Evolve Capital Partners

Weekly Deals Update

Week Ending 04/20/18

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY

Key Deals

M&A

Date	Target	Acquirer(s)	Sector	Amount ($mm)
4/16/18	DK Valuation Experts	IHS Markit	Securities	NA
4/15/18	claritymoney Champion of your money	Goldman Sachs	Bank Technology Solutions	NA

Financing

Date	Target	Lead Investor	Sector	Amount ($mm)
4/19/18	RubiconMD	HLM Venture Partners	Healthcare Tech	$14
4/5/18	SCALITY	HMC Harbert Management Corporation	Others	$60

Preface

Each week, Evolve Capital Partners compiles select M&A and financing transactions across the finance and technology sectors. We analyze multiple 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.

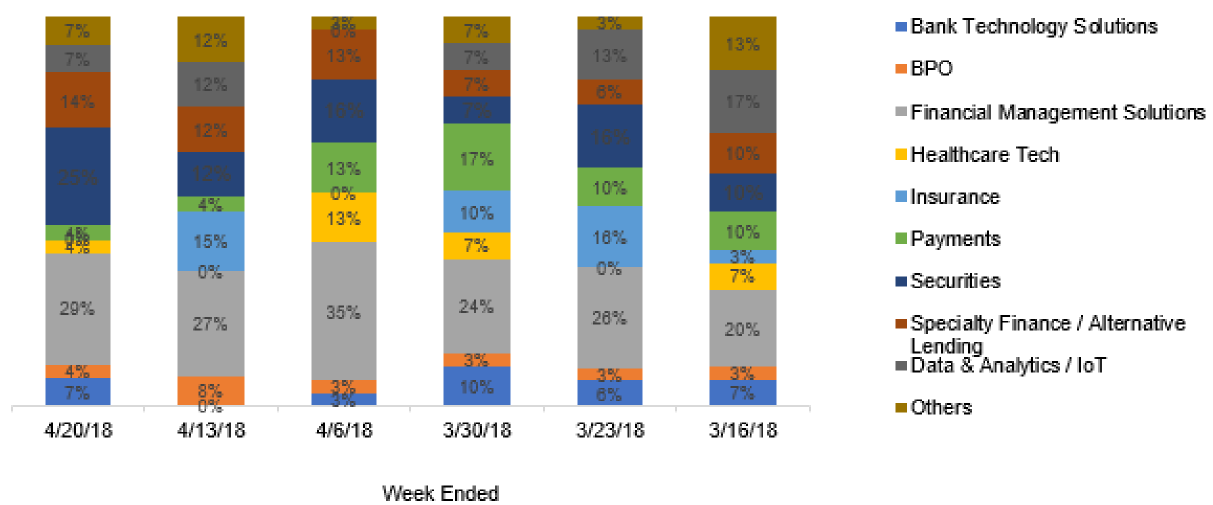
Sectors we cover at the intersection of finance and technology include:

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

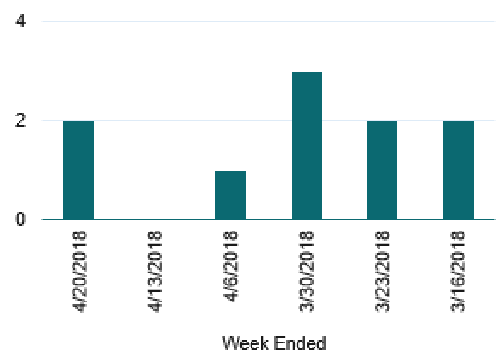
Deals Count

Sector	Number of Deals	% of Total
Bank Technology Solutions	2	7%
BPO	1	3%
Financial Management Solutions	8	27%
Healthcare Tech	1	3%
Insurance	0	0%
Payments	1	3%
Securities	7	23%
Specialty Finance / Alternative Lending	4	13%
Data & Analytics / IoT	4	13%
Others	2	7%
Total	**31**	**100%**

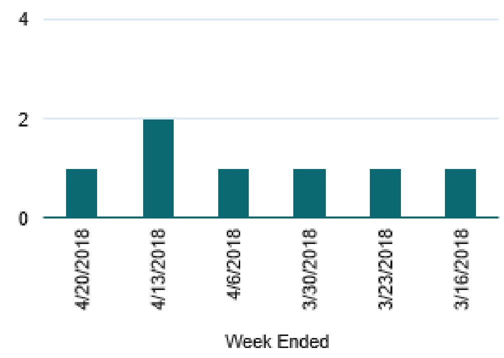
Sector-Wise Deals Breakdown



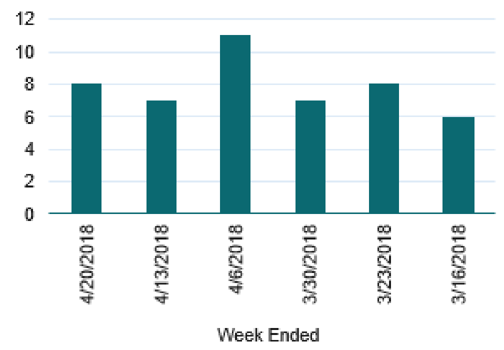
Bank Technology Solutions



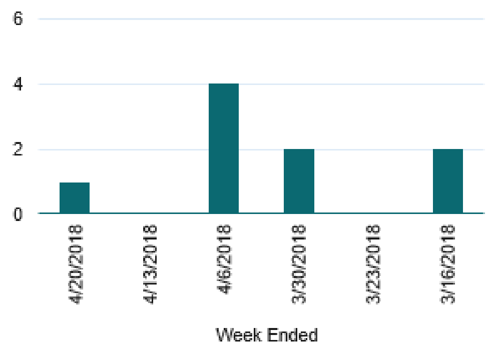
BPO



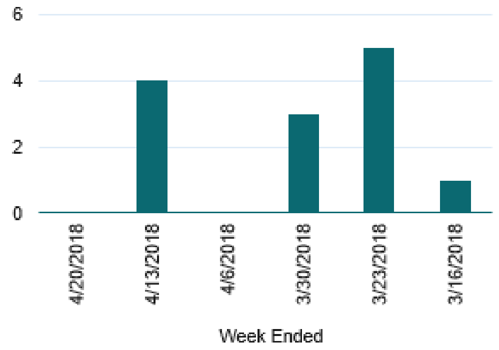
Financial Management Solutions



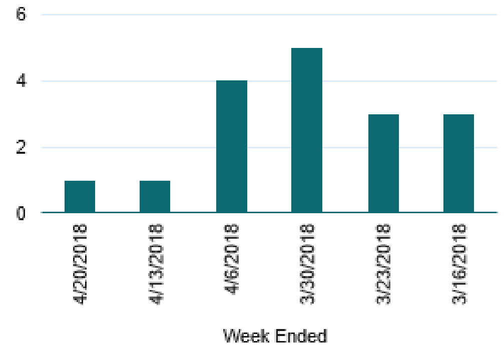
Healthcare Tech



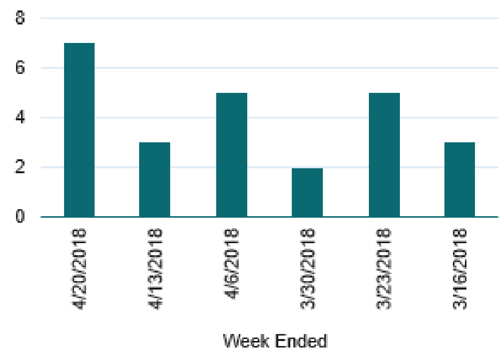
Insurance



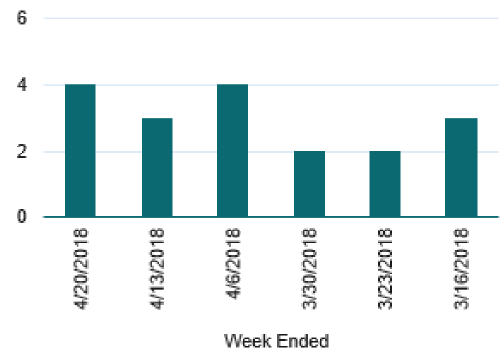
Payments



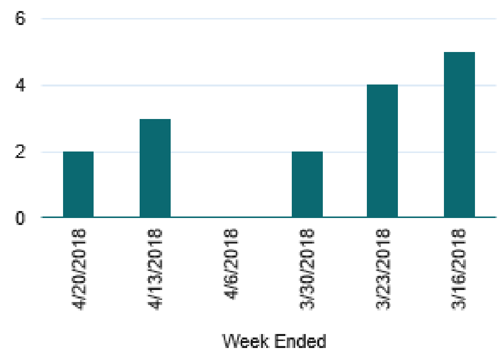
Securities



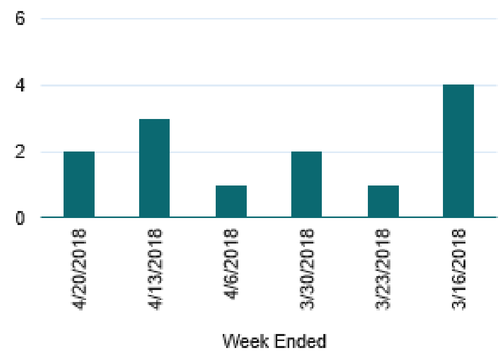
Speciality Finance / Alternative Lending



Data & Analytics / IoT



Others



BANK TECHNOLOGY SOLUTIONS

Goldman Sachs acquires personal finance app Clarity Money

Bank Technology Solutions

4/16/18

Goldman Sachs is gaining another 1m customers for its online lending start-up Marcus, as it completes the acquisition of US-based personal finance app Clarity Money.

According to the bank, the acquisition of Clarity is “integral” to Marcus’ vision of creating a complete money management platform for its customers, allowing users to take control of their financial lives. Currently Marcus offers its users no-fee, fixed-rate personal loans and high-yield savings accounts, and with the addition of Clarity Money, products to help users better understand their finances.

The app will remain free to use and able to connect to thousands of other financial institutions, as it crosses over into Marcus by Goldman Sachs branding.

“Consumers want a better way to manage their finances,” said Stephen Scherr, CEO of Goldman Sachs Bank and head of the consumer and commercial banking division.

“Clarity Money has pioneered a consumer-centric approach to personal finance that will help Marcus continue to put power in the hands of consumers.”

Marcus will be taking in Clarity Money’s team of engineers, designers and marketers as part of the acquisition, led by its founder and CEO, Adam Dell, who will join Goldman Sachs as a partner. According to Goldman Sachs, Adam will continue to lead Clarity Money, and will also play an active role on the Marcus senior management team.

“We started Clarity Money to help people make better financial decisions,” said Dell. “We're making plans to offer more financial features for our customers. Only now, we're backed by Marcus and their commitment to helping customers achieve financial well-being.”

http://www.altfi.com/article/4299

Regions Bank invests in lendtech firm Lender Price

Bank Technology Solutions

4/13/18

With housing markets across the US at an all-time high, banks are paying more attention to the mortgage tech space, writes Julie Muhn at Finovate. And, as evidenced in its new partnership with Lender Price, Regions Bank is no exception.

Along with the partnership agreement Lender Price inked with the $124 billion-asset bank, the California-based fintech will receive an undisclosed amount of equity funding. This announcement comes just days after Lender Price unveiled an integration with Ellie Mae.

For its part, Regions aims to leverage the partnership to enhance its digital lending efforts by: simplifying interactions between bankers, borrowers, and the bank; sending fewer information requests to consumers; integrating additional data sources for approvals and confirmations; offering faster responses.

The Alabama-based bank serves customers across the Southern and Midwestern US, and has approximately 1,500 branches and 1,900 ATMs. Logan Pichel, head of Regions Enterprise Operations, says: “This investment in Lender Price and our working agreement provides important growth capital for Lender Price, aligns our mutual interests in digital transformation and continues to move us toward the goal of making banking easier for our customers.”

Founded in 2015, Lender Price’s technology contributes to banks’ efforts to compete with digital-only mortgage originators such as Quicken Loans’ Rocket Mortgage and SoFi. In fact, Bank of America has just announced the roll-out of its own digital mortgage service.

https://www.bankingtech.com/2018/04/regions-bank-invests-in-lendtech-firm-lender-price/

BPO

Infosys announces acquisition of US firm WongDoody Holding for $75 million

BPO

4/13/18

IT bellwether, Infosys, on Friday announced the acquisition of WongDoody Holding Company for a value of USD 75 million.

The company entered into a definitive agreement to acquire the US-based digital creative and consumer insights agency for the said amount, which also included contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions, Infosys said in a statement along with its quarterly results announcement.

“The acquisition fits into the digital scale up for us. It is underwriting the strategy that we are exploring and executing in the market…We are continuing to look to what will fit into the digital framework,” Salil Parekh, MD & CEO of Infosys said while addressing a press briefing.

India’s second largest information technology company, on Friday reported a 28 percent sequential fall in net profit to Rs 3,690 crore in the Q4FY18, in line with analysts' expectations.

The company forecast its annual constant currency revenue for FY19 to grow by 6-8 percent.

The Bengaluru-based tech giant's net profit came in at Rs 3,690 crore, compared to the Rs 3,722.4 crore estimated by analysts polled by Reuters.

The company reported revenue of Rs 18,083 crore for the quarter ended March, compared with Rs 17,794 crore reported in the December quarter.

The company recommended a final dividend of Rs 20.50/- per equity share for the financial year ended March 31, 2018 and special dividend of Rs 10/- per equity share.

https://www.moneycontrol.com/news/business/infosys-announces-acquisition-of-us-firm-wongdoody-holding-for-75-million-2548617.html

FINANCIAL MANAGEMENT SOLUTIONS

Ceterus Raises $10 Million Series B to Provide Entrepreneurs with AI-Driven Financials and Benchmarked Industry Data

Financial Management Solutions

4/18/18

Ceterus, a Charleston-based Software-with-a-Service company today announced the close of $10 million in venture capital for their Series B funding round from a host of prominent investors. Harbert Growth Partners led the round with participation from earlier investors TechOperators, GroTech Ventures, Idea Fund Partners, and Alerion Ventures.

Ceterus delivers a done-for-you accounting and benchmarked reporting solution for entrepreneurs. "The future of accounting will be automated, continual, and will provide entrepreneurs forward-looking insights, not just a record of the past," says Levi Morehouse, Ceterus Founder and CEO. "Our team is excited to put this capital to work and continue to build this future."

Wayne Hunter, the Co-Founder and Managing Partner at Harbert will join the Ceterus board of directors. "Ceterus is an early-mover in what is quickly becoming the new era for accounting," said Hunter. "We are thrilled to partner with Ceterus, a company that is building a solution that prepares small businesses for the future."

Ceterus will use the new funding to continue development of its automated accounting and benchmarked reporting platform, Ceterus Edge. Enhancements will focus on additional functionality for entrepreneurs who own multiple businesses, as well as support for CPA firms who serve multi-unit entrepreneurs. The funding round brings Ceterus' total fundraising to $20.2 million dollars raised since 2016.

Ceterus is also hiring software engineers and cutting-edge accountants in Charleston, SC.

http://www.cpapracticeadvisor.com/news/12408602/ceterus-raises-10-million-series-b-to-provide-entrepreneurs-with-ai-driven-financials-and-benchmarked-industry-data

Saviynt announces $40 Million Series A funding round with Carrick Capital Partners

Financial Management Solutions

4/18/18

Saviynt, a leading global provider of Identity Governance and Administration (IGA) solutions, announced today that Carrick Capital Partners ("Carrick"), an investment firm with a focus on technology-enabled businesses, including enterprise software, has committed $40 million to its Series A financing round. The announcement was made from RSA Conference 2018 taking place April 16th to 20th in San Francisco.

Saviynt delivers next-generation IGA solutions for organizations to secure their most critical assets, manage data privacy and risk, meet continuous compliance needs and securely adopt new technologies with confidence. Saviynt's unique approach provides Identity Governance, Cloud Security and Application GRC capabilities as an integrated platform delivered as an efficient cloud-based service. With some of the largest global corporations now relying on Saviynt's solution to ensure the security of their company's applications, data, and infrastructure, Saviynt is poised for a new chapter of exponential growth.

An Identity Governance solution is fundamental to organizations' cyber security strategy, with more enterprises opting for a cloud-based delivery model than on-premise solutions. According to Gartner "By 2021, IGA as a service becomes the dominant delivery model for new deployments, where 40% of new buyers will opt for cloud-architected IGA and 15% for cloud-hosted IGA software, up from 5% and less than 5%, respectively, in 2018."

Carrick's financing will be used by Saviynt to expand U.S. and international field operations, further build out its ecosystem of technology and system integration partners, accelerate delivery product roadmap of advancements and deepen the company's customer service and support functions to meet the needs of a growing global customer base.

"We are very excited to be partnering with Carrick because they have a deep understanding of our market and they are committing the financial and operating resources necessary for us to realize the full value of our opportunity," said Amit Saha, CEO of Saviynt. "Working with a partner with relevant experience in the enterprise software industry to obtain the resources necessary to scale our operations ensures we are positioned to help customers easily adopt next-generation of IGA."

"Carrick identified Saviynt as one of the leaders in our thematic thesis on identity management's importance within cyber security. We believe there will be continued opportunity for investment in cyber, but Saviynt stands out today for its powerful product suite, impressive revenue and customer growth, and the management team's clear commitment to excellence," explained Carrick co-founder and Managing Director Marc McMorris.

As part of its investment, Carrick Managing Director Paul Zolfaghari will be joining Saviynt's board of directors. He is a veteran of the enterprise software industry. “We are very impressed with Saviynt’s vision and the breadth of their solution portfolio,” said Zolfaghari. “They offer the most feature-rich solution in this market segment that serves the needs of the largest companies, while their cloud-based delivery makes it accessible to organizations of all sizes. We are looking forward to working with the exceptional team at Saviynt to accelerate the company's already impressive growth.”

https://www.businesswire.com/news/home/20180418005740/en/Saviynt-Announces-40-Million-Series-Funding-Carrick

Former Google and Facebook AI scientists announce new venture with $24M total funding in Series B lead by Lightspeed and Foundation Capital

Financial Management Solutions

4/17/18

Eightfold.ai, the first Talent Intelligence Platform to address the talent gap by harnessing the power of AI and search, today announced the unveiling of its platform and $18M in Series B funding led by Foundation Capital and Lightspeed. Inspired by the "eightfold path" philosophy that empowers people to find the career path of their choosing, Eightfold.ai is the brainchild of two of the most decorated minds in AI, Ashutosh Garg and Varun Kacholia, who have over 6000+ research citations and 80+ search and personalization patents.

Formerly known as Volkscience, Eightfold.ai's Talent Intelligence Platform (TIP) has been built for enterprises to address talent acquisition and management in a holistic manner. Eightfold.ai's TIP focuses in on three key areas: talent, personalization and artificial intelligence.

Talent. Eightfold.ai creates a comprehensive talent network unique to an organization by aggregating all internal and external data for an enterprise – from applicants to alumni – which is currently siloed across many different solutions.

Personalization. By providing intelligence on people's capabilities and future potential, organizations can personalize recruiting. This empowers hiring teams and managers to be more effective in matching talent to the right opportunities at the right time, ultimately improving candidate relevance and engaging at-risk employees to avoid attrition.

Artificial Intelligence. Powered by purpose-built deep learning models, Eightfold.ai platform continuously learns from all the data, engagement and decisions in the enterprises to predict future roles, career alternatives and support diversity and inclusion.

"Employment is a critical societal issue today and despite wide acknowledgment of the magnitude of the problem across employers of all sizes, past solutions have woefully fallen short of promise," said Ashutosh Garg, CEO and co-founder of Eightfold.ai. "With over one hundred customers already, our Talent Intelligence Platform is enabling our customers to take a holistic approach to talent acquisition and management by aligning business objectives with individual capabilities and ambitions. Every individual with the right capability and potential placed in the right role is meaningful progress for us."

"Historically, companies have not been able to recognize people's core capabilities and have unnecessarily exacerbated the talent crisis," said Varun Kacholia, CTO and co-founder of Eightfold.ai. "Our Talent Intelligence Platform is purpose-built to help companies find and match the right person to the right role at the right time and, for the first time, personalize these recommendations at scale."

Backed by Leading Silicon Valley Investors

In addition, Eightfold.ai announced today that it has closed $18 million in Series B financing. Foundation Capital led the round and is joined by Lightspeed Ventures, who led Series A. This round brings Eightfold.ai's total funding to $24 million.

"Eightfold.ai has an incredible opportunity to help people reach their full potential in their careers while empowering the workforces of the future," said Peter Nieh, partner at Lightspeed Ventures. "Ashutosh and Varun are bringing to talent management the transformative artificial intelligence and data science capability that they brought to Google, YouTube and Facebook. We backed Ashutosh previously when he co-founded BloomReach and look forward to partnering with him again."

"By applying AI to the incredibly human-intensive work of hiring and retention, Eightfold.ai is poised to disrupt an outdated but massive market," said Ashu Garg, general partner, Foundation Capital. "Eightfold's intelligence platform reimagines how employees and employers discover each other, helps people find better opportunities, and saves everyone time and expense."

https://www.prnewswire.com/news-releases/eightfoldai-launches-first-deep-learning-talent-intelligence-platform-to-close-the-talent-gap-300630960.html

Instant Financial Raises $11.4M Series A

Financial Management Solutions

4/17/18

Instant Financial, a financial technology startup that puts employees in control of accessing their earned pay, has today closed a successful Series A round of funding, closing at $11.4M, bringing their total funding to date to $15.4M.

The funds will be used to fuel customer acquisition across sectors, support product innovation and increase Instant's overall market penetration of the more than 80 million hourly workers in North America. At present, over 275,000 hourly wage employees have access to their pay daily through Instant Financial from employers including Bloomin' Brands, franchisees of Outback Steakhouse, McDonald's, Burger King, Taco Bell, and Wendy's. Clients have noted higher retention, lower turnover, and more engaged employees as benefits of Instant Financial's platform.

"Our mission at Instant is to empower millions of hourly workers by putting employees in control of accessing their pay, while significantly improving employee retention & engagement for their employers," says Steve Barha, CEO of Instant Financial. "Adding TTV Capital as a partner and the additional capital from this funding round will fuel our rapid growth and allow us to continue our product innovation."

The funding was led by prominent fintech venture capitalist firm, TTV Capital based in Atlanta, Georgia. They will act as a strategic partner with full participation from existing investors ITC Partners Fund, Kinetic Ventures & Real Ventures. TTV Capital invests in fintech business ventures that serve the needs of the financial sector and consumers of financial products.

"The TTV team is thrilled to join Instant Financial as they change the way employees are paid across the nation. This is a great addition to our portfolio and a perfect match for our vision to transform the financial services sector," said Gardiner Garrard, co-founder and a Managing Partner of TTV. "We're looking forward to helping Instant achieve higher growth and revenue."

https://globenewswire.com/news-release/2018/04/17/1480205/0/en/Instant-Financial-Raises-11-4M-Series-A.ht

Honest Buildings raises additional $3.5 million in Series B funding

Financial Management Solutions

4/13/18

Honest Buildings, a NYC-based project management platform built for and backed by real estate owners, raised additional $3.5M in Series B funding.

Backers included QuadReal, a Vancouver-based global real estate investment, development, and management company, and Altus Group Limited, a provider of independent advisory services, software and data solutions to the global commercial real estate industry.

They joined existing Series B industry investors Brookfield Property Partners, Oxford Properties Group, The Durst Organization, DivcoWest Real Estate Investments, Rudin Ventures and C-III Capital Partners, Thrive Capital, Navitas Capital, Greensoil Building Innovation Fund, Bienville Capital Management, Riverpark Funds, The Westly Group, Rockport Capital, and Circle Ventures. This brings the total Series B raise to $25m and total investment to date to $43m.

The company intends to use the funds to further expand across North America and beyond, to further grow its product and business development teams, and to explore new partnerships and integrations.

Led by Riggs Kubiak, founder and CEO, Honest Buildings provides a project management platform built for and backed by real estate owners including Brookfield, Oxford Properties, Beacon Capital Partners, Invesco, SL Green, The Durst Organization, Silverstein Properties, JBG Smith, Harvest Properties, Parkway Properties, and Rudin Management.

http://www.finsmes.com/2018/04/honest-buildings-raises-additional-3-5m-in-series-b-funding.html

Serent Capital invests in CoConstruct, a leader in construction management software

Financial Management Solutions

4/12/18

Serent Capital, a San Francisco-based private equity firm focused on investing in fast-growing software and services businesses, has made an investment in CoConstruct, a leading provider of cloud-based client, project, and financial management solutions for custom home builders and remodelers.

After enduring a typical, but frustrating, homebuilding experience, Donny Wyatt founded CoConstruct in 2005 to end the chaos of the residential building process and turn it into a rewarding experience for both contractors and clients. Today, CoConstruct serves over 4,600 residential building companies as the end-to-end solution to efficiently manage and customize construction projects by bringing communications, schedules, selection decisions, estimates, and more into one place for contractors, clients, and trade partners on the web and mobile.

"After having bootstrapped CoConstruct for nearly 13 years, bringing on a seasoned private equity partner is a significant and exciting move," said founder and CEO Donny Wyatt. "We're incredibly blessed with serving a great industry that continues to prove its thirst for more and better technology. So, I'm positive the timing is right to apply Serent's strategic and operational expertise, as well as capital, to help CoConstruct reach its full potential for our customers and employees."

CoConstruct plans to increase investments in product development to bring new and increased value to its customers, as well as extend its sales and marketing efforts to reach the large number of contractors who currently do not have an all-in-one technology solution. To pave the way for the next wave of growth, CoConstruct will be aggressively focused on organizational development and executive recruitment.

"We are delighted to have the opportunity to collaborate with Donny and the rest of the team at CoConstruct," said Kevin Frick, Partner at Serent Capital. "They have built a excellent reputation in the market for serving their clients' needs very well – a track record that we plan to build on as we work together on CoConstruct's next phase of growth."

The investment in CoConstruct is Serent's seventh in the Construction and Residential Real Estate sectors, including Safety Services, Next Gear Solutions, and Commissions, Inc., among others.

http://serentcapital.com/News/Article/4060

Da Vinci Capital invests in Russia's Global Fintech Solutions

Financial Management Solutions

4/12/18

Global Fintech Solutions (GFS), a fintech platform aimed at transferring leading global technologies into emerging markets, raised a new funding round from several funds under the management of Da Vinci Capital and from its the portfolio group, ITI Funds. Investment group Prytek was a co-investor in the investment round. GFS creates a one-stop-shop solution for the digitalization and innovation of various core business processes for financial corporations and other financial institutions in order to integrate and implement technology from fast growing, promising and top-tier tech global companies such as Way2Vat, PayBox, Ezbob, etc.

GFS acquires exclusive licenses for global tech products for further technology transfer into the markets with low penetration and high growth potential, including Russia. Current product portfolio includes 7 core technologies. Company plans to enlarge its product portfolio twofold in 2018, boost its revenue to $20m in 2019 and conduct an IPO in two-three years at the international exchange.

GFS offices are located in Luxembourg, Russia and Israel.

‘Russian financial technology market is driven mainly from technological banks and other corporate market participants, but the level of development of fintech startups is not high enough to properly deliver technological solutions to such banks. — says Oleg Jelezko, managing partner at Da Vinci Capital. — We believe into the global opportunities for GFS as the platform for financial technologies development, and in a strong team, which can take the leading position on Russian fintech market.”

“Fintech sector is a flagship at the digital world economies, rapid development of fintech technology can drive further economic growth, therefore GFS focuses on the corporate innovations. Cooperation with Da Vinci Capital gives us an understanding that we are on the right way and technology transfer is one of the perspective areas for investments and strategy development.” — highlights Andrey Yashunsky, chief executive officer at GFS.

https://www.finextra.com/pressarticle/73435/da-vinci-capital-invests-in-russias-global-fintech-solutions?utm_medium=dailynewsletter&utm_source=2018-4-13&member=93489

ClearTax acquires TOOTL-an App-based Personalization Engine

Financial Management Solutions

4/11/18

In line with its major expansion plans, ClearTax, a tax, finance and business compliance company, has acquired Greeblu Enterprises, an app-based startup. TOOTL, an infotainment app, offers personalised content to its readers using predictive analysis modeling. ClearTax is set to use this technology and curate personalised tax, finance and compliance related content on its website.

Since inception in 2011, ClearTax has been rapidly branching out into multiple domains. ClearTax offers a wide portfolio of products and services such as a mutual fund investment portal, GST software, EWayBill generator, DSC utility and business compliance services, while maintaining market dominance in the tax filing arena.

The company has been on the lookout for innovative ways to improve user experience and acquiring TOOTL was one such effort. Launched by Arpit Mehta and Parijat Banerjee, TOOTL is a pocket-buddy that understands the reader's preferences and accordingly personalised relevant content the user would want to explore further. In no time, the app garnered positive responses from users across the country.

On how this acquisition is beneficial to ClearTax, Archit Gupta, Founder and CEO, Cleartax said "This algorithm has been a great value add to our existing systems. In the tax and finance sphere, ClearTax is known for its exhaustive content. We will utilise the TOOTL technology to enhance customer engagement and provide tailored content based on income , financial goals, age and other parameters. This would help our customers make informed financial decisions, taking us a step closer to our mission of simplifying finance for Indians."

Arpit Mehta, Co-founder of Greeblu echoed similar thoughts. "It is great to work with ClearTax team and see how they piece technology and finance together to provide creative solutions to customers. I am looking forward to this collaboration and see how it shapes up."

http://bwdisrupt.businessworld.in/article/ClearTax-Acquires-TOOTL-an-App-based-Personalization-Engine/11-04-2018-146130/

HEALTHCARE TECH

RubiconMD Raises $13.8 million to Connect Your Doctor With Top Specialists

Healthcare Tech

4/19/18

Primary care providers serve as the first line of defense in healthcare and are responsible for coordinating medical treatment. However, primary care physicians routinely need consultations from external specialists to provide the best treatment plans. Access to specialists is becoming increasingly more difficult with long scheduling times that create a bottleneck in treatment. RubiconMD solves this problem by connecting primary care providers to specialists for eConsults through its platform that exchanges anonymized patient data in a secure manner. Getting that specialists consultation is now done in a matter of hours instead of a matter of weeks or months, saving time, money, and unnecessary referrals.

AlleyWatch sat down with CEO and Founder Gil Addo to learn more about the company, its start, future plans, and latest round of funding, which brings its total funding raised to $19.9M.

Who were your investors and how much did you raise?

We have just closed a $13.8M Series B financing. The round was led by HLM Venture Partners and Optum Ventures with participation from Centene Corporation. Key existing investors Alma Mundi Ventures, Waterline Ventures, Dioko Health Ventures and the Heritage Medical Systems also participated and were joined by Blue Ivy Ventures.

http://www.alleywatch.com/2018/04/rubiconmd-raises-13-8m-to-connect-your-doctor-with-top-specialists/

PAYMENTS

Evolve
Capital Partners

Paysafe to purchase iPayment

Payments

4/13/18

US-based Paysafe will acquire iPayment Holdings, a provider of processing solutions for SMEs, as it seeks expansion in North America.

Via the deal, Paysafe will get access to 137,000 SME customers. Financial details were not disclosed.

Joel Leonoff, Paysafe's president and CEO, says the acquisition is "part of our long-term investment strategy to grow our business in North America and builds on our other successful acquisitions over the past couple of years".

In August 2017, Paysafe bought SME payments provider, Merchant Choice Payment Solutions (MCPS). Paysafe's goal is to establish itself as a "top five non-bank payment processor in the US".

iPayment had annual processing volumes of over $28 billion in 2017 and operates both direct and indirect sales channels. It employs over 450 employees across its four US offices located in Boston, Massachusetts; Westlake Village and Camarillo, California; and Minden, Nevada. Paysafe doesn't say what will happen to these people.

However, Todd Linden, CEO of Paysafe's payment processing division in North America, will lead the merged payment processing organisation at completion. Linden brings over 30 years of industry experience and was previously CEO of MCPS.

OB Rawls IV, CEO and president, iPayment, along with the CFO, Robert Purcell, will both remain with the organisation at completion as part of Paysafe's leadership team.

According to Paysafe, the integration of these two firms will bring merchants, partners, consumers and platforms "more product choice" via a platform which includes point of sale (POS) solutions, order ahead purchases, and online products such as Paysafe's prepaid solution, Paysafecard.

The acquisition is expected to complete in Q2 2018, pending final regulatory approvals. Until then, the two groups will continue to operate as independent organisations.

Paysafe has over 20 years of online experience. It says it has a combined transactional volume of $56 billion in 2017 and over 2,600 staff located in 12 global locations.

What's the big idea?

Looking at the bigger picture, this deal also follows on from August 2017, when Paysafe reached an agreement to be acquired for $3.89 billion by private equity firms Blackstone and CVC Capital

Partners. That massive deal came at a time of significant consolidation in the payments space and several years of considerable investment activity in fintech firms with a payments focus. (Blackstone is an acquisitive firm. In January, it bought a 55% majority stake in Thomson Reuters' financial and risk [F&R] business for around $17 billion.)

https://www.bankingtech.com/2018/04/paysafe-to-purchase-ipayment/

SECURITIES

Crypto-collectibles and Kitties marketplace Rare Bits raises $6M

Securities

4/20/18

Rare Bits wants to be eBay for the blockchain, where you buy, sell and trade non-fungible crypto-goods. After CryptoKitties raised $12 million from Andreessen Horowitz last month for its digital collectibles game, there's been an explosion of interest in the space. But without a popular marketplace, it's hard to find the goods you want at the right price. Now a team of former Zynga staffers is building out the Rare Bits crypto-collectible auction and commerce site with a $6 million round led by Nabeel Hyatt at Spark Capital, and joined by First Round Capital, David Sacks' Craft Ventures and SV Angel.

“Because of the Ethereum ledger, for the first time, users can truly own their digital items,” says co-founder Amitt Mahajan. “Previously in mobile or social games, virtual items earned through play or by spending money were actually owned by the company operating the game. If they shut down their servers, the items would go away and users would be out of luck. We believe this new asset class represents a paradigm shift in digital property whereby centralized assets will be moved onto decentralized systems.” For now, Rare Bits isn't slapping any extra fees on its marketplace, compared to paying up to 1 percent on other marketplaces like Open Sea, or even more elsewhere. Instead, if a crypto-item developer charges a fee on secondary sales, say 5 percent, they'll split that with Rare Bits for arranging the transaction.

Rare Bits lists more than 500,000 items from a dozen games, including CryptoPunks, Ether Tulips, CryptoBots, CryptoFighters, Mythereum and CryptoCelebrities. Users get the benefit of having all their crypto-collectibles in a single wallet. They can see historical pricing before they buy anything thanks to the transparency of the Ethereum ledger, whether they want to “Buy Now” or win an auction. The collectors can also see related items rather than transacting in a vacuum. One item sold for more than $10,000, and sales in the 5-10ETH range ($555 each today) aren't uncommon.

Mahajan, Danny Lee and Dave Pekar all met after selling their gaming startups to Zynga . [Disclosure: I know Pekar from college.] Their fourth co-founder, Payom Dousti, worked at fintech VC fund 1/0 Capital and sold his sports analytics startup numberFire to FanDuel. With experience across the gaming, virtual goods and crypto space, Mahajan tells me, “We thought long and hard about potentially building blockchain-based games ourselves, but ultimately decided that there was a larger opportunity in focusing on crypto-based property as a whole.” The Rare Bits exchange launched in February and did more than $100,000 in transactions in its first month.

With some CryptoKitties selling elsewhere for as much as $200,000, investors liked the idea of taking a cut of everyone's transactions rather than just launching another digital trading card. That led Rare Bits to raise a $1 million seed from Macro Ventures and angels like Steve Jang and Robin Chan. As scaling issues threaten to prevent the Bitcoin and Ethereum blockchains from supporting micropayments and mainstream commerce, new use cases like crypto-collectibles are taking the spotlight.

Now with the $6 million Series A, Rare Bits is bringing in some heavyweight angels from the world of gaming. That includes Emmet Shear and Justin Kan, the co-founders of Twitch. Former Dropbox execs and married couple Ruchi Sanghvi and Aditya Agrawal are also in the round, alongside Greenoaks Captial MD Neil Mehta and Channel Factory CEO Tony Chen.

The team hopes the runway will help it secure partnerships with developers and creatives to publish new collectibles for the blockchain that have a home on Rare Bits. Mahajan says, “People are viewing these items as assets that can be invested in instead of liabilities that are one way transfers of value towards the developer, it’s one of the major changes in this ecosystem versus traditional virtual items.”

Rare Bits will have to deal with the inherent scaling troubles of the Ethereum blockchain it operates on. For now, it’s refunding users the “gas” it costs to execute purchases and sales on its marketplace in a timely manner. Those range from a few cents to a few dollars, depending on network congestion. But Rare Bits could be looking at a steep bill or be forced to push those fees onto users if it gets popular enough.

There’s always the danger that CryptoKitties and the like are just the new Beanie Babies — valued today, but worthless when the fad dies. Rare Bits benefits from getting to follow the trend to whatever crypto-collectible is in vogue, and just has to hope the whole concept doesn’t fade.

But Rare Bits has a hedge against that. “While today most of these items are items from games and collectibles, we envision that we will see licenses, tickets, rights, even tokenized physical goods represented as digital assets,” Mahajan tells us. It’s now building a Fan Bits feature that will let YouTube creators, Twitch streamers and Instagram celebrities create crypto-based collectibles “to engage with their audience and let their fans support them,” he explains. You might one day be able to buy and resell a meet-and-greet pass for your favorite band.

“Our ultimate goal is to convince millions of new people to begin owning and transacting crypto-based property,” says Mahajan. But the founders will probably be okay regardless. “Like anyone crazy enough to start a crypto app company this early, we started buying and HODLing BTC and ETH years ago.”

https://techcrunch.com/2018/04/19/rare-bits-crypto-marketplace/

Digital Commercial Brokerage SquareFoot raises $7 million in Series A

Securities

4/18/18

SquareFoot, a startup brokerage that helps commercial tenants lease space via its platform, has raised $7 million in a Series A round of financing led by venture capital firm Rosecliff Ventures, according to a SquareFoot news release today.

Other companies that participated in the round include developers Taconic Investment Partners and L+M Development Partners as well as venture capital firms RRE Ventures, Primary Venture Partners, Armory Square Ventures, Entrepreneurs Roundtable Accelerator and Triangle Peak Partners.

“Much like Compass and Redfin in the residential space, SquareFoot is bringing a fresh approach to commercial real estate and using innovative technology to enhance the tenant experience,” Michael Murphy, the founder and a managing partner of Rosecliff Ventures, said in prepared remarks. “We’ve long thought it was silly how the transparency that we’ve come to expect in countless other industries still hadn’t infiltrated commercial real estate.”
Since 2012, SquareFoot’s platform technology allows tenants to view availabilities, schedule tours, share documents and communicate with brokers in real time. SquareFoot has raised $13 million, according to a spokesman for the company. It has completed more than 500 deals in the Big Apple.

The company, which is headquartered at 48 West 21st Street between Avenue of the Americas and Fifth Avenue in the Flatiron District, now has 30 employees, including 10 brokers. SquareFoot is hoping to hire 20 more employees (half of which will be brokers) by the end of the year, according to the spokesman. (All of SquareFoot’s brokers are considered staffed employees and are salaried, a spokesman said.)

SquareFoot brokers has helped a variety of companies and institutions lease space, including Yale University, mattress company Casper, and restaurant chain Dr Smood.

Last year, the company represented location data provider Cuebiq in a 5,702-square-foot deal at Kaufman Organization’s 45 West 27th Street, as Commercial Observer previously reported.

“By bringing transparency and technology to an industry that’s historically had neither, we’re empowering businesses to find the perfect home with confidence and ease,” Jonathan Wasserstrum, the co-founder and CEO of SquareFoot, said in a prepared statement.

While the platform was founded to help tenants find space, the company is preparing to add tools for property owners on its platform, according to the release.

"The pace of change in our industry is rapidly increasing since Charlie [Bendit] and I started out in real estate several decades ago," Paul Pariser, a co-CEO of Taconic Investment Partners, said in a statement. "There is no better time to look to improve upon the essential building blocks of our business, so we're excited to be part of SquareFoot's mission to create efficiencies."

https://commercialobserver.com/2018/04/digital-commercial-brokerage-squarefoot-raises-7m-in-series-a/

Intangible labs Grabs $133 Million From Big Investors Backing Basecoin

Securities

4/18/18

Intangible Labs, a New York startup that is developing an adjustable-supply cryptocurrency using an algorithmic central bank, raised a whopping $133 million in a Series B funding round that included Silicon Valley venture capitalists and Wall Street fixtures.

Bain Capital Ventures led the latest funding round, per a Reuters report. Other high profile investors included Google's venture arm GV, venture capital firm Andreessen Horowitz, and Lightspeed Foundation Capital.

According to an SEC filing, 225 accredited investors participated in the round which was structured as a private placement.

The $133 million haul is a hefty sum for a company that just started a few months ago and even considers raising more funds through an initial coin offering (ICO), just after it assesses the current regulatory environment.

The fundraising will help the blockchain startup scale its platform, which aims to develop a cryptocurrency called Basis (formerly Basecoin). Unlike fixed-supply cryptocurrencies, the Basis protocol is designed to expand and contract supply similarly to the way central banks use to intervene in forex markets to stabilize its national currency.

The cryptocurrency aims to keep its price stable by algorithmically adjusting supply. The platform will issue more tokens when demand is rising and will buy back the coin when the supply increases to restore Basis price.

"If you have a Basecoin, it'll be worth $1 today; it'll be worth $1 tomorrow; it'll be worth $1 forever," Intangible Labs CEO and co-founder Nader Al-Naji said. "Volatility of cryptocurrencies has prevented their widespread adoption. We are trying to build cryptocurrencies that have all the benefits of crypto but is stable," he told Reuters in an interview last year.

Intangible Labs was created by three Princeton University computer science graduates. Aside from Al-Naji, the other founders of Intangible Labs are former Princeton classmates Lawrence Diao and Josh Chen.

https://www.financemagnates.com/cryptocurrency/news/intangible-labs-grabs-133-million-big-investors-backing-basecoin/?utm_source=daily_newsletter&utm_medium=email&utm_campaign=19.04.18

IHS Markit acquires DeriveXperts

Securities

4/17/18

IHS Markit, a specialist in information, analytics and solutions, has acquired DeriveXperts, a provider of valuation services for OTC derivatives and other complex financial securities.

The acquisition complements and enhances the existing derivatives data and valuations businesses at IHS Markit.

“IHS Markit strives to be the best source of independent valuations of OTC derivatives and other complex financial assets and this expansion shows our commitment to providing customers with exceptional coverage and quality,” says Gianluca Biagini, managing director for derivatives data and valuation services at IHS Markit. “DeriveXperts brings us a skilled team and a high-quality service that extends our offering for derivatives, particularly in equity-linked products, an area that we see growing across all of our customer segments.”

“We are excited to take this next step forward in serving the derivatives marketplace as part of IHS Markit,” says Francis Cornut, founder and CEO of DeriveXperts. “Together, we will continue to deliver unparalleled expertise and best-in-class capabilities that move with the speed of evolving global markets.”

DeriveXperts specialises in daily and monthly computations of hard-to-value assets, such as equity derivatives, FX derivatives, interest rate derivatives and structured notes. DeriveXperts is headquartered in Paris and was founded in 2003.

IHS Markit has more than 100 employees in Paris and this acquisition adds to that team. IHS Markit also gains a strong client base in France and French-speaking Europe, including banks, investment managers, insurance companies, private banks and other types of wealth management firms.

IHS Markit provides pricing and valuation services, including independent mark-to-market valuations and risk analytics, for vanilla and exotic OTC derivatives, fixed income cash products, private equity and illiquid debt investments. Valuations are accompanied by detailed inputs, liquidity metrics and reference data to provide maximum transparency and market context. Customers include insurance companies, asset managers, fund administrators, custodians and banks.

https://www.hedgeweek.com/2018/04/17/263250/ihs-markit-acquires-derivexperts

Coinbase is buying Earn.com for about $100 million in a deal that is mostly about one key hire

Securities

4/16/18

Coinbase has made its first real acquisition.

In a deal that shows how the cryptocurrency platform continues to mature and expand, Coinbase is buying Earn.com, a portal that allows people to make money by answering emails or completing other tasks.

Coinbase's offer was slightly more than $100 million, according to people familiar with the deal, though with some juicy earn-outs for Earn leadership. Earn encountered some pushback from its investors at that sale price because that's a sharp decrease from its last round of private financing in 2015 — $310 million before the new cash, according to PitchBook — though later investors will as usual be paid out first.

Coinbase is paying for the company with some cash, some stock, and interestingly, some crypto assets.

A huge part of the deal's appeal to Coinbase is the chance to bring Balaji Srinivasan, a well-regarded former Andreessen Horowitz partner, into their headquarters. Srinivasan will become Coinbase's CTO as the company continues to aggressively fill out its C-suite in the early part of this year.

One of those big hires was Emilie Choi, who joined Coinbase this March to do stuff like this: Make acquisitions. The company has only done small "acqhire" deals in the past — and again, hiring Srinivasan is said by sources to be much of the logic on this one, too — but the scale of this acquisition is another growing-up moment for Coinbase.

Founded in 2013 as a hardware maker for bitcoin mining, Earn.com was originally known as 21.co before rebranding itself as a social network in the fall of 2017. Now the company is a product that is meant to assign a price to emailing someone blindly; users pay the recipient (usually someone prominent) if the recipient replies to their note.

Earn.com stands out as a very real use case of cryptocurrency, however, in an age where lots of projects remain theoretical.

Previous backers of Earn include Tyler and Cameron Winklevoss, RRE Ventures and Srinivasan's Andreessen Horowitz.

https://www.recode.net/2018/4/16/17242796/coinbase-acquisition-earn-balaji-srinivasan

Oval Money raises £1.3 million

Securities

4/13/18

Oval Money, the budget management app launched by the former CEO of Uber Italy, has raised £1.3 million in fresh funding, with 60% of the cash generated by individual investors on Crowdcube.

Founded by Benedetta Arese Lucini, former CEO of Uber Italy, with Claudio Bedino and Edoardo Benedetto, co-founders of do-it-yourself crowdfunding platform Starteed.com, and AI expert Simone Marzola, Oval Money came out of closed beta in April last year having raised €1.2M in funding.

For its latest round the company turned to Crowdcube, realising its initial goal of £500,00 within 72 hours. In total, more than 1000 individual investors participated in the crowd raise, with 35% of these already using the app.

The round was completed with investments from a number of high profile industry figures, including Fabio Cannavale, CEO of Lastminute.com and Mauro Del Rio, founder of Buongiorno, which is part of the Docomo Digital Group.

Earlier investors in the company include Italy's Gruppo Intesa SanPaolo, b-ventures, an incubator from Japan's Docomo Digital, and Bertoldi Group Family Office.

Users achieve savings using 'Steps' a set of commands that tell Oval to make a deposit to the app's secure digital savings account each time there is new income or spending in a linked account.

The FCA-authorised firm sais it plans to use the new funds to help launch a feature within the platform that will allow people to invest their money in a multi-sided marketplace for savings and investments products.

https://www.finextra.com/newsarticle/31947/oval-money-raises-13-million?utm_medium=dailynewsletter&utm_source=2018-4-16&member=93489

Frontier Capital Announces Majority Growth Equity Investment in Vancouver-Based Agreement Express

Securities

4/12/18

-Frontier Capital ("Frontier"), announced today it has signed a definitive agreement for a majority growth equity investment in Agreement Express, a SaaS-based digital onboarding platform provider focused on streamlining and enhancing the client experience for wealth management, payments, and insurance providers. Frontier Capital is a Charlotte-based growth equity firm focused exclusively on software and tech-enabled business services companies.

The Agreement Express end-to-end digital onboarding platform has revolutionized financial services client onboarding experiences, taking the complexity out of the first crucial touchpoint of the customer lifecycle. Unlike point solutions, Agreement Express extends beyond digital forms and signatures, delivering a unified onboarding solution that acts as a hub where data, processes, augmented intelligence, risk scoring, compliance, and business analytics connect. The result is practically invisible onboarding that delivers business velocity, enhanced profitability, and the foundation to power new business models and accelerate revenue growth opportunities.

The investment is intended to support Agreement Express as it seeks to accelerate growth through expansion of sales and marketing operations, furthering technology innovation, and extending its talent base to assist the company in reaching its long-term vision of becoming the leading provider of client onboarding automation solutions for the financial services industry.

“As an early innovator in digital onboarding solutions, we believe our growth in recent years is a direct outcome of our focus on replacing complexity with simplicity at every juncture of client onboarding to deliver lasting business value for technology-first financial services institutions,” said Mike Gardner, Agreement Express CEO. “We feel the optimal time has come to take Agreement Express to the next level, and are excited to work with the talented and well-respected team at Frontier as our partner in the next phase of our journey as a growth company. We believe their experience helping transition SaaS businesses such as ours into market leaders will help us propel our innovation and enhance value to our customers in their race to digital sustainability, differentiation, and enhanced profitability.”

“We are excited about the opportunity to partner with Mike and the Agreement Express team, helping Agreement Express continue to bring digital transformation to financial services firms. We believe Agreement Express is well positioned to capitalize on the industry shift away from legacy systems and manual processes. Its end-to-end client onboarding platform enables wealth management, payments, and insurance companies to increase new customer acquisition and improve retention by delivering streamlined client onboarding experiences powered by seamless, rich workflows,” said Richard Maclean, Co-founder and Managing Partner at Frontier.

Both Richard Maclean and Dave Pandullo, Frontier's Managing Partner and Vice President, respectively, will be joining the Agreement Express board.

The growth equity partnership with Agreement Express represents Frontier's third investment in Canada within the past twelve months and its fifth investment in a SaaS-based company over the past eight months. This investment comes from the firm's $700 million Frontier Fund V, which closed in 2017.

Raymond James Ltd. acted as exclusive financial advisor and Fasken Martineau LLP as exclusive legal advisor to Agreement Express in connection with the Arrangement.

https://www.businesswire.com/news/home/20180412005356/en/Frontier-Capital-Announces-Majority-Growth-Equity-Investment

SPECIALTY FINANCE / ALTERNATIVE LENDING

Wunder Capital Closes $112 Million Fundraise for Commercial Solar

Specialty Finance / Alternative Lending

4/18/18

Commercial solar financier Wunder Capital announced Wednesday the close of its Series B financing, with a $112 million equity and debt raise led by New York investment firm Cyrus Capital Partners.

Cyrus Partner John Rapaport will join Wunder's board of directors. John Witchel, co-founder of peer-to-peer lender Prosper, will join the company's advisory board.

Wunder said the raise typifies a "natural progression" in alternative lending that starts with funding from pure-play retail, moves to registered investment advisers, and eventually works its way up to big institutional investors.

"Closing this big facility with Cyrus is us announcing ourselves into this institutional investor space," said Wunder co-founder and CEO Bryan Birsic. "For us, this is our announcement — and, frankly, commercial solar's announcement — to the really big banking world that smaller commercial solar is real and Wunder is real. I think this puts us on the map."

According to GTM Research Senior Solar Analyst Michelle Davis, Wunder's new source of capital makes sense within the context of the commercial space.

"The commercial solar segment has been attracting more diverse sources of capital as of late," said Davis. "This raise from a private equity firm is in line with that trend."

In the past, commercial solar has faced difficulty getting the financial footing of other market segments. Wunder Capital is among the companies aiming to capitalize on the underdeveloped sector and streamline the complex process. Through a roster of partners Wunder builds a balance sheet for developers, helping them circumvent the arduous challenge of finding loans. Wunder also manages the project after construction.

Since its founding, the company has grown substantially. Davis said Wunder expanded its portfolio "by an order of magnitude" last year, with expectations to do the same in 2018.

"This recent raise points to their intent to fulfill that vision," she said.

Early in the year, Wunder told GTM the company is seeing demand from developers for projects worth $1.8 billion in 2018. Now, Birsic said, "We are blowing that number away."

Wunder expects to see demand for over $2 billion in projects this year. The company can only finance about 10 percent of that number.

Last year, Wunder increased its project originations tenfold, and Birsic expects the growth trend to continue.

According to Birsic, the tariffs will not be a major hindrance. He expects the tariffs to increase project development costs by 4 or 5 percent in the short term. “The only thing the tariff has done is hit pause for six months,” he said.

In the meantime, Wunder plans to use the fundraise to grow its staff from 16 to 40, open a Denver office, and expand its lending products and project support.

The company will also continue investigating new partners that offer similar flexibility as the investment from Cyrus.

“We are very much working to add new partners to expand the number of products we can bring and grow the solar market as much as we can,” said Birsic.

https://www.greentechmedia.com/articles/read/wunder-capital-closes-112-million-fundraise#gs.6GnDzOI

SoftBank backs Southeast Asia P2P firm in $25million series B round

Specialty Finance / Alternative Lending

4/18/18

Funding Societies, a leading peer-to-peer lender in Southeast Asia, has raised $25m in series B funding.

SoftBank Ventures Korea led the round, with existing investors Sequoia India, Alpha JWC Ventures (Indonesia) and Golden Gate Ventures also participating. Qualgro and LINE Ventures also crammed into the oversubscribed fundraise. SoftBank Ventures Korea, however, supplied the 'lion's share' of the money.

It is being hailed as the largest fundraise to date for a peer-to-peer firm operating in Southeast Asia. In addition to the equity backing, Funding Societies (which is known as Modalku in Indonesia) has secured credit lines from a number of banks and financial institutions.

"SoftBank Ventures Korea has been actively investing across Southeast Asia. SME digital lending across Southeast Asia is where we saw a huge growth potential. Among many players, we were most impressed with Funding Societies with what it has achieved in the short period of time and its potential to continue to become no. 1 player," said Sean Lee, partner and managing director at SoftBank Ventures Korea.

Funding Societies lends money from individuals and institutional investors to small businesses via an online platform – a la Funding Circle in the UK – across Singapore, Indonesia and Malaysia. It was founded in 2015 in 2015 by Reynold Wijaya and Kelvin Teo (pictured), and claims to have crossed the SGD$100m mark in cumulative loans in January of this year, while maintaining a default rate of less than 1.5 per cent. Its investor base is said to have swelled to over 60,000.

"Being in a trust-based industry, we're grateful for the confidence bestowed by our lenders, SMEs, team, partners, regulators, as well as early and new marquee investors," said Teo, the platform's co-foudner and CEO. "We will continue to enable growth for SMEs and create wealth for lenders. As for us, this is not a business, but a mission, to make a positive impact in our home countries across Southeast Asia."

http://www.altfi.com/article/4317_

Kenya-focused fintech lender Tala raises $65m to fund expansion

Specialty Finance / Alternative Lending

4/17/18

Tala, a Kenya-focused fintech company providing uncollateralised loans, has raised $65m in Series C equity investment and debt financing to fund its newly launched global expansion.

The announcement, which takes Tala's total fundraising to $105m, comes three weeks after its main competitor, Branch International, announced a $70m Series B equity and debt funding round that took its total raised to $80m.

Tala, headquartered in Santa Monica, California, launched in Kenya in 2014 and last year expanded into the Philippines, Tanzania, Mexico and India. It uses mobile phone and behavioural data to provide loans ranging from $10 to $500 with the median being $100. Loans are usually approved within minutes and, where available, disbursed via mobile money platforms.

It has issued more than $300m via 6m loans to 1.3m people. Some 95 per cent of those who have taken out loans have done so more than once.

World Bank data indicate that more than 2bn people have extremely limited access to financial services. Analysts say that the rapid growth in smartphone use across the developing world has enabled companies like Tala and Branch to flourish.

Shivani Siroya, Tala's chief executive, said the new funds would be used to "focus on growth in our current markets".

"We aim to provide an entire financial life to our customers and prove we are trusting them and it's a two-way street," she told the Financial Times, adding: "This year will be the year when Tala customers will get further products [beyond loans]."

Tala's latest funding round comprised $50m in equity investment led by Revolution Growth and existing investors, including IVP, Data Collective, Lowercase Capital, Ribbit Capital, and Female Founders Fund. The $15m in debt was provided by institutional investors.

Branch, which is also based in California and began operations in 2015 in Kenya, has adopted a similar model. It also has operations in Tanzania and Nigeria and intends to launch in India this year. It said it has more than 1m unique borrowers but refused to give further specifics of its business to date, other than that its loans range in value from $2.50 to $700. It said it issues "tens of thousands of loans" every day.

Its funding round was led by Trinity Ventures. Other participants included Victory Park, International Finance Corporation, Andreessen Horowitz and CreditEase Fintech Investment Fund.

Both companies have said they launched in Kenya because it has a high unbanked population and one of the most developed mobile money markets in the world. Mpesa, the world's first major mobile money platform, was launched in Kenya in 2007.

Ms Siroya said Tala chose to expand into India and Mexico because "if you look at the underserved population globally, India and Mexico are two of the largest markets".

"And if you look at the governments of these two countries there's a real push for access to finance," she said.

https://www.ft.com/content/c7fb73b0-4250-11e8-93cf-67ac3a6482fd

Kabbage to acquire Orchard

Specialty Finance / Alternative Lending

4/12/18

A Wall Street sign is seen near the New York Stock Exchange (NYSE) in New York, U.S., on Friday, Feb. 19, 2016. Stocks across the globe rallied on February 22, with the Standard & Poor\'s 500 Index extending gains following its best week of 2016, as oil and metals advanced.

Orchard Platform Markets LLC, a provider of lending data and services backed by the former heads of Citigroup Inc. and Morgan Stanley, is set to be acquired by small-business lending platform Kabbage Inc., said people familiar with the deal.

Kabbage plans to use Orchard's technology, and some of the employees are also expected to move to Kabbage's New York office, said the people, who asked not to be identified because the plans are private. It's unclear how much Kabbage will pay, and the transaction could still fall through. Kabbage and Orchard declined to comment.

New York-based Orchard was started in 2013 to provide Wall Street firms with data on the marketplace lending sector, which became popular after banks pared back loans following the financial crisis. Citi's Vikram Pandit and Morgan Stanley's John Mack, each intimately familiar with the consequences of bad loans on the American housing market, invested in Orchard, the company has said. Bloomberg LP offers some Orchard data to customers through the terminal.

A couple of years after its founding, Orchard expressed ambitions to become a trading platform for loan securities, but things didn't work out as planned. Large marketplaces like LendingClub Corp. were reluctant to give Orchard permission to trade their loans due to regulatory concerns. As the business wobbled, Orchard had been searching for a buyer in recent weeks, said one person familiar with the matter, who asked not to be identified because the discussions were private.

Kabbage focuses on small businesses and also licenses technology to banks, much like Orchard. SoftBank Group Corp. kicked $250 million into the Atlanta-based startup last August, bringing its total equity investment to more than $500 million, Kabbage has said.

Despite big-name backers, Orchard has raised far less capital. It has about $40 million, with funding from Spark Capital, Thrive Capital and other investors, and last raised financing in July. Orchard co-founders Matt Burton and David Snitkof are expected to join Kabbage, people familiar with the deal said.

https://www.bloomberg.com/news/articles/2018-04-12/kabbage-is-said-to-acquire-startup-backed-by-wall-street-titansg

DATA & ANALYTICS / IoT

Konux Completes $20M Series B Financing

Data & Analytics / IoT

4/19/18

Konux, a Munich, Germany-based IIoT startup, completed a $20m series B financing round.

The round was led by New Enterprise Associates (NEA), with participation from the MIG funds and all other existing financial investors.

The company intends to use the funds to accelerate product development and drive international market expansion

Led by CEO Andreas Kunze, Konux combines smart sensors and AI-based analytics to enable higher train punctuality and network capacity through predictive maintenance planning and an optimized utilization of railroads. The solution allows clients to continuously monitor their infrastructure, identify maintenance needs ahead of time, and improve operational efficiency.
The company aims to be active in more than half a dozen countries by the end of the year.

http://www.finsmes.com/2018/04/konux-completes-20m-series-b-financing.html

Government data startup Socrata finds a buyer in Tyler Technologies

Data & Analytics / IoT
4/18/18

Socrata, an 11-year-old Seattle company that helps government agencies better utilize and display data, has been acquired in a deal of undisclosed size by Plano, Texas-based Tyler Technologies.

Tyler Technologies is a public sector software company, with more than 15,000 local government clients that has an office in Renton, Wash. The deal makes it easier for Tyler's clients to make their data discoverable, the company said.

"With Socrata, we can help our clients make a real impact by enabling them to manage, share, and analyze their data more effectively," Tyler President Lynn Moore said in a statement. "We are especially excited about accelerating and advancing our long-term Connected Communities vision through the data sharing and analytical capabilities of the robust Socrata platform. Our combined offering will enable public sector leaders to use data to improve program outcomes at the local, county, and statewide levels."

Socrata today has 150 employees, brought in $25 million in revenue last year and ranked 43rd on the GeekWire 200 list of the top Pacific Northwest startups. Socrata's leadership and substantially all the company's employees are expected to join Tyler Technologies, and the company will maintain Socrata's Seattle office.

The deal is expected to close by April 30.

Founded in 2007 by Kevin Merritt, Socrata has raised approximately $55 million in three funding rounds. Its major backers include Frazier Technology Ventures, Morgenthaler Ventures, OpenView Venture Partners and Sapphire Ventures.

Socrata started as blist and created web-based databases for small businesses. One of its early customers was the Obama campaign team, which used its platform to put campaign contribution data online. That led the company to look at its user base, and conclude that public data was its strong suit. There was a big market for cloud-based services that would save money for government organizations and help them become more transparent.

"Socrata's mission has always been to put data at the heart of every government program and help customers use that data effectively to improve program outcomes," Merritt said in a statement. "Whether it's open data, internal data-as-a-service, or building out the digital ecosystem that connects government programs, being part of Tyler allows us to deliver on our mission more rapidly and on a much larger scale. We've built the engine for data insights, and now Tyler's more than 15,000 clients will provide the fuel."

Socrata initially marketed itself to governments at various levels and sizes. But in recent years, Socrata narrowed its emphasis to what Merritt called the "Government 500," including federal agencies and some of the biggest cities and counties.

https://www.geekwire.com/2018/government-data-startup-socrata-finds-buyer-tyler-technologies/

HCL Technologies and Sumeru Equity Partners to acquire Actian Corporation

Data & Analytics / IoT

4/12/18

HCL Technologies (HCL) and Sumeru Equity Partners (SEP), a technology and growth-focused private equity firm, have signed a definitive agreement to acquire Actian Corporation. The all-cash deal is valued at US$330 million. HCL will own 80 percent while SEP will own approximately 20 percent of the JV entity which in turn will own 100% shareholding of Actian Corporation.

Palo Alto-based Actian – a leader in hybrid data management, cloud integration, and analytics solutions – powers insight-driven enterprises around the globe to help them solve the toughest data challenges. It owns market-leading products such as Actian Vector, the world's fastest columnar database; Actian DataConnect, a hybrid cloud data integration platform; and Actian X, a hybrid database for next generation operational analytics. This acquisition will add cutting-edge intellectual property to HCL's capabilities to enable global enterprises' digital transformation journey.

Commenting on the acquisition, C Vijayakumar, President and CEO, HCL Technologies, said, "Actian will play a critical role in enhancing HCL's Mode 3 offerings in data management products and platforms. Actian's products when combined with HCL's Mode 2 solution offerings like Cloud Native, Digital and Analytics, and DRYICE™, will be a powerful proposition to harness the power of hybrid data."

He further added, "Recent customer wins by Actian validate the potential of its offerings to help customers extract maximum business value out of data. I am delighted to welcome Actian's employees, partners, and customers to the HCL Technologies ecosystem."

George Kadifa, SEP Managing Director, said: "We see an attractive market growth opportunity for data-centric companies, which is why SEP chose to partner with HCL Technologies in acquiring Actian – a company that leads with product innovation and a customer-focused approach. Actian and HCL's shared vision, expertise, and global reach will enable businesses to fully realize the value of their hybrid data. We look forward to collaborating with the leadership of Actian and HCL on this growth journey to empower enterprise and public sector organizations for the next phase of their digital transformation."

Actian will continue to operate as a separate entity within the HCL Technologies ecosystem, led by current CEO and President, Rohit De Souza. "The age of hybrid data and its management is upon us, and Actian is at the forefront. The most successful business leaders today recognize data as their most valuable asset and strive to leverage it at the speed of their business, no matter where it resides," De Souza said. "The combined force of HCL's next-generation products, platforms, and services; SEP's experience in scaling enterprise software businesses; and Actian's tradition of innovation in data management, data analytics, and integration technologies will enable customers to tap into the disruptive potential of their data and deliver tangible business results."

"After working over the last decade to scale up Actian into one of the leading hybrid data management platforms, we're pleased that the Company is being acquired by HCL and SEP to take it to the next level of growth and continue to service and expand our worldwide customer base," said Terence J. Garnett, co-founder and Managing Director, Garnett Helfrich Capital, which is currently the majority owner of Actian Corporation.

HCL Technologies as the majority stakeholder of this strategic acquisition will have majority representation on the Actian board of directors, and SEP managing directors George Kadifa and Sanjeet Mitra will also join the board at closing.

https://www.actian.com/company/news-and-events/press-releases/hcl-technologies-and-sumeru-equity-partners-acquire-actian-corporation/

CoreLogic Acquires a la mode technologies, LLC

Data & Analytics / IoT

4/12/18

CoreLogic® (NYSE: CLGX), a leading global property information, analytics and data-enabled services provider, today announced the completion of the Company's acquisition of a la mode technologies, LLC (a la mode). a la mode provides subscription based software solutions to more than 40,000 appraiser professionals across the United States. The software solutions provided by a la mode facilitate the aggregation of data, imagery and photographs in a GSE compliant format for the completion of U.S. residential appraisals. a la mode, founded in 1985, is headquartered in Oklahoma City.

"The acquisition of a la mode is an important next step in the development and scaling of our end-to-end valuation solutions workflow suite which includes data and market insights, analytics as well as data-enabled services and platforms," said Frank Martell, CoreLogic president and CEO. "a la mode tools and solutions help to make our professional appraiser community more productive and efficient. The addition of a la mode to our existing workflow and technology offerings also provides CoreLogic with a seamless digital platform for ordering, preparing, quality assuring and delivering property valuations and allows us to expand the connectivity between a number of the major constituencies in the mortgage underwriting ecosystem."

The acquisition of all of the equity of a la mode is expected to be modestly accretive to CoreLogic's 2018 revenue and adjusted EBITDA, excluding certain purchase accounting adjustments and one-time integration-related costs.

https://www.corelogic.com/news/corelogic-acquires-a-la-mode-technologies-llc.aspx

FTSE Russell acquires minority interests to assume 100% ownership of FTSE TMX Global Debt Capital Markets Limited

Data & Analytics / IoT

4/12/18

FTSE Russell, the global index, data and analytics provider, today announces that it has completed the purchase from TMX Group Limited ("TMX") and MTS S.p.A ("MTS") of their respective minority shareholdings in FTSE TMX Global Debt Capital Markets Limited ("FTSE TMX"). The minority shareholdings amount to an aggregate c.27% stake in the joint venture, which was originally established between FTSE and TMX in 2013. As a result, FTSE Russell will assume 100% ownership of FTSE TMX. The acquisition of the minority interests has been made through FTSE International Limited, a wholly owned subsidiary of London Stock Exchange Group. The terms of the transaction have not been disclosed.

The acquisition will support the growth of FTSE Russell's core index and analytics offering, complementing the acquisition last year of The Yield Book and Citi Fixed Income Indexes and of the data provider, Mergent Inc. It will also enable FTSE Russell to further develop its Canadian fixed income index capabilities through continued investment in enhanced local market products, such as the Universe Bond Index family, and increased operational efficiencies via a global, streamlined product offering for analytics.

FTSE Russell is the most diverse of the leading global index providers, in product terms, and operates a number of equity and fixed income indexes. In fixed income, these cover government, agency, corporate, securitised, emerging markets and high yield debt securities in all major global markets including the widely followed World Government Bond Index (WGBI). Approximately $3 trillion of assets are currently benchmarked to FTSE Russell's fixed income indexes. FTSE Russell is also well positioned to benefit from the strong underlying market trends including the growing demand for multi-asset solutions across a broader range of investment vehicles.

http://www.mondovisione.com/media-and-resources/news/ftse-russell-acquires-minority-interests-to-assume-100-ownership-of-ftse-tmx-gl/

OTHERS

A16Z and Founders Fund sink $28M into IRL asset blockchain Harbor

Others

4/17/18

Harbor helps businesses legally issue cryptocurrency tokens that represent ownership of real-world assets like real estate, fine art, company equity, and investment funds. This "tokenization" might sound boring, but it could be a big business that unlocks trading of illiquid property.

Harbor's intention to become a fundamental bridge between the offline and crypto economies has attracted a $28 million strategic round led by Founders Fund and joined by Andreessen Horowitz, Pantera Capital, and more. Following its $10 million Series A in February, Harbor has now raised over $40 million to dissolve the legal barriers to private securities tokenization.

"We think there's going be a far greater appetite for owning real-world assets using the blockchain" than digital only cryptocurrencies, Harbor CEO Joshua Stein tells me. He expects it be like the impact "email had on snail mail", but with value instead of content being sent back and forth. Once someone like Harbor handles the technical necessities to make transfers instant, free, and secure, people will exchange a lot more frequently.

Here's how Harbor works. Clients pay it in cash to make their tokenization of an IRL private security legal. Traditional trading of these assets can be complicated and expensive given there are often financial regulations or licensing requirements restricting who can buy and sell them. For example, foreigners or unaccredited investors without enough net worth aren't allowed to own certain securities. The lawyers to handle these sales can be expensive, and the process can take weeks.

Normally, businesses have to be very careful about who they let buy these securities because they're liable for a 20-year criminal sentence if they violate SEC law. With Harbor, a white list of eligible owners is established by an outside law firm that takes responsibility, and Harbor's smart contracts refuse to process an illegal sale. Harbor effectively bakes securities law compliance like know-your-customer and anti-fraud/money-laundering into the tokens themselves so trades can happen instantaneously without legal assistance on every sale.

Harbor is hoping to launch this Regulated Token (R-Token) system with its first client this summer. The tokens are ERC-20 compatible so they can be sold on lots of cryptocurrency exchanges and stored in popular wallets. Stein stresses that investors will have to trust the underlying securities they're buying. But they'll get more trust in who owns something through blockchain transparency rather than some signed contract locked in a desk or vault somewhere. And they won't have to trust who they're selling to since the smart contracts only execute the trade if its legal.

The idea of making the way hugely valuable assets trade faster, easier, and cheaper led Harbor's latest round to be oversubscribed. That's even though it only came out of stealth two months ago from Craft Ventures, the fund and incubator run by PayPal mafioso David Sacks who sold Yammer to Microsoft.

Craft Ventures, Vy Capital and Valor Equity Partners joined this that included other new investors like Future Perfect Ventures, 1confirmation, Abstract Ventures, and Signia Venture Partners. Nicolas Berggruen of Berggruen Holdings, Napoleon Ta of Founders Fund, and Kyle Samani and Tushar Jain of Multicoin Capital also put in their personal money. Sacks knew Ta, which set up Founders Fund to lead the round. Meanwhile, Stein says Harbor wanted to team up with Andreessen Horowitz partner and crypto thought leader Chris Dixon.

Harbor will have to compete with the other blockchain-for-securities startups like Polymath, which runs decentralized and trustless infrastrucutre to the point that a source tells me you have to hope strangers want their deposit back enough not to screw you on legal compliance, and tZERO, which is building its own full-stack compliance system. Harbor's reliance on outside legal firms to build the smart contract white lists makes it more akin to a traditional financial player.

Harbor could make a lucrative business out of letting clients sell American securities to the Chinese market, which has shown a strong interest in crypto assets. Stein talks about "a crypto nirvana of a trustless environment" like a true Bitcoin bro. But his new A-list investors show Harbor is no pump-and-dump.

https://techcrunch.com/2018/04/17/harbor-securities-tokenization/

Scality Receives $60 Million in New Funding, Bringing Total to Date to $152 Million

Others
4/17/18

Scality, leader in software for distributed file and object storage and multi-cloud data control, today announced that it closed an additional $60 million round of funding to continue executing on its technology innovation strategy as it makes multi-cloud real for its customers.

Since its last round of funding in 2015, Scality has made significant advances in technology and won numerous awards and accolades from analysts, industry groups and channel organizations for its Scality RING Software-Defined Storage, including a leadership position in the famous Gartner Magic Quadrant. As the largest independent vendor in its space, Scality continues to add new logos as quickly as it expands its footprint with existing ones; now counting more than 200 customers, all with storage footprints measured in petabytes. This latest funding round includes participation from all existing investors, Scality staff, and a new investor, Harbert European Growth Capital.

The financing was arranged by Silverpeak, a leading Europe-based technology-focused independent investment bank. This round brings the company's total funding to date to $152 million. Scality will use the new infusion to accelerate its bold investment in engineering to innovate in ways that transform IT and simplify the path to creating value with data.

"Scality has a history of industry firsts: first to offer an S3 interface in 2010; first with native scale-out file system interfaces in 2013; first to adopt Docker in 2015; and first to introduce multi-cloud data control with Zenko in 2017," said Jerome Lecat, CEO of Scality. "We are very proud that our customers are delighted by the reliability, performance and cost-effectiveness of our solutions, and at the same time, they praise us for our forward thinking. The Fourth Industrial Revolution is a real force, challenging every company in its business model, and challenging every IT department. We help our customers be ready. Technology is not the goal; innovation is what allows us to deliver what seemed impossible: freedom and control at the same time. Thanks to Scality, enterprises and service providers can avoid hardware lock-in and cloud lock-in; while accommodating massive amounts of data growth and extract value from data."

Simplifying multi-cloud is critical to successful Enterprise IT today. Scality's breakthroughs in multi-cloud technology over the past year are both revolutionary and evolutionary, as the company's cloud DNA runs deep. Scality is a core component of cloud services across industries and use cases for businesses that are leveraging–or are planning to leverage–cloud, including financial services, manufacturing and other Global 2000, Media and Entertainment and medical institutions. The company counts among its customers leaders in their fields around the world, including Rackspace, Orange, KDDI, DMM.com, Telstra, Bloomberg Media, Dailymotion, Lancaster General Health (Penn Medicine), Poole Hospital NHS Foundation Trust, Banque Natixis, SNCF and more. Making Enterprise IT easier with flexible file and object interfaces, including industry-standard S3, and solid integration with top applications across use cases, Scality has successful customers using Veeam, Commvault, Oracle RMAN and IBM Spectrum Protect for backup; Broadpeak, Aspera, and Vizrt for M&E content distribution; and Philips, McKesson and Carestream for medical imaging–and more across other applications and use cases.

“Scality’s leadership is apparent, not only through what we hear from Jerome Lecat and his team, but also through what the analysts are writing, and, most importantly, through what the company’s customers and partners are saying,” said Doug Carlisle, Partner Emeritus at Menlo Ventures. “It’s exciting to see them grow and innovate, anticipating the truly important trends that incorporate real needs, like multi-cloud control and open source code. Scality has built a solid reputation as a leader, and they continue to prove their vision.”

“We are delighted to be able to support Scality’s growth plans as part of this round,” said, Johan Kampe, Senior Managing Director at Harbert European Growth Capital.

https://www.scality.com/about-us/press/scality-receives-60-million-in-new-funding-bringing-total-to-date-to-152-million/