

Ex-Foursquare president Steven Rosenblatt lays out plans for Oceans Ventures' second seed-stage fund

BY JESSICA MATHEWS



The Oceans Ventures team includes (front, left to right) general partners Steven Rosenblatt and Joshua Rahn; managing partner Brian Lew; (back, left to right) general partner Glenn Handler; and managing partner Sara Berek.

COURTESY OF OCEANS VENTURES

Everyone has their “Achilles heel,” if you will.

And that’s why former Foursquare president Steven Rosenblatt told me he has become disenchanted with the “hero founder,” as he describes them, the individual who has trouble setting aside a big ego to build a company that will last beyond them.

“The world doesn’t need this hero founder that becomes the next Netflix special,” Rosenblatt tells me in an interview. That’s why he and his business partners—Joshua Rahn, who helped set up Facebook’s New York office; and Glenn Handler, who had worked in recruiting for Morgan Stanley, Google, and Facebook—say they’re committed to investing in teams, or solo founders who are committed to handing over a significant chunk of equity to someone who has strengths where they don’t.

Rosenblatt stepped down from Foursquare five years ago to start working with startups alongside Rahn and Handler. The three of them, all from New York, formed a firm called Oceans with two managing partners and did [consulting work for founders](#) in exchange for cash and equity. In late 2020, they took the next step and launched their first fund, a small \$11 million vehicle for seed and pre-seed investments.

The team now has six people, and it has closed a second \$31 million fund from primarily founders and executives, including Carolyn Everson, the ex-vice president of global business at Facebook; Sarah Personette, ex-Chief Customer Officer at Twitter; and Barry Schuler, general partner at DFJ Growth. With the new capital, Oceans is leading and co-leading deals, rather than just co-investing. So far, Oceans has led deals into Streamline, a legal intake platform started by founders that worked at DoorDash and Google; as well as Trace, a data automation company built by a duo from Rent the Runway and Uber. Oceans co-led a round in food industry payments company Zitti with Serena Ventures.

Rosenblatt says Oceans has intentionally chosen to keep the funds tight. For one, the team didn’t want founders to work with them because they could write a big check. But also valuations were really high when they were raising their first fund, and it made them uncomfortable to deploy too much capital at the time, he says. They also didn’t want Oceans to be dependent on management fees.

“There’s just too many firms living on management fees, and not aligned with the outcome,” Rosenblatt says.

It’s still early to see how Fund 1 will shake out (performance can be all over the place the first three years of a fund, so it isn’t indicative of a whole lot). But Rosenblatt says there have already been three exits for the portfolio: Riot Games acquired Kanga, Reddit acquired Spiketrap, and Ro bought Kit. Oceans is tracking a

1.6x multiple for Fund 1 to-date, he said. More than half of their portfolio is New York-based.

Rosenblatt says Oceans is after founders who want to build multi-generational companies with other people—with a team. So naturally, he thinks those founders will also want to work with a team, and he hopes they pick the one they've built at Oceans.

Meet the parents...Just under a year ago, Anne Sraders and I were waltzing about Stanford University's campus, trying to track down Barbara Fried and Allan Joseph Bankman, FTX founder Sam Bankman-Fried's parents (to our disappointment, they [weren't home](#) when we knocked on the door, though we did ask about them around campus). This week, the two of them are center-stage in the latest developments of the FTX scandal. The bankruptcy estate has [sued the couple](#) over allegedly siphoning millions of dollars. The lawsuit claims that Bankman arranged a \$1 million annual salary for himself and complained when he only received around \$17,000 a month. It also says that Bankman played a key role in the FTX operation and in "perpetuating this culture of misrepresentations and gross management." [Stanford says](#) it is returning at least \$5.5 million Bankman had allegedly directed to the university. (Regarding the lawsuit, Bankman and Fried's attorneys say "this is a dangerous attempt to intimidate Joe and Barbara and undermine the jury process just days before their child's trial begins. These claims are completely false.")

Last week, Bloomberg Businessweek published an investigation into the two professors who were so highly regarded on Stanford's campus and their closer-than-disclosed ties to Sequoia Capital-backed FTX. Grab a snack and have a read [here](#).

Insta-up...As unicorn CEOs held their breath, Instacart shares hit the Nasdaq yesterday at nearly 1pm E.T. with a nice "pop," immediately rising to more than \$40 per share. By market close, shares had settled down to \$33.70, though still up 12.3% from the IPO, where shares were priced at \$30 a piece. Who's next? Oh yes—Klaviyo.

See you tomorrow,

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Joe Abrams curated the deals section of today's newsletter.

VENTURE DEALS

- **Cato Networks**, a Tel Aviv, Israel-based platform that connects employees with company clouds, people, and data remotely, raised \$238 million in funding. **Lightspeed Venture Partners** led the round and was joined by **Adams Street Partners**, **Softbank Vision Fund 2**, **Sixty Degree Capital**, and **Singtel Innov8**.

- **Pryon**, a Raleigh, N.C.-based AI platform for optimizing search results and managing company content, raised \$100 million in Series B funding. **US Innovative Technology Fund** led the round and was joined by **Aperture Venture Capital**, **BootstrapLabs**, **Breyer Capital**, **Duke Capital Partners**, **Good Growth Capital**, and others.

- **Magnet Biomedicine**, a Cambridge, Mass.-based biotechnology company planning by research protein pairs to develop treatments for various diseases, raised \$50 million in Series A funding from **Newpath Partners** and **ARCH Venture Partners**.

- **ReCode Therapeutics**, a Menlo Park, Calif.-based genetic medicines company researching mRNA and gene editing treatments, raised \$50 million in Series B extension funding from **BLV**, **Solasta Ventures**, **OrbiMed Advisors**, **AyurMaya**, and others.

- **ZayZoon**, a Scottsdale, Ariz.-based payment platform for employers and employees, raised \$34.5 million in Series B funding. **Framework Venture Partners** led the round and was joined by **Export Development Canada**, **ATB Financial**, and existing investors.

- **AIRNA**, a Tübingen, Germany and Cambridge, Mass.-based biotechnology company that's researching RNA editing, raised \$30 million in funding from **ARCH Venture Partners**.

- **Virtual Incision**, a Lincoln, Neb.-based robot-assisted surgery systems developer, raised \$30 million in Series C extension funding. **Bluestem Capital, Endeavour Vision, Baird Capital, cultivate(MD) Capital Funds,** and **PrairieGold Venture Partners** led the round and were joined by **Arboretum Ventures** and **InVivium Capital**.
- **Plan A**, a Berlin, Germany-based carbon accounting, decarbonization, and ESG software provider, raised \$27 million in funding. **Lightspeed Venture Partners** led the round and was joined by **Visa, Deutsche Bank, Opera Tech Ventures,** and others.
- **Tabular**, a San Jose, Calif.-based platform data analysis and management provider, raised \$26 million in funding. **Altimeter Capital** led the round and was joined by **Andreessen Horowitz** and **Zetta Venture Partners**.
- **Darrow**, a New York City-based AI-powered platform that analyzes legal data to curate information and determine the financial value of a case, raised \$25 million in Series B funding. **Georgian** led the round and was joined by **F2, Entrée Capital,** and **NFX**.
- **Take Command**, a Dallas, Texas-based healthcare benefits platform for employers, raised \$25 million in funding. **Edison Partners** led the round and was joined by **LiveOak Ventures** and **SJF Ventures**.
- **Alcion**, a San Francisco-based AI-powered data security platform for Microsoft 365 users, raised \$21 million in Series A funding. **Veeam** led the round and was joined by angel investors.
- **Immaterial**, a Cambridge, U.K.-based company developing nano-materials designed to improve carbon capture and hydrogen storage, raised \$20 million in Series A funding. **SLB** led the round and was joined by **Chevron Tech Ventures, Ultratech Capital Partners, AP Ventures, Energy Revolution Ventures, CEPSA, JERA,** and others.
- **Briya**, a New York City-based healthcare data exchange platform, raised \$11.5 million in Series A funding. **Team8** led the round and was joined by **Insight Partners, Amity Ventures,** and the **George Kaiser Family Foundation**.

- **BioLoomics**, a Boulder, Colo.-based biotechnology company studying the evolution of human cells to create safer cancer treatments, raised \$8.7 million in seed funding. **Innovation Endeavors** led the round and was joined by **Horizons Ventures, TechU Ventures, Boom Capital Ventures, Hummingbird Nomads Fund**, and others.

- **Mural Health Technologies**, a Berwyn, Penn.-based payment and logistics platform for clinical trial participants, raised \$8 million in seed funding. **Bessemer Ventures** led the round and was joined by **Virtue VC, Operator Partners, Arkitect Ventures, Correlation Ventures**, and **Project Mayhem Ventures**.

- **Yotta Energy**, an Austin, Texas-based solar and storage solutions startup, raised \$8 million in funding. **Evergy Ventures** led the round and was joined by **BlueScope, Cricetus Felix Ventures, Copec WIND Ventures, EDP Ventures, Doral Tech Ventures**, and the **SWAN Impact Fund**.

- **Amenities Health**, a Dallas, Texas-based platform for health systems to find patients and track patient engagement, raised \$6.25 million in Series A funding. **MemorialCare Innovation Fund** led the round and was joined by **Epic Ventures** and angel investors.

- **Navenio**, a Oxford, U.K.-based platform that tracks the real-time location of workers and equipment in the healthcare industry, raised £5 million (\$6.2 million) in funding. **Oxford Science Enterprises** led the round and was joined by existing investors.

- **Monark**, an Alberta, Canada-based platform that provides leadership training and resources for managers, raised \$1.5 million in seed funding. **Storytime Capital** led the round and was joined by **Archangel** and **UCeed**.

- **ARX**, a Munich, Germany-based defense manufacturer of robots and autonomous systems for the defense industry, raised €1.15 million (\$1.2 million) in pre-seed funding from **Project A Ventures**.

PRIVATE EQUITY

- **Veracio**, a subsidiary of **Boart Longyear**, agreed to acquire **Minalyze**, a Goeteborg, Sweden-based developer of scanning instruments and software for the

visualization of geological data, for \$29.3 million.

- **Avel eCare**, backed by **Aquiline Capital Partners**, acquired **Fident Health**, an Addison, Texas-based telemedicine care provider for rural and suburban communities. Financial terms were not disclosed.

- **Carlyle** acquired a minority stake in **CAPTRUST Financial Advisors**, a Raleigh, N.C.-based investment management and financial planning firm. Financial terms were not disclosed.

- **CES Power**, backed by **Allied Industrial Partners**, acquired **Euro Touring Power**, a Dublin, Ireland-based provider of mobile power generation, distribution, and temperature control solutions for large events. Financial terms were not disclosed.

- **Golden Vision Capital Americas** recapitalized **Hawkes Learning**, a Mount Pleasant, S.C.-based educational software company that provides AI-based tutors and digitizes course materials. Financial terms were not disclosed.

- **McWin Capital Partners** acquired a majority stake in **Big Mamma**, a Paris, France-based Italian restaurant group. Financial terms were not disclosed.

- **Monarch Landscape Companies**, backed by **Audax**, acquired **Environmental Designs**, a Brighton, Colo.-based commercial landscape company. Financial terms were not disclosed.

- **RMA**, backed by **OceanSound Partners**, acquired **A3GEO**, a Berkeley, Calif.-based geotechnical, geologic, and seismic consulting services provider. Financial terms were not disclosed.

- **Versare Solutions**, a portfolio company of **WILsquare Capital**, acquired **Screenflex Portable Partitions**, a Lake Zurich, Ill.-based manufacturer of room dividers. Financial terms were not disclosed.

EXITS

- **Bird Global** acquired **Skinny Labs** (operating as Spin), a San Francisco-based electric bike and scooter operator, from **TIER Mobility** for \$19 million.

OTHER

- **Acceldata** acquired **Bewgle**, a Bangalore, India-based AI marketing platform for data analytics and customer insights. Financial terms were not disclosed.
- **Animaj** acquired **POCOYO**, a Madrid, Spain-based children's educational entertainment network. Financial terms were not disclosed.
- **Babbel** acquired **Toucan**, a Santa Monica, Calif.-based browser extension designed to help those learning a new language. Financial terms were not disclosed.
- **CrowdStrike** agreed to acquire **Bionic**, a Palo Alto, Calif.-based platform that tests for and protects against risks to a company's cyber infrastructure. Financial terms were not disclosed.
- **Simplr** acquired **Socrates.ai**, a Woodside, Calif.-based AI assistant for employees. Financial terms were not disclosed.

FUNDS + FUNDS OF FUNDS

- **Blue Sea Capital**, a West Palm Beach, Fla.-based private equity firm, raised \$618 million for its third fund focused on the healthcare and industrial markets.

PEOPLE

- **AE Industrial**, a Boca Raton, Fla.-based private equity firm, hired **General (Ret.) Jim McConville** as operating partner. Formerly, he was with the **U.S. Army**.
 - **Cathay Innovation**, a Paris, France-based venture capital firm, appointed **Bruno Delahaye** as partner. Formerly, he was with **Walmart**.
 - **Kain Capital**, a New York City-based private equity firm, hired **Marina Lee** as vice president. Formerly, she was with **DocGo**.
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