

From: "Mason Rathe" <mason@liveoakvp.com>
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Austin Weekly Deal Highlights

by Mason Rathe

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Hope all of the mothers out there felt the love and biggest shout out to my most loyal subscriber – always look forward to your responses the most—Happy Mother’s Day Mom!

So where were we...o that’s right.. In two of the hardest hit industries, we saw a couple Chapter 11 bankruptcies out of Dallas this week with **Neiman Marcus** and **Gold’s Gym**. Economy is in a tough place, but don’t tell that to the stock market – Nasdaq now up 38% from March lows.

Austin Financing Activity

- **First Dollar**, a healthcare savings platform, [announced](#) a \$5M seed round led by Austin venture capital firm **Next Coast Ventures**. **Meridian Street Capital** also participated along with former **Athenahealth** CEO **Jonathan Bush**, **Bright Health** Chief Technology Officer **Brian Gambs**, **Capital Factory**, and **Julia Cheek**, the CEO of **Everlywell**.
- **Richard's Rainwater**, a clean drinking water solution free from pollutants, salts, minerals,, [reported](#) raising \$1.6M in new equity funding.
- **Virtuix**, a VR motion platform, raised \$3.6M of convertible debt from Ben Jen Holdings and other undisclosed investors, according to Pitchbook.
- Everyone appears to be on the hunt for the next Alibaba of India. On Thursday, Austin-based private equity firm Vista Equity Partners invested \$1.5 billion in Jio Platforms, an Indian telecom and ecommerce company, following on a \$5.7 billion investment [from Facebook](#) and a \$750 million infusion from Silver Lake.

Austin M&A Activity

- **Krave**, an all-natural jerky and snack producer, has been [re-acquired](#) by **Sonoma Brands**. Krave had previously been acquired from Sonoma by **The Hershey Co.** for \$218.7M in 2015. The jerky startup had operated under **Amplify Snack Brands**, owner of **SkinnyPop Popcorn**. Terms of the new deal weren't disclosed.
- **Cimarron**, backed by **Turnbridge Capital**, acquired [Aereon](#), an Austin, Texas-based provider of emissions control solutions for the energy and infrastructure industries. Financial terms weren't disclosed.

Other Regional Activity

- **Gold’s Gym**, the Dallas-based operator of gym and fitness centers, has [filed for Chapter 11 bankruptcy](#). There are almost 700 Gold’s Gyms across the world.
- **Neiman Marcus Group**, the Dallas-based retailer of luxury fashion apparel and accessories, [filed for Chapter 11 bankruptcy](#). The nearly 113-year-old retailer filed for bankruptcy protection in a federal court in Houston after reaching an agreement to eliminate US\$4 billion of debt in exchange for ceding control to creditors.
- **eRx Network**, a Fort Worth-based provider of third-party claims management and analysis services to the retail pharmacy industry, was [acquired](#) by Change Healthcare, via its financial sponsor The Blackstone Group, through a \$212.9M
- **VertexOne**, a Richardson, Texas-based portfolio company of DFW Capital, acquired [WaterSmart Software](#), a provider of behavioral customer engagement and analytics software for the water industry.
- **DartPoints**, an operator of a network of data centers for enterprises, was [acquired](#) by **Astra Capital (Washington)**, via its financial sponsor **Capital Constellation**, for an undisclosed

- amount.
- [UWorld](#), a Dallas-based e-learning company offering formative assessment strategies services, [announced](#) it has acquired **RxPrep**, a California-based mobile exam prep application focused on pharmacy licensure and pharmacy law. Financial terms of the deal were not disclosed
- [PawTree](#), a Southlake-based provider of pet food and nutrition plans, raised \$4.5M of venture funding from undisclosed investors, according to Pitchbook.
- [Altoida](#), a Houston-based medical diagnostic application designed to detect Alzheimer's and dementia prior to its onset, [raised](#) an undisclosed amount of venture funding from **Hikma Ventures**.

Austin People

- [Aceable](#), a mobile education platform, [announced](#) that it hired former **RetailMeNot** CEO **Marissa Tarleton** as the company's first president, and named new board member **Esther Lem**, CMO of California-based **Chegg Inc**. The company raised approx. \$56M to date from investors including Sageview Capital, Silverton Partners, Floodgate Fund, and NextGen Venture Partners.
- [Salient Systems](#), a manufacturer of video surveillance management systems, [announced](#) **David Hood** as its new CEO, succeeding **Bob Wilburn**, who became chairman. Hood has previously held leadership positions at **AT&T**, **Cisco** and **Dell**, and he was CEO at **BeVocal**, **NetSolve**, **Troux** and **Hypori**.
- **Joe Curry** has joined **S3 Ventures** as a senior associate. Joe's previous experience included managing corporate development at Austin-based Khoros (fka Spredfast), and consulting at KPMG.
- [Ethos Technologies](#), office technology equipment provider and IT solutions, [hired](#) **Erin Lantz** as its first CRO as well as leader of its relatively new, 25-person Austin office, the ABJ reported. Lantz remains based for now in Seattle, where she most recently worked as an executive at **Zillow Group**. The company most recently raised \$60 million of Series C venture funding in a deal led by GV in August, 2019.

Austin News

- Austin tech startup venture capital funding and acquisitions ([April 2020](#))
- The top Austin tech and startup hires and layoffs of [April 2020](#)
- As Austin extends stay-at-home order, business leaders [recommend steps](#) for reopening economy
- The [Stand With Austin Fund](#) set up a fund to help respond to the cancellation of **SXSW** and are [dishing out](#) \$687.5K in grants to local nonprofits. Those include **#bossbabesATX**, **Black Fret**, **Workers Defense Project** and more.
- The local [Google](#) office has committed to donate over \$100K to **GiveDirectly's** campaign, which will provide \$1K in direct cash payments to families hardest hit by the COVID-19 crisis.
- Two University of Texas at Austin students D'azhane Cook and Ariel Lee Accepted into [Target's Incubator Program](#)
- [WP Engine](#), a WordPress digital experience platform, has [opened](#) a new office in Kraków, Poland. The new location will become a global innovation hub for software engineering functions. The office is led by **Zygmunt Dyras**, director of engineering, who previously held senior engineering positions with **UBS** and **SolarWinds**.
- [KUKA](#), a manufacturer of robotic systems, offering a wide range of industrial robots and robot systems, has [closed down](#) its Austin R&D office at the Domain. The closure, which affected 43 Austin-based employees, was part of a long-term strategic move by the company to consolidate R&D activities and resources
- UT System [expects to lose hundreds of millions of dollars](#) because of Covid-19 pandemic

Thank you!

Mason Rathe

[@mason_rathe](#)

Additional research and newsletter support provided by [Thad Hutcheson](#)



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LiveOak Venture Partners | 805 Las Cimas Parkway, Building III, Austin, TX 78746

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