Evolve
Capital Partners

Weekly Deals Update

Week Ending 01/12/18

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Key Deals

M&A

Date	Target	Acquirer(s)	Sector	Amount ($mm)
1/11/18	VERMEG	Lombard Risk	Others	$71
1/10/18	ERGO	Allianz	Insurance	NA
1/8/18	practice fusion	Allscripts	Healthcare Tech	$100

Financing

Date	Target	Lead Investor	Sector	Amount ($mm)
1/9/18	IGLOO	FrontierCapital	Financial Management Solutions	$47
1/9/18	ALKAMI	GENERAL ATLANTIC	Bank Technology Solutions	$70
1/8/18	amwell	Allianz	Healthcare Tech	$60

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.

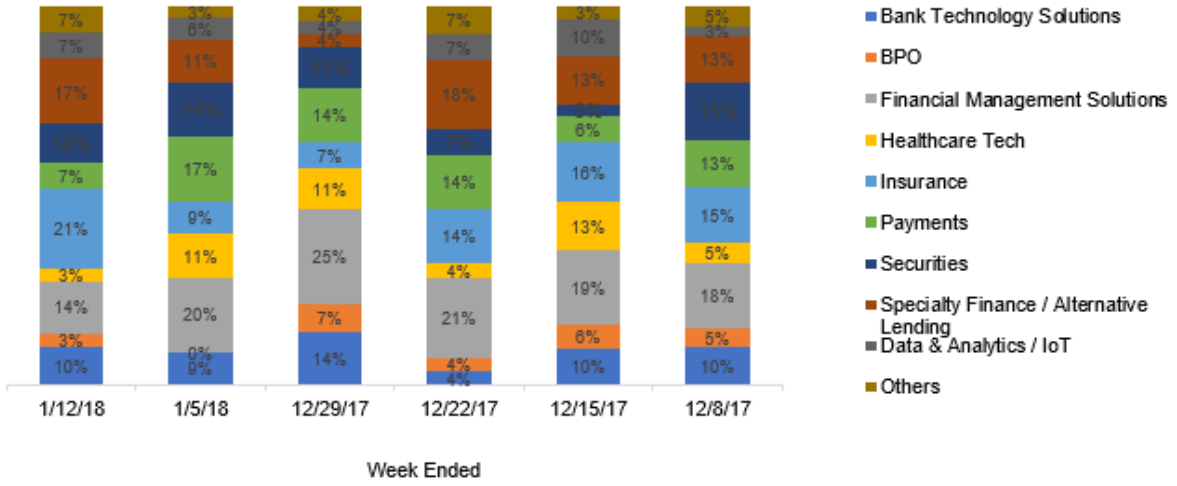
Sectors we cover at the intersection of finance and technology include:

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

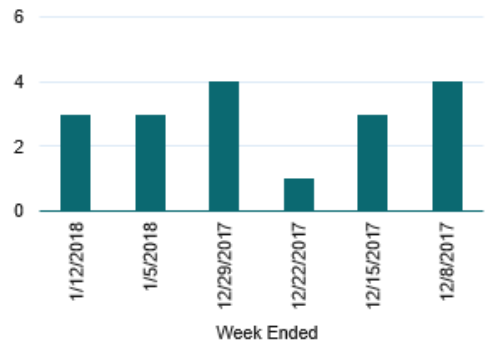
Deals Count

Sector	Number of Deals	% of Total
Bank Technology Solutions	3	9%
BPO	1	3%
Financial Management Solutions	4	12%
Healthcare Tech	6	18%
Insurance	6	18%
Payments	2	6%
Securities	3	9%
Specialty Finance / Alternative Lending	5	15%
Data & Analytics / IoT	1	3%
Others	2	6%
Total	**33**	**100%**

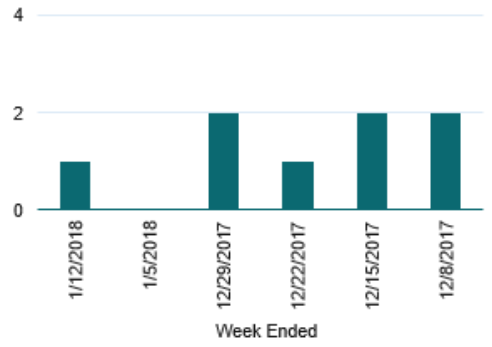
Sector-Wise Deals Breakdown



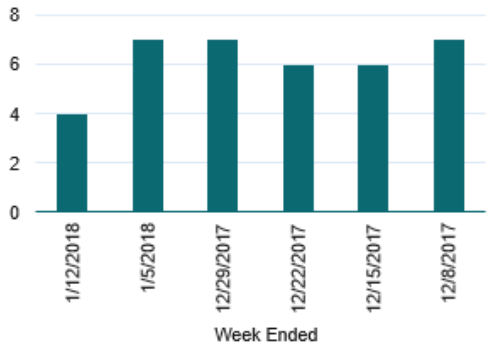
Bank Technology Solutions



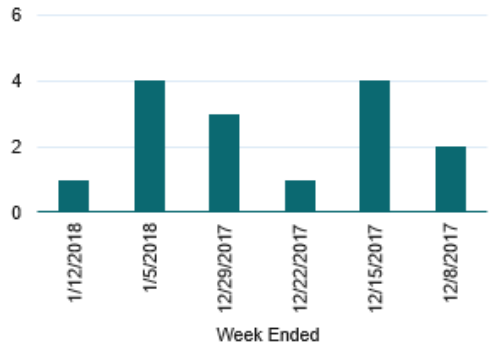
BPO



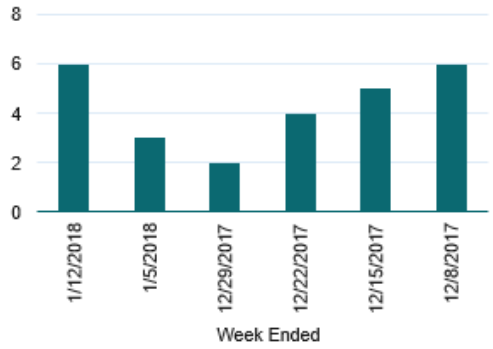
Financial Management Solutions



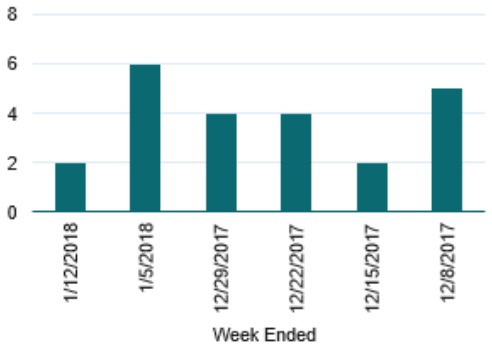
Healthcare Tech



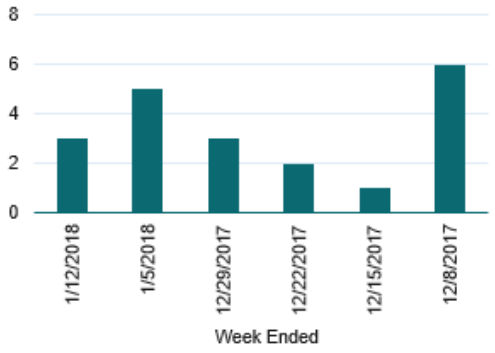
Insurance



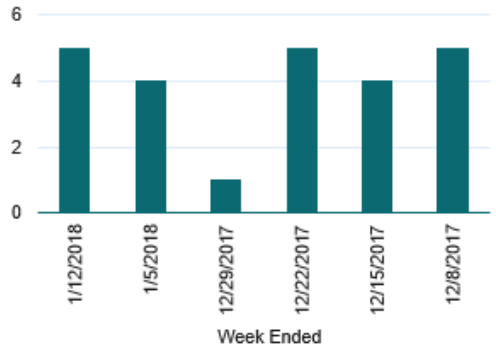
Payments



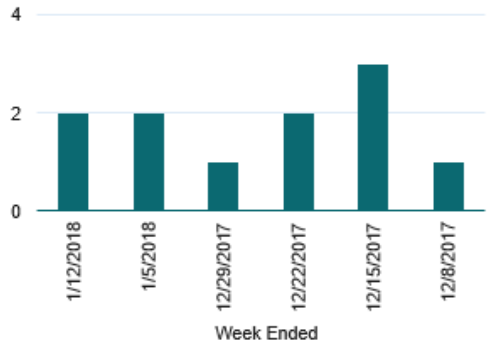
Securities



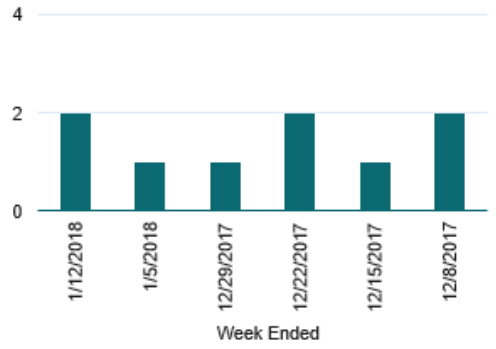
Speciality Finance / Alternative Lending



Data & Analytics / IoT



Others



BANK TECHNOLOGY SOLUTIONS

TD Bank buys Toronto AI outfit Layer 6

Bank Technology Solutions

1/10/18

Toronto-Dominion Bank has acquired Canadian Artificial Intelligence startup Layer 6 in a deal reportedly worth more than US$100 million.

Little more than a year old and with fewer than 20 employees, Toronto-based Layer 6 has built up a reputation in the fast-growing AI world, working with firms in the financial services, ecommerce and media sectors.

It will now work exclusively with new owner TD, the Canadian banking giant which has been busily looking to increase its AI capabilities in an effort to gain better customer insights and deliver more personalised services.

Terms of the acquisition have not been revealed but according to the Globe and Mail TD is paying more than US$100 million.

Michael Rhodes, group head, innovation, technology and shared services, TD Bank Group, says: "Artificial Intelligence has the potential to power a new generation of data-driven applications from personalised and real-time advice to predictive analytics that will shape the future of banking for millions of individuals."

The bank is already working with the Vector Institute for Artificial Intelligence, which was co-founded by Layer 6 founders Tomi Poutanen and Jordan Jacobs and has secured $230 million for its AI research and education efforts.

TD also recently teamed up with Kasito to integrate that AI specialist's KAI Banking platform into its mobile app, enabling customers to use an interactive chat interface to check account information, review transaction histories and monitor spending levels.

https://www.finextra.com/newsarticle/31511/td-bank-buys-toronto-ai-outfit-layer-6?utm_medium=dailynewsletter&utm_source=2018-1-11&member=93489

Alkami raises $70 million for mobile banking software

Bank Technology Solutions

1/9/18

There's a startup in Texas that's been quietly building the technology that powers mobile banking apps.

Plano-based Alkami has developed a white label service that credit unions and banks use across digital platforms.

And Alkami's 4.5 million users have generated enough revenue for the company to justify a $70 million Series D round, led by General Atlantic, with participation from MissionOG. Existing investors include S3 Ventures and Argonaut Private Equity. This adds to the over $46 million the company has raised since it was founded in 2009.

Stephen Bohanon, founder of Alkami, started the business during the financial crisis when there "wasn't a lot of innovation that was happening in the digital banking space." Says Bohanon, there was an opportunity because "outside of the top roughly 20 banks, most everyone else relies on a third-party vendor to offer the solutions."

Alkami has a SaaS model, charging its clients based on the number of users per month. He says the company will be using the funding to invest in innovation and sales.

Raph Osnoss, a vice president at General Atlantic, said that Alkami fits within the private equity giant's investment strategy, which has been a long-time investor in financial technology. He said that Alkami stood out because they pioneered a "modern, mobile-first experience." Osnoss wouldn't confirm that Alkami is on an IPO track, but acknowledged that the team is "open-minded to longer-term alternatives for the company."

Osnoss will be joining the board of directors. Former MasterCard Worldwide CEO Gene Lockhart will also be added to the board.

https://techcrunch.com/2018/01/09/alkami-raises-70-million-for-mobile-banking-software/?ncid=rss

Crealogix acquires digital banking supplier Innofis

Bank Technology Solutions

1/9/18

Crealogix has agreed to acquire digital banking supplier Innofis, in a deal which will see the former boost its portfolio of products and increase its footprint in the Middle East.

Innofis, which was founded in 2012, supplies “customer-centric digital solutions” to banks in the Middle East, including National Commercial Bank in Saudi Arabia and the Al Rajhi Banking Corporation. The firm generated more than $10.17 million in revenue in 2017.

“As a result of the new, joint offering from Innofis and Crealogix, we will remain a reliable partner for our clients and will support them in their digitization initiatives, with a broader set of innovative, ready-to-use solutions”, says David Moreno, CEO and founder of Innofis.

Moreno is set to become a member of the executive management group at Crealogix after the acquisition is completed. He will be responsible for the Middle Eastern market.

Thomas Avedik, CEO of the Crealogix group, added: “The acquisition underpins our strategic objectives by strengthening our market-leading digital banking offering, extending our international reach and establishing a material presence in the Middle East.”

https://ibsintelligence.com/ibs-journal/crealogix-acquires-digital-banking-supplier-innofis/

BPO

RGAx to acquire LOGiQ3 Group

BPO

1/8/18

RGAx, a subsidiary of Reinsurance Group of America, Incorporated (NYSE: RGA) today announced that it has agreed to acquire LOGiQ3 Inc. – a group of companies that provides technology, consulting, and outsourcing solutions to the North American life insurance and reinsurance industry. The LOGiQ3 Group includes LOGiQ3 Corp., APEXA, Cookhouse Lab, and Tindall Associates Inc. (TAI).

LOGiQ3 Corp. specializes in consulting and outsourcing services for life insurance underwriting, claims, and life and health reinsurance administration. APEXA delivers a centralized online solution for advisor contracting and compliance in Canada. Cookhouse Lab, a joint venture with msg global solutions, aims to accelerate insurance innovation by bringing the industry together through an open and collaborative model. TAI is the U.S. market leader in reinsurance software and consulting services with over 30 years of experience. In a related transaction, RGAx will also acquire the remaining ownership stake in TAI held by msg global solutions.

“The team at LOGiQ3 Group are proven industry leaders and innovators with a mission, culture, customer focus, and values that closely align with those of RGAx,” said Dennis Barnes, Chief Executive Officer of RGAx. “The combined business platforms of LOGiQ3 Group and RGAx will provide a powerful suite of technology and service offerings across the insurance industry value chain.”

“This acquisition is a strong indicator that LOGiQ3 Group’s innovative insurance services will continue to expand and add value to our existing and future customers,” said Chris Murumets, Co-Founder and Chief Executive Officer of LOGiQ3 Inc. “RGAx supports our commitment to provide services that ultimately drive positive change in the industry.”

“We have a vision of making insurance simpler, better, and remarkable,” adds Simon Bell, Co-Founder and Chief Executive Officer of LOGiQ3 Inc. “Together, we will be an extraordinary force, bringing new perspectives and helping to solve some of the challenges faced by the industry today.”

LOGiQ3 Group, with approximately 100 employees in the U.S., Canada, and the U.K., will maintain a separate operation and retain employees in their current roles. The transactions are expected to close during the first quarter of 2018. Additional terms of the transactions, including the sale prices, are not being disclosed

https://www.businesswire.com/news/home/20180108005703/en/RGAx-Acquire-LOGiQ3-Group

FINANCIAL MANAGEMENT SOLUTIONS

AI recruitment software Harver increases Series A to 12.3 million

Financial Management Solutions
1/11/18

Harver, the leading software in AI pre-hiring and talent-matching, today announced it has raised an additional $4.2 million USD in growth round as part of a Series A funding led by Insight Venture Partners. This brings Harver's total funding to $15.6 million USD.

With this additional funding, Harver plans to expand the team, continuing its rapid growth and supporting its mission of solving major recruitment problems. By hiring additional team members, Harver will focus on bringing its AI matching technology to companies of all sizes, specifically within the United States.

Over the past two years, Harver has captured the attention of big-name tech and Fortune 500 companies. Most recently, Harver signed deals with Zappos, Netflix, Booking.com, Vodafone, OpenTable, and Casper. However, Harver CEO and founder, Barend Raaff, recognizes recruitment pains and problems are present in companies of all sizes.

"We believe hiring the best talent is important for any company; big or small. In the past years, we have enhanced our platform and AI to make our matching technology available for any job, in any language, anywhere in the world. Based on requests from the market over the past years, we believe it's the right time to accelerate on these opportunities," he said.

Harver's software allows companies and applicants to eliminate the resume, establishing a more accurate and effective hiring process while also removing hiring bias and discrimination. Through automating the application process, Harver analyzes modules, tests, and assessments to match the right candidate to the job – without factoring in age, name, look, gender, or resume.

In the past year, Harver has transformed its software to an open ecosystem, allowing the technology to fit the hiring needs of companies of all sizes and languages.

"Our AI matching technology has been heavily utilized by some of the world's most successful brands and the they are very happy with the results. We want to make it available to companies of all sizes and we believe the time for further expansion is now." Raaff said.

In 2017, Harver used their first round of Series A funding to expand to the United States by opening its US Headquarters in New York City. Because US companies understand the value and importance of finding the best talent, Harver believes their matching technology will fill a big need within the market.

https://www.prnewswire.com/news-releases/ai-recruitment-software-harver-increases-series-a-to-123-m-continuing-war-on-resumes-and-hiring-bias-300581248.html

Evive receives $43 million investment from Susquehanna Growth Equity

Financial Management Solutions

1/11/18

Evive, the leader in enterprise benefits engagement, announced today a $43 million minority-interest investment by Susquehanna Growth Equity, LLC (SGE). This funding represents the first outside investment in the company's 10-year history.

Evive co-founders Peter Saravis and Prashant Srivastava will continue in their current roles as Executive Chairman and CEO, respectively.

The additional capital will expedite Evive's strategy to expand across the entire benefits spectrum, including not only health but also financial and work/life benefits for large employers. In particular, the investment will accelerate product innovations, broaden the team with subject-matter experts, and advance channel investments.

"The benefits navigation space, particularly as it applies to a total-rewards approach to benefits for large employers, is expanding rapidly," says Scott Feldman, Managing Director of SGE. "It's clear from talking to Evive's blue-chip roster of clients and HR thought leaders that the company is leading the way forward."

"For a team that's been mission-driven from day one, Evive is thrilled by what this funding will mean for our clients as we further invest in our technology platform," says Evive CEO Prashant Srivastava. "Our clients rely on us to help solve their most pressing benefits issues, and these increasingly are best accomplished with smart and innovative technologies that extend the work Evive is already doing."

Evive Executive Chairman Peter Saravis notes that "SGE has a proven track record of backing the long-term growth of SaaS technology companies. Given its entrepreneur-based approach to investing, the SGE team is the ideal partner for Evive's next generation of growth."

https://www.prnewswire.com/news-releases/evive-receives-43m-investment-from-susquehanna-growth-equity-300581637.html

NiYO Solutions raises $13.2 million in Series A funding

Financial Management Solutions

1/10/18

NiYO Solutions Inc., a Bangalore, India-based fintech startup for salaried employees, raised $13.2m (85 crore) in Series A funding.

The investment was made by Social Capital, JS Capital LLc (the family office of Jonathan Soros), and Horizons Ventures with participation by existing investor Prime Venture Partners. In total, the company has raised more than $14m in venture capital.

The company intends to use the funds for the continued expansion of its payroll and benefits platform in India and for further product development, team expansion and increasing presence in tier 1 cities.

Founded in 2015 by Vinay Bagri and Virender Bisht, NiYO aims to increase cash flow for all salaried individuals by leveraging technology in areas of payroll & benefits. It features an integrated solution comprising of a Multi-Pocket Card, a Mobile App and a digital account with multiple wallets.

The company provides salary accounts, meal cards, canteen solutions, corporate gift card, reimbursements account, international travel card and corporate credit cards.

Launched in July 2016 as a pilot in Bangalore, NiYO has already served more than 500 corporates and is being used by over 100,000 salaried employees in these organisations, through its partnerships with YES Bankand DCB Bank.

http://www.finsmes.com/2018/01/niyo-solutions-raises-13-2m-in-series-a-funding.html

Igloo Software raises $60 million from Frontier Capital

Financial Management Solutions

1/9/18

Kitchener-based Igloo Software, which offers workplace management solutions, has received a $60 million CAD growth equity investment from Charlotte, North Carolina-based Frontier Capital.

In 2017, Igloo expanded to 80 countries and surpassed one billion monthly interactions.

The investment will scale Igloo's sales and marketing operations, expand distribution channels, strengthen its global partnership with Microsoft, and accelerate its footprint in the North American market. The Globe and Mail reports that it spoke with sources close to the matter, who indicated that most of the investment will go to early investors Information Venture Partners and an Ontario-based government investment fund, who are cashing out after earning five times their invested capital. Igloo will reportedly receive $10 million in capital.

Launched in 2003, Igloo Software's platform covers internal communication, collaboration tools, knowledge portals, and culture and engagement software.

"Igloo's growth over the last several years, in combination with our partnership with Frontier Capital, is a testament to our innovative approach to solving real-world digital workplace challenges," said Dan Latendre, founder and CEO of Igloo. "We believe Frontier's expertise in driving growth and creating enterprise value for software-as-a-service companies in the human capital management sector make it a natural fit for Igloo. We look forward to working with Frontier as we continue to disrupt the market and help businesses improve productivity and competitive advantage throughout their digital transformation journeys."

In 2017, Igloo expanded to 80 countries, surpassed one billion monthly interactions on its digital workplace platform, and said it had achieved 79 percent year-over-year growth in the third quarter. This funding is Frontier's first platform investment in Canada. Frontier VP Dave Pandullo and Frontier Growth Partners' Bob Froetscher will be joining the company's board.

"As the next generation of employees redefines both the physical and digital workplace, we see a rapidly expanding market for innovative solutions that enable an organization to better engage its workforce by fostering collaboration and connecting employees with the right information at the right time," said Andrew Lindner, co-founder and managing partner at Frontier Capital. Lindner will also join Igloo's board. "Frontier is excited about partnering with Igloo, whose extraordinary growth and track record of solving critical business challenges impacting employee communication, collaboration, knowledge sharing, and engagement position the company well to capitalize on this market trend."

https://betakit.com/kitchener-based-igloo-software-raises-60-million-from-charlotte-based-frontier-capital/

HEALTHCARE TECH

Sheridan Capital Partners invests in SpendMend

Healthcare Tech

1/11/18

Sheridan Capital Partners ("Sheridan" or "SCP") announced today its investment in SpendMend, LLC ("SpendMend" or the "Company"), a leading provider of spend visibility and audit recovery services to the healthcare industry. In the transaction, Sheridan invested alongside SpendMend's founders and management, who will retain a meaningful ownership stake in the business. Terms of the transaction were not disclosed.

Headquartered in Grand Rapids, MI, SpendMend provides audit recovery, cost containment, and spend visibility services to leading healthcare providers nationwide. SpendMend's services deliver tangible results, including monetary recoveries, cost reduction insights, and analytics and benchmarking tools to its customer base.

SpendMend is an expert in its field, having specialized in spend visibility and audit recovery for more than two decades and has analyzed billions of dollars in healthcare operating expenditures and produced millions of recovery while also helping to improve spend visibility across complex expenditure categories and organizations.

"We are pleased to announce our partnership with SpendMend," said Jonathan Lewis, Managing Partner at Sheridan Capital Partners. "As the market leader in healthcare audit recovery, SpendMend's services help healthcare executives, operators and providers navigate an increasingly challenging macro-economic environment of reimbursement pressure and rising organizational costs. Cost containment is and will continue to be a high-priority focus in healthcare, and SpendMend plays a critical part in helping organizations find and establish long-term operational sustainability."

Dan Geelhoed, CEO of SpendMend, commented, "We are thrilled to announce our partnership with Sheridan Capital Partners. Sheridan's sector focus and ability to bring both relevant experience and immediate value to our organization was undeniable. Together, we are dedicated to serving our valued customers and to improving our services in order to continue to deliver outstanding value."

Rob Heminger, President of SpendMend, added, "Through our partnership with the Sheridan team, we look forward to accelerating the growth of SpendMend and further developing our capabilities and overall value proposition as it relates to the healthcare industry."

Katten Muchin Rosenman LLP and Miller, Johnson, Snell & Cummiskey, P.L.C served as legal advisors to Sheridan and SpendMend, respectively.

Charter Capital Partners served as financial advisor to SpendMend. Fidus Investment Corporation and Cadence Bank provided debt financing for the transaction. The investment was led by Lewis, Sean Dempsey, Nicholas Rowland, and Jonathan Gavron at Sheridan Capital Partners.

https://www.businesswire.com/news/home/20180111005159/en/Sheridan-Capital-Partners-Invests-SpendMend-LLC

AccessOne and HealthFirst Financial join to create industry leader

Healthcare Tech

1/11/18

AccessOne, a leading provider of patient financing options designed to help patients manage their healthcare costs, has announced its agreement to acquire HealthFirst Financial, a leading software-enabled service provider of patient financing programs to healthcare organizations. The transaction fuels AccessOne's rapid nationwide expansion to support all patients with consumer-driven financing tools while simultaneously driving compelling economics for providers.

"HealthFirst's focus on highly tailored solutions for healthcare systems complements AccessOne's commitment to offering flexible financing options for all patients, regardless of circumstance," said Mark Spinner, chief executive officer of AccessOne. "This combined offering accelerates our mission toward helping every patient lead their healthiest life through affordable access to needed care."

In a recent survey by HealthFirst, 53 percent of U.S. adults said they were concerned about how to pay a medical bill of less than $1,000. Worse, 68 percent of U.S. adults with a medical bill of $500 or less did not pay off the full balance during 2016, according to a June 2017 TransUnion report. The growing affordability gap continues to drive declining collection rates for providers and even a loss of patient retention.

With the acquisition, AccessOne will now offer health systems the most innovative, tailored solutions on the market for their unique care settings, helping to lower bad debt and improve patient satisfaction scores.

"As a market leader in consumer finance technology and innovation, HealthFirst is uniquely positioned to provide financing flexibility resulting in high patient satisfaction—a perfect fit with AccessOne's vision," said KaLynn Gates, president and corporate counsel at HealthFirst. "The team at HealthFirst is excited to be a part of this next chapter of innovation and accelerated growth as originally envisioned by HealthFirst's founder Joseph Hawes."

AccessOne is backed by Capital One Bank, a top-10 U.S. bank with over $350 billion in assets, and by Frontier Capital, a Charlotte-based growth equity firm that has raised $1.5 billion since 1999 to invest exclusively in software and technology-enabled business services companies.

"AccessOne has experienced significant growth with 26 new hospitals and one nationwide specialty physician practice added this year," said Andrew Lindner, managing partner at Frontier Capital.

"With proprietary predictive analytics and software systems coupled with its patient-first advocate teams on both coasts, AccessOne is very well positioned to expand as a preferred partner to the large health system market."

Terms of the acquisition will not be disclosed. HealthFirst was advised by Marion Financial Corp. and Armstrong Teasdale LLP, while AccessOne was advised by Womble Bond Dickinson LLP.

https://www.businesswire.com/news/home/20180111005220/en/AccessOne-HealthFirst-Financial-Join-Create-Industry-Leader

Pager closes strategic round of financing

Healthcare Tech

1/11/18

Pager Inc., a New York-based digital health company, raised a strategic funding round of undisclosed amount.

The round was led by anchor partner Horizon Healthcare Services, with participation from existing investors Lux Capital, Goodwater Capital and New Enterprise Associates and new investor Vero Norte, representing Grupo Sura.

The company intends to use the funds to expand its core engineering and product capabilities across its platform, to build out its artificial intelligence and machine learning team, to scale in new and existing markets, and to launch innovative gap closure and care management capabilities in collaboration with its partners.

Founded in 2014 and led by Walter Jin, Chairman and CEO, Pager provides large health plans and health systems with a mobile-first AI-powered patient engagement and care navigation platform.

Concurrently with this capital raise, Pager officially launches in New Jersey in partnership with Horizon.

http://www.finsmes.com/2018/01/pager-closes-strategic-round-of-financing.html

SmithRx raises $9 million in Series A funding

Healthcare Tech

1/11/18

SmithRx, a San Francisco based technology company and Pharmacy Benefit Manager (PBM), today announced that it has secured $9 million in Series A funding. Founders Fund led the investment round with participation from Blumberg Capital, NextGen Venture Partners, Box Group, and others. The financing will support SmithRx as it scales and delivers a broad technology solution to change the way pharmacy benefits are managed.

"We see a huge opportunity to move the PBM space forward," says Jake Frenz, SmithRx founder and CEO. Americans spent $460B at the pharmacy in 2016 according to QuintilesIMS, which is almost double the spend from 10 years ago. Consolidation in the industry, aimed at lowering cost through scale, has not mitigated this problem. "From limited choice, to antiquated technology, to dissatisfaction amongst clients and members, this is one of the largest, yet least recognized problems in healthcare." SmithRx offers a new path.

SmithRx was founded in 2016 to create a technology-driven and cost-competitive PBM that offers clients a flexible customer-centric product. "Our focus is on building the next generation pharmacy benefits partner that enables choice, aligns incentives, and surfaces insights to improve care delivery," says Frenz. "Innovation has lagged in the PBM sector, and our team is dedicated to accelerating change."

SmithRx is a talented team of industry veterans and forward-thinking engineers. The 100% in-house team also features front-line clinicians that guide plan execution and member support. "Our operations look and feel different," says Frenz. The customer experience is based on real-time data and concierge customer support that resolve member issues with speed.

"A smith is a craftsman -- someone who is precise about his or her trade," said Frenz. "That's where our company name comes from." SmithRx embodies these characteristics and brings precision to the pharmacy benefit industry by leveraging technology and data to forge the product of the future.

https://www.businesswire.com/news/home/20180111005122/en/SmithRx-Raises-9-Million-Series-Funding

Allscripts buys Practice Fusion for $100 million

Healthcare Tech

1/8/18

Allscripts continues to be in acquisition mode, further building out its client base in the ambulatory space by buying Practice Fusion for $100 million in cash. The deal is expected to close in the first quarter of 2018, officials said.

The addition of San Francisco-based Practice Fusion, whose cloud-based electronic health record is aimed primarily at small, independent physician practices, will give Allscripts a larger footprint in outpatient settings.

It's the second move in less than six months – following the acquisition of McKesson's health IT business in August 2017 – designed to expand the Chicago vendor's nationwide market share.

Some 30,000 ambulatory sites, serving about 5 million patient each month, currently use Practice Fusion EHR, practice management, e-prescribing, lab and patient portal technology.

Allscripts also sees the company – which was founded as a startup a dozen years ago and grew as a free, web-based EHR to help small doc practices earn meaningful use incentives – as a way to expand its access to clinical data that can help it innovate in an array of areas: analytics and interoperability, life sciences and clinical trials.

[Also: Two maps show just how much Allscripts boosted its EHR footprint by buying McKesson's tech]

"Combined with Practice Fusion, we expect Allscripts to continue to drive innovation in addressing gaps-in-care, improving clinical outcomes and real-world-evidence research," said Allscripts President Rick Poulton in a statement. "Plus, Practice Fusion's affordable EHR technology supports traditionally hard-to-reach independent physician practices, and its cloud-based infrastructure aligns with Allscripts forward vision for solution delivery."

Poulton said existing Practice Fusion clients would benefit from the deal, given new access to Allscripts technology.

"Allscripts' highest priority remains to successfully meet healthcare providers' highly complex needs as we enable them to lead the change to smarter care," he said.

http://www.healthcareitnews.com/news/allscripts-buys-practice-fusion-100-million

American Well lands $59.2 million strategic investment from insurer Allianz, partners with Philips

Healthcare Tech

1/8/18

Boston-based telemedicine provider American Well announced today that it landed $59.2 million in funding from insurer and asset manager Allianz Group's digital investment unit, Allianz X.

“Allianz X’s investment with American Well will result in better access, lower cost, and more connected care for our customers through a leading-edge health platform,” Solmaz Altin, chief digital officer of Allianz Group, said in a statement. “This collaboration emphasizes Allianz’s commitment to digitalization, our goal of investing in digital frontrunners, and encourages advancements within the whole healthcare ecosystem.”

The deal also means a partnership between the two organizations, the goal of which is to develop a digital product that will expand healthcare access, lower the cost, and improve healthcare quality. The pair plan to develop this digital tool by using American Well’s platform and building on Allianz’s expertise to combine wearable sensors, remote monitoring, and virtual visits, according to a statement.

As part of the deal an unnamed representative from Munich-based Allianz X will be joining American Well’s Board of Directors.

“Advancing global health digitally is a big mission, and one we know we cannot accomplish alone,” Dr. Ido Schoenberg, chairman and CEO at American Well, said in a statement. “Our scalable telehealth platform and partnership ecosystem are key to any global solution. We are encouraged by great support from across the healthcare industry thus far, and we invite companies and thought leaders across health, tech, and business to join our mission to advance the quality, accessibility, and economics of global healthcare through digital connectivity.”

American Well has been busy. Today the company also announced a partnership with technology giant, Philips. The partnership means a multi-year agreement to intergrate American Well's virtual care capabilites into Philips' consumer and professional digital health products, according to a statement. American Well's telemedicine services will be intergrated into the Philips Avent uGrow parenting platform, which aims to give parents 24-7 access to professional medical consultation.

“Partnering with American Well to deliver highly personalized virtual care solutions to consumers and healthcare professionals fits Philips' vision of 24-7, coordinated care across the health continuum — the right care delivered at the right time in the right place,” Jeroen Tas, chief innovation & strategy officer at Philips, said in a statement. “American Well already collaborates with many of the largest insurers and healthcare providers in the US, offering great opportunities for joint business development with the aim to create a better patient experience in this important new area of digital healthcare delivery.”

American Well has been in the news recently for its involvement in the Apple Heart Study, an Apple Watch-based ResearchKit study using the watch's heart rate sensor to look at potential arrhythmias. The company will provide telemedicine services for the study.

In October American Well also partnered with Medtronic Care Management Services, a remote patient monitoring company. This partnership will enable patient access to American Well's telemedicine services on Medtronic Care Management Services' video-enabled platform, and will allow bi-direction data flow between the two parties.

http://www.mobihealthnews.com/content/american-well-lands-592m-strategic-investment-insurer-allianz-partners-philips

INSURANCE

Arthur J. Gallagher & Co. acquires Houston's AquaSurance

Insurance

1/12/18

Arthur J. Gallagher & Co. announced it has acquired AquaSurance LLC in Houston, Texas. Terms of the transaction were not disclosed.

Founded in 2002 by Harry Peyton and Marshall Schoth, AquaSurance is a property/casualty broker focused exclusively on serving Texas water utilities.

Harry Peyton and his associates will relocate to Gallagher's Houston Galleria office under the direction of Bret VanderVoort, head of Gallagher's South Central retail property/casualty brokerage operations.

Arthur J. Gallagher & Co., an international insurance brokerage and risk management services firm, is headquartered in Rolling Meadows, Illinois.

https://www.insurancejournal.com/news/southcentral/2018/01/12/477117.htm

QuoteWizard acquires call transfer company Bantam Connect, posts record profit for 2017

Insurance

1/11/18

Insurance comparison marketplace QuoteWizard is having a good start to the year.

The company announced Thursday that it has acquired California-based Bantam Connect, a call transfer company specializing in insurance leads. Privately held QuoteWizard also disclosed a record profit of $12 million in 2017. The Seattle-based company said its total revenue for the year was $80 million, also a record high since it was founded in 2006.

QuoteWizard has absorbed Bantam's management team and all 30 of its employees and said it will allow the company to continue operations as normal under the QuoteWizard brand. The companies did not release financial details of the deal, but said it included both cash and equity.

"We're excited to incorporate Bantam's capabilities and team into our company," Scott Peyree, QuoteWizard founder and CEO, said in a statement. "Combining Bantam's Call Products with our Lead and Click offerings, we are now the only company in our industry offering a full suite of top quality, end-to-end customer acquisition solutions to our clients… We plan on leveraging Bantam's industry-leading technology to reach our goal of being the leading online destination for Americans looking for insurance."

The news is notable given that QuoteWizard was forced to lay off 30 percent of its workforce in late 2016 as the insurance markets shifted. Peyree told GeekWire at the time that the company couldn't maintain its growth in the insurance environment and that it would look to diversify its offerings.

It seems that plan is working out — Bantam's addition and the acquisition of insurance shopping site RateElert in October have expanded QuoteWizard's products into broader offerings for insurance providers and shoppers.

QuoteWizard has been family owned and self-funded since its founding in 2006, and has at times been among the fastest growing companies in Washington state. It opened a Denver office in May of 2016.

https://www.geekwire.com/2018/quotewizard-acquires-call-transfer-company-bantam-connect-posts-record-profit-2017/

Allianz Suisse to buy DAS Switzerland from Munich Re's ERGO

Insurance
1/10/18

Allianz Group has agreed to acquire the legal protection insurer DAS Switzerland and the assets of DAS Luxembourg and Slovakia from German insurance group ERGO Group AG, the Munich Re subsidiary.

The acquisition will strengthen the competitive position of Allianz Suisse, making it one of the top three firms offering legal protection coverage in Switzerland, Allianz said in a statement.

The combined premium income from the three ERGO subsidiaries totaled €38 million ($45.4 million) in 2016.

Subject to regulatory approval, the transaction is scheduled to be completed at the start of April. The parties have agreed not to disclose financial details of the transaction. With a premium volume of around 550 million Swiss francs (US$560.5 million) and a growth rate of 5.3 percent in 2016 alone, the market for legal protection insurance in Switzerland is very attractive, Allianz added.

The acquisition of DAS Switzerland will give Allianz Suisse and its subsidiary, CAP Legal Protection Insurance Co. Ltd. (CAP) a leading role in the market, the company said.

Allianz noted that CAP is number four in the Swiss market, with annual premium volume of around 70 million Swiss francs (US$71.3 million), while DAS Switzerland is in eighth place with a premium volume of approximately 34 million Swiss francs (US$34.7 million).

Growth Opportunities
"Our aim with this merger is to utilize growth opportunities in the non-life business and further strengthen our competitive position. This will enable us to create the best conditions for our customers and place us in an excellent position in this growth market," said Severin Moser, CEO of Allianz Suisse.

Details about structures relating to employees, brand identity and sales will be communicated in the coming weeks pending discussions with DAS Switzerland.

The ERGO legal protection insurance branch for Slovakia will be absorbed by the Allianz country subsidiary for Slovakia while the legal protection insurance portfolio of DAS Luxembourg will be ceded to the subsidiary of Allianz Benelux in Luxembourg as part of the transaction, subject to fulfillment of the agreed conditions.

https://www.insurancejournal.com/news/international/2018/01/10/476804.htm

Ladder secures $30 million in Series B funding to fuel expansion

Insurance

1/10/18

Ladder, the company that introduced instant, simple and smart life insurance exactly one year ago today, has raised $30M in Series B financing, led by RRE Ventures, with participation from Thomvest Ventures, as well as Ladder's existing investors: Canaan Partners, Lightspeed Venture Partners and Nyca Partners.

"Ladder's full stack approach sets them up to deliver breakthrough innovation in this space," said Stuart Ellman, co-founder and general partner of RRE Ventures. "We're excited to work alongside this great team as they build the next generation life insurance offering."

The Ladder team has built a proprietary technology from the ground up, enabling the company to quickly iterate on its product to introduce new features that streamline the experience for consumers. Ladder launched its fully-digital life insurance solution in California on January 10, 2017 and has since expanded to nearly every state across the country.

With this latest round of funding, Ladder will continue to develop its platform capabilities and expand its marketing initiatives nationwide. The company recently announced it will also make its digital life insurance offering available to partners via the Ladder API.

"One year ago today, we set out to reinvent life insurance, and I could not be more proud of what our team has accomplished," said Jamie Hale, Ladder's CEO and co-founder. "That said, we're just getting started. We will continue to lead innovation in life insurance so more people can get the coverage they want and need."

https://www.prnewswire.com/news-releases/ladder-secures-30m-in-series-b-funding-to-fuel-expansion-300580537.html

Corsair Capital buys RGI

Insurance

1/9/18

Ardian, a world-leading private investment house, together with the Founding Partner Paolo Benini and the top management, today announces the sale of a 100% stake in RGI, EMEA leading provider of software products and technology services to the insurance industry, to Corsair Capital.

Founded in 1987, RGI specialises in software development for insurance companies, covering the entire spectrum of insurance policy management through the provision of software and advisory services. The Group has a leading position in the European market with 100 clients including the world's most prominent insurance companies to which it also offers application maintenance services. RGI employs around 800 people in EMEA.

Following Ardian's profit sharing policy, the employees of RGI will receive a bonus for their valuable contribution to this success story. Ardian invested in RGI in 2014 in order to support the company in its international growth to become a 'global company'. In 2016 RGI acquired a 100% stake in Kapia Solutions SAS, a French company operating in the same sector with a focus in the Life Insurance segment.

Corsair Capital is a leading private equity firm focused on the financial services industry and will be making a long-term strategic investment in RGI, which is well-positioned for growth in the attractive insurance technology industry.

Vito Rocca, CEO of RGI, stated: "I sincerely thank Ardian and the whole team of professionals for their important support to our international growth. Throughout its history, RGI has shaped the insurance industry as a digital influencer and we are confident that Corsair Capital will continue to foster our expansion into European markets and help us continue to deliver excellent service to our customers."

Paolo Bergonzini, Head of Ardian Expansion in Italy, commented: "We have supported with passion the development of RGI's business over the last three years. Together we have had much success thanks to RGI leadership in the reference sector and to its top management, with whom we have always had a relationship of trust and collaboration."

Corsair Capital Managing Director, Raja Hadji-Touma, said: "We believe that the insurance industry has an increasing need for high quality core system solutions that help insurers streamline and digitise business critical processes.

RGI's comprehensive and modular offering has been widely recognized by clients and industry participants as a leading solution in the insurance market. We are looking forward to working

hand-in-hand with RGI's management to further develop and expand RGI's business opportunities internationally through our long-term strategic investment."

https://www.pehub.com/2018/01/corsair-capital-buys-rgi/

Freelancer insurance startup Dinghy lands $1.2 million

Insurance

1/5/18

Dinghy is a new mobile-first, on-demand insurance provider for freelance professionals. Using their bespoke technology platform, Dinghy's hassle-free and flexible insurance adapts to the freelancer's lifestyle; for the first time, freelancers save money when they are not working yet keep the full protection of their insurance.

Dinghy, which went live this week, has secured a $1.2M round of funding led by Balderton Capital and joined by industry angel investors and ReSolution.Dinghy expects its core market to be made up of tech developers, designers and consultants.

The product is designed to insure any freelancers from creative consultants to freelance journalists for their business risks and against equipment damage and theft.

Traditionally, buying and maintaining insurance is a dull and slow process that most freelancers want to put off as long as possible. Dinghy has built an online solution from the ground-up with freelancers in mind, so that the process from quote to claim is fast and hassle-free, with the ability to chat to experts:

- Quotes: With only 8 questions Dinghy can provide quotes in 40 seconds and policies in 90 seconds
- Policy changes: A fully online self-service area means customers can easily update their policy without having to waste billable time on a call listening to hold music
- Claims: 24/7 claims reporting and lost or damaged equipment replaced within 24 hours (or instant cash settlement)

Dinghy's co-founder Edward Woodcock said "As a former tech freelancer, my laptop was my workhorse. I've lost earnings from a broken laptop when it took the insurers five days to sort out the replacement. With 24 hour replacement anywhere in the world, or immediate cash settlement once the claim is approved, I'm excited that we have closed that gap and can provide exactly what freelancers need."

Self-employment is the fastest growing sector of the economy with about 2 million people now working as freelancers in the UK, and an estimated 11 million working in the gig economy across Europe. But many of these sole traders struggle to secure the flexible equipment insurance, and the professional indemnity insurance their clients often require, and as a result are leaving themselves exposed to unnecessary risks to their business.

Dinghy's co-founder Rob Hartley said: "At the end of a contract, freelancers often end up paying for insurance they don't need, or cancelling their insurance and losing all the benefit of the

insurance they just paid for, so throwing away all the cover they paid for. The traditional insurance model doesn't provide the kind of flexible and responsive cover that freelancers need."

Dinghy's co-founder Ben Wilks said "We are delighted to have secured Balderton in our seed round, and their support has been phenomenal. We're also thrilled to be backed by leading industry angels and to have partnered with one of the world's best insurers to support our vision for better insurance for everyone, starting with freelancers in the UK. With a target market of 1 million under-served professionals in the UK alone, the opportunity for an agile tech-led company speaks for itself."

Rob Moffat, partner at Balderton Capital said: "The traditional insurance model just doesn't provide the affordable and flexible cover that many freelancers need to fit their own flexible way of working. There is a huge opportunity for a company that offers Professional Indemnity and other policies on a 'pay as you use' model, which the Dinghy founders understand deeply through their unique combination of insurance and freelance experience."

https://www.pehub.com/2018/01/freelancer-insurance-startup-dinghy-lands-1-2-mln/

PAYMENTS

Cardlay secures 5 million USD for global expansion from SEB and SEED

Payments

1/11/18

Cardlay has through the last year and a half further developed their Cards and Expense Management platform into a license model for Commercial Banks. Cardlay's platform secures Banks new revenue streams, optimisation of operation costs, digital retention strategy as well as utilisation of Big Data. These are 4 strategic areas that are significant focuses for Banks.

The capital injection comes from investors SEED Capital and SEB Venture Capital, who both have their origin in the Nordic Region and the Baltic Countries. "Cardlay has developed a unique platform for a Frontend meeting with the Banks Commercial Clients, which gives an extraordinary possibility for better revenue for existing customer databases in addition to digitalising handling and services." Says Johan Wolf, Senior Investment Manager SEB Venture.

SEED Capital first invested in 2016. Lars Andersen, General Partner SEED Capital, says of the investment "We believe that Banks, both national and international, will seek partnerships even more in the future with FinTech companies to ensure innovation power and distinctly faster market launches. Cardlay comes with a proven concept from multiple integrations coupled with a focused international strategy to position themselves as a market leader in Frontend for commercial transactions".

Cardlay's vision is to enrich every transaction and thereby improve companies' processes and will continue to challenge the endless possibilities for automation, Machine Learning as well as Artificial Intelligence. Banks can in partnership with Cardlay offer new business models to existing clients and create new revenue flows particularly in highly mature markets such as Europe, the UK, and North America. Founder, Jørgen Juul, states "Cardlay has evolved from a strong Danish Business Case into an IT-Export adventure by having developed the right product at the right time for a market that hungers for digitalisation".

https://www.businesswire.com/news/home/20180110005844/en/Cardlay-Secures-5-Million-USD-Global-Expansion

Petal raises $13 million to give starter credit cards to millennials

Payments

1/10/18

Petal, a financial technology upstart that aims to provide credit cards to young people and others who lack a credit history, has raised $13 million, it said on Wednesday.

The Series A round was led by billionaire Peter Thiel's Valar Ventures. The funds will be used to roll out the credit card nationwide; it is currently available only via waitlist, where it has attracted some 40,000 people.

Petal is among a new crop of companies that are roping in nontraditional data in their underwriting to approve Millennials, immigrants and other consumers who are typically turned away from banks and lenders because of their limited credit histories.

Petal relies on a potential borrower's cash flow: How much money they make, how much they spend on rent, bills, groceries and other things and how much they save.

The company gathers this information by requesting access to a person's bank account. It also consider's a person's credit score and history when available.

The Petal Visa credit card offers interest rates between 13.99% on 24.99% on credit limits ranging from $500 to $10,000. It also touts zero fees.

"There's a tremendous need for access to affordable credit if you're brand new to credit," says co-founder and CEO Jason Gross.

The Consumer Financial Protection Bureau has estimated that 45 million Americans — one in five of the adult population — either lack a credit history altogether or have insufficient history to generate a credit score. A credit score, which is a three-digit figure calculated from the information on credit reports from Experian, Equifax and TransUnion, measures a person's borrowing history.

Petal could provide an alternative to secured credit cards, which are often recommended to consumers who are seeking to build credit and offer a minimal credit limit (say, $300) in exchange for a deposit of the same amount. It also seeks to replace payday loans, auto title loans and other expensive forms of debt.

Since it doesn't charge fees, Petal makes money on the interest that accumulates when a cardholder doesn't pay their monthly balance in full and the card swipe fees borne by retailers.

There are no cash-back or travel rewards associated with the card, which suggests that as cardholders build and improve their credit, they will eventually switch to another card. Petal said

it would introduce benefits and features for cardholders down the road, but declined to offer specifics.

The New York-based company was started in 2016 by Gross, a Harvard-trained lawyer, David Ehrich, a veteran of JPMorgan and American Express, Jack Arenas and Andrew Endicott.

https://www.forbes.com/sites/laurengensler/2018/01/10/petal-series-a-credit-cards-millennials-no-credit-score/#6caed6846aae

SECURITIES

Bono's fund makes its first fintech investment, backing Acorns

Securities

1/12/18

The Rise Fund, a private investment fund co-founded by the U2 lead singer, is making its first known bet on a fintech business by backing Acorns Grow Inc., the companies confirmed on Friday. Acorns offers an investing-and-savings app tailored to people with small amounts of disposable income.

Bono helped start the Rise Fund last year with private equity firm TPG, raising $2 billion to focus on commercial projects capable of having a social or environmental impact.

"I think TPG saw our high impact on top of a great business model and decided to invest," Acorns Chief Executive Officer Noah Kerner said in an interview. "We'll be continuing to grow current products and add others with the new funding."

Bono isn't the first celebrity to make a bet on Acorns. Ashton Kutcher's Sound Ventures and basketball star Kevin Durant are also backers.

Acorns is part of a growing list of startups offering digital wealth management services. Some 2.7 million people use the app to put spare cash into exchange-traded funds managed by Vanguard Group Inc., BlackRock Inc. and others.

The Irvine, California-based startup has more than $500 million in assets under management, according to a filing with the U.S. Securities and Exchange Commission. The average account balance for each client is much lower than other digital wealth startups by design. Acorns clients have less than $500 on average compared with about $43,000 for Betterment LLC.

Analysts have expressed skepticism about whether Acorns can ever become profitable managing such small amounts per customer. Venture capital backers have said Acorns could someday market higher-margin products to a large customer base. The startup has begun taking steps to do that. Late last year, it acquired Portland-based Vault, which lets customers automatically invest part of their paycheck into a retirement fund. Acorns has said it plans to use the technology to offer an individual retirement account.

https://www.bloomberg.com/news/articles/2018-01-12/bono-s-vc-firm-is-said-to-make-its-first-fintech-investment

Digital financial advice startup SuperEd raises $5 million from key investors and staff

Securities

1/9/18

Digital superannuation advice startup SuperEd has completed a $5 million capital raise from both external investors and staff members to ramp up its expansion, with the 2012-founded company betting on digital advice being a big deal for fund managers going forward.

While the startup was founded five years ago, SuperEd chief executive and co-founder Hugh Morrow had the idea for SuperEd more than 20 years ago while working with Westpac, where he observed that most of the people who sought financial advice could afford the services of a "cost-intensive" financial planner.

"That's all well and good, but the majority of the population misses out on financial advice — the segment of the population that's typically less financially literate or understanding of the issues," Morrow told StartupSmart.

"The objective of SuperEd is to help most of the people with most of the issues, most of the time. We're not trying to solve every problem for every person, we're just trying to reach the majority of people."

When Morrow and SuperEd co-founder and chairman Jeremy Duffield started the company, there were no competitors in the Australian market, and the two looked further afield to the US for inspiration where they thought some of the developments in digital 401k advice might be applied locally.

Today, the team finds itself up against a number of other competitors but aims to set itself apart by turning its approach to advice "inside out" by focusing on consumers and working from there, rather than putting a sole focus on making automated processes more efficient.

"This way we empower consumers to understand the advice and the implications of taking that advice, which builds confidence and better financial understanding," Morrow says.

The company has been seeking to raise for nearly 12 months now, having received $2.5 million in seed and angel investment previously. The team felt confident in seeking capital after having the business validated through a number of significant customers and feedback.

"We wholesale the digital advice solution to other organisations, and we've been seeing increasing demand and interest. It's time we scale up and build more muscle to expand the platform — we're confident in our offering, now we just need to get it to market," Morrow says.

For now, that market will just be Australia; Morrow is confident the superannuation and retiree market locally is very healthy and is “content” with conquering the local scene. However, the company has sought patent protection globally for much of its key IP and Morrow says it has an eye on global markets — specifically Asia — for expansion “eventually”.

While the $5 million raise attracted some key investors, such as Retirement Essentials founder Paul Rogan, a “significant” amount was contributed by SuperEd staff, a relatively unusual thing to see from Australian startups.

Morrow says both he and Duffield believe strongly in letting teams share in the rewards of the company and giving them the opportunity to invest not only time, but money into the business.
“If you look at the US, one of the most vibrant venture capital markets, this is absolutely commonplace. It’s the grease that makes the whole machine run,” he says.

However, Morrow cites tight regulation in Australia as a reason we don’t see more startups offering equity as a form of compensation for workers, saying it’s “very difficult” to do tax effectively and could use some reform.

Drawing further comparisons to the US venture capital market, Morrow criticised the local venture capital scene, saying it hasn’t evolved as much and was “continually frustrating” through the raising process.

“It can be a bit faddish in what startups get funding, and we’re in the early stage of building a deep VC and investing community,” he says.

“We’re starting to see entrepreneurs and VCs go through multiple cycles of investing and starting companies, and that’s slowly building the muscle and experience for them, which is exactly what we need.”

“There’s plenty of cash out there, but we were looking for smart money — like-minded people to back the company and the vision.”

https://www.smartcompany.com.au/startupsmart/news-analysis/digital-financial-advice-startup-supered-raises-5-million-key-investors-staff/

Edison Partners makes $15 million investment in fintech

Securities

1/8/18

Growth equity investment firm Edison Partners has invested $15 million into MoneyLion, a digital personal finance platform based in New York City.

Its contribution will be the largest in a total $42 million growth investment in the company, which will be spent to broaden its product line, seemingly targeted at a more middle-class client base.

“Many traditional financial institutions and fintech platforms cater to super-prime, mass-affluent consumers, which is only a small part of the U.S. market. In fact, more than 75 percent of America’s consumers remain underserved by financial services providers,” said Chris Sugden, managing partner at Princeton-based Edison Partners. “MoneyLion brings consumer credit and savings to the financial middle class. By delivering both a liability and wealth management digital solution on the same platform, MoneyLion brings a complete financial toolkit for consumers who earn less than $100,000.”

To date, Edison Partners has invested $27 million in MoneyLion, over a third of the platform’s $67 million in equity financing. According to a news release by the company, MoneyLion currently serves 1.5 million users.

MoneyLion’s artificial intelligence platform works to provide more access to low-interest credit, automated savings and more affordable investment opportunities. Its app also offers credit monitoring, bank balance tracking and personalized financial advice based on credit and spending patterns. In November, the company announced a subscription service for premium services like automated savings, investment management and additional credit opportunities.

“Edison Partners and the Edison Director Network have helped us build a superior, profitable platform that simultaneously tackles both sides of the balance sheet for our customers,” said Diwakar Choubey, CEO and co-founder of MoneyLion. “We’re excited by today’s milestone and the continued support of our investors and customers for our platform.”

http://www.roi-nj.com/2018/01/08/finance/edison-partners-makes-15m-investment-fintech/

SPECIALTY FINANCE / ALTERNATE LENDING

LendingPoint acquires LoanHero

Specialty Finance / Alternate Lending

1/11/18

LendingPoint, the company working to revolutionize access to consumer credit, today announced that it has acquired LoanHero, a leading fintech platform for point of sale finance.

LoanHero's retail financing technology allows merchants to close more transactions while providing consumers more payment options. Combined with LendingPoint's industry-leading credit underwriting and risk management expertise, LoanHero will help accelerate LendingPoint's expansion into point-of-need and point-of-sale financing, with its comprehensive and innovative merchant onboarding and reporting tools and installed merchant base. Terms of the deal were not disclosed.

Founded in 2014, LoanHero's team and platform lets merchants offer traditional and promotional loans to their customers. Through one convenient application, merchants provide the best possible financing option for their customers, with credit decisions in real time. Where other lenders can't fund, LoanHero offers its own products to fill the gap. Hundreds of merchants use the LoanHero platform across industries including medical, dental, home improvement, and many others.

"LoanHero's merchant platform is the perfect complement to our consumer portfolio. The combination of the two companies doubles our origination channels and current customer base and triples the number of consumers we can serve, with credit and payment solutions for folks with credit scores from 450 all the way to 850," said Tom Burnside, co-founder and CEO of LendingPoint. "We've been so impressed by the energy and talent of the LoanHero team, and we look forward to working with them to dramatically improve access to credit for a large and underserved segment of consumers and merchants, whenever they need it."

"Backed by LendingPoint's powerful technology and expertise, we look forward to helping practices, contractors, retailers and many other businesses grow by providing innovative credit solutions for their customers," said Zalman Vitenson, Chairman and CEO of LoanHero. "We join one of the best teams in the industry, with unparalleled knowledge in risk management, credit and underwriting across consumer and merchant finance."

LendingPoint is a balance-sheet lender that uses data and technology in a proprietary model to paint a more complete financial picture of a customer. This model allows LendingPoint to approve loans for more people who may be passed over by traditional FICO results. Loans range from $2,000 to $26,500, with terms from 24 to 48 months. LendingPoint responds to customers in a matter of seconds with an approval decision, creating loan offers aligned with the customer's financial profile and transparent terms that take the guesswork out of repayment.

LendingPoint and LoanHero both were formed in 2014 and to date have issued almost 70,000 loans, totaling nearly $500 million in consumer loans.

“Access to credit creates financial inclusion and upward mobility for consumers, and it’s also been proven to increase conversion and sales for merchants,” said Juan Tavares, co-founder and Chief Strategy Officer of LendingPoint. “Our vision is to improve financial access for all consumers at the point they need it -- whether that’s an unexpected home repair or an important medical procedure. LoanHero gives us access to hundreds of product and service providers, accelerating our ability to serve even more consumers who deserve better access to affordable credit.”

https://www.businesswire.com/news/home/20180111005165/en/LendingPoint-Acquires-LoanHero-Accelerate-Expansion-Point-of-Sale-Point-of-Need

Goji nabs multi-million-pound series A investment

Specialty Finance / Alternate Lending

1/10/18

Anthemis leads the way with AXA Strategic Ventures also participating.

Direct lending investment manager Goji has clinched a significant sum of money in a series A investment round. The investment was led by Anthemis' Venture Fund 1 (AVF1) and also included AXA Strategic Ventures (ASV).

Goji launched its Diversified Lending Bond in January 2017, thereby giving investors exposure to thousands of loans through a single point of access, as well as the chance to hold those loans within an Innovative Finance ISA.

The business is one of the few to address the problem of multi-platform IFISAs. Investors may not allocate their yearly IFISA allowance of £20,000 to more than one peer-to-peer platform at a time, which translates to wait-times of several years for those wanting to build up an IFISA portfolio that spans multiple platforms.

Goji's bond, which targets returns in excess of 5 per cent over a one or three-year term, solves the problem. The bond is explicitly targeted at financial advisors and wealth managers wishing to offer their clients exposure to the direct lending asset class. The bond's 12-month results will be released at the end of January.

The undisclosed sum of money raised in the series A round will allow Goji to further develop its platform and product pipeline.

"Anthemis is dedicated to reinventing financial services for the digital world by cultivating change and new business models. The development of new asset classes is an important part of this change and Goji personifies this vision by combining a strong technology platform with a clear focus on the Direct Lending sector," said Yann Ranchere, a partner at Anthemis.

"We are looking forward to supporting the Goji team as they continue to empower investors and financial intermediaries to access the Direct Lending sector which we believe has the potential to drive change in traditional investment markets."

Besides providing access to direct lending opportunities, Goji also manages and administers over £20m of IFISA assets through its platform for third party lending platforms. The company announced a wave of new hires and board member appointments in December, as it geared up for a busy ISA season over the next few months.

http://www.altfi.com/article/3925_goji_nabs_multi_million_pound_series_a_investment_round

Fintech startup YieldStreet raises $113 million

Speciaty Finance / Alternate Lending

1/10/18

YieldStreet Inc., a New York-based startup that packages and sells business loans to investors, said it raised $113 million in debt and equity to expand its offerings.

The three-year-old company specializes in loans to real-estate projects, small businesses and law firms. It pitches the assets as an alternative to stocks and bonds. YieldStreet competes with similar products offered by private-equity firms and hopes to eventually offer them to anyone.

“We’re trying to provide retail investors this type of product, and ultimately our goal is to reach as many as possible,” said Milind Mehere, the chief executive officer. “We hope to expand this to everyone sometime later this year.”

Venture capital firms Greycroft and Raine Ventures led a $12.8 million equity investment in YieldStreet, and each appointed partners to the board. A credit facility of $100 million came from a New York-based family office, which YieldStreet declined to name.

https://www.bloomberg.com/news/articles/2018-01-10/yieldstreet-raises-113-million-for-business-loan-marketplace

Germany's Smava raises $65 million to expand its consumer loan portal

Specialty Finance / Alternate Lending

1/8/18

While Google dominates the world when it comes to search, portals for those looking for products and services in specific niches continue to have a place in our online world. In one of the latest developments, Smava, a German startup that has built a marketplace/portal for people to search for and take out loans, has raised $65 million to grow its business across Europe.

The funding comes from Vitruvian, a UK-based private equity firm that had also funded Skyscanner (a vertical search giant in the travel industry, now owned by Ctrip) and last June announced the close of a new, €2.4 billion fund, with participation also from previous backer Runa Capital and others. To date, Smava has raised around $135 million, and while the startup is not disclosing a valuation, according to sources, it is around $300 million with this round. Smava has been profitable for the last year.

Smava started out originally in 2007 as a peer-to-peer loan platform, where those wanting to borrow money could tap those willing to loan it. Smava would provide the big data analytics to assess both sides' credit-worthiness, bypassing banks and their high fees, long wait times and more conservative credit scoring.

Ironically, the startup later expanded to include banks in the mix of loans it offered, as it started to realise it would be a much larger and ultimately cheaper source of funding than the P2P business could ever be, since the majority of its customers could be termed "prime" borrowers — with high credit scores — so would be eligible for cheaper bank loans.

"Banks and traditional lenders were much cheaper than private lenders could ever be due to the low refinancing costs," said Alexander Artopé, the company's founder and CEO. "This was the starting point of our growth." P2P is still part of the mix, but represents less than five percent of all loans, he added.

It turned out to be a huge boost to the company's operation. In 2012, Smava transacted €40 million in loans through its platform. This year the figure will be €1.2 billion, with €3 billion over the lifetime of the startup from about 300,000 customers.

(And while Smava does not reveal revenues, the company has a take of around four percent from its loans, which would mean revenues of around €48 million from these products.)

While Smava's original product drew on big data analytics to analyse your financial history and online profile to create a credit score for you, today the company extends this to the other side of the marketplace as well by matching up your credit score with a sorted list of loans that best fit your profile.

There are a number of portals aggregating loan and other financial services offerings in the market today, based around the idea of the aggregator making affiliate revenues whenever a user clicks on a product and makes a purchase. The difference with Smava, Artopé said, is that it's applying more intelligence to the mix rather than simply listing loans based on basic criteria.

Smava typically provides the average customer a selection of about 70 loan offers, drawing from a wider selection of offerings from 25 banks and other private lenders, with multiple different interest rates and other costs added in.

Smava claims that its algorithms translate to more efficiency in the process. On average, its customers' wait time for getting a loan can be cut from 10 days to 10 minutes, and savings compared to going directly to a bank works out to around €2,000. "We provide a transparent market overview," he said.

Although it might seem to be against a banks' interests to allow their loans to be listed alongside those of competitors, the advantage is that Smava helps funnel more people towards their loan products from a new channel, bringing in customers that the banks might have otherwise missed. Indeed, Smava claims that its approval rates increase to around 80-85 percent compared to 50 percent when banks evaluate directly.

Now the idea will be to take this loan model to more use cases.

One area where Smava will work more is in partnering with e-commerce sites to enable loans for purchasing larger items. One such partnership, starting this month, will be with eBay in Germany, where Smava will power financing for its car portal (nabbing the opportunity from one of its competitors, the massive deals aggregator Check24).

It is the combination of the smart algorithms, working with banks and its connection with customers with strong credit histories that attracted the funding.

"We are delighted and excited to partner with Smava and to back a company that is instrumental in transforming the financial services industry in Germany", said Jussi Wuoristo, a partner at Vitruvian Partners, in a statement. "Smava has proven that its marketplace model combined with continuous technological innovation materially enhances the alternatives available and experience for consumers. Smava brings strong value to the product providers by offering an attractive direct online channel to high quality prime customers. The online penetration for personal loans continues to grow fast in Germany and smava is uniquely positioned to accelerate and benefit from this trend."

Currently, Smava has limited itself only to providing loans in Germany, and it will continue to expand that as well as evaluate other countries.

"The German consumer loan market is huge," Artopé said. "Overall, the market we look at is €174 billion in new loans each year, but only 10 percent of that market today is online. That means the

best is still to come, especially when you consider that other markets such as e-ticketing and food delivery, the online penetration is more like 45-50 percent."

https://techcrunch.com/2018/01/08/germanys-smava-raises-65m-to-expand-its-consumer-loan-portal/

Student Loan startup Frank secures $10 million during Series A funding round

Specialty Finance / Alternate Lending

1/5/18

Frank, a New York-based student loan startup, announced this week that it has secured $10 million through its Series A Funding Round, which was led by Apollo Global Management, with participation from Reach Capital, and Aleph. This funding round brought its total funding amount to $15.5 million.

The company provides smart, simple financial aid. We are revolutionizing financial aid through technology, data, and design. Frank notes that it prepares students' FAFSA and make sure that they get the maximum financial aid. Once the aid is awarded, the company recommends additional options, such as scholarship, grants, or loans, to help students pay for their education. "That's where Frank steps in. Like most Americans, we believe that higher education should empower students, not hinder them. That's why every student's education should be affordable – no matter what language they speak, where they grew up or how much money they or their parents make.

"Our idea was born when we, like millions of students in the U.S., had to invest in our education. Information, assistance and money for college were hard to come by. We learned that what should be the proudest moment in a student's life quickly turns frustrating, confusing and overly complicated, setting into motion a series of crucial financial decisions that all too often burden Americans for the rest of their lives."

While sharing more details about the startup, Frank's founder, Charlie Javice, revealed to Crunchbase:

"Imagine a marketplace with the real price of college before you apply that guarantees that lowest price and enables you to then lock in the price and pay online. That's where we are heading. Frank follows the customer every semester, every year. Financial aid is all year round while you are applying to school and going through school. We will follow the family from school selection to 15 years of student loan payments."

In regards to the future plans, Javice went on to add that Frank plans to share in the tuition savings of customers by charging premium services upon success in lowering their tuition bill.

https://www.crowdfundinsider.com/2018/01/126721-student-loan-startup-frank-secures-10-million-series-funding-round/

DATA & ANALYTICS / IoT

TDECU invests in data analytics CUSO, OnApproach

Data & Analytics / IoT

1/11/18

OnApproach (www.onapproach.com), the leading provider of data/analytics solutions for credit unions, is excited to announce TDECU (asset size: $3.13 Billion, core processor: Fiserv – DNA) of Lake Jackson, TX has invested in OnApproach, a Credit Union Service Organization (CUSO). In addition to investing, TDECU had also selected OnApproach as its Big Data/Analytics provider in November 2017.

Courtland Crouchet, SVP – Chief Retail Officer, TDECU, stated, "We are excited to support OnApproach's vision for advancing the impact of the credit union movement. It is vital for the entire credit union industry to realize the importance of building and executing an effective data strategy. OnApproach makes it possible for all credit unions to collaborate while leveraging the power of their own data, but without the traditionally high costs of analytics, and we are proud to be a part of this mission."

With rapidly increasing member expectations and fintech disruption, credit unions are forced to adapt their traditional business models. A proper data strategy and digital transformation are key to the continued success of credit unions as we know them. With these elements, financial institutions can strengthen member relationships, improve financial performance, and confidently make data-driven decisions through the use of reliable enterprise data. TDECU's investment in the CUSO, OnApproach, will help to make these goals attainable for all credit unions.

"Digital transformation is vital for credit unions in 2018, and a scalable and reliable data solution is a critical piece of the digital transformation process. It is great to work with organizations such as TDECU that understand the value of data analytics and want to help transform the industry as a whole. We appreciate the support from the TDECU team, and we look forward to continuing to work with them to revolutionize credit union analytics," said Paul Ablack, CEO, OnApproach.

https://www.cuinsight.com/press-release/tdecu-invests-data-analytics-cuso-onapproach

OTHERS

Lombard Risk agrees to Vermeg takeover offer

Others

1/11/18

The board of UK-based banking and compliance software firm Lombard Risk has accepted a cash for shares offer from Dutch software firm Vermeg.

Lombard Risk's share price almost doubled as result of the acceptance, rising from 6.55p per share to 12.5p, just shy of the 13p per share valuation in Vermeg's offer, a deal that values Lombard at £52.1 million.

Lombard Risk's board has described the deal as "fair and reasonable", recommending its shareholder to vote in favour of the takeover.

The acquisition follows a difficult 2017 for Lombard. In October it posted a £5.9 million pretax loss, significantly higher than the £100,000 loss reported in 2016. Revenues also fell by 16% during the 12 months to £12.9 million.

While Lombard Risk has its customer base in the banking sector, Vermeg is more aligned with the insurance market, although the issue of compliance has become equally important in both markets, notably the Solvency II requirements facing insurers over their investments and capital adequacy ratios and the imminewnt intorduction of MiFID II in the banking world.

The RegTech market has also experienced a significant boom in recent years.

Consequently, Lombard Risk chairman Phillip Crawford has highlighted potential synergies from the deal. "The combination of Vermeg and Lombard Risk has very strong commercial logic.

“The combined group will benefit from a range of complementary products and solutions, increased scale, a broader international presence and have the ability to accelerate growth through investment and wider routes to market," he said.

Crawford also told shareholders that he expects the company's management structure to remain in place following the deal.

https://www.finextra.com/newsarticle/31517/lombard-risk-agrees-to-vermeg-takeover-offer

Clearlake Capital acquires Perforce Software

Others

1/10/18

Clearlake Capital Group, L.P. (together with its affiliates, “Clearlake”) today announced that it has acquired Perforce Software (“Perforce” or the “Company”), developer of the industry’s most flexible, scalable and secure version control and collaboration platform, from growth equity investor Summit Partners. The Company will continue to be led by Janet Dryer, CEO, and Mark Ties, COO, who will both join the Board of Directors alongside Clearlake. Financial terms were not disclosed.

Perforce is a leading provider of enterprise scale software solutions to technology developers and development operations (“DevOps”) teams requiring productivity, visibility and scale during all phases of the development lifecycle. Enterprises across the globe rely on its agile project management, developer collaboration, version control and repository management solutions as the foundation for successful DevOps. Perforce is trusted by the world's most innovative brands, including NVIDIA, Pixar, Scania, Ubisoft, and VMware. Headquartered in Minneapolis, MN, with over 225 employees, the Company serves more than 3,000 customers worldwide.

“Today’s announcement represents another major milestone in our transformation of Perforce,” said Dryer. “Two years ago, we began this journey, and since then we have completed three acquisitions, returned the company to growth, and created a robust portfolio of DevOps-focused solutions adopted by the largest and most demanding enterprise development teams in the world. We thank Summit Partners for this outstanding partnership, and we look forward to working with the Clearlake team as we accelerate into our next phase of growth.”

“The Perforce team should be proud that all their hard work helped attract this new investment, and we are excited to partner with Clearlake,” said Ties. “We expect Clearlake’s deep software experience and their proven ability to help companies grow will provide invaluable support as we continue to broaden our DevOps solutions, expand internationally, and pursue our acquisition strategy.”

“We are impressed by the momentum at Perforce under Janet and Mark’s leadership, and we share their excitement that Perforce will serve as an excellent platform for growth, both organically and through acquisition,” said Behdad Eghbali, Co-Founder and Managing Partner, and Prashant Mehrotra, Partner, of Clearlake. “We look forward to leveraging our O.P.S.® approach to support the management team and its many talented employees in continuing to provide best-in-class DevOps solutions to its global customer base.”

“High performance, enterprise scale software development teams are faced with stringent security and compliance requirements in addition to increasing complexity, with today’s continuous delivery environments,” added Paul Huber of Clearlake. “We believe Perforce’s technology and

its proven security, performance, and scale uniquely position the Company to address these market trends and accelerate its growth trajectory."

Harris Williams served as financial advisors to Clearlake. Shea & Company served as financial advisor to Perforce and Summit Partners. Antares Capital, AllianceBernstein Private Credit and Vista Credit provided a fully underwritten facility to help finance the transaction.

https://www.businesswire.com/news/home/20180110005235/en/Clearlake-Capital-Acquires-Perforce-Software