

WiSpry Lands Funding, Big Cell Contract

By Sarah Tolhoff

Irvine startup WiSpry Inc., which makes chips for cell phones, is moving its designs into production this year for one of the top three cell phone makers.

The company, which recently scored \$7 million in a second round of venture funding for a total of \$27 million raised, is poised to make a big push in making new cellular technology more efficient.

"I couldn't be more pleased with how the company is doing," said Chief Executive Russell Garcia, who took the helm of WiSpry last June. "We are now locking down the processes and getting everything ready for manufacturing."

WiSpry makes moving microscopic machines that are thousands of an inch in size and puts them on chips. The chips make a phone's signal to cell towers more efficient, allow for fewer dropped calls and lengthen battery life up to 30%, Garcia said.

WiSpry's earlier investors, including Sacramento's American River Ventures, San Francisco's Blueprint Ventures, San Jose's Hotung Capital Management Inc., San Diego's Shepherd Ventures, New York's L Capital Partners and Fort Worth, Texas-based Sid R. Bass Associates, participated in the round.

WiSpry was formed in 2002 when it split from the radio frequency and wireless business unit of Austin, Texas-based Coventor Inc.

But it didn't get off the ground until 2004 with a million dollars in seed money from Tech Coast Angels, a loose group of Southern California investors.

The company is set to use its latest infusion of cash to formalize the chips' manufacturing processes, Garcia said.

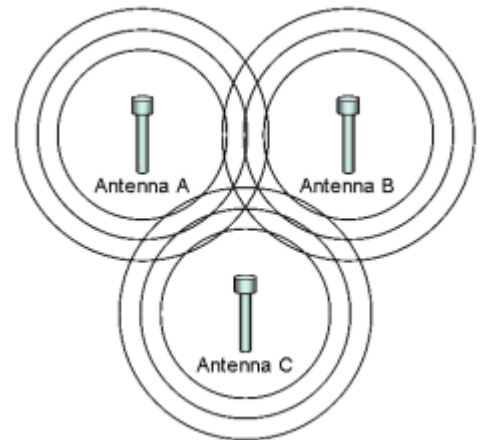
Design Win

Closely held WiSpry said it's landed a design win with one of the big three cell phone makers—that means either South Korea's Samsung Corp., Finland's Nokia Corp. or Schaumburg, Ill.-based Motorola Inc.

And the company's hashing out preliminary designs with three of the other four top cell phone manufacturers, but wouldn't say which ones, Garcia said.

The other possibilities are Sony Ericsson Mobile Communications AB and LG Electronics Inc.

"We are in the process of building and developing a demonstration platform for our tunable chips with them," Garcia said. "These companies are spending real research and development dollars to prepare for our product technology."



Chip design: switches between radio frequencies to handle multiple tasks



The company also won chip work with a "government entity," but Garcia declined to give specifics.

WiSpry, which has about 23 workers in Irvine, is looking to hire another dozen or so by the end of the year.

"We will be shoring up the back-end capabilities of the company and beefing up sales and marketing," Garcia said.

He's got high hopes for the technology that WiSpry is working on, which industry insiders call "micro-electro mechanical systems," or MEMs. The MEMs switch back and forth from different radio frequencies to carry out multiple tasks.

They are used in airbag sensors, video projection systems and printer heads, among other devices.

There are other applications, including handheld consumer electronics and laptop PCs, Garcia said.

WiSpry's chips are set to be in phones by the end of 2008. The first quarter of 2009 will be the big ramp up in production, Garcia said.

The company is expecting to break even some time in 2010.

"We are moving very rapidly and if we stay at this pace we will achieve our goals," Garcia said.