

News for September 2009

September 1, 2009

Suzhou Guofa Venture Capital Closes RMB 200 Million Wujiang Venture Capital Guide Fund

Suzhou Guofa Venture Capital, a Suzhou, China based firm, closed its RMB 200 million Wujiang Venture Capital Guide Fund. The firm is focused on investments in China.

- [Suzhou Guofa Venture Capital – Suzhou, China](#)
-

September 2, 2009

SVB Capital Makes Deal In China For New Fund Of Funds

Venture capital firms looking to raise funds in local Chinese currency may have an easier time accessing yuan thanks to a new deal between SVB Financial Group and Shanghai's Yangpu district government.

With the help of the Yangpu government, SVB Financial's private equity subsidiary, SVB Capital, plans to launch a fund of funds and a venture capital fund with a combined RMB320 million (\$46.8 million) as an increasing number of venture firms explore fund-raising opportunities in China.

The partnership is another in a series of steps that national, state and local governments in China are taking to boost venture capital and private equity investment in the country.

- [SVB Capital – Santa Clara, CA – www.svb.com/svbcapital](#)

Khosla Ventures Raises \$1.05B In Two Funds, Mostly For Cleantech

Khosla Ventures closed on roughly \$1.05 billion in funding for two venture funds, with at least two-thirds of that slated for clean technology investments, said Samir Kaul, a general partner at Khosla.

The Menlo Park, CA-based firm, run by renowned investor Vinod Khosla, announced in a statement on Tuesday that it closed on more than \$1 billion for the two funds as expected, without providing much further detail.

- [Khosla Ventures – Menlo Park, CA – www.khoslaventures.com](#)
-

September 3, 2009

Khosla Ventures Closes \$250 Million Khosla Ventures Seed LP

Khosla Ventures, based in Menlo Park, CA, closed its Khosla Ventures Seed LP fund at \$250 million. The firm focuses its investments in early and late-stage companies in the Internet, computing, mobile, and silicon technology arenas as well as clean technology areas such as bio-refineries for energy and bioplastics, solar, battery, and other technologies.

- Khosla Ventures – Menlo Park, CA – www.khoslaventures.com
-

September 4, 2009

Columbia Capital Bucks Fund-Raising Trend, Pushes Toward \$650M Fund V

Columbia Capital, a multi-stage technology investor, has closed on \$211 million of a \$650 million offering for its fifth fund, striving for more capital than its predecessor.

The closing for Columbia Capital Equity Partners V (QP) LP was disclosed in a Securities and Exchange Commission filing. Another filing showed that Columbia had raised \$20 million out of \$100 million for a parallel fund, Columbia Capital Equity Partners V (NON-US) LP.

The firm invests in technology companies in the media, broadband, enterprise and wireless sectors. It invests in both early-stage companies and growth equity financing, historically focusing on the Mid-Atlantic.

- Columbia Capital – Alexandria, VA – www.colcap.com
-

September 10, 2009

Corridor Ventures Secures State Support On Way To \$50M First Fund

Following its exit from portfolio company Renal Solutions Inc., Birchmere Ventures Partner Gary Glusser has teamed up with Renal co-founder and former Chief Executive Peter DeComo to form venture capital firm Corridor Ventures.

The new firm plans to raise its debut fund, an early-stage life science vehicle targeting \$50 million, with a \$20 million first close planned for the end of the first quarter and a final closing by this time next year.

Corridor plans to back companies in the region spanning from eastern Ohio to central Pennsylvania, Glusser said, though it doesn't intend to start investing capital until after its first close.

Provided the first fund reaches its target, the firm intends to invest about \$5 million each in seven to 10 companies, making about 70% of its investments in medical devices, 20% in diagnostics and 10% in health-care information technology.

- [Corridor Ventures – Pittsburgh, PA](#)
-

September 11, 2009

Out Of The Dragons' Den, Ariadne Capital Raising Debut Fund

Ariadne Capital, an investment and advisory firm that gained recent recognition for its founder's role as a panelist on the BBC business game show "Dragons' Den," has launched its debut venture capital fund.

Ariadne Capital Entrepreneurs Fund - also known as the ACE Fund - is raising GBP20 million (\$33 million) from "private investors and family offices of entrepreneurs who have done extremely well."

Ariadne Capital has previously operated as a 53-member angel network that invested on a deal-by-deal basis. The group has funded 30 deals to date including online peer-to-peer lending and borrowing exchange Zopa Ltd. and voice-to-text converter SpinVox Ltd.

The ACE Fund will invest in seed-stage Internet and mobile Internet companies that offer business applications, media technology, voice applications, consumer and financial services and digital entertainment. ACE will invest the first GBP250,000 to GBP1 million in seed and early-stage deals only.

- [Ariadne Capital – London – www.ariadnecapital.com](#)
-

September 14, 2009

Venture Investors Going It Alone, Eschewing First-Round Syndicates

At a time of modest exit expectations, venture investors are increasingly likely to avoid syndicating first rounds, according to new data from VentureSource.

In the first half of this year, 63.2% of first rounds had only one venture investor. That's close to last year's 62% rate. The frequency of one-VC deals has been climbing steadily since 2003 when 41.8% of first rounds had just one venture investor.

About one quarter of first rounds had two investors; few had more, VentureSource found. The industry tracker, which is owned by VentureWire publisher Dow Jones & Co., included only venture and corporate venture firms in the study, not individual or angel investors.

This could reflect a difficulty in finding co-investors. But in 2003, another difficult year for the venture industry, 46% of second rounds had three or more investors, although some or all of them could have joined in the first round when syndication was more common. What have become especially rare are second rounds with four or more investors -- accounting for 8.9% of second rounds in the second half.

Later rounds were much more likely to have two or more venture investors, but not many - 15.7% - had five or more.

September 17, 2009

Westly Group Closes \$120 Million Westly Group II

Westly Group, based in Menlo Park, CA, closed its Westly Group II fund at \$120 million. The firm invests in early stage cleantech companies.

- Westly Group – Menlo Park, CA – www.westlygroup.com
-

September 18, 2009

Murphree Venture Partners Raises One-Third Of \$100M Growth Equity Fund

Murphree Venture Partners, which recently sold medical-waste manager MedServe Inc. for \$185 million cash, has secured \$33 million toward a new growth-equity fund it aims to close at \$100 million by year-end.

The firm, which has transitioned from being a venture-capital to a growth-equity investor, recently held a first closing for MVP Growth Equity Fund II LP. If the firm reaches its target, the new fund will be more than twice the size of its \$43 million predecessor, which closed in 2005 and backed nine companies.

While the new fund is the Houston firm's seventh, it is only the second devoted entirely to growth equity. The firm, which began as a pure venture investor, nudged into growth investing early this decade with its \$16 million fifth fund, which invested in both venture and growth deals. It used Fund V and Fund VI -- its first all-growth equity pool -- to back MedServe, which agreed to merge with publicly traded Stericycle Inc. in May.

- Murphree Venture Partners – Houston, TX - www.murphreeventures.com
-

September 21, 2009

Oregon Angel Fund Closes \$3 Million Oregon Angel Fund 2009 LLC

Portland, OR-based Oregon Angel Fund closed its Oregon Angel Fund 2009 LLC fund at \$3 million on September 9, 2009.

- Oregon Angel Fund – Portland, OR– www.oregonangelfund.com
-

September 22, 2009

Truell's Curzon Seeking To Raise \$324M European Cleantech Fund

Curzon Park Capital, a U.K. venture capital firm chaired by Edmund Truell, plans to raise up to GBP200 million (\$324 million) for a cleantech fund in its first fund-raising effort since its spin-off in March.

Curzon already manages a GBP20 million (\$32 million) fund it took over following its spin-off of venture capital firm E-Synergy but has started an informal fund-raising process that will enable it to do bigger deals, according to sources close to the firm.

It hopes to raise between GBP150 million (\$243 million) and GBP200 million for cleantech consolidation in Europe.

- Curzon Park Capital – London – www.curzonparkcapital.com
-

September 23, 2009

Divergent Ventures Opens Divergent Venture Partners II LP

Divergent Ventures, based in Seattle, WA, opened its Divergent Venture Partners II LP fund. The fund had an initial close of \$1.9 million. The firm invests in early-stage companies, with an emphasis on software, internet infrastructure, and information technology enabled services.

- Divergent Ventures – Seattle, WA – www.divergent.com

Jerusalem Venture Partners Closes \$10 Million JVP IV Annex Fund LP

Jerusalem Venture Partners, based in Jerusalem, Israel, closed its JVP IV Annex Fund LP at \$10 million. The firm invests in early stage companies in the enterprise software and networking, semiconductor and components, and communications and mobile infrastructure sectors.

- Jerusalem Venture Partners – Jerusalem, Israel – www.jpvc.com

Industry Ventures Acquires Fund-Of-Funds Manager Little Hawk

Seeking to build out a full secondary platform, secondary investor Industry Ventures is teaming up with venture fund-of-funds manager Little Hawk Capital Management LLC.

Industry Ventures' management company acquired the Alexandria, VA, management company for an undisclosed sum and renamed it Industry Little Hawk LLC. The deal has no effect on the limited partnerships on either side, according to both sides' management.

The Little Hawk deal gives Industry Ventures an arm that can acquire largely unfunded limited partnership interests in venture funds - often called "early secondaries," "secondary-lite" or "pregnant primaries."

- Industry Ventures – Alexandria, VA/San Francisco, CA – www.industryventures.com
- Little Hawk Capital – Alexandria, VA – www.littlehawkcapital.com

September 25, 2009

Quest Hospitality Ventures Seeking Debut Fund

Quest Hospitality Ventures has headed out to raise an inaugural venture capital fund for investments in the hospitality and travel industries.

San Francisco-based Quest has not raised any capital toward the fund, according to a recent filing with the Securities and Exchange Commission, and has not specified a target.

Quest plans to focus its investments in products and services surrounding travel and hospitality, an area it says is particularly underserved by traditional venture capitalists. The firm plans to target companies in the development stage. It has not yet disclosed any investments.

- Quest Hospitality Ventures – San Francisco – www.qvhospitality.com

New Markets VP Closes Sophomore Fund At \$21M

New Markets Venture Partners, a health care, technology and education investor, has wrapped up its second fund at \$21 million, well short of its original target, and completed its first two deals.

The College Park, MD, firm originally sought \$50 million for New Markets Venture Partners II LP. After raising \$25 million for their first fund in 2003 through the New Markets Venture Capital Initiative -- a program similar to the SBIC program in that firms could supplement equity they raised with leverage -- the partners set out to raise a larger, traditional partnership for fund two.

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

Sandbox Industries Looks To Play With New \$18M Tech, Consumer Fund

Sandbox Industries, a Chicago-based incubator and investment firm, has closed an \$18 million fund to invest in early-stage technology and consumer start-ups.

The firm was founded in 2003 by Nick Rosa, former president and chief executive of the NutraSweet Co., and Robert Shapiro, former chief executive of Monsanto Co.

- Sandbox Industries – Chicago, IL – www.sandboxindustries.com

Greener Capital Partners LP Opens Greener Capital Partners LP

Greener Capital Partners LP, a Berkeley, CA-based venture capital firm, opened its Greener Capital Partners LP on September 1, 2009. The firm focuses on a wide range of companies but is seeking to invest off the beaten path in clean technology industry.

- Greener Capital Partners – Berkeley, CA

September 29, 2009

New Fund Of Funds To Aid Arizona Entrepreneurs

Sun Mountain Capital, a boutique private equity firm, will manage a new fund of funds being raised by the Arizona business community in hopes of kick-starting local early-stage companies.

Larry Hecker, a Tucson-based attorney who chairs the Arizona Economic Resource Organization, said the fund will likely reach \$100 million, with the possibility that it could be capped at twice that amount.

Directors of the new fund at Sun Mountain - a board that will be largely made up of the Arizona-based businesses and organizations that raise the fund - will decide which venture firms to back.

- Sun Mountain Capital – Santa Fe, NM – www.sunmountaincapital.com

Bolstered By Recent Exits, Chrysalis Looks To New Fund-Raising

One year after closing its latest fund and fresh from some recent exits, Chrysalis Ventures is looking to go to market next year for another fund of up to \$200 million to take advantage of what it says is a heightened reputation and rising deal flow.

The Louisville, KY-based firm's strategy comes after what it calls a "year of triage" for the greater venture industry. The firm's strategic position comes after it extended its fund, Chrysalis Ventures III LP, to \$175 million last year, followed by the successful exits of HealthMedia Inc. and MedServe Inc.

Chrysalis anticipates adding another six to eight new investments from Chrysalis Ventures III for a targeted total of about 18 investments. The firm currently has 11 companies in that fund.

- Chrysalis Ventures – Louisville, KY – www.chrysalisventures.com/

CMEA Drops Plan To Raise Later-Stage Fund For Clean Technology

CMEA Capital continues to deploy money from its \$400 million Fund VII into clean technology and renewable energy, but it has dropped the idea of raising a new fund dedicated to investing in late-stage companies in the sector.

The San Francisco-based venture capital firm last year contemplated raising a growth fund, but it found that opportunities in that stage of investment for the sector weren't of "enough quality" to justify a dedicated fund.

- CMEA Capital – San Francisco, CA – www.cmea.com
-

September 30, 2009

Genesys Capital Looks To Maintain Ownership Stakes, May Extend Fund

Genesys Capital, a Toronto-based health care investor, is talking with limited partners about increasing its fund to C100 million (\$92 million) from C75 million (\$69 million) to give itself extra capacity to fund maturing companies.

The firm closed on C75 million for Genesys Ventures II LP in late 2007. The partners have been speaking with these investors about adding C25 million to the fund in a second closing that could occur by the end of the year.

- Genesys Capital – Toronto, Canada – www.genesyscapital.com

Source: VentureWire and VentureSource