

# Emerging Business & Venture Capital

Cozen O'Connor's nationally known Emerging Business & Venture Capital team has been deeply involved with this dynamic field for decades. We don't dabble in the venture space — we live in it.

The firm counsels startup, early-stage, growth, and late-stage venture-backed companies through every stage of the corporate lifecycle, from formation and financing to maturation and exit.

Complementing our company-side practice, the firm also represents venture capital funds, private equity funds, family offices, corporate venture capital funds, angels, and other high net worth investors.

## WHAT WE DO

### Founding and Groundwork

- Pre-formation consideration, entity selection, and formation
- Founder shares, equity division, and vesting
- Ownership structure and cap table management
- Equity compensation and options (e.g., ISOs, NQSOs, profit interests, RSUs)
- Employee hiring and retention
- Proof-of-concept (POC), pilot, and full-service customer contract negotiations
- Joint ventures, strategic alliances, and outsourcing

### Financing and Exit

- Friends and family, angel, pre-seed, seed, and series preferred financings
- Convertible notes, SAFEs, priced series seed/preferred rounds, bridge loans, and recapitalizations
- Venture debt
- Crowdfunding
- Accelerator, incubator, and venture studio deals
- M&A, divestitures, spin-offs, and other forms of venture-backed company exits

### Strategic Value

- Introductions to an extensive network of venture capital funds, private equity funds, family offices, corporate venture capital funds, angels, and other high net worth investors
- Business model design
- Market positioning
- Pitchdeck development and pitch coaching

## WHY OUR FIRM

- Venture-backed enterprises move at **breakneck pace**; Cozen O'Connor provides timely, pragmatic, business-savvy advice that keeps clients moving forward.
- We bring deep **experience in key industry verticals**: health and medical tech, digital health, telemedicine, cannabis, ed tech, insurtech, proptech, fintech/finserv, adtech, fashiontech, blockchain, NFTs, metaverse, drones, robotics and AI, data storage and cloud computing, digital entertainment, social networking, tech-adjacent consumer products, and others.
- Clients benefit from **cross-disciplinary counsel** by the firm's Employment, Intellectual Property, Tax, Benefits, Litigation, Real Estate, Corporate Governance & Securities, and Technology, Privacy & Data Security practice groups.



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### Related Practice Areas

- Business
- Commercial Finance
- Corporate
- Health Care & Life Sciences
- Insurance Corporate & Regulatory
- Intellectual Property
- Italy Practice
- Mergers & Acquisitions
- Private Client, Trusts and Estates
- Private Equity

- Cozen O'Connor's COpilot program offers **sophisticated information and resources** to nascent startups as well as deferral opportunities for qualifying enterprises.
- Our lead attorneys are investors, entrepreneurs, and startup veterans themselves, so they **know first-hand** what it takes to build successful venture-backed companies.

## Experience

Represented a SaaS Insurtech company automating small group health plan sales, enrollment, and renewals in multiple seed and growth stage financing rounds led by well-established East Coast venture funds.

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Represented a behavioral data analytics Insurtech company in multiple seed and growth stage financing rounds exceeding \$11 million in the aggregate led by well-established East and West Coast venture funds.

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Represented the innovation, commercialization, and venture capital arm of a major health provider and insurer in three seed and growth stage investments.

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Represented an early-stage B2B SaaS venture capital fund in 11 seed and growth stage investments.

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Represented an emerging-growth venture capital fund in its investment in a company offering enterprise solutions in fiduciary management.

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Represented a national emerging growth PropTech venture capital fund in 35 seed and growth stage investments.

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Represented a clinical research startup focused on the treatment of inflammation-related diseases in a \$3 million capital raise from new and existing investors.

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Represented an adhesive gripping and fastening products company in its sale of Series B Preferred Stock.

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Represented a technology company focused on advancing waste management using artificial intelligence and robotics in a SAFE investment.

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Represented a dance sneaker manufacturer and retail company in its equity raise of seed capital from members of an organization of seed capital angel investors.

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Represented a venture capital sponsor in connection with the formation and capital raise for several special purpose venture capital funds.

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Represented a venture capital sponsor in connection with the formation and capital raise for a first-time venture capital fund targeting seed investments in healthtech companies in Africa.

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Represented Biomeme, Inc., a biotechnology company and leading provider of portable PCR testing solutions, in its acquisition of Predigen, Inc., a privately held diagnostic company and emerging leader in precision medicine focused on host response diagnostics.

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Represented Mainfactor Inc., an e-commerce holding company that buys, builds, and operates direct-to-consumer brands and digital marketing services companies, in a \$69 million funding round, raised through a mix of series seed equity and a senior secured credit facility, led by Upper90.

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Represented a venture capital firm as lead investor in its \$10 million Series C investment in an online life insurance information and customer engagement SaaS provider.

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Represented a leading education and research provider for the risk management and insurance industry as an investor in a Series A financing round led by a United Kingdom private equity fund.

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Assisted Auverity, Inc. -- a unique B2B digital ID platform that enables organizations, governments, and small businesses to manage COVID-19 vaccination certificates in a secure, intuitive, and easy-to-use platform -- with its corporate formation, IP protection, and creation of terms of service and customer contracts.

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Represented SteadyMD, Inc. in its \$25 million Series B Financing, led by Lux Capital. The growth investment will enable SteadyMD, an individual and B2B telemedicine platform, to scale the next phase of its growth.

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Represented Grovara, LLC, an online marketplace and software company that connects wellness brands with retailers, in a \$5.5 million Seed financing round raised as convertible notes.

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Represented an emerging business that provides supply purchasing solutions to business in the creation of a \$20 million senior credit facility.

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Represented NewSpring Capital in its Series D equity investment in Deposco, Inc., a provider of cloud-based fulfillment software.

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Represented the issuer in a \$7.5 million seed round private placement to capitalize an early-stage company that, through a patented electrolysis process, produces a proprietary fuel mixture composed of parahydrogen and a stable form of atomic hydrogen.

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Represented a Pittsburgh-based startup that provides advanced analytics software to higher education institutions in a convertible note offering.

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Represented Pittsburgh Knights, LLC, the leading esports franchise and entertainment company in Pittsburgh, in its closing of a venture financing from North Shore Entertainment Works, LLC, an affiliate of the Pittsburgh Steelers.

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Represented Pineapple Payments in its Series A-1 and B-1 equity financing.

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Represented Pineapple Payments in its acquisition of an independent sales organization's merchant portfolio.

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Represented Pineapple Payments, a payment processing technology company, in its acquisition of substantially all of the assets of AthleteTrax, LLC, a payments-focused software platform serving recreational sports leagues and facilities.

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Represented nanoGriptech, Inc., a Pittsburgh-based startup that manufactures micro-structured dry adhesives and surfaces for various applications, in a \$1.7 million investment through the issuance of convertible notes from Industrial Technology Investment Corporation, a venture capital and private equity firm based in Taiwan.

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Represented La Colombe Torrefaction, Inc., a nationwide coffee roasting company with both wholesale and retail operations, in connection with a significant senior credit transaction.

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Represented NewSpring Capital in connection with a \$100 million investment in SnagAJob.com, Inc., which is the country's largest marketplace for hourly job seekers and employers. This was the inaugural investment for NewSpring Capital's dedicated growth and expansion stage fund, NewSpring Growth Capital, and included co-investors Invus Group and Rho Acceleration.

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Represented Sidecar Interactive, Inc., a provider of e-commerce marketing technology, in obtaining \$8 million in Series B funding in an investment round led by Ascent Venture Partners.

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Represented the Vetri Family of Restaurants in connection with its sale to Urban Outfitters Inc. (URBN).

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Represented NewSpring Capital in a \$13 million investment in the Series A Convertible Participating preferred stock of SiteSpect, Inc. by one of NewSpring's dedicated technology and business services growth funds, NewSpring Growth Capital III, LP. SiteSpect is a developer of website optimization platforms utilizing patented technology to enable online businesses to significantly improve key metrics such as conversion rates and revenue.

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Represented Alerus Financial, N.A., a wholly owned subsidiary of Alerus Financial Corporation in its acquisition of Interactive Retirement Systems, LTD, who provides record keeping, consulting, and administration for 160 retirement plans and more than 16,200 plan participants.

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Represented Genesis Health Ventures, Inc. (NYSE) in its: \$1.4 billion cash acquisition of the Multicare Companies, Inc. (NYSE), \$590 million acquisition of Vitalink Pharmacy Services, Inc., \$250 million acquisition of Meridian Healthcare, Inc. (private company), \$235 million acquisition of Geriatric & Medical Companies (NYSE), \$65 million acquisition of National Health Care Affiliates, Inc. (private company), \$60 million acquisition of Neighborcare Professional Pharmacies (private company), and \$60 million acquisition of McKerley Health Care Centers, Inc. (private company).

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Represented Cloudamize, a provider of cloud-based resource optimization solutions, in obtaining over \$2 million in seed funding from investors lead by MissionOG, a local early-stage venture capital firm.

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Represented Biomeme, Inc., developer of a patented, real-time PCR thermocycler device for gold-standard DNA analysis utilizing a smartphone, in connection with raising over \$2 million in seed funding and related organizational, intellectual property, and co-development agreements.

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Represented NewSpring Capital in connection with its \$15 million Series E preferred stock Investment in IfByPhone, Inc. (d/b/a Dialogtech), a provider of a voice-based marketing automation platform, to fund IfByPhone's acquisition of Mongoose Metrics, a provider of call tracking, measurement, and attribution software solutions.

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Represented a private equity investor in a \$12 million investment in holding company for Chinese luxury auto dealerships.

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Represented U.S.-based investment fund in purchase of \$20 million of common stock of Sweden-based Klarna Holding AB.

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Represented shareholders of the largest Haitian internet provider in sale of the company to a telecom private equity fund.

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Represented Morphotek, Inc., a biotech company, in multiple rounds of financing, including more than \$40 million of venture capital financings from a group of prominent venture funds, including SR One, Limited, Forward Ventures, China Development Industrial Bank, Rock Maple Ventures, Burrill & Co., CB Health Ventures, and Flagship Ventures to the subsequent \$350 million acquisition of Morphotek by Japanese health care research and development firm ESAI Corporation.

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Represented Beachbody, LLC, a leading marketer of health and fitness programs and products (i.e., P90X, Insanity), in the growth capital investment by LNK Partners.

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Represented eight venture funds in the sale of American WholeHealth, Inc., a portfolio company, for

approximately \$40 million.

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Handled a series of transactions for a group of investors who purchased a substantial interest in Sivox Holdings, LLC, a customer call center training company. The transactions included the acquisition of an online training company servicing financial institutions and on the closing of a senior secured financing to finance the acquisition.

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Handled TL Ventures purchase of \$5 million of preferred stock of Square 1 Financial, Inc., a holding company and sole owner of Square 1 Bank, a commercial bank that provides banking service to venture capital funds and emerging growth companies.

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Represented the principal owners of Sun Bank in connection with their \$30 million PIPE investment in Sun Bank, as part of a \$100 million aggregate investment led by Wilbur Ross, the billionaire fund manager.

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Represented Portico Systems of Delaware, Inc. in its acquisition by McKesson Health Solutions, a subsidiary of McKesson Corporation (15th on the Fortune 500), for approximately \$90 million. The firm represented this company since its formation and through multiple transactions, including several investments by Safeguard Scientifics and Edison Venture Fund.

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Represented Folio Dynamics, Inc. (d/b/a FolioDynamix) in connection with its approximately \$17 million Series B financing. The investors were ABS Capital Partners, Edison Venture Fund VI, Cambrian Associates, and Velocity Venture Holdings, LLC.

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Represented TL Ventures VII, LP in connection with its \$5 million preferred equity investment in Square 1 Financial, Inc., a holding company and sole owner of Square 1 Bank, a commercial bank that provides banking service to venture capital funds and emerging growth companies.

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Represented a privately held high-technology company in obtaining \$8 million of preferred equity financing (\$4 million investment from a multinational corporation and \$4 million from a private equity fund).

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Represented a network integration and consulting startup company in obtaining a \$50 million preferred equity investment from a private equity fund.

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