Evolve
Capital Partners

Weekly Deals Update

Week Ending 12/8/17

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY

Key Deals

M&A

Date	Target	Acquirer(s)	Sector	Amount ($mm)
12/5/17	TSHEETS We ♥ Employees	intuit	Financial Management Solutions	$340
12/3/17	aetna	CVSHealth	Healthcare	$69,458
10/17/17	wepay	JPMorgan Chase & Co.	Payments	NA

Financing

Date	Target	Lead Investor	Sector	Amount ($mm)
12/7/17	COMPASS	SoftBank	Bank Tech / Solutions	$450
12/7/17	credible	Public Investment	Specialty Finance / Alternate Lending	$50
12/5/17	Payoneer	CBC宽带资本	Payments	NA

Preface

Each week, Evolve Capital Partners compiles select M&A and financing transactions across the finance and technology sectors. We analyze multiples sources of publicly available information and source each transaction. We also release a weekly news update of relevant news and press releases across the sector.

Evolve Capital Partners is a specialized investment bank focused on businesses serving industries at the intersection of finance and technology. We are a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements. Founded in 2012, we are based in New York.

You can learn more about us at www.evolve-capital.com. We post past weekly transaction and news updates on our website, plus in-depth industry research reports.

To contact us, please email admin@evolve-capital.com or call (646) 688-2792.

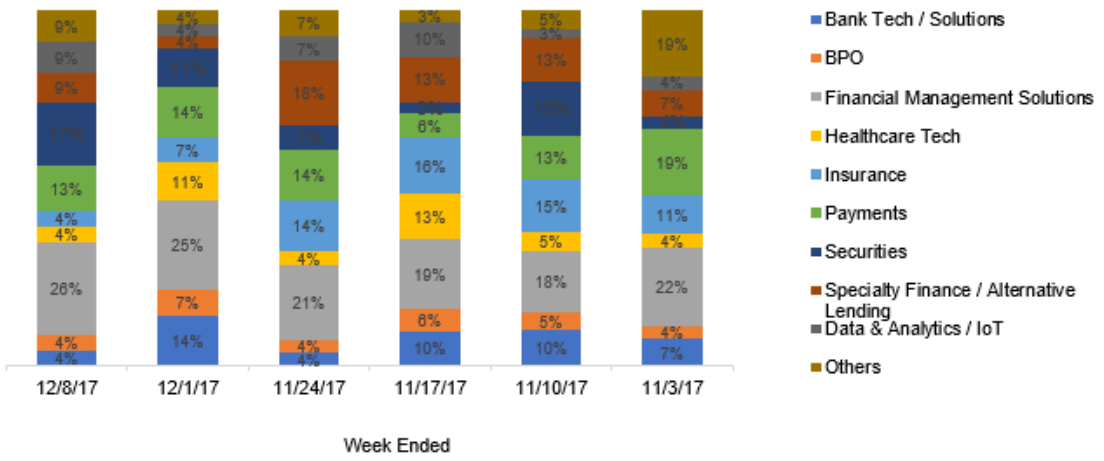
Sectors we cover at the intersection of finance and technology include:

Bank Tech / Solutions	Healthcare Tech	Securities
BPO	Insurance	Specialty Finance / Alternate Lending
Financial Management Solutions	Payments	Data & Analytics / IoT

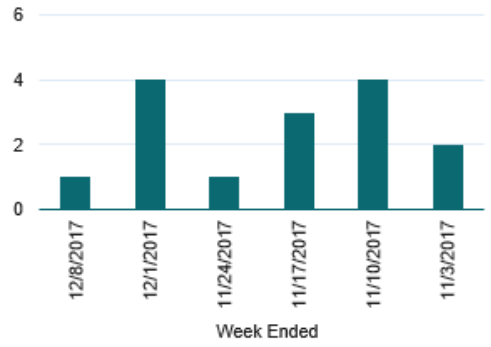
Deals Count

Sector	Number of Deals	% of Total
Bank Tech / Solutions	1	4%
BPO	1	4%
Financial Management Solutions	6	21%
Healthcare Tech	5	18%
Insurance	1	4%
Payments	3	11%
Securities	4	14%
Specialty Finance / Alternative Lending	2	7%
Data & Analytics / IoT	3	11%
Others	2	7%
Total	**28**	**100%**

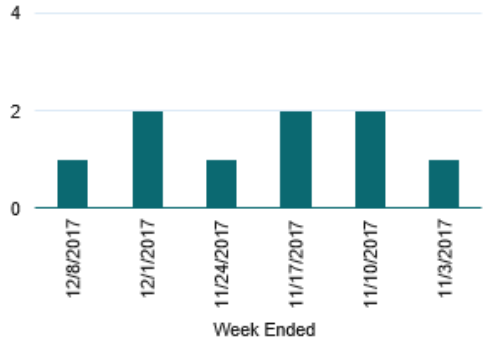
Sector-Wise Deals Breakdown



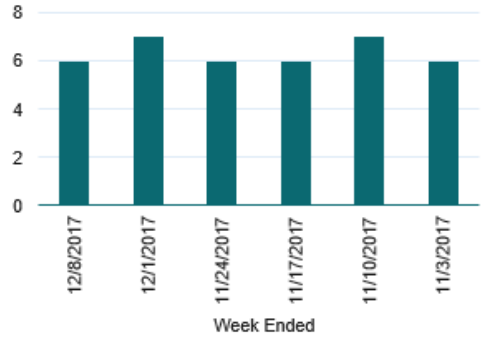
Bank Tech / Solutions



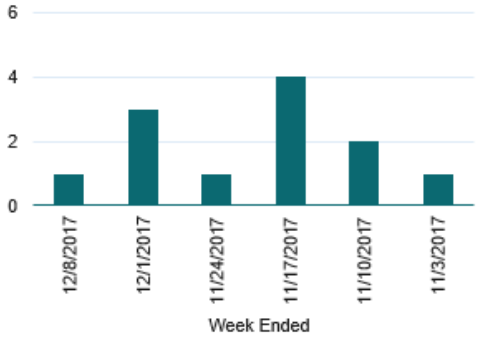
BPO



Financial Management Solutions

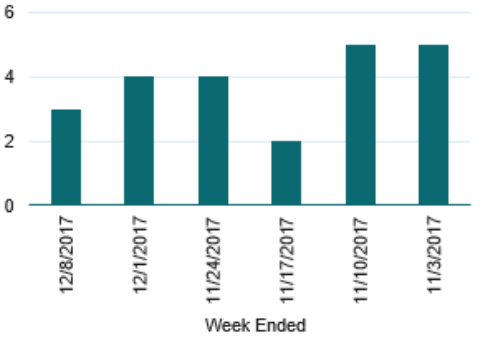


Healthcare Tech

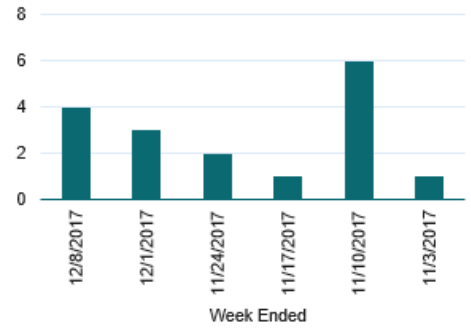


Insurance

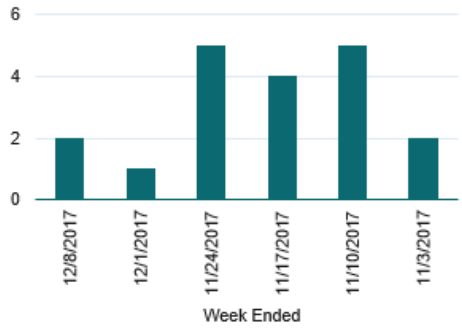
Payments



Securities

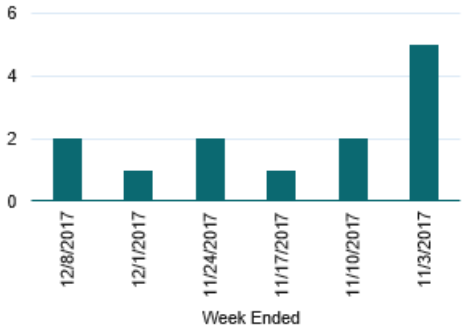


Speciality Finance / Alternative Lending



Data & Analytics / IoT

Others



BANK TECH / SOLUTIONS

SoftBank gets into real estate tech with $450 million investment in Compass

Bank Tech / Solutions

12/7/17

Japanese telecommunications giant SoftBank Group Ltd. has made yet another bet on a promising startup, investing a serious $450 million today in New York City-based real estate technology company Compass.

Investing via its $100 billion Vision Fund, SoftBank proclaimed the deal to be the "largest real estate technology investment in U.S. history." The deal follows a $100 million round led by the venture capital firm Fidelity Investments last month, bringing Compass's total funding to $775 million, valuing it at $2.2 billion.

For those unfamiliar with Compass, the company offers an online real estate listings platform that targets both real estate agents and home buyers.

Its platform supports the entire home search and transaction process, making it a rival to more established services offered by the likes of Zillow Inc. and Trulia Inc.

SoftBank's Vision Fund is said to be the largest venture capital fund in the technology industry at almost $100 billion. The fund was created alongside partners including Apple Inc., Hon Hai Precision Industry Co. Ltd. (better known as Foxconn) and Qualcomm Inc., and is making big bets on startups and other companies it believes can emerge as leaders in different segments of the industry. Previous investments include companies such as Slack Technologies Inc., WeWork Companies Inc. and, most recently, Uber Technologies Inc.

Compass currently operates in 11 U.S. markets, including New York City, Chicago, Los Angeles, Orange County, Santa Barbara and Montecito, San Francisco, Boston, Washington D.C., Miami, The Hamptons and Aspen. However, an expansion to new markets is likely to be in the offing soon, as the company said it will use the new funds to enter into "all major cities" in the U.S.

"Real estate is a huge asset class, but the sector has been relatively untouched by technology and remains inefficient and fragmented," Justin Wilson, a senior investment professional at the SoftBank Vision Fund, said in a statement.

"Compass is building a differentiated, end-to-end tech platform that aggregates across diverse data streams to support agents and home buyers through the entire process, well beyond the initial home search," Wilson added. "Compass is well-positioned for future growth in a sector that represents trillions in transaction volume."

Compass's potential is underlined by the big strides it has made in the last couple of years, during which it increased its real estate agent base sixfold.

The company added that it expects to complete some 16,000 real estate transactions worth a combined $14 billion by year-end.

https://siliconangle.com/blog/2017/12/07/softbank-gets-real-estate-tech-450m-investment-compass/

BPO

Resources Connection completes Accretive Solutions acquisition

BPO

12/5/17

Resources Connection Inc. (NASD: RECN) completed its acquisition of Accretive Solutions Inc., a Chicago-based firm that provides consulting, staffing and outsourcing services. Resources Connection is paying $19.4 million in cash plus 1.15 million shares of restricted common stock for the firm.

The transaction was first announced in November.

Accretive Solutions operates eight offices across the US. It will transition into the RGP brand over the next six to nine months, except for its Countsy brand, which provides a back-office suite of services to startups.

RGP continues to expect the transaction to increase RGP's revenue by approximately $65 million to $70 million after nine to 12 months.

"We are confident that Accretive's complementary capabilities will strengthen RGP's core competencies and we expect it will enable us to capitalize on growth opportunities in key US geographies, capture additional market share in the middle market, and expand our offerings to startups," said RGP President and CEO Kate Duchene. "Today's closing marks the start of an exciting new chapter for RGP and Accretive, and we look forward to the significant value this transaction can create for both our clients and shareholders."

Resources Connection operates as Resources Global Professionals and the Irvine, Calif.-based firm ranks as the sixth-largest US provider of finance/accounting staffing.

https://www2.staffingindustry.com/site/Editorial/Daily-News/Resources-Connection-completes-Accretive-Solutions-acquisition-44351

FINANCIAL MANAGEMENT SOLUTIONS

Tech startup CaliberMind raises more than $3 million in capital

Financial Management Solutions

12/5/17

Caliber UX Inc., a Boulder tech startup doing business as CaliberMind, has raised $3.3 million.

The company raised the funds by offering equity, according to a Form D filed with the Securities and Exchange Commission on Dec. 1.

The funding will go to accelerating product development and scaling up marketing and sales, co-founder and CEO Raviv Turner told BizWest. Part of scaling up includes hiring for a director of engineering and for sales and marketing leadership roles in its Boulder and newly-opened New York offices.

Turner said CaliberMind is an enterprise AI software that works with B2B organizations to help them manage customer data with a centralized database. He added that the benefit of CaliberMind's machine learning is that it can go through unstructured data, like emails between client and representative and recorded sales calls, and index it.

"We make sense of customer data in an organization so businesses can better engage with customers," Turner said.

https://bizwest.com/2017/12/05/tech-startup-calibermind-raises-3-million-capital/

Anaplan raises $60 million to drive continued global growth

Financial Management Solutions

12/5/17

Anaplan, a leading platform provider driving a new age of connected planning, today announced a $60 million Series F funding round. Premji Invest led the round along with Salesforce Ventures, Top Tier Capital Partners, and other existing investors.1 This latest round brings the total capital raised by Anaplan to $300 million; the current round now values the company at $1.4 billion.

Anaplan, which was recently included on Deloitte's 2017 Technology Fast 500™ list of fastest-growing companies in North America, plans to use the funds to scale the sales and customer success organizations, including partner enablement activities, to meet the growing worldwide demand for the Anaplan connected planning platform. This includes expanding internationally, focusing on key lines of business, and growing the development team to accelerate product evolution and innovation.

"Companies around the world are using Anaplan to connect data, people, and plans," said Sandesh Patnam, Partner, Premji Invest. "We're excited to lead another investment round because we've seen how the Anaplan platform facilitates better decision-making across organizations."

"As we continue to scale, we are excited to have this additional support from our investors," said Frank Calderoni, President and CEO of Anaplan. "This funding is going to help accelerate our ability to explore new opportunities, grow our partner and customer community, and develop new technologies that will continue to build upon our world-class connected planning platform."

Over the past year, Anaplan was recognized as a Leader in the 2017 Gartner Magic Quadrant for Sales Performance Management2 and the 2017 Gartner Magic Quadrant for Cloud Strategic Corporate Performance Management3. The company also announced strong momentum across multiple lines of business and expanded its footprint globally to accommodate growth.

https://www.prnewswire.com/news-releases/anaplan-raises-60-million-to-drive-continued-global-growth-300566731.html

Intuit acquires time-tracking service TSheets for $340 million

Financial Management Solutions

12/5/17

Intuit, the company behind products like QuickBooks and TurboTax, today announced that it has acquired TSheets, a time-tracking service and employee scheduling app with over 35,000 customers. The $340 million acquisition price consists of both cash and other considerations and Intuit expects the acquisition to close in the second half of 2018.

TSheets launched back in 2006 and now has offices in both Eagle, Idaho and Sydney, Australia. The company has raised a total of about $15 million thanks to a Series A round led by Summit Partners.

There's an obvious overlap between the markets for QuickBooks and TSheets, both of which mostly target small to medium businesses. Indeed, Intuit tells us that the companies already share 12,000 customers. Clearly this isn't a play to acquire new customers, but to build out the QuickBooks ecosystem and it's worth noting that TSheets already offers an integration with QuickBooks.

"With TSheets as part of Intuit, we have a tremendous opportunity to provide millions of small businesses and self-employed a smarter, simplified way to quickly and accurately track their time, send invoices, run payroll, and understand profitability by project," said Alex Chriss, Senior Vice President and chief product and platform officer for Intuit's Small Business and Self-Employed Group. "This acquisition will unlock critical upstream data that will allow us to create friction-less experiences that remove work, make it easier to get paid, and provide valuable insights into the health of our users' businesses."

In talking to Intuit over the last few months, this idea of removing friction is very much at the heart of the company's current product plans, especially with regard to QuickBooks.

After the acquisition closes, Intuit plans to re-brand TSheets as Time Capture and turn TSheet's Eagle, Idaho office into an Intuit office.

https://techcrunch.com/2017/12/05/intuit-acquires-time-tracking-service-tsheets-for-340m/

ReversingLabs raises $25 million

Financial Management Solutions

11/29/17

Almost nine years after launching, ReversingLabs raised its first round of institutional financing.

The cybersecurity company has about 200 customers, including some government clients through a strategic partnership it struck with In-Q-Tel in 2011. On Wednesday, the company announced it is raising a $25 million Series A round led by Trident Capital Cybersecurity and J.P. Morgan Chase.

ReversingLabs is based in Cambridge, Mass., with a development team located in Croatia. The company makes technology that helps enterprises inspect all their files for activity from bad actors. ReversingLabs maintains a catalog of more than 5 billion files, and it uses that data to help security teams analyze incoming files and prevent breaches.

Richard Smith, the head of private investments at J.P. Morgan Chase, said the deal is about one of 20 startup investments the bank made this year, an increase over previous years. He said information security is a strategic focus for the firm now that J.P. Morgan is spending north of $500 million on cybersecurity annually.

Mr. Smith said that ReversingLabs has unique technical advantages that made it stand out in the crowded cybersecurity sector.

As high-profile breaches push enterprises to spend more on cybersecurity than ever before, venture investors have been pouring funding into startups in the sector. The result has been a crowded environment of many startups using similar marketing language.

But Investors at J.P. Morgan and Trident Capital Cybersecurity saw the company had already attracted top-tier customers.

“You always know a company is a very competent company when a significant part of their revenue comes from other cybersecurity companies,” he said.

ReversingLabs stuck out because it had already developed a strong product that gained traction in the market without venture financing, Trident Capital Cybersecurity Managing Director Sean Cunningham said. Mr. Cunningham will join the company’s board. He said the round will allow the company to reach more potential customers.

ReversingLabs launched in January of 2009, after Chief Executive Mario Vuksan left Bit9, which now is called Carbon Black. During his time with Bit9, he realized popular cybersecurity practices didn’t go far enough.

After years of bootstrapping the company, he felt the timing was right to take institutional funding. He said ReversingLabs has seen strong growth in the last year, doubling revenue as businesses have increased their spending on cybersecurity.

The funding comes as Mr. Vuksan said he's seeing a "resurgence in cybersecurity in the Boston Area." He attributes the growing talent pool to the growth of local companies such as Carbon Black.

https://www.wsj.com/articles/reversinglabs-raises-25-million-1511958601

Proofpoint to buy Weblife for $60 million to enhance personal email protection capabilities

Financial Management Solutions

11/29/17

Proofpoint plans to purchase browser isolation offerings vendor Weblife.io to extend its advanced threat protection capabilities into personal email.

The Sunnyvale, Calif.-based company said its proposed acquisition of Los Angeles-based Weblife will enable enterprises to secure their corporate and personal email from advanced threats and compliance risks. Weblife's capabilities will be integrated into a separate module within the Targeted Attack Protection advanced threat suite, and will be available in the first half of 2018.

"In an era of constant connectivity and eroding boundaries between a professional and personal digital life, it is critical to have email protection that is both broad and deep," Gary Steele, Proofpoint's CEO, said in a statement. "The acquisition of Weblife.io gives us greater ability to help protect our customers from today's rapidly evolving cyberattacks."

Combining Weblife's browser isolation technology with Proofpoint's threat detection and intelligence capabilities will deliver comprehensive protection from malware and credential-stealing phishing links, according to the company. A fully cloud-based deployment, meanwhile, protects employees working on and off the corporate network while delivering a seamless user experience.

And native privacy protections make it possible for organizations to protect users and corporate assets from threats while preserving end-user privacy and complying with global data privacy regulations such as the European Union General Data Protection Regulation (GDPR), the company said.

"Organizations are having to confront the reality that employees will check their personal email from the corporate network, and will also use their corporate devices to check their email at home after work, on the road, and everywhere in between," David Melnick, Weblife's CEO, said in a statement.

The deal is expected to close this quarter and isn't expected to have any material impact on Proofpoint's billings, revenue, net income or free cash flow for the current quarter or the 2018 fiscal year. Weblife was founded in 2013 and currently employs 18 people, according to LinkedIn.

Proofpoint's stock was at $92.39 in pre-market trading Wednesday. The company didn't immediately respond to requests for additional comment.

As employees increasingly access corporate data in a number of different ways, companies must take it upon themselves to safeguard information no matter where it resides, according to Kevin West, CEO of Brookline, Mass.-based K logix Security.

Companies are slowly maturing their data classification programs to align with data security and building out policies around what data users can have access to, West said. As this process evolves, West said corporations are increasingly turning to solution providers to protect the integrity of their data regardless of where it resides.

http://www.crn.com/news/security/300096071/proofpoint-to-buy-weblife-for-60m-to-enhance-personal-email-protection-capabilities.htm

Jaggaer to acquire BravoSolution

Financial Management Solutions

11/29/17

Jaggaer announced Wednesday it will acquire suite provider BravoSolution for an undisclosed sum. The combination would make Jaggaer the "largest independent, vertical spend management solution provider in the world," the company said in a press release, with more than 1,850 customers connected to 3.7 million suppliers in 70 countries.

News of the planned deal comes nearly six months after Jaggaer's acquisition of Pool4Tool, a provider of sourcing and purchasing solutions for direct materials procurement. (PRO subscribers can review our strategy analysis and customer recommendations on the earlier transaction.) This latest move would make Jaggaer, which rebranded from SciQuest in February, the No. 2 player to SAP Ariba in the procurement technology market by revenue.

"The combination of BravoSolution and Jaggaer creates a powerhouse in the global spend management space and represents the execution of our strategy to build a super suite of fully integrated spend management solutions," said Robert Bonavito, chief executive of Jaggaer. "This acquisition enables the largest companies in the world to do business with a single partner and cover all of their spend management needs."

Jim Wetekamp, chief executive of BravoSolution, calls Jaggaer a company on an aggressive growth path. "The combination will allow increased innovation and provide a foundation for procurement digitalization that will set the trends and benchmarks for the entire industry," he says. Spend Matters will be publishing in-depth analyses on the acquisition in the days ahead (see our first brief with recommendations for BravoSolution customers here) but in the meantime, here are initial thoughts from analysts Jason Busch and Pierre Mitchell:

- The industry-based go-to-market approach (at scale) will be key to differentiating the combined provider in the market — but the current industry-based offerings (outside of some of the Pool4Tool assets and legacy SciQuest capabilities) are generally not yet as tailored for individual vertical sectors such as retail supply chain applications are.
- In the manufacturing area, the combined firm will be the undisputed functional/solution leader on an overall suite basis, at least outside of procure-to-pay (P2P).
- These are two big suites, and each suite was formed from acquisitions that are not 100% integrated yet (individually) to a common code base and data model.
- The comparative size to SAP Ariba, as well as the Europe/U.S. synergy of the two firms, will be interesting to watch. Overall, however, this is still a smaller holding company relative to providers like Infor, even if it is a relative giant for the procurement technology sector.
- For U.S. buyers, what will change? Is it just that they can "safely" buy Bravo? If so, how? Common customer support infrastructure? The synergy is unclear in the short to medium

terms. Even within the public sector, which is traditionally a strong area for BravoSolution in the U.K. and Europe, it doesn't change the consideration.

- While financial terms of the transaction were not disclosed, Spend Matters estimates that the deal was done closer to a 2.5X–4X multiple range (trailing revenues) than the 10X or higher valuation range ascribed to Coupa and other faster growth, cloud-based firms in private funding rounds.
- Both providers delivered strong performances in the Spend Matters Q4 2017 SolutionMap for the areas that they participated in. The most recent SolutionMap results suggest that both providers are facing the prospect of being flanked (functionally) by Coupa in the sourcing area, based on its acquisition of Trade Extensions, similar to how SciQuest acquired its way into advanced sourcing capabilities through its acquisition of CombineNet

https://spendmatters.com/2017/11/29/jaggaer-acquire-bravosolution-initial-thoughts-considerations/

HEALTHCARE TECH

HealthiPASS raises $7.2 million for patient-centric digital payments platform

Healthcare Tech

12/6/17

HealthiPASS, a Chicago-based healthcare payments company, today announced it has raised a $7.2 million in Series A funding round, led by FCA Venture Partners. The round also included participation from OCA Ventures, Healthy Ventures, HealthX Ventures, Waterline Ventures and a small group of strategic investors. As high deductible health plans become more and more prevalent and patient out of pocket burden continues to increase, HealthiPASS simplifies the payments experience for both patients and providers. The health IT startup plans to use the funding to further innovate and expand the patient payments platform and sell into ambulatory healthcare settings across the country.

Founded in 2013, HealthiPASS is a digital check-in and patient payments platform that brings transparency and clarity to the patient payment experience. HealthiPASS turns patient bad debt and all expenses associated with patient billing and collections into higher operating income – while delivering an outstanding patient experience.

Just as millions of people do at hotels and airports, patients use HealthiPASS to check-in to appointments at HealthiPASS-equipped practices with a simple swipe of their credit/debit card or by scanning a unique QR code or PASS. The HealthiPASS platform processes the patient's payment information, providing a cost-of-care estimate and incorporating insurance benefit plan details to make healthcare visits a fast, easy and transparent experience.

Healthcare providers using the platform are able to achieve net collection rates of up to 96 percent, which is 45 percent greater than the industry standard, and collects patients' balances after insurance within three to five days after processing. Outside of office visits, patients can access HealthiPASS at any time using their smartphone or web-based apps to track charges for the care they receive.

"Far too many people are unclear on how much a visit to the doctor will cost them, and navigating what's covered by insurance and what is the patient's responsibility can be frustrating and confusing," said HealthiPASS CEO, Rajesh Voddiraju in a statement. "With HealthiPASS, we offer our providers a strategic advantage in the market. We're empowering them to give patients greater clarity and transparency into their financial responsibilities and enhancing the patient payment experience, which results in higher patient satisfaction and loyalty."

http://hitconsultant.net/2017/12/06/healthipass-funding-round/

PatientPay secures $6 million in growth capital

Healthcare Tech

12/6/17

PatientPay, the leading patient payments partner for specialty care, has secured $6 million in growth capital. The investment will be leveraged for significant company expansion and continued enhancements to its patient payments platform, establishing the patient billing experience as a natural extension to patient care.

Teaghlach Family Office led the round with participation from Esping Family Office and existing investors, including Mosaik Partners, to support PatientPay's industry focus on providing end-to-end patient payment solutions for anesthesiology, radiology, labs and other specialty medical groups at every point of care.

"Driving efficiencies in healthcare is important to lower cost of care and bring about needed change in quality of care. One of the primary areas in which to first engage with patients is to offer them a better understanding of the billing process — ultimately empowering them to feel more in control over their own healthcare experience," said Lee Wallace, the round's lead investor with notable healthcare and technology investment experience. "As an owner of a hospital, I think PatientPay is the solution we need to engage patients with a simple, easy-to-understand platform that increases the likelihood of payment from the patient to the provider."

A 2017 Black Book study shows that patients have experienced a 29.9 percent increase in both deductible and out-of-pocket maximum costs in the past two years, and expectations are that they will continue to grow. Due to this increase, medical groups now have to consider patient bills a critical form of revenue, which has led to an industry gap in how to communicate effectively with patients in order to collect what they owe without risking patient satisfaction scores.

"The most effective patient collections are those that offer flexibility, accuracy and transparency to the patient, as well as a workflow that's natural for central billing groups," said Tom Furr, CEO of PatientPay. "We're grateful for the support of our investors, ensuring our long-term vision of providing specialty care medical groups with a patient payment platform for getting paid quickly and in full."

PatientPay's patents and software leverage existing central billing office infrastructure to bill and reconcile payments using existing insurance claims – ultimately simplifying the entire billing process. This architecture enables PatientPay to match patient bills to their insurance's explanation of benefits (EOB) and provide flexible payment options, while simultaneously integrating analytics to provide smarter collection strategies. PatientPay's platform enables its specialty care medical groups visibility into their complete patient payment strategy, starting with eligibility and estimation, and ending with early out call centers. On average, PatientPay increases payments by up to double compared with industry averages.

The $6 million funding round brings PatientPay to a total of $18 million in backing since its inception. In 2018, PatientPay expects to grow its employee base by 85 percent, recruiting primarily in software development, sales and operations for its home office. Additionally, the company plans to expand its Raleigh-Durham headquarters by year-end, 2018.

“PatientPay continues to execute on its strategic vision in finance and healthcare tech; this along with the tailwinds that are driving more medical groups to demand effective patient payment solutions gives us conviction in their growth opportunity,” said E. Miles Kilburn of Mosaik Partners.

http://www.businesswire.com/news/home/20171206005233/en/PatientPay-Secures-6M-Growth-Capital

Rx Savings Solutions raises $18.4 million to further goal of helping people save money on prescriptions

Healthcare Tech

12/5/17

For many patients, the world of prescription medications is complicated.

While working as a pharmacist at Walgreens, Michael Rea noticed how frustrating it was for consumers. He kept getting asked the same question over and over again: Why has the cost of my drugs gone up?

The expense became so burdensome for one patient that she asked Rea which of her eight medications she should skip. Rea went home, did a bit of digging and found a way for her to save $250 per month (or $3,000 per year) on her prescriptions.

That situation was why Rea founded Rx Savings Solutions, where he now serves as CEO.

The Overland Park, Kansas-based company's software analyzes potential medication options to find the best value and the best clinical choice for consumers.

"We're breaking down all these complex pieces of the benefit and making the information available to consumers," Rea said in a recent phone interview.

Though it originally launched using a direct-to-consumer model, the startup has shifted its focus and now works with health insurers and businesses to provide services to their members and employees. Clients include Quest Diagnostics, Blue Cross and Blue Shield of Kansas City, Berkshire Hathaway Media Group and American Century Investments.

Rx Savings Solutions recently announced an $18.4 million funding round led by McCarthy Capital.

"The sophistication of the software and the corresponding savings for clients are clear differentiators," said Brian Zaversnik, vice president of McCarthy Capital, in a statement. "They are bringing pharmacy and technology together in a way that will transform the industry and bring significant efficiency to the market."

Rea explained that about 70 percent of the funding will go toward sales and marketing efforts. The remaining 30 percent will be spent on additional software enhancements.

"From a new product standpoint, we see so many processes in the pharmacy journey that can be made better," he added, citing examples like simplifying the process of transferring a prescription to another pharmacy.

According to a news release, the company's membership was at 100,000 in 2015, and it expects to be serving 2 million lives by January of 2018. Rea only anticipates those numbers increasing. Rx Savings Solutions' goal is to hit 5 million members by the end of 2018 and 50 million by the end of 2020.

"The mission of the company is to service as many members as possible and to help people in a world where they're oftentimes a little bit guarded and don't know who to trust and where to get information," Rea said.

https://medcitynews.com/2017/12/rx-savings-solutions-raises-18-4m-goal-helping-people-save-money-prescriptions/?rf=1

CVS Health to acquire Aetna for $69 billion in year's largest acquisition

Healthcare Tech

12/3/17

U.S. drugstore chain operator CVS Health Corp (CVS.N) said on Sunday it had agreed to acquire U.S. health insurer Aetna Inc (AET.N) for $69 billion, seeking to tackle soaring healthcare spending through lower-cost medical services in pharmacies.

This year's largest corporate acquisition will combine one of the nation's largest pharmacy benefits managers (PBMs) and pharmacy operators with one of its oldest health insurers, whose national business ranges from employer healthcare to government plans.

The deal comes after Aetna's $37 billion plan to acquire smaller U.S. health insurance peer Humana Inc (HUM.N) was blocked in January by a U.S. federal judge over antitrust concerns. A proposed combination of peers Anthem Inc (ANTM.N) and Cigna Corp (CI.N) was also shot down.

Aetna shareholders stand to receive $207 per share in the deal with CVS, the companies said. The consideration comprises $145 per share in cash and 0.8378 CVS shares for each Aetna share. Reuters first reported the terms of the deal earlier on Sunday.

Aetna shareholders will own about 22 percent of the combined company, while CVS shareholders will own the remainder.

The companies said that cost synergies in the second full year after the transaction closes -- 2020 if the deal closes in the second half of 2018 as they expect -- would amount to $750 million. They foresee it adding to adjusted earnings per share by the low- to mid-single digit percentage points.

Their vision expands beyond capitalizing on CVS' existing MinuteClinic structure, which largely offers preventative services like flu shots, the companies' chief executives said in an interview.

"When you walk into CVS there's the pharmacy. What if there's a vision and audiology center, and perhaps a nutritionist, and some sort of care manager?" CVS CEO Larry Merlo said.

Aetna will be operated as a separate unit and Aetna's existing leadership is expected to run the Aetna businesses, Merlo said. Aetna will have two of its directors, in addition to Aetna CEO Mark Bertolini join the board of CVS.

The deal comes as healthcare payers and pharmacies are responding to a shifting landscape, including changes in the Affordable Care Act, rising drug prices and the threat of competition from online retailers such as Amazon.com Inc (AMZN.O).

CVS plans to use its low-cost clinics to provide medical services to Aetna's roughly 23 million medical members. In addition to health clinics and medical equipment, CVS could provide assistance with vision, hearing and nutrition.

A combined insurer and PBM will also likely be better placed to negotiate lower drug prices, and the arrangement could boost sales for CVS's front-of-store retail business.

The company expects to invest billions of dollars in the coming years to add clinics and services, largely financed by diverting funds away from other planned investments.

That could eventually cut costs substantially, with the clinics serving as an alternative to more expensive hospital emergency room visits.

Meanwhile, deeper collaboration between Aetna's insurance business and CVS's PBM division could drive down drug costs by adding clients and boosting the PBM's leverage with drugmakers.

Independent PBMs have long been criticized for potential conflicts of interest with insurance company clients, because they could potentially keep cost savings from drug negotiations rather than passing them on to patients.

Health insurers meanwhile have sought to cut costs amid steep prescription drug price rises and requirements to care for even the sickest patients under the Affordable Care Act.

Large corporate customers of Aetna are taking a wait-and-see attitude regarding the impact on costs, benefits experts have said.

Analysts have said the CVS-Aetna deal could prompt other healthcare sector mega-mergers, as rivals scramble to emulate the strategy.

Although CVS and Aetna's planned merger does not directly consolidate the health insurance or pharmaceutical industries, the U.S. Department of Justice has been taking a closer look at so-called vertical mergers, where the companies are not direct competitors.

https://www.reuters.com/article/us-aetna-m-a-cvs-health/cvs-health-to-acquire-aetna-for-69-billion-in-years-largest-acquisition-idUSKBN1DX0NC

Health engagement company Revel lands $17 million

Healthcare Tech

12/1/17

Health engagement company, Revel, just landed $17 million in funding led by TT Capital.

The Minneapolis-based company caters primarily to payers, including large enterprises. It also sells its product to risk-based providers.

“We are a software service company and we have a platform that manages campaigns for engaging people to make better decisions for [their] health,” Jeff Fritz, president and CEO of Revel told MobiHealthNews. “We work with our clients to get [patients] to do something that we want them to do.”

That desired action be anything from going to get a physical to filling out a health screening assessment. Most of the patients using the platform are Medicare and Medicaid patients, which means many of the users are seniors, explained Fritz.

The new funding will allow the company to grow their platform technology.

“We are really expanding the platform and the functionality of the platform as all of these populations mature in how they use technology to perform certain things or receive certain information from healthcare providers,” Fritz said.

The company is looking to create more flexibility for users. Fritz said they are interested in using artificial intelligence and different modes of communication in the future.

Currently users can choose how they would like to get messages. That includes paper, email, and text messaging. Many of the users are older, which could mean the likelihood of getting everyone to use mobile is low, said Fritz. However, the rate of mobile users is increasing in older populations and Fritz said they will be researching patients’ habits.

Revel has been around for nine years old, but it recently underwent a reshaping and rebranding effort, said Fritz, who joined the company in January 2017.

As part of the reshaping efforts the company plans to mature its platform and to bring new employees into the company. The new initiative also includes revamping the marketing platform.

http://www.mobihealthnews.com/content/health-engagement-company-revel-lands-17-million

INSURANCE

TechCanary acquires Atlanta development firm

Insurance

11/28/17

Glendale-based startup TechCanary Corp. has acquired Atlanta-based Terminus Consulting Corp. The transaction closed in October for an undisclosed price.

Terminus is a custom software development firm that tackles both small entrepreneurial projects and complex systems for major corporations. The company has expertise in Salesforce implementations for the insurance industry. It was founded in 2011 by Ricky Lopez.

TechCanary, a developer of insurance agency automation software based on the Salesforce platform, was founded in 2013. It reported between $1.8 and $1.9 million in revenue in 2016, nearly quadrupling its earnings of around $500,000 in 2015. As of January, the company had 22 employees. The company declined to disclose its current employee count or that of Terminus prior to the acquisition.

As a result of the acquisition, TechCanary has moved all of the Terminus employees to Milwaukee and closed the Atlanta Terminus office, said Reid Holzworth, founder and chief executive officer of TechCanary.

“As a company, we are committed to Milwaukee, and we have found that when we bring people here, they discover how great of a city we have,” Holzworth said.

TechCanary has formed a new subsidiary based in Milwaukee called CanaryServices, which is focused on professional services and launched Nov. 1. The company pointed to Terminus IT employees’ experience with professional services and insurance on the Salesforce platform as attributes in launching the new division.

CanaryServices will offer implementation and configuration services for the TechCanary solution; data migration services to transfer data from legacy insurance software to TechCanary; and salesforce CRM customization and configuration to implement Salesforce at a business, whether or not the company is using TechCanary.

TechCanary has hired Bo Brown and Ricky Lopez to lead the CanaryServices subsidiary.

Brown, who will serve as chief operating officer of professional services, was previously chief information officer at Lake Success, New York-based Rampart Insurance Services. He has more than 20 years of experience in the insurance industry, and has also worked as a solutions engineer and implementation consultant at insurance software firm ImageRight/Vertafore, a deployment engineer at Nexidia and a principal engineering consultant at Premier Network Consultants.

Lopez, who will be vice president of professional services, founded Terminus and was its principal consultant. He also previously worked as a solutions engineer at ImageRight/Vertafore, and as an IBM enterprise asset management solution architect at Cohesive Solutions Inc., where he led large technical projects for companies including ESPN and GE Capital.

“As a rapidly growing software company in the insurance industry, we felt it was critical to ensure that we had a separate organization in place to focus on the professional services side of the business to enable us to continue to support our growth trajectory, but without compromising our marketing and sales, research and development, and customer support standards,” Holzworth said in a statement. “CanaryServices’ sole responsibility is to service and support our customers to ensure they are deriving maximum value from their investment in TechCanary.”

https://www.biztimes.com/2017/industries/banking-finance/techcanary-acquires-atlanta-development-firm/

PAYMENTS

BitPay raising $30 million in fresh funds

Payments

12/7/17

Bitcoin payments startup BitPay is raising $30m in a funding round led by Aquiline Technology Growth, a fund managed by New York-based private equity firm Aquiline Capital Partners.

The startup said that it intends to use this capital for strategic steps toward solving the problems of the 'world's most difficult and valuable payments'.

The company added that plans are also on for making engineering hires, regulatory licensing, technology acquisitions, and expansion into Asian emerging markets after the fundraising in the next year.

BitPay CEO Stephen Pair said: "We've been able to solve some of our customers' biggest payment problems, from multimillion dollar B2B payments to day to day expenses. Continually improving our customers' experience with BitPay is a priority for us as we plan our next steps for product development."

The latest funding follows a $30m series A round in 2014, which involved the participation of Index Ventures, Founder's Fund, Felicis Ventures, RRE Ventures, and Sir Richard Branson, among others.

https://www.verdict.co.uk/electronic-payments-international/news/company-news/bitpay-raising-30m-fresh-funds/

Payoneer raises Series E1 investment from China Broadband Capital

Payments

12/5/17

Payoneer, a New York-based digital platform for businesses to send and receive cross-border payments, raised a Series E-1 funding round.

China Broadband Capital (CBC) made the investment.

The company intends to use the funds to further strengthen its global platform and accelerate investment in China operations.

Founded in 2005 and led by Scott Galit, CEO, Payoneer provides companies and professionals with a cross-border payments platform to do business, make and receive payments from and to more than 200 countries. Additionally, thousands of corporations including Amazon, Google, Airbnb, UpWork and Getty Images use Payoneer's mass payout services.

Backers included Greylock Partners, NYCA Partners, PingAn Ventures, Susquehanna Growth Equity, TCV, Viola Ventures, and Wellington Management.

http://www.finsmes.com/2017/12/payoneer-raises-series-e1-investment-from-china-broadband-capital.html

Chase closes WePay acquisition, a deal valued up to $400 million

Payments

12/4/17

Banking giant J.P Morgan Chase is taking another step into tapping fintech startups not just for investment, but for growing its business more directly. The company has officially closed its acquisition of WePay, the payments startup that powers payments for crowdfunding platforms like GoFundMe and competes with the likes of Stripe to provide payments infrastructure to any business that makes transactions online.

Sources close to the company have confirmed the price of the deal to us: just over $300 million, and up to $400 million including retention bonuses and earn-outs subject to hitting certain targets in coming quarters. (The terms of the deal were not disclosed when the Chase first announced it was acquiring WePay; it was reported to be higher than $220 million, WePay's last funding post-money valuation.) WePay had raised $75 million since being founded in 2008 with investors including Y Combinator, August Capital, Max Levchin and many others.

The deal caps off a long negotiation process for the two companies: Chase first approached WePay to acquire it exactly one year ago. Now, there are three plans for WePay and Chase going forward.

The first is business as usual at WePay, which will continue to be run by co-founder Bill Clerico. The company already works with crowdfunding sites like GoFundMe, but also a number of others that have built SaaS elements into their business models and use WePay to collect payments for services rendered in the cloud. These include FreshBooks, Meetup (itself recently acquired by WeWork, so watch this space), Constant Contact and Freshbooks.

The second will be to leverage Chase's existing customer base of 4 million small and medium businesses. The idea will be not only to provide payments services to these businesses where they are needed, but also a wider suite of business services beyond payments that already integrate with WePay, so that business customers can link up their banking accounts to these and use them more efficiently. This will solve a major issue around settlements for these businesses, Clerico told me in an interview.

"Most of the time with merchant providers, it's between two business days to a week to get the money into your account," he said. End-of-day and other "real time" settlement services that do exist tend to come at a premium. Square, for example, offers a faster option, but it's priced at one percent of the total deposit amount, which really can add up if you're an SMB. "We think with some of these capabilities we can rapidly increase settlement times for our customers," Clerico added.

The third will be to use the WePay office as a beachhead of sorts to build out JP Morgan Chase's interface with Silicon Valley to tap into more innovation from the startup world to augment the company's legacy banking business.

To date, there has been something of a disconnect between legacy banking services and newer tech from startups, and Chase is no exception, with surprisingly few acquisitions to date from the fintech world. Perhaps the most notable prior to WePay was earlier this year, when Chase acquired the technology of MCX. MCX had started as a partner of Chase's and then pivoted to focusing only on banking deals of this kind after it shelved plans to develop an ApplePay competitor called CurrentC.

"Part of thesis is to help Chase have a presence in Silicon Valley and be a top tech employer in the region," Clerico said. WePay plans to double its employees to 400 in the next 18 months, which could mean further acquisitions to come.

While Chase has not been an active acquirer up to now, it has been an active investor — for example, it has backed the likes of LevelUp, Bill.com and an incubator focused on fintech. Its portfolio could be a useful place to look if one is trying to guess what other kinds of startups Chase might be interested to pick up next.

"There is a lot of consolidation happening overall," Clerico hinted.

https://techcrunch.com/2017/12/04/chase-closes-wepay-acquisition-a-deal-valued-up-to-400m/

SECURITIES

Solovis extends multi-asset portfolio analytics capabilities with acquisition of Madrone Software

Securities

12/5/17

Solovis, a multi-asset class portfolio management, analytics and reporting platform for limited partners and asset allocators, today announced the acquisition of Madrone Software & Analytics, Inc. a provider of portfolio, risk analytics and market intelligence for the asset management industry. With the acquisition of Madrone, Solovis clients gain access to advanced fund analytics, detailed risk analysis, and operational and investment due diligence capabilities – enabling them to make better strategic portfolio decisions.

The purchase of Madrone, based in San Francisco, CA, aligns with Solovis' strategy to deliver a single technology platform for configurable, multi-asset class reporting that factors in performance, risk, exposure, liquidity, and fund-level transparency and aggregation. Asset owners and asset managers will now be able leverage Madrone's behavioral-based analytics within Solovis' highly configurable platform to more accurately measure portfolio and organizational skill and risk.

"Madrone is a strategic acquisition that enables Solovis to continue to drive leadership and innovation in the asset management industry," said Josh Smith, CEO and co-founder of Solovis. "Our ability to aggregate and analyze multi-asset class portfolios at a strategic level over both short and long-term horizons is unique in the industry and fills a gap for limited partners, including pensions, endowments, foundations, and family offices. Over the last year, our clients and partners have requested more visibility into fund-level allocations and risk analytics, team member performance and peer benchmarking. Our acquisition of Madrone delivers on these capabilities and more."

Solovis will use Madrone's existing Root and 5 Forces products and leverage current custodian, administrator and third-party data relationships, providing clients with an expanded portfolio management product and analyst services suite.

"We are thrilled to join Solovis' talented team to deliver a unique and powerful portfolio management and intelligence platform," said Michael Siminoff, founder and CEO of Madrone. "Madrone was founded with the goal of integrating disparate datasets to provide actionable intelligence to investors. Joining forces with Solovis establishes a transformational solution for the asset management industry, delivering unbiased, data-driven decision support."

Baker Donelson acted as legal advisor to Solovis and Osborn McDerby acted as legal advisor to Madrone.

https://www.prnewswire.com/news-releases/solovis-extends-multi-asset-portfolio-analytics-capabilities-with-acquisition-of-madrone-software-300566866.html

Entoro Group acquires Cypheriant

Securities

12/1/17

The Entoro Group announces the acquisition of Cypheriant, LLC, a blockchain-based trading, risk management and services company. Cypheriant will be Entoro's new technology catalyst for proprietary and third-party services. In the current, fast-paced market for various new technologies and workflows, Cypheriant will provide pivotal expertise and direction for Entoro and our clients.

Entoro's experience in energy merchant banking, commodities trading and risk management, combined with Cypheriant's knowledge and implementation of emerging financial technologies, will deliver a powerful and professionally-focused blockchain ecosystem offering. Cypheriant will exploit three segments of the blockchain universe:

- Vault – trading, storage, hedging and the creation of new financial products and services for active blockchain offerings and cryptocurrencies;
- Services – primarily focused on smart contracts and their applications; and
- Infrastructure – provide secure physical mining locations, storage and solutions to support the underlying foundations of emerging technologies.

The acquisition of Cypheriant will drive Entoro's strategic initiatives and expand the roles and capabilities of its core team, while the group actively recruits new specialists, to accelerate the expansion of its financial technology platform. The new Cypheriant division will be a building block for the Entoro Group to professionalize the blockchain space for trading and risk management services while bringing new technologies to Entoro and OfferBoard® clients. "Our vision and goal of developing a higher level of professionalism across this ecosystem will accelerate our firm's growth and offerings to areas where innovation is a critical component for success for companies capitalizing on the blockchain evolution underway across the finance, energy and technology sectors," said Ian H. Fay, Entoro Capital Senior Partner.

https://www.prnewswire.com/news-releases/entoro-group-acquires-cypheriant--a-risk-management-and-services-firm-for-emerging-technologies-in-the-blockchain-ecosystem-300565397.html

Nordic Capital-backed Itiviti announces merger with ULLINK to create a new global force for the capital markets industry

Securities

11/28/17

Itiviti, backed by Nordic Capital Fund VII, today announces the intention to combine with ULLINK to build a full service technology and infrastructure provider for global and regional financial institutions.

The proposed combination of Swedish based Itiviti, a global leader in trading software for banks and trading firms, offering the full spectrum of sell-side capabilities and ULLINK, a best in class platform for cash equity and derivatives trading solutions, is intended to create a world-leader in capital markets technology with revenues of over $200 million, 1,000 employees and a local market presence in all major markets of Europe, Asia and the Americas. Due to its scale and diversification, the new company will be a full service provider for global and regional financial institutions. The combined product portfolio would support the complete order cycle across all asset classes, and therefore the new company would be a powerful partner to existing and new customers within the finance industry.

The proposed combination would provide for a merger of two equals, both with market leading technology. Through scale and diversification, the combined entity would be ideally positioned to take advantage of shifting trends in the financial services industry, including new regulatory requirements such as MiFiD II, which are forcing financial institutions to revise their technological strategies in order to meet new compliance rules. The combined product portfolio will support the complete order cycle across all asset classes and therefore the combined company will be a powerful partner to existing and new customers within the finance industry.

Torben Munch, CEO of Itiviti comments: "The proposed combination will offer our customers the industry's broadest range of products based on modern, flexible technology. The global reach of the combined entity will be unique and both ULLINK and Itiviti share the ambition to meet our customers' demand for solutions that cover all asset classes and the full value chain. In a world with increasing regulatory pressure and changing market structures the combined entity would become the reliable and long-term partner our clients can depend on. We are also looking at bringing together a pool of talented people across the world with in-depth industry experience and technological expertise. The companies complement each other in many ways and the focus will be on growth and expansion. It is our goal to make the combined company the undisputed technological leader in our industry."

Didier Bouillard, CEO of ULLINK comments: "The proposed combination of ULLINK and Itiviti would create a world-leader in Capital Markets technologies and services. Itiviti provides leading solutions in connectivity, market making and trading, with considerable expertise in the derivatives space. ULLINK's core competence in High Touch and Low Touch OMS and our world-leading

NYFIX network complement Itiviti's solutions, and our capabilities in connectivity would create a global powerhouse unrivalled in the industry."

Fredrik Näslund, Partner at the Advisor to the Nordic Capital Funds says: "Nordic Capital started this journey in 2012 seeing large opportunities in transforming the financial sector and creating a world-leading provider of complete trading technology solutions for the global capital markets. Itiviti was formed of Orc Group, CameronTec and Tbricks, and we are now reaching a new milestone by looking at creating one of the largest global players in the combination of two strong companies, Itiviti and ULLINK. Nordic Capital sees great value potential in creating this game-changer in the financial industry."

The transaction is subject to consultation of the French works council and customary antitrust and regulatory approvals.

https://www.prnewswire.com/news-releases/nordic-capital-backed-itiviti-announces-the-intention-to-combine-with-ullink-to-create-a-new-global-force-for-the-capital-markets-industry-300562398.html

Omniex closes $5 million seed round

Securities

11/27/17

Omniex Holdings, Inc., today announced that it raised $5 million in its Seed Round of financing from institutional investors led by Wicklow Capital. Additional investors include Sierra Ventures, Digital Currency Group, Clocktower Technology Ventures, ThirdStream Partners and others.

Omniex is tackling the main barrier to entry for institutional crypto-asset investors - lack of market infrastructure. Since crypto-assets' ascension from the retail community with the release of the Satoshi Whitepaper on Bitcoin, the institutional market has awakened to the potential of decentralized applications. With total crypto-asset market capitalization shooting past $200 Billion in 2017, new and existing institutional investors lack the market infrastructure to efficiently access this transformational asset class. Omniex is building software infrastructure that integrates front, middle, and back-office services to simplify access and remove fragmentation.

The Ominex team is comprised of Silicon Valley technologists with deep capital market expertise, including driving crypto and blockchain efforts. Omniex's co-founder and CEO, Hu Liang who was most recently Senior Managing Director of State Street Bank's Emerging Technologies Center and a startup veteran, believes "Institutional crypto-asset investors have higher standards than the general retail market. Our team is applying what we learned from building asset management and high-performance trading platforms for traditional asset classes to crypto. We're accelerating the institutional adoption of this new asset class."

The financial technology company is creating an integrated platform that has a broad array of services covering the entire crypto-asset investment and trading lifecycle. Omniex Portfolio Edge offers a complete portfolio management system (PMS) and order management system (OMS), which enables fund managers to track portfolio positions and valuations from a single interface while analyzing portfolio risk. At the heart of Omniex's solution is Omniex Execution Plus, an execution management system (EMS) that connects to multiple liquidity venues for direct market access (DMA) or algorithmic execution to achieve best-execution. Back-office activities become more streamlined via Omniex Settlement Center. All available services can be accessed through an intuitive graphical user interface or programmatically through real-time FIX APIs.

http://www.prweb.com/releases/2017/11/prweb14947436.htm

SPECIALTY FINANCE / ALTERNATE LENDING

San Francisco's Credible raises $50 million in Australian IPO

Specialty Finance / Alternate Lending

12/7/17

San Francisco-based financial technology company Credible Labs Inc. is going public, but not on a U.S. exchange.

The startup, a consumer loans marketplace, raised $50 million (A$66 million) in an initial public offering on the Australian Securities Exchange, according to a statement Thursday. While the listing is small compared to most U.S. public offerings, it is the largest technology IPO on the ASX this year, according to data compiled by Bloomberg.

The IPO values Credible at A$300 million, about 50 percent higher than the valuation it got in its last fundraising round, according to people familiar with the matter, who asked not to be identified as the details aren't public. Credible raised $10 million in a Series B round in December 2016.

Credible plans to use the proceeds of the IPO to further develop the company's technology platform, add more partnerships and continuing growing its customer base.

"You don't just have to go the traditional venture capital way," Credible Vice Chairman Ron Suber said in an interview. "Sometimes there is money out there that has less of a penalty than the VC community," he said, adding that this would also make it easier for the firm to do acquisitions in the future.

Suber was president of online lending platform Prosper Marketplace until earlier this year.

Credible was founded in 2012 as a marketplace for student loans, but has since expanded to more lucrative areas of personal loans and credit cards. Chief Executive Officer Stephen Dash said in the statement that expansion could continue. The firm's approach could work for other financial products that aren't easy to understand and require consumers to make bigger decisions, he said.

https://www.bloomberg.com/news/articles/2017-12-07/san-francisco-s-credible-raises-50-million-in-australian-ipo

Maxwell closes new funding round to accelerate pace of mortgage innovation

Specialty Finance / Alternate Lending

12/6/17

Maxwell Financial Labs, Inc., a leading provider of B2B digital mortgage cloud software, announced today a new funding round of $3 million, led by the investment arm of Anthemis Group, a company committed to cultivating change in financial services, with participation from Route66 Ventures and Assurant Inc., along with its existing investors. The funding will enable Maxwell to capitalize on its accelerating growth and further increase its pace of innovation. The new round brings the total capital raised to date by the company to $5 million.

Maxwell's platform enables lenders to close loans up to 45% faster than the national average.
Maxwell's platform enables lenders to close loans up to 45% faster than the national average.
"Our latest funding round shows strong investor confidence in Maxwell's mission to power people in the mortgage industry with technology," said John Paasonen, Maxwell's co-founder and CEO. "Our commitment is to elevate growing mortgage lenders with unique technology to maximize the output from their teams, putting relationships at the center of their business strategy, ultimately creating experiences that their homebuyers and referral partners love."

According to the Mortgage Bankers Association, the costs to originate a mortgage have skyrocketed 80% in the last 7 years. The national average days to close a loan is now 51 days, up from an average of just 30 days just 7 years ago, as the burden of paperwork and broader requirements to vet borrowers weigh on lenders. Now, as the market shifts to purchase-driven retail sales, the lending industry realizes that efficiency is critical to profitability.

Mortgage lenders powered by Maxwell collaborate with their homebuyers in a modern digital workspace, on any device, with connectivity to over 15,000 financial institutions to automate documents and signatures, and integrations into other leading mortgage technology providers. Maxwell's proprietary algorithms, built on its network of data aggregated across loans, enable its lenders to move efficiently by accelerating processing and underwriting. Since launch in mid-2016, Maxwell's platform has facilitated over $6 billion of mortgage volume -- equivalent to the volume of a Top 25 Lender -- for tens of thousands of homebuyers across the United States.

"It was clear to us that Maxwell is defining this category with their technology and their thought leadership," said Sean Park, founder and managing partner of the Anthemis Group. "As mortgage lenders invest in customer experience, Maxwell has become the backbone of some of the best mortgage experiences and is now an essential platform for mortgage lenders that want to harness both their people and their technology to compete in the changing mortgage market."

https://www.prnewswire.com/news-releases/maxwell-closes-new-funding-round-to-accelerate-pace-of-mortgage-innovation-300567443.html

DATA & ANALYTICS / IoT

VC-backed Sprout Social acquires social analytics firm Simply Measured

Data & Analytics / IoT

12/7/17

Sprout Social, a global provider of social media management, analytics and advocacy solutions today has acquired industry-leading social analytics firm, Simply Measured. Grounded in full-funnel analytics, Simply Measured gives social teams better intelligence to reach the right people, content marketers insight to create more relevant materials and digital agencies opportunities to win new business and foster client loyalty.

As the social analytics market is expected to grow to $9.54 Billion by 2022, scaling operations, consolidating software spend and making social connections profitable has never been more important. This acquisition expands the depth of Sprout's current analytics offering and positions the company to lead the social analytics and listening markets.

"Sprout offers world-class social management, reporting and analytics across all segments and markets. Bringing Simply Measured into Sprout's portfolio is a pivotal moment for us and our valued customers," said Justyn Howard, CEO and Cofounder of Sprout Social. "We've long admired Simply Measured and their approach to technology and innovation, so are happy to welcome their passionate, talented team members and unique tools to Sprout."

Iconic brand marketers, trusted global agencies and emerging businesses all grapple with a common challenge: How to effectively communicate on social media and measure the business impact and bottom line performance. Contextualized within a cultural environment where people's interests shift, attention spans wane and influence varies, smarter solutions to engage customers and analyze social communities are paramount.

Built on user-friendly technology, Sprout and Simply Measured integrate across a number of social networks to offer actionable insights from social data. Both are Twitter Official Partners, with Sprout representing an elite set of companies who have been recognized by Twitter because of their exceptional products and proven success on the platform.

"Sprout Social's acquisition of Simply Measured strengthens its position in the market by bringing together leading engagement and analytics solutions," says Zach Hofer-Shall, Director of Ecosystem at Twitter. "The combined offering will fulfill many brands' needs today: a data-centric approach to social media management, all through one end-to-end product."

Founded in 2010, Simply Measured built a formidable operation and impressive client portfolio with a suite of solutions that expose and measure social media's total impact, from conversations to conversions.

As the integration unfolds, Sprout and Simply Measured customers will continue to have access to both solutions. In a market filled with poorly integrated, overpriced and often difficult to use solutions, intelligent product integrations and customer-focused enhancements are planned—with an end goal of total integration for a seamless Sprout experience.

The company's global headquarters will remain in Chicago, with Simply Measured's Seattle office serving as a west coast hub alongside Sprout's San Francisco outpost. Learn more about Sprout Social and Simply Measured.

https://www.pehub.com/2017/12/vc-backed-sprout-social-acquires-social-analytics-firm-simply-measured/

Maryland startup gets investment from the intelligence community's investment firm

Data & Analytics / IoT

12/5/17

Enveil had an investor in its latest funding round that kept its participation under wraps in the initial announcement.

The Howard County startup disclosed this week that one of the participants in the $4 million round was the investment firm with ties to the U.S. intelligence community.

In-Q-Tel is a nonprofit investment firm initially created by the CIA, then spun out as an independent entity to help develop technology to keep government intelligence agencies up-to-date with the latest technology. The startup and firm also formed a strategic partnership, and Enveil plans to further develop its platform for use within the federal government.

There's a bit of a full-circle feel to the announcement, as the startup's technology was initially developed inside the NSA over many years before Enveil was formed in 2016.

"Enveil's ability to ensure data and any interactions with it are concealed throughout the entire processing lifecycle has unique relevance and applicability within the U.S. Intelligence Community, and we are proud that this partnership will help further enhance our solution in support of national security," said Enveil founder Ellison Anne Williams.

The company's technology keeps data encrypted while users are performing functions like search and analytics. With most encryption, taking the data out of storage or transit for use means opening it up to vulnerabilities.

The company graduated Fulton-based startup studio DataTribe after a year, and recently moved the 10-member team to an office in Maple Lawn.

Additional investors in the round included Thomson Reuters, USAA and Bloomberg Beta.

https://technical.ly/baltimore/2017/12/06/enveil-i-q-tel-investment/

FinTecSystems scores EUR 4.5 million investment

Data & Analytics / IoT

11/30/17

FinTecSystems, specialist for digital credit assessments and banking API provider, completed its series B financing round with a transaction volume of 4.5 million euros. The round is led by the Family Office Reimann Investors, entering as an anchor investor. The existing investors Ventech (France) and LITTLEROCK will increase their investment significantly. With its product suite accourate, FinTecSytems provides fully automatic transaction analyses on the basis of online banking data. These analyses are applied by banks, financial service providers and FinTechs, among others for real-time credit assessments for online loans. The fresh capital shall be used for strategic adjustments following the implementation of the second European Payment Services Directive (PSD2), for the provision of greater value-added depth of services as well as for further internationalisation.

“We are very happy with the result of the new financing round. With Reimann Investors, we have a forward-thinking and acting partner that stands for farsightedness and stability. Moreover, a long joint history connects us with Reimann Investors. Ventech and LITTLEROCK, who have accompanied us since the series A round, support this next step which is associated with a strong growth potential for FinTecSystems“, says Dirk Rudolf, founder and Managing Director of FinTecSystems.

With regard to its corporate investments, Reimann Investors focuses on the fields of e-commerce, digitisation, FinTech and financial services and was an early-stage investor and main shareholder at SOFORT GmbH, the provider of SOFORT Überweisung/ SOFORT banking. Starting in 2005, the founding team of FinTecSystems has made SOFORT Überweisung/SOFORT banking a leading payment provider in Europe.

Investors support further growth and development

„With FinTecSystems, we are investing in a FinTech company that proved they have a functioning B2B business model and implement the digital transformation as a partner of banks and financial service providers. We have been observing the development of FinTecSystems since its foundation and are pleased to continue together on the path ahead“, says Noel Zeh, Investment Manager at Reimann Investors.

“With its real-time credit assessment, FinTecSystems enables modern banking in the first place. Comparable to the electronic signature and video identification, it is providers such as FinTecSystems who supply elementary components for the complete digitisation of banking processes. We are happy to help support the further development of the company“, says Christian Claussen, Managing Partner at Ventech.

FinTecSystems seeks regulation as a payment initiation service pursuant to PSD2

The fresh capital is planned, among other things, to be used to strenghten equity and thereby prepare the regulation of the company as account information and payment initiation service by the Federal Financial Supervisory Authority (BaFin) pursuant to the requirements of PSD2.

"This process is highly complex, includes increased requirements in all fields and represents the highest level of regulation in our business segment. In this regulation we see new opportunities for our business model and already identified several growth potentials. The same applies to the extension of our product offer: We are pursuing a very cutomer-driven approach and have some new services in the pipeline“, explains Dirk Rudolf.

In the weeks and months to come FinTecSystems will further increase the added-value depth: In addition to the digital credit assessment via accourate, which is based on the analysis of online banking data, future offers shall also include predictions about the willingness and ability to pay. At the same time, internationalisation is pushed forward: FinTecSystems currently serves banks, financial service providers and FinTechs in Germany, Austria and Spain, in the near future France, Italy and Switzerland will follow.

“With our API we are currently already covering more than 100 million accounts at 5,000 banks. We will further expand this network and this represents an absolutely unique feature when compared to other banking API providers“, explains Martin Schmid, founder and CCO (Chief Customer Officer) of FinTecSystems. FinTecSystems‘ customers include DKB/SKG-Bank, Deutsche Handelsbank, solarisBank, FinReach, and Cashpresso.

https://www.finextra.com/pressarticle/71764/fintecsystems-scores-eur45-million-investment

OTHERS

Prevoty raises $13 million in Series B funding

Others

12/6/17

Real-time app security platform Prevoty has got an investment of $13 million. The Series B round was led by Trident Capital Cybersecurity, and featured participation from existing investors such as USVP, reports David Penn at Finovate (Banking Technology's sister company).

"This new round of funding from Trident Capital Cybersecurity and USVP will not only help us meet the exponential growth in demand for our autonomous application security solutions, but will also support continued investment in innovation," Prevoty CEO and co-founder Julien Bellanger says.

Calling application security "often the weakest link in a security programme", Trident Capital Cybersecurity MD Sean Cunningham praised the way Prevoty gives developers the ability to deploy apps with more security, less risk, and minimal implementation impact. "Customers and prospects are validating that Prevoty's unique approach to application security succeeds at embedding security into DevOps," Cunningham says.

By providing visibility into the security weaknesses, he adds, Prevoty "allow(s) teams to remediate underlying issues in real-time production, and accelerating application time to market". As part of the investment, Cunningham will join Prevoty's board of directors.

Prevoty's technology monitors app activity at runtime and detects attacks in production applications. The platform provides instant mitigation, as well as content, database, and command injections. Prevoty then issues alerts to log files and any configured SIEMs if the payload is believed to be malicious. The technology also enables integration with DevOps, ensuring that app integration and app deployment is accompanied by real-time visibility and threat mitigation.

Headquartered in Los Angeles, Prevoty has raised a total of more than $25 million in funding. The company's customers include Aaron's, SpencerStuart, and Michigan State University.

http://www.bankingtech.com/2017/12/prevoty-raises-13m-in-series-b-funding/

Slaughters ramps up Luminance investment in $10 million round

Others

11/29/17

Slaughter and May has invested in artificial intelligence platform Luminance as part of a $10m Series A funding round.

The round, which was led by Talis Capital and also including Invoke Capital, values the M&A due diligence tool at $50m.

Luminance, which launched last year, said it would use the funds to expand its operations internationally and in particular to support its new US headquarters in Chicago.

Luminance CEO Emily Foges said the investment was a reflection of the fact that legal market technology had now “come of age”.

Foges added that the speed of growth of Luminance, which launched just one year ago with help from Slaughters, was partly the result of the product’s simplicity and speed of deployment.

“Lawyers can just switch it on and use it,” said Foges. “This is not technology that need lots of people behind the scenes to make it work. It’s not rules-based, it’s pure machine learning.”

Foges said another factor in Luminance’s favour was its “intuitive” interface.

“This is not technology that requires you to compromise to gain efficiencies, it doesn’t expect you to lose control,” added Foges, who highlighted clause extraction technology in other, older systems which remove clauses from a contract in order to identify and categorise them.

“Doing it this way means you’re losing the context, so it’s a compromise. Clause extraction is a blunt instrument, but the tech has moved on. With Luminance you lose nothing.”

Luminance now has more than 30 law firm clients as well as in-house teams, insurance companies and private equity and venture capital houses, “who want to understand the value of a target quickly”, added Foges. The technology has been used to assist with over 200 live transactions to date.

Law firm clients include Cravath Swaine & Moore in the US, three of the big four in Singapore (including WongPartnership) Gilbert + Tobin in Australia, and Uría Menéndez, Araoz & Rueda and Portolano Cavallo in Europe.

Foges said that a number of US firms were “further behind the curve” than UK and Europen firms because they hadn’t needed to change, “they haven’t had the competitive pressures”. But she

said she was now seeing signs of that changing and was already running pilots with firms out of its new Chicago office.

“We’ll be in Chicago and New York next week talking to firms about how they should adopt AI in a way that doesn’t compromise security,” added Foges.

Foges said the funding round was “indicative of the fact that we have a global business”, and that Luminance would be sending a “scouting party to AsiaPac in January.

“We’re not an operationally heavy organisation which is why we can move and grow so fast,” added Foges.

The Luminance CEO refused to divulge any details of the level of financial investment Slaughters has made but said all of the firm’s partners had agreed it was an investment worth making. It is understood that the firm’s initial equity stake in Luminance had been in return for its lawyers’ time in helping build and develop the project whereas its investment in this round was financial.

Vasile Foca, managing partner and co-founder of Talis Capital, said technology integration within the legal sector, in particular that based on artificial intelligence and machine learning, had transitioned from a support function to an enabler and efficiency-driver, allowing lawyers to focus on real added value to clients.

“Since launching last year, we have seen Luminance truly lead the competition in this regard,” added Foca.

Using a unique combination of supervised and unsupervised machine learning, Luminance reads and understands vast quantities of legal documents at speeds no human can match. Moving well beyond legacy contract review software, Luminance automatically sorts and classifies contracts to uncover even subtle risks at the outset of a project.

Combined with in-built, sophisticated collaboration tools, lawyers can increase the efficiency of their review by over 100 per cent without sacrificing accuracy.

US managing director George Tziahanas will be responsible for meeting the needs of firms adopting Luminance’s contract-understanding technology in the region, while building out the Chicago-based team to over 10 by year end.

“My top priority is to hire an impressive team in Chicago to drive growth and serve our great clients,” said Tziahanas. “Throughout my career, I have witnessed legal teams challenged with analysing large sets of complex information. Chicago’s status as major financial, scientific, and legal hub made it the obvious choice for our first US office.”

https://www.thelawyer.com/slaughters-ramps-investment-luminance-10m-round/