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## Startup Raises \$95M, Woos Big Computer Makers

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Chalk up another win for Foothill Ranch-based Aristos Logic Corp.

The maker of chips and circuit boards for data storage networks is set to see its latest design—a controller that speeds up the flow of data—in the next generation of computers from big name companies (think Dell Inc., Hewlett-Packard Co. and the like).

That's helping Aristos, one of Orange County's best-funded technology startups, make headlines in the growing market for data storage networks.

The company's a darling of investors, raising \$95 million in six rounds of funding.

Heavyweight investors include JP Morgan Partners LLC, Texas Pacific Group Capital, Woodside Fund and QTV Capital.

Most recently, Aristos raised \$15 million in September.

The company plans to go public, but not for another year or so.

"We have always had the goal to go public—that's how we have structured the company," said Vipul Mehta, vice president of business development.

Even so, Mehta said, "We are all good businesspeople, so we are exploring other exit strategies."

Aristos designs chips, circuit boards and software for RAID, tech speak for redundant array of independent disks.

That's where several disk drives in a computer or several computers on a network function as one, speeding access to data and providing backup should one disk fail.

"One of the attributes of RAID is that it allows you to take advantage of a number of disk drives as if your computer was able to talk to them simultaneously," Mehta said. "That gives you very high speed and a tremendous amount of protection for data loss."

Aristos contracts with Milpitas-based LSI Corp. for production of its chips.

Rivals include Intel Corp., which recently came out with chips for storage processing, and LSI's storage division, Engenio.

Aliso Viejo-based QLogic Corp. and San Jose-based Brocade Communications Systems Inc.—big in data storage networking—aren't seen as competitors. They focus on switches for data storage networking, rather than the internal boards of Aristos.

### Design Niche



Mehta, Aristos chip: "We have always had the goal to go public"

Custom chip designs have proven to be a nice niche for Aristos.

Traditional storage controllers—chips and circuit boards that link computers on data storage networks—use “one-size-fits-all” chips and other standard components and software that are stitched together, according to Aristos. Such setups can slow access to data, the company says.

“Our customers design us in because we really solve their ‘pain points,’” Mehta said.

Aristos’ controller can take several fragmented storage systems and link them to act as one device, he said. That speeds access to data stored on banks of computers at corporations, banks and government agencies.

Privately held Aristos said it recently scored design wins with top computer makers.

Mehta declined to name names, but said they were all U.S.-based, multibillion-dollar companies that are part of the top 10 computer makers in the world.

The design wins are “a big endorsement of the technology our team has developed,” he said.

Other customers include Sun Microsystems Inc.’s StorageTek unit.

Aristos declined to disclose the value of any contracts or its yearly revenue.

The design wins are likely to provide business for years to come, spokesman Adam Zagorski said.

“There are very high barriers of entry into these markets,” he said. “When the (original equipment manufacturers) spend the energy to put you into their product, you tend to stay in there for a long time. That will give us a guaranteed stream of revenue.”

Up to now, Corporate America has driven growth in data storage networks. Now PCs are pushing the need, too, with people editing and storing music, videos and photos, Mehta said.

“If you fast-forward a few years from now, you will see the explosion of the creation of data from consumers like you and me,” Mehta said.

That’s fueling growth for the consumer storage market, he said.

Aristos started with a “friendly split” from Lake Forest-based Western Digital Corp., according to Mehta.

At the start of the decade, the disk drive maker was looking to outsource parts of its business. On the chopping block: its chips for storage networking.

Mehta said he didn’t want to lose the team of chip designers he had built at Western Digital.

“At that time, a lot of the companies in OC were looking for good chip engineers,” Mehta said.

If the work was outsourced, the chip team could disappear to other companies, he said.

Enter Aristos in 2000, forged from former Western Digital workers.

“We were looking at what we could do with this team in terms of creating new business opportunities and, at the same time, make sure that Western Digital’s interests stay protected,” Mehta said.

The deal was that Mehta’s team would support Western Digital’s transition to outsourcing its chips.

The two companies don’t share technology or have any financial relationships, Mehta said.

Three of Aristos’ top executives spent time at Western Digital.

Chief Executive Anil Gupta previously was the vice president of chip engineering for Western Digital.

Before that, Gupta spent four years in Singapore as director of Western Digital’s design center there. He was a member of Intel’s microprocessor development team and worked on several generations of Intel’s chips.

Mehta was director of marketing for Western Digital’s audio and video products.

Sanjay Mathur, vice president of engineering, was director of chip development at Western Digital. Years earlier he was a system engineer at Mission Viejo’s Unisys Corp.

New on board is Keith Knight, who joined Aristos a few months ago as vice president of operations.

Knight—not a Western Digital alum—spent 15 years as vice president of manufacturing at Costa Mesa-based Emulex Corp.

The company counts about 75 local workers and a small team of 30 in Bangalore, India, that focuses on software testing.

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