experience solutions provider in the world – with 150 locations in 16 countries, spanning five continents. Due to Molloy's leadership and dedication, the company's financial performance during this period has been remarkable. Alorica's revenue has grown more than four times since 2013, and recurring EBITDA is up nearly six times from 2013 through June 30, 2016. Equally important, since 2013, Molloy has helped drive EBITDA margins up nearly 14%. Key to this growth – and to Alorica's transformation – was the company's acquisition of two major competitors.

Debra Morris, Executive VP, CFO
Apria Healthcare, Lake Forest

Debra Morris's broad, executive-level experience include leadership roles in the healthcare, automotive, business process outsourcing and real estate verticals. While a CFO is tasked with driving fiscal responsibility and enterprise-wide stewardship, Morris extends beyond this scope to help shape the strategy of each company she serves. At Apria, as with previous roles, Morris constantly challenges the status quo by appealing to the organization to question long-held views. Morris has also brought much-needed discipline to the planning, project management and financial tracking aspects of Apria. She has assembled a highly productive Finance and Accounting team – and when the need expands beyond the Finance discipline, she excels at assembling a cross-functional team of experts to help her understand the business. Apria Healthcare is one of the nation's leading providers of home respiratory services and certain medical equipment. Apria owns and operates more than 400 locations throughout the United States and serves more than 1.8 million patients each year.

Jeremy Moser, CFO
Vanguard University, Costa Mesa

Since arriving at Vanguard University, Jeremy Moser has negotiated a $30 million loan with F&M Bank and reduced the school's interest rate by almost half, which has saved $3.8 million in interest. He initiated internal audits, changed the budget model from incremental to responsibility center management, and is in the process of implementing new budgeting software that will help Vanguard identify profitability data down to the student-unit level. In addition, as CFO, Moser is the staff liaison to the Audit, Finance, and 403b Board Committees for the university. He also leads the Risk Management Committee, Travel Risk and Advisory Committee, and the Faculty Senate Finance Committee. Finally, he also serves as CFO for the Vanguard University Foundation, a subsidiary of the university that manages its $5 million endowment, where he is the staff liaison for the Investment and Finance Committee of the Board.

Francisco Nebot, CFO
Schools First Federal Credit Union, Tustin

Under Francisco Nebot's leadership, Schools First Federal Credit Union (SFFCU) has grown from $8.5 billion and approximately 463,000 members to more than $12.5 billion and approximately 707,000 members. It is currently the largest financial institution in Orange County. On breeching $10 billion in total assets in 2015, Nebot led the SFFCU response to the Capital Stress Testing Rule from the National Credit Union Administration, and passed each time to date. Nebot has overseen mergers with the following credit unions: El Camino College FCU, Service Plus CU, Uselt FCU, Mutual Diversified Employees CU, All Valley FCU. In 2015, SFFCU was named "Best Credit Union" by Consumer Reports.

Lynda Nguyen, Controller
Razor USA LLC, Cerritos

Razor was founded in 2000, when it created the scooter craze in the United States. Since then, the company has experienced consistent growth, requiring the Accounting/Finance team to adapt to increasing demands while minimally increasing resources. Lynda Nguyen joined the company in 2006, and since then the company has more than tripled in size. She began by improving the quality of the accounting records and processes for the company. She instituted stronger internal controls and established procedures to shorten the monthly close from more than 20 days to five days. She has developed her staff to be able to handle more demands on their time as the company has become larger and more complex. She saved the company more than $1 million through foreign currency hedging contracts, and she reduced costs by renegotiating merchant services contracts. She has worked with the auditors to keep audit fees level despite consistent company growth, and she collaborated with outside tax accountants to save more than $3.5 million in taxes through implementation of an R&D tax credit program.

Anna Nursalim, CFO
New Horizons Learning Group, Anaheim

New Horizons Learning Group (NHLG) provides computer training for individuals, businesses, government and military. A significant portion of NHLG's business comes from dealing with the consumer section, which requires a high amount of cooperation with the government. As a result of this, NHLG goes through extensive audits. As CFO, Anna Nursalim is an essential part of these audits. Nursalim has shown extreme dedication to the continued growth of this side of the business, committing herself to helping with these audits in any manner. She drops other work to ensure all numbers to present for audits are consistent, and goes above and beyond to ensure that records of students' progress are prepared and accurate. In her position, she has been instrumental in preparing a General Services

Colin Severn, Chief Financial Officer

A *leader* is one who knows the way, goes the way, and shows the way.

- Jon Maxwell

Congratulations to Colin Severn

from your friends & colleagues at
William Lyon Homes on your nomination!

William Lyon Homes is recognized as one of the largest and most respected homebuilders in the country. More than 120,000 William Lyon Homes can be found throughout California, Nevada, Arizona, Colorado, Washington and Oregon.

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Administration application, established to capture DOD and military business. Nursalim has also been a key contributor in launching the company's consulting arm, ALAMOM Consulting Inc.

Charles Pruitt, Principal & CFO
LPA Inc., Irvine

As one of the largest integrated design firms in California and Texas, LPA provides architecture, planning, landscape architecture, interior design, engineering and graphic/signage services from early program development to project closeout. For more than 22 years, Charles Pruitt has held a significant role in the financial and operational success at LPA. Pruitt has a passion for finding ways to optimize the financial success of the firm. In his role as CFO, Pruitt's key duties are to oversee the firm's finances and manage the Business Group, which includes responsibility for the day-to-day operational performance of the firm, policy coordination and various support functions. He serves as a member of LPA's board and various committees. To date, Pruitt has been instrumental in the growth of LPA, with a sevenfold increase in staff and revenues, and a 16-fold increase in financial performance during his tenure. By 2016, LPA will have billed clients over $1 billion in fees with almost 90% of it occurring during Pruitt's time with the firm.

Kevin Rubin, CFO
Alteryx Inc., Irvine

Kevin Rubin joined Alteryx, the leader in self-service data analytics, to establish the organization's professional general and administration function, including finance, accounting, IT, legal, and tax to support rapid growth. Rubin's key hires include the company's general counsel, corporate controller and director of business systems. Some of the key initiatives he instituted have been implementing strong processes and controllers, dynamic KPI reporting and insights; and building business infrastructure to support growth, as well as a provider network to support the company. Prior to joining Alteryx, Rubin was CFO of MSC Software, a private-equity backed software company. He was responsible for managing MSC through significant transition, including aligning the financial and business operations to support MSC's growth through systems, processes and human capital.

Dessi Sarabosing, SVP Finance & Accounting
Real Mex Restaurants, Cypress

When Dessi Sarabosing joined Real Mex Restaurants two years ago, the business was in a double-digit decline. Since its emergence from bankruptcy in 2012, Real Mex has had multiple leadership teams who have treated the "symptoms," but not the core problems. Today, Real Mex is a different company. Sales have been outperforming the restaurant industry and casual dining category for 16 consecutive months. Sarabosing has been the driving force behind much of this transformation. As a relentless change agent, Sarabosing has helped define the company growth strategy and roadmap to success, which included increasing profitability by real estate portfolio prioritization, upgrading teams, decentralizing the organization to support the different brands, and investing in leading technology and tools to improve visibility. Given the tangible improvement in the organic growth, the ownership group approved Real Mex's aspirations to complete a strategic acquisition within 12 months.

Sanjay Sardana, Executive VP & CFO
International Education Corp., Irvine

Sanjay Sardana joined International Education Corp. (IEC) in 2015. He is a seasoned operations and finance executive with more than 15 years of experience with education and healthcare. As soon as he joined IEC, Sardana started to create structure, organization and discipline in the accounting, finance and administration verticals. He made many significant changes that streamlined processes, created transparency for all and integrated much-needed internal controls. As a result of his leadership, the company now enjoys financial health and has a clear path for the next five years. Prior to joining IEC, Sardana worked for Carrington Colleges. Sardana has also been the senior vice president of finance and operations for a startup online school, Ultimate Medical Academy, based in Tampa. Before joining private sector education, he spent five years at The Mentor Network, a billion-dollar diversified managed healthcare services organization as the business director for the east. International Education Corp. is a premier national provider of postsecondary career education and offers top quality programs in high demand verticals such as healthcare, business, technology, transportation and criminal justice.

Todd Schull, CFO, Executive VP, Treasurer & Secretary
TTM Technologies, Costa Mesa

Todd Schull has demonstrated exemplary ability, service and leadership throughout his career. He has more than 30 years of financial management and electronics industry experience in the United States, Europe and Asia. He currently serves as the executive vice president, CFO and treasurer of TTM Technologies Inc., a leading independent supplier of printed circuit boards. He was instrumental in the successful completion of TTM's $250 million Senior Notes offering in December 2013, TTM's acquisition of Viasystems Group in May 2015, and the company's $975 million debt refinancing in September 2016. Prior to joining TTM in 2013, Schull served as SVP of Finance and corporate controller of Sanmina Corp. He has also held leadership positions with Ultratech Verbatim Corp., Solectron Corp., Tidal Software, Repeater Technologies and VA Linux.

Colin Severn, CFO
William Lyon Homes, Newport Beach

Colin Severn has been an instrumental member of the William Lyon Homes team since joining the company 13 years ago. His expertise, insights and guidance have helped build William Lyon Homes into one of the premier homebuilders in the Western United States. By the end of 2012, he helped the company restructure all of the secured debt from the bankruptcy restructure into an unsecured bond with lower cost of capital. In 2013, Severn helped the company execute a successful IPO, and in 2014, the acquisition of Polygon Northwest Homes. In the last several years, he has raised more than $1 billion in debt and equity in the capital markets. As CFO, he oversees accounting, finance, treasury and investor relations functions. Founded by General William Lyon, William Lyon Homes has been a staple in Orange County for more than 60 years. Over this period, the company has sold more than 97,000 homes to residents in California, Arizona, Washington, Oregon, Nevada and Colorado.

Guita Sharifi, CFO
AIDS Services Foundation Orange County, Irvine

As CFO of AIDS Services Foundation Orange County (ASF), Guita Sharifi consults with ASF CEO and executive director, Philip Yaeger, to meet the vision and strategic goals of the organization by providing financial transparency, cost savings and improving efficiency through financial and operational oversight. Sharifi is equipped with extensive knowledge in navigating major changes in the nonprofit healthcare sector. Sharifi's duties at ASF include diversifying funding, improving efficiency in revenue cycles, budgeting and supervising the financial department. Prior to joining ASF, Sharifi served as the chief operations and financial officer for Rose Garden Holistic Care and consulted with Acacia Adult Day Services, where she worked with principal owners to setup systems, licensures, policies and procedures, and developed financial projections. ASF has grown steadily over the past decades, cultivating a committed and caring group of almost 50 staff members, a 17-member board of directors and hundreds of dedicated volunteers. ASF is now the largest and most comprehensive nonprofit AIDS-service organization in Orange County.

Thomas Varvaro, CFO
ChromaDex, Irvine

Thomas Varvaro has guided ChromaDex from a small private business to a public company. He played a lead role in closing multiply rounds of financings raising more than $30 million; negotiated and managed joint venture and contract relationship with Fortune 500 partners; and has in-licensed and managed technology patents that have enabled ChromaDex to develop and commercialize its proprietary ingredient technologies, which have shown a 155% year over year growth through Q2 2014. The ChromaDex ingredient technologies unit includes products backed with extensive scientific research and intellectual property. ChromaDex leverages its complementary business units to discover, acquire, develop and commercialize patented and proprietary ingredient technologies that address the dietary supplement, food, beverage, skin care and pharmaceutical markets.

Frank Visker, Corporate Controller
Diversified Protection Systems Inc., Anaheim

Within three months of beginning employment with Diversified Protection Systems Inc. (DPSI), Frank Visker improved the time to close the books and release monthly financials from 20 days to only four days, allowing management to act quickly on any noticeable trends. Visker also gathers input from project managers and field personnel, as well as recorded accounting data to ensure job performance reporting is consistent and accurate for each accounting period. During his first year of employment with DPSI, Visker realized that by analyzing trade distinctions within the organization, DPSI could benefit by ensuring trades with lower insurance costs were utilized efficiently. The result saved DPSI 32% on its overall General Liability Insurance rate (percentage of payroll cost), which resulted in direct savings of about $65,000. Visker manages all of the HR for DPSI, including onboarding, terminations, conflict management and employee recordkeeping. Diversified Protection Systems Inc. is a client's single source provider for design, construction, installation and service of life safety, cooling and electrical specialty systems.

Andre Wright, CFO
Verify Inc., Irvine

Over its 40-year history, Verify has emerged as the global leader in Supplier Performance Management solutions to the high technology industries – enabling quality product to be delivered on time. Andre Wright, along with Verify's leadership team, has executed against the organization's historical business growth plans and has established a foundation for future growth through investments in its in customer and supply chain facing applications. In addition, the leadership team worked together through a complex ERP implementation, requiring significant efforts and expertise from all functional business units progressing the company's business plans and restoring financial growth. During this period, the Finance and Accounting teams played a critical role in securing the necessary financing, working capital, and successfully preparing for and managing through audits and diligence.

ORANGE COUNTY BUSINESS JOURNAL

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10th Annual

CFO OF THE YEAR Awards

Paul Anthony, Auxilio Inc.
Jim Balas, CoreLogic
Brad Biddle, Insulectro
Steve Brake, Del Taco Holdings Inc.
Jo Ann Escasa-Haigh, Providence St. Joseph Health
Joyce Foley, Second Harvest Food Bank of OC
Robin Hiatt, Diamond Sports
Jeff Ishmael, Cylance
Scharrell Jackson, Squar Milner LLP
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Chris Martin, Kush Bottles Inc.
Michael Martinson, Ambry Genetics
Joe McCarthy, Sunrise Growers Inc.
James Molloy, Alorica
Debra Morris, Apria Healthcare
Jeremy Moser, Vanguard University
Francisco Nebot, Schools First Federal Credit Union
Lynda Nguyen, Razor USA LLC
Anna Nursalim, New Horizons Learning Group
Charles Pruitt, LPA Inc.
Kevin Rubin, Alteryx Inc.
Dessi Sarabosing, Real Mex Restaurants
Sanjay Sardana, International Education Corp.
Todd Schull, TTM Technologies
Colin Severn, William Lyon Homes
Guita Sharifi, AIDS Services Foundation Orange County
Thomas Varvaro, ChromaDex
Frank Visker, Diversified Protection Systems Inc.
Andre Wright, Verify Inc.

Master of Ceremonies

Murray Rudin
Managing Partner
Riordan, Lewis & Haden Equity Partners

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*Tickets are non-refundable. Ticket price includes self-parking and a 1-year subscription to the Orange County Business Journal ($30 allocated to the subscription). New subscribers only. Current subscribers may gift the subscription to a colleague.