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Austin Weekly Deal Highlights

By Mason Rathe



Buy the dip or hedge for a strong market correction? With a presidential election right around the corner in the midst of a global pandemic, only thing that can be certain this time of year is getting pumpkin spice in your latte. All 3 major public market indexes were down this week: DJIA -1.7%; S&P 500 -2.5%, Nasdaq -4.1%. The Nasdaq Composite, which heavily weights tech stocks, is down 10% from its September 2nd highs, marking the fastest-ever fall from a record into the valley of correction. On the flip side, private market activity in Austin continues to be strong, with over \$35M in VC raised this week.

Austin Financing Activity

- [Sana Benefits](#), an Austin-based provider of self-funded health insurance for small businesses, raised \$20.8 million in Series A funding. **Gigafund** led the round and was joined by investors including **Trust Ventures** and **mark vc**.
- [Decent](#), a provider of health plans for small businesses and self-employed professionals, [raised](#) \$10M in Series A funding led by **QED Investors**.
- [Trashbots](#), a hands-on robotics platform aimed at the K-12 market, [raised](#) seed-stage investment. They recently [completed](#) the **Sputnik** accelerator, which provided its initial investment of \$100,000. The company is currently looking to complete its \$500,000 seed-stage round and has already signed on **John Berkowitz**, founder of Yodle and **Ojo Labs**, and Austin Ventures founder, **Joe Aragona**.
- [Microtransponder](#), a developer of nerve stimulation-based therapies, raised [\\$5.75M](#) of convertible debt financing from undisclosed investors.

Austin M&A Activity

- **Cove Hill Partners** acquired part of **Vista Equity's** stake in [SecureLink](#), an Austin, Texas-based third-party remote access software company, for an undisclosed amount. Vista Equity will continue to be a minority owner in SecureLink.

- Austin-based PE firm **Peak Rock Capital** [acquired](#) specialty infusion provider, **Paragon Ventures**. Paragon Healthcare generates \$250 million in annual revenue and transaction details were not disclosed.

Other Relevant/Regional Deal Activity

- [Simon Property Group](#) (NYSE: **SPG**) and [Brookfield Property Partners](#) (Nasdaq: **BPY**) have tentatively agreed to acquire most of the retail operations of Plano-based [JCPenney](#), as part of a deal that will help the bankrupt retailer avoid liquidation. The agreement values JCP at around \$1.75 billion, with lenders putting up \$300 million for both the company's distribution arm and ownership of 161 of its roughly 650 remaining stores. JCP also is in talks with Wells Fargo for \$2 billion in new financing.
- Katy-based [Academy Sports + Outdoors](#), a KKR-backed sporting goods retailer, [filed for an IPO](#) that Renaissance Capital estimates could raise \$500 million. The company plans to list on the Nasdaq (**ASO**) with Credit Suisse as lead underwriter and reports \$120 million of net income on \$4.8 billion in revenue for the fiscal year ending Feb. 1, 2020.
- **Texas Ventures** [launched](#) a Special Purpose Acquisition Corp. this week, IPO'ing on NASDAQ, with the name of the company as **Industrial Tech Acquisitions, Inc (NASDAQ: ITACU)**. They are interested in M&A for companies in the tech sector with an enterprise value between \$200-600M.
- [Nanospectra Biosciences, Inc.](#), a Houston-based medical device company pioneering a novel use of nanomedicine for selective thermal ablation, [raised](#) \$3M in a Series B-1 led by **Sirtex Medical** as a strategic investor with additional participation from existing and new investors.
- **ParkerGale Capital** [acquired](#) a majority stake in [SMA Technologies](#), a Houston-based provider of workload automation software.
- Houston-based [Symplr Software](#), a healthcare governance, risk and compliance software provider and portfolio company of **Clearlake Capital Group** and **Skyknight**, [acquired](#) [ComplyTrack](#), a healthcare regulatory risk solution, from **Wolters Kluwer Legal & Regulatory U.S.**
- Austin-based **Tritium Partners** led a [\\$33M Series B](#) funding for [Chairish](#), a San Francisco-based online marketplace for home furnishings.
- [Us Dataworks](#), a Sugar Land-based payment processing software intended to simplify all aspects of payment processing for banks and businesses, was acquired by **CheckAlt**, the nation's largest independent remittance processor, for an undisclosed amount.

Austin People

- **Everlywell**, a provider of at-home testing kits, named industry veteran **Andy Page** as its first president. Page was previously CEO of venture-backed health tech startup **Caption Health**. Page will report to CEO and founder **Julia Cheek**. Everlywell last raised a \$50M Series B from **Goodwater Capital** in April 2019.
- CEO, president [resign](#) from drugmaker **Savara** (NAS: SVRA). **Rob Neville** resigned as CEO and **Dr. Taneli Jouhikainen** resigned as president and chief business officer, effective immediately.
- Austin-based threat-tech company [AlertMedia](#), just [hired](#) former CNN executive, **Sara Pratley** to be the company's vice president of global intelligence. AlertMedia has raised

over \$55M to date from investors including **JMI Equity**, **Silverton Partners**, and **Next Coast Ventures**.

- Nobel Prize winner and **University of Texas** physicist, **Steve Weinberg**, will [receive](#) the 2020 **Special Breakthrough Prize in Fundamental Physics** for his leadership in fundamental physics. The award includes a \$3 million prize.
- [Swift Sensors Inc.](#), a developer of IoT wireless sensors for the industrial industry has named **Ray Almgren** as CEO. He joined Swift Sensors as chief marketing officer in June 2016.
- Seasoned restaurant operator **Dan Smith** has [taken over](#) as CEO at tex-mex chain **Trudy's** after private equity firm **Hargett Hunter** purchased the Austin-based restaurant chain out of bankruptcy.
- The top Austin tech and startup executive hires and layoffs ([August 2020](#))

Austin News

- The **Young Women's Alliance** and **Young Men's Business League** announced their [Austin Under 40 Awards](#). Congrats to two entrepreneurs from the **LiveOak** family – **Ben Rubenstein** for winning Austinite of the Year, and **John Berkowitz** for winning the Real Estate category.
- [Eight Austin billionaires](#) make a return to the Forbes 400 list, including Michael Dell, **Robert Smith** and **Brian Sheth** of Vista Equity, **Bert Beveridge** of Tito's Vodka, and new Austinite and VC investor **Jim Breyer**.
- The top venture capital funding rounds for Austin tech startups in [August 2020](#)
- Applications are [now open](#) for **Techstars Austin's 11th** program kicking off in January.
- Pandemic slows, but can't stop, [growth of 'mega region'](#) between Austin and San Antonio
- The Pflugerville Solar Project, a utility-scale solar farm will [power](#) 25,000 homes in Austin. Recurrent Energy is heading the project but Austin-based workforce management and hiring platform **RigUp** is doing the hiring, expecting to bring on 350 employees.
- Cybersecurity company **CipherLoc** to pay \$400K to former CEO as it [cuts ties after investigation](#). The agreement comes after CipherLoc had accused the former executive of "misappropriating the company's trade secrets, depleting its monies and other assets, damaging the value of the company."
- The **University of Texas** [identified](#) three coronavirus clusters in West Campus.
- The City of Austin [announced](#) it is offering \$10 million Relief in a State of Emergency (RISE) 2.0 funds to Travis County residents affected by COVID-19.

Thank you!

Mason Rathe

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Additional research and newsletter support provided by [Dipesh Mehta](#)

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