Evolve
Capital Partners

Weekly Deals Update

Week Ending 01/19/18

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY

Key Deals

M&A

Date	Target	Acquirer(s)	Sector	Amount ($mm)
1/17/18	Finametrix	all funds BANK	Securities	NA
1/16/18	Genesee General	JENCAP HOLDINGS LLC	Insurance	NA
1/16/18	BLACKHAWK NETWORK	SILVERLAKE	Payments	$3990

Financing

Date	Target	Lead Investor	Sector	Amount ($mm)
1/19/18	defi SOLUTIONS	BainCapital VENTURES	Specialty Finance / Alternate Lending	$55
1/18/18	apartment list	PASSPORT CAPITAL	Bank Technology Solutions	$50
1/18/18	visible alpha	Goldman Sachs	Securities	$38

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.

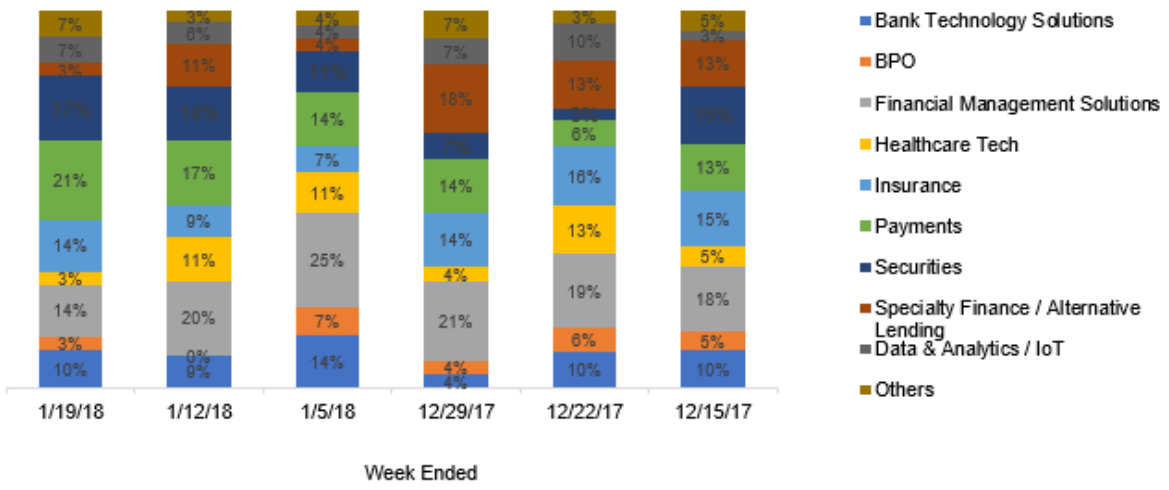
Sectors we cover at the intersection of finance and technology include:

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

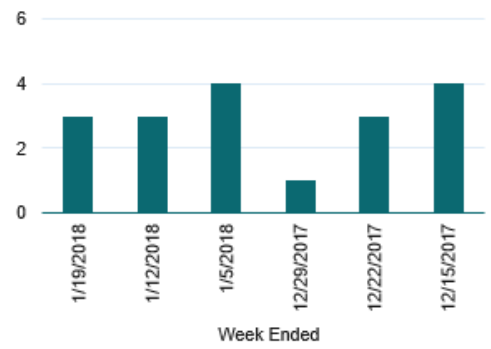
Deals Count

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

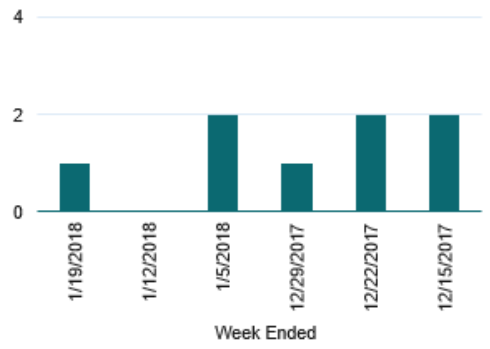
Sector-Wise Deals Breakdown



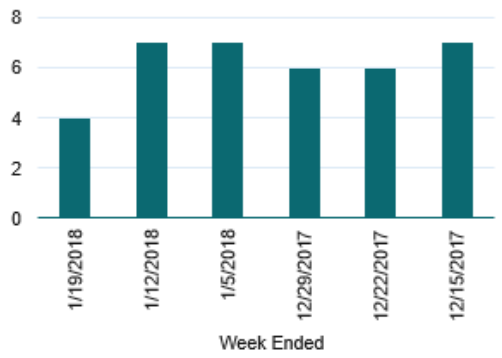
Bank Technology Solutions



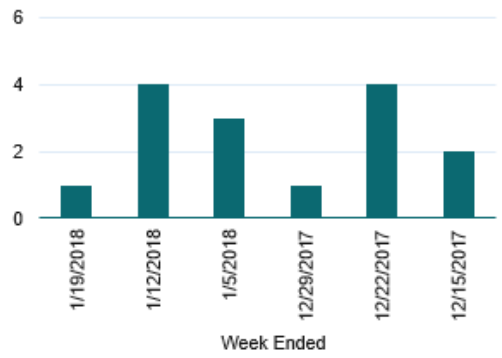
BPO



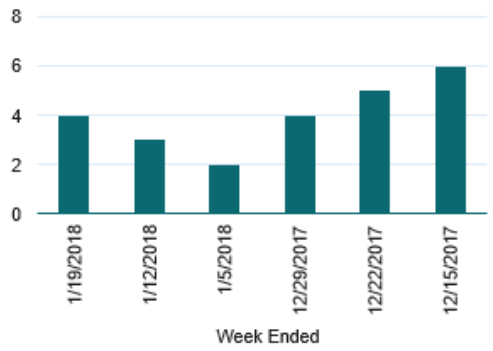
Financial Management Solutions



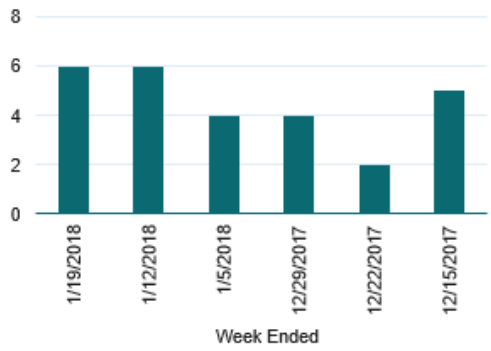
Healthcare Tech



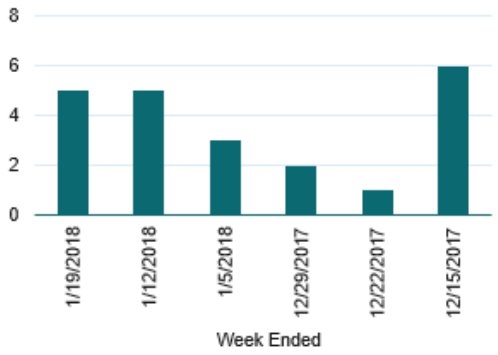
Insurance



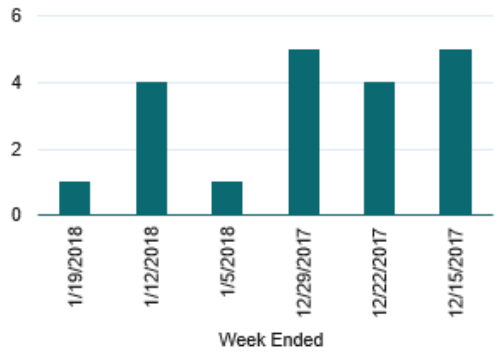
Payments



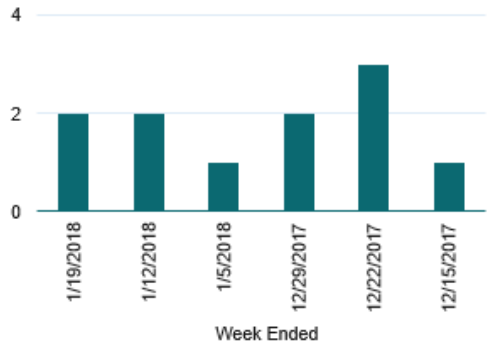
Securities



Speciality Finance / Alternative Lending



Data & Analytics / IoT



Others

BANK TECHNOLOGY SOLUTIONS

Varo Money raises $45 million on quest to become a bank

Bank Technology Solutions

1/19/18

Mobile banking FinTech Varo Money has raised $45 million in Series B funding as it strives to become a mobile-only regulated bank.

According to American Banker, the funding will be used by Varo to expand its talent pool, continue developing its product, boost marketing and continue to work toward its ultimate goal of becoming a regulated bank.

Varo applied for a national bank charter in July, which would enable it to become a regulated bank that can take deposits, pay interest, make loans around the U.S. and issue debit and credit cards – all via its mobile app.

“This next generation of consumers are looking for more affordable solutions that are technology -driven, that let them solve everyday banking problems with a few taps of the phone,” said Colin Walsh, its CEO and founder. “Our technology could help the masses, not just the people who can afford a private banker, to get ahead and improve their financial situations.”

Walsh, who calls himself a “reformed banker,” explained that with traditional banks, “there’s a reliance on overdraft fees, minimum balance fees and things that are quite punitive for people who are just starting out and don’t have lots of money.”

In addition to offering checking and savings accounts and direct deposit, Varo also provides its customers with a debit card, a line of credit and an unsecured loan through its app. Customers are not subject to minimum balance requirements or foreign exchange and overdraft fees. Instead, Varo makes its money through interchange fees and interest income from loans. There are also future plans to pull fee income from partners in insurance, wealth management and student loans.

“We’re looking at how we can lower the cost of banking, particularly for people who have volatile cash flows,” Walsh said.

Global private equity firm Warburg Pincus, which led Varo Money’s Series A financing, and 30 other participants participated in this latest round, which will bring Varo’s total amount raised to more than $78 million in less than two years.

“We had a large Series A round, and we still had a fair amount of money in the bank,” Walsh noted. “We felt the timing was right to go back to the market, particularly as we’re in the middle of this application process, to raise more capital.”

He also noted that the company continues to work toward its banking charter.

"We're very actively engaged with the regulators," said Walsh. "The OCC is not going to relax their standards, so it's been a rigorous process. They're definitely not just sitting on it. We speak regularly."

https://www.pymnts.com/news/banking/2018/varo-money-series-b-funding-fintech-mobile-banking/

Roofstock Series C funding boosted to $42 million by new investors

Bank Technology Solutions
1/18/18

Back in October, Roofstock, an online marketplace for single-family rental home investing, announced it raised $35 million from seven different investors in its Series C round of funding.

But, more investors apparently wanted the chance to fund the platform for buying, owning, and selling single-family rentals.

As a result, Roofstock announced Thursday that it upsized its Series C funding round from $35 million to $42 million to "accommodate demand from insiders and two new strategic investors."

The two new investors are SVB Capital and Asia Pacific Land Ltd.

According to the company, Roofstock has now raised $75.25 million since launching in 2016 from venture firms and angel investors including Khosla Ventures, Bain Capital Ventures, Lightspeed Venture Partners, Canvas Ventures, QED Investors, Nyca Partners, and FJ Labs, along with the new investors.

As part of the announcement of the new funding, Roofstock also announced that it recently surpassed $1 billion in property transactions since launching its marketplace in early 2016.

"Reaching this significant $1 billion milestone is an excellent finish to an already successful year," Gregor Watson, co-founder and chairman of Roofstock, said. "The company exceeded our aggressive business goals in 2017, and our recent funding round and upsizing will allow us to continue to expand our dynamic marketplace to new audiences."

Roofstock also stated that it more than doubled its footprint of active markets in 2017.

"Since inception, Roofstock has focused on democratizing the SFR market by offering radical transparency, dramatic cost savings and state-of-the-art tools for investors of all kinds that were previously only available to large institutions," said Gary Beasley, co-founder and chief executive officer of Roofstock.

"We're obviously encouraged by the early traction of our marketplace and are more optimistic than ever about our future as we continue to work to deliver relevant products and services to our growing community of marketplace customers," Beasley added.

The company said that it plans to continue its growth in 2018, including rolling out multiple new markets and platform offerings in the next few months.

"We're always looking to invest in companies like Roofstock that solve a real problem and bring innovation to massive sectors ripe for innovative solutions," said Matt Harris, managing director, Bain Capital Ventures. "Roofstock's incredible growth to date proves the team is onto something that really resonates with individual and institutional investors alike."

https://www.housingwire.com/articles/42322-roofstock-series-c-funding-boosted-to-42-million-by-new-investors

Apartment List raises $50 million for home rentals

Bank Technology Solutions

1/18/18

It's estimated that over one-third of Americans rent their homes, according to the National Multifamily Housing Council. And half of those people are under 30-years-old.

But what's the best way for this often transient group of people to find a new place to live? Craigslist has been a leader in online rentals, but not everyone is satisfied with the user experience.

Apartment List is one of the many sites vying to stand out in the crowded rental marketplace. And it's raising another $50 million in capital, which should help. Passport Capital, Canaan Partners and Industry Ventures all participated. The startup has raised a total of $110 million since 2011.

Co-founder and CEO John Kobs said that despite the competitive landscape which includes Zillow, HotPads and PadMapper, he believes Apartment List has a business model that's different. It only collects payment from listings that actually result in a transaction.

"We're the only company that gets paid exclusively for success," said Kobs. He said that this helps prevent scammers.

Rich Boyle, general partner at Canaan Partners said that others in the space have been charging "regardless of propensity to close or the fit with a given property, which was unsatisfactory to all and wasted a lot of time and money on both sides." He says that the current Apartment List model has resulted in a business that's "scaling very, very quickly."

Kobs says that their most successful communities are Denver, Dallas, D.C. and other "demand-constrained markets." Apartment List aims to help landlords find renters in competitive regions.

Consumers also have a different experience on the Apartment List platform. Instead of doing a search for availability, users answer a brief survey that helps Apartment List figure out their top priorities. Convenience, price and specific amenities are all weighted in accordance with stated preferences.

Apartment List is "triangulating exactly what renters are looking for early on," said Kobs.

And while the aptly-named business is focused on apartments for now, it will eventually add condos available for rent. Kobs believes that this is a "huge opportunity" for growth because it will satisfy customers who are looking for "unique spaces." (He hasn't reserved the Condo List domain, however).

Ultimately, he has big dreams for his business. When asked if the startup could IPO someday, he said “absolutely.”

For now, Apartment List is using the funding to double down on its existing business. It’s also making key hires including VP of Engineering Paw Anderson, who is joining the company from Uber; VP Partnerships Amanda Short who comes from Netflix; Chief Sales Officer Matthew Woods, formerly of SunRun.

https://techcrunch.com/2018/01/18/apartment-list-raises-50-million-for-home-rentals/

BPO

MRS BPO snaps up Vantage Sourcing, boosting collections capabilities

BPO

1/12/18

US contact center provider Vantage Sourcing has been acquired by accounts receivables and back office services company MRS BPO for an unknown price.

Founded in 2004, and with more than 200 call center agents, Vantage Sourcing provides collections and customer service to various industry segments.

“Acquiring a quality organization like Vantage helps to forward our growth objectives and offer additional services,” Chris Repholz, Chief Customer and Growth Officer at MRS said in a press release.

Earlier this week, MRS also landed a partnership deal with American Capital Recovery, winning a string of deals to provide consumer debt collection and BPO services to several commercial utility providers.

Based out of Cherry Hill, New Jersey, MRS BPO has numerous clients in the healthcare, banking, financial, government, student loans, and telecommunications sectors.

“We are very excited about Vantage Sourcing becoming part of the MRS family,” said Vantage CEO Scott Stanford. “We have similar cultures and I know that [the town of] Dothan is going to appreciate the new jobs and career growth that MRS will bring as part of this acquisition.”

Debt collection services is a multi-billion dollar industry in the United States. However, service providers face a variety of regulatory hurdles due to the sensitive nature of debt recovery and the conversations that take place between debt collectors and debtors. Thanks to call centers and advanced monitoring technologies, specifically speech analytics, debt collection is now far easier than it was in the past.

http://www.nearshoreamericas.com/mrs-bpo-snaps-up-vantage-sourcing-boosting-collections-capabilities/

FINANCIAL MANAGEMENT SOLUTIONS

Sageworks receives growth capital investment from Boathouse Capital

Financial Management Solutions

1/17/18

Sageworks, a Raleigh, NC, financial information company that provides lending, credit risk and portfolio risk solutions to banks and credit unions, received an investment from Boathouse Capital.

The amount of the deal was not disclosed.

The company plans to use the funds for acquisitions, product development and market share expansion.

Led by Scott Ogle, CEO, Sageworks delivers financial analysis, industry data, and risk management solutions to credit unions and accounting firms to improve financial decision processes. By automating the life of loans, more than 1,200 financial institutions can book commercial loans faster and reduce risk. Alongside the software, Sageworks provides education services (webinars and events) in the areas of credit and portfolio risk, including ALLL/CECL.

http://www.finsmes.com/2018/01/sageworks-receives-growth-capital-investment-from-boathouse-capital.html

Nyansa lands $15 million led by Intel Capital to grow user performance management

Financial Management Solutions

1/16/18

Companies like New Relic and AppDynamics have been offering applications performance management solutions to help operations teams track external performance issues for years. Nyansa (pronounced 'knee-ans-sah') is bringing that kind of performance management to internal networks. Today, the company announced a $15 million Series B investment.

The round was led by Intel Capital with participation from Formation 8, a Series A investor. Nyansa has now raised $27 million, according to the company. Nyansa co-Founder and CEO Abe Ankumah wouldn't discuss a specific valuation, but did say it was a step up from Series A.

Ankumah says his company is focused on user device performance inside a company network. Just as with consumers, employees get annoyed by performance issues, and Nyansa is designed to help network admins track and fix performance problems.

"We improve the experience in big data computer networks. As people leverage wireless devices, our software allows IT teams to get a grip on user performance management," Ankumah explained.

The tool, which is offered as a cloud service, uses a crawler, which is installed as a virtual appliance, to monitor network traffic data, performance metrics, logs and live traffic. They then take all of that data and extract performance metrics and display it in a dashboard. It doesn't require any agent or software on end user devices.

The solution is targeted at IT pros and network administrators to help them understand when there are issues on the network and how to fix them. Sometimes it can also be used to understand when it's time to expand or update equipment. If you are getting consistent performance problems, it could be a sign that your network setup isn't cutting it for the number of people using it.

The company, which launched in 2013, currently has around 30 employees with 100 customers across 300 production environments. Customers include Tesla, Uber, Mission Health, Proctor and Gamble, Notre Dame and the International Red Cross.

https://techcrunch.com/2018/01/16/nyansa-lands-15-million-led-by-intel-capital-to-grow-user-performance-management/

Constellation Software's Harris Operating Group acquires Acceo Solutions

Financial Management Solutions

1/16/18

Constellation Software Inc. ("Constellation") (TSX:CSU) announced today that it has, through its wholly-owned subsidiary N. Harris Computer Corporation ("Harris"), completed an agreement with Acceo Solutions Inc, ("Acceo") and its shareholders, to purchase the assets and shares of Acceo.

Acceo provides management, accounting and payment solutions, consulting and support for e-business to small and medium businesses, hardware and building centers, retail, public sector, daycare centers and tour operators.

"Harris is looking forward to building upon our decade long presence and commitment in and to Quebec and is excited to continue the journey of one of Quebec's largest software enterprises – a journey that began almost 30 years ago. The Acceo software solutions are supported by a group of experienced and dedicated employees as well as relied upon by many loyal customers – we will be engaging with both to support them now and into the future", said Jeff Bender, Harris' Chief Executive Officer.

"We are very proud to have built a company that is highly visible in Canada's IT industry. Being well recognized has sparked the interest of Constellation, a large organization that has demonstrated its ability to acquire and integrate companies with great success. I am confident that Acceo will be in good hands as part of the Harris family and that both clients and employees will benefit from this acquisition. We have numerous products that are complimentary and will contribute to growth opportunities", said Gilles Létourneau, Acceo's Chief Executive Officer.

The purchase price is CDN $250 million, before possible post-closing adjustments. Acceo's estimated and unaudited trailing twelve month gross revenue for the period ended November 30, 2017 was CDN $116M. Subsequent to completion of the transaction, Constellation expects to finance the Acceo acquisition on a stand-alone basis. This is a continuation of Constellation's use of leveraged capital structures to compete more effectively for larger vertical market software businesses.

TD Securities acted as financial advisor to Acceo.

https://globenewswire.com/news-release/2018/01/16/1289744/0/en/Constellation-Software-s-Harris-Operating-Group-Acquires-Acceo-Solutions.html

FireEye to acquire big data start-up X15 Software for $20 million

Financial Management Solutions

1/15/18

FireEye is acquiring US big data and machine learning start-up X15 Software, and the company plans to add those capabilities into its security tools, reports Security Now (FinTech Futures' sister publication). FireEye will pay $20 million for X15 Software, which includes $15 million in equity and $5 million in cash.

As FireEye plans to integrate X15 Software's big data platform into its own security tools, the company is looking to address issues confronting security pros. Essentially, with so many security threats targeting the enterprise network every day, security firms are turning to other tools, including big data, machine learning and artificial intelligence (AI), to sort through the traffic and find what's an actual threat and what's not.

At the same time, enterprises need better management tools to oversee various security tools used to monitor the network.

"Organisations today are overwhelmed by alerts, the number of tools required to manage their security operations, and the challenge of unifying access to the large volumes of data that matter," John Laliberte, a senior vice-president of engineering at FireEye, says.

"The X15 Software team built an incredibly versatile, enterprise-grade big data platform that enables distributed, real-time access and ingestion of data at scale within a unified data model and modular query language," Laliberte adds. "X15 Software technology will accelerate our strategy of delivering an innovative, next-gen security platform."

Specifically, X15 Software's machine learning tools are able to collect, index, store and correlate data and present results in real time to allow security pros to make more informed decisions and deploy resources where needed.

In addition, the growing reliance on the cloud is making some businesses rethink their security strategy. While the biggest public cloud providers offer security tools, a recent study found that cloud security is ultimately the responsibility of the end-user customer.

In the case of X15, the company works with Amazon Web Services (AWS), Microsoft Azure, Google Cloud Platform and Oracle Cloud Infrastructure.

X15 has about 20 employees and FireEye plans to bring them into their engineering department.

http://www.bankingtech.com/2018/01/fireeye-to-acquire-big-data-start-up-x15-software-for-20m/

HEALTHCARE TECH

NurseGrid raises $5.7 million to transform healthcare scheduling and staffing tools

Healthcare Tech

1/18/18

NurseGrid, a leader in healthcare scheduling and staffing technology, today announced it has closed a $5.7 million funding round led by Hatteras Venture Partners. This news comes as NurseGrid nears its 500,000th mobile download and finalizes enterprise deals at facilities across the country.

NurseGrid is founded by nurses. Understanding healthcare first-hand, the company creates top-rated tools that allow healthcare departments to manage schedules, fill open shifts, increase staff satisfaction, and boost retention -- all from a single platform. In 2017, the company's free mobile app was used by nearly half a million nurses and gained a 4.7 App Store rating. The paid manager platform gained 99% support satisfaction, and 85% of nurses said that when their department uses the technology, they are more satisfied at work.

"The nationwide nurse shortage is a well-documented crisis in our healthcare system," said Jeff Terrell, Principal at Hatteras Venture Partners. "NurseGrid has demonstrated the ability to uniquely engage and connect with nurses to make their lives easier, to drive a broad set of efficiencies, and for health system customers to improve employee retention and job satisfaction. Hatteras is thrilled to partner with this team."

Hatteras leads the round as a new investor. Former investors also participating in this round include Excelerate Health Ventures, Toba Capital, HealthBox, and the Portland Seed Fund.

"We are proud to bring capital into Portland and excited to have many local investors supporting our business and hometown's technology sector," said Joe Novello, NurseGrid's CEO. "We plan on using the funds to continue revolutionizing the way hospitals and healthcare facilities manage the schedule, open shifts, float pools, recruiting, and so much more. We have big plans for 2018."

NurseGrid's team grew nearly 50% in 2017. New funding will help continue growing the team, expand the product line, and improve existing tools. Current plans call for expanding features, such as managing float staff across departments and enabling staff to schedule themselves using smartphones. NurseGrid will also build out the mobile Jobs Board, allowing nurses to apply for and seek out new jobs within the NurseGrid app.

https://www.prnewswire.com/news-releases/nursegrid-raises-57-million-to-transform-healthcare-scheduling-and-staffing-tools-300584423.html

INSURANCE

FFI seals deal with Allianz unit

Insurance

1/19/18

FFI Holdings Plc's recently acquired subsidiary entertainment insurance agency Reel Media LLC is making great strides for the completion contracts provider, sealing another major deal in just a matter of days.

Barely a week since announcing that it has snapped up a motorsports entertainment insurance book from All Risks, Ltd., FFI has now lifted the lid on a strategic underwriting partnership with Allianz Global Corporate & Specialty (AGCS). Here's what will happen as part of the new tie-up: Reel Media will serve as Managing General Agency (MGA) with delegated underwriting authority for the AGCS studio, independent film, and television business in the US, as well as the US-based loan-out corporation and touring business.

In Canada, the FFI subsidiary will become AGCS's MGA for studio, independent film, and television, in addition to the documentary, industrial, commercial, and educational (DICE) business.

AGCS and Reel Media's respective underwriting workforce and expertise will be united into a single, collective group in North America.

"FFI is delighted to extend its relationship with AGCS which dates back to 2013, when the company bought the completion contract business of Allianz and for which AGCS continues to provide insurance to FFI and its counterparties," noted FFI Holdings chief executive Steven Ransohoff.

AGCS, Allianz Group's dedicated carrier for corporate and specialty insurance business, has been providing insurance to the global entertainment industry since the 1890s.

"This new model will combine unparalleled capacity and heightened responsiveness to handle the most complex and urgent business needs of our US and Canadian clients and brokers," commented Lauren Bailey, global head of entertainment at AGCS.

Reel Media chief executive Marc Idelson said merging both firms' underwriting teams will create a top group of experts with broad experience to serve the entertainment industry.

"The furtherance of our longstanding relationship with Allianz, coupled with the multiple acquisitions in post-production services, demonstrates our continued success in expanding the range of services beyond completion contracts," added FFI Holdings chief operating officer Tony Mitchell. "FFI and Reel Media will continue to evaluate additional opportunities in the coming months."

FFI Holdings is the holding company of Film Finances Inc., which provides completion contracts to the entertainment industry to offer assurance to financiers of film, TV, mini-series, and online media content that productions will be completed on time and on budget. It is now also a supplier of post-production equipment and services.

https://www.insurancebusinessmag.com/us/news/breaking-news/ffi-seals-deal-with-allianz-unit-89816.aspx

RenaissanceRe to buy minority stake in run-off firm Catalina Holdings

Insurance

1/19/18

RenaissanceRe will pick up a minority stake in Catalina Holdings (Bermuda) Ltd., a long-term manager of legacy runoff P/C insurance and reinsurance businesses.

Neither side is disclosing financial terms. RenaissanceRe will pursue the investment through its subsidiary RenaissanceRe Ventures Ltd.

The closing is subject to regulatory approval and will take place at the same time Apollo Global Management concludes its own majority acquisition of Catalina. Apollo and its affiliate inked a deal to buy a majority stake in Catalina in October 2017.

Renaissance Re said that its investment will help give Catalina strategic benefits and help the business explore a wider range of transaction structures as it grows.

“We’re delighted to welcome RenaissanceRe as shareholders in Catalina,” Catalina CEO Chris Fagan said in prepared remarks. “They join us at a time of significant opportunity to help us capitalize on the continued growth of the non-life legacy sector.”

Catalina first launched in 2005. Since then, it has completed 24 transactions acquiring $5.6 billion of non-life insurance and reinsurance liabilities. As of Sept. 30, 2017, it had $3.6 billion in total assets and $719 million in shareholders’ equity.

Catalina, with 180 employees, maintains offices in Bermuda, Dublin, Denver, Hartford, London, New York and Pfaffikon, Switzerland. RenaissanceRe, launched in 1993, has offices in Bermuda, Ireland, Singapore, the United Kingdom and the United States.

https://www.insurancejournal.com/news/international/2018/01/19/477810.htm

JenCap Holdings to acquire Genesee General of Georgia

Insurance

1/18/18

JenCap Holdings LLC (JCH), a specialty insurance business, has agreed to acquire privately-held Genesee General, a managing general agency, program administrator and wholesale insurance broker based in Alpharetta, Ga. The transaction is expected to close in January 2018. Financial terms were not disclosed.

Genesee General was founded in 1982 and has been led by Roger Ware since 1998. It specializes in commercial insurance products for the excess and surplus lines industry as well as servicing the catastrophe and program business markets.

JenCap Holdings (JCH) was formed in March 2016 by global alternative asset manager The Carlyle Group and JCH management to consolidate specialty insurance distribution businesses, including managing general agents, program managers and transactional wholesale brokers. The acquisition of Genesee General is the seventh transaction by JCH since its founding, and places the company among the largest wholesale brokers in the U.S.

JenCap Holdings is a national specialty insurance distribution platform that includes program management businesses, managing general agencies, specialty program underwriters and transactional wholesale brokers. JenCap Holdings is headquartered in New York.

https://www.insurancejournal.com/news/southeast/2018/01/18/477360.htm

Alera Group acquires New Jersey's FIRM Inc.

Insurance

1/17/18

Alera Group, a national employee benefits, property and casualty, risk management and wealth management firm, has acquired FIRM Inc., an insurance agency located in Mahwah, N.J. Terms of the transaction were not disclosed.

FIRM Inc. provides clients with tailored property and casualty insurance. It specializes in comprehensive insurance protection for marinas and boatyards through its Marina Insurance Program, as well as commercial insurance for all lines of business.

This acquisition will serve to strengthen Alera Group's presence in the Northeast, expanding its locations into New Jersey.

Based in Deerfield, Ill., Alera Group serves clients nationally in employee benefits, property and casualty, risk management and wealth management. It was created by merging 24 firms across the U.S., and the firm has continued to grow organically and through acquisitions since its formation in December 2016.

https://www.insurancejournal.com/news/east/2018/01/17/477279.htm

PAYMENTS

Flywire's OnPlan acquisition ups the healthcare, tuition payments game

Payments

1/18/18

What do the health care and education segments have in common?

They both have customers who must make large payments prior to receiving services, such as taking classes at a college or visiting a doctor's office or hospital for medical treatment.

When those payments are cross-border, the lack of transparency around exchange rates and transfer times created uncertainty for the parents, students or patients sending the funds. There was also the concern of whether the receiving institution would accurately match the payment to the responsible party.

When those payments happen domestically, problems often arise when students can't pay in a single payment for incidental costs, like books – or when medical patients are unable to come up with a lump sum to satisfy a deductible or the balance that health insurance does not cover – and the receiving institution is ill-equipped to offer payment plans that divide the cost into more manageable chunks.

Since 2009, Flywire's focus has been solving those problems for international students and patients, working with institutions to manage receivables by enabling cross-border payments for their students and patients.

And solving those problems for domestic students and patients has been a focus of OnPlan Holdings since 2014, as the company helps U.S. institutions stay on top of their receivables by enabling payment services for their students and patients.

It's why today's announcement of Flywire's acquisition of OnPlan Holdings LLC – parent company of OnPlanU and OnPlan Health – makes so much sense, as Flywire's EVP of education and health care, Sharon Butler, told Karen Webster.

"The technology that they bring to the table is very innovative," Butler noted, adding that each company built their business on the basis of wanting to create a more transparent, intuitive and cost-efficient solution for both sides of the payment transaction.

"Our services are just really complementary," Butler offered.

OnPlan CEO John Talaga, said that both firms share the common challenge of serving the complicated – and massive – worlds of health care and education, at a time when out-of-pocket costs are on the rise.

"The issues in health care and higher education are very similar," Talaga said. "For both, out-of-pocket costs for the consumer become more frequent and higher, particularly in the health care sector, where with higher deductible health plans, individual payments are just going up."

Thus far, Flywire has focused on moving those increasingly common and large payments around the world, while OnPlan has focused on helping institutions help their patients or students pay for balances that they have trouble affording.

As a result of the acquisition, the combined capabilities allow the two firms to offer an end-to-end solution that serves all stakeholders – domestic and cross-border – through invoicing, secure payment processing, consumer engagement, recurring payments, automated payment plans, payment tracking, reconciliation and mitigation of past due payments.

A Better Tool

Consumers in both health care and education, Talaga said, face the problem of having a very large lump sum of cash due at one time. And in health care, most patients have the usual additional disadvantage of that cost coming as a surprise.

The inability to solve those problems comes with terrible consequences to the consumer, noted Talaga. Students may not be able to finish their education, or patients' accounts could go into collection and leave their credit tainted. Those consequences are undesirable to everyone involved, since hospitals want to treat people and make them better, schools want to educate people and, of course, patients and students want and need their services.

Talaga also pointed out that these difficult payment situations aren't experienced only by indigent customers, but rather employed people who must absorb higher out-of-pocket costs. Financial aid is flat, he observed, but tuition is going up; high-deductible plans are now the rule and not the exception.

Instead, Talaga noted, these are customers who can pay over time, and hospitals and educational institutions often have funds in place to make that possible. What they lack, he said, is the payments expertise or the proprietary technology that would enable them to evaluate the individual patient or student, and then generate a monthly payment plan.

"Every single hospital has reserves to cover payments arrangements overtime. They just aren't very good at setting them up," Talaga explained. "We do analytics on the front end and, based on ability to pay, provide an automated way to make payments that are within the institution's guidelines."

Building a Better Suite of Alternatives

Customers, particularly international ones, Flywire's Butler noted, are simply in need of options in this space. Many of today's customers end up using cobbled-together solutions that may get the job done, but are expensive and time-consuming.

The Flywire payments platform, now with the added capabilities of OnPlan, offers both consumers and institutions better options for making and moving their payments domestically or globally – all conducted through the institution they already know and trust.

“We are now a fully integrated, one-stop solution for the people [hospitals and higher ed] serve,” she said.

Talaga and OnPlan CTO David King will both join the Flywire leadership team. Talaga will head up Flywire’s health care segment, and King will lead the company’s education and health care-focused product and development teams. Current OnPlan employees will also join the Flywire team, based in OnPlan’s existing headquarters outside Chicago.

Going forward, Butler noted, the combined firms will be able to bring OnPlan’s services to the extensive list of global markets that Flywire already serves. This is an important step forward, as in many of the regions Butler visits regularly, there are no similar players – leaving customers to string together clumsy and expensive solutions involving “banks and credit cards.”

“Together, we can improve people’s experiences by giving them options, saving them money and giving them peace of mind,” Butler emphasized, “while giving the institutions the tools they need to make those options available.”

https://www.pymnts.com/news/partnerships-acquisitions/2018/flywire-acquires-onplan-acquisition-health-care-education-payments/

AnaCap acquires mPAY24

Payments

1/18/18

AnaCapheidelpay Investments GmbH (the “heidelpay group”), a leading German and Germanic-speaking countries (“DACH”) payment service provider (“PSP”) backed by AnaCap Financial Partners (“AnaCap”), the specialist European financial services private equity firm, today announces the acquisition of mPAY24 GmbH (“mPAY24”), a leading Austrian PSP. Founded in 2001, mPAY24 is a Vienna-based PSP primarily focussed on e-commerce technical payment processing services. The e-commerce payments platform is used by over 2,000 merchants today and enjoys a reputation as the “go-to” specialist for solutions in online payment transactions in Austria.

mPAY24 is the second bolt-on to the heidelpay group in less than three months, since AnaCap's initial investment in September 2017. It follows on rapidly from the acquisition of StarTec, a Hamburg-based point of sale payment solutions provider, in October 2017. Acquiring a leading provider in the Austrian market marks yet another step towards establishing a multi-jurisdiction payment solutions provider, offering a full suite of omni-channel payment services for its valued merchants.

Tassilo Arnhold, Managing Director at AnaCap, commented: “We are pleased to have completed an additional add-on acquisition for heidelpay group in such short order, in what is a very exciting time for the payments landscape in Germany and the DACH region more generally. mPAY24 joins our leading DACH payment service platform as we seek to establish a true omni-channel and multi-jurisdiction payment solutions provider, and entry into the Austrian and wider DACH market is a significant milestone for heidelpay.”

https://www.finextra.com/pressarticle/72234/anacap-acquires-mpay24-as-bolt-on-investment-for-heidelpay

Finexio, the smart B2B payment network, completes $4 million Series A financing

Payments

1/18/18

Finexio, the smart b2b payment network that eliminates paper-based checks for accounts payable departments, has accelerated its go-to-market strategy by completing an oversubscribed $4 million Series A round of financing. James R. Heistand led the investment, with participation from existing and new investors Florida Funders, Loeb.nyc, Zach Coelius, Mobile Financial Partners (Harry Hopper), and additional angel investors. This investment brings the total funding since Finexio's launch to $5 million, helping the company aggressively expand its sales and marketing efforts. In addition, seasoned payments industry executive Henry Dreifus will join Finexio's Board of Directors. Steve MacDonald, Partner at Florida Funders and Founder and former Executive Chairman of myMatrixx, also joins the Finexio board as an observer.

Since launching in early 2017, Finexio has increased gross dollar transaction volume at an average of 78 percent month-over-month. Using closed-loop payment networks and straight through processing, Finexio eliminates the need for suppliers to manually key physical numbers into a terminal to receive funds. These capabilities provide Finexio with a significant competitive advantage over incumbent payment software vendors and legacy money center banks.

"Banks and payment vendors continue to use outdated paper solutions at alarming rates. Even emails, although electronic, still must be keyed in by Accounts Receivable departments, often leading to clerical errors that delay payments. Finexio is the only solution enabling CFOs to eliminate all checks and related costs from their back office," said Ernest Rolfson, the company's Founder and CEO. "Using our API and smart payment routing technology, our customers can deliver exactly the right payment type, efficiently, and at the right time to their suppliers."

Steve MacDonald, Partner at Florida Funders, remarked that: "The team, advisory board, and investor base Finexio has attracted provides a deep bench of domain expertise that will ensure the company will execute on their vision even more rapidly in 2018 and 2019." MacDonald went on to say: "We were acutely aware of the paper payment challenges in the worker's comp, healthcare, and insurance verticals, and are excited about Finexio's unique capabilities to eliminate unnecessary payments that are mailed or faxed to medical providers."

Said James R. Heistand, Finexio's Chairman: "Finexio's customer traction and positive growth trajectory positions the company well to gain widespread market adoption. This investment validates our seed financing in 2016, and will enable a world-class team to continue to win business in important verticals such as real estate, construction, legal services, insurance, and healthcare."

https://www.prnewswire.com/news-releases/finexio-the-smart-b2b-payment-network-completes-4m-series-a-financing-300584142.html

Blackhawk Network acquired by Silver Lake, P2 Capital Partners in $3.5 billion deal

Payments

1/16/18

Blackhawk Network has agreed to be acquired by Silver Lake and P2 Capital Partners in a deal worth $3.5 billion. The news comes just one day after the company announced a partnership with China-based digital payment platform Alipay that will enable Blackhawk Network retailers to better serve Chinese visitors to the U.S.

Talbott Roche, Blackhawk CEO and President, said the deal will bring “immediate benefits and significant value to our stockholders.” According to the terms of the acquisition, Blackhawk shareholders will receive $45.25 per share in cash, a premium of more than 29% above the average closing share value over the past three months of $36.50.

“Silver Lake and P2 Capital Partners brings the long-term focus, financial resources and technology expertise that can enable us to accelerate growth initiatives globally and reach the company’s full potential,” Roche said.

The acquisition is expected to close in mid-2018. Managing Partner at Silver Lake Mike Bingle praised Blackhawk’s “outstanding network of partners and proprietary technology” and the company’s “proven ability to innovate in both the physical and digital segments.” P2 Capital Partners’ Alex Silver pointed to his firm’s multi-year investment in and support of Blackhawk, saying “we look forward to working with Silver Lake and Blackhawk management to drive the company’s next stage of growth.”

That growth will include a new relationship with Alipay. Blackhawk announced on Monday that it is expanding Alipay’s mobile payment acceptance and engagement solutions to participating U.S. retailers. The service, which is slated to begin this month, will enable Blackhawk’s network of retailers to use the company’s technology to serve visiting Chinese consumers in the U.S.

“Until now, Chinese tourists lacked convenient access to information on what payment methods were accepted at U.S. retailers they wished to visit,” Roche explained. “Alipay is ubiquitous in China, and represents an effective way for retailers to engage with Chinese travelers.” Souheil Badran, president of Alipay Americas, pointed out that 4 million Chinese tourists visit North America each year. “Many of those travelers are Alipay consumers already and are looking for the payment safety, convenience, and efficiency they are accustomed to at home,” Badran said.

Blackhawk’s solution uses in-store QR codes to access its platform, which then instantly issues the retailer’s branded, stored-value egift. As well as mobile and online payments and money transfers, consumers using Alipay will be able to use the Blackhawk app to get local recommendations, find promotions, book a hotel room, buy movie tickets, and more – all directly from the app.

Partnerships have been a significant part of Blackhawk's strategy in 2017. In November, the company expanded its relationship with eBay to provide B2B gift card services. The same month, Blackhawk renewed its long-term agreement with Kroger to continue providing both in-store an digital gift card services.

The company made news on both the product and personnel fronts this fall, as well. Blackhawk Network's Hawk Incentives division launched its wallet-enabled prepaid card for promotions and incentives in September. In October, the company added former healthcare technology executive Charles O. Garner as Chief Financial Officer.

Headquartered in Pleasanton, California and with operations in 26 countries, Blackhawk Network acquired fellow Finovate alum CashStar last year, in a deal worth $175 million. At FinovateFall 2012, Blackhawk demonstrated its GoWallet technology that enabled consumers to manage all of their prepaid cards in one location.

http://finovate.com/blackhawk-network-acquired-silver-lake-p2-capital-partners-3-5-billion-deal/

Lighthouse Network acquires Shift4 Corporation

Payments

1/15/18

Lighthouse Network today announced the acquisition of Shift4 Corporation, provider of the world's largest independent payment gateway. Shift4 is the leader in secure payment processing solutions, serving tens of thousands of clients across North America, including some of the most widely recognized brands in retail and hospitality such as Choice Hotels, Caesars Entertainment, Red Roof Inn, Sleep Number and the PGA Tour, among many others.

Lighthouse Network has also announced that the entire company will rebrand as Shift4 Payments. Lighthouse Network was established in 2017 to power numerous brands in the point-of-sale industry by providing payment processing and technology solutions, as well as shared corporate services. Shift4 Payments will replace the Lighthouse Network brand at the top of the organization and power the payment processing services for the company's Harbortouch, Future POS, Restaurant Manager and POSitouch product brands. Citizens Bank acted as financial advisor to Lighthouse Network for the transaction.

Founded in 1994, Shift4 holds 11 patents for their proprietary payments technologies and is credited with inventing payment data tokenization. The company is also a leader in PCI-validated point-to-point encryption (P2PE), EMV and numerous other secure processing solutions. Shift4 processes in excess of $60 billion annually and, combined with the former Lighthouse Network, the organization will collectively process in excess of $100 billion a year in payments.

The Shift4 platform has maintained 100% gateway system uptime since 2008 with fully redundant, geographically diverse data centers (hot/hot) powering its robust processing infrastructure. Shift4 also has over 300 unique software integrations supporting ISVs and merchants in a wide range of markets, including Food & Beverage, Hospitality, Retail and e-Commerce, with full Omni-commerce capabilities.

Jared Isaacman, CEO of Shift4 Payments (formerly Lighthouse Network), states, "This acquisition is transformational for our organization as it enables us to power our industry-leading POS brands with a best-in-class payments platform that is second to none in terms of security, reliability and functionality. But this story is not just about our Harbortouch, Future POS, Restaurant Manager and POSitouch brands, as we also aim to empower the over 300 existing Shift4 software integrations with game-changing benefits. Shift4 is truly in a class of its own when it comes to secure payment processing, and as such, rebranding Lighthouse Network as Shift4 Payments reflects our commitment to powering all the leading software brands with premium payment processing services."

Shift4 President & CTO J.D. Oder II adds, "This acquisition combines the strengths of two significant and well-established organizations with complementary capabilities, fulfilling the notion that 'one plus one' can equal a much larger number than the math implies. Shift4's merchants and

ISV partners for years have asked for more than just an outstanding gateway solution, but the full spectrum of payment processing services. We can now meet that need and so much more."

https://www.prnewswire.com/news-releases/lighthouse-network-acquires-shift4-corporation-and-announces-company-rebranding-300582300.html

India's Razorpay nabs $20 million led by Tiger Global for its Stripe-like payment gateway

Payments

1/15/18

E-commerce remains among the biggest tech opportunities in India, one of the world's most populated countries whose economy continues to rapidly evolve and now has over 500 million people connecting to the Internet. And today, a startup that is playing in this space — aiming to make it easier to take and make payments online — has announced a significant round of funding.

Razorpay, which has built a payments gateway for businesses to quickly integrate payments services into their websites and apps by way of an API, has raised another $20 million at what reliable sources have told us is a valuation of over $100 million, to fuel its next stage of growth.

The funding, a Series B round, is led by Tiger Global with participation also from Y Combinator via its Continuity Fund and Matrix Partners. All three are previous investors. (Razorpay went through the YC program, and launched its business there, at the start of 2015.) It brings the total raised by the startup to $31.5 million.

(Other notable previous investors point to how Razorpay has positioned itself in the market, and the credibility it's building: MasterCard has also invested an undisclosed amount in the startup, as have the founders of large Indian tech companies Snapdeal, InMobi and Freecharge; Visa's Global Head of Strategy; Flipkart ex-CPO Punit Soni; Justin Kan; and Tikhon Bernstam.)

Interestingly, the funding comes at a key moment. There have been a number of big boosts to the business of e-commerce in the country over the last several years, with companies like Flipkart and Snapdeal duking it with international players like eBay and Amazon out among online storefronts; and companies like Ola, Uber, and Zomato making it second-nature for many people to rely on digital payments for their goods and services. But more recently there has been a sizeable shift specifically in the area of payments.

It was only weeks ago that Stripe — a would-be competitor — announced the start of a private beta in India. PayPal — another potential, and large, international rival — turned on services in India just a month before that. Add to that the existence of established local players like PayU and PayTM also looming large, and it's a moment for RazorPay to double down and cement its own place, either as a longer term player in its own right, or as a key partner or acquisition target in a wider consolidation play.

Harshil Mathur, the CEO and co-founder, told TechCrunch that the plan will be to use the money to expand the business across India by both picking up more customers and adding new products to its platform.

Today, Razorpay offers 6 different services, including subscriptions, invoicing and payment URLs alongside its basic payment offering, and the idea will be to add more products into the mix, providing any and all payment services to companies doing any part of their business transactions online. “Our aim is to be a complete payment management platform for India,” he said in an interview.

So far, the company’s growth has been impressive. In the last year, Mathur said that the company went to 65,000 merchants from 20,000, and it’s been seeing 30 percent growth month-on-month in its revenues. The company is “almost” profitable he said, and the plan will be to tip into the black this year, as well as expand its customer base to 200,000. “It’s a pretty exciting year for us,” he added.

A lot of e-commerce is a game of scale, where margins are often very thin and therefore you need a model based on many, many transactions to get good returns. But companies like Razorpay, especially in their early days, have opportunities for other reasons.

It is no small task to forge a payments business in India, where there is a lot of red tape that has slowed down the growth of many online services.

So far, Razorpay has “built a lot of partnerships and put in a lot of time”, in Mathur’s words, to develop a payments business. “There is a lot of buy-in required, which is one reason you see relatively few startups in the payments segment in India,” he said.

This has also meant that Razorpay is attracting the attention of companies that are interested in doing more payments business in India, both as partners and as potential acquirers. Sources tell us that Stripe, PayPal, Amazon, Adyen and others have all approached Razorpay for potential partnerships, and potentially a little bit more.

“We are excited to participate in Razorpay’s Series B round. The company’s vision and execution over the last 3 years has shown tremendous results, especially for an India focused SAAS company,” said Anu Hariharan, Partner at Y Combinator’s Continuity Fund, in a statement. “With the online and digital payment space going through a massive transformation in India, their business is only going to grow further. There is now an inherent need for better systems, process and infrastructure in place and we are confident that Razorpay is perfectly suited to make the most of the changing landscape. They have disrupted the market with top talent shipping out great products, through cutting-edge technology and a customer-centric approach. We are excited to continue our relationship and eagerly looking forward to the progress this company will make over the next few years.”

https://techcrunch.com/2018/01/15/indias-razorpay-nabs-20m-led-by-yc-tiger-global-for-its-stripe-like-payment-gateway/

SECURITIES

Goldman Sachs leads $38 million Visible Alpha funding round

Securities

1/18/18

Investment research technology firm Visible Alpha has expanded its roster of big Wall Street name backers and set its sights on MiFID-led European growth after closing a $38 million funding round led by Goldman Sachs.

Banco Santander, Exane BNP Paribas, Macquarie Group, RBC Capital Markets and Wells Fargo also joined the round, alongside founding investors Bank of America, Citi, Jefferies, Morgan Stanley and UBS.

Set up in 2015, Visible Alpha provides discovery, analysis and valuation tools designed to help Wall Street firms collaborate on research, financial models and corporate access events. With more than 450 research providers onboard, since its commercial launch less than a year ago the firm has grown its client base to more than 100 buy-side firms with combined assets under management of $16 trillion.

It now plans to use the new investment to roll out new products and expand around the world, taking advantage of the research valuation and budgeting requirements of MiFID II.

Darren Cohen, global head, principal strategic investments, Goldman Sachs, says: "Visible Alpha has established its position as a market leader by helping the most sophisticated buy-side and sell-side firms solve their most pressing challenges related to research dissemination, entitlements, procurement and valuation. We look forward to participating in their continued growth and innovation."

https://www.finextra.com/newsarticle/31543/goldman-sachs-leads-38m-visible-alpha-funding-round?utm_medium=dailynewsletter&utm_source=2018-1-19&member=93489

ForUsAll raises $21 million in second venture capital funding

Securities

1/18/18

ForUsAll, a San Francisco, and NYC-based technology-driven 401(k) advisor to small and mid-sized businesses, secured $21m in second round financing.

The round was led by Ribbit Capital, with participation from existing investor Foundation Capital, bringing the company's total funding to $34 million.

The company will use the funds to grow its customer base, accelerate technology development and hire additional staff.

Led bty Shin Inoue, Co-founder and CEO, ForUsAll is a next-generation small- and mid-sized business 401(k) advisor, supporting hundreds of companies with 50-2,000 employees in managing over half a billion dollars of retirement assets through a combination of investment expertise and HR technology.

The company has just reached $500m in retirement assets under management.

http://www.finsmes.com/2018/01/forusall-raises-21m-in-venture-capital-funding.html

Allfunds acquires Finametrix

Securities

1/17/18

Allfunds announced this morning the acquisition of Finametrix, a leading company in fintech solutions for asset management and advice.

Thanks to this acquisition it is expected to benefit Allfunds´ extensive network of institutional clients, including managers and distributors, becoming the ideal partner for the technological revolution facing the sector. Additionally, Finametrix, as part of Allfunds, is expected to benefit from the international scale and structure of a global and consolidated entity.

Following this new agreement, both companies will offer their services jointly but with complete independence, without the agreement affecting any services or clients that currently use both service platforms separately. This alliance strengthens the great service offering of both companies: versatility and flexibility. Allfunds will continue offering global solutions compatible with all types of technology providers, while Finametrix will continue to be compatible with the rest of the operating platforms in the market.

Salvador Mas, the head of Finametrix, said, "Finametrix is a developing entity and is proving very exciting, and from now on it will be even more so. We are very happy to be able to provide continuity and scale with a company that we have admired for many years, Allfunds. The technological challenges in the sector are so great and there are so many opportunities that we could not dream of being in a better position to add value to our clients."

CEO of Allfunds, Juan Alcaraz, said, "This acquisition is part of the ambitious strategic plan that has a renewed momentum on the part of our new shareholders and that aims to consolidate our business as the platform of reference in open architecture solutions. We are enhancing our offering with the most innovative technology, front-office digital solutions, big data, and tools that help our clients to lead the change that is taking place in the sector. This is just one more stage in a process of transformation in our business by including tested Finametrix solutions which will undoubtedly help our customers from today, when and where they need it most. We want to give a strong welcome to Salvador and his team, and we encourage all our customers to know in greater detail the great company that is Finametrix and its digital solutions. "

Salvador Mas will assume the position of Head of Digital, leading a new area within Allfunds, focused on the definition and development of new digital products and services.

https://www.finextra.com/pressarticle/72218/allfunds-acquires-finametrix?utm_medium=dailynewsletter&utm_source=2018-1-18&member=93489

Houlihan Lokey acquires Quayle Munro

Securities

1/16/18

Houlihan Lokey, Inc. (NYSE:HLI), the global investment bank, today announced that it has agreed to acquire Quayle Munro Limited (Quayle Munro), an independent advisory firm that provides corporate finance advisory services to companies underpinned by data & analytics, content, software, and services. The agreement was signed today and is expected to close following regulatory approvals.

Quayle Munro was founded in 1983 and is based in London with a team of 40 financial professionals. Its client list spans the globe and includes private and publicly listed companies, financial sponsors, and entrepreneurs. In addition to the Data & Analytics Group, which covers a broad range of sectors, Quayle Munro also has market-leading advisory practices in financial services, financial technology, and education.

The Quayle Munro business adds a new capability in data & analytics, expands Houlihan Lokey's financial institutions focus in Europe, and builds the firm's presence in financial technology and education. The Data & Analytics Group will continue to be headed by Andrew Adams, Quayle Munro's CEO, who will also serve as Co-head of Houlihan Lokey's U.K. Corporate Finance business.

"The use of data & analytics to make both business and general management decisions has become an increasingly critical component in the corporate tool kit," said Scott Beiser, CEO of Houlihan Lokey. "Data & analytics has become virtually ubiquitous, and its importance in analyzing trends, enhancing productivity, and growing one's business cannot be overstated. We're confident that our new Data & Analytics Group is the global leader in this incredibly important and rapidly expanding field," he continued.

Andrew Adams commented, "In addition to its comprehensive global presence, extensive private equity coverage, and broad sector expertise, Houlihan Lokey possesses a strong cultural compatibility with the Quayle Munro team that will ensure both a smooth, successful integration and rapid value enhancement for clients of both firms. We could not be more excited to build out this new industry group and further grow the firm's client base across data & analytics, financial institutions, financial technology, and education with the additional resources and the global presence of Houlihan Lokey."

"The Quayle Munro team is an excellent fit with Houlihan Lokey, and the establishment of the new Data & Analytics Group represents our recognition of the expertise and new capabilities our clients around the world will increasingly require as their businesses grow and evolve," said Scott Adelson, Houlihan Lokey's Co-President and Global Co-head of Corporate Finance.

https://www.hl.com/us/press/pressreleases/12884902790.aspx

Hudson River Trading to buy rival HFT firm Sun Trading

Securities

1/16/18

Hudson River Trading LLC has agreed to buy Sun Trading parent Sun Holdings LLC, it said on Tuesday, the latest takeover in a shrinking high frequency trading industry beset by low market volatility and rising costs.

The deal between the two closely held firms is expected to close in the first quarter, subject to regulatory approval. The terms were withheld.

“This acquisition combines HRT’s expertise in on-exchange trading with Sun’s expertise in off-exchange trading creating a stronger, more diverse firm,” HRT co-founder and director, Jason Carroll, said in a statement.

High frequency trading firms use automated trading algorithms to trade stocks and other assets at near-light speed and are responsible for around half of the volume in U.S. equities and Treasuries, and nearly that in spot foreign exchange.

A dearth of volatility in recent years has made it harder to profit from rapid fire trades, especially as fixed costs, such as exchange fees, market data subscriptions, and regulatory fees and fines, have been rising. This has resulted in mergers to gain scale and spread out costs.

Recent deals include DRW Holdings’ purchase of RGM Advisors, Virtu Financial Inc’s (VIRT.O) $1.4 billion acquisition of KCG Holdings, and DRW’s takeover of Chopper Trading.

New York City-based HRT trades equities, futures, options, currencies and fixed income on over 100 markets worldwide, while Chicago-based Sun Trading makes markets in multiple asset classes on over 115 exchanges and other trading venues.

https://www.reuters.com/article/us-sunholdingsllc-m-a-hudsonrivertrading/hudson-river-trading-to-buy-rival-hft-firm-sun-trading-idUSKBN1F52BV

SPECIALTY FINANCE / ALTERNATE LENDING

defi SOLUTIONS announces $55 million investment from Bain Capital Ventures

Specialty Finance / Alternate Lending

1/19/18

defi SOLUTIONS, a leading innovator in lending industry software, today announced it has raised $55 million in a Series C investment from Bain Capital Ventures.

The investment is comprised of primary and secondary capital. The primary capital will be used by defi SOLUTIONS to accelerate the development of existing and emerging products, expand resources and facilities, and grow the number of employees by nearly 50 percent in 2018, across all teams, including client support, technology services, and sales and marketing.

“defi SOLUTIONS modernized auto lending with its cloud-based, lender-centric loan origination, loan management, and analytics platform. defi delivers competitive advantages that enable forward-thinking lenders to own their processes and exceed their business objectives through one holistic platform,” said Brian Goldsmith, senior principal at Bain Capital Ventures. “Our team is thrilled to support defi SOLUTIONS’ growth trajectory in a space that is primed to expand and remain competitive with the increased use of new technology.”

defi SOLUTIONS began revolutionizing auto lending in 2012 and continues to defy the status quo with both its configurable Software-as-a-Service (SaaS) loan origination system (LOS) and its community approach to the development and delivery of financial services software. The company has experienced a greater than 70 percent compounded annual growth rate since inception. defi attributes this growth to its focus on constant improvement in its products and client support and its growing community of dynamic lenders that it considers one of its greatest assets.

defi SOLUTIONS was founded by lending-industry experts who understand the importance of helping lenders at the place they are in their business lifecycle. defi gives lenders the tools that allow them the freedom to do business exactly as they choose and provides timely updates, system enhancements, and integrations with a growing list of quality third-party data providers.

Over the past five years, the company has not only created a robust LOS but also developed a full platform of services for independent and captive finance companies, banks, credit unions, solar providers, Buy Here Pay Here dealers, and personal and business lending. defi’s latest additions to the platform include a loan management and servicing system (LMS), an analytics and reporting system with configurable dashboards for real time reporting, a direct lending application portal, a digital loan document service with e-signature, and an online auto loan portfolio marketplace.

“This partnership with Bain Capital Ventures will position us to even better meet the demands of top 20 auto lenders as well as lenders of all sizes,” said Stephanie Alsbrooks, defi founder and

CEO. “I am very excited to lead our team into this next growth phase while utilizing the vast resources and knowledge of the Bain team.”

Financial Technology Partners (FT Partners) served as exclusive strategic and financial advisor on this transaction.

https://www.businesswire.com/news/home/20180119005152/en/defi-SOLUTIONS-Announces-55-Million-Investment-Bain

DATA & ANALYTICS / IoT

REIX Corporation completes Series A capital raise with Altus Group and Real Capital Analytics

Data & Analytics / IoT

1/8/18

REIX Corporation, owner of leading data and software platforms for the commercial real estate industry in the United States and Latin America, announced today the completion of its Series A capital raise with minority investments from Altus Group Limited (TSX:AIF), Real Capital Analytics, Inc. and a consortium of family office entities. In conjunction with this transaction, industry veteran Douglas Prickett was named as the Global CEO of REIX and will oversee the continued development and expansion of its Mango REIX™ and SiiLA™ products.

"This deal is a rare opportunity to partner with both RCA, the leading provider of global capital markets data and Altus Group which has the breadth to cover the top end of the institutional real estate marketplace with industry leading products such as ARGUS Enterprise™," said Douglas Prickett. "We are excited to innovate and collaborate alongside such giants in our industry."

"Partnering with REIX and RCA is in perfect alignment with our mission of delivering best-in-class real estate data, services, and technology solutions to our clients," said Robert Courteau, CEO of Altus Group, Ltd. "We are excited for the additional ways this partnership will leverage the analytical capabilities of ARGUS Enterprise™ in helping clients manage their real estate investments."

Commenting on the transaction, Robert White, Jr., founder and President of Real Capital Analytics, Inc. said, "We are glad to be making a follow on investment in this venture. Since our first investment in June 2016, we have recognized numerous synergies from our partnership such as expanded data sets and customer efficiencies in the data collection process. We are also excited to watch our data come alive in state-of-the-art analytics and reporting products."

https://www.prnewswire.com/news-releases/reix-corporation-completes-series-a-capital-raise-with-altus-group-and-real-capital-analytics-300579064.html

OTHERS

Blockchain security firm Ledger raises $75 million funding

Others

1/19/18

In a Series B round led by Draper Esprit, cryptocurrency and blockchain security firm Ledger has raised $75 million (€61 million) in new funding. The investment takes the company's total capital to more than $85 million, reports David Penn at Finovate (FinTech Futures' sister company).

Ledger plans to use the funds to scale its operations. In addition to Draper Esprit's backing, the round also featured participation from current investors, CapHorn Invest, GDTRE, and Digital Currency Group. Via the Draper Venture Network funds, Draper Associates, Draper Dragon and Boost VC, FirstMark Capital, Cathay Innovation, and Korelya Capital were also involved in the round.

Tim Draper, founder of DFJ, the Draper Network, says: "Ledger lets me take control of my currency rather than having to ask my bank."

Founded in 2014 and headquartered in Paris and San Francisco, Ledger offers Ledger Blue. This includes a touchscreen for improved UX/UI, "but is still small enough to be easily handheld". The hardware wallet can be connected to a laptop, PC, or smartphone via USB or Bluetooth.

Last fall/autumn, Ledger announced a collaboration with Intel that enabled it to integrate its Blockchain Open Ledger Operating System (Bolos) into Intel's Software Guard Extensions (Intel SGX).

Introduced in 2016, Bolos enables developers to build source code portable native applications around a core which protects the core against application attacks and keeps applications isolated. The company calls it "our way of turning Bitcoin hardware wallets into personal security devices".

http://www.bankingtech.com/2018/01/blockchain-security-firm-ledger-raises-75m-funding/

AI fintech startup Trend Lab secures $12.7 million angel funding

Others

1/17/18

Across the globe, the internet finance industry is developing rapidly with the rise of technologies like Electronic Payments, Cloud Computing, Big Data, Block Chain and Artificial Intelligence (AI). However, these technologies are still in their infancy in Hong Kong and the broader Asia Pacific region. In light of this, Mr. Tin Mok, founder and CEO of Trend Lab, has gathered talents from various leading internet technology companies in the Guangdong-Hong Kong-Macao Greater Bay Area. With its official establishment, the new AI FinTech startup Trend Lab will focus on developments in Big Data and AI to provide high-end technologies for FinTech industries across Asia Pacific.

Meanwhile, Trend Lab will also become a strategic technology partner of EFT Solutions (HKSE: 8062) and 18 Financial Group Limited. Working with the latest AI technologies, Trend Lab will promote the development of the finance industry in the region, working together with traditional financial practices to build a new industry system with reduced operational costs that will increase corporate financial value with enhanced capital efficiency.

Mr. Tin Mok, founder and CEO of Trend Lab is ambitious about developing Big Data and AI systems: "The application of AI technology in the FinTech industry across the Asia-Pacific region is still in its embryonic stage, and most technologies - including smart customer service, Big Data analysis, customer relations management, enterprise resource planning, business acquisitions, electronic payments, corporate credit rating systems and more - require a high degree of integration to unleash their full corporate value. Of these, Big Data, Block Chain and AI are integral to a successful and progressive FinTech industry, allowing for the analysis of huge amount of information, for example, hard data like consumers' income and soft data like consumers' behaviour, to provide credible insights that will, in turn, optimise the value chain. With more data and increased computing efficiency, AI technology can establish new and more accurate monetary and financial systems for corporates to better understand consumers' needs, as well as more efficient services for micro, small and medium-sized enterprises. Instead of financial informatisation, we target to translate current financial systems into smart systems, exploring the unseen values and opportunities for businesses. We are poised to witness a revolution of the financial industry, which will integrate the segregated front, middle and back office vertically, leading the financial industry into a new, 4.0 era of rapid development growth."

Mr. Tin Mok continues: "The establishment of Trend Lab was incredibly smooth and took just 86 days. We are honoured to have recruited talents with experience in Big Data, AI technologies and internet finance, with a core team of professionals from leading technology companies like Tencent, 360 and DJI, all of whom possess mature AI computing knowledge and Big Data analysis experience, as well as a thirst for innovation. Under the lead of former LeEco management executives and professional talents, it is believed that Trend Lab will first develop

its own Big Data and AI technologies, and, together with the application of block chain, cloud systems and SaaS in the financial industry in Asia-Pacific, a new internet finance system will be built."

https://www.finextra.com/pressarticle/72220/ai-fintech-startup-trend-lab-secures-127-million-angel-funding?utm_medium=dailynewsletter&utm_source=2018-1-18&member=93489