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Austin Weekly Deal Highlights

by Mason Rathe

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Austin Weekly Deal Highlights coming to you from 35,000 feet in the air, and once again testing the limits of this gogo in flight experience. Proud to announce our recent investment in **Cyberfortress**, who reeled in a \$3M round this week, and once again demonstrating our continued investment activity across Texas. Based in San Antonio, Cyberfortress is building a new kind of online business interruption policy designed for small business. Also, self plug, reminder to sign up for my Houston and Dallas newsletters (links at the bottom). They will be hitting your inbox this week, touching on all that has happened in tech and startup activity in those active markets over the past quarter.

Austin Financing Activity

- [ZenBusiness](#), a business formation platform that guides founders through the corporate formation process, [raised](#) \$15M series A led by previous investor **Greycroft** with participation from other previous investors **Lerer Hippeau** and **Revolution's Rise of the Rest Seed Fund**. New investors included **Rosecliff Venture Partners**, **Interlock Partners**, and **Recruit Strategic Partners**. The company was co-founded by former **HomeAway** execs **Ross Buhrdorf** and **Shanaz Henmati**. To date, **ZenBusiness** has raised almost \$20M.
- [Fetch](#), a local solutions provider for last-mile package delivery, [secured](#) \$10.5M Series A led by **Signal Peak Ventures** with continued investment from **Silverton Partners** and **Capital Factory**. The company has raised \$14M to date.
- [Yellowbird Sauce](#), a provider of all natural, healthy condiments, raised \$4.35M of venture funding from undisclosed investors.
- [Me & the Bees Lemonade](#), a bottled lemonade startup, [reported](#) raising \$350K in equity funding from an unnamed investor. Previously, the company reported raising \$2M.
- **TurboPass**, a platform provider for multi-channel distributions for auto dealers, [raised](#) \$135K in equity and other securities. The company is part of the **Newchip** accelerator.

Austin M&A Activity

- **Hanger Technology**, an Austin-based drone workflow automation platform for enterprises, has been [acquired](#) by **AirMap**, a Los Angeles-based airspace intelligence platform for drones. Financial terms were undisclosed. Since its founding in 2015, Hanger has raised \$6.5M from **Lux Capital**, **R/GA Ventures**, and **Interlock Partners**.
- **Avianis**, a fleet management platform designed to serve aircraft operations, reached a definitive agreement [to be acquired](#) by **Wheels Up** for an undisclosed amount.

Other Relevant/Regional Deal Activity

- [CyberFortress](#), a San Antonio-based insuretech firm that protects e-commerce companies from revenue interruption and cyber incidents, [raised](#) \$3M seed round co-led by **LiveOak Venture Partners** and **Greycroft**.
- [ATA Riskstation](#), a provider of cloud-based portfolio risk analytic services, [received](#) \$2.55M of development capital from **Caruth Capital Partners**. The company has raised \$7.5M to date.
- Austin-based PE firm **Vista Equity Partners** invested in Acquia, a Boston-based open digital experience company. Financial terms weren't disclosed.
- Austin-based PE firm **Strattam Capital** made a majority investment in **MHC Software**, a Minneapolis-based provider of enterprise content automation and document management

software solutions. Financial terms weren't disclosed.

Austin People

- **Rooster Teeth**, local B2C and entertainment tech firm, [announced](#) that **Jordan Levin** will now be leading the company. **Matt Hullum**, co-founder and former CEO, will transition to Chief Content Officer. Levin will report to **Tom Pickett**, CEO of **Otter Media**.
- **Eric Epstein** [joined](#) **Sante Ventures**, a local healthcare and life science focused VC firm, as senior associate. Previously, Epstein worked as Engagement Manager at **McKinsey & Co.**

Austin News

- **Apple** confirmed it will [continue](#) to produce its new Mac Pro computer at its Austin-based factory after the company received tariff waivers on key components
- **MassChallenge Texas** [named the 14 finalists](#) still competing in its startup accelerator, all of which will face off in a pitch-off to win up to \$500,000
- **The University of Texas** is [encouraging](#) health tech collaboration between **Jon Brumley Texas Venture Labs** and the **Texas Health CoLab** at **Dell Medical School**. The program gives graduate students the opportunity to work directly with local startups to promote health care innovation within Austin. **Mellie Price** has been selected to lead the new joint venture program.
- The Texas attorney general's office [has hired](#) three consultants for a multi-state antitrust probe it is leading into **Alphabet Inc's Google**, including an economist who worked with some of the firm's major rivals and a lawyer who is a Microsoft veteran.
- **Ford** is [expanding](#) its testing for autonomous driving cars to Austin in 2021. The company is currently testing its technology in Washington D.C. and Miami. **Sheriff Marakby**, CEO of Ford Autonomous Vehicles, believes that Austin provides a great testing group due to the large number of pedestrians, scooters, and overall regular traffic flow.
- **Kendra Scott**, CEO of Austin-based jewelry company, is [enhancing](#) female leadership through the new **Kendra Scott Women's Entrepreneurial Leadership Institute at UT Austin**. The institute will focus on increasing the number of female entrepreneurs who receive venture funding.
- **Austin Community College** is [opening](#) the **IMPACT Lab** at ACC Highland. This lab provides students with real-world experience to develop prototypes by engaging with industry experts.
- Commercial real estate firm **CRBE** recently [analyzed](#) the 1.2M sq. ft. increase of coworking space within Austin. Only San Francisco, Manhattan, Los Angeles, and Miami have a bigger share of flexible workspaces.
- **car2go**, a car sharing company focused on providing last-minute rentals, [announced](#) that it is leaving Austin by October 31 amidst intense competition from rideshare providers **Uber** and **Lyft**. The company's North American headquarters were in Austin.
- The **FTC** has [sued](#) Dallas-based **Match Group** for taking advantage of consumers by tricking users to pay for a subscription through fake love interest ads.
- **Macy's (NYSE: M)** is [launching](#) a limited pilot of free same-day delivery service in 30 markets on Oct. 1, including its hometown of Cincinnati and Austin.
- **Joust Labs**, a financial services platform for freelancers, relocated to Austin from Denver. The company recently [raised](#) \$2.6M in seed funding led by **PTB Ventures** with participation from **Accion Venture Lab**, **Financial Venture Studio**, and **Techstars**.

Thank you!

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Additional research and newsletter support provided by [Stephanie Abt](#)



If I missed a deal, major announcement, etc., shoot me an email and happy to include in the next one.

LiveOak Venture Partners is an early stage venture capital firm investing in Texas-based companies. Think your company might be a fit, shoot me an email at mason@liveoakvp.com

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