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The Term Sheet by *Dan Primack*

FORTUNE

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Random Ramblings

Lots of news items this morning, so just a few quick notes to kick off your Wednesday:

*** **CB Insights yesterday released** Q3 venture capital investment data, and some blogs picked up on the fact that 26% of all early-stage Internet deals were categorized as "seed" instead of "Series A."

Interesting stat, but here's a thesis: I stipulate that most types of Internet companies can launch with less money today than they could a few years back. And seed-stage investing is indeed on the rise. However, the CB Insights seed-stage numbers are, in part, being driven by reporting bias. Two years ago, companies rarely issued press release to tout seed rounds. The deals were considered financially insignificant, more companies valued "stealth-mode," the investors weren't well known and spending dollars on PR distribution was viewed as wasteful.

Today, however, the situation is much different: Many seed investors are considered to be validating rock stars, stealth-mode has cost its cache and companies are prone to self-publish their news via blog post.

Two interesting scoops from Private Equity Insider this morning:

1. Harris Barton has already left Capital Dynamics, in order to launch his own angel shop. You may remember that Cap Dyn recently bought HRJ Capital, the Barton-led fund-of-funds manager that took out warehouse loan obligations it couldn't meet.
2. The Blackstone Group has once again pushed off the final close for its new global buyout fund, this time to December. It's already at \$13.5 billion, but apparently would like another billion.

*** **Storyboard:** I think it may be time to do a story on the "comeback" of Kleiner Perkins, as evidenced most recently by the ngmoco sale. Most folks probably didn't consider KP to be on the slide, but I've heard more than a few GPs and LPs argue that the firm's glory days were behind it (and that only Google has kept it top-tier).

Also should look into the returns generated by Berkshire Partners a few years back on Carter's, in light of Bain Capital's deal to buy Gymboree.

*** **Where in the World:** This evening, I'll be participating in a panel about "using PR and social media to

generate buzz for your startup." It's being sponsored by the New England Venture Network, and begins at 6:30pm at the Boston office of Cooley LLP.

My fellow panelists include Greg Hwang (Xconomy), Galen More (Mass High Tech) and author Paul Gillin. It's free to attend, and you can sign up at: <http://nevn.eventbrite.com>

6 things you should read @Fortune.com

- [Pre-Marketing](#), including technocrats vs. populists, why Microsoft should buy Adobe, the next retail LBO targets and the original Marty McFly.
- [China's 5 best new cities for business](#)
- **Katie Benner:** [View from the hedge fund seat looks good](#)
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- **Yelp's COO:** [We want to stay independent \(for now\)](#)
- **Beyond LinkedIn:** [VC funding for the open social graph as business tool](#)

The Big Deal

Veritas Capital has agreed to acquire the **Enterprise Integration Group** of **Lockheed Martin**, for \$815 million. EIG is a Valley Forge, Penn.-based provider of mission-critical systems engineering and integration services to the U.S. intelligence community. www.veritascapital.com

VC Deals

Hoyos Corp. (f.k.a. Global Rainmakers), a Puerto Rico-based IP holding company and R&D lab, has raised \$40 million in new VC funding. No investor information was disclosed. www.hoyosgroup.com

InfraReDx Inc., a Burlington, Mass.-based developer of cardiovascular diagnostic imaging technologies, has raised \$21 million in new VC funding. Return backers include Sandlering Ventures. www.infraredx.com

Care.com Inc., a Waltham, Mass.-based online service used by families to find caregivers, has raised \$20 million in Series C funding. New Enterprise Associates led the round, and was joined by return backers Matrix Partners and Trinity Ventures. The company previously raised \$12 million. www.care.com

New Century Hospice, a Dallas-based operator of nine hospice-care facilities in Texas, has raised \$20 million in Series A funding. Scale Venture Partners and Petra Capital Partners co-led the round. www.centuryhospice.com

StoredIQ Inc., an Austin, Texas-based provider of provider of intelligent information management solutions for the enterprise, has raised \$10 million in new VC funding. PerformanceEdge Partners led the round, and was joined by return backer S3 Ventures. www.storediq.com

Xceedium Inc., a Reston, Va.-based provider of access and security solutions for IT infrastructure., has raised \$7.5 million in Series B funding led by return backers ArrowPath Venture Partners. www.xceedium.com

MySupermarket, a British grocery shopping comparison site, has raised \$7.4 million in Series C funding. Return backers include Greylock and Pitango Venture Capital. The company previously raised \$14 million,

and has hired former Wix chief Allon Bloch as CEO. www.mysupermarket.co.uk

Online Warmongers LLC, a San Francisco-based online game developer, has raised \$5 million in VC funding from Arktos Entertainment Group. www.thewarinc.com

Henley-Putnam University, a for-profit online university focused on security and intelligence education, has raised \$4.8 million in VC funding led by CMS Small Cap Private Equity Fund. www.henley-putnam.edu

xAD, a San Francisco-based mobile ad network, has raised \$4 million in new VC funding from Emergence Capital. It previously raised over \$25 million from SoftBank Capital, Arcturus Capital, Palisades Ventures and Sorrento Ventures. www.xad.com

GutCheck, a Denver-based provider of DIY online quantitative market research solutions, has raised \$2 million in Series A funding. Highway 12 Ventures led the round, and was joined by Village Ventures, iModerate Research Technologies and Benenson Strategy Group. www.gutcheckit.com

Private Equity Deals

Highland Capital Management has completed its take-private acquisition of **American HomePatient Inc.**, a Texan provider of home healthcare services. The deal includes a restructuring of American HomePatient's \$216 million in senior debt. www.ahom.com

NEP Broadcasting LLC, a portfolio company of American Securities, has agreed to acquire **Sweetwater** and **American Hi Definition**, providers of theater-scale digital projection, remote video production and display services. No financial terms were disclosed. www.nepinc.com

Nordic Capital has increased its buyout bid for Swedish engineering company **Munters** (ST: MTRS) to approximately \$859 million, topping a rival offer from Alfa Laval (ST: ALFA). The Munters board has recommended Nordic's new offer. www.nordiccapital.com

Opodo Ltd., a UK-based online travel site owned by Spain's Amadeus IT Holding, has received takeover interest from Google, Expedia, AXA Private Equity and Permira, according to the WSJ. The company is expected to sell for between €400 million and €500 million. www.opodo.com

Platinum Equity has agreed to acquire **Ulticom Inc.** (Nasdaq: ULCM), a Mount Laurel, N.J.-based provider of signaling software that lets telecom network equipment and service providers deploy services. The deal is valued at approximately \$90 million, with Ulticom stockholders to receive \$2.33 per share (following a special dividend of \$5.74 per share). The company's stock was halted ahead of the news yesterday, when it stood at \$7.69 per share. www.ulticom.com

Shamrock Capital has acquired **INGrooves**, a San Francisco-based provider of digital distribution, marketing and promotional services to the audio, video & publishing communities. No financial terms were disclosed. Waller Capital Partners advised INgrooves on the deal. www.ingrooves.com

PE-backed IPOs

SinoTech Energy Ltd., a Beijing-based provider of enhanced oil recovery, or EOR, services in China, has

filed for a \$100 million IPO. It plans to trade on the Nasdaq under ticker symbol CTE, with Citi, UBS and Deutsche Bank serving as co-lead underwriters. Shareholders include Deutsche Bank and Sequoia Capital China.

SeaCube Container Leasing Co., a Park Ridge, N.J.-based container leasing company, has set its IPO terms to 7.5 million shares being offered at between \$16 and \$18 per share. It would have an initial market cap of approximately \$343 million, were it to price at the high end of its range. Citi, J.P. Morgan, Deutsche Bank and Wells Fargo serving as co-lead underwriters. SeaCube is a subsidiary of SeaCastle, a Fortress Investment Group portfolio company that canceled its own IPO last May. www.seacastleinc.com

Exits

Broadcom Corp. (Nasdaq: BRCM) has agreed to acquire **Beceem Communications**, a Santa Clara, Calif.-based provider of mobile WiMAX chipsets. The deal is valued at \$316 million in cash, minus unvested employee options. Beceem had been in registration for a \$100 million IPO. It had raised around \$110 million in VC funding since 2003, from Intel Capital (20.3% stake), Walden International (16.3%), Global Catalyst Partners (16.3%), Khosla Ventures (5.9%), NEC, KTB Ventures, Mitsui, Motorola and Samsung. www.beceem.com

Asian Citrus has agreed to buy Chinese tropical juice company **BPG Food & Beverage** for \$257.5 million. Sellers include **Lunar Capital**, which invested \$25 million for a 25% stake in BPG last December.

Citigroup Venture Capital International is considering a sale of Turkish generic drug-maker **Biofarma**, according to Reuters. The deal could be worth upwards of \$1 billion. CVCI acquired the company for around \$200 million in 2007, and other selling shareholders would include Partners in Life Sciences and Greek firm Global Finance. www.biofarma.com.tr

Silicon Labs (Nasdaq: SLAB) has acquired **ChipSensors Ltd.**, an Ireland-based developer of sensors designed to detect temperature, humidity and gases. No financial terms were disclosed. ChipSensors shareholders included Kernal Capital and Enterprise Ireland. www.silabs.com

Qualcomm Innovation Center Inc., a subsidiary of Qualcomm Inc. (Nasdaq: QCOM), has acquired the assets of **iSkoot**, a San Francisco-based provider of mobile VoIP solutions. No financial terms were disclosed. iSkoot had raised around \$34 million in VC funding from Vision Opportunity Master Fund, Charles River Ventures, Khosla Ventures, Jesselson Capital Corp. and ZG Ventures. www.iskoot.com

Other Deals

RedBrick Health, a Minneapolis-based provider of personal health financing and management solutions, has acquired **Social Kinetics**, a developer of health engagement technology. No financial terms were disclosed. RedBrick has raised \$45 million in VC funding from Highland Capital Partners, Kleiner Perkins, Versant Ventures and Volition Capital. www.redbrickhealth.com

Firms & Funds

Covington Capital has agreed to acquire five retail venture capital funds from **VenGrowth Asset Management**. No financial terms were disclosed. www.covingtoncap.com

Moving In, Up and On

Timothy Barrett has joined **Eastman Kodak** as director of pension investments. He previously was executive director and CIO of the San Bernardino County Employees Retirement Association. Former Eastman Kodak investment chief John Lane has joined the Ohio Public Employees Retirement System. www.kodak.com

Hans Morris has joined **General Atlantic** as a managing director and head of the firm's financial services practice. He is the former president of Visa Inc., and has served as a special advisor to General Atlantic for the past year. www.generalatlantic.com

Karen Rode has joined **Hewitt EnnisKnupp** as head of global private equity. She previously was senior managing director of funds at GE Capital. www.aonhewitt.com

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