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By [Mason Rathe](#) • [Issue #194](#) • [View online](#)

After years of being a devoted Amazon Prime member, pushing their home delivery unit to unfathomable levels, and contributing massively to the company's evolution through my constructive reprimands of Alexa, you're telling me [he chose Jassy](#) to be the next CEO?? Jeff, I thought we had a gentlemen's agreement here, good thing I didn't shave my head yet...Anyway, when you're ready for your next gig, I know a great investment partner ;)

And my Austin people, we have a monumental CEO shakeup hitting here at home as well. **Kendra Scott** is [stepping aside](#) as CEO of the jewelry powerhouse she founded in 2002, with industry vet and current President **Tom Nolan** taking over. Scott is among only 16 women in the United States to carry the title of founder of a company valued at \$1 billion, with an organization that has over 110 stores nationwide and a thriving e-commerce and wholesale business. She will remain executive chairwoman, majority owner, and will continue to lead all Kendra Scott design, customer experience, philanthropy.

Austin Financing Activity

- [Paradromics](#), a brain-computer interface company, raised \$5.45M of seed funding from **Social Starts**, **Alpha Edison** and other undisclosed investors

- [Routefusion](#), a cross-border payments fintech for other businesses, [raised](#) \$3.6M in seed funding led by **Silverton Partners**. Other investors include **Initialized Capital** and **NextWorld Capital**, as well as **Plaid** co-founder **William Hockey**. As part of the deal, **Roger Chen**, a partner at Silverton will be on the board of directors.
- [Quantum Loophole](#), a data center technology company, [raised](#) \$11.6M from undisclosed investors.
- [Place Technology](#), financial forecasting and business planning software, raised \$1.4M of venture funding from **Gaingels Syndicate** and other undisclosed investors, according to Pitchbook.

Austin M&A Activity

- [The Hustle](#), an Austin-based media company focused on business growth, has been acquired by marketing platform **HubSpot (NYSE: HUBS)**. The deal is valued at roughly \$27 million, and The Hustle had raised approx. \$1M.
- [Square Root](#), an operational and field management platform for retail and automotive industries, [has been acquired](#) by Illinois-based [CDK Global](#), a publicly traded company that also makes technology for the automotive sector. Financial terms were not disclosed.
- [CareAR](#), which has developed an augmented reality platform for businesses, has been acquired by Connecticut headquartered **Xerox Holdings Corp. (NYSE: XRX)**, the global print and digital document product and services company. Financial terms were not disclosed.
- [Commio](#), a cloud voice company, [has been acquired](#) by Raleigh-based cloud communications company, [ThinQ](#), for an undisclosed sum.
- [Job.com](#), a recruiting platform, [acquired](#) Manhattan Beach-based talent management tech company, [Talenting](#). Financial terms of the deal were not disclosed.

Other Regional Deal Activity

- Houston-based [Fertitta Entertainment](#), **Tilman Fertitta's** hospitality company, [will go public](#) via a merger with special purpose acquisition company **FAST Acquisition Corp.** The deal is expected to be worth approx. \$6.6B and includes over 500 restaurants, hotels, and casinos.
- **Microvast**, a Stafford-based electric battery maker, [agreed to go public](#) via a reverse merger with **Tuscan Holdings Corp.** (Nasdaq: THCB), a SPAC formed by **InterPrivate Capital**, at around a \$3B valuation.
- Frisco-based [The Gearbox Entertainment](#), a video game company, [has been acquired](#) by Swedish game developer and publisher [Embracer Group](#) in a deal worth up to \$1.3B.
- Southlake-based [Slync.io](#), a supply chain software company, [closed](#) a \$60M Series B led by **Goldman Sachs Growth**. To date, the company has raised approx. \$70M.
- [Fair Fintech](#), a Houston-based digital banking platform, raised \$20M from undisclosed investors, according to Pitchbook.
- More than \$900,000 in cash prizes were awarded to Houston-area startup companies participating in the [Venture Houston pitch competition](#) this week. Congrats to all of the companies, including [Conversifi](#) who won our award!
- Dallas-based **Arctos Sports Partners**, an investment firm focused on professional sports franchises, [hired Theo Epstein](#) as its new executive-in-residence. Epstein is best known as the former VP and general manager of the Boston Red Sox and as the president of baseball operations for the Chicago Cubs. The firm has [raised](#) a total of about \$950M.
- Plano-based [OxeFit](#), a workout service company, [closed](#) a \$12.5M Series A led by **Lydia Partners** with participation from current and former NFL players including **Dak Prescott, Jason Witten, and Dez Bryant**.
- Houston-based [Coya Therapeutics](#), a clinical-stage biotech startup that focuses on neurodegenerative and autoimmune

diseases, [announced](#) a \$10M Series A led by **Allele Capital Partners**. The company also announced a merger with Canadian-based surface plasmon resonance company, [Nicoya Health Inc.](#)

- Dallas-based [Hari Mari](#), a footwear company, [raised](#) \$1.75M of venture funding.

Austin People

- **Kendra Scott, LLC**, the jewelry and fashion powerhouse, has named **Tom Nolan** [to be the next CEO](#), replacing **Kendra Scott**, herself. Kendra Scott will continue to serve as the executive chairwoman, majority owner and leader of the company's design, customer experience, and philanthropic duties. Nolan joined the company's board in 2014, was named chief revenue and marketing officer in 2016, and named president in 2019. Scott has grown into one of America's most successful female entrepreneurs, building the company from a bootstrapped startup into a powerhouse with more than 110 standalone stores, more than 2,000 employees and a billion-dollar valuation when it secured a major investment from private equity firm **Berkshire Partners LLC** in 2016.
- **Firefly Aerospace** [added](#) **Deborah Lee James** and **Robert Cardillo** to its board of directors. James is a former secretary of the Air Force and assistant secretary of defense. Cardillo is president of the Cardillo Group and was previously director of the National Geospatial-Intelligence Agency. The company also [received](#) a \$93.3M contract from **NASA** to deliver equipment to the moon in 2023. The company is also planning to raise \$350M in capital.
- The top Austin tech and startup executive hires and layoffs [\(January 2021\)](#)

Austin News

- Lone Star State [snags spot](#) as world's 9th largest economy by GDP
- The top venture capital funding rounds for Austin startups in [January 2021](#)
- Austin ranks as one of the [hotspots in the country](#) for one of the hottest areas of tech expertise — artificial intelligence.
- Austin is officially the hottest real estate market, [reporting the lowers level of inventory](#) in the country.
- **Samsung** seeking [more than \\$805M](#) in property tax abatements for \$17B chipmaking plant in Austin
- Austin [ranked fifth](#) among US metros for new residents added in 2020
- A commercial kitchen about half the size of a standard Walmart store, biggest of its kind in Texas and large enough for dozens of restaurants and food makers to share, [is expected to open](#) in April in North Austin.
- Austin businesses can once again [operate at 75% capacity](#)
- Dating and networking app **Bumble** [set their IPO terms this week](#). Listing 34.5 million shares at \$28–\$30 per share. It would have a fully diluted market value of \$5.8 billion, were it to price in the middle, compared to its \$3 billion valuation when The **Blackstone Group** acquired a majority stake in late 2019.
- Here is a [deep dive](#) into the disturbing hack, centered around Austin-based **SolarWinds**, and what business and government will have to do to fix it.
- Palo Alto-based venture capital firm **Sapphire Ventures** who is opening Austin office, [announced](#) it has raised \$1.7B over “multiple funds”
- **RigUp Inc.**, a marketplace for on-demand services in the oil and gas space, [is rebranding](#) to **Workrise** and is entering the construction, defense, and solar sectors. RigUp has raised over \$500M in venture funding.

- **Sputnik ATX** [revealed](#) five startups that were selected to be part of the accelerator's winter 2021 cohort.
- Austin-based **NI**, [invested](#) \$3.4M to support worldwide STEM education efforts geared towards underrepresented and economically-disadvantaged students. \$100k of that funding is going to Austin-based **Code2College** and Indianapolis-based **Project Lead The Way**.
- St. Louis-based venture capital firm, **Lagomaj Capital** [plans to open](#) an Austin office.

Thank you!

Mason Rathe, an early stage investor with [LiveOak Venture Partners](#)

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By Mason Rathe

Weekly highlights covering Austin's vibrant tech and startup ecosystem, from fundraising, mergers and acquisitions, to other major company announcements and news.

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