

Venture Capitalists Investing in AI, Health, Wellness

VCs Reduce Local Investments to \$97M

By JESSIE YOUNT

Venture capital firms with offices in Orange County decreased their local investments last year by about 11%.

The top 12 firms here had 22 area investments totaling \$97.4 million, down from 38 deals worth \$109.7 million in 2019, according to the Business Journal's annual list of venture capital firms.

Toba Capital of Newport Beach far outpaced the rest of its competitors—it committed \$52 million in local investments. That's more than 10 times the amount of any other local investment in 2020.

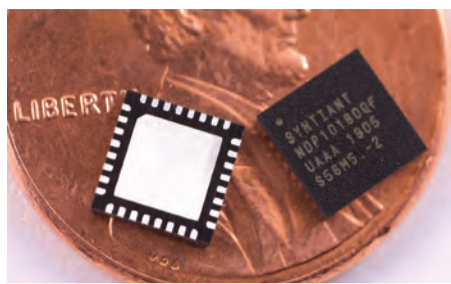
Vinny Smith created Toba in 2012 after selling Quest Software in Aliso Viejo to computer maker **Dell Inc.** for \$2.8 billion. Smith received about \$800 million in the sale.

Toba makes seed- and late-round investments in software companies, including Tustin-based fintech **Happy Money** and security software maker **Netwrix Inc.** in Irvine.

Among prominent 2020 deals, Toba participated in a \$27 million Series A round for **Boulevard**, a Los Angeles-based spa management software provider.

Ups & Downs

Other firms with notable jumps in funding deployed:



Miramar Venture Partners invested in chipmaker Syntiant

■ **Miramar Venture Partners** of Corona del Mar, which invests in companies that utilize artificial intelligence and data science technologies, upped its local investments six-fold to \$1.4 million.

Last year, it participated in a \$35 million Series C financing round for chipmaker **Syntiant**. The Irvine-based company makes artificial intelligence-powered chips used to control smartphones, earbuds, smart speakers, laptops, hearing aids, wearables, TV remote controls and dozens of other smart products.

■ **Rx3 Growth Partners**, previously known as RX3 Ventures, kicked \$4.5 million to local firms, up 41% from 2019. It is a backer of Irvine-based protein powder maker **Orgain** and Los Angeles-based **Therabody**, a massage gun product maker that rivals **Hyperice** in Irvine.

The Newport Beach-based firm was launched by **Green Bay Packers** QB **Aaron Rodgers** and his college friend **Nate Raabe** who brought in his boss, **Byron Roth** of

Roth Capital.

■ **Flying L Partners LLC** reported its investments in OC companies fell 79% from \$26.6 million to \$5.5 million. The Colorado Springs, Colo.-based firm sports a Newport Beach outpost led by prominent medtech investor **Bill Link**.

Much of the firm's funds went to ophthalmology-focused companies last year; it participated in rounds for early-stage drugmaker **Tarsus Pharmaceuticals Inc.** (Nasdaq: TARS) in Irvine and preservative-free eye drop developer **TearClear Corp.**, which relocated from Irvine to Boston last year.

TearClear moved because its new CEO is based in Boston. It "wasn't because of a lack of support or opportunity in OC," Link told the Business Journal after the deal closed last year.

"Access to talent is wonderful, and access to university researchers and collaborators is terrific" in OC, he said.

\$500M Effort

One major effort to boost local investments from within OC is well underway.

The **CEO Leadership Alliance of Orange County**, an organization whose execs spans numerous large local companies and is look-

ing to boost the economic fortunes of the area, has committed up to \$100 million in Aliso Viejo-based **Visionary Ventures** and **Miramar**.

Through its investments in local funds, the Master Fund expects to provide seed, Series

A and Series B funding to companies in sectors spanning artificial intelligence, deeptech, fintech, gaming, medical devices and enterprise software.

It aims to raise a total of \$500 million in the next five years for its Master Fund.

"We found that 95% of the innovation capital invested in Orange County startups has come from investors outside Southern California," said SC Master Managing Partner **Dick Gochnauer**.

"This means we are exporting 95% of those investment profits to other regions."

Gochnauer noted that a well-developed network of

capital in the region is critical to supporting early-stage, local startups. These local investments not only help young companies survive, but also ensure profits remain local.

Early investors in the Master Fund include **Edwards Lifesciences**, **Pacific Life**, **Golden State Foods**, **Anduril**, **Western Digital** and **CLA-OC CEOs**. ■



Rx3 Growth Partners backs local protein powder maker Orgain



THE LIST VENTURE CAPITAL FIRMS



MARC AVERITT
Managing Director
Okapi Venture Capital



FILIPP CHEBOTAREV
Co-Founder, Partner and COO
Cambridge Companies SPG



WILLIAM J. LINK
Managing Partner
Flying L Partners LLC



SAURABH RANJAN
CEO and Managing Partner
CerraCap Ventures



VINNY SMITH
Founder
Toba Capital





JEFFREY K. WEINHUFF
Managing Partner
Visionary Ventures

THE LIST VENTURE CAPITAL FIRMS

▶ NEXT WEEK'S LIST *Homebuilders*

LISTED ALPHABETICALLY

Company •Address	Company logo	Size of investments handled	Preferred funding stage(s)	Dollar amount invested in OC companies 2020 (millions) •Dollar amount invested in OC companies 2019 (millions)	Funds under management companywide (millions) •No. of deals in 2020 •No. of deals outside OC in 2020	OC partners •yearly % change	OC employees •yearly % change	Partial list of preferred industries	Notable recent investments	Top local official(s) •Title •Phone	
Adventus Ventures 14252 Culver Drive, Ste. A333 Irvine 92604-0326 Headquarters: Irvine Website: adventusvc.com Email: shawnm@adventusvc.com		\$3 million	Seed stage	\$0 ⁽¹⁾ \$0 ⁽¹⁾	\$25M ⁽¹⁾ 0 ⁽¹⁾ wnd	wnd	8 ⁽¹⁾ NA	Medical devices and smart wearable therapeutics devices	Alleuvia Therapeutics, Pressao Medical	Shawn Moaddeb founder/chairman (949) 562-3371	
Cambridge Companies SPG 660 Newport Center Drive, Ste. 710 Newport Beach 92660-8026 Headquarters: Las Vegas Website: cambridgespg.com Email: info@cambridgespg.com		\$100,000 to \$7 million	Series A, B and C	\$8M \$7M	\$210M 7 20	4 0%	18 0%	Clean label consumer products across food, beverage, personal care, and beauty	Nimble Tech For Good, Carbon38, Bruvi, Starbird Chicken, Lifeaid Beverage, Vive Organics, 4th & Heart, Once Upon a Farm, Tosi, Foodstirs, Owls Brew, Better Choice Company, Cora	Filipp Chebotarev co-founder/partner/COO (888) 615-6166	
CerraCap Ventures 650 Town Center Drive, Ste. 1870 Costa Mesa 92626-7021 Headquarters: Costa Mesa Website: cerracap.com Email: na@cerracap.com		\$500,000 to \$3 million	Early stage/seed, Series A	\$3.8M \$6.5M	\$175M 2 6	4 0%	4 -43%	Artificial intelligence, health tech, cybersecurity, fintech	MatterNet, Totient Bio	Saurabh Ranjan/Saurabh Suri/Nikki Arora managing partner, CEO/ managing partner, CIO/ partner, CMO (949) 309-8598	
Ergo Capital 1621 Alton Parkway, Ste. 250 Irvine 92606-4876 Headquarters: Toronto Website: ergocapital.com Email: info@ergocapital.com		\$50,000 to \$2 million	Seed, bridge, Series A, growth	\$0 \$0	wnd 0 1	1 0%	1 0%	Tech and consumer products	Axis Labs Inc., The Do More Company	Peter Polydor CEO (416) 616-8100	
Flying L Partners LLC 2424 S.E. Bristol St., Ste. 250 Newport Beach 92660-0761 Headquarters: Newport Beach Website: flyinglpartners.com Email: info@flyinglpartners.com		\$5 million to \$25 million	Clinical stage	\$5.5M \$26.6M	wnd 2 0	4 0%	1 0%	Ophthalmology	TearClear Inc., Tarsus Pharmaceuticals Inc.	William J. Link managing partner	



Change waits for no one, but rewards those swift enough to keep up. Top companies and municipalities count on us to have the right team and skills to meet their toughest challenges 24/7, 365 days a year.



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Solutions at the speed of now

K5 Venture Partners 4590 MacArthur Blvd., Ste. 150 Newport Beach 92660-2072 Headquarters: Newport Beach Website: k5ventures.com Email: info@k5launch.com		\$50,000 to \$300,000	Pre-Series A	\$0 ⁽¹⁾ \$1.5M	\$14M ⁽¹⁾ 0 ⁽¹⁾ 0 ⁽¹⁾	3 ⁽¹⁾ NA	2 ⁽¹⁾ NA	Artificial intelligence, medical devices, robotics	Flipagram, Submittable, Selfie With Me!	Ray Chan/Amir Banifatemi managing directors	
Lotus Domaine⁽²⁾ 4533 MacArthur Blvd., Ste. 5068 Newport Beach 92660-2059 Headquarters: Newport Beach Website: lotusdomaine.com Email: ir@lotusdomaine.com		Up to \$20 million	Growth capital/buyout	\$0 \$0	\$50M 0 2	4 100%	5 0%	Enterprise software	would not disclose	Christian Mack founding partner (949) 565-3002	
Miramar Digital Ventures 2101 E. Coast Highway, Ste. 300 Corona del Mar 92625-1900 Headquarters: Corona del Mar Website: miramarvp.com Email: satkinson@miramarvp.com		\$250,000 to \$5 million	Seed, early stage	\$1.4M \$200,000	\$100M 2 4	1 0%	0 NA	Data science and artificial intelligence	Syantiant, Scopely	Bruce Hallett managing director (949) 760-4455	
Okapi Venture Capital 555 Corporate Drive, Ste. 200 Ladera Ranch 92694-2176 Headquarters: Ladera Ranch Website: okapivc.com Email: averitt@okapivc.com		\$500,000 to \$3 million	Pre-Series A	\$10M \$25.8M	\$103M 4 7	6 0%	0 NA	Technology	Notisphere, Ubiq Security, Network Perceptions	Marc Averitt managing director (949) 715-5555	
Rx3 Growth Partners⁽³⁾ 888 San Clemente Drive, Ste. 400 Newport Beach 92660-6366 Headquarters: Newport Beach Website: rx3growthpartners.com Email: info@rx3growthpartners.com		\$1 million to \$5 million	Series A+	\$4.5M \$3.2M	\$50M 2 4	3 0%	5 25%	Consumer goods	Orgain, Therabody, Nom Nom, Victor Pet Food, Hydrant, Kitu Super Coffee, Tocaya	Nate Raabe/Byron Roth/ Aaron Rodgers managing partner/partner/ partner	
Toba Capital 4675 MacArthur Court, Ste. 1500 Newport Beach 92660-1879 Headquarters: Newport Beach Website: tobacapital.com Email: hello@tobacapital.com		\$500,000 to \$75 million	Early stage through Series B	\$52M \$25M	\$1.3B 1 9	5 0%	5 0%	Technology, consumer goods, healthcare, energy and other	Boulevard, Perimeter 81, Luxury Presence	Vinny Smith founder	
Visionary Ventures 65 Enterprise Aliso Viejo 92656-2705 Headquarters: Aliso Viejo Website: visionaryvc.com Email: info@visionaryvc.com		\$5 million to \$10 million typical round	Series A+	\$12.2M \$13.9M	\$151.6M 2 3	3 0%	3 50%	Ophthalmology, medical aesthetics	Tarsus IPO	Jeffrey K. Weinhuff/Garrett E. Hamontree managing partner/principal (949) 330-6576	

Abbreviations: wnd: would not disclose; NA: not applicable
 Note: To the best of our knowledge, this information is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Unless otherwise noted, the information on this list was provided by the companies themselves. List may not be reprinted without permission of the editor. Photos show the first top official listed.
⁽¹⁾ Business Journal estimate
⁽²⁾ Previously listed as Lotus Innovations LLC
⁽³⁾ Previously listed as Rx3 Ventures