

News for March 2009

March 3, 2009

Index Ventures Closes Fund At \$440M

Index Ventures, the European investor that made a name for itself with big wins from early bets on companies like Skype Technologies SA and MySQL AB, has held a EUR350 million (\$440 million) final close on its sixth early-stage fund.

Index Ventures V closed at the same amount as the firm's previous early-stage fund, which closed in February 2007. (Index had a small pilot fund prior to Index Ventures I, which accounts for the numbering of its six funds.)

The firm invests in technology, life sciences and clean technology.

- [Index Ventures – Geneva/Switzerland/London – www.indexventures.com](http://www.indexventures.com)

Nova Capital Sells NotifyMD Stake

Secondary firm Nova Capital Management Ltd. has sold off the last investment of the Atlantic Medical Capital Fund.

NotifyMD Inc., led by existing shareholders Jefferson Capital Partners and Coleman Swenson Booth Inc., did a recapitalization, buying out Nova, Council Ventures and several unidentified investors. The size of the deal was not disclosed.

- [Nova Capital Partners – New York – www.novacapitalpartners.com](http://www.novacapitalpartners.com)

Rockley Group Eyes \$126M First Fund

Investment firm Rockley Group has set out to raise its EUR100 million (\$125.6 million) debut venture fund, with a EUR50 million first closing targeted for this summer.

The Oxford, U.K.-based Rockley Group was established by brothers Robert Rickman and Andrew Rickman, who previously worked as angel investors. Investment management of the Rockley Group will be conducted by Rockley Fund Managers.

Rockley Follow-On Fund plans to back about 10 companies, investing EUR5 million to EUR15 million per company, with a focus on energy, sustainability, information and communications technology, new media, health care and data management.

- [Rockley Group – Oxford, U.K. - www.rockleygroup.com](http://www.rockleygroup.com)

Rackable Systems Vets Launch VC Firm

Two technology entrepreneurs that helped found and take public server company Rackable Systems Inc. have launched their own venture capital firm and so far backed five early-stage companies.

Rather than raising an institutional fund, Broken Arrow Venture Capital founders Tom Barton and Todd Ford are using their own capital to back new companies on an as-needed basis.

Broken Arrow, based in Los Altos, CA, will team up with private investors for certain deals, but the firm is looking to take at least a 30% stake in the companies they back - and often will take a much larger stake.

The firm is looking to make investments of between \$250,000 and \$2.5 million in a broad range of technology companies.

- [Broken Arrow – Los Altos, CA – www.brokenarrowcapital.com](http://www.brokenarrowcapital.com)

March 4, 2009

Venrock Raises \$194M For Public-Market Bargains

Venrock has become the latest firm to raise a pool of money devoted to late-stage and public-market investments, raising \$194 million for a fund called Venrock Healthcare Capital Partners.

Venrock, a technology and health care investor, has long invested in public companies through its venture capital funds, but this new vehicle gives it extra capacity to make public-market or mezzanine investments.

Venrock recently used the new vehicle to lead an investment in publicly traded Cadence Pharmaceuticals Inc., which raised \$86.6 million to secure regulatory approval for two Phase III hospital drugs -- Acetavance, an intravenous version of acetaminophen, and Omigard, a gel that protects against hospital infections.

- [Ventrok – Palo Alto, CA - www.venrock.com](http://www.venrock.com)

Zero Stage Capital Dissolves Amid Losses

Zero Stage Capital, a life science and IT venture firm, dissolved last year after several poorly performing funds. The firm's few remaining portfolio companies have been transferred to a newly created firm, Vox Equity Partners, managed by the son of Zero Stage's managing director.

Originally based in Cambridge, Mass., small business investment company Zero Stage raised a \$150 million sixth fund in 1999 and a roughly \$160 million seventh fund in 2001.

- [Zero Stage – Cambridge, MA](#)

WaMu To Unload Six More VC Fund Stakes

Washington Mutual Inc., the holding company for failed Washington Mutual Bank, has agreed to sell its stake in six more venture funds to Industry Ventures for nearly \$3.2 million, plus the assumption of \$1.7 million in funding commitments.

The funds that Industry Ventures Fund V LP agreed to acquire are Arch Venture Fund V LP, Arrowpath eCommerce Fund II LP, Digital Partners III LP, Madrona Venture Fund I-A LP, Madrona Venture Fund III LP and Maveron Equity Partners 2000 LP.

- [Industry Ventures – San Francisco, CA - www.industryventures.com](#)

Trinity Ventures Closes \$276 Million Trinity Ventures X LP Fund

Trinity Ventures, based in Menlo Park, CA, closed its Trinity Ventures X LP Fund at \$276 million. The firm focuses on high-growth, early-stage companies in electronic commerce, communications, and software.

- [Trinity Ventures – Menlo Park, CA – www.trinityventures.com](#)

Index Ventures Closes EUR 350 Million Index Ventures V LP Fund

Index Ventures, based in Geneva, Switzerland, closed its Index Ventures V LP Fund at EUR 350 million. The firm focuses on investing in early-stage and seed investments in the technology, biotechnology, and clean technology sectors in Europe, Israel, and the United States

- [Index Ventures – Geneva, Switzerland – www.indexventures.com](#)

NCB Ventures Closes EUR 75 Million Ulster Bank Diageo Venture Fund LP

NCB Ventures, based in Dublin, Ireland, closed its Ulster Bank Diageo Venture Fund LP at EUR 75 million. The firm invests in companies in Ireland in IT, ICT, support services, leisure and fitness, clean technology, waste services, medical technology, and engineering.

- [NCB Ventures – Dublin, Ireland – www.ncb-ventures.com](#)
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March 5, 2009

SV Life Sciences Targets \$400M Fund V

SV Life Sciences has rolled out marketing efforts for its fifth life-sciences fund despite facing one of the toughest fund-raising environments in recent memory.

The firm is keeping its goal for SV Life Sciences Fund V LP modest, targeting \$400 million, according to two prospective investors, the same amount it targeted for its predecessor, which wrapped up at \$571 million in 2007. Investors in that fund include California Public Employees' Retirement System, DeA Capital SpA, Utah Fund of Funds and Pearl Holdings Ltd.

- SV Life Sciences – Boston, MA/San Francisco, CA/London, UK - www.svlisa.com

Francisco Partners Has High Hopes For Fund III

Technology-focused private equity firm Francisco Partners is rolling out plans to raise its third fund, according to investors attending the firm's recent annual meeting in Scottsdale, AZ.

Francisco looks to provide what it calls "transformational capital" for technology companies, which can span tech buyouts, growth capital deals, strategic investments and minority stakes. It can pursue investments ranging in enterprise value from \$25 million to \$2 billion, with a focus on hardware, semiconductors and software.

- Francisco Partners – San Francisco, CA – www.franciscopartners.com

New Enterprise Associates Closes \$1.2B Of \$3B Target

New Enterprise Associates has closed on \$1.243 billion of a targeted \$3 billion for its thirteenth fund, according to a January 6 regulatory filing. NEA also planned to hold another closing in the next month or two.

One of the largest venture firms by capital under management, NEA invests across a range of companies in health care, information technology, consumer technology and energy.

The firm also invests across stages, including what it calls "venture growth equity" deals, which require larger equity rounds than traditional venture deals.

- New Enterprise Associates – Menlo Park, CA – www.nea.com

JumpStart Plugs Into \$1.7M Grant

JumpStart Inc., a regional entrepreneurship assistance organization, will receive \$1.7 million from the Fund for Our Economic Future as part of a series of grants aimed at strengthening Northeast Ohio's economic competitiveness.

The Fund for Our Economic Future is a regional collaboration of organizations and individuals that uses grantmaking, research and civic engagement. Since 2004 it has awarded \$46.2 million in grants.

JumpStart provides business assistance and invests in regional early-stage companies. It has invested \$12.6 million in 37 companies.

- JumpStart Inc. – Cleveland, OH – www.jumpstartinc.org

Venrock Closes \$194 Million Venrock Healthcare Capital Partners Fund

Venrock, based in Palo Alto, California, closed its Venrock Healthcare Capital Partners Fund at \$194 million. The firm invests in early-stage companies in Israel and the United States.

- Venrock - Palo Alto, CA – www.venrock.com
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March 11, 2009

Pappas Closes Fund IV Below Target At \$102M

Life science investor Pappas Ventures has closed its fourth fund at \$102 million, short of its target, and let go of Partner Arthur Klausner to accommodate a potentially slower workload.

Pappas, based in Durham, N.C., began marketing A.M. Pappas Life Science Ventures IV LP in early 2008 as a successor to its \$108 million third fund, which formally closed in early 2006.

Founded in 1994, Pappas invests in early-stage life science deals, including biotechnology, drug delivery, medical devices and pharmaceuticals.

- Pappas Ventures – Durham, NC - www.pappasventures.com
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March 12, 2009

New Markets Seeks 'Realistic' Fund II Goal

New Markets Venture Partners has begun investing its second fund with a strategy suited to the times. The firm, which raised a \$25 million debut fund in 2003, invested that pool largely in young start-ups. With fund two, it will consider these companies but will favor technology, education and health-care concerns that have broken even or are close to doing so.

New Markets began raising its second fund, New Markets Venture Partners II LP, in early 2008 and closed on \$21 million in August. The fund will remain open until August of this year.

- New Markets Venture Partners – College Park, MD - www.newmarketsvp.com

March 13, 2009

VenGrowth Sells Mutual Fund Arm To Focus On Private Equity

Looking to concentrate its efforts on private equity, VenGrowth Asset Management Inc. has agreed to sell its mutual fund business to fellow Canadian investment fund manager First Asset Capital Corp.

Financial terms of the deal to sell Criterion Investments, expected to close in one to two months, weren't disclosed. The Criterion business consists of funds with nearly C\$100 million (\$78.2 million) in net asset value as of the end of February.

The firm is in the market with two venture funds - technology-focused VG Evolution Fund and life-science vehicle VG Medical Partners I -- each seeking C\$100 million to C\$200 million.

- VenGrowth Asset Management – Toronto, ON – www.vengrowth.com

March 16, 2009

Oxford Capital Partners Opens Oxford Gateway Approved Fund

Oxford Capital Partners, based in Oxford, the United Kingdom, opened its Oxford Gateway Approved Fund. The firm focuses in science and technology companies.

- Oxford Capital Partners – Oxford, UK – www.oxcp.com

March 17, 2009

Eland Private Equity Closes EUR 30 Million Eland Renewable Energy III FCR

Madrid, Spain-based Eland Private Equity closed its Eland Renewable Energy III FCR on March 13, 2009 at EUR 30 million.

- Eland Private Equity – Madrid, Spain – <http://elandprivateequity.com/>

March 18, 2009

Vicente Capital Wraps Growth Fund At \$165M

Vicente Capital Partners wrapped up its growth equity fund at \$165 million. Credit Suisse Group and the State of Connecticut were among the investors to join existing limited partners in the fund including California Public Employees' Retirement System, Los Angeles City Employees' Retirement System, Los Angeles Fire and Police Pensions, New Mexico Educational Retirement Board, New Mexico State Investment Council, New York Common Retirement Fund and Teachers' Retirement System of the State of Illinois.

Vicente Capital also landed its second investment for the fund, acquiring a majority stake in MedBridge Healthcare LLC for a commitment to invest up to \$10 million. Based in Greenville, S.C., MedBridge provides sleep diagnostic and respiratory therapy services through over 40 clinics nationwide.

- Vicente Capital – Los Angeles, CA - www.vicentecapital.com

Arboretum Ventures Closes \$73.4 Million Arboretum Ventures II LP

Arboretum Ventures, based in Ann Arbor, MI, closed its Arboretum Ventures II LP fund at \$73.4 million. The firm focuses its investments in early-stage healthcare and life sciences companies.

- Arboretum Ventures – Ann Arbor, MI - www.arboretumvc.com
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March 19, 2009

C Change To Co-Manage \$130M Korean Green Growth Fund

C Change Investments Management Ltd. and Korea Investments & Securities Co. have been selected to co-manage the Korea Green Growth Fund with at least \$130 million already committed from the Korean government and other international investors.

The Korean Green Growth Fund is oriented toward those green technologies that are sourced, produced, or deployed in Korea.

- C Change Investments – Cambridge, MA - www.cchangeinvestments.com

Fidelity Ventures Opens Fidelity Ventures V LP

Fidelity Ventures, a venture capital firm headquartered in Boston, MA, opened its Fidelity Ventures V LP fund. The firm focuses its investments in emerging growth technology companies throughout United States, Europe, and Asia.

- Fidelity Ventures – Boston, MA/London/Mumbai - www.fidelityventures.com

First Round Raising Annex Fund For Past Angel Deals

Seed investor First Round Capital has closed on \$9.74 million of \$15 million for a new annex fund, according to a regulatory filing.

First Round Capital 2007 Annex Fund LP is to supplement the firm's previous angel funding.

Investors in the new annex fund include TIFF Private Equity Partners 2007 LLC and Comcast Interactive Capital LP, according to the Jan. 26 filing.

West Conshohocken, Pa.-based First Round invests in seed-stage technology start-ups, often as the first investor. A number of its portfolio companies have become prominent Silicon Valley names with follow-on funding.

- [First Round Capital – West Conshohocken, PA – www.firstround.com](http://www.firstround.com)
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March 20, 2009

August Capital Closes \$650 Million August Capital V LP

August Capital, a Menlo Park, CA-based venture capital firm, closed its August Capital V LP at \$650 million. The firm targets investments in companies differentiated by technical innovation and entrepreneurial experience.

- [August Capital – Menlo Park, CA – www.augustcap.com](http://www.augustcap.com)

Industry Ventures Closes \$265 Million Industry Ventures Fund V LP

San Francisco, California-based Industry Ventures closed its Industry Ventures Fund V LP fund at \$265 million on March 18, 2009. The firm is a secondary firm focused on acquiring direct investments, portfolios of investments, and limited partnership interests in venture capital funds.

- [Industry Ventures – San Francisco, CA – www.industryventures.com](http://www.industryventures.com)
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March 26, 2009

Taiwan To Set Up \$295K Biotechnology Venture Fund

Taiwan's Cabinet Thursday approved setting up a NT\$10 billion (\$295,000) biotechnology venture-capital fund to promote the biotechnology industry.

The government's National Development Fund will inject 40% of the capital, and the rest will come from private investors, the Cabinet said in a statement after its weekly meeting.

The government will also set up a research and development center, and a food and drug administration to help develop the industry, the statement said, with the aim of boosting the value of the island's biotechnology industry to NT\$1 trillion in four years.

March 27, 2009

A Year Out, ATA Has \$86M For Fund III

After at least 11 months on the fund-raising trail for its third fund, early-stage tech investor ATA Ventures has closed on about two-fifths of its original target.

The firm announced that it has held an initial close of \$86 million for ATA Ventures III LP, with a final close expected shortly.

ATA Ventures lists 30 investments on its Web site, including Zoosk, makers of a dating application for online social networks; Nanogram Corp., a developer of technology for manufacturing nanotechnology materials; and Altierre Corp., an RFID company.

- ATA Ventures – Redwood City, CA - www.ataventures.com

Georgian Raising \$48.8M For Late-Stage Canadian Fund

Georgian Partners has secured nearly C\$25 million (\$20.3 million) of the C\$60 million (\$48.8 million) it's targeting for its inaugural fund, which will back late-stage enterprise software companies.

Georgian Partners Growth Fund I LP will focus on software companies in the business optimization space with more \$10 million in revenue.

The fund has received about C\$10 million in commitments from wealthy individuals and a C\$15 million commitment from Ontario Venture Capital Fund, a fund sponsored by the provincial government to invest in Ontario-based companies and Ontario-focused funds.

- Georgian Partners – Toronto, ON – www.georgianpartners.com

Michigan Pre-Seed Fund Receives \$6.8M More

Early-stage investor Michigan Pre-Seed Capital Fund has received an additional \$6.8 million to accelerate its investment pace.

Michigan Pre-Seed is administered by Ann Arbor Spark, an economic development agency, in partnership with Automation Alley and West Michigan Science & Technology Initiative on behalf of local incubators called SmartZones.

Michigan Pre-Seed has invested in 30 companies to date, most recently Biotectix LLC, a maker of electrodes and coatings for medical devices; Creative Byline Inc., an online manuscript filtering company; and SenSound LLC, an acoustic holography developer.

The fund, which re-invests returns back into new deals, will be able to invest in 65 new companies with the new money, according to a state press release.

- Michigan Pre-Seed Capital Fund – Ann Arbor, CA - www.annarborspark.org

Credit Agricole Partners With Three Seed Funds

Private equity firm Credit Agricole Private Equity has formed partnership agreements with three seed investment funds as part of an effort to increase its investments in young companies.

The funds Credit Agricole will work with include regional investment fund Soridec, Dutch life sciences seed capital fund BioGeneration Ventures and business angels seed fund Objectif Gazelles.

Credit Agricole, which raised EUR100 million through several funds last year, plans to make three to five deals with each fund, at between EUR500,000 and EUR1.5 million per deal.

- Credit Agricole Private Equity – Paris - www.ca-privateequity.com
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March 31, 2009

CB Health Ventures Opens CB Healthcare II Annex Fund LP

Boston, Massachusetts based CB Health Ventures opened its CB Healthcare II Annex Fund LP fund on March 15, 2009.

- CB Health Ventures – Boston, MA/New York, NY - www.health-ventures.com

Charles River Ventures Closes \$320 Million Charles River Partnership XIV LP

Charles River Ventures, a Massachusetts based firm, closed its \$320 million Charles River Partnership XIV LP. The firm focuses on venture capital investments in seed and early stage companies.

- Charles River Ventures - Waltham, MA/Menlo Park, CA - www.crv.com

Essex Woodlands Health Ventures Closes \$900 Million Essex Woodlands Health Ventures VIII LP

Essex Woodlands Health Ventures, a New York based firm, closed its \$900 million Essex Woodlands Health Ventures VIII LP. The firm targets investments in pharmaceuticals, biotechnology, medical devices, health care services, and health IT.

- Essex Woodlands Health Ventures – New York, NY – www.essexwoodlands.com

Information provided by Venture Wire and Venture Source

