



BY JACY L. YOUN

Dragon-Bridging the China Gap



DRAGONBRIDGE

The Merchant Bank Serving Asia Pacific Companies

It's not very often that Barry Weinman turns down money. But the veteran venture capitalist turned down quite a bit of it earlier this year, when offers for investment kept pouring in long after he met his fundraising goals for his newest venture, a merchant bank called DragonBridge Capital. "We turned down a lot of money from the Mainland because we wanted this to be a Hawaii-based company," explains Weinman, who formed DragonBridge earlier this year with fellow venture capitalist Po Chi Wu and former HiBeam Executive Director Leigh-Ann Miyasato*. "We hope to eventually have a public offering and run it as a public company, and frankly, if we took a lot of Mainland money, we'd have to move there," he says, adding that 85- to 90 percent of the \$3 million he raised came from Hawaii investors.

If the company did leave Hawaii, it would be like removing the bridge from DragonBridge. Weinman says he thought up the moniker for the company, which provides consulting services to mid-sized Chinese firms looking to enter U.S. markets, because in Chinese mythology, the dragon signifies being at the top of the heap, while Hawaii is the "bridge" connecting China to the U.S. Mainland.

Since DragonBridge is a merchant bank, and not a typical venture fund, it won't actually invest in the companies it works with. Rather it will prep the companies to be attractive to other investors. In addition, it will facilitate connections with potential partners and customers, assist with fundraising, and eventually help get them in shape for their initial public offerings. If and only if the companies are successful in raising money, DragonBridge will take a "success fee" of around 7 percent - 3.5 percent in cash, 3.5 percent in equity.

"The beauty of our model is that we don't have to raise a lot of money, only what we need to fund our operations, but, if on average, we're bringing five Chinese companies to Hawaii each year, in five years, we'll be a Hawaii company that has equity in 25 companies," says Weinman. "So there's a real opportunity here to establish Hawaii as a recognized leader in China as being the bridge to U.S. markets."

After having visited China's Zhongguancun technology park (which Hawaii just established a one-of-a-kind partnership with) in June, DragonBridge has received interest from hundreds of firms eager to work with the company. Weinman says it will be difficult to choose just one or two companies to initially start with, but that they plan to make their final selections after another China trip in September. "The potential in China is just tremendous," he says. "It's literally an abundance of riches." ■

*Disclosure: Leigh-Ann Miyasato is the wife of *Hawaii Business* Publisher Hoyt Zia

>> TECH MEN ON THE MOVE



DAVE KOZUKI

Talk about a brain gain. After having lived in Silicon Valley for the past five-and-a-half

years, local entrepreneur and University of Hawaii alum Dave Kozuki has returned to the islands to manage sales and marketing for local telecommunications firm Pacific LightNet. And boy is he glad to be back home. While in Silicon Valley, Kozuki started a few Internet-related ventures, including an online gathering place for locals (GlobalPauHana.org) and, his latest venture, a social networking ASP called People Bridge. When asked if making the move into the corporate environment would cramp his style, the serial entrepreneur replied with a laugh, "No, no. It's actually very entrepreneurial here at Pacific LightNet. Also, they're doing a lot of things that I was already working in Silicon Valley, so it shouldn't be too bad." Welcome back, Dave.



OLIN LAGON

Olin Lagon, another of Hawaii's bright young techie-slash-entrepreneurs with a social con-

science, has been chosen one of only four Petra Fellows in the nation. The Petra Foundation, in its effort to "champion unsung heroes who deserve recognition for their distinctive contributions to the human and civil rights, autonomy and dignity of others," has selected Lagon, the founder of former tech startup WorldPoint, for its 2005 class of fellows. The honor means a trip to Washington, D.C. in November and a \$7,500 cash award (which Lagon will use to send the staff from his non-profit tech firm Hawaiian Homestead Technologies to an annual Native Hawaiian conference).