Evolve
Capital Partners

Weekly Deals Update

Week Ending 05/04/18

SPECIALIZED INVESTMENT BANKERS AT THE INTERSECTION OF FINANCE AND TECHNOLOGY

Key Deals

M&A

Date	Target	Acquirer(s)	Sector	Amount ($mm)
5/3/18	ARMANTA an IBM Company	IBM	Data &Analytics / IoT	NA
5/1/18	SCIO health analytics Once We Understand; Change Results.	EXL	Healthcare Tech	$240
5/1/18	ACCOMPANY	CISCO	Financial Management Solutions	NA
4/23/18	VIEWPOINT	Trimble	Financial Management Solutions	$1200

Financing

Date	Target	Lead Investor	Sector	Amount ($mm)
4/26/18	CERIDIAN	Pubic Investment	Financial Management Solutions	$462
4/26/18	DocuSign	Public Investment	Financial Management Solutions	$630

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.

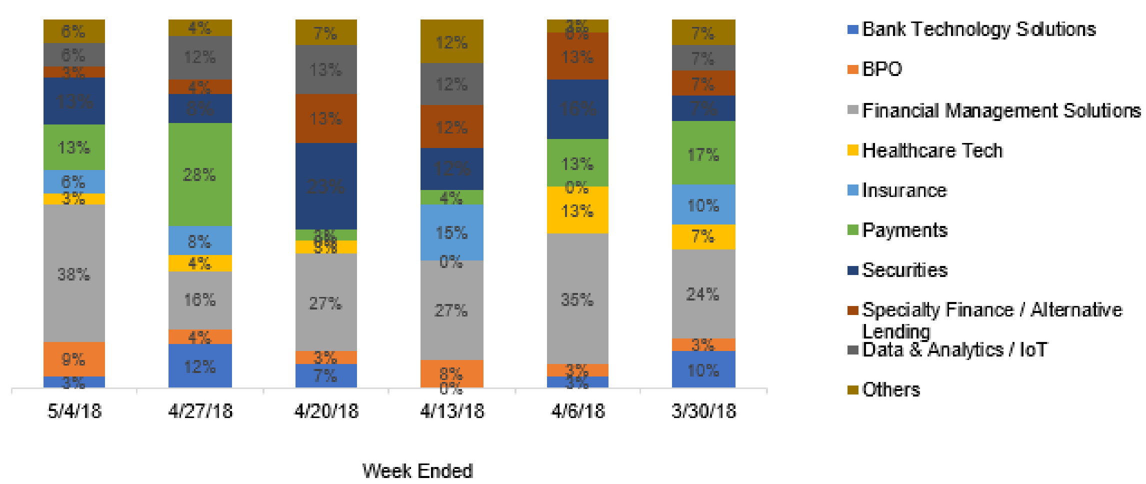
Sectors we cover at the intersection of finance and technology include:

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

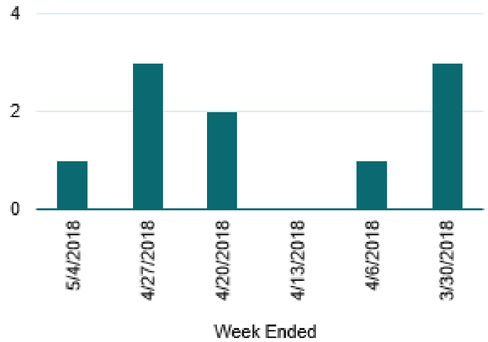
Deals Count

Sector	Number of Deals	% of Total
Bank Technology Solutions	1	3%
BPO	3	9%
Financial Management Solutions	12	35%
Healthcare Tech	4	12%
Insurance	2	6%
Payments	4	12%
Securities	4	12%
Specialty Finance / Alternative Lending	1	3%
Data & Analytics / IoT	2	6%
Others	1	3%
Total	**34**	**100%**

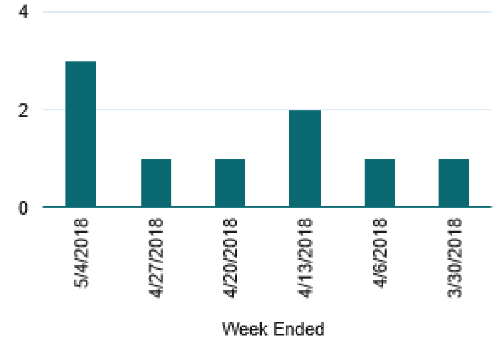
Sector-Wise Deals Breakdown



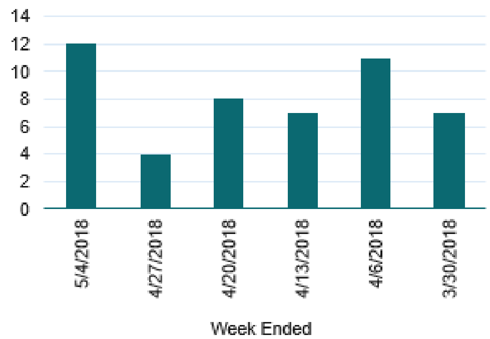
Bank Technology Solutions



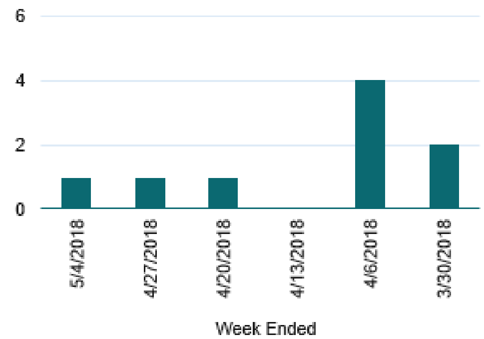
BPO



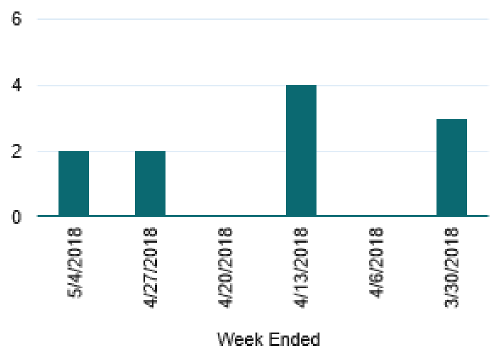
Financial Management Solutions



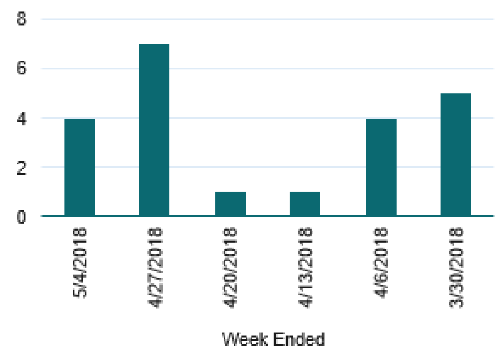
Healthcare Tech



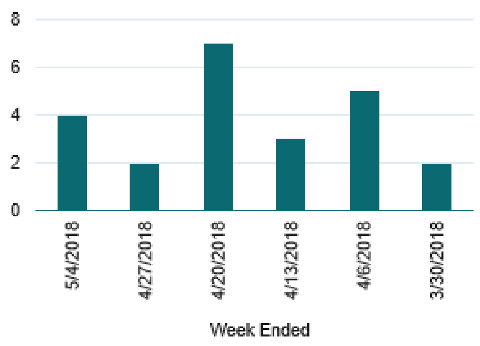
Insurance



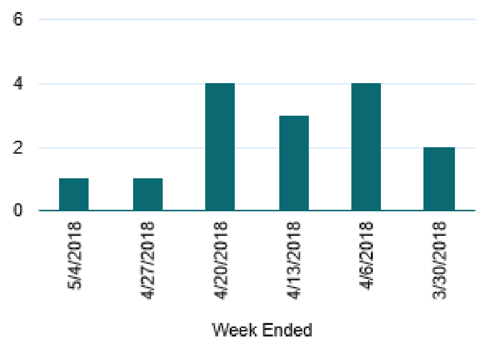
Payments



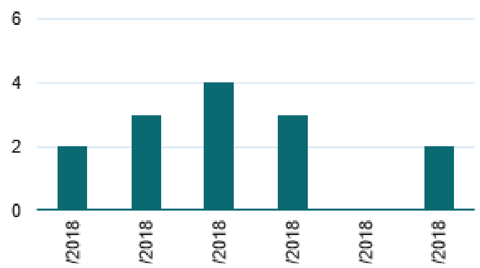
Securities



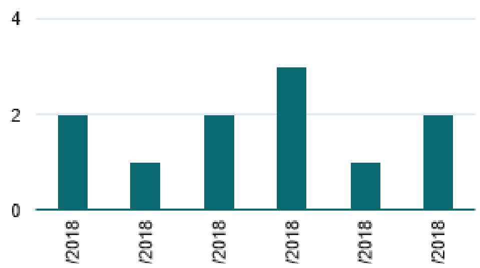
Speciality Finance / Alternative Lending



Data & Analytics / IoT



Others



BANK TECHNOLOGY SOLUTIONS

Banco Neon raised $22 million

Bank Technology Solutions

5/3/18

Banco Neon, a developer of a digital banking mobile application raised $22 million of Series A venture funding in a round led by Propel Venture Partners on May 3, 2018. Yellowwoods Capital Holdings, Monashees Capital, Quona Capital, Omidyar Network and Tera Capital also participated in the round.

The company intends to use the funds for product expansion, investment in technology and innovation on customer experience. As part of the investment agreement, Neon Pagamentos SA transferred its controlling interest to a holding company in the United Kingdom.

Source: Pitchbook; DealID: 105315-67T

BPO

Cognizant buys Belgium-based Hedera Consulting

BPO

5/3/18

Nasdaq-listed IT services major Cognizant has acquired Belgium-based business advisory and data analytics services firm Hedera Consulting for an undisclosed amount.

The acquisition will help Cognizant expand its consulting, business insight and digital transformation capabilities for clients in Belgium and the Netherlands, the IT firm said in a statement. Hedera Consulting is now part of the Cognizant Consulting business unit, it added.

Hedera Consulting, which was founded in 2009, specialises in growth strategy, digitisation, innovation and commercial excellence for clients across various sectors including financial services and utilities. It had added the analytics and data businesses in 2015.

"In the Belgian and Dutch markets, companies are re-designing their business and IT operating models for the digital era," said Santosh Thomas, president, global growth markets, Cognizant.

"Hedera Consulting expands our ability to help these European clients create agile and digitally transformed enterprises that can act and react to the oceans of data for deeper customer insight, new product development, and to innovate and exploit new business opportunities," he added.

Cognizant, which has significant operations in India, has been on an acquisition spree in the past years.

Early this year in March, it said it will acquire US-based Bolder Healthcare Solutions for an undisclosed amount.

In June 2017, it had agreed to acquire Health Care Service Corporation's subsidiary TMG Health for an undisclosed amount. Cognizant said the acquisition will strengthen its business process-as-a-service offering for the government and public health programme markets.

Some of its other acquisitions of 2017 include London-based full-service digital agency Zone and Zurich-based digital marketing firm Netcentric.

https://www.vccircle.com/cognizant-buys-belgium-based-hedera-consulting/

Accenture acquires Oracle cloud services consultant Certus Solutions

BPO

5/2/18

Accenture acquires Certus Solutions for Oracle cloud services consulting expertise. Numerous Oracle partners have been acquired in recent months amid enterprise software consolidation & shifts to OpEx projects.

In the latest M&A deal involving Oracle consulting partners, Accenture has acquired Certus Solutions for an undisclosed sum.

Under the deal, Certus will become part of Accenture's Oracle practice, the company said. Certus is one of the UK's top Oracle Cloud implementation service providers, with its main focus on the government and health and public services industries, the companies say. It also boasts clients in financial services, logistics, and telecommunications.

The two companies have a history together. They previously partnered on one of the largest Oracle Cloud implementations for a UK government department. "As the number of organizations looking to move to the cloud grows, the acquisition of Certus Solutions will enable Accenture to broaden its Oracle Cloud services and support for clients," the company said.

"Accenture is at the forefront of positive transformational change, but what's truly exciting is what Certus Solutions can add that will benefit our clients. There is a tremendous opportunity to do some great work and we're looking forward to taking that on together," said Mark Sweeny, founder, and CEO of Certus Solutions. "We have gone from being one of the first Oracle Cloud Partners to become one of the most successful, and a big reason for that is the quality of our people. This is a market that needs specialists with broad experience, which is rare in this highly demanding and competitive market."

There was no word on how Certus employees might be affected by the deal. According to the company's LinkedIn profile, at the time of the deal 81 people work for Certus.

https://www.channele2e.com/news/accenture-acquires-oracle-cloud-services-partner-certus-solutions/

H.I.G. to acquire Conduent's U.S. HR consulting and actuarial business

BPO

4/30/18

Conduent Incorporated (NYSE: CNDT) today announced it has entered into a binding agreement to sell its U.S. based human resource consulting and actuarial business. The deal also includes human resource consulting and outsourcing businesses located in Canada and the U.K. This business, formerly known as Buck Consultants, is being sold to H.I.G. Capital, a global private equity investment firm.

These businesses, which represent approximately $278 million of the company's 2017 revenue, are part of the previously announced Conduent plan to divest up to $500 million in revenue in 2018 associated with non-core assets across the company.

In the transaction, Conduent will retain certain assets in line with its core technology platform business, including Human Resources Outsourcing (HRO), Total Benefits Outsourcing (TBO), BenefitWallet® and RightOpt®.

"With this divestiture, our Human Resource Services business is now built around a diverse set of services supported by a portfolio of digital business platforms," said Christine Landry, group chief executive, Conduent, Consumer & Industrials. "Together with our recent leadership hires and platform improvements, we are well positioned to help our clients modernize their HR processes, create seamless experiences for their employees and accelerate our growth in HR services."

The transaction, which is subject to certain regulatory approval and customary closing conditions, is expected to close in the third quarter of 2018.

Citigroup Global Markets Inc. is serving as exclusive financial advisor and Cravath Swaine & Moore LLP is serving as legal counsel to Conduent.

Showcasing its commitment, Conduent recently announced the appointment of Tracy Amabile to lead Conduent Human Resource Services.

https://www.pehub.com/2018/04/h-g-acquire-conduents-u-s-hr-consulting-actuarial-business/

FINANCIAL MANAGEMENT SOLUTIONS

Soft Robotics raises $20 million to expand operations

Financial Management Solutions

5/3/18

Massachusetts-based Soft Robotics announced this week that it's raised $20 million in funding, courtesy of Scale Venture Partners, Calibrate Ventures, Honeywell Ventures and Tekfen Ventures, along with existing investors like robotics giant, ABB. The round follows a $5 million Series A the company closed back in late-2015.

The investment interest is pretty clear on this one. Picking and placing is the de rigueur industrial robotics challenge at the moment, and the company's soft, air-filled hands offer a novel approach to the issue. The rubbery materials that comprise the company's robotic grippers make them much more compliant and therefore more capable of picking up a variety of objects with minimal pre-programming and on-board vision systems.

Thus far, Soft has primarily found a spot for itself in the food industry, serving factories with delicate products like produce and pizza dough. It's also been adopted by Just Born Quality Confections, the people who bring you Peeps.

According to the company, the new round will help push Soft even further into the food and beverage categories, along with a larger presence in retail and logistics. The involvement of Honeywell and Yamaha's investment wings could also signal interest from those companies' own warehouses. With the right air pressure applied, the system should be strong enough to pick up more solid objects.

Warehouse fulfillment has become increasingly strained in recent years, due to expectations from companies like Amazon, opening a space for robotics companies to address fast-paced but repetitive jobs like moving product onto and off of conveyor belts. Late last month, Soft showed off a low-cost, AI-driven warehouse system designed to retrieve products from bins to sort and fulfill retail orders with little oversight from its human counterparts.

https://techcrunch.com/2018/05/02/soft-robotics-raises-20-million-to-expand-operations/

Trimble aims to buy Viewpoint for $1.2 billion

Financial Management Solutions

5/3/18

Viewpoint's office, located in Portland, Oreg. Viewpoint will be keeping its office and its 700-person staff as part of the merger. (Photo courtesy of Mike Rogoway and The Oregonian.)
Tech company Trimble recently acquired Viewpoint Construction Software in a bid to offer "end-to-end" construction solutions to its customers.

Viewpoint is best known for its software as a service construction management software, which allows construction companies to communicate effectively and streamline different departments across the timeline of a project. The goal is to allow construction companies to use only one software across their field of operations, tracking spending, planning and payroll. The company has approximately 8,000 customers worldwide, including almost half of ENR's Top 400 Contractors list.

Trimble acquired the smaller company in a $1.2 billion cash deal. The deal is expected to go through in the year's third quarter, and Trimble management expects it to bring in approximately $200 million in additional revenue in 2018 alone.

According to Trimble's management, the move is meant to complement the company's February acquisition of fellow construction management company e-Builder. While e-Builder is popular among owners and managers, Viewpoint focuses on management for contractors and subcontractors. Trimble leadership hopes that the companies' different capabilities will allow them to offer more transparency across the project. In his statement on the subject, Trimble CEO Steven W. Berglund said that the two acquisitions "are strategically significant and position us to play a unique and central market role in providing comprehensive enterprise and project solutions."

https://www.engineering.com/BIM/ArticleID/16866/Trimble-Aims-to-Buy-Viewpoint-for-12-Billion.aspx

Passage AI secures $7.3 million in Series A funding led by Blumberg Capital

Financial Management Solutions

5/2/18

Passage AI, a pioneer in AI-powered conversational interfaces, today announced a $7.3 million Series A round of financing, led by Blumberg Capital.

Founded in 2016 by three Silicon Valley veterans with an extensive background in deep learning and artificial intelligence, Passage AI is at the forefront of bringing AI-powered conversational interfaces into the retail, telecommunications, automotive and education industries. The latest investment brings Passage AI's total funding to $10.3 million and will help the company aggressively expand into these industries and international markets. Bruce Taragin, managing director at Blumberg Capital, will join Passage AI's Board of Directors.

"Passage AI's offering is well-timed with the rapidly increasing demand for AI-driven solutions that reduce costs, improve employee engagement and deliver superior customer service," said Taragin. "The market demand has resulted in Passage AI being one of the fastest growing early-stage SaaS companies we've ever seen. Additionally, the accuracy and ease of use of Passage AI has captured attention -- and dollars -- from blue chip G2000 companies. We are excited to work with Passage AI to fuel continued growth in the conversational AI sector."

Companies from all industries are evaluating how to improve their business operations through the use of AI technologies. Research and Markets estimates the virtual digital assistant market will exceed $15 billion by 2021.

With Passage AI, companies can address a variety of use cases, automating routine and often mundane tasks and providing instantaneous responses to common questions. Passage AI's award-winning conversational AI platform has demonstrated 95 percent or higher accuracy in field tests. The company was named a 2018 TiE50 award winner, surpassed $1 million in ARR and counts some of the largest companies in the world as its customers.

"This partnership with Blumberg Capital means we can continue to accelerate our goal of becoming the leader in conversational AI," said Ravi N. Raj, CEO and co-founder of Passage AI. "We are focused on bringing highly useful, accurate and easy-to-deploy chatbots to organizations everywhere. With this additional funding, we can continue hiring talented employees and rapidly growing our customer base both in the U.S. and internationally."

Passage AI has created a bot-building tool that utilizes AI and natural language processing technologies, requires no coding and can be deployed anywhere in as little as two weeks. Its sophisticated deep learning model enables Passage AI bots to more readily understand a user, regardless of how they express themselves.

Passage AI understands natural language text and speech, creating an intelligent conversational interface capable of better identifying intents, extracting the most useful, pertinent and timely information, understanding and responding to queries and searching through vast amounts of data.

https://www.prnewswire.com/news-releases/passage-ai-secures-7-3-million-in-series-a-funding-led-by-blumberg-capital-300640696.html

Amenify acquires Mobile Butler

Financial Management Solutions

5/1/18

Mobile Butler, a software company that builds custom applications for resident engagement in multifamily communities, was acquired by Amenify, a real estate technology company based in San Francisco with offices in Denver.

Per Mobile Butler's website, the company focuses on customized portals for rent payment, maintenance requests, bill payment, and manager communication. In a prepared statement, Jordan Wright, co-founder and CEO of Mobile Butler said, "We couldn't be happier about the acquisition of Mobile Butler by Amenify. They're an incredible company that is disrupting an industry we've had our eye on for years. We believe in Everett's vision and were impressed with the strong growth the Amenify team has achieved thus far. We're very excited about the future of Amenify and hope that Mobile Butler can help take the company even further."

Neither Amenify nor Mobile Butler would comment on the terms of the deal, but Amenify founder and CEO, Everett Lynn provided a statement: "We recently passed 25 active markets and needed a technology that could scale with thousands of properties in a national portfolio. The Mobile Butler team built a great product, which complements Amenify's white-label technology. This allows our team to continue focusing on a network of trusted providers, as the next generation of real estate will revolve around experiences."

Amenify is a technology platform focused on amenity services for multifamily portfolios. By plugging into existing software, Amenify is able to seamlessly connect resident demand with trusted local businesses. The core services for Amenify are fitness, pet care, cleaning, massage therapy, social events, and ridesharing services.

https://www.prnewswire.com/news-releases/amenify-acquires-mobile-butler-300640664.html

Cisco buys Accompany for $270 million, puts CEO in charge of collaboration as Trollope leaves

Financial Management Solutions

5/1/18

Cisco said it will acquire Accompany, an AI-based startup focused on sales relationships, $270 million in cash and put the company's CEO in charge of its collaboration group.

Accompany CEO Amy Chang will now be in charge of Cisco's collaboration portfolio that includes Spark and WebEx--two products that are being combined.

Cisco added that Rowan Trollope, general manager of the company's collaboration group, will leave to become a CEO at another company May 3.

The move is notable since Accompany sounds more like Salesforce and sales automation than collaboration. Cisco's bet is that Chang can put artificial intelligence front and center in its collaboration tools.

Chang's mission will be to add user and customer profile data to Webex meetings.

Chuck Robbins, Cisco CEO, said machine learning and AI provides a "a tremendous opportunity" for collaboration.

https://www.zdnet.com/article/cisco-buys-accompany-for-270-million-puts-ceo-in-charge-of-collaboration-as-trollope-leaves/

MindBridge Ai raises $8.4 million in Series A financing

Financial Management Solutions

5/1/18

MindBridge Analytics Inc. announced today that it has raised $8.4M in its Series A Financing. The round was led by Real Ventures of Montreal and includes participation from Reciprocal Ventures out of New York, National Bank of Canada, The Group Investment from Toronto and 8VC of San Francisco.

Since releasing its flagship Ai Auditor™ for availability in March 2017, MindBridge Ai has signed over 125 customers in 6 countries and doubled the size of its workforce.

This round follows on the heels of MindBridge Ai closing its Seed Round in June 2017, bringing in a total of $15M in financing to-date, including non-dilutive funding.

“Through discussions with customers, regulatory bodies and the investment community, it is evident that MindBridge’s AI platform is solving real problems across multiple sectors,” says Eli Fathi, CEO “This new round of financing will be deployed to accelerate the scale-up of MindBridge’s operations, further increasing its market leadership position.”

MindBridge offers an extensible AI platform that automates the ingestion and analysis of data and learns from user interaction, incorporating a hybrid of machine learning and artificial intelligence algorithms. A ‘risk score’ is generated across the entire dataset and results are presented through an intuitive user interface that increases effectiveness of the analysis. The MindBridge Ai platform is in use with customers worldwide highlighting insights for users in CPA firms, enterprises, governments and regulators.

MindBridge Ai has taken a broader leading position to promote the role of AI in Canada. On May 24th, MindBridge is hosting the IMPACT AI Conference in Ottawa that will feature senior leaders from public, private and academic organizations who will take the stage to discuss the transformational effect of AI on the economy and society.

https://globenewswire.com/news-release/2018/05/01/1494210/0/en/MindBridge-Ai-Raises-8-4-Million-in-Series-A-Financing.html

Humu raises $30 million in IVP-led deal

Financial Management Solutions

5/1/18

Humu said it raised $30 million of Series B capital in a round led by Institutional Venture Partners.

As part of the deal IVP's Somesh Dash will join the board.

Humu is a behavioral-change software company founded by former Google employees Laszlo Bock and Wayne Crosby. Index Ventures is a previous investor.

https://www.pehub.com/2018/05/humu-raises-30-mln-ivp-led-deal/

DocuSign raises $629 million after pricing IPO

Financial Management Solutions

4/27/18

DocuSign priced its IPO Thursday evening at $29 per share, netting the company $629 million.

It was a better price than the e-signature company had been expecting. The initially proposed price range was $24 to $26 and then that was raised to $26 to $28.

The price gives the company a valuation of $4.4 billion on the eve of its public debut, above the $3 billion the company had raised for its last private round.

The IPO has been a long-time coming. Founded in 2003, DocuSign had raised over $500 million over the course of 15 years.

The company brought in $518.5 million in revenue for its fiscal year ending in 2018. This is up from $381.5 million last year and $250.5 million the year before. Losses for this year were $52.3 million, down from $115.4 million last year and, $122.6 million for 2016.

“We have a history of operating losses and may not achieve or sustain profitability in the future,” the company warned in the requisite “risk factors” section of the prospectus.

The filing reveals that Sigma Partners is the largest shareholder, owning 12.9% of the company. Ignition Partners owns 11.7% and Frazier Technology Ventures owns 7.2%.

DocuSign, competes HelloSign and Adobe Sign, among others, but has managed to sign up many of the largest enterprises. T-Mobile, Salesforce, Morgan Stanley and Bank of America are amongst its clients. It has a tiered business model, with companies paying more for added services.

HelloSign COO Whitney Bouck said that “this space is changing the way business is done at its foundation — we are finally realizing the future of digital business and exactly how much more profitable it can be by removing the friction caused by outdated technology and processes.” But she said that DocuSign should be wary of competitive “more nimble vendors that can provide more innovative, faster, and more user-friendly solutions at a cheaper price.”

DocuSign has gone through several management changes over the years. Dan Springer took over as CEO in early 2017, after running Responsys, which went public and then was later bought by Oracle for $1.5 billion. Chairman Keith Krach had been running the company since 2011. He was previously CEO of Ariba, which was acquired by SAP for $4.3 billion.

https://techcrunch.com/2018/04/26/docusign-raises-629-million-after-pricing-ipo/

Smartsheet raises $150 million in IPO

Financial Management Solutions

4/26/18

Smartsheet CEO Mark Mader kicks off the Smartsheet Engage conference in Bellevue, Wash. earlier this year.

UPDATE: Smartsheet stock popped on its public debut, opening at $18.40, a 22 percent rise over its offering price of $15.

Smartsheet raised $150 million in its initial public offering, setting shares above its expected range at $15, showing that Wall Street is excited to get a piece of the Bellevue, Wash. work management company.

Earlier this week, Smartsheet boosted the anticipated stock price range for its IPO to $12 to $14 per share, up from $10 to $12 per share. The Seattle-area company helps Fortune 500 customers manage and automate key work processes — including the ability of employees to collaborate on projects across sales, marketing, HR and other corporate functions — will debut on the New York Stock Exchange Friday morning under the ticker symbol SMAR. The company will sell 10 million shares of Class A stock.

Smartsheet is one of three Washington state companies to go public this week alone. Joining Smartsheet on the public markets on Friday will be digital signature company DocuSign. In its first day as a public company, Vancouver, Wash.-based semiconductor laser manufacturer nLight saw its stock soar 68 percent.

Smartsheet is growing fast, but it is unprofitable. The company, which claims more than 92,000 customers, reported revenue for the period ending Jan. 31, 2018 of $111 million. For that same period, the company lost $49.1 million, and to date has accumulated a deficit of $106.6 million, writing in its IPO filing that it expects losses to continue for the "foreseeable future" as it invests in marketing, R&D and other corporate expenses.

Smartsheet employs 847 people — up from 463 in January 2017 — across three offices in Seattle, Boston, and Edinburgh, where Smartsheet planted a flag after making its first acquisition ever this past January, swooping up chatbot startup Converse.AI. Started in 2005 by former Onyx CEO Brent Frei, Smartsheet has raised more than $120 million to date; its most recent funding round was a $52 million investment last year led by Insight Venture Partners that valued the company at $852 million. Smartsheet's backers include Insight Ventures, which holds a 32 percent stake, and Madrona Venture Group, which holds a 28 percent stake. Frei retains an 8.8 percent stake, while CEO Mark Mader holds 2.3 percent.

https://www.geekwire.com/2018/smartsheet-raises-150m-ipo-setting-stock-price-15-share-expected-range/

Rocketrip raises $15 million to reward cost-saving employees

Financial Management Solutions

4/25/18

If your company lets you expense the nicest hotel when you travel, why wouldn't you?

But what if you got to split the savings with your employer by selecting a less expensive hotel?

A New York-based startup called Rocketrip believes most employees will opt to save companies money if they are incentivized to do so. It's built an enterprise platform that rewards employees with gift cards if they go under budget on travel and transportation.

After five years of signing up business clients like Twitter and Pandora, Rocketrip is raising $15 million in Series C funding led by GV (Google Ventures) to keep expanding. Existing investors Bessemer Venture Partners and Canaan Partners are also in the round.

Inspired by Google's internal travel system, Rocketrip CEO Dan Ruch calls his solution a "behavioral change platform." Employees "always optimize for self-preservation, self-interest," and are likely to book a cheaper flight if it means a gift card at a place like Amazon, Bloomingdale's or Home Depot, Ruch claims. He said that the average business trip booked by Rocketrip saves companies $208.

Ruch believes that Rocketrip has built a currency that motivates teams. He says some employees even gift Rocketrip points to congratulate colleagues on birthdays and promotions.

When it comes to enterprise platforms, Rocketrip is "one of those unique situations where everyone is really excited to use it," said Canaan Partners' Michael Gilroy, who holds a board seat.

Yet Rocketrip is not the only startup looking to help employees make money by cutting on costs. TripActions and TravelBank have also created similar businesses.

Gilroy insists that "Rocketrip was first" and that he views the others a "validation of the model."

Rocketrip hopes to someday expand beyond travel to incentivize healthcare choices, like quitting smoking. It also thinks companies will use Rocketrip points to reward employees for community service. "Any time we can motivate an employee," there's an opportunity for Rocketrip, Ruch believes.

https://techcrunch.com/2018/04/25/rocketrip-raises-15-million-to-reward-cost-saving-employees/

BuildingConnected lands $15 million for its service linking contractors and developers

Financial Management Solutions

4/24/18

BuildingConnected, which provides software linking contractors and developers, has raised $15 million from a strategic investor — Brookfield Ventures, the new venture arm from real estate developer Brookfield Asset Management.

The new investment bumps the total raised by BuildingConnect to $53 million. Previous investors in the company include Crosslink Capital, Brick & Mortar Ventures, Freestyle Capital, Homebrew, Bee Partners, and Lightspeed Venture Partners.

"It is rare to have an investor also be a customer. We are excited to have Brookfield as a partner as we seek to expand our geographic footprint and develop new and innovative products for our expanding roster of customers," said BuildingConnected CEO Dustin DeVan in a statement.

DeVan, a former engineer in the construction industry, and his co-founder, Jesse Pederson, who worked in online marketing, both saw the need for a professional network that linked parties in the construction industry.

More than $80 billion of new construction projects are posted to the company's platform, where roughly 170,000 small business owners, general contractors and subcontractors are now pitching their services.

Companies listing work on the platform include construction firms like Clark Construction, Mortenson, McCarthy, StructureTone, Shawmut, Turner Construction and others. And BuildingConnected counts owners and developers such as Brookfield, Panera Bread, UCSF and Duke Realty as customers.

Brookfield isn't only a BuildingConnected investor, it's also a customer. More than 300 Brookfield projects have used the BuildingConnected marketplace for jobs ranging from $50,000 remodeling contracts to $900 million office towers.

https://techcrunch.com/2018/04/24/buildingconnected-lands-15-million-for-its-service-linking-contractors-and-developers/

First look at Ceridian's $420 million IPO

Financial Management Solutions

4/23/18

Ceridian, the developer behind the Dayforce HCM platform, is selling 21 million shares in its IPO at $19-21 per share, indicating a $420 million IPO. The company was previously PE-backed, and the bulk of the funds raised will be used to pay down debt. Ceridian also intends to sell $100 million additional stock in a private placement immediately following the IPO. At the $20 midpoint price, Ceridian would have a $2.70 billion market cap. The company generated $750 million in revenues in FY17, but growth has slowed down to the single digits.

Continuing the IPO onslaught this week is Ceridian (CDAY), the software developer behind the HCM (human capital management) platform Dayforce. With Ceridian tendering 21 million shares at a midpoint price of $20 per share, its intended $420 million offering will be the second-largest tech IPO of the year thus far, behind only Dropbox (NASDAQ:DBX).

Everything about Ceridian reminds investors about its closest competitor, Workday (NYSE:WDAY) - including and especially its intended ticker CDAY. Given the fact that Workday has become one of the most successful cloud companies since Aneel Bhusri's ouster from Oracle (NYSE:ORCL) during the hostile takeover of PeopleSoft, a comparison to Workday is not a bad one to make. Trading at double-digit multiples of its revenue, Workday is one of the highest-valued companies in the software sector.

Despite the similarities to Workday, however, Ceridian's profile differs quite a bit from the traditional technology IPO. Ceridian is the product of a 2007 LBO, in which Thomas Lee Partners took the company private for $5.3 billion. Ceridian had previously been a public company. Thomas Lee Partners will still retain over 51% of the shares post-IPO, and another PE firm, Canaee Partners, will own another 27%. The 21 million shares sold in the IPO represent just slightly over 15% of the company - and less if Ceridian executes its $100 million private placement immediately after the IPO.

At first glance, Ceridian's IPO looks like it will have middling prospects. VC-backed IPOs this year have done tremendously well - Zscaler (NASDAQ:ZS), Zuora (NYSE:ZUO), and Dropbox have all returned handsomely for early IPO investors. But last Friday's fizzled IPO of Pivotal Software (PVTL), a PaaS company and a subsidiary of Dell, may indicate that the market isn't all too interested in slower-growing, debt-laden technology companies.

https://seekingalpha.com/article/4164750-first-look-ceridians-420-million-ipo

HEALTHCARE TECH

Homecare services startup Cera announces $17 million Series A funding

Healthcare Tech
5/4/18

Startup life is nothing if not full of ups and downs. On the up this week is Cera, the London-based homecare startup advised by former Deputy Prime Minister Sir Nick Clegg, which today is announcing $17 million in Series A funding. Investing in the round is Guinness Asset Management (via its EIS fund), Yabeo (which is also the lead investor in Germany's biggest care supply company Pflegebox), and Kairos. In addition, a number of Cera's seed backers have followed on.

Contrast that with last week when a Bloomberg report alleged that fake reviews of Cera had been posted to third-party websites, such as TrustPilot — allegedly written by "Cera Care employees or people close to them" — and that at the time of its report some non-existent or expired NHS partnerships were incorrectly listed on Cera's website.

The same report also revealed that Cera — which makes a virtue of its ability to collect and take actions on client data — wasn't registered with the U.K. data regulator, the Information Commissioner's Office (ICO), before February this year, although the company tells TechCrunch it began the process a year earlier. Either way, the startup launched as early as November 2016 and therefore was likely operating for a period without the proper data regulation.

Addressing the alleged fake reviews, and alleged misrepresentation of some NHS partnerships, Cera issued TechCrunch with the following statement:

"We have looked into this, and TrustPilot have removed unverified reviews. We pride ourselves on delivering outstanding, high-quality care, which is demonstrated through our platform's automated customer feedback, which remains at a 95% satisfaction rate.

"Contrary to certain statements in recent press articles, we have partnered with several NHS organisations over the past year, successfully delivering NHS-funded and referred care services. In 2018 we have delivered NHS CCG funded care with the following CCGs: Lambeth, Tower Hamlets, Haringey, Enfield, and previously had partnered with CCGs including Brent, Harrow and Hillingdon, and East London Foundation Trust, in addition to marketing in NHS hospitals including: Central Middlesex, West Middlesex, Northwick Park, Royal Marsden, Whittington and Barnet & Chase Farm. We note that at the time the articles were written, our website was not fully up to date with these materials and have since rectified it – this was in part due to variable contractual expiry dates".

Meanwhile, Cera says it will use its Series A funding — which is made up of both equity and debt — to expand its services further across the U.K., launching in an additional three cities beyond London, namely Manchester, Leeds and Birmingham, via what it is calling a "buy and build" strategy. This will see Cera buy struggling homecare agencies across the U.K. — many of which it says lack the technology to scale and grow independently — as a more rapid means of expanding.

“In a fragmented market of over 8,000 homecare providers, Cera has built the technology to quickly aggregate U.K. homecare businesses in a scalable manner, in what will be a U.K.-first from a startup in this space. This model will also be used to drive Cera’s expansion to Germany,” says the company.

The injection of capital will also support Cera’s continued investment in “AI”. It has been prototyping a chatbot-styled assistant it calls “Martha,” which it claims can successfully foresee deterioration in patient health, based on carer feedback, such as whether a patient hasn’t been eating, has a fever, or isn’t walking normally. The aim is to pre-empt more serious illnesses and avoid unnecessary admissions to hospital.

Related to this, I understand from Cera’s latest investor email report that Cera has grown its data set to “over 1 million data points” — a 90 percent quarter-on-quarter increase — which it intends to feed into its machine learning-powered predictive analytics tool to help improve health outcomes and reduce preventable hospital admissions. “We are taking active steps to ensure GDPR compliance,” says the company, which is just as well.

The same email details a number of business development updates by Cera, including that it is working on a collaboration with NHS 111 that — if it goes ahead — would permit integration of data records between Cera and the NHS 111 service. The startup is also working on Amazon Alexa integration, and has formed an exclusive partnership with the Daily Mail Group, to offer home care to Daily Mail readers and users.

To that end, the U.K. homecare startup space is pretty crowded already and therefore media partnerships and other more direct ways to market could be quite important beyond simply becoming a partner provider to local health and social care authorities. Cera’s direct U.K. competitors include HomeTouch (backed by Rocket Internet’s GFC, Passion Capital, Bupa, and 500 Startups), and SuperCarers.

https://techcrunch.com/2018/05/02/homecare-services-startup-cera-announces-17m-series-a/

Casetabs receives $6 million in Series A funding

Healthcare Tech

5/2/18

Casetabs, the pioneer of cloud-based surgery coordination technology, today announced it has received a total of $6 million in Series A financings to scale its surgery coordination application. The funding will be used to expand market awareness and increase product value through new electronic medical record (EMR) integrations and deeper patient engagement. The company will also look to expand its presence within the hospital market.

The Series A was led by Nueterra Capital, a leading healthcare VC firm specializing in technology and services that improve the delivery of surgical care, and Evolution Financial Group, a global investment firm with deep roots in technological interconnectivity.

According to Casetabs Founder and CEO, Gavin Fabian, Casetabs was created to solve a very real communication problem that many on the company's leadership team had direct experience with. Fabian notes, "Together with our team and customers, we have built a proven solution that breaks down traditional communication barriers between surgery centers, physician offices, hospitals, anesthesiologist groups and medical vendors. With Nueterra Capital's investment and strategic value, we will greatly expand our reach as we work to completely eradicate surgery communication issues."

Launched in 2016, Casetabs' award-winning surgery coordination application is changing how surgeries are coordinated by ensuring everyone involved in a case is continuously and instantly on the same page. In just two years, Casetabs has grown exponentially from five centers to 100 centers and 500 physician practices, almost entirely through referrals.

"We invested in Casetabs because we have confidence in the team and believe their product can transform the way surgical care is coordinated. Today, healthcare providers operate in silos, using a confounding variety of systems that don't talk to each other, which ultimately leaves physicians and patients frustrated and burdened with unnecessary costs. Casetabs has an opportunity to be the central hub" said Jeremy Tasset, CEO, Nueterra Capital.

https://www.businesswire.com/news/home/20180502005209/en/Casetabs-Receives-6-Million-Series-Funding

EXL to acquire SCIO in $240 million deal

Healthcare Tech

5/1/18

The SCIO acquisition is expected to close in the next three months, subject to the fulfilment of certain closing conditions, including regulatory and other customary consents

Operations management and analytics company EXL on Tuesday said it will acquire SCIOInspire Holdings, Inc as part of a $240 million deal. Both EXL and SCIO have operations in India.

"The aggregate merger consideration is $240 million, subject to adjustment based on, among other things, SCIO's cash, debt, working capital position and other adjustments set forth in the merger agreement," EXL said in a statement.

EXL intends to fund the purchase with available cash on hand and borrowing from its credit facility, it added.

The acquisition is expected to close in the next three months, subject to the fulfilment of certain closing conditions, including regulatory and other customary consents.

SCIO is a Connecticut-based leading healthcare analytics solution and services company. It serves over 100 healthcare organisations and has more than 1,100 professionals in locations across the US, the UK and India.

"SCIO's analytical tools and expertise in healthcare claims payment and care optimisation expands EXL's market-leading advanced analytics and healthcare capabilities," EXL vice chairman and CEO Rohit Kapoor said.

He added that combining SCIO's workforce to its own team of over 2,000 clinicians and more than 3,000 data scientists worldwide "significantly increases our ability to scale to meet the needs of larger clients and increases our reach into pharmacy benefit managers, healthcare providers and life sciences companies".

TripleTree, LLC served as the exclusive strategic and financial advisor to SCIO in the transaction. Headquartered in New York, EXL has more than 27,000 professionals in locations throughout the US, India, Philippines, Australia and Europe among others.

https://www.livemint.com/Companies/9pq4hkWnaNcETVVzQnSWGP/EXL-to-acquire-SCIO-in-240-million-deal.html

Suki raises $20 million to create a voice assistant for doctors

Healthcare Tech

5/1/18

When trying to figure out what to do after an extensive career at Google, Motorola, and Flipkart, Punit Soni decided to spend a lot of time sitting in doctors' offices to figure out what to do next.

It was there that Soni said he figured out one of the most annoying pain points for doctors in any office: writing down notes and documentation. That's why he decided to start Suki — previously Robin AI — to create a way for doctors to simply start talking aloud to take notes when working with patients, rather than having to put everything into a medical record system, or even writing those notes down by hand. That seemed like the lowest hanging fruit, offering an opportunity to make it easier for doctors that see dozens of patients to make their lives significantly easier, he said.

"We decided we had found a powerful constituency who were burning out because of just documentation," Soni said. "They have underlying EMR systems that are much older in design. The solution aligns with the commoditization of voice and machine learning. If you put it all together, if we can build a system for doctors and allow doctors to use it in a relatively easy way, they'll use it to document all the interactions they do with patients. If you have access to all data right from a horse's mouth, you can use that to solve all the other problems on the health stack."

The company said it has raised a $15 million funding round led by Venrock, with First Round, Social+Capital, Nat Turner of Flatiron Health, Marc Benioff, and other individual Googlers and angels. Venrock also previously led a $5 million seed financing round, bringing the company's total funding to around $20 million. It's also changing its name from Robin AI to Suki, though the reason is actually a pretty simple one: "Suki" is a better wake word for a voice assistant than "Robin" because odds are there's someone named Robin in the office.

The challenge for a company like Suki is not actually the voice recognition part. Indeed, that's why Soni said they are actually starting a company like this today: voice recognition is commoditized. Trying to start a company like Suki four years ago would have meant having to build that kind of technology from scratch, but thanks to incredible advances in machine learning over just the past few years, startups can quickly move on to the core business problems they hope to solve rather than focusing on early technical challenges.

Instead, Suki's problem is one of understanding language. It has to ingest everything that a doctor is saying, parse it, and figure out what goes where in a patient's documentation. That problem is even more complex because each doctor has a different way of documenting their work with a patient, meaning it has to take extra care in building a system that can scale to any number of doctors. As with any company, the more data it collects over time, the better those results get — and the more defensible the business becomes, because it can be the best product.

“Whether you bring up the iOS app or want to bring it in a website, doctors have it in the exam room,” Soni said. “You can say, ‘Suki, make sure you document this, prescribe this drug, and make sure this person comes back to me for a follow-up visit.’ It takes all that, it captures it into a clinically comprehensive note and then pushes it to the underlying electronic medical record. [Those EMRs] are the system of record, it is not our job to day-one replace these guys. Our job is to make sure doctors and the burnout they are having is relieved.”

Given that voice recognition is commoditized, there will likely be others looking to build a scribe for doctors as well. There are startups like Saykara looking to do something similar, and in these situations it often seems like the companies that are able to capture the most data first are able to become the market leaders. And there’s also a chance that a larger company — like Amazon, which has made its interest in healthcare already known — may step in with its comprehensive understanding of language and find its way into the doctors’ office. Over time, Soni hopes that as it gets more and more data, Suki can become more intelligent and more than just a simple transcription service.

“You can see this arc where you’re going from an Alexa, to a smarter form of a digital assistant, to a device that’s a little bit like a chief resident of a doctor,” Soni said. “You’ll be able to say things like, ‘Suki, pay attention,’ and all it needs to do is listen to your conversation with the patient. I’m, not building a medical transcription company. I’m basically trying to build a digital assistant for doctors.”

https://techcrunch.com/2018/05/01/suki-raises-20m-to-create-a-voice-assistant-for-doctors/

INSURANCE

LeaseLock lands $10 million

Insurance

4/30/18

Marina Del Rey-based LeaseLock, an insurance startup that eliminates the security deposit for renters in exchange for a minimum $19 monthly payment, announced a $10 million Series A funding round.

The company said the funding came from Wildcat Venture Partners, Liberty Mutual Strategic Ventures, American Family Ventures and Moderne Ventures.

“The significance of the Series A now is that we have a lot of new business on the horizon,” Co-Founder and Chief Executive Reichen Kuhl said. “It was time for us to get funding to expand our team to respond to all the interest that’s coming in for the LeaseLock program.”

LeaseLock works by getting property management companies to adopt their insurance program. In exchange, property management companies get insurance from LeaseLock against damages to their units as well as insurance against renters defaulting on their lease. Additionally, they don’t have to deal with collecting, storing and returning security deposits. Renters are able to pay monthly small payments rather than come up with one lump sum payment upfront. LeaseLock keeps all of the monthly payment. The company is currently operating in 55 national property management companies, servicing over a million units.

http://labusinessjournal.com/news/2018/apr/30/leaselock-lands-10-million/

Stone Point Capital buys Mitchell

Insurance

4/26/18

Stone Point Capital is buying KKR and Elliott Management's position in Mitchell, the company announced.

While terms of the sale were not disclosed, the Wall Street Journal reported earlier this year that Mitchell was exploring a sale between $2.5 billion and $3 billion.

"We are proud of the partnership we had with Mitchell's leadership team and the growth we have been a part of since our initial investment in 2013. Together, we expanded Mitchell's market focus through organic investment in, and acquisition capital for, cloud estimatics, parts, diagnostics, specialty bill review, utilization review, pharmacy and other areas of focus for our key customers" said Herald Chen, head of KKR's technology, media & telecom investment team.

Stone Point Capital LLC is a financial services-focused private equity firm based in Greenwich, Conn. The firm has raised and managed seven private equity funds—the Trident Funds—with aggregate committed capital of approximately $19 billion.

https://www.fenderbender.com/articles/10577-stone-point-capital-buys-mitchell

PAYMENTS

Quovo lands funding to expand to Canada

Payments

5/3/18

Quovo will enter the Canadian market thanks in part to an investment from Portag3 Ventures, writes David Penn at Finovate. The new investment takes the data platform provider's total funding to $20 million.

Quovo CEO and co-founder Lowell Putnam says Canada is a source of "immense growth potential" for the company given the country's "thriving fintech ecosystem and financial institutions hungry to adopt innovative technologies".

Putnam also highlights a strategic element in Quovo's relationship with Portag3 Ventures. "The decision to raise funding from Portag3 was about much more than capital," he says. "Portag3 is well connected in the Canadian financial services industry and is helping us to hit the ground running as we work to establish ourselves in the market."

Portag3 Ventures is a Canadian-based venture capital firm sponsored by Power Financial Corporation, IGM Financial Inc, and Great West-Lifeco Inc.

As part of the expansion, Quovo plans to partner with Canadian fintechs and incumbent financial services companies. The company's director in Canada, Brad Joudrie, points out that the company had already added to its Canadian institutional coverage, and included Canadian financial account types into its data model.

"We're fully committed to building a sustainable business to support the country's growing financial services sector," Joudrie says. "The investment from Portag3 will enable us to build out a regional team, deliver on Canadian consumer requirements, and fuel innovation in Canadian financial services."

The investment and expansion news comes on the heels of Quovo's launch of two new data solutions to streamline ACH transactions and payment management. ACH Verification uses instant account verification or Quovo's Autoverified Microdeposits to authenticate key account and account owner details and ensure frictionless ACH transactions. Payment Management enables monitoring of customer accounts to accurately determine the best time to debit accounts for steady payment flow and lower NSF fees.

"Our movement into payments demonstrates the utility of Quovo's technology across a breadth of industries, and we're excited to deliver solutions to some of the major obstacles faced by payment originators," Putnam says. Both solutions were developed using Quovo's Income + Expense and Balance Estimator products, introduced last month.

Quovo's technology offers companies connectivity and insights for millions of consumer financial accounts across more than 14,000 different institutions.

In December, the company launched Quovo PFM, a suite of embeddable personal finance management modules for financial institutions that complements the fintech's account aggregation offering.

https://www.bankingtech.com/2018/05/quovo-lands-funding-to-expand-to-canada/

TransferWise founder Taavet Hinrikus invests in fintech chatbot Cleo

Payments

5/1/18

Cleo, the London-based fintech that offers an AI-powered chatbot as a replacement for your banking apps, continues to put together an impressive list of backers. The startup's early investors already include Entrepreneur First, Moonfruit founder Wendy Tan White, Skype founder Niklas Zennström, Wonga founder Errol Damelin, and LocalGlobe, the seed VC firm founded by father and son duo Robin and Saul Klein, amongst others. Now TechCrunch can reveal that TransferWise founder Taavet Hinrikus has become a Cleo investor and advisor.

In a call with Hinrikus last week, he explained that the investment came about after he kept hearing of Cleo and its co-founder and CEO Barney Hussey-Yeo from various contacts in the London startup scene. The pair met up around 6 months ago and after learning more about the company's vision, the TransferWise founder wanted in. "The guy is very low-key, hands on building, [and] focussed on solving a customer problem," says Hinrikus, "so I was really impressed with that and said, 'hey, if I can join the party, I'd love to'. And he said, 'sure, come onboard'.
It's a proactive bank, it's a bank that talks to you.

The customer problem Cleo has set out to solve, as articulated by the TransferWise founder, is helping millennials "live with their money". The Facebook Messenger chatbot gives insights into your spending across multiple accounts and credit cards, broken down by transaction, category or merchant. In addition, Cleo lets you take a number of actions based on the financial data it has gleaned. You can choose to put money aside for a rainy day or specific goal, send money to your Facebook Messenger contacts, donate to charity, set spending alerts, and more.

"It's a proactive bank, it's a bank that talks to you, and tells you on a Monday morning, 'hey, you know, you can spend £100 this week'. And that's really valuable for these people," says Hinrikus. "I think there are a lot of millennials that are super happy with the product. What's going to come of it, who the hell knows? It's a long journey ahead, but it's exciting. Starting by solving one pain-point for these people, there's a ton of things you can do".

Cleo's recent (albeit tentative) U.S. launch hasn't gone unnoticed, either, with Hinrikus describing growth across the pond as "super impressive". I understand that Cleo hit 200,000 users in April, and is growing by 3,000 users a day, with the U.S. driving over half of that growth. The company is eyeing up further international moves, too, something the TransferWise founder is well-positioned to help with as one of the few European founders that has scaled a consumer-facing technology company globally.

Maybe I think too highly of myself, but I think maybe sometimes I can give some good advice.

“I get a kick out of helping the next generation of founders,” he says, citing recent investments in Juro, and Open Cosmos, along with Cleo. “There are lots of people building the next TransferWise, not in a sense of competing with us, but in a sense of building large successful companies that are doing something important. I just enjoy helping these founders navigate the journey. Maybe I think too highly of myself, but I think maybe sometimes I can give some good advice — sometimes bad advice, I’m sure — and I think that’s a way of giving back”.

One interesting aspect to Cleo’s global ambitions is the potential speed the U.K. startup can move at because of the decision not to become a bank in its own right, which would otherwise bring significant capital and regulatory friction. Cleo co-founder Barney Hussey-Yeo has always said that “nobody needs to be a bank to replace your banking app,” especially in light of Open Banking/PSD2 regulation, which is forcing banks to let customers share their data with third-party apps of their choosing.

“I think you can do a lot in the Open Banking way. I think the tools out there are still a couple of years away… [but] PayPal is not a bank, TransferWise is not a bank, Revolut is not a bank, and Cleo is not a bank. Yet you can still do a lot of great stuff,” says Hinrikus.

Meanwhile, although Cleo has begun to experiment with monetisation, including earning affiliate revenue when persuading users to switch gas and electricity providers, the startup’s latest investor describes those efforts as “peanuts” and says it is barely scratching the surface of what’s possible. “There’s a gazillion opportunities,” he says. “If you think about insurance, if you think about investing, if you think about credit, there’s so much you can do. It’s really about being smart and choosing which ones to double down on… If you want to build a really big business, then credit may be the most important”.

https://techcrunch.com/2018/05/01/taavet-meet-cleo/

Dosh raises $44 million from PayPal among investors

Payments

4/30/18

Dosh, a paytech and advertising start-up that gets consumers cash back on certain purchases, has raised a $44 million Series A round of funding from some big-name investors, including PayPal, writes Xconomy (FinTech Futures' sister publication).

Dosh, founded in 2016, has had an active start to 2018, after launching last year. The Austin, Texas-based company's app has added three million new users in the first four months of this year, and users received $25 million in cash back from their purchases during that time.

Users of the Dosh app link a debit or credit card to their account, and when they buy something with that card at merchants that work with Dosh – the company says it now has deals with tens of thousands of merchants – the user gets an automatic cash back rebate, according to founder and CEO Ryan Wuerch. The start-up has made agreements with everything from small restaurants and boutiques to big grocery and hotel chains, including Sam's Club, Forever 21, Mattress Firm, Papa John's, and Chili's.

The rebate amount depends on the deal the merchant offers – it might be $100 for a $360 hotel room, or a couple of dollars for a $30 tank of petrol. Dosh takes a percentage off the top of the overall deal, typically around 8-12%, Wuerch told Xconomy last year.

The app works as a method of advertising for the businesses, as well as a way to monitor consumer data. Dosh users visit 29% more often than non-Dosh users, and spend 60% more per visit, according to James Lerner, a senior product marketing director for Walmart Global eCommerce and Sam's Club.

The presence of PayPal in the round of funding is big for Dosh, which has been working to solidify itself as a leader in that form of advertising. The payment services giant has been more actively working with start-ups in the past couple years. Along with Rakuten FinTech Fund, PayPal in 2016 invested $30 million into California-based Acorns, which allows users to round up purchases and put the difference in a savings account. PayPal users started getting the option to open up Acorns accounts last year.

In 2017, PayPal also invested an undisclosed amount in another California-based fintech, LendUp, which gives loans to people considered to be risky borrowers.

Dosh isn't alone in the rebate-advertising sector. Bank of America offers cash rebates for customers who swipe their cards at fast food restaurants and retailers. A Los Angeles business called Honey finds coupon codes and other deals for its users who are shopping online. Credit cards hire celebrities to pitch their cash and airline mileage offers. Other businesses have for years been using consumers to market to one another.

Wuerch told Xconomy last year he believes the company can convert some of the high demand for services like Dosh – his goal is to get around $2 billion of the billions spent on advertising and coupons by merchants and brands to his service during the next two years. The businesses that sign up also get an analytics platform, allowing them to study trends in users' behavior, direct specific marketing campaigns to certain users, and other services.

When users build up their "rewards", they can send them to a checking account or other services, such as PayPal.

Among other investors in the Series A round is California-based consumer tech firm Goodwater Capital. Dosh had previously raised about $13.9 million.

https://www.bankingtech.com/2018/04/dosh-raises-44m-paypal-among-investors/

Founders commit $20 million to SpotOn

Payments

4/24/18

SpotOn Transact LLC ("SpotOn"), a cutting-edge payments and software company, today announced an initial investment of $20 million led by twin brothers and co-founders, Matt and Zach Hyman. The Hymans have 20 years of experience in the industry and most recently sold Central Payment to Total System Services ("TSYS").

SpotOn, founded by the Hyman brothers and Doron Friedman, brings together payment processing and a robust software solution, giving its merchants richer data and tools that empower them to market more effectively to their customers. The SpotOn platform offers the most comprehensive tools for SMB's including payments, marketing, reviews, analytics and loyalty.

"SpotOn is bringing new solutions to an industry that needs it. We are aggressively investing to bring best-in-class, integrated payment and software solutions to SMB's," said Matt Hyman. "In the past year, we have hired over 100 new employees across all departments to provide a strong bench of support to our merchants and Sales Partners."

"We bring a deep understanding of the concerns and challenges SMB's face to manage their businesses and build relationships with their customers," adds Zach Hyman. "A Small Business Owner has two primary finite resources: time and money. The SpotOn platform provides them a simple way to communicate with their customers and grow their business, all at their fingertips and for an extremely low cost."

As part of its continued growth and investment, SpotOn has made several strong additions to its Management team and Board of Advisors including Kevin Bryla, CMO of National Funding, and former CMO of ADP and Carl English, founder and CTO of Dinerware. The Company anticipates announcing significant partnerships, product releases and milestones in the coming months.

https://www.prnewswire.com/news-releases/founders-commit-20-million-to-spoton-300635111.html

SECURITIES

CVC Capital arm to acquire retail trading platform OANDA

Securities

5/3/18

CVC Capital Partners, through its wholly-owned subsidiary Asia Fund IV, is set to acquire all of the outstanding equity of global online retail trading platform OANDA, both parties have announced in a statement. The deal, which is subject to customary regulatory approvals, will see OANDA continue to be led by its current Chief Executive Officer, Vatsa Narasimha, who has a played a key role in the growth of the company. "Under Vatsa's leadership there has been a significant change in strategic focus and a number of operational improvements that have delivered strong results laying the foundations for further growth. OANDA is well positioned for its next step forward and will continue to transform the business of foreign exchange and beyond," said OANDA chairman Kittu Kolluri.

"We look forward to working closely with Vatsa and his team as we help support OANDA, especially in Asia, in making strategic acquisitions and in investing to further broaden its product set," said CVC Senior Managing Director Siddharth Patel. In OANDA, CVC will be acquiring a company that has over the years been the definitive source of FX rates for leading global corporations such as Google, Samsung and Tesla as well as audit firms, tax authorities and industry associations such as IATA. The company, founded in 1995 by Dr. Michael Stumm, a professor of Computer Engineering at the University of Toronto, and Dr. Richard Olsen, became the first organization in 1996 to share exchange rate data free of charge on the Internet, launching an FX trading platform that helped pioneer the development of Internet-based currency trading five years later.

In 2001 OANDA launched its online foreign exchange trading platform, 'fx trade', enabling both professional and retail clients to trade FX. It has recently launched OANDA Pro, an institutional trading platform tailored to meet the advanced requirements of professional FX traders, from hedge funds and brokers to CTAs and proprietary trading firms. The acquisition by CVC will see OANDA join the list of 61 companies worldwide that are investees of funds managed or advised by CVC. Founded in 1981, the private equity and investment advisory firm has secured commitments of over $110 billion from some of the world's leading institutional investors across its private equity and credit strategies. Last month, CVC was reported to be in talks to acquire medical laser company Lumenis and Malaysian snack food maker Munchy Group.

https://www.dealstreetasia.com/stories/97242-97242/

Peter Thiel's firm backs bitcoin trading start-up Tagomi Systems

Securities

5/2/18

The billionaire investor Peter Thiel, and its venture capital firm Founders Fund, back a start-up that wants to bring the electronic trading expertise from Wall Street to the cryptocurrency market.

According to the Wall Street Journal, Tagomi Systems is expected to become the bitcoin version of a broker-dealer and execute orders to buy or sell virtual currencies.

In the past, Mr Peter Thiel said that Bitcoin could be the online equivalent to gold:

"I would be long bitcoin, and neutral to skeptical of just about everything else at this point with a few possible exceptions. There will be one online equivalent to gold, and the one you'd bet on would be the biggest."

The Founders Fund was involved in a funding round for Tagomi's start-up that resulted in $15 million dollars. Of course, there is no guarantee that Tagomi will succeed, even after Founders' involvement. The cryptocurrency market is very volatile and could jeopardize the results of the company.

The main intention of the service presented by Tagomi Systems, is to allow important investors to buy or sell large amounts of cryptocurrencies. At the moment, this is very complicated due to the fact that there are hundreds of exchanges available all over the world.

At the same time, each exchange has its own rules and requirements, like limits on daily flows in and out, or strict know your customer (KYC) policies.

Tagomi hopes to make that easier. By borrowing a page from the stock market it would allow its clients to sell or buy virtual currencies by opening routes on various exchanges. These routes would allow institutional and/or wealthy investors to participate in the virtual currency market.

https://bitcoinexchangeguide.com/peter-thiels-firm-backs-bitcoin-trading-start-up-tagomi-systems-company/

Financial Engines sale signals more of money management M&A boom

Securities

5/1/18

Hellman & Friedman's $3 billion agreement to buy retirement services provider Financial Engines Inc. is one of the biggest deals yet in the investment management takeover boom.

The San Francisco-based private equity firm is paying $45 a share in cash for Financial Engines, according to a statement. Shares of the Sunnyvale, California.-based advisory firm rose 32 percent to $44.73 at 2:42 p.m. in New York trading Monday.

Life insurers, asset managers and private equity firms are buying investment managers as the sector faces intense pressure to merge. Fees are falling as investors increasingly rely on on computers -- rather than people -- for money advice. The industry is also coping with costly new rules in the U.S. and Europe aimed at improving market transparency.

There were 208 asset management deals worth $21 billion in 2017, according to a research note in February from Sandler O'Neill & Partners, an investment banking firm. Combined deal values were up about 23 percent from the previous year.

The Financial Engines transaction is the fourth-largest takeover of an asset or wealth manager since the beginning of 2017, according to data compiled by Bloomberg.

https://www.bloomberg.com/news/articles/2018-04-30/financial-engines-sale-signals-more-of-money-management-m-a-boom

KRM22 raises £10.3 million to build risk cockpit

Securities
4/30/18

KRM22, an investment vehicle created to undertake a roll up of software companies providing risk management tools to the capital markets industry, has raised £10.3 million from a float on London's Alternative Investment Market.

Led by former former Ffastfill chairman Keith Todd, the company is aiming to build a 'Global Risk Platform' by making investments in businesses that are experiencing and struggling against scale-up challenges.

Says Todd: "Our strategy will see us invest in companies with clear, high quality, subject matter expertise as we seek to execute our investing policy. The target and focus of our investment is risk: primarily risk in the capital markets which is currently poorly served by a fragmented supplier base and no one, real-time Software-as-a-Service enabled view of the true risks a business faces."

He says the company has identified up to 50 firms serving the capital markets space which fit its investment focus and that it has already entered advanced talks with two un-named providers.

Todd says the firm will aim to release an integrated "risk cockpit", providing a suite of cost effective risk management tools by the first quarter of next year.

https://www.finextra.com/newsarticle/32035/krm22-raises-103-million-to-build-risk-cockpit?utm_medium=dailynewsletter&utm_source=2018-5-1&member=93489

SPECIALTY FINANCE / ALTERNATIVE LENDING

SoFi founder Mike Cagney is back with a new startup and $50 million in funding

Specialty Finance / Alternative Lending

4/30/18

Mike Cagney, who was ousted last summer from the lending company he founded, is back with a new startup and a whole lot of funding from at least one of his previous investors.

According to a new report in Bloomberg, Cagney, who earlier this year formed a new lending startup called Figure, has raised $50 million to grow the company, which plans to use the blockchain to facilitate loan approvals in minutes instead of days.

According to the company's site, its lending products will include home equity lines of credit, home improvement loans and home buy-lease back offerings for retirement.

The round was led by DCM Ventures and Ribbit Capital and included participation from Mithril Capital Management, Cagney confirmed to Bloomberg.

Ribbit Capital in Palo Alto, Calif., has been leading investments in the world of fintech and digital currencies since its founding nearly six years ago. Others of its many bets include the online consumer lending company Affirm, and Point, a startup that buys equity in U.S. homes.

Mithril, co-founded by Peter Thiel, prides itself on funding companies that take time to build, with funds that have longer investing timelines than do most traditional venture vehicles.

The cross-border firm DCM Ventures, meanwhile, is perhaps the most interesting participant in this round. The reason: Back in 2012, DCM began investing in Social Finance, or SoFi, the company that Cagney founded previously.

It isn't uncommon for VCs to invest in founders with whom they've worked before, of course. And SoFi has grown by leaps and bounds since its August 2011 launch. Though it initially focused on refinancing student loans, today it provides personal and mortgage loans and wealth management services, and it appears to be pushing further into other bank-like services.

But Cagney was forced out of the company last summer, not long after a sexual harassment lawsuit was filed by a former employee who claimed he'd witnessed female employees being harassed by managers and was fired after he reported it.

Another former employer who'd been stationed at SoFi's office in Healdsburg, Calif., told The New York Times that her work environment had been akin to a "frat house," with employees "having sex in their cars and in the parking lot." That same story, based on conversations with 30 then-current and former employees, also reported that Cagney himself had raised questions with staff because of his own behavior, including bragging about his sexual conquests.

Evidently, DCM and Figure's other backers were able to brush aside concerns about anything of the sort happening again at Figure. (We've reached out to Cagney and Figure's investors for more information.)

Employees are also flocking for Figure with the belief, ostensibly, that Cagney is well-positioned to create another financial services juggernaut. According to Bloomberg, the company has already quietly assembled a team of 56 people. Among its new hires is the former chief risk officer of LendingHome, Cynthia Chen, and the former chief legal counsel of PeerStreet, Sara Priola.

https://techcrunch.com/2018/04/30/sofi-founder-mike-cagney-is-back-with-a-new-startup-and-50-million-in-funding-too/

DATA & ANALYTICS / IoT

IBM buys aggregation and analytics software provider Armanta

Data & Analytics / IoT

5/3/18

As industry pressures continue to grow, financial services companies are seeking to accelerate their ability to meet increasing regulatory requirements and other business demands, such as CECL, FRTB, traded credit risk, ALM and liquidity, portfolio management and more.

That's why today, IBM is announcing its acquisition of Armanta, Inc. (Armanta), a provider of aggregation and analytics software to financial services firms. Armanta's technology platform allows financial institutions to aggregate data across multiple systems in near real-time speed. This helps them enhance their management decision-making and better address regulatory compliance and other market drivers, allowing firms to re-allocate saved capital to innovation initiatives.

Over the past two years, Armanta and IBM have worked together to deliver financial risk solutions to clients globally.

The combination of IBM's and Armanta's technology and expertise has allowed IBM to deliver new offerings that have already been adopted in the market. Armanta technology has not only enhanced our existing solutions but also allowed IBM to rapidly develop new offerings for clients.

For financial institutions around the world, the addition of Armanta will enable IBM to more effectively manage regulatory mandates by using a common aggregation and reporting solution across multiple risk systems, regardless of whether they are developed in-house or are supplied by a vendor. Clients can also use Armanta to build their enterprise reporting solutions on top of existing analytics. Their powerful aggregation technology will complement current IBM solutions providing clients with the most effective tools for financial risk.

Armanta also provides the ability to instantly visualize complex analyses and different "what-if" scenarios in a secure, sandbox environment, allowing users to act decisively. With this acquisition, IBM will help clients further integrate their risk management practices with other front or back office functions, while also establishing a common set of data, analytics and reports for business-wide consistency.

As the pace and volume of demand for analytics increase, aggregation and reporting can become bottlenecks and inhibitors to business performance.

Armanta and IBM's combined industry expertise and technology has long been sought after by financial risk professionals, traders and portfolio managers to help them achieve their regulatory and business requirements. This acquisition not only expands our software-as-a-service offerings, but further supports our common clients as they adopt Big Data architectures and expand their API ecosystems.

Post-acquisition, IBM has plans of integrating the Armanta business as part of the Watson Financial Services portfolio, further strengthening IBM's financial risk analytics services.

https://www.finextra.com/pressarticle/73761/ibm-buys-aggregation-and-analytics-software-provider-armanta?utm_medium=dailynewsletter&utm_source=2018-5-4&member=93489

Marketing analytics startups Radius and Leadspace are merging to beat out Salesforce

Data & Analytics / IoT

4/30/18

Two competing startups in the marketing and sales intelligence space have decided to merge. Radius and Leadspace are combining products and teams to better compete with Salesforce.

Leadspace CEO Doug Bewsher will become the chief executive of the combined company, while Radius CEO Darian Shirazi will become its executive chairman.

A pair of startups is teaming up up to take on Salesforce.

Radius and Leadspace are planning to merge to better compete with the cloud giant's Einstein product in the world of marketing and sales analytics. The combined company will operate under the name Radius, but will rely heavily on the products and customer bases of both firms.

"We're excited about this because it will create the largest number of customers, largest revenue base and really provide a company that is at scale in B2B data and intelligence," said Radius CEO Darian Shirazi, who's set to become executive chairman of the combined company when the deal closes.

"The only other major player in this space we believe is Salesforce Einstein, and we're excited to really give them a run for their money," he said.

Radius has historically worked with US companies such as Sam's Club and MetLife to help them reach potential customers. Leadspace, meanwhile, uses its global footprint and artificial intelligence to help customers including Microsoft and Hewlett Packard Enterprise connect with other businesses.

"Leadspace and Radius fit very nicely together. We actually both have the same vision in terms of bringing data intelligence to B2B sales and marketing organizations," said Leadspace CEO Doug Bewsher, who will become CEO of the combined company.

Shirazi and Bewsher declined to share the terms of the deal, but they insisted that the combined value will be "big."

Radius was last valued at more than $500 million in 2015, which Shirazi confirmed to Fortune at the time. Leadspace has never publicly disclosed its valuation, but the company had raised a total of $59 million as of late last year.

"It's reasonable to think there could be an IPO in the next couple of years," Shirazi said.

While Shirazi and Bewsher have set their sights on beating out Salesforce, both CEOs have links to the cloud giant.

Before heading Leadspace, Bewsher was Salesforce's chief marketing officer. Meanwhile, Salesforce Ventures invested in Radius, and the startup's service can be deployed within Salesforce's platform.

But both Shirazi and Bewsher's experiences go beyond Salesforce.

Shirazi started out as an intern on the engineering team at eBay before joining Facebook as one of its first 10 employees. He left after three years to start his freshman year at UC Berkeley but didn't stay long before moving on to other startups. He founded Radius in 2013.

Bewsher held a series of executive-level marketing roles before settling down at Leadspace. The company was founded in Tel Aviv in 2007 as part of what Bewsher calls "the NSA of Israel."

As CMO at both Skype and Salesforce, Bewsher got a sense of what the marketing world needs - and what he believes the biggest players in the space are getting wrong.

"While a company like Salesforce has done some work in terms of trying to help customers figure out how this market is going to evolve, a deal like ours is going to really help solidify that," Bewsher said. "We're really excited about how this is going to shape the whole data intelligence market."

https://www.businessinsider.in/Marketing-analytics-startups-Radius-and-Leadspace-are-merging-to-beat-out-Salesforce/articleshow/63975237.cms

OTHERS

Trusted Key Solutions raises $3 million in seed funding

Others

5/2/18

Trusted Key Solutions Inc., a Seattle, WA-based blockchain-based secure digital identity company, raised $3m as part of a seed funding round.

The round was led by Founders Co-Op, with participation from Pithia, Inc., the venture capital company of The RChain Cooperative.

The company plans to use this funding to accelerate innovation and business expansion.

Founded in 2016 by former executives from Microsoft, Oracle and Symantec and led by Amit Jasuja, CEO, Trusted Key provides secure digital identity solutions to enterprises and consumers. Its mobile- and blockchain-based identity platform allows organizations to accelerate online customer acquisition by onboarding new users with a verified identity, provision users with a secure and convenient password-less login, and protect user accounts from fraudulent transactions.

http://www.finsmes.com/2018/05/trusted-key-solutions-raises-3m-in-seed-funding.html