

Cove Fund Vets Diabetes Device, Cell Phone Filter

Angel Investors Start Due Diligence on Pair of Startups

The Cove Fund I selected two startups to move on to the next stage—due diligence—after hosting a pitch session on Jan. 26.

The fund of approximately \$5.5 million, comprised of three angel investors, provides startup money for new OC-based ventures. It invests a maximum of \$250,000 in any given startup.

Modulated Imaging and **Abtum**, both based in Irvine, will proceed to due diligence, according to Lead Fund Manager **John Kensey**.



STARTUPS

Deirdre Newman

Modulated Imaging has created a medical device that can screen the risk of diabetics for developing foot ulcers, which the company claims are the leading cause of lower limb amputations.

The device uses optical imaging technology that the company says can see 10 times deeper than the naked eye, and measures key indicators of tissue health.

Modulated Imaging is seeking \$2.5 million based on an approximate \$9 million valuation, according to Chief Executive **David Cuccia**. The company intends to then raise a larger investment round of \$5 million to \$7 million in two years, after it has established a presence in the medical community, he said. The company hopes to get Food and Drug Administration clearance for its clinical device, the Ox-Imager CS, by June, he said.



Cuccia: Modulated Imaging CEO demonstrates company's product during pitch

Abtum, meanwhile, has patent-pending radio-frequency technology to reduce and improve the functionality of filters in smartphones. Most smartphones have about 20 to 50 filters with about 20 combined functions. Abtum has created a way to get all 20 functions onto just one or two filters, reducing the cost and complexity of building the phones. This, in turn, will allow phones with Abtum filters to operate in multiple regions worldwide and to work with multiple carriers, according to Chief Executive **Behnam Analui**.

The company is currently valued at about \$5 million, Analui said during the pitch session in January. Abtum closed a \$350,000 seed round last year from a group of angel investors. About half of the money came from investors associated with **EvoNexus**, which is housed at **The Vine** in University Research Park.

Abtum recently opened a Series A round to raise \$2.5 million, Analui said. The startup also recently received its first purchase order for \$1 million from a U.S.-

based supplier of wireless infrastructure devices, Analui said, adding that he wouldn't disclose the name of the supplier.

And Abtum recently added General **David Petraeus**, former director of the CIA and current chairman of **KKR Global Institute**, to its group of investors.

The Cove Fund I is a for-profit LLC with an office at **The Cove**, the home of Applied Innovation at the University of California-Irvine.

Cove to Expand

Applied Innovation's physical space will add 15,000 square feet in late summer to house more startups and resources. Applied Innovation is UC Irvine's incubator and accelerator for innovation.

The expansion will take place in an adjacent building in University Research Park where a Starbucks is housed, according to Executive Director **Richard Sudek**. The Cove already occupies 31,000 square feet in University Research Park, which encompasses 185 acres owned by UCI and built and leased out by **Irvine Company**.

Seriously Social

Orange-based **Serious Social Media**, a software product for insurance agents and other industries, has been selected to join the second class of the **Global Insurance Accelerator**, known as the GIA.

The GIA is a global business accelerator focused on developing and growing innovative startups focused on the insurance business. Serious Social Media is one of five startups chosen for the Des Moines, Iowa-based program that started on Feb. 9.

The company will receive a seed investment of \$40,000, in addition to office

space, one-on-one mentorship, business development training and access to the GIA's network of insurance executives and carriers, investors and industry leaders. In exchange, the GIA receives a 6% equity stake in Serious Social Media.


Chief Executive **David Beall**—whose father is named Don but is no relation to former president, chairman and chief executive of **Rockwell International** and current UCI benefactor **Don Beall**—founded Serious Social Media last year. Its flagship product, InsuranceSocial.Media, uses cutting-edge technology to provide insurance agents with automated and highly customized social media posts about the insurance industry.

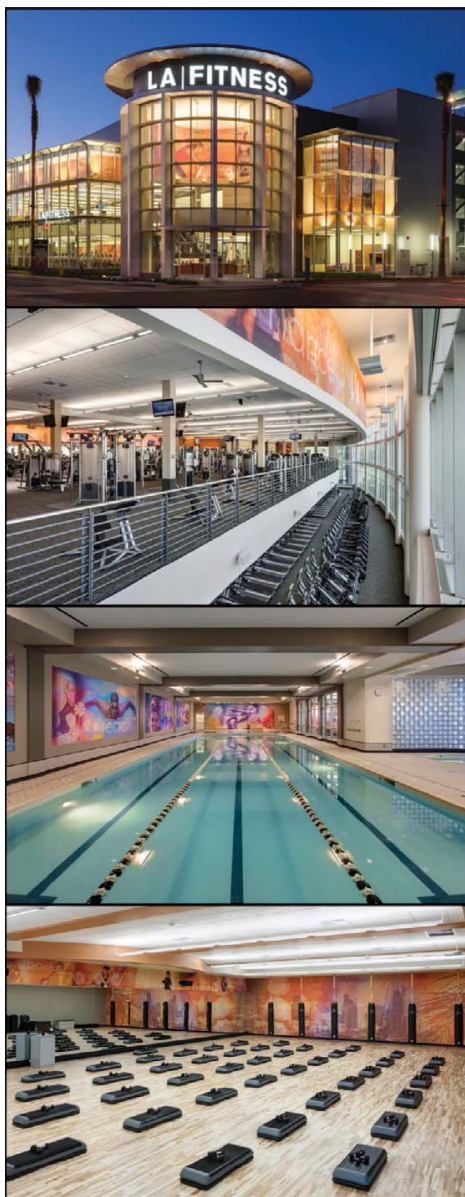
Serious Social Media comes up with an algorithm to match each insurance agency with content tailored to give it a "unique" social media marketing plan.

Astounding Again

The annual Astounding Inventions competition, sponsored by Irvine-based IP law firm **Knobbe, Martens, Olson & Bear LLP**, took place Jan. 30 at Irvine Valley College. Inventions of 450 students in kindergarten through eighth grade were judged by Knobbe attorneys, who will select two for pro bono guidance on securing patents.

The goal is to engage students who show interest in science, technology, engineering and mathematics, helping to foster a passion for science and innovation, according to Knobbe partner **Lance Smemoe**.

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