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Puralytics seeks splash in \$3.2 billion water business

Portland Business Journal - by [Erik Siemers](#) Business Journal staff writer

Armed with advanced water purification technology, Puralytics wants to raise \$5.5 million from institutional investors this year, the company's first significant outside investment.

The Series A round is a critical step for the Beaverton-based startup, which believes within five years it'll have \$70 million in revenue and employ more than 50 workers.

CEO Mark Owen believes the company fills a niche in the \$3.2 billion market meeting the water needs of industrial and commercial businesses.

"The newest mainstream treatment technology is more than 100 years old," Owen said. "Instead of collecting or separating contaminants, we destroy them and break them down into water."

Founded in January 2007, Puralytics, formerly known as **UV Cleaning Systems Inc.**, cleans water with ultraviolet LED lighting technology.

The company's principal product is "The Shield," a desktop computer-sized device with the capacity to purify 500 gallons of water a day.

The target markets are small- to medium-sized businesses such as restaurants, offices or industrial operations such as food producers and breweries. The businesses can use the technology to clean water before it's dispensed — such as at restaurants — or when it's received — ideal for breweries.

Puralytics also developed a second product called the SolarBag. The three-and-a-half liter plastic bag uses sunlight to purify water in up to two hours.

The company hopes to sell the product to aid groups in third-world countries.

Owen said the bag has been tested by the Seattle-based nonprofit PATH, which will ultimately choose water treatment technologies to test in the field.

Owen moved into water purification after five years with **Phoseon Technology Inc.**, the Hillsboro company he founded in 2002 that uses ultraviolet LEDs to cure surface coatings on a variety of products.

Owen initially financed Puralytics with \$50,000 of his own money. He recently raised an additional \$400,000 through the sale of convertible notes to private investors.

Owen raised another \$470,000 through government grants, including a \$150,000 award given earlier this month by the National Science Foundation to research whether the technology can remove a common gasoline additive.

The company also sold prototypes to clients, generating around another \$400,000.

Even advocates say the market is challenging.

Laura Shenkar, the principal of the The Artemis Project, called the Puralytics technology "really cool stuff." But she said that despite the obvious need — an estimated 7 million people are sickened each year by water-borne contaminants — the water industry historically has been reluctant to adopt technological advancements.

"You don't want innovative water," she said. "You want the same, simple water you've used all along."

Heather Landis, an analyst with **Lux Research** in Boston, said Owen is making a smart move by targeting industrial and commercial businesses.



Cathy Cheney | Portland Business Journal
Puralytics CEO Mark Owen wants to close a \$5.5 million Series A round by the end of the year.

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But by targeting such markets now, it could be difficult to break into the much larger municipal water markets.

“But when you transition to the municipal side, it’s different because it’s water going to the public,” Landis said.

Perhaps the biggest challenge is landing venture capital during a credit crunch.

Owen is confident the company can raise \$5.5 million.

If successful, the financing would bring Puralytics to break-even and allow Owen to add to his team of four full-time and four part-time workers.

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