

News for May 2009

May 1, 2009

Metropolitan Equity Partners Opens Metropolitan EIH8 Fund Trust

New York, NY-based Metropolitan Equity Partners opened its Metropolitan EIH8 Fund Trust. The firm focuses on lower-middle market and growth-stage companies.

- Metropolitan Equity Partners – New York, NY – www.metropolitanequity.com

Energy Ventures Closes NOK 85M Energy Ventures II (B) IS

Energy Ventures, a Stavanger, Norway-based venture capital firm, closed its Energy Ventures II (B) IS fund at NOK 85 million. The firm invests in early stage energy companies located in Northern and Western Europe, as well as the US and Canada.

- Energy Ventures – Stavanger, Norway – www.energyventures.no

Target Partners Closes EUR 113M Target Partners Fund II

Target Partners, a Munich, Germany-based venture capital firm, closed its Target Partners Fund II at EUR 113 million. The firm invests predominantly in the German speaking markets.

- Target Partners – Munich, Germany – www.targetpartners.de

DFJ Frontier Closes \$55.4M DFJ Frontier Fund II LP

DFJ Frontier, a Santa Barbara-CA based venture capital firm, closed its DFJ Frontier Fund II LP on December 23, 2008, at \$55.4 million. The firm invests in seed and early stage technology companies on the west coast. They typically lead the first round of investment, taking a significant stake in the company and an active role on the board of directors.

- DFJ Frontier – Santa Barbara, CA – www.dfjfrontier.com

K9 Ventures Closes \$2 Million K9 Ventures LP

Palo Alto, CA-based K9 Ventures closed its K9 Ventures LP at \$2 million. The firm focuses on concept-stage and seed-stage technology companies.

- K9 Ventures – Palo Alto, CA – www.k9ventures.com
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May 5, 2009

Northgate Raises \$400M For Combined Fund Of Funds

Northgate Capital Group LLC, a manager known for raising funds of funds targeting specialized investment strategies, has secured \$400 million for its first offering earmarked for multiple subsectors of the asset class.

The Danville, CA, firm has collected \$403 million for Northgate IV. Northgate's venture capital relationships have included Accel Partners, Highland Capital Partners LLC and New Enterprise Associates Inc. Northgate also shown a willingness to back new players such as Palo Alto, Calif., early-stage investor Artiman Ventures.

Northgate also is a direct investor. In recent months, the firm has led Series C financing rounds for companies that include Palo Alto drug developer Arresto Biosciences Inc., and Visible Measures Corp., a Boston company that measures Internet video usage for entertainment companies.

- Northgate Capital Group – Danville, CA – www.northgatecapital.com
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May 6, 2009

Slowdown Hit Venture Industry Worldwide In 1Q

Venture capital investing worldwide was in the doldrums during the first three months of this year as the decline internationally mirrored a 50% drop in the U.S.

Venture-backed companies in Europe, Israel, China and India raised \$1.87 billion in 250 deals in the first quarter compared with \$3.65 billion in 430 deals a year ago, according to industry tracker VentureSource.

The first-quarter numbers also were down significantly from the fourth quarter of 2008, when investors committed \$2.88 billion to 415 deals, as worldwide financial troubles took their toll.

Europe saw investment decline 35% with \$1.18 billion going into 170 deals in the first quarter compared with \$1.83 billion into 281 deals in the first three months of 2008. This was the lowest deal count for Europe since VentureSource began tracking it in 2000. It also marked a sharp fall from the fourth quarter when there were 291 venture financings.

The European falloff was across all sectors. More money went into health care than information technology -- \$406 million versus \$362 million. Although information services saw fewer deals than a

year ago, the sub-sector recorded a small uptick with 28 in the first period deals versus 23 in the fourth. Software deal count, which had held rather steady in 2008 fell to 34 transactions in the first quarter from 59 in the fourth.

The decline in venture investment was bigger in China where investors put \$426 million into 34 deals in the first quarter, down 58% from a year ago when \$1.01 billion went into 54 deals. The first quarter was much slower than the fourth when \$733 million went into 56 deals. Consumer services tumbled from 14 deals in the fourth quarter to 3 in the first.

In Israel, investors put \$163 million into 33 deals in the first quarter compared with \$661 million into 73 deals a year ago, a 75% decline. India saw the smallest decline from a year ago with \$101 million going into 13 deals in the first quarter versus \$142 million into 22 deals a year earlier, a 29% drop. But the first quarter was considerably slower than the fourth when \$290 million went into 20 financings.

Epic Holds Second Close On Fund IV, Names Davis CFO

Epic Ventures has held a second close toward its fourth fund, which is targeted at \$150 million. Epic Ventures changed its name from Wasatch Venture Fund in 2001. Its last fund, Wasatch Venture Fund III, closed with \$150 million in 2002.

- Epic Ventures – Salt Lake City, UT - www.epicvc.com

Constellation Growth Capital Closes \$200 Million Constellation Ventures III LP

New York-based firm Constellation Growth Capital closed its Constellation Ventures III LP at \$200 million. The firm invests in early to mid-stage companies that enable the distribution, management, and control of information over emerging digital networks.

- Constellation Growth Capital – New York, NY – www.constellationventures.com

May 7, 2009

Triathlon Medical Hires Sooch, Eyes \$150M Second Fund

Triathlon Medical Ventures, a Midwest-focused biotech and medical-device investor, has hired Apjohn Ventures co-founder Mina Sooch as a managing partner as it sets out to raise \$150 million for its second fund.

Triathlon formed in 2004 and raised \$96 million for its debut fund that same year. In 2006, it topped the fund off with an additional \$9 million. The firm invests mostly in start-ups based in the Midwest, where the partners say they see good science but relatively little competition. Fund-one backers include Case Western Reserve University, Jewish Hospital HealthCare Services, Norton Healthcare, Tri-State Growth Capital Fund, University of Cincinnati, University of Louisville and Washington University St. Louis.

- Triathlon Medical Ventures – Cincinnati, OH - www.tmv.com

StarVest Partners Closes Fund II At \$244M

Nearly two years after striking out to raise its second fund, technology-focused venture firm StarVest Partners LP has closed its second investment vehicle at \$244 million. New York-based StarVest invests in technology-enabled business services and has an expansion-stage focus not tied to any particular region, backing companies in such diverse geographies as Cleveland, Chicago, Austin, Texas, Los Angeles and Scottsdale, AZ.

The firm focuses on investing in four key sectors: software as a service, Internet marketing services, e-commerce services and data aggregation services. Four investments already have been made out of the new fund, including PivotLink Corp., a provider of on-demand business intelligence software. The firm has 14 active investments.

- StarVest Partners – New York, NY - www.starvestpartners.com
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May 8, 2009

Delta-V Forms To Feed Capital-Starved Tech Cos

Two venture capitalists from Centennial Ventures and Centerpoint Ventures are forming a new firm that aims to help those start-ups in part by purchasing the stakes of their cash-strapped shareholders.

Rand Lewis, a managing director at Centennial, and David Schaller, a managing director at Centerpoint, are still in the early stages of forming Delta-v Capital but eventually aim to raise a direct secondary fund that will focus heavily on growth technology companies. As part of its investment strategy, the firm would also provide some additional money to help fund the companies' growth going forward.

Atomico Opens Atomico Ventures II LP

Atomico, a London-based venture capital firm, opened its Atomico Ventures II LP fund on May 1, 2009. The firm focuses on early stage consumer facing technology businesses in Europe. The fundraising target is \$266 million.

- Atomico – London, UK – www.atomico.com
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May 12, 2009

Rockley Group Helping To Raise \$100M China Fund

Coming on the heels of plans announced earlier this year to raise its EUR100 million debut fund, U.K. investment firm Rockley Group has agreed to help raise a \$100 million vehicle aimed at fueling technology innovation in China's Shandong province.

Rockley Group signed the agreement to raise the Rockley Shandong Fund with the Shandong High-Tech Investment Corp. and Shandong Academy of Sciences. To date, 20% of the total targeted amount has

been committed, with Shangdong High-Tech Investment Corp. committing 10% of the total and Rockley Group pledging 10%. The fund, which aims to close in the fall, plans to target additional investors including traditional limited partners and family office operations.

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

Adveq Nears \$250M Target On Adveq Europe IV Component

Swiss fund of funds Adveq Management AG is nearing its \$250 million target for one component of its Adveq Europe IV, a vehicle which primarily focuses on buyouts and expansion financing as well as some venture capital in Europe.

Adveq Europe IV B CV, which is targeting \$250 million, has gathered \$249.2 million, according to a Securities and Exchange Commission filing. Adveq Europe IV A CV, also aiming for \$250 million, has raised \$167.5 million so far.

- [Adveq – Switzerland - www.adveq.com](http://www.adveq.com)

Soros Leads Third Closing For Ignia, Bringing Fund I To \$40.7M

Ignia Fund I, Latin America's first social venture capital fund, has reached a total of \$40.7 million in equity commitments by completing its third closing. The round was led with \$5 million from Soros Economic Development Fund (SEDF), the global private foundation created by investor and philanthropist George Soros. Other investors include a Swiss institution and a Mexican individual investor group.

- [Ignia Fund – Mexico - www.ignia.com.mx/home.php](http://www.ignia.com.mx/home.php)

May 13, 2009

Prism VentureWorks Halts Fund-Raising

Prism VentureWorks, which set out to raise \$275 million for its sixth fund last year, has suspended fund-raising because of difficulty raising capital from public pensions. Prism, an early-stage technology and health-care investor, has capital remaining from Fund V to make new investments.

- [Prism VentureWorks – Needham, MA/Venice, CA - www.prismventure.com](http://www.prismventure.com)

May 14, 2009

TechStars CEO Forms Independent Seed Fund

To take advantage of the current angel investing environment, David G. Cohen, co-founder and chief executive of seed funding organization TechStars, has formed an independent \$2.5 million seed fund for Web and software start-ups.

The \$2.5 million fund, called Bullet Time Ventures LP, has capital provided by Cohen and undisclosed investors including mostly individual angels, entrepreneurs and venture capitalists.

With the fund, Cohen plans to broadly target software and Web companies, possibly including sectors such as consumer Internet, business apps, gaming and human/computer interaction. The fund will target companies in stages ranging from an idea to an end market product, for a total of about 20 investments in five years. The investments will range from about \$50,000 to \$200,000 for each company, adding between four and six new investments per year.

- David G. Cohen – Boulder, CO/Boston, MA - www.davidgcohen.com

Aravis Takes Europe Focus With Funds

Aravis Venture, which formed as a transatlantic biotech investor in 2001, is placing a greater emphasis on Europe with its new health-care fund and a renewable-energy pool it is raising.

The Swiss firm, a spin-off from private bank Lombard Odier Darier Hentsch & Cie, closed its first fund at \$60 million in 2003. Working with 5AM Ventures, a Menlo Park, Calif., firm that co-managed Aravis Biotech I LP, Aravis invested its debut partnership in several U.S. companies, including Ambrx Inc., Kalypsys Inc. and Ikaria Holdings Inc.

- Aravis Venture – Switzerland – www.aravis.ch

DCM Closes On \$350M Toward Fund VI

Venture firm DCM has held a \$350 million first closing on DCM VI LP, which aims to raise \$505 million. DCM invests primarily in early-stage companies that participate in large or rapidly growing sectors of the information technology markets. In addition, 15% to 25% of the new fund will be deployed opportunistically in later-stage investments to provide balance and early liquidity options for the portfolio.

- DCM – Menlo Park, CA - www.dcm.com

May 15, 2009

Life Science Partners To Manage \$136M Max Planck Fund

Dutch investor Life Science Partners has been selected as manager of DDC Ventures, a new EUR100 million (\$136.4 million) fund being raised to invest in spin-offs of the Max Planck Society of Germany.

DDC Ventures was developed by Max Planck Innovation, the society's tech transfer wing, and Inventive Capital Advisors, a technology commercialization advisory firm.

- Life Science Partners – Amsterdam – www.lsp.nl
- Max Planck Innovation – Munich, Germany - www.maxplanck.de

PA Sends \$5M To Three Life Science Venture Funds

The State of Pennsylvania has loaned \$5 million to three life science-focused venture capital funds through its New PA Venture Capital Investment program.

MentorTech Ventures of Philadelphia, in partnership with the University of Pennsylvania, received \$1 million to invest in early-stage companies in the technology and life science sector, while NewSpring Health Capital of Radnor received \$2 million to invest in biotech, health care services and medical devices, and Pittsburgh Life Science Greenhouse Accelerator Fund will receive up to \$2 million to invest in life science start-ups.

- Mentor Tech Ventures – Philadelphia, PA – www.mentortechventures.com
- NewSpring Health Capital – Radnor, PA – www.newspringcapital.com
- Pittsburgh Life Sciences Greenhouse – Pittsburgh, PA – www.pittsburghlifesciences.com

TechStars Closes \$2.5 Million Bullet Time Ventures Fund LP

TechStars, a Boulder-based venture capital firm, closed its Energy Bullet Time Ventures Fund LP at \$2.5 million. The firm invests in seed stage companies.

- TechStars – Boulder, CO – www.techstars.org

Venture Firms Exit MedServe With Sale

Avista Capital Partners and venture investors including Chrysalis Ventures and Murphree Venture Partners are selling medical waste management company MedServe Inc. to publicly traded Stericycle Inc. for \$185 million cash.

Houston-based MedServe received over \$70 million in equity commitments from its backers including a \$50 million commitment that was earmarked by Avista, according to the company's Web site. Chrysalis, an early investor, helped form the company in 2005 with the merger of Med-Shred Inc. and Enserv LLC.

- Avista Capital Partners - New York, NY/Houston, TX - www.avistacap.com
- Chrysalis Ventures – Louisville, KY/Pittsburgh, PA/Cleveland, OH - www.chrysalisventures.com
- Murphree Venture Partners – Houston, TX - www.murphco.com

May 18, 2009

Greenhouse Capital Reopens First Fund, Delays Second

Greenhouse Capital Partners has decided to delay fund-raising for a second clean technology fund and instead reopened its \$12 million seed cleantech fund for additional capital.

The firm now has nine portfolio companies and will use additional capital that it's beginning to receive in the first fund to bring that up to 11 or 12 deals and to do follow-on rounds.

- Greenhouse Capital – San Francisco, CA - www.greenhousecapital.net/

NGN Capital Looks For Replay With Second Life Sciences Fund

NGN Capital is raising its second venture fund dedicated to health care investments in the U.S., Europe and Israel.

NGN invests in biotechnology, medical devices and health care services. Its recent investments includes stakes in ACT Biotech Inc., a San Francisco company developing cancer therapies licensed from Bayer HealthCare LLC; Vivaldi Biosciences Inc., a New York- based developer of vaccines for seasonal and pandemic flu; and Medrium Inc., a roll-up of medical-billing practices based in Morristown, N.J.

- NGN Capital – New York, NY – www.ngncapital.com
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May 19, 2009

Fundraising#FundraisingFundraising#FundraisingFundraising#Fundraising Founders Fund Closes \$3.5 Million Founders Fund SpaceX Fund LP

San Francisco, CA-based Founders Fund closed its Founders Fund SpaceX Fund LP fund at \$3.5 million on May 15, 2009.

- Founders Fund – San Francisco, CA - www.foundersfund.com

Domain Associates Lowers Sights For Fund VIII From \$700M To \$500M

Domain Associates LLC has lowered the goal for its eighth fund to \$500 million from the original \$700 million it told investors it aimed to raise a couple of months ago. The \$500 million that Domain plans to raise for Domain Partners VIII LP is less than the \$700 million that the firm collected for its prior fund in 2006.

Domain, which has offices in Princeton, NJ and San Diego, CA. Historically, the firm has invested slightly more than half its funds into biopharmaceutical companies, with roughly one-quarter going to medical device companies. The remainder traditionally has been invested in companies building diagnostic tools or scientific instruments.

- Domain Associates – Princeton, NJ/San Diego, CA – www.domainvc.com
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May 22, 2009

Twin Cities Angels Grows With Second Fund

Twin Cities Angels said it has launched its second fund, which aims to do more than \$5 million in investments in the Minneapolis/St. Paul area.

Investments from the first fund included data compression company Alvarri Inc., microbrewery Bard's Tale Beer, medical device developer Cardia Access Inc., and military and law enforcement robotics company ReconRobotics Inc.

- Twin Cities Angels – Minneapolis/St. Paul, MN – www.tcangels.com

OrbiMed Advisors Slightly Lowers Sights To \$500M For Fourth Fund

OrbiMed Advisors is set to begin raising \$500 million for its fourth health care venture fund.

The New York firm expects to close the new partnership around year-end and to begin investing it late this year or early next. OrbiMed invests in biotechnology, medical devices and diagnostics.

OrbiMed, which uses its main venture fund to invest in the U.S., Europe and Israel, last year expanded into Asia by raising \$180 million for Caduceus Asia Partners LP, a fund devoted mostly to investments in China and India.

- OrbiMed Advisors – New York, NY/China/India – www.orbimed.com
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May 26, 2009

Canada Government Gives \$75M Boost To New Venture Firm

The Business Development Bank of Canada, looking to fill a venture capital void in Canada, is investing \$75 million in a fund that will be run by new venture firm Tandem Expansion and will invest in early-stage technology companies.

The funds are being provided by the government of Canada, which allocated \$75 million in the 2008 budget to support the creation of a new privately run venture capital fund.

The BDC said that Tandem has received preliminary commitments from a number of institutional and private investors and expects a first close on the fund of \$300 million this summer.

3i's Venture Auction Draws Discounted Bids

U.K. private equity firm 3i Group has been dealt a blow after the sale of its venture capital portfolio attracted lower-than-expected bids. Ten bids for the portfolio of 30 to 40 stakes in venture-backed companies were tabled at about GBP100 million.

The portfolio includes semiconductor company Icera, French online sales companies PriceMinister and FastBooking, as well as mobile-internet provider The Cloud.

The book value of the assets 3i is selling was estimated to be about GBP250 million.

- 3i – London, UK - www.3i.com

Source: VentureWire and VentureSource