



Innovation

Paul Larson, of Daylight Solutions Inc., discusses the 'game-changing' microscope made by his company. **Page 4**



Landscaping

Vicki Estrada, of Estrada Land Planning, says sustainable landscaping practices are becoming a necessity rather than a mere option. **Page 6**

The Lists:

Environmental Consultants **Page 16**

Alternative Energy Suppliers **Page 18**



Bend It Like...eSurface

TECH: Co. Aims to Overcome Limitations Of Circuit Boards

■ By BRAD GRAVES

For the people at **eSurface Technologies**, a flat board of electronics makes about as much sense as a flat Earth.

Carlsbad-based eSurface says it has come up with a new, better process to make printed circuit boards — something at the core of all electronic devices.

Not only is the process simpler and

more environmentally friendly than the conventional, 50-year-old way, the new method, they say, frees engineers from some of the design limitations of a circuit board.

With the eSurface process, company executives said that engineers can put circuit boards on odd-shaped surfaces — such as the inside or the outside of a sphere. Circuitry can also go on unconventional surfaces such as paper, cloth or silicone gel.

“You can put it on virtually every surface,” said **David Benson**, president of

➔ eSurface page 29

Photo by Stephen Whalen

David Benson, president of eSurface Technologies, peers through a flexible piece of Kapton film with a circuit board printed on it.

Proposition 45 Being Opposed By Insurers



Photo courtesy of Covered California. Applicants are guided through the sign-up process for Covered California.

HEALTH: Govt. Would Get Veto Power on Rate Increases

■ By BRITTANY MEILING

Health insurance companies may suffer a caustic blow by a currently popular ballot initiative that would expand the state's authority to regulate health insurance rates.

The ballot measure, set for November vote, would give Insurance Commissioner **Dave Jones** veto power over rate increases for about 6 million Californians who have individual and small business policies. Jones said the measure would prevent excessive rate hikes that could make the federally mandated

➔ Prop 45 page 24

New Law Ensures That Brokers Disclose Roles

REAL ESTATE: Commercial Rules To Be Toughened Jan. 1

■ By LOU HIRSH

Gov. **Jerry Brown** recently signed into law new broker disclosure rules bringing commercial real estate into line with what is already required in residential real estate.

Supporters said the move was needed to prevent potential conflicts of interest in the representation of buyers and sellers, by putting the exact roles of brokers in writing before transactions take place. Others in the industry said the changes will essentially codify what is

➔ Disclosure page 31

Peregrine Purchase to Cost Murata \$465M

TECH: Deal Is Expected To Close By Early 2015

■ By BRAD GRAVES

San Diego-based **Peregrine Semiconductor Corp.** is going under the wing of one its corporate allies, just two years after becoming a public company.

Murata Manufacturing Co. Ltd. of Japan announced Aug. 22 that it will buy the portion of Peregrine that it does not already own in a \$471 million cash deal. Murata's net cost will be \$465 million.

Murata offered Peregrine shareholders

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SPECIAL EDITION

SUSTAINABILITY

Sustainability has become a critical aspect of any development project and is increasingly important to everyone's bottom line:

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Prop 45:

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health care coverage unaffordable.

Despite reservations from California's health insurance exchange, **Covered California**, Proposition 45 has won over nearly seven out of every 10 registered voter respondents surveyed in an independent poll conducted by the **Field Research Corp.**

Covered California to Oppose

Jones is a democrat who supports the Affordable Care Act and until recently had been on the same side of the fence as the state-run exchange. However, Covered California came out on the opposing side of the measure when officials decided at an exchange board meeting that they would take up a vote in September to formally oppose Proposition 45.

Covered California issued an analysis stating the ballot initiative could have a detrimental impact on the exchange's operations, including its ability to negotiate with insurance companies. **Susan Kennedy**, a Covered California board member and former chief of staff to then-Gov. Arnold Schwarzenegger, said Proposition 45 would add delays, confusion, litigation and cost to the process of providing benefits.

Jim Morrison, president and founder of **James M. Morrison Insurance Services Inc.** and member of the **San Diego Association of Health Underwriters** is part of the campaign against Proposition 45.

Double Up on Red Tape

"It gives the commissioner the power to regulate everything related to health care — costs, benefits, plans, networks,

everything. It doesn't give a group this power, it's one person," Morrison said.

Morrison said the ballot measure would double up on red tape already required by the Affordable Care Act.

"The problem is that Prop 45 was written in 2011, before ACA was in place," Morrison said. "Covered California is the end result of ACA, and even they are concerned that this is going to be disruptive."



Jim Morrison

Morrison said increased regulations would likely slow down the process of acquiring health care coverage with costly repercussions.

"If the cost of business goes up, then the cost goes up for the consumer," Morrison said.

Anthem Blue Cross, Kaiser Health Foundation Health Plan Inc., WellPoint Inc. and other companies have already invested more than \$37 million to defeat the measure according to the Secretary of State's Office.

Jamie Court, president and chairman of the board of **Consumer Watchdog**, said there is no question why insurance companies oppose the measure.

"Of course they hate us," Court said. "Prop 45 is going to save consumers and small businesses from paying high insurance rates. Why wouldn't they hate us?"

Consumer Watchdog is a nonprofit organization that says it advocates for taxpayer and consumer interests, with a focus on insurance, health care, political reform, privacy and energy. The group consists of public interest lawyers, policy experts, strategists and activists.

"We fight corrupt corporations and

If approved by voters, Proposition 45 would:

- Require changes to health insurance rates, or anything else affecting the charges associated with health insurance, to be approved by the California Insurance Commissioner before taking effect
- Provide for public notice, disclosure, and hearing on health insurance rate changes and subsequent judicial review
- Require sworn statement by health insurer as to accuracy of information submitted to Insurance Commissioner to justify rate changes
- Exempt employer large group plans under any circumstances
- Prohibit health, auto, homeowners insurers from determining policy eligibility or rates based on lack of prior coverage or credit history

crooked politicians on behalf of everyday Americans," their website states.

Court said Proposition 45 was written

in the interest of small businesses and individuals.

Protecting 'the Little Guys'

"It was designed to protect the little guys," Court said. "It doesn't include large businesses who can fend for themselves."

Morrison argues that Proposition 45 would damage small businesses by decreasing competition among health insurance companies rather than protect them.

"Eventually these insurance companies are going to say, 'forget California' and move elsewhere," Morrison said. "I just don't see how reduced competition will cut costs. What will be the insurance company's incentive to lower its rates if there are only two companies that hold 80 percent of the market?"

According to data released by Covered California and the California Department of Health Care Services, four insurance companies — Wellpoint Inc. (including Anthem), **Kaiser Permanente**, **Blue Shield of California Group** and **Health Net** — already hold 95 percent of the market as of February 2014.

"Regulation can lead to greater competition," Court said. "California has the most competitive auto and home insurance market today. California is the only state in which auto insurance rates fell during the 25 years following regulation."

Peregrine:

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\$12.50 per share, a 63 percent premium on a stock that closed the prior trading day at \$7.69.

No Strangers

Peregrine and Murata already have a relationship. In 2013, Peregrine inked a collaborative sourcing and licensing agreement with Murata, which is based in Kyoto. Murata was also the customer that bought Peregrine's 2 billionth microchip, in October.

Murata, which reported about \$8.5 billion in revenue during the recently ended fiscal year, makes electrical components such as capacitors, as well as communication modules.

Peregrine makes microchips for radio-frequency uses. Its silicon-on-sapphire manufacturing technology is one of several in the silicon-on-insulator category. Peregrine holds more than 180 filed and pending patents.

The San Diego business, founded in 1990, commercialized technology developed at the Naval Ocean Systems Center — the U.S. Navy lab on Point Loma that has since been renamed Space and Naval Warfare (Spawar) Systems Center Pacific.

Murata Electronics North America Inc., part of Kyoto-based Murata, announced that it entered into the definitive agreement to buy Peregrine shortly after 5 a.m. on Aug. 22. Peregrine shares rose 60 percent early that day on news of the potential sale.

The parties expect the deal to close by the end of this year or early 2015, subject to Peregrine stockholder approval, regulatory approvals and other customary closing conditions. The parties expect Peregrine to become a wholly owned subsidiary of Murata.

Peregrine went public in 2012, raising \$77 million in its initial public offering.

The business reported a net loss of \$4.1 million on net revenue of \$202.3 million in 2013. The prior year, it reported net

income of \$2.8 million on net revenue of \$203.9 million.

Following the announcement of the sale, about a dozen law firms issued press releases saying they planned to investigate the transaction on behalf of shareholders.

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