An Orange County Business Journal Special Report and Custom Content

CFO

ELSEWHERE IN TODAY'S PAPER:
CFOs TALK TAX REFORM

PAGE 1

A CPA's ADVICE ON TAX TACK

PAGE 22

LESSONS FROM A NONPROFIT CFO

PAGE 24

CFOs BY INDUSTRY

PAGE 24

■ CFO AWARD NOMINEES Start on Page 52

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ORANGE COUNTY BUSINESS JOURNAL

Vol. 41, No. 2 — THE COMMUNITY OF BUSINESS™ — January 8-14, 2018 • $1.50

El-Erian Touts 'OC Advantage'

Q&A: Famous Economist Talks GDP, PIMCO, LinkedIn

By PETER J. BRENNAN

Mohamed El-Erian can remember the first day he fell in love with Orange County.

"Orange County had me at hello," he quipped during a recent phone interview.

It was late 1998 when he walked across the street from Newport Beach-based **Pacific Investment Management Co.**, which was interviewing him for a job, to Fashion Island.

"I had never been in an outside mall—it was very strange to me," he recalled. "Then I realized you could have an outside mall because the weather allows it. I thought Orange County is really different."

A lot has changed for El-Erian in those 20 years. After a 20-month stint running Harvard's endowment, El-Erian returned to PIMCO in 2007 to become chief executive and co-chief investment officer alongside legendary bond king **Bill Gross**. The two guided PIMCO through the 2008 financial crisis, and the firm's assets under management doubled to $2 trillion by 2013.

El-Erian became a world-renowned economist, penning sayings like "The New Normal" to describe a period of slow growth. He wrote books such as "When Markets Collide," which won the Financial Times/Goldman Sachs 2008 Business Book of the Year and was named one of the best business books of all time by the U.K.'s Independent.

El-Erian, who turns 60 this year, declined to comment on a Wall Street Journal report saying he's a candidate for vice chairman of the Federal Reserve.

Born in New York to a French mother and an Egyptian father who was a diplomat, El-Erian grew up in a variety of places, including his parents' native countries. He's still a die-hard New York Jets fan and can name the starting lineup of the 1969 World Series champion Mets.

He left PIMCO in 2014 but maintains an office in Newport Beach and resides in Laguna Beach. He spends his time as chief economic adviser to PIMCO parent **Allianz SE**, and writing arti-

El-Erian 61

El-Erian on OC: 'once you convince people to move out here, they love it. Retention becomes an advantage.'

Optimism Near Peak In Quarterly OC Execs Survey

By PETE WEITZNER

In looking out to the first quarter, Orange County executives turned up the optimism. That's according to **California State University-Fullerton**'s Orange County Business Expectations Survey, which popped seven points from 88.2 to 95.2 quarter-over-quarter.

The quarterly survey measuring hiring, sales,

Survey 67

Puri: economy up, but 'not a carefree world'

Local CFOs Weigh in on New Tax Law

While much of the rest of the U.S. business community is celebrating the new tax law, owners and executives at certain California businesses are groaning and scrambling to talk to their tax experts.

***Chapman University** economist **Jim Doti** predicted the law may cause the highest effective tax hike in the state's history because of reductions in the permitted amounts on*

Q&A 22

[Q&A]

Special Report

CFO, page 21

Most OC Companies Saw Stock Rise in 2017

By PETER J. BRENNAN

The majority of Orange County's publicly traded companies enjoyed a positive 2017.

Fifty one of the 65 companies tracked on the OCBJ-BNY Mellon list of publicly traded companies reported a share price increase last year. Shares of 23 of them rose more than the 22% total return reported for the S&P 500

Stock Roundup 68

Mussallem: Edwards rose 20% last year

A CPA's Advice for CFOs

Vic Hausmaninger, founding partner of ***HBLA CPAs Inc.*** *of Irvine, talked often last year with Business Journal Financial Editor Peter J. Brennan about the proposed tax bill. Hausmaninger wrote the following on what chief financial officers and other C-level executives should consider:*

Since the Tax Cuts and Jobs Act took effect on Jan. 1, last month may have been one of the most important tax planning months for businesses and individuals in many years.

The reduction in the corporate rate from a high of 35% to 21% is exciting for all corporations who file as C corporations (taxed separately from owners) because it will allow them to retain more profits to reinvest in expanding their businesses and to reduce debt quicker.


Hausmaninger

Given the significant reduction in the tax rate for a C corporation, pass-through entities taxed at individual tax rates are looking into whether converting to a C corporation could be advantageous.

As to pass-through entities, or businesses whose income was taxed at the shareholder level—which could reach tax rates of up to 39.6%—the owners of such entities are not only excited about the fact that the maximum rate for them will be reduced to 37%, but also that there will be a special new deduction generally equal to 20% of qualified business income. The deduction is subject to some complex restrictions and limitations, but it will result in significant reduction of taxes for most owners of such businesses, with exception of certain "specified businesses" over certain income limits. Many of our pass-through entity clients have already begun to analyze what the tax reduction impact will be beginning with 2018, and develop strategies to maximize the benefits from the deduction considering the restrictions and limitations.

Another opportunity is for companies with sales below $25 million over the past three tax years and currently reporting taxable income under the accrual method, to switch to the cash method for tax reporting, which often can be advantageous by managing taxable income more readily and by deferring income into future years.

Many of these changes depend on preliminary pending regulations to be issued by the IRS.

Another area that all companies are currently reviewing is the loss of deductions for meals and entertainment expenses. Businesses are rushing to change expense reporting policies for employees and to make modifications to their accounting to capture expenses incurred in appropriate categories for tax reporting. ■

[Q&A]

from page 1

federal returns of state income and property tax deductions.

The Business Journal's Peter J. Brennan sought the opinions of three chief financial officers on the reform, which President Donald Trump signed on Dec. 22.

We asked them to discuss whether the tax reform gives them confidence about their company and the market's direction; about their favorite and least favorite parts of the law; how the new tax rates will affect their business; and the most important questions they're asking their tax experts.

Here are edited excerpts of their responses:

Karl Hardesty
CFO, CEO
Hardesty LLC

It's really interesting being queried on tax planning at this time of year with the new legislation just being passed. Obviously, this is the biggest tax reform since 1986. I have been monitoring the legislation as it affects my business, as well as every Hardesty client's business in a major way. Hardesty, which is an executive recruiter of CFOs and other C-level executives, is a pass-through entity, as many small businesses are.

The gift we were given was relative clarity and eventual passage prior to the end of the calendar year. That gave every CFO, business owner and individual a few days to make some critical decisions. So we at least have some clarity on the new tax rates for both individuals and corporations. The good news is they are all down.

The big news is the dramatic drop in corporate tax rates from 35% to 21%.

Many of our clients are cash-basis taxpayers versus accrual basis taxpayers. That allows some flexibility to accelerate certain deductions that companies would normally pay in 2018 and some flexibility on recognizing revenues. Since tax rates are generally going down, basic logic would be to accelerate expenses and defer revenues, since the value of a deduction was higher in 2017 than in 2018 and revenues will be taxed at a lower rate in 2018.

If you run a business that renders services and operates on a cash basis, the income you earn isn't taxed until you are paid. You may have considered waiting to bill until this year or until a time when there is no chance you will receive the cash for 2017.

As for expenses, we looked hard at everything related to 2017 and attempted to have them paid prior to Dec. 31. Those included:

■ Pension matching contributions normally paid in March.

■ Certain bonus payments; even if the final numbers can't be finalized, an estimate is made and paid to the employee.

■ Certain prepaid rents could be deductible.

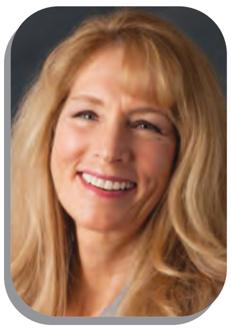
■ Certain fixed assets purchased after Sept. 27, 2017, can be fully deducted rather than depreciated in 2017. That rule is good through Jan. 1, 2023. I just took advantage of this by purchasing some assets last month so I get the 100% write off in 2017.

■ Certain bonus payments we make to our staff are contingent on collections. In some cases, we made those payments in 2017, even though collections are expected in 2018.

I would highly recommend that all CFOs spend some time early this year with their tax advisers to fully understand the implications of the new law. There are some complex items that will require interpretation from professionals.

Diane Peck
CFO
Beacon Pointe Advisors

As an LLC in the financial services industry, we won't directly benefit from the tax cuts for businesses, as we don't benefit from the favorable 21% corporate tax rate, nor will we get much benefit from the 20% deduction for pass-through qualified business income, given our status as a service provider.



The most notable impact to the financial advisory industry may be the boost to corporate earnings, which we know drives stock prices. It's important to note, however, that much of the corporate tax relief and the consequent boost to earnings has been anticipated and is already priced into today's valuations. The tax reform should continue to provide some tail wind to stock prices in 2018, but stock valuations are already stretched, and the further the market is stretched, the more susceptible it is to surprises. Surprises produce market volatility. We would expect a higher stock market with more volatility in 2018.

We appreciate the reduction in federal income tax rates, but our appreciation is tempered by the loss of the majority of the deductions for state and local taxes. We're also pleased to see the doubling of the gift and estate tax exemption amount to allow many clients that worked hard to build businesses and family wealth to be able to pass that wealth to heirs.

As California residents, the elimination of the state and local tax deduction for all but $10,000 of taxes between income tax, property tax and sales tax means many in California will see taxes increase despite the lowering of federal income tax brackets.

We are asking our tax experts what steps we can take to help our clients seize on opportunities, such as whether it makes sense to convert to a C-corp, and under what circumstances, given anti-abuse provisions of the new law.

We expect to continue to help clients invest to meet their life goals, understanding the impact of this new tax regime by reviewing their financial and estate situations.

In anticipation of the loss of the deduction for state income taxes and the increased standard deduction, we have and will continue to work with clients to determine if it is wise to prepay any remaining 2017 state income tax liability in 2017, prepay 2017 property tax payments payable in 2018, or set up a donor-advised fund to support charities in the future if they believe the increased standard deduction makes it unlikely that they will itemize after this year.

David Woodruff
CFO
MVE & Partners

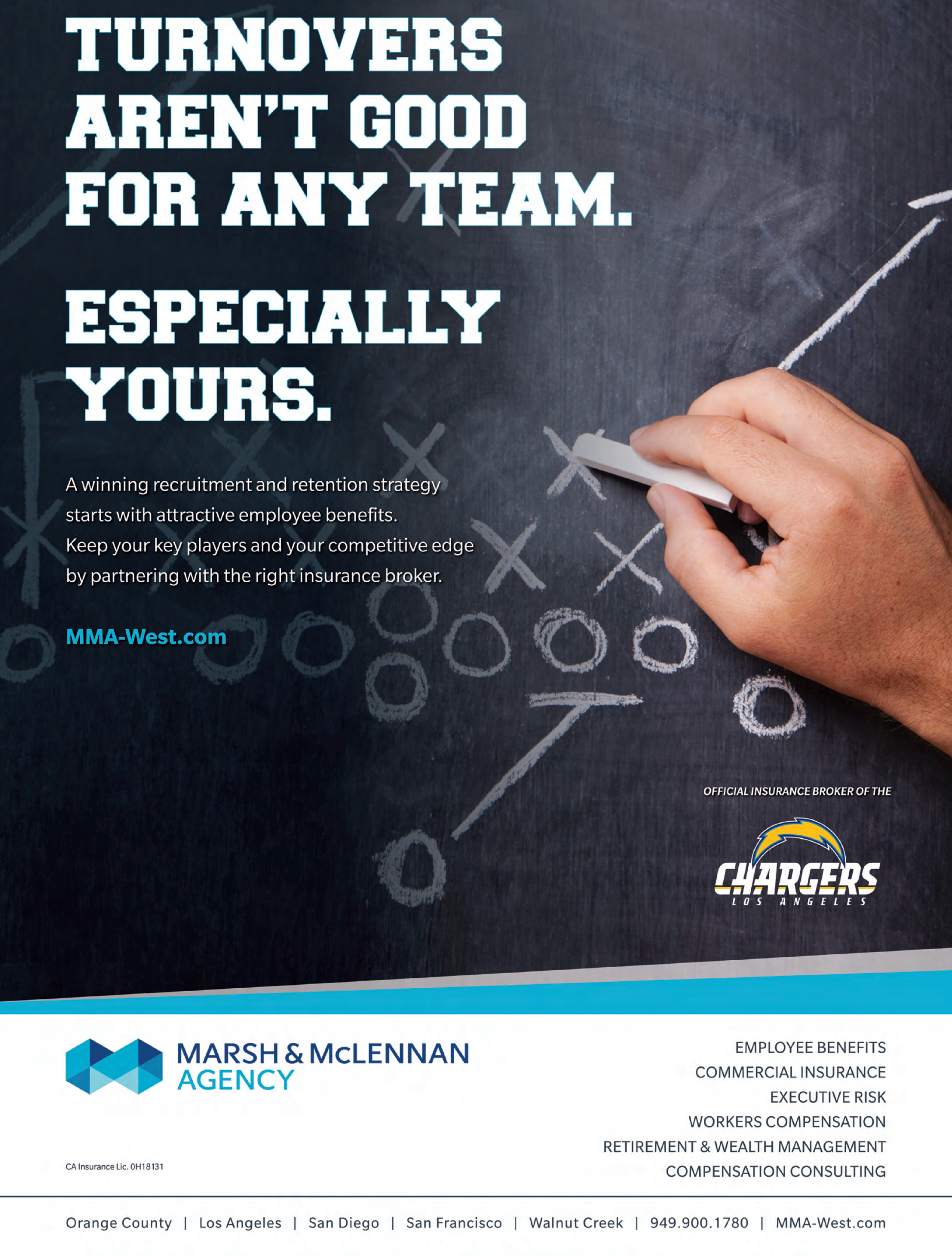
MVE & Partners is considered an S Corporation, a pass-through entity, which means we currently pay taxes at the higher individual rate. The legislation changed the pass-through income tax rate to 25%, but unfortunately it excludes professional service firms from accessing the lower rate. Big corporations will be the real winners, and MVE will see very little direct benefit. That being said, there will be indirect benefits.

I don't think it comes as a surprise that our counterparts in the commercial real estate industry will fare well under this plan. Provisions that could significantly benefit the commercial real estate industry include lower tax rates for corporations and pass-through entities, broader provision for expensing depreciable business assets, and more accelerated cost recovery schedules. The lack of change to carried interest treatment or tax deferral for certain exchanges of commercial property will also benefit the industry. The strength of that market segment and the construction industry in general are key to the economic health of many industries across the nation, including architecture.

I believe a territorial system combined with the lower corporate tax rates will stimulate productivity and economic growth in the U.S. Previously, the U.S. had a system of worldwide taxation and one of the highest corporate tax rates in the developed world. The system provided no incentive to invest domestically, and it created a huge disadvantage for U.S. firms to compete abroad due to the tax on foreign income. A tax repatriation holiday rate of 15.5%, and a territorial system with reduced corporate tax rates, should provide sufficient incentives to bring offshore profits home and encourage domestic investment. A growing economy is good for our business.

Everything considered, the lower individual tax brackets are my favorite part, but there are parts of this law that can impact our community negatively. The proposed legislation does not favor residential homeowners, particularly those living in expensive metropolitan areas. Mortgage interest and state and local tax deductions, which are two of the most popular itemized deductions, will be limited and/or repealed all together. How it will affect you depends on your housing market.

In Orange County, where we have much higher house values and property taxes, the law is going to have a significant negative impact. ■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Nonprofit CFO Looks for Assets With Potential

Community Foundation Different Than a Business

By PETER J. BRENNAN

On a recent weekday in December, **Tracy Branson** visited a home in Huntington Beach to prep it for sale and look for a real estate agent. She estimated the house would fetch between $600,000 and $700,000.

"We're going to sell that home, and the net proceeds will help students in Orange County," she said.

It's not the typical job of a chief financial officer.

Branson is CFO of the **Orange County Community Foundation**, the second-largest nonprofit organization based in OC. The Newport Beach-based foundation's revenue climbed 30% to $106.1 million in the fiscal year ended last June, second only to **Goodwill of Orange County**, according to Business Journal research. It awarded $59 million in grants and scholarships in fiscal 2017 and has made almost a half-billion dollars in grants since 2000, according to President **Shelley Hoss**.

Unsophisticated Accounting

Branson, who with husband, Doug, has three children and one grandchild, has been involved with the foundation for 27 years, starting as a part-time consultant. She switched to full time in 2004 and became its first CFO in 2006.

She's seen firsthand how accounting has changed at nonprofit foundations.

"When I started in 1991, it was very unsophisticated," Branson recalled, explaining that nonprofits didn't even have statements of cash flows, which are required today.

When she joined the foundation, she implemented rules typical for businesses that she said help donors better understand their giving. Branson, who holds an economics degree from the **University of California-Los Angeles**, had learned how business works during a nearly 10-year stint at the Arthur Young accounting firm.


Branson: 'A lot of people like giving away money.'

"I wanted us to do the best accounting we could," she said. "Ultimately, those rules became effective for nonprofits. We were on the early side."

The foundation, begun in 1989 by **Judy Swayne**, works with individuals, families and businesses to match their charitable interests with nonprofits.

People who start their own foundations soon realize they're more difficult than they may seem, Branson said.

"It's a lot of work to actually manage your own foundation," she said. "There are lots of regulatory rules and tax regulations to follow, or you could get in trouble."

The Community Foundation pools funds to get the best possible returns, then vets potential recipients to make sure they're worthy and aren't scams. The vetting can include reviews of tax returns and other public documents.

"A lot of people like giving away money," she said. "We help determine if recipients are wisely using the donor's money."

15.6% Return

The foundation oversees about $325 million in assets. The biggest portion is a $200 million investment pool that returned about 15.6% in the trailing 12 months ended in November. A second pool is $60 million in cash that's about to be distributed to charitable groups.

It has an investment committee and an independent adviser, Boston-based **Cambridge Associates LLC**.

A big difference between nonprofits and for-profit businesses is that nonprofits "celebrate" expenditures, such as grants.

"When you're in a business, every decision you make depends on how it will impact your bottom line," she said.

"That's not how we look at it. We look at it as how this will help improve the lives of the citizens of Orange County.

"You're not looking for a profit motive."

Gift Valuing

Nowadays, donors ask the foundation to accept a wide variety of gifts. It's Branson's job to determine if it can and the value it would give them.

Stocks and bonds are easy to trade and are sold immediately, she said. Homes, rental properties and an interest in a business are harder to value. It might hold onto certain properties, like Section 8 housing in Oakland, for instance, if the timing isn't optimal.

"We try to move it to cash as quickly as possible, but we don't want to take a big discount," she said. "I feel like we do a good job evaluating."

The foundation has turned down gifts, including interest in a business in Asia.

"It would be very difficult to manage a gift like that," she said. "There is a lot of due diligence needed to accept illiquid gifts."

She said it's still too early to comment on the recently approved federal tax reform's impact on charitable giving.

"A lot of the people we deal with don't do it for the deduction. A lot want to do good for the community. We'll have to wait and see how this plays out over time."

Growing Donations

She said she works to make the original donation much larger so as to help more people.

For example, she cites the story of **Margaret** and **Alex Oser**, who made a small fortune running a junkyard that bought used military airplanes after World War II and resold the platinum inside. When they died childless more than 30 years ago, the couple left a $5 million charitable foundation, but the trustees believed it could be better managed by the Community Foundation, which took over the funds in 2000. Nearly $6 million in grants and scholarships have since been awarded from the fund to 85 organizations, and its permanent assets have grown to more than $9 million.

"It's a great story," Branson said.

The house in Huntington Beach is an example of a gift that could eventually generate grants of two to three times its selling price. The fund, called Students With Vision Foundation, will provide scholarships to graduating Latinas at Huntington Beach and Ocean View high schools. The criteria includes students' grade point averages, community service and financial need.

"It's not such a small donation. It could become bigger," Branson said.

"Where we provide a lot of value is if you have an estate and you want to make sure it goes to the homeless or arts programs in Orange County or anywhere, one of the values of the Community Foundation is we make sure your wishes are carried out for however long.

"We play a really important role in realizing their dreams of making sure their community is stronger." ■

CFOs

INDUSTRIES

Chart shows OC firms likely to have a CFO, by industry, and the prominence of the industries among all local companies in the cohort. Inside Prospects Inc. data show 2,265 firms, or 3%, of the 70,000 local companies are in that group, each having at least 50 employees. More than half of OC firms with CFOs are in just five cities: Irvine, Anaheim, Santa Ana, Orange, and Newport Beach.

Industry	Firms	% of Firms with CFOs	Employees	% of Employees
Manufacturing	541	24%	78,000	22%
Personal, Business Services	367	16	83,000	23
Retail Trade	340	15	37,000	11
Finance, Insurance, Real Estate	257	11	43,000	12
Wholesale Trade	206	9	26,000	7
Construction	162	7	18,000	5
Medical, Health	153	7	43,000	12

Source: Inside Prospects Inc.
Note: Some numbers rounded

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The proposed tax overhaul is the most sweeping since The Tax Reform Act of 1986. It will be a vital year to pay close attention as you shape your future tax and wealth preservation strategies.

Thoughtful planning is taking on new dimensions as potentially far-reaching changes to tax rules move through Congress. If your family has an operating business, you'll also seek a solid plan to help the family enterprise weather the effects of change. Whatever your governance structure, you will want to focus on agility and open communication to be able to react tactically while thinking strategically.

Succession planning remains an important consideration, and families, though they go on for generations, are dynamic. The type of governance you need may change.

High-net-worth individuals will pass along wealth someday just as they pass down values now. Managing wealth can be particularly complex as policies and tax laws change. Employing financial, legal, and tax professionals can help, but families must be vigilant in understanding and evaluating their work. You'll need to clearly articulate what risks you are willing to take and how much you want to protect. It's wise to begin to train the generation behind you in money management as well as in the family's beliefs about what constitutes wise spending and how to preserve wealth. Being engaged with managing your family's wealth can instill peace of mind in the knowledge that you and your family are secure today and tomorrow.

Though careful estate planning can be a complex undertaking, it delivers clear rewards—peace of mind for you now and security for your family down the line. By establishing a well-considered and comprehensive plan today, and updating it as needed, you'll help ensure that your wealth and your vision for it survive well into the future.

In PwC's *Guide to tax and wealth planning*, we dive into each of these areas of focus and provide additional insights around effective tax planning, managing your investments, charitable giving, estate and gift planning, risk management, cross-border tax considerations. **Fill out the form on *www.pwc.com/us/wealthguide2018* to download our guide and receive tax reform updates as they happen.**

For more information, please contact:

Jeff J. Saccacio
PwC's Southern California Personal Financial Services Partner
jeff.j.saccacio@pwc.com

About PwC's Family Business Services

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MARSH & McLENNAN AGENCY

The CFO's Guide to Selecting the Right Insurance/Employee Benefits Broker

by Sam Quigley, Managing Director, Marsh & McLennan Agency LLC – Orange County

One of the most important responsibilities of any Chief Financial Officer is selecting the right business partners to support the needs of a growing business.

When it comes to insurance and employee benefits, the task is all the more critical because of the stakes in terms of cost, risk management and ability to attract and retain talent.

What to Look For

So how do you evaluate a potential broker? It almost goes without saying that any potential partner must have the following core strengths:

▶ **Reputation –** A stellar, long-term reputation in your community and the industry, and a proven track record of success.

▶ **Intellectual Capital –** Experienced and seasoned colleagues who possess the technical insurance knowledge to help you navigate and mitigate both risk and legislative change.

▶ **Industry Expertise** – Depth of knowledge in your specific industry is key. Access to benchmarking data and a keen understanding of where the industry is headed are essential when evaluating your organization's risk profile.

▶ **Insurer Relationships** – Strong and deep relationships with insurance companies to secure the best coverage at the best price.

Firms with the capabilities listed above can help a CFO create a shortlist of possible partners. So what to look for next? The following checklist should help a CFO narrow down the field of potential brokers to one or two strategic partners who are as invested in your long-term success as you are.

▶ **Transactional versus Consultative** – Most brokers can place your coverage with an insurer. However, few have the ability to be an ongoing strategic partner. You want a broker that has the expertise to evolve with you and help you capitalize on opportunities as they arise.

▶ **Risk and Loss Control Services** – Insurance shouldn't be a reactionary solution, but a proactive strategy. Look for a partner that can provide direction and guidance on how best to control your risks *before* claims occur.

▶ **Claims Advocacy** – When claims occur, you need a strong advocate who can work with insurance companies to settle your claims favorably. This is where the rubber meets the road. What is the value of insurance, if you can't settle claims in a beneficial and expedient manner?

▶ **Accessibility –** Given the nature of risk, you often can't predict when you'll need the expertise of your insurance partner. As more providers deliver service online and through automated channels, having a team you can reach whenever you need them is an invaluable resource transactional convenience can't replace.

▶ **Local, yet global –** A local broker understands the local market and the competitive landscape. But you may outgrow your local broker's capabilities. Make sure your insurance team has the geographical reach and resources that can support your growth for the long term.

Regaining Control of Healthcare Costs

As healthcare costs continue their upward trend, CFOs are desperately seeking innovative strategies to curb premium rates and regain control over their benefits expenses. Here are a few solutions companies are implementing to achieve the much needed change:

▶ **Multiple Employer Trusts –** Small to mid-size organizations are taking advantage of the law of large numbers by joining multiple employer trust programs. Especially for employers in a favorable industry with a young, healthy demographic, a trust is a viable alternative to playing in the traditional insurance market on your own.

▶ **Captives –** This self-funded solution puts the employer back in the driver's seat when it comes to covering claims and leveraging utilization data. In a captive, member companies are collectively responsible for paying for claims, but also reap dividends when pooled funds go unused.

▶ **Prescription Drug Renegotiation Strategies –** Prescription drug costs, especially specialty medications, represent 15-20% of healthcare expenses for most companies and are the fastest growing cost driver. By decoupling and renegotiating pharmacy contracts, an effective broker can ensure lower prices and eliminate hidden fees. In many cases employers have seen a 5:1 return on their investment.

▶ **Reference Based Pricing –** A newer strategy built on a self-funded platform, specialty third party administrators pay claims directly to the provider at a negotiated lower rate, typically Medicare pricing plus 15%. In most cases hospitals and providers agree to accept these negotiated amounts, resulting in significant first year savings, in addition to lowering medical trend in subsequent years.

When it comes to employee health benefits, one strategy does not fit all. Partnering with a skilled insurance broker is a key strategy in evaluating all available solutions to regain control over healthcare costs.

▶ **Tools and resources –** Today, elite brokers do more than just place insurance. They are developing platforms and solutions to make the process of managing benefits and insurance easier, as well as implementing new strategies to control cost and disrupt upward trends.

A broker that meets and exceeds all of these qualities will not only help manage your operational expenses, but also free up much needed capital to invest in new opportunities, safeguard your colleagues, and save valuable time and resources.

An exceptional broker can be a key strategic partner that creates new opportunities for your company to perform more efficiently now and grow well into the future.

About MMA

Marsh & McLennan Insurance Agency LLC (MMA) is one of the nation's leading insurance brokerages, offering a comprehensive line of risk management and employee benefit solutions. The firm specializes in commercial property and casualty insurance, employee benefits, workers' compensation, compensation consulting, executive liability, personal lines and surety. MMA has offices across the US, including Orange County, Los Angeles, San Diego, San Francisco, and Walnut Creek. For more information, visit www.mma-west.com or call 800-321-4696.

Sam Quigley

Sam Quigley is Principal and Managing Director of Marsh & McLennan Agency's Orange County office. He has extensive experience strategizing closely with CFOs and other business leaders on complex commercial insurance needs. Sam can be contacted at Sam.Quigley@MarshMMA.com.

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Great leaders inspire us

Leaders engage us, allow us to take chances, unite our voices, and focus our ideas into action.

Wells Fargo Middle Market Banking congratulates the **2018 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
949-251-4152 • paul.a.omara@wellsfargo.com

Together we'll go far

Implementation of the New Revenue Standard ASC 606

by Medi Abbis, Partner-in-Charge, CFO Advisory Services, Squar Milner

Understanding the New Revenue Standard
Publicly traded and privately held companies are required to be compliant with the new revenue standard under ASC 606 for financial reporting periods beginning after December 15, 2017 and December 15, 2018, respectively. The implementation of ASC 606 is arguably the most significant development in recent history. Many companies will see substantial impact and risk for areas other than accounting such as legal, sales, and top management compensation plans, internal controls, information technology ("IT") systems, tax, forecasts and budgets, debt compliance, business evaluation and earn outs for Merger and Acquisition transactions, and Key Performance Indicators for measuring the achievement of key business objectives. Thus, the new revenue standard will represent a substantial and complex effort for most entities. Even in cases in which material changes are not expected in revenue results, the new model will likely necessitate revised internal accounting policies and new processes, internal controls, disclosures, and systems.

One of the primary changes under the new revenue standard is the migration from a quantified rule basis model to a judgment basis model. This will require companies to recognize revenue upon transfer of control of promised goods or services based on the amount the entity expects to receive. The five-step model below demonstrates the new processes under ASC 606:

Step 1: Identify the contract with the customer.
Step 2: Identify the separate performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations.
Step 5: Recognize revenue when (or as) the entity satisfies a performance.

Key Differences Under the New Guidance
▶ Fixed and determinable consideration: Transaction price will be the amount the entity expects to receive in exchange for transferring the good or service, including cash and non-cash considerations. Variable amounts (e.g., discounts, concessions, etc.) will be measured upfront to the probable extent it will not significantly reverse. Collectability will be measured upfront upon identifying the contract.
▶ Free obligations embedded in the transaction price: A performance obligation is a promise (explicit or implied) to transfer either: (i) a distinct good or service to a customer, or (ii) a series of distinct goods or services that are similar with the same pattern of transfer. Performance obligations will be identified at contract inception and determined based on contractual terms or customary business practices. The new standard defines distinct. Then the transaction price will be allocated to the identified performance obligations based on their relative stand-alone selling prices. Discounts and variable amounts could be allocated to one or more, or all identified performance obligations.
▶ Revenue recognized upon transfer of risk and reward: Revenue will be recognized upon satisfaction of a performance obligation by transferring control of a promised good or service to a customer. Performance obligations will either be satisfied over time or at a specific point in time. The new standard defines transfer of control indicators.
▶ Incremental costs to acquire a contract and certain fulfillment costs directly related to a contract could be capitalized (e.g., sales commissions, etc.).
▶ Limited disclosure of revenue contracts (other than accounting policies and segments): Cohesive and extensive sets of disclosures will be implemented, along with quantitative tables and qualitative narratives that will require significant management judgments.

Tax Impact
▶ New temporary differences may emerge or existing temporary differences may be computed different than today.
▶ Valuation allowance considerations may change.
▶ Current and deferred tax consequences of the cumulative effect adjustment will be reported in the period of adoption.
▶ Management to assess whether a change in revenue recognition for financial statement purposes is also a permissible method for tax purposes.
▶ Management to assess the impact on the income tax provision and filed tax returns for the retroactive changes to the prior years' comparative financial statements.
▶ Management to assess the impact on transfer pricing.
▶ Management to assess the impact of franchise tax.
▶ Management to assess the impact of Sales/Use Tax on Nexus/Filing Obligation.
▶ Management to assess the impact on multinational companies with foreign subsidiaries by performing Jurisdiction-by-Jurisdiction analysis.

Allowed Methods of Adoption
Full Retrospective
The full retrospective methodology involves implementing the new revenue standard to each prior reporting period presented in comparison to the current reporting period. For completed contracts, there will be no need to restate contracts that begin and end within the same annual reporting period.

Modified Retrospective
The modified retrospective methodology involves implementing the new revenue standard via a cumulative effect adjustment.

▶ Apply the revenue standard to all existing incomplete contracts as of the effective date of applying the new standard and future contracts. Incomplete contracts are defined as contracts for which all or substantially all of the revenue are not recognized under the legacy GAAP.
▶ Recognize the cumulative effect of applying the new standard to existing contracts in the opening balance of retained earnings on the effective date.
▶ For existing and new contracts accounted for under the new revenue standard, disclose the impact of adopting the standard on all affected financial statement line items in the period the standard is adopted as if they were prepared under the legacy standard.

Lessons Learned From Phase I – Implementation of Publicly Traded Companies
▶ Limited availability of resources required for the implementation process, both inside and outside of the accounting department.
▶ Limited data quality and lack of its completeness, especially new data required under the new Standard.
▶ Incompatible system solutions across business and product streams due to incomplete integration of company acquisitions.
▶ Lack of historical interaction between IT and accounting on prospective system implementations and changes.
▶ Failure to determine the appropriate transition method proactively and conduct early discussions with the Board of Directors and upper management.
▶ Failure to communicate the findings related to adequate planning, scoping, and initial assessments to the Board of Directors, upper management, and auditors in a timely manner.
▶ Management failure to conclude on the changes required to the accounting policies, processes, controls and systems and communicate them to the auditors in a timely manner.
▶ Failure to train the internal resources for implementation and maintain adequate trained resources for the ongoing assessments during each future reporting period.

What to Expect for Phase II Implementation of Privately Held Companies
▶ Substantial changes of current processes and systems.
▶ Opportunity to leverage the new revenue standard as a catalyst to achieve long overdue process/system implementation.
▶ Substantial upfront time investment and ongoing review requirements.
▶ Increased involvement of stakeholders outside of the accounting department.
▶ Conduct interactive working sessions as issues arise and resolve them in a timely manner.

Implementation Approach
Phase I: Initial impact assessment through identification of revenue streams in scope, contract samples for detailed analysis, and initial GAAP impacts.
Phase II: Detailed analysis of contracts, internal control, IT systems, and tax.
Phase III: Implementation of accounting, tax, internal controls, policies, processes, and IT systems.
Phase IV: Post Implementation, conduct ongoing assessments for each future reporting period.

Medi Abbis
Medi Abbis is the Partner-in-Charge of Squar Milner's CFO Advisory Services practice. He has over 25 years of experience in public accounting and private industry. Medi's clients include a wide range of companies from Venture Capital backed start-ups to multibillion, SEC/publicly traded companies with international operations. He works with a variety of industries including technology, life science, media & entertainment, telecommunications, manufacturing, retail, real estate and service providers. Contact Medi at mabbis@squarmilner.com.

RUTAN

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Post-Closing Considerations for M&A Transactions

The end of the year has come and gone and the decorations are put away. Now many companies are excitedly playing with their new presents – companies that they acquired prior to the end of the year. And as the companies are still in the honeymoon phase of getting to know the teams, business practices, accounting, and product delivery, there are some important considerations to remember when integrating a newly acquired company. Regardless of your chosen method of acquisition (such as an asset purchase, acquisition of equity, or merger), hard work and effort went into diligencing the target and crafting the detailed transaction documents. Lawyers, bankers, CFOs, owners, and many others spent countless hours to make sure that the transaction was researched thoroughly and documented correctly. But it is important to remember that while the quality of earnings may be sound and your transaction documents may state everything clearly and accurately, it doesn't mean that your respective teams know how to execute your plan. Below is a helpful list of items to keep in mind as you and your team implement the post-closing integration.

1. Internal Explanation of the Transaction. Make sure that you carefully and succinctly explain the transaction to your entire team. While certain employees might not appreciate the difference between a stock and asset transaction, it is important to explain whether your company purchased all of another company (assets and liabilities) or if you only purchased certain defined assets. For example, if the buyer didn't assume any liabilities, make sure that the buyer's accounting department understands that bills that are properly the obligation of the seller are not paid by the buyer.

> **"Emotions can be high for all employees during a sale transition and breaches of confidentiality or objections to a transaction can be made public very quickly on social media platforms. Make sure that during this time someone with a clear and level head, and maybe in the know of the transaction, has control over the social media passwords and any disclosures."**

2. Communications with Vendors and Customers. Clients typically like to put out a press release celebrating the successful acquisition of a company and generating positive PR for the combined entity. In an asset sale, remember that acting as if you are the successor entity potentially opens the acquirer up to successor liability of the seller's unsettled debts. In an equity deal or merger, make sure that your communications accurately explains what changes (if any) the vendor or customer will experience in their business.

3. Insurance Policies. Quite often in an equity deal, a Buyer will ask for the Sellers to purchase a directors and officers insurance tail policy. But in any kind of transaction, Sellers should also work with their own insurance broker to make sure that they are continually covered by insurance for any pre-closing liabilities. For example, if the selling entity has a claims-made policy, and the policy is terminated, the selling entity is no longer covered by insurance for pre-closing liabilities. Keep in mind that often times your indemnification in a purchase agreement will keep the selling entity on the hook for such pre-closing liabilities. So go get a quote for that tail policy.

4. Accounting. Regardless of whether you are the buyer or seller in a transaction, work with your accounting department to ensure that the proper financial records are maintained for each entity. Even if you sell your company in the summer, you still have to send those W-2s and 1099s at the appropriate time. As a seller, make sure you maintain your full financial files.

5. Receipt of Seller Proceeds. Before you get your largest paycheck ever by selling your company, meet with financial and tax advisors for guidance on the best way to receive those funds. While getting a large wire to your bank account is certainly exciting, take the time to fully vet alternative options such as taking a deferred purchase price, employee stock option plans, or defined benefit plans. And after the closing, follow up on the proper investment plan for your funds.

6. Employee Records. Confirm with legal counsel what you are allowed to do with all those employee records that you have in the HR office. Regardless of the form of transaction, many states restrict what an employer may do with the personnel files of their employees after a sale transaction.

7. Social Media. Decide what you plan to do with business-related social media accounts and confirm who controls them during the acquisition process and immediately afterward. Emotions can be high for all employees during a sale transition and breaches of confidentiality or objections to a transaction can be made public very quickly on social media platforms. Make sure that during this time someone with a clear and level head, and maybe in the know of the transaction, has control over the social media passwords and any disclosures.

8. Purchase Price Adjustments. Make sure your accounting and finance team is carefully tracking the post-closing adjustments provisions in your purchase agreement, including any schedules or exhibits regarding working capital or prorations. Maintain the integrity of the transaction by following the format as closely as possible.

9. Employee Integration. A successful acquisition can be destroyed very quickly if all of your newly acquired staff decide to leave the company. Ensure that all the new employees are successfully adjusting to your company's culture and policies. Keep lines of communication open between your HR department and the newly acquired staff and promptly (and with compassion) address employee matters. Remember, this is a period of intense insecurity for many people, particularly employees that don't learn of the transaction until at or just prior to the closing.

10. Calendar Post-Closing Events. Set automatic reminders in your calendaring systems ahead of important dates so that you don't miss deadlines. Items of critical importance are working capital adjustment dates, notices of any breaches of a representation or warranty prior to expiration of a survival period, and any post-closing covenants. For example, if your general representations only survive for 18 months, then make sure you are checking with your team at least a month in advance to ensure no indemnification claims need to be made before the expiry date.

If you are an entity that recently acquired another company, this is a time of celebration and excitement. So ensure that all of the members of your newly combined team feel valued, appreciated, and part of the collaborative effort to improve the company. By working together in implementing your sale documents, you can best protect your expected value and realize the benefits of your transaction.

Congratulations on making it into another year and here's to more transactions throughout 2018.

Cheers!

Christina McSparron
Christina McSparron works closely with individual and corporate clients across the country, at all stages in the life cycle of the business. In her practice, she regularly acts as general outside counsel and advises on diverse matters such as entity structuring, corporate governance, mergers, acquisitions, debt and equity financing, licensing, and general business operations. She regularly advises entrepreneurs and executives in the restaurant, food and beverage, building materials and manufacturing, automotive, and retail industries. Christina can be reached at 714-662-4652 or cmcsparron@rutan.com.

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Easing Your Worries: How the Right Financial Partner Can Help You Sleep at Night

by Steve Sherline, CFP®, The Private Bank

> **"Whether you are the steward of family assets or want to protect the wealth you worked hard to build, The Private Bank can help. Drawing on a tradition of excellence, personalized service, and discretion, we help you fulfill the ambitions you have for your wealth."**

Like most executives, you are probably tireless in the pursuit of perfection when it comes to managing the complexities of your business. But as you concentrate so much of your energy on running the business, finding the time to focus on your personal finances can be a challenge. It is not uncommon for personal financial needs to take a backseat to the day-to-day demands of running a company. However, the result of this inactivity can be detrimental to both you, and your family. They key to overcoming this is finding the right financial partner to help ensure your personal finances are as fiscally sound as those of your company.

The Private Bank can help. An exclusive part of Union Bank, we believe that managing wealth goes well beyond providing financial services. It's about contributing ideas and innovations that help you achieve your financial goals and live a more fulfilling life. Our teams of wealth professionals are focused on enabling you to reach your unique goals and dreams by providing a higher level of service and discreet experience that we believe is second to none. As a client of The Private Bank, you will work with a relationship manager and a team of specialists who deliver customized solutions across key wealth management disciplines.

Steve Sherline

Comprehensive Trust and Estate Services

Whether you are the steward of family assets or want to protect the wealth you worked hard to build, The Private Bank can help. Drawing on a tradition of excellence, personalized service, and discretion, we help you fulfill the ambitions you have for your wealth. Working closely with you and your advisors, our team of financial professionals can help you manage your wealth with structures appropriately suited to protecting your family's well-being and supporting the non-profit organizations you care about. Our dedicated trust specialists offer specialized financial services to meet all your needs – including investment management services[1], specialty assets management, and trust administration services – to preserve your wealth throughout your lifetime and across generations.

Deposit Accounts and Liquidity Management Solutions

Your short-term assets need to work hard and be readily available when you need them. At The Private Bank, we offer a broad range of deposit and liquidity management solutions to provide you with flexible, convenient options. In addition to a full array of traditional solutions, we provide customized credit solutions including lines of credit, specialized mortgages, and owner-occupied and investor-owned real estate financing[2]. We recognize how complex your needs may be, and your dedicated relationship manager can bring together the resources you need to help you realize your goals, and provide you with service that goes beyond your expectations.

Risk Management

Effective risk management is essential to long-term growth and profitability. In addition to insurance for estate-planning purposes or asset protection, which is available through our insurance division, UnionBanc Insurance Services[3], we will work closely with you to identify and strategically manage risks associated with fluctuations in foreign currency, interest rates, commodity process, and equity prices.

Wealth Planning

Whether your future plans depend on building your wealth, preserving your wealth, passing your business on to your beneficiaries or transferring wealth to children, grandchildren, or favored charities, a wealth plan can help you achieve these important goals. Wealth planning is a comprehensive process that helps your family identify, prioritize, and achieve your specific goals and dreams. You can rely on our team of wealth professionals to understand the intricacies of your financial situation – no matter how complex. Through our deliberate and thoughtful process we help ensure that the plan is customized to your specific needs. Your team will guide you through the planning process, deliver recommendations to help you meet your short- and long-term goals, and actually implement your plan.

Your Financial Partner for Life

At The Private Bank, you can rely on our team of professionals to understand the intricacies of your complete financial picture. It would be our privilege to demonstrate that and become your financial partner for life.

For more information, contact Steve Sherline at stephen.sherline@unionbank.com or visit us at www.unionbank.com.

[1] Investment management services offered by MUFG Union Bank, N.A. in conjunction with its subsidiary, HighMark Capital Management, an SEC-registered investment adviser. **Non-deposit investment products: • Are NOT deposits or other obligations of, or guaranteed by, the Bank or any Bank affiliate • Are NOT insured by the FDIC or by any other federal government agency • Are subject to investment risks, including the possible loss of principal invested.**

[2] Loans subject to credit and collateral approval. Restrictions apply. Terms and conditions subject to change. Union Bank NMLS ID #539249

[3] Insurance services are available through UnionBanc Insurance Services, a division of MUFG Union Bank, N.A., California State Insurance License No. 0817733. **Non-deposit investment products: • Are NOT deposits or obligations of, or guaranteed by, the Bank or any Bank affiliate • Are NOT insured by the FDIC or by any other federal government agency • Are subject to investment risks, including possible loss of the principal amount invested • Insurance and annuities are products of the insurance carriers.**

Wills, trusts, foundations and wealth planning strategies have legal, tax, accounting and other implications. Clients should consult a legal or tax adviser.


TALENT THAT TRANSFORMS BUSINESS IS HARD TO FIND.
UNTIL YOU KNOW WHERE TO LOOK.
There are people who complete your team. And then there are the ones who transform it. The ones who turn obstacles into opportunities. And opportunities into gold. They don't wait to see what's next: They're too busy creating. Innovating. Collaborating. Inspiring. Connecting. So you won't find them through advertising. But you will find them at Century Group.
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CalCPA

Sunsetting Your Business? Here's What You Need to Do

by Stephen Tierney, CPA

As a small business owner, you probably are working long hours to see that your business is a success. Your restaurant/automobile repair shop/architectural firm/construction company is your "baby." You may have devoted a substantial part of your life to nurturing it into something you are proud of.

Yet inevitably there will come a time when you'll have to step aside. Ideally it won't be because your business failed for economic reasons, unavailable resources, lack of capital, competition or poor management. You may want to leave your successful business for a variety of reasons, including advanced age, health issues or because you are no longer passionate about your work.

Regardless of the reason for sunsetting your business, you need to take certain steps to be sure your employees, clients, creditors, suppliers and other interested parties, including the government, are properly advised about your decision. You also must decide the best way to divest yourself of the business.

Sell It to an Outsider
Before selling your business, you should have it valuated by a CPA with a valuation certification or other qualified appraiser. This individual will assess the worth of your business by estimating the value of your assets in comparison to their current market value. These assets are not just tangible items like inventory. They also include goodwill—the value of your firm's name and reputation. A valuation provides a floor price for you to judge any bids against.

Of course some bidders may not care about goodwill, as they may plan to take over your operation and rebrand it. If so, they may offer a lower price than you believe your business is worth. Don't get too obstinate over this. You need to let go of the business and seek the best price possible under the circumstances.

Sell to a Partner
If you've gone into business with one or more partners, you can sell your portion of the business to them. You will need to know the value of your share of the enterprise so that you get a fair price for your interest.

If you don't have partners, you could sell an interest in your business. Perhaps you have an employee whose abilities indicate she could run your firm someday. If so, you could ask if she would like to purchase a minority interest with the option of buying you out at a future agreed upon date. You would have to be willing to eventually sell all your shares to her and have no further involvement with the business.

Sell It to Relatives
Perhaps a daughter or son or your spouse's niece is interested in running your business. You could sell it to them directly or have them come in as a minority partner before taking over the business completely (see above). But just because they are related to you—and you love them—remember you are selling a business. A sale to a relative may cause you to discount the price, but you will need whatever profit you realize in a sale to finance either another business or your retirement.

Sell It to Employees
If you have employees, they might be interested in taking over your business. After all, most would likely want to keep their jobs. Your employees could establish an ESOP — an Employee Stock Ownership Plan — to buy you out. Under an ESOP, each employee owns shares in the company, which they redeem when they leave the organization.

An ESOP may be funded by the employees themselves, or, if they do not have enough cash to do so, you, the current owner, may loan them all or part of the selling price. Your loaning them funds provides you with an income over the period established for repayment of the loan with interest. A disadvantage is that if employees mismanage your company, you may not recoup your investment. Also, selling to an ESOP may result in a lower price than you could have obtained from an outside bidder.

Dissolve Completely
Perhaps because of the nature of your business, the economy or competition, no one wants to buy your company—or at least pay the price you seek. So you decide it would be best to close your doors completely. You still have assets such as equipment, inventory and buildings or land to sell. You also need to pay all outstanding debts to suppliers as well as provide employees with their final paychecks.

Filing State and Federal Forms
If you sell your business outright or dissolve it, you must file certain forms with the government. You'll need to file both federal and state employment tax forms and make the appropriate deposits. If you charged sales tax, you need to collect those taxes up to the date of closing and submit them to the California Department of Tax and Fee Administration.

What you file for income taxes varies on how you structured your business entity. As a sole proprietor, you must file IRS Form 1040 (reporting gains or losses on Schedule C) by April 15 of the year following the close of your business. If you are a partnership or LLC, you'll need to turn in Form 1065 and report the distribution of profit and losses on Schedule K-1. C Corporations must file Form 1120 and Form 966, which reports dissolution of the company. S Corporations should file Form 1120S and show shareholder allocations on Schedule K-1. C and S Corporations must file their forms within 75 days of the close or sale of the business.

Employees will need final W-2s, while you should send contractors their last 1099-MISC forms.

You should also notify clients and suppliers of the sale or closing. It's especially important to keep suppliers informed of your progress. You'll want them to continually supply your business until you officially shut down, and they'll want assurances that they will be paid on all outstanding invoices. If you are transferring the business to another party, the new owners likely will want to retain your suppliers at least for some time, and your suppliers will want to know whom to bill in the future.

Seek Advice
Ending your involvement in a business you shepherded for years is an emotional experience. Because your emotions are involved, you would be wise to consult a qualified business adviser such as a Certified Public Accountant to provide you with an objective viewpoint. He or she can guide you through the complexities of selling or dissolving your business and help you complete and file the necessary paperwork.

If you do not have a CPA, you can find one by going to the website of the California Society of CPAs at CalCPA.org/FindaCPA. CalCPA.org also contains articles and podcasts about such financial issues as estate planning, how to avoid becoming a victim of identity theft, proper credit card habits and good budgeting practices.

In addition, CalCPA Institute, a 501(c)3 nonprofit, offers a financial literacy outreach program available to schools, churches and community organizations. To arrange for a financial literacy workshop on a topic of your choice, contact David Lo, senior strategic relations manager, at 818-546-3559.

Stephen Tierney
The immediate past president of the Orange County/Long Beach Chapter of the California Society of CPAs, Stephen Tierney is a partner in the firm of Nienow &Tierney LLP, Tustin. The firm provides highly technical and innovative tax, accounting and advisory services, uniquely combined with proactive, responsive client service, in an enjoyable, values-driven environment. Its mission is to serve as a core adviser to clients, partnering in their vision of success, and together making an enduring impact on the community. For more information, contact Tierney at 714-836-8300.

California Society of CPAs
Headquartered in Burlingame, California, the California Society of Certified Public Accountants (CalCPA.org) is the nation's largest state accounting organization and the largest CPA association in California. It serves more than 40,000 members in public practice, private industry, education and government. Through CalCPA Institute, a 501(c)(3) nonprofit, CalCPA members provide financial literacy programs to high schools and community groups.

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We welcome you to view our stunning collection at the Lugano Diamonds Grand Salon located at 620 Newport Center Drive, Suite 100, Newport Beach. Our Aspen and Palm Beach locations are also open, please call 866.584.2666 or email info@luganodiamonds.com for more information.

Where Are All My Candidates?

5 tips to improve your recruitment and selection process

by Ron Proul, CEO, Century Group

With the current unemployment rate at 4.1%, recruitment firms' best practices are under heavy scrutiny — with recruiters often hearing..."Hey, where are all my candidates and why aren't we seeing anyone?" Unfortunately, it's typically a lack of understanding of how a contingency recruiter works combined with what companies do to hinder the recruitment process that creates this vacuum.

1. Hurry up and wait
First, the mandate is issued: "This is an important job. We want this person hired immediately!" Every agency is called, and the job is posted on job boards, social media and association websites. But wait — no one's had an interview. The human resources person didn't have time to follow up with agency submissions, ad responses or referrals. And the sense of urgency has grounded to a halt.

Now when that company calls to declare the search is still on, everyone you've already submitted has a job, lost interest or think something's wrong with the job. As a recruiter, you can't afford to invest any more time on contingency because the possible return on your investment is close to zero.

SOLUTION: To avoid the fire drill, post to sources that present the opportunity to the *right* community. Select recruitment partners who specialize and have your trust. Most of all, communicate the timeline for the hire. If you aren't ready to move, don't post the job. If it is all hands on deck, fewer — rather than more — partners may produce better results, so they can focus and afford to invest the time.

2. Let me phone screen first
There is no such thing as a phone screen in a full employment market. If you're not advocating for your company the minute you get on a phone, you're at a disadvantage. Typically, a phone interview takes as long as an in-person interview, eliminates candidates who don't represent well in that medium and drags the process out longer than necessary. A sure-fire way to lose good candidates is a long interview process. When you call a candidate, it is to sell the opportunity to invite them in for an in-person interview. That's the best way a legitimate evaluation of the entire candidate can take place.

SOLUTION: To entice your partners, don't be the roadblock with a phone screen. Recruiters won't waste your time with inappropriate candidates because they'll see that you understand the recruitment process, and are a valuable client. Candidates seeing the environment they will work in is part of an effective process. Ask your partners to set up their top three candidates for an in-person interview. If they are a specialist and experienced, your search partners will take care of your time. If they don't, they're the wrong partners.

3. Your company has a bad reputation
Company culture and morale are cornerstones of both a successful recruitment process and of keeping productive employees. When there is a problem in the market with a company's reputation, it's troubling if they're slow to react. To be fair, usually it isn't the whole company — just a department or segment. When the issues are primarily a manager that is highly productive and creates value in other ways, taking notice can be difficult. But turnover should never go unnoticed.

SOLUTION: If you are sensing a problem, ask for feedback. Make sure you are conducting exit interviews. Ask your recruiting partners what they are hearing in the marketplace. And ask if they are seeing resumes from your firm coming in from job postings. Remember: a good recruiter is talking with everyone, working or not.

4. It's your problem now
Companies with high turnover resort to lower recruiting fees because they say they're paying too many. And they request longer (and longer) guarantees on candidates placed. But I interpret it like this: Rather than taking responsibility for finding and keeping good employees, the company's response is, "We want you, Mr./Mrs. Recruiter, to work twice as hard to overcome our reputation and work for a lower fee (if we pay you at all) because we want you to take on the entire risk of how we treat our employees by extending your guarantee." Sorry. No can do, Mr./Mrs. Employer.

SOLUTION: Pay a market fee and a standard guarantee to get the best to work. Even during the downturn, we held our fee and guarantee schedules. And guess what? My staff prospered and continued to service the clients that valued our service. It is one thing to "take a job order." But it's a completely different amount of effort to "work a search" and go find someone that isn't actively looking.

5. They are already in my database
Take this example: A recruiter is hired because a company's internal resources weren't successful in finding and selecting a qualified candidate. The recruitment firm then actively sources, recruits and submits the perfect resume — only to be told they're already in the company's database or an established connection on LinkedIn. They're not going to pay the firm's fee after all. This behavior not only devalues the work the recruiter put into matching, pre-qualifying and convincing the candidate the job is the right fit for them, but ensures the recruitment partners stop working hard to find anyone.

SOLUTION: There is only one solution for this: a well-structured and fair agreement with your search providers. One that spells out how long a provider's referral is good for and, as a client, you are held to the same standard. Everyone likes to know the rules of engagement. It comes right down to business ethics and codes of conduct in commerce.

Century Group
Century Group is a premier executive recruitment and interim services firm focused exclusively on professional, mid-management and executive level roles in Accounting and Finance through four Southern California offices. With over 85% of our business from returning clients, our methodology speaks for itself. Visit *www.century-group.com* for more information and the latest career opportunities.

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 27 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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Technology in the Mid-Market: Closing the Gap

For decades, emerging challengers to leading businesses have tried to find ways to change the basis of competition rather than compete on the well-worn playing field. And, more often than not, the ones who have found success have turned to one common tool to chart their own course and redefine the game: technology.

For the past five years, Deloitte surveys have explored technology trends among mid-sized and private companies. In subsequent reports of our findings, we've explained why these companies often have lagged months or even years behind larger competitors in digitization efforts. In this year's survey, we see notable progress in the adoption of emerging technologies by mid-sized and private firms. There is compelling evidence that these companies are taking dramatic steps to not only deploy emerging technologies but also to eradicate the organizational barriers that once slowed their adoption.

Specifically, the survey results show:

▶ The respondents recognize that a wide spectrum of technology-related trends are producing productivity gains, and they are upping their IT budgets to capture them.

▶ A growing number of organizations see value in aligning business and technology requirements, and are accomplishing this by exploring governance practices.

▶ The results also show stronger collaboration between IT and business leaders when it comes to managing the IT agenda, a nod to shifting dynamics in the C-suite.

▶ Analytics and cloud solutions remain at the top of the list, but a vast majority of companies surveyed have plans to tap breakthrough technologies such as blockchain, machine intelligence, and mixed reality.

▶ The companies are more comfortable maintaining security around cloud integration and mobility, removing a key obstacle to their deployment.

▶ These companies are increasingly focused on using breakthrough technologies to attract customers and understand their behavior.

The middle market's growing sophistication with digital technologies is not confined to any particular sector, as evidenced by companies profiled in our report. You can read about upstart media companies that are big players in the film and TV business thanks to the digital transformation of the entertainment industry; engineering firms using geospatial technology and satellite data to map water pipelines and make better decisions about construction projects; and drug companies turning to the cloud to expand their presence outside the domestic market in a short matter of months.

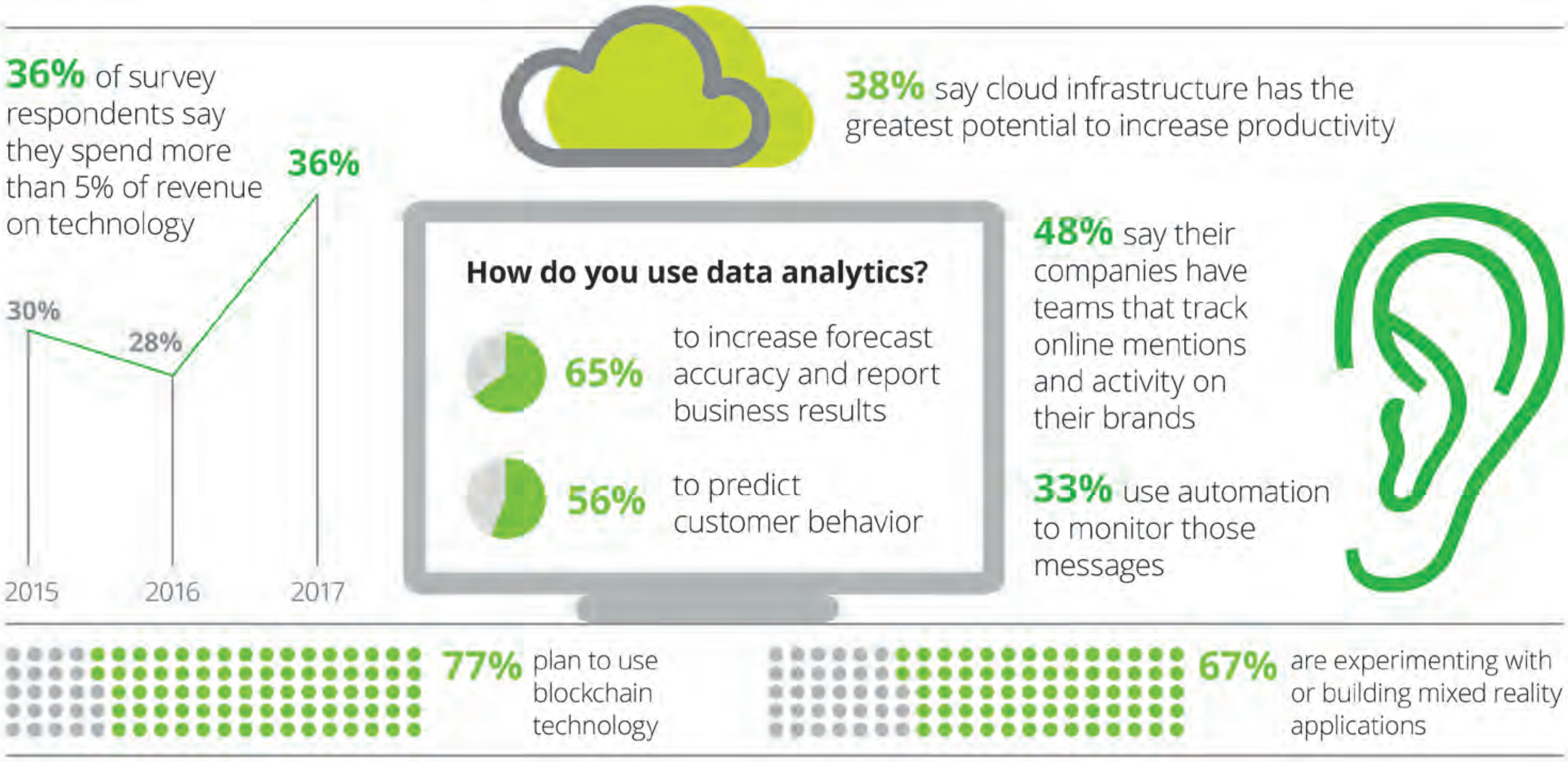
These encouraging stories are just a few of those being written—and rewritten—by technological advances. We've grown accustomed to the speed and agility at which mid-market technology leaders are moving these days, but we believe it's worth drawing attention to the movers and shakers that are creating a template for other companies to follow. And we look forward to watching the middle market's maturation continue as the next generation of game-changing technologies finds its way into our homes and businesses.

To learn more about Deloitte services, please contact Tim Brandt, Orange County Managing Partner, Deloitte & Touche LLP, at 714-436-7367.

Deloitte.

Technology in the mid-market—Closing the gap

In July 2017 Deloitte Growth Enterprise Services polled 500 US mid-market executives on the role that technology plays and how it influences business decisions. Here are some of the most significant findings; access the full report at **http://www.deloitte.com/us/mid-market-technology**.

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LEAPROS™
WORKFORCE SOLUTIONS

F.A.I.T.H. Resources Strategically Rebrands to LEAPROS!

An Innovative Workforce Solutions Company Goes Nationwide

Recently, F.A.I.T.H. Resources, a leading provider of specialized workforce solutions with offices throughout Orange and Los Angeles County, announced the company's rebrand to LEAPROS Workforce Solutions. This strategic rebrand allows the company to grow nationally and expand its service offerings from finance, accounting, information technology, and human resources, to also include engineering, sales and marketing, operations, supply chain, administration, and government contracting. LEAPROS' diversified service offerings, combined with its industry-leading resources and innovative workforce solutions, will strengthen its ability to deliver win-win outcomes for both job seekers and employers alike.

faith® RESOURCES leap with us℠

LEAPROS Workforce Solutions, formerly known as F.A.I.T.H. Resources

Of the company's purpose behind the recent rebrand efforts, LEAPROS' President, Joseph Ruiz, stated, "We took this opportunity to reimagine not just our name, but our entire brand identity, our culture, and our service/product offerings. These strategic changes will help create a total brand experience that moves the company toward its vision of becoming the most trusted national provider of innovative workforce solutions. Additionally, as part of our mission to support and give back to the community, FAITH Resources is now the name of our new philanthropic foundation that was formed to help us execute on our philanthropic initiatives." Charles Lee, CEO of Ideation, a creative execution company that collaborated on the rebrand, stated, "LEAPROS' rebrand captures not only the company's vision, but also its potential to disrupt and innovate how employers connect with top talent."

Joseph Ruiz, President/CEO

Sean Morrison, Managing Partner at LEAPROS, emphasized how serving the broader professional community with this rebrand will help their business thrive when he stated, "We see opportunity everywhere we look. Not opportunity for only ourselves, but opportunity for everyone else – the entire professional community. We collectively decided that serving a broader spectrum of industries and expanding our sphere of influence is the best way to capture and facilitate this opportunity for others. By doing so, we bring more value to the relationships we foster and create more jobs as our own growth is fueled."

About LEAPROS Workforce Solutions

LEAPROS exists to strategically link employers and professionals through innovative workforce solutions with industry-shaping strategy, world-class customer service, and transformative technology that catalyze growth for impact. Operating on a national platform, the company provides direct hire and interim staffing services in a variety of specialty areas, including finance and accounting, information technology and engineering, human resources and administration, sales and marketing, supply chain and operations, and government contracting. LEAPROS is a trusted workforce solutions partner, offering a myriad of staffing, recruitment and other value-added resources, including salary guides, mobile job search and salary app, and other hiring and job search tools. The company has an unwavering commitment to its core values, which include:

LEAP WITH US®

- ▶ We LEAD with Trust-Based Relationships
- ▶ We EMPOWER Strategic Teamwork
- ▶ We ACTIVATE Purpose-Driven Innovations
- ▶ We PRACTICE Integrity in Life and Service

For more information or to take a leap with us, please contact 1-866-920-LEAP or leap@LEAPROS.com. Visit LEAPROS.com.

CBIZ® MHM

What Tax Reform Means for 2018

After months of speculation and debate, the tax reform plan is finally here. The Tax Cuts and Jobs Act (the Act) seeks to simplify the tax code while making the U.S. more competitive in the global marketplace. Passed by Congress and signed by the President on December 22, the new law means individuals and businesses alike can prepare for tax reform legislation by taking a closer look at significant tax provisions that have changed.

Individual Tax Provision Changes

Most individuals would see lower tax rates under the Act, which modifies the current tax brackets and (under the Committee version) lowers the top rate from 39.6 percent to 37 percent. The standard deduction nearly doubles to $12,000 for single tax filers and $24,000 for married couples. However, the Act would eliminate tax deductions for certain mortgage interest, moving expenses, and tax preparation expenses. State and local income and property tax deductions would be retained but limited to an aggregate of $10,000, which taxpayers can allocate. Families would have an increased child tax credit, subject to varying adjusted gross income phase-out thresholds.

The Act would double the basic exclusion amount for estate and gift tax purposes by increasing it to $11 million for individuals and $22 million for couples. The House bill would have lowered rates by 5 percent then eliminated the estate and GST tax after 2024. Charitable contribution allowances also would increase; individuals can donate up to 60 percent of their adjusted gross income in cash to public charities.

The Committee version keeps the alternative minimum tax, applying it to individuals earning at least $70,300 (Individual) or $109,400 (Joint), and phasing out above $500,000 (Individual) and $1 million (Joint).

Many of the individual tax provisions are temporary; the tax cuts and individual deduction changes sunset in 2026, along with the changes to charitable contribution and estate tax, with the exception of the enhanced child care tax credit which phases out in 2025.

Business Provisions

The new law drops the top corporate tax rate to 21 percent from 2017's top rate of 35 percent. The corporate tax rate would be effective in 2018. Certain provisions would be repealed to pay for the rate decrease, including the Domestic Production Activities Deduction and certain deductions for interest. Bonus depreciation of qualified tangible property is increased to 100 percent (as compared to 2017's 50 percent) for property placed in service after Sept. 27, 2017 and before Jan. 1, 2023.

The law also generally adopts the Senate's treatment of pass-through entities, but drops the rate from the original 23 percent deduction to a 20 percent deduction for qualifying income (a 29.6 percent effective rate). Qualifying income generally would not include owner's compensation or income generated in service businesses. The deduction is limited to the greater of (a) 50 percent of W-2 wages (excluding owner compensation) or (b) 25 percent of W-2 wages plus 2.5 percent of qualifying property. However, individuals with taxable income under $157,500 ($315,000 for married couples) would be exempt from that limitations, with phase outs above $207,500 and $415,000, respectively.

International provisions would also change in an effort to keep U.S. businesses from moving profits off-shore. Deductible cross-border payments between affiliated companies would become limited. In transitioning to the new system, cash and cash equivalent assets would be deemed repatriated into the U.S. and subject to a rate of 15.5 percent, with illiquid assets subject to a rate of 8 percent. Payment may be made over eight years.

Measuring the Impact

A Dec. 11, 2017, one-page report released by the Department of Treasury estimated that the cost of the Act will be offset by economic growth, but the Joint Committee on Taxation (Congress's official estimators) predicted a $1 trillion increase to the debt over 10 years using dynamic scoring. The Tax Policy Center projects tax reform's economic boost will disappear when many of the individual tax cuts expire in 2026. How tax cuts affect the economy will be important; increases to the deficit caused by tax reform is a top concern for lawmakers.

To prepare for all of the changes coming to 2018 tax filings, businesses and individuals may want to meet with their tax advisors to determine whether current strategies need to be reworked. Accelerating certain purchases or contributions may help individuals and businesses take advantage of the opportunities in the Act.

Mark Brown

Mark Brown is a Managing Director in the Irvine office of CBIZ and MHM. He provides a variety of tax consulting services, including worldwide tax minimization planning and restructuring of foreign operations and international estate and gift tax planning. For further insight and/or questions on tax reform, contact Mark at MBBrown@CBIZ.com.

beacon resources
A COMPANY OF THE DLC GROUP

Attracting and Retaining Top Talent

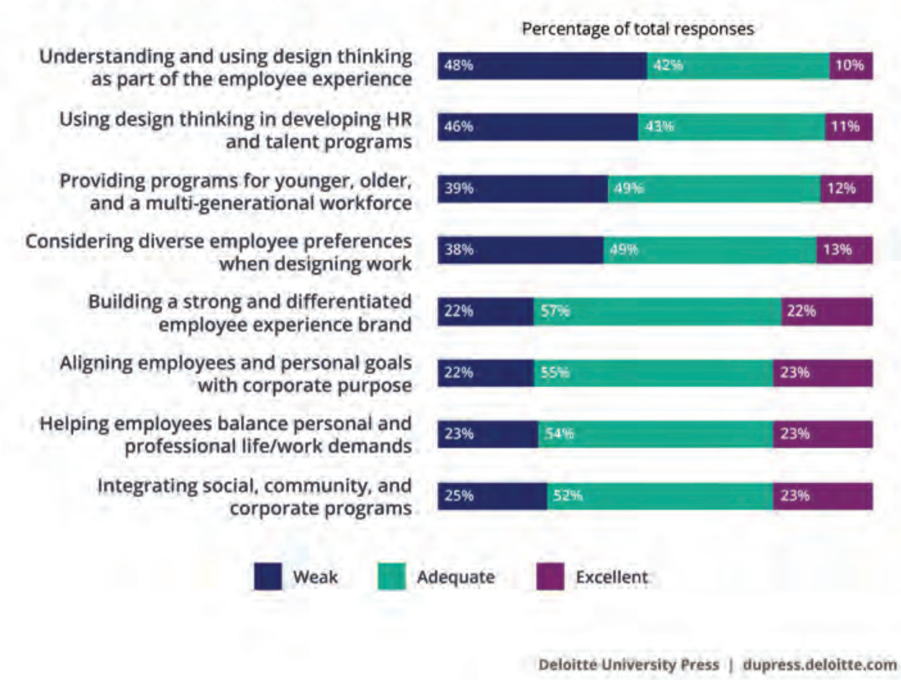
Each year, around 2 million people apply for a job at Google[1] and 5,000 are hired. Among the benefits they receive: subsidized childcare, dog sitting, and massage chairs. Hairdressers visit the site every Monday, and mechanics come to service cars on Tuesday. With a few clicks on the local intranet, employees can arrange, without management's approval or knowledge, surprise bonuses of $175 for each other "just because." Should they die, and should they be married, Google employees' spouses go on receiving half their salary for a decade. What else? Two square meals a day and free ice cream! While it sounds like a perfect work arrangement, Payscale's 2013 report on turnover rates mentions that the turnover rate at Google was just behind Amazon (in second place) and tied with Mosaic for fourth place for shortest tenure.[2] Google scored well on attraction, but poorly on retention. As employers vie for top talent ("…attracting top talent is crucial"—Forbes, June 29, 2017, Page 38), they still experience the challenge of keeping their good employees before marketplace rivals steal them.

Best Places to Work

It is surprising to note that the lack of "retention" (one of the key initiatives for employers) does not seem to be a reflection of employees' job satisfaction, according to the "Business Insider Best Places to Work in 2017."[3] The article, which summarized the findings from Glassdoor's Employees' Choice Awards, shows that Google, with its high turnover rate, is still tied for the fourth best place to work out of the top 50, behind Bain & Company, Facebook, and Boston Consulting Group. Google had to share its fourth place spot with World Wide Technology, Fast Enterprises, In-N-Out Burger, and LinkedIn. All are in very different industries.

With names like that, one wonders what makes a company "a best place to work." In general, the term usually signifies a great fit between the employee and the company. Not everyone in an organization falls into this category. That is why knowing what specific types of individuals are looking for in a work environment is crucial. In the article, "The Employee Experience: Culture, Engagement and Beyond," the focus for today's Human Resource (HR) managers seems to be on improving the employee experience as a whole. Through new approaches such as design thinking and employee journey maps, HR departments are now focusing on understanding and improving this complete experience and using tools such as employee net promoter scores to measure employee satisfaction.[4]

Figure 3. Respondent ratings of sub-capabilities related to employee experience



Keeping the Best

Recent surveys[5] show several factors that contribute to a positive employee experience. They include:

- ▶ Meaningful work
- ▶ The organization's purpose
- ▶ Employee talent development and growth
- ▶ Rewards and wellness
- ▶ The work environment
- ▶ Fairness and inclusion
- ▶ Authenticity among management and leadership

The key to success is to work through the above list and then consider a program such as the one outlined in the *Inc. Magazine* article, "5 Steps to Keeping Top Performers"[6] by Peter Economy, which supports the Deloitte findings.

1. Keep them entertained
2. Give them visibility
3. Provide them with mentors
4. Make them responsible—and then reward them
5. Create clear pathways for growth and advancement.

Summary Analysis

Separating the employees' work life from their home/personal life is becoming increasingly difficult. For that reason, employees today want an enhanced work experience and have come to expect it. Smart employers know this and are relying on digital and mobile apps to deliver the best work experience to produce the highest retention. Productivity and collaboration apps abound (Workplace, Slack, Skype for Teams, etc.). Furthermore, engagement and feedback apps offer pulse survey tools to obtain ongoing engagement information in lieu of the annual employee feedback survey of the past. Finally, responsibility for retaining good employees is often elevated to the C-Suite to ensure an awe-inspiring employee experience. Why? Because the level of transparency today makes this simple question, "What does Glassdoor say about us?" into a game changer in the competition for great, long-term employees.

[1] *https://www.theguardian.com/technology/2015/apr/04/how-to-get-job-at-google-meet-man-hires-fires*
[2] *www.slate.com/blogs/business_insider/2013/07/28/turnover_rates_by_company_how_amazon_google_and_others_stack_up.html*
[3] *http://www.businessinsider.com/best-places-to-work-2017-2016-12/#6-fast-enterprises-45*
[4] *https://dupress.deloitte.com/dup-us-en/focus/human-capital-trends/2017/improving-the-employee-experience-culture-engagement.html?id=us:2el:3dc:dup3820:awa:cons:hct17*
[5] *Ibid.*
[6] *https://www.inc.com/peter-economy/5-steps-to-keeping-top-performers.html*

Beacon Resources

Beacon Resources LLC is a Company of The DLC Group. Beacon is a professional services firm specializing in finance and accounting staffing and executive search with offices in Los Angeles, Orange County, San Francisco and Chicago. Beacon's clients range from the middle-market to the Fortune 1000. Beacon Resources provides its clients' access to the highest caliber F&A professionals who can be deployed on an immediate basis for interim projects or permanent employment.

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Top Talent: Why Today's Senior Finance Executives Are in Such High Demand

Today's finance chiefs have very complex roles within an organization. Fundamentally, these business leaders are responsible for accurate and timely financial reporting, overseeing a company's capital structure, and developing reliable economic forecasts. In today's competitive market, these functions are all "givens." As the percentage of local companies with institutional sponsorship continues to grow, top talent is required to deliver more value than ever before. Chris Bull, Managing Partner and Co-Founder of McDermott & Bull Executive Search talked to Interviewer, Samantha McDermott of SaJo Advisors, about the trends he's seeing in today's frothy market.

***Samantha:** Chris, not to date you, but you (and the Firm) have been placing CFOs at many of Southern California's top companies for nearly 20 years. What is so different about today's market?*

Chris Bull: In my 19 years in this business, I've never seen the recruiting market for CFOs more active than it is today. CFOs are in very high demand. In this dynamic market, companies are looking for more upside, and they see CFOs as their gateway to it.

***Samantha:** Tell me more about that.*

Chris Bull: The percentage of companies that have institutional sponsorship, or Private Equity sponsorship, is much higher today than it was even just a few years ago. Talented CFOs will ask if there's an equity opportunity before they'll even consider making a change. This has really changed the middle market landscape in Southern California. We live in this "middle market haven," and private equity feeds in this area.

***Samantha:** What kind of deal can a CFO expect to see from a private equity backed company?*

Chris Bull: CFOs will get equity in a company that will likely realize an exit in the following 3-5 years depending on where it is within the investment cycle of the PE sponsor. For mature middle market companies, CFOs should expect .75-1.25 percent equity in the company.

***Samantha:** The payday sounds like a good way to motivate someone to make a move. What about annual salaries?*

Chris Bull: CFOs have become more essential thought partners to CEOs and Boards than they were 10-15 years ago, and their wages are definitely increasing as a result. Cash compensation and equity participation has gone up dramatically in post-recession years. If a CFO has certain key boxes checked, like M&A, post-merger integration, and private equity experience, cross-functional leadership, they have a leg up on their competitors in the market and are making more.

***Samantha:** How much more are we talking about, Chris?*

Chris Bull: If you have all of those boxes checked, we're seeing base salaries up 10-20% and an extra quarter to a half point in equity since the recession.

***Samantha:** What's driving this bump in pay?*

Chris Bull: The simple answer is the market. When we unpack this further, it's the private equity shops that are driving higher salaries and creating the demand for top talent.

***Samantha:** Tell me more about that.*

Chris Bull: It's all part of a larger investment strategy to create better multiples. What most PE firms are doing in this market is to invest in a platform strategy where they start with an initial acquisition and strategically grow that business through add-on investments. Let's say it's a SaaS company. They'll then purchase other SaaS or complementary companies and merge those into the initial platform company. It enables them to create economies of scale which helps drive up the multiples. This is why they're looking for CFOs who not only have M&A experience, but also understand post-merger integration, and can support and enhance a private equity group's overall investment strategy. PE groups are looking for multiples, and they want to hire executives who can help them deliver these multiples to their LP's.

***Samantha:** How common is this becoming?*

Chris Bull: It's commonplace in this market for CEOs and Boards to pull CFOs into the operational side of the business. Today, CFOs are getting a different level of training and understanding. We're often asked for operationally-centric CFOs who can add value across the enterprise.

***Samantha:** How difficult is it for you guys to find qualified talent in this area?*

Chris Bull: Well, don't expect many of these types of CFOs to be sitting on the sideline. Unless you get lucky, and know a CFO that just sold their business to a strategic buyer who didn't need two CFOs, you have to go recruit them away from their current employer. With a targeted approach, and a client that has an exciting vision to share, you can find success recruiting "A" players away in this market.

***Samantha:** Chris, I'm not surprised to hear you say that, you're in the business!*

Chris Bull: This is true but as you can imagine, CFOs come in all shapes and sizes. When internal teams post positions online they get hundreds of resumes in the process, and it's a massive time commitment for these internal teams to prequalify and ultimately vet this talent. We never post any positions online. We're laser focused on what we are looking for based on the organization's needs – which 95% of the time are extremely specific.

***Samantha:** Give me an example.*

Chris Bull: Right now, I have a client that is a $500M private equity sponsored company. They need someone who understands turnarounds, a founder led environment, and private equity sponsorship. This is not the kind of opportunity you post online.

***Samantha:** What's the typical tenure for someone in this role?*

Chris Bull: Years ago, I read a stat that said 3 years…and I never believed it. It included anyone that had the CFO title, from the small automotive repair shops to Fortune 500 companies. In my experience, I'd say today's average tenure is about 4-5 years.

***Samantha:** Is location a big consideration for your clients?*

Chris Bull: I can't remember a time in the 30 years that I've been in Southern California where the traffic has been worse. Everyone's patience is pushed to the limit these days. Our clients are hypersensitive to this as well. We like to identify candidates who live within 1-hour commute from a client's location for this very reason. I'm hearing more and more from my clients that they don't want to meet a candidate who has 3 hours of commuting per day. While everyone says they'll relocate for the right role, that doesn't tend to happen very quickly, so they're likely to quit sooner because the commute is too tough.

***Samantha:** So this is good news for CFOs who are looking locally?*

Chris Bull: It certainly is, since a trend from our clients is to find and leverage the candidates in a local market. And we certainly have a good number of credible candidates right here in our backyard.

For more information, visit MBExec.com.

Chris Bull

Chris Bull serves as a Co-Founder & Managing Partner of McDermott & Bull Executive Search based in Irvine, California. Chris has built a significant executive search practice catering to private equity firms which include Chicago Growth Partners, Riordan, Lewis & Haden, Sun Capital, Long Point Capital, and Silver Oak Services Partners. Formerly, Chris was an Executive Vice President in the Orange County office of DHR International, the nation's 6th largest executive search firm. Before entering into the executive search profession, Chris spent six years operating the company he founded, American Liberty Capital Corporation, growing it into one of the largest privately held consumer finance companies based in Southern California at that time. Chris received a Bachelor's Degree in Economics and Finance from the University of Texas at Austin.

How to Get More Juice Out of Life and Business in 2018

DEFINITION: Emotional intelligence is the ability to identify and manage your own emotions and the emotions of others

by Michelle Jewett, Chair, Vistage

As a Vistage Coach and advisory board leader, I'm often faced with frustration and bewilderment when the topic of Emotional Intelligence (EQ) is raised. Most of the CEOs who I work with got to where they are by being really good at something, and that "something" was not managing people and their emotions. I've heard on numerous occasions "if I could just get rid of the people in my organization everything would be great." Turns out, that's not an option for any of the leaders that I work with. And, more importantly, those leaders that embrace the journey and develop their EQ end up getting the MOST satisfaction from working closely with people in their organizations.

Michelle Jewett

Before we get to the "how" of EQ, let's briefly discuss the "why" of EQ. Why do you care? Why should you care? What's in it for you?

1. A common topic around the Vistage table is "what are the roadblocks to growth?" Most commonly cited as the number one obstacle is *finding and keeping good people.* "Good" people don't stay in bad organizations or work for leaders that they don't like, respect, and trust. A highly developed EQ greatly improves your chances for keeping good people and therefore growing your organization.

2. Happiness is most often associated with rich and fulfilling relationships. Developing your ability to understand your emotions and those of others allows you to connect. Feeling connected to others takes away the lonely feelings many in leadership experience.

3. Failure to grow your business past a certain level is often cited to be an outcome of low EQ, that is, the ability to build a thriving team, a great culture and to engage employees that actually care about outcomes at your organization.

In a recent meeting with Steve Murow, CEO of Murow CM, he and I discussed this topic in depth. I asked him how he's been able to attract and keep such great employees (Murow CM was named as an Orange County Best Places to Work company). He told me that people need to know you care about them. What struck me is how deeply Steve truly cares about his staff and how he shows them every day in his actions, discussions, and plans for the future. As you might expect, there are regular company-sponsored group activities, a gym on-site, and opportunities to further education. What you might not expect is that Steve knows the stories and hopes and dreams of the people who sit in his office every day and that these things matter to him very much. As a result, turnover is low and morale is high…and a great side benefit is that Steve feels fulfilled in his work beyond just the rapid growth of the company and hitting target numbers.

Here's the deal, not all founders/CEOs are cut out to play this kind of role. That's okay. If you are not highly emotionally intelligent, then put yourself into situations where you will expand this skill set. These will be uncomfortable situations like sitting around a Vistage table and inviting other CEOs to share with you the things you need to hear. Sitting regularly with 16 other leaders who are not afraid to engage you in a fierce conversation will undoubtedly expand your EQ (emotional quotient) in ways that you would not have imagined. I always say that stepping into *The Fierce Conversation* is a brave act and one of the greatest ways to assure that your life potential is fully realized.

Fierce Conversations (The book) by Susan Scott
https://www.amazon.com/Fierce-Conversations-Achieving-Success-Conversation/dp/0425193373

Daniel Goleman on Primal Leadership
http://www.danielgoleman.info/topics/leadership

Harvard Business Review
"The Most Important Leadership Competencies, According to Leaders Around the World"
https://hbr.org/2016/03/the-most-important-leadership-competencies-according-to-leaders-around-the-world

Sandra Bensworth, CFO
Orange County United Way, Irvine

Before taking on her role as chief financial officer of Orange County United Way, Sandra Bensworth founded BF Consultants in 2003, a high-level accounting and finance project-based consulting firm providing professional services to large corporations in Southern California. She sold BF Consultants to Accretive Solutions, a $150-million national consulting firm, in 2005. After the sale, Bensworth continued to manage the Southern California practice for an additional nine years, overseeing operations, sales, business development, recruiting and back office functions. At Orange County United Way, Bensworth has demonstrated a commitment to transparency, which is critical in a nonprofit organization. Transparency fosters trust, accountability and loyalty within an organization, and she has further elevated that aspect of the culture at Orange County United Way. Today's Orange County United Way fights for the Education, Health, Housing and Financial Stability of every person in Orange County.

Julie Chassagne, Corporate Controller
Alteryx Inc., Irvine

In 2016, after 17 years, Julie Chassagne left the public accounting industry and joined Alteryx Inc. as the corporate controller. Her first major project was assisting with its initial public offering, which was completed in March 2017. She was instrumental in the transition of the company from privately held to public, and in creating and enforcing Alteryx's policies, processes and practices to comply with regulatory requirements. She was also involved in the secondary offering that was completed in September 2017. Chassagne works tirelessly to support the company's strategic initiatives, including two successful acquisitions that closed in the first half of 2017. She is active in the company's international expansion initiative, and responsible for setting up and managing the accounting and transactional activities for newly created entities in Europe and Asia. She has also continued to develop and build her team, almost doubling in it size with a commitment to preserve Alteryx's reputation as one of the "Best Places to Work in Orange Country."

Shawn Conerty, CFO
The REMM Group, Tustin

Throughout his career, Shawn Conerty has amassed significant experience and knowledge in accounting, finance, property acquisitions and dispositions. As chief financial officer of The REMM Group, he is currently managing a $200-million real estate portfolio and is responsible for all financial matters, cash flow management, project-level financing and lender relationships. Conerty has more than 15 years of accounting and finance experience specifically in the real estate and construction industries. Before his tenure with The REMM Group, he served as the corporate controller of Herman Weissker Inc., a full-service public utility construction company, where he assisted in the strategic operating management that resulted in a growth in revenue from $45 million to $400 million during his years with the company. The REMM Group provides excellent commercial property management for multi-family, retail, office and industrial real estate in Southern California.

Patrick Farenga, CFO
Plutos Sama LLC, Irvine

Patrick Farenga is chief financial officer of Plutos Sama LLC, the parent company of Wilson Harvey Browndorf. Farenga is a CPA and has held senior finance executive positions with multiple Fortune 500 companies within the insurance and real estate related industries for close to 15 years. Farenga has extensive experience in GAAP and statutory accounting, cash and investment management, capital markets, debt negotiation, asset-based lending, hedging, foreign currency, stakeholder relationships, and process improvement leading to enhanced shareholder value. In his role as CFO, Farenga created business processes that help to increase efficiency throughout the accounting department; this resulted in a healthier environment for all employees and saved an entire department from having to be outsourced. Plutos Sama LLC, a holding company, was founded by lawyers from top U.S. law firms with a deep history in global transactions, mergers and acquisitions, distressed assets and civil litigation. Plutos Sama provides comprehensive solutions in multiple sectors and markets.

Ann Fong, CFO/COO
BB Dakota, Costa Mesa

Ann Fong serves as chief financial officer and chief operating officer at BB Dakota, a privately held company in fashion apparel. Fong has 20+ years of accounting and operations experience, and has held positions at Ernst & Young and Volcom, where she served as the company's controller. She's held several executive-level positions, including chief financial officer and vice president of operations for Paul Frank Industries. She also helped lead the sale of the company to Saban Brands. Prior to joining BB Dakota, Fong had been chief financial officer and chief operating officer of Incipio Brands since 2013, and played an integral role in a string of acquisitions and growth in annual revenue from $120 million to an estimated $500 million in 2016. For the past 10 years, she's continued to serve on the finance committee for Orange County United Way.

Mike Henry, CFO
Tillys, Irvine

Mike Henry, together with the chief executive officer of Tillys, made the decision to halt new store growth to focus on improving existing store performance. This decision was made despite Tillys' previous publicly stated goal of being next 500-store chain upon going public in May 2012. Henry also helped to re-negotiate various store leases

As one of the Chief Financial Officers being recognized on February 15th, you've helped your company thrive. You've made a difference in the community. And you've led the way so that others can do the same. All of which makes you a winner in our book.

Todd Abboud
EVP, Regional Director
Umpqua Corporate Banking
949-623-1628
ToddAbboud@umpquabank.com

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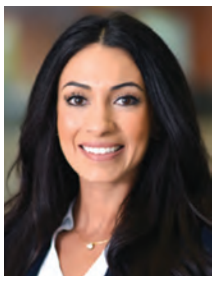
to drive meaningful cost reductions. These efforts have helped to result in six consecutive quarters of improved year over year operating income (absent a legal issue in Q2 2017). Henry's accounting team has delivered the fastest SEC filings in the company's history from quarter to quarter, an accomplishment they have achieved repeatedly. Henry has also worked for nine different CEOs since 2004, speaking to his adaptability/flexibility. He worked with four at PacSun since joining the company in 2000, three at Quiksilver from 2012-2015, and two at Tillys since 2015. Tillys is a leading specialty retailer in the action sports industry selling clothing, shoes, and accessories.

Hal Hurwitz, CFO
MRI Interventions Inc., Irvine

Hal Hurwitz joined MRI Interventions Inc. in March 2015 as vice president, finance and was appointed chief financial officer in May 2015. MRI Interventions Inc. is a medical device company that develops and commercializes innovative platforms for performing minimally invasive surgical procedures in the brain and heart under direct, intra-procedural MRI guidance. At the company, he served as the financial lead in raising nearly $23 million in three transactions and established a new finance organization upon the company's headquarters relocation from Memphis to Irvine in 2015. Prior to joining MRI Interventions, Hurwitz served as CEO and president of Pro-Dex Inc., a publicly traded contract engineering and manufacturing company.

Neda Imbimbo, CFO
BigRentz, Irvine



Neda Imbimbo joined the BigRentz team in 2014 with a diverse background encompassing financial and operational areas of expertise. Imbimbo directs the financial strategy and planning for the company while driving operational efficiencies by streamlining processes to drive revenue growth and increase profitability. Throughout her career, she has served in a variety of functions, lending her expertise in financial reporting and public accounting auditing to a number of international corporations, and she has also developed and managed a global operations audit process for a tech company. With connections to more than 7,500 rental locations, BigRentz is the largest equipment rental logistics company. BigRentz provides aerial equipment, dirt equipment and site services to customers in a variety of industries.

Scharrell Jackson, Partner, COO/CFO
Squar Milner LLP, Newport Beach

Scharrell Jackson's areas of concentration are finance and administrative operations. She has played a major role in the growth and success of Squar Milner, overseeing the successful execution, implementation and integration of more than six mergers and/or acquisitions and seven organic expansions, increasing revenue and profits over the prior year. Jackson improved employee performance and efficiency through the implementation of team-building, leadership training and mentorship. She also provides executive leadership to the accounting, human resources, information technology and administrative departments. She is actively involved in all aspects of the general operations of the firm, working directly with the managing partner and executive committee. Squar Milner is one of the nation's 60 largest accounting firms, as well as one of the largest independent accounting and advisory firms in California.

Stacey Kato, CFO
Kingdomway USA Corp., Irvine

Stacey Kato is the chief financial officer of Kingdomway USA (KW) the U.S. division of Xiamen Kingdomway Group Co., Ltd, a leading supplier of raw materials for nutritional supplements, contract manufacturing services and branded consumer nutritional supplements. In addition, he serves as the chief financial officer for its two largest U.S. investments, Doctor's Best Inc. (DRB) and Vitabest Nutrition Inc. (VB). In addition to serving as the key business advisor to the CEO, he is also responsible for accounting; finance; customer service and fulfillment operations (DRB); and administration, including human resources and information technology. In 2011, Kato was originally hired as the chief financial officer of DRB by its founder with primary responsibility for preparation and sale of the company. In addition, he was assigned responsibility for supply chain operations. Kato was instrumental in the 2013 sale to a private equity firm, as well as the 2014 sale to KW at above-market premiums as part of KW's U.S. vertical integration initiative. During Kato's tenure, sales and adjusted EBITDA have grown at a compound annual growth rate of 21% and 35%, respectively.

Scott Lamb, CFO
ICU Medical, San Clemente

Scott Lamb became ICU Medical's chief financial officer in April 2008. During his tenure in this executive position, ICU Medical's revenue grew 51% through fiscal 2010, operating income more than doubled and net income increased 34% compared to fiscal year 2007. Lamb also helped lead the acquisition of the Hospira Infusion Systems business from Pfizer, increasing revenue from $380 million to over $1.2 billion. He contributed to continued improvements in operation and company performance, driving stock price increase from $55 in 2014, to more than $210 and a $4.25 billion market cap today. ICU Medical is one of the world's leading pure-play infusion therapy companies, with global operations and a wide-ranging product portfolio that includes IV solutions, IV smart pumps, dedicated and non-dedicated IV sets and needle-free connectors, along with pain management and safety software technology designed to help meet clinical, safety and workflow goals.

Chris Lawrence, CFO
American First Credit Union, Brea

Chris Lawrence has been in finance for more than 13 years after spending time 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 of his class with his MBA at UCI's Paul Merage School of Business. Almost three years after the start of Opus Bank, he followed his heart and returned to a life of "giving back" by becoming the chief financial officer of the nonprofit American First Credit Union (AFCU). Since being at AFCU, the new management team has restructured the balance sheet and core income has more than doubled. This is on top of offering improved loan and deposit rates in addition to providing better technology to members. He has also created innovative loan programs to further benefit the members of AFCU. And in returning to his academic roots, Lawrence commenced a financial literacy program with local high schools.

Vincent Luca, CFO
TCA Architects Inc., Irvine

Vincent "Vin" Luca is chief financial officer and a partner at TCA Architects Inc. where he leads the financial operations of the firm. He also serves on the TCA Board of Directors and its Executive Committee, a leadership group formed to drive TCA's long-term planning and growth strategy. His experience and focus on forward-looking metrics has vastly improved cash flow, client retention and the re-engagement of key staff and other stakeholders. This work has been enhanced by Luca's belief that one of the most effective ways to impact an organization's bottom line is by challenging and developing the talent within the organization. Prior to his role at TCA, Luca was founder of The Performance Group, a financial and strategy consulting firm. Vin has also held senior financial and operational roles in a variety of industries including workforce consulting, market research, construction management, telecommunications and law. Founded in 1993, TCA Architects specializes in mixed-use multifamily housing, dynamic retail and signature hospitality environments.

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

John Luker has spent the last 16 years in Orange County as the chief financial officer 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 the 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. In 2017, Luker oversaw the process of starting the next phase of construction for the Samueli Academy, the building of a 45,575-square-foot educational/administrative building and California's first boarding school model for foster children that will house 48 high school foster children on the Samueli Academy campus.

Michael Martinson, CFO
Ambry Genetics, Aliso Viejo

Mike Martinson is the chief financial officer 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 the company, he worked at Squar Milner LLP as a senior auditor with a focus in life sciences. At Ambry, he moved the company from a 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 a comprehensive suite of genetic testing solutions for inherited and non-inherited diseases.

Sean McCarthy, CFO
Bal Seal Engineering Inc., Foothill Ranch

Sean McCarthy was hired as chief financial officer for Bal Seal Engineering in January 2014. His objectives were to improve financial reporting and controls, increase transparency, improve business processes and build an infrastructure that can scale with company growth. In the past three years, McCarthy has rebuilt the finance teams in the Foothill Ranch headquarters (corporate) as well as in the Amsterdam office (European HQ), assembling a talented group of finance professionals. Annual audits have been closed in under 45 days without any major or minor findings, and the team has been able to cut the monthly close cycle down from more than 15 days to less than five days. Within the finance group, he has driven process improvements in the areas of treasury management, AR and AP increasing electronic payments, automation of the emailing of customer invoices and scanning of all vendor invoices and supporting documents. Bal Seal Engineering Inc. is the creator of canted coil springs and spring-energized fluid seals.

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

Debby Morris leverages her broad industry experience from the healthcare, professional service, automotive, real estate and business process outsourcing industries to lead Apria Healthcare through a period of significant challenge and price compression. While expert financial acumen and stewardship are part of Morris's foundational mastery, she goes beyond the typical role of chief financial officer to drive cross-functional achievement through collaboration and influence spanning all levels of the organization. During a period of significant price compression directly and materially impacting Apria, she has worked with the company's chief executive officer to drive change in the organization, resulting in a 14% EBITDA CAGR from 2014-2017 despite price compression totaling more than $200 million over that same time period.

Apria has transitioned from a company facing unimaginable reimbursement rate impact to a high-growth, cost-efficient company serving 1.8 million patients across the U.S. She has also proactively introduced new technology and leveraged the power of analytics to drive business direction, navigate risk, and drive growth and earnings improvement. Apria Healthcare is one of the nation's leading providers of home respiratory services.

Jolene Myers, CFO
MerchSource, Irvine

Jolene Myers became a chief financial officer at the age of 29, and has since led businesses through countless transactions, restructurings and transitions. Myers is a dynamic leader with an ability to quickly collaborate on strategy and solution; seamlessly moving teams to execution through leadership, hard work and technical know-how. She has deep knowledge in mid-cap manufacturing and distribution in family-owned, equity-backed and public companies. Her experience includes all financial functions, information systems, human resources, legal and facilities. Meyers' expertise includes acquisitions, divestitures, raising and structuring capital, banking relations, work out, turn-around and wind-down. MerchSource ideates, designs, sources and distributes consumer products to retailers in the United States.

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. 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, and All Valley FCU. In 2015, SFFCU was named "Best Credit Union" by Consumer Reports.

Lynda Nguyen, Corporate 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.

Sandra Pham, CFO/President of Shared Services
West Coast University & American Career College, Irvine

In her role as CFO, Sandra Pham brought innovation and financial diligence to West Coast University and American Career College. Her ability to restructure the entire financial function has improved overall performance in all verticals of the business. She holds others accountable with compassion, caring and support, while setting the example every day for those who work directly and indirectly with her. Pham is known by her peers as a "game changer," developing business analytics to support organizational growth and effectiveness. Her growth mindset has allowed her to successfully partner with operation leaders to improve efficiency, student outcomes and an exceptional student experience. She listens to others and ensures all interested parties have input before making decisions. Her results are phenomenal, with 23% revenue growth over the past three years. West Coast University is one of Southern California's leading health care educators, offering programs in nursing, health care management and dental hygiene at campuses in Los Angeles, Orange County and Ontario. American Career College is a health care educator with three campuses located in Southern California.

Brian Robins, CFO
Cylance Inc., Irvine

At Cylance, some of Brian Robins' most significant accomplishments include redefining and testing non-GAAP financial measures, completing a company three-year plan, building out detailed predictive models for cash and revenue, implementing a corporate governance/IPO process and closing an extensive credit facility with Silicon Valley Bank. Prior to his tenure at Cylance, Robins was executive vice president and chief financial officer of Verisign, and was responsible for managing all worldwide operations related to finance, accounting, financial planning and analysis, tax, treasury and investor relations. During his tenure as chief financial officer, Verisign sold off 50+ companies that were non-core assets, resulting in approximately $2.5 billion in proceeds; Robins spearheaded a $1 billion bond deal, approximately $4 billion in stock buybacks and more than doubled the market cap of the company. Cylance is revolutionizing cyber security with products and services that proactively prevent, rather than reactively detect the execution of advanced persistent threats and malware.

Angela Rowe, CFO
Global Genes, Aliso Viejo
For the last three years, Angela Rowe has served as chief operating officer and chief

financial officer for Global Genes, a leading rare disease advocacy organization. Overseeing a staff of seven and a $4 million budget, she acts as effective executive officer, handling all board meetings, committee work and program implementation, as well as governance, finance, legal, risk and employee matters. During her tenure, Global Genes has realized a 60% increase in net assets over two fiscal years and has established the company's first reserve and investment accounts. Rowe has written, implemented and oversees adherence to company's first Governing Policies and Procedures, first Accounting Policies and Procedures, first Employee Manual and first Employee Performance Review process. Rowe resolved several inherited audit management letters with 18 audit findings in less than 18 months and achieved clean management letter for FY2016 by addressing all key governance deficiencies. She also implemented the first corporate health and retirement plans for the company in 2017.

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. 2017 has been a transformational year for Alteryx. The company successfully completed its initial public offering, completed a follow-on public offering and acquired two companies that have extended the Alteryx platform. The organization also completed a global tax structuring program that aims to provide a highly competitive blended tax rates for the years to come. Alteryx has continued to expand teams locally, adding more than 100 employees year over year.

Andy Schmidt, CFO
Iteris Inc., Santa Ana

Since being hired in 2015, Andy Schmidt has led Iteris through many significant milestones and accomplishments. He moved Iteris Inc. from the NYSE to Nasdaq, with the company's stock reaching a 15-year high of $8+ from the $1.70 it was previously. Internally, Schmidt rebuilt support functions, having recruited new VPs of HR, Legal, and Information Systems. Schmidt also built recruiting capability within the Human Resources Department by adding 125 employees in 18 months, doubling the size of the company while achieving EBITDA positive performance in the first half of FY2017. Additionally, he hired new auditors and successfully transitioned the company's audit function to Deloitte and navigated first-time Sarbanes Oxley accelerated filer status. Lastly, he engineered the company's 18% year over year growth. Iteris is leading the world in applied informatics – the science of collecting, aggregating and analyzing data to extract relevant insights, make better decisions and solve real-life challenges – for the transportation and agriculture industries.

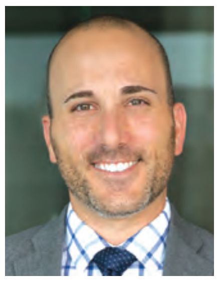
Brad Schmidt, CFO
Smile Brands Inc., Irvine

Brad Schmidt, along with his business partner Steve Bilt, has been instrumental in the founding, development and growth of Smile Brands Inc., from its beginnings as a startup into one of the most successful dental support organizations in the country. In addition to taking this entity from "shoebox accounting practices" to fully formed business support departments, Schmidt also helped establish the infrastructure and processes for functions such as Human Resources, Procurement and IT. In 2009, Schmidt and Bilt led the initiative for a possible initial public offering of Smile Brands. The IPO was moments from being declared effective, with a significantly oversold book, when the company pulled it to execute a private sale to Welsh, Carson, Anderson & Stowe (WCAS). Bilt left Smile Brands at the end of 2013, and Schmidt departed a few months later. During this time, they formed another dental support organization, OneSmile, partnering with Gryphon Investors. This partnership put their team in the right place at the right time to buy back Smile Brands from WCAS in 2016.

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

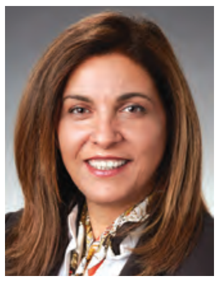
In 2013, Todd Schull joined TTM Technologies as chief financial officer. TTM Technologies is one of the world's largest printed circuit board (PCB) manufacturers, focusing on PCB, backplane assemblies and electro-mechanical solutions. TTM had historically been an amalgamation of a number of acquisitions and Schull, along with other executive team members, has been working to fully integrate the company into one global entity. Specifically, he drove the creation of the shared service center, as well as sponsoring the company's initiative for a global ERP system. His most significant accomplishment at TTM has been the successful purchase and integration of ViaSystems (Via), which helped the company to double in size. Within a year of the transaction, Via had been integrated with substantial cost synergies that allowed TTM to exceed analyst earnings estimates in 2016. The cost savings and improved operating results, along with Schull's efforts to increase the company's focus on cash flow generation, increased cash flow significantly resulting in $218 million in debt repayments in 2016 and $50 million in 2017.

John Paul Sciammarella, CFO
Emmes Group of Companies, Irvine



The Emmes Group of Companies (EMMES) is a vertically integrated real estate advisory firm with over $1 billion in assets under management. EMMES is also a registered investment advisor with the Securities Exchange Commission. John Paul "JP" Sciammarella joined EMMES in September 2015 when an opportunity arose to join a long-standing company that was on the heels of a restructuring whereby two former partners spun out to form their own business. Sciammarella's role primarily focuses on the establishment of strategic plans, annual operating objectives and organizational strategies for EMMES. In his first year, the focus was on building a scalable back office, which included the development and design of an Accounting and Finance Function/Department. As his tenure at EMMES has expanded, Sciammarella has managed the relationships with outside service providers; including banks, independent public accounting firms and tax advisors. Looking to 2018 and beyond, Sciammarella is focused on capital and investor relationships.

Guita Sharifi, CFO
Radiant Health Centers, Irvine



CFO Guita Sharifi joined AIDS Services Foundation Orange County in June 2016 just as it was beginning a journey that ultimately led to its name change to Radiant Health Centers in December 2017. With new HIV cases occurring steadily at a rate of six per week in Orange County, the former ASF had begun evaluating its services and the best approaches to get that number down to zero. The former ASF began evolving its services to improve and ease access to medications and health services for at-risk populations. Sharifi identified funding strategies to help the 32-year-old local nonprofit expand its services to help Orange County's vulnerable LGBT population. The first of these was the expansion of vital mental health services which will begin March 2018 for qualifying members of the LGBT community facing a mental health crisis or are in need of counseling. Sharifi also continues to oversee the organization's financial operations that fund its comprehensive social services for people living with HIV.

Lindsay Shumlas, SVP/CFO
Manhattan Beachwear Holding Co., Cypress

Lindsay Shumlas joined the Manhattan Beachwear team in 2015 when the company was on the tail end of a challenging inventory management system implementation. Shumlas hit the ground running and immediately went to work on a debt refinancing initiative, which became imperative to the company's short-term success considering the difficult financial and economic circumstances of the moment. Finally, Shumlas tightened up a number of internal control gaps that she had been able to identify through the debt refinancing initiative. In an effort to reduce costs and streamline Manhattan Beachwear's manufacturing process, Shumlas was instrumental in shifting the company's manufacturing from Indonesia to China, as well as closing an inefficient manufacturing facility in Mexico. Additionally, as part of the refinancing, Shumlas and her team prepared a three-year operating plan which the company exceeded within the first year of the plan. This allowed for the organization to meet the requirements of the new debt agreement and triggered an automatic extension of the debt.

Patrick Strayer, VP of Accounting/Operations
BB Dakota, Costa Mesa
Before taking on his role as at BB Dakota, a privately held company in fashion apparel, Patrick Strayer was a former Ernst & Young auditor. He also served as controller for 16 years at Volcom. At Volcom, Strayer was instrumental in helping the company go public and completing a dozen ERP implementations globally. He eventually transitioned to senior director of international accounting operations at Volcom. He left Volcom and became controller of TravisMathew, and afterwards vice president of accounting/finance at Birchwood Lighting where he was the main driver of the sale of the company to Leviton.

Mimi Taylor, SVP of Finance & Accounting
Roth Staffing Companies, Orange
Mimi Taylor has worked the majority of her 30-year career in finance and accounting for three companies, Bush O'Donnell & Co., a financial services holding company; SC Fuels, one of the oldest and largest petroleum distributors in the Western U.S.; and Roth Staffing Companies, one of the largest privately held staffing firms in the U.S. Taylor has never been with an organization that did not experience year over year growth. She has always brought strategic vision and operational efficiency to her role, which has been instrumental in enabling growth and profits at each company. At Roth Staffing Companies, Taylor's ability to not just understand the tactical and functional roles of finance and accounting, but really understand the business – to connect the dots to reveal a bigger picture and a better solution – is what has made her such a valuable executive leader for the company. She's able to be part of a strategic conversation and then take an overall company goal and drill it down to all the necessary pieces of modeling, forecasting and analyzing.

Cort Townsend, CFO
Kofax Inc., Irvine
Cort Townsend was instrumental in the sale of Kofax (formerly the Lexmark Enterprise Software division of Lexmark) to private equity firm, Thoma Bravo. The deal garnered a higher than expected premium and included the carve-out and simultaneous sale of Perceptive Software, a subset of the Kofax business, to Hyland Software (an existing Thoma Bravo portfolio company). Two and a half years prior to the acquisition by Thoma Bravo, Townsend led the due diligence effort on the sale of Kofax to Lexmark culminating in an auction process among multiple potential buyers. This resulted in a purchase price of over $1 billion and nearly doubled the size of the Lexmark Enterprise Software business to approximately $700 million in revenue. Kofax is a leading provider of software to simplify and transform the First Mile™ of business. Kofax delivers its information capture, robotic process automation, financial process automation and customer onboarding solutions through its direct sales and service organization, and a global network of more than 1,300 authorized partners in more than 70 countries.

Lukas Wickart, CFO
AutoGravity, Irvine
Lukas Wickart leads business strategy, investor development, accounting, financial analysis and planning for AutoGravity Corp. With more than 10 years of finance industry experience, spanning across Asia, Europe and the Americas, he provides financial leadership to align AutoGravity's business and finance strategies. Most recently, Wickart successfully led AutoGravity's Series B funding round, an effort that secured a $30 million equity investment from Volkswagen Credit – a nod to the global potential of AutoGravity technology. This partnership united two of the world's leading car manufacturers, Daimler (AutoGravity's seed investor) and Volkswagen, together behind AutoGravity, reaffirming the startup's place as the technology and innovation leader in the auto finance industry. Prior to AutoGravity, Wickart was a member of the executive team at Surf Airlines, the world's first "all-you-can-fly" subscription private airline. Serving as the airline's vice president of corporate strategy and finance, Wickart directed global expansion and financing efforts.

Rachelle Wilson, CFO/Director of Operations
Dance Discovery Foundation, Laguna Niguel
Rachelle Wilson has served in the nonprofit industry since 2010 with Dance Discovery Foundation (DDF). Having a passion for creating positive change and a love for the performing arts, Wilson's involvement grew in 2013 when she took the position of treasurer for DDF's board. In 2013, DDF was at a critical point, Wilson's involvement pulled together all segments of the organization, defined it and focused it on producing effective programming while positioning DDF for growth and sustainability. In 2014, she officially joined the nonprofit's staff as chief financial officer/director of operations. With Wilson in her new role, the organization has increased its annual revenue by 75% and has had a continual growth pattern of 25% each year. One of Wilson's most significant accomplishments is DDF's scholarship program; launched in 2014, the program gave $2,000 in performing arts scholarships that year. By 2015, the program budget enabled DDF to grant $30,000+ in scholarships, and more than $40,000 in 2017.

Andre Wright, CFO
Verify Inc., Irvine
Andre Wright has served as chief financial officer for Verify since 2008. Over its 40-year history, Verify has emerged as the global leader in supplier performance management solutions to the high-technology industries – enabling quality products to be delivered on time. Verify's leadership team has executed against its historical business growth plans and has established a foundation for future expansion through investments in its customer and supply chain facing applications and new service offerings. In addition, following a very challenging ERP implementation, the Verify team worked together to restore its financial strength, enhance its operational capabilities, and restructure its debt and financing capabilities.

ORANGE COUNTY BUSINESS JOURNAL

11th annual

CFO OF THE YEAR *Awards*

Congratulations Nominees!

Sandra Bensworth, Orange County United Way
Julie Chassagne, Alteryx Inc.
Shawn Conerty, The REMM Group
Patrick Farenga, Plutos Sama LLC
Ann Fong, BB Dakota
Mike Henry, Tillys
Hal Hurwitz, MRI Interventions Inc.
Neda Imbimbo, BigRentz
Scharrell Jackson, Squar Milner LLP
Stacey Kato, Kingdomway USA Corp.
Scott Lamb, ICU Medical
Chris Lawrence, American First Credit Union
Vincent Luca, TCA Architects Inc.
John Luker, Orangewood Foundation & Samueli Academy
Michael Martinson, Ambry Genetics
Sean McCarthy, Bal Seal Engineering Inc.
Debby Morris, Apria Healthcare
Jolene Myers, MerchSource
Francisco Nebot, Schools First Federal Credit Union
Lynda Nguyen, Razor USA LLC
Sandra Pham, West Coast University & American Career College
Brian Robins, Cylance Inc.
Angela Rowe, Global Genes
Kevin Rubin, Alteryx Inc.
Andy Schmidt, Iteris Inc.
Brad Schmidt, Smile Brands Inc.
Todd Schull, TTM Technologies
John Paul Sciammarella, Emmes Group of Companies
Guita Sharifi, Radiant Health Centers
Lindsay Shumlas, Manhattan Beachwear Holding Co.
Patrick Strayer, BB Dakota
Mimi Taylor, Roth Staffing Companies
Cort Townsend, Kofax Inc.
Lukas Wickart, AutoGravity
Rachelle Wilson, Dance Discovery Foundation
Andre Wright, Verify Inc.

Master of Ceremonies
Murray Rudin
Managing Director
Riordan, Lewis & Haden
Equity Partners

Dinner & Awards Program
February 15, 2018
6:30 p.m. - 8:30 p.m.
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*Tickets: $275 / Table of Ten: $2600

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