



Newsletter

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Introduction

March 16, 2018

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Ian Patrick Sobieski
- SiG Leaders**
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Sanjiv Taneja
- AeroAstro**
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Jaleh Daie
- Blockchain**
Basant Kedia
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Jack Guedj
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- Deal Screening Committee**
Jim Ashford
Mike Bates
Juan-Antonio Carballo
Jonathan Leong
Chris Meyer
V.K. Rajaram
- Membership Committee**
Ed Bierdeman
Ron Burns
Harry Davitian
Brian Frenzel
Craig London
Leslie Murdock
Liliana Nordbakk
Karen Riley

Our member Demetris Paraskevopoulos called me last month with a concern. He had taken on a consulting client and in casual social conversations with Band members some had begun to take an interest in investing in his client! I’ve written about this periodically, namely the idea that we have very few rules at the Band, given everyone is a “Type A” personality, but that one of the rules is that deals should not be syndicated “on the side”. Demetris, took seriously this idea that any fundraising of deals facilitated by his membership in the Band, via the social connections formed there, the SiGs, or other events, needed to be open and available to all Band members. But still, he wasn’t clear what to do because this deal, he was sure, was **not** a Band deal and would never be invited to the Dinner. It was based in Ohio to start with, it did not have a CEO, it was more an IP-play than a growth play. How could he make such a deal “available” to the whole Band?

This “edge case” is a great opportunity to underscore that we have a deal flow process to make life at BandHQ manageable, **not** to become a slave to. With 50+ companies soliciting the opportunity to present every month we’d be lost without a process for attending to them. And similarly, having criteria of stage (early), valuation (low), geography (local) on what kind of deals to look at makes it easier to exclude deals that would never get funded after a cold presentation to a Band dinner and thus spare our pre-screen reviewers the task of evaluating them. But when a deal **is** being funded by Band members, that trumps any arbitrary criteria for pre-screening a company and we want to see it at the Deal Screening Committee.

That is what “Available to the whole Band” means, giving the Screening Committee the chance to assess the situation and consider inviting the company to a Dinner. We can adjust our process to accommodate any special situation; in the case it still took a few weeks between when Demetris first called and when the Committee met. But Demetris did not need to wait in syndicating the deal among Band members during this time. We want companies to get funded and not to have the “process” get in the way of that funding. It always helps a company at the Dinner if it is already raising money from individual members before a Dinner; and this can be done with confidence and comfort if the understanding is already there with the company and sponsor that if Band members start to make commitments to invest, the company will agree to set aside some portion of the round for the whole Band to potentially invest in.

As it is, the Committee chose Demetris’ client, RAM Medical, to present and they are on the agenda today. Demetris was flabbergasted that this Ohio deal made it on the Band agenda. I am proud that our process is flexible enough to have adapted here and also want to highlight Demetris’ “model Band member behavior” in bringing this deal to BandHQ attention once it started to get funded “on the side”. And by the way, he also modeled the ideal behavior of declaring fully and openly and often his conflict of interest (this is a client of his!). Now everyone has a chance to invest in this deal that came from our robust and diverse network of Band members.

- Ian

- Deal Dinner**
Date: Wednesday, Mar 21st
Place: Los Altos Golf and Country Club
Time: 6:15 PM - 9:00 PM
- Second Look**
Date: Thursday, Mar 22nd
Place: The Bently Reserve San Francisco
Time: 12:00 PM - 3:00 PM

Welcome New Members



Eui-Sook Park is a vice chairman of SeAh holdings, a Korean conglomerate with over thirty affiliates, manufacturing core steel materials used in automobiles, ships, heavy machines, energy production, and construction. As vice chairman, she has been in charge of strategic decision making to maximize the value of the group. Investing in funds and startups is a high priority; new business opportunities have been proactively developed to find growth breakthrough. Eui-Sook is also president of the SeAh Foundation, established in honor of Woon-Hyung Lee, the late chairman of the group and her husband in 2013. As president of the SeAh Foundation, she has provided support to promising opera singers and supported academic research for musicologists. In the early 1990's, she founded SeAh Metal, offering stainless steel wire and auto parts, and SeAh Networks, providing IT services and technology. She is currently leading and managing the businesses of these two firms. Eui-Sook has been active on social contributions; donations to establish the Korean museum at the University of Michigan and to install a pipe organ for the Jeong-Dong church, which is one of the most historic churches in Korea. She holds a B.S from Ewha University and an MBA from Yonsei University in Korea.



Veena Keri is a seasoned technology executive and brings over 20 years of engineering and product experience to her role. Most recently, Veena was Vice President of Strategy at Informatica where she focused on big data and cloud computing. Prior to that, she held leadership positions in product management and marketing at Amazon (Amazon Web Services) and Sun Microsystems (Sun Cloud). Early on in her career, she held engineering roles at Juniper Networks and Silicon Graphics. She has a Bachelor's in Computer Science from the Indian Institute of Technology, Chennai and a Masters in Computer Science from Cornell and an MBA from the Wharton School.



Antoinette (Toni) von dem Hagen is an active investor interested in making direct angel investments in addition to being a limited partner in a number of venture capital and private equity funds. Trained as a lawyer and combined with experiences in various businesses, Toni likes to be involved in coaching the teams of the young companies that we invest in. She is managing director of Golden Seeds, an angel network that invests in women-led startups. Toni is currently pursuing a Master of Liberal Arts degree at Stanford University with interest in women's literacy, while continuing to be involved in philanthropic work. She is on the Board of HIP Housing, a non-profit specializing in creative affordable housing solutions throughout San Mateo County. Previously, she was president and chair of the board of the of the Association of Auxiliaries for Children at the Lucile Packard Children's Hospital at Stanford, and board member of the Lucile Packard Foundation for Children's Health. Toni holds BA in Geology from Carleton College and earned a Juris Doctor degree at University of California, Hastings College of the Law. Having been raised in the Philippines, and being of German descent, Toni enjoys international travel and business opportunities.



Georgios Papadopoulos is the Founder and CEO of Atypon Systems, an online publishing technology company with offices and associates in Santa Clara, New York, Oxford, UK, Athens, Greece, the Czech Republic, and Amman, Jordan. Atypon was founded with no outside capital in 1996 to initially serve science and academic publishers. It has since expanded to serving some of the largest publishers in North America, Europe, and Australia across different sectors of publishing and has established itself as the technology leader among its peers and competitors with more than 40% market share. Prior to founding Atypon, he developed the software that enabled the Journal of Biological Chemistry to be the first scientific journal to be published on the Web. He also developed a sophisticated access control system for Rizzoli Publishing (now RCS Media Group). A Fulbright Scholar, Georgios earned a Bachelor of Science degree in Mathematics from Aristotle University of Thessaloniki, Greece, and Master and Doctor degrees in Computer Science from New York University.

MARCH 2018 PROGRAM

The Deal Screening Committee met on February 28th and chose from among the 74 companies under consideration the following deals: **RAM MEDICAL, sponsored by Mike Bates**, is a medical device company specializing in vascular sheath technology that facilitates endovascular interventions in hostile anatomy; **GRAVITY, sponsored by Wade Luders and Mizan Rahman**, has developed a suite of verticalized artificial intelligence products, including self-writing emails, for frontline fundraiser at nonprofit organizations to instantly transform an organization's CRM from a system of record into a system of intelligence; and **COMBINATI, sponsored by Mike Mokolke**, creates precision nucleic acid quantification platform for every lab.

RAM MEDICAL INNOVATIONS, sponsored by Band member Michael Bates, will be presented by Founder/Inventor, Mubin Syed, MD (937-215-0878; mubinsyed@aol.com), and Band members Demetris Paraskevopoulos and Suresh Pai.

Peripheral Arterial Disease (affecting 1 in 20 Americans) is a common circulatory problem that results in reduced blood flow to the limbs. This leads to pain, gangrene, and amputation. Current treatments include angioplasty and stenting. There is an estimated 800K such procedures to be performed in the USA during 2019. Hostile and tortuous anatomy, prevalent in up to 20% of cases, especially in the elderly, impairs efficient access for endovascular interventions, even in expert hands. This can result in up to 45 minutes of excess procedure time, often resulting in procedure failure to achieve access. When contralateral access is achieved (the most common method to perform such procedures), the stability of the access can be tenuous which again results in loss of access and procedural delays during the intervention. A common solution is antegrade access, but this is prohibitive in obese patients (40% of the US population). Therefore, M-Y Sheath™ may be necessary in 25% of all peripheral arterial interventions.

M-Y Sheath™ is a vascular sheath system designed to facilitate arterial vascular access in hostile anatomy during peripheral arterial intervention. M-Y Sheath™ has a proprietary side arm (unlike no other sheath in the market) that allows a pulling or traction vector, allowing ease of placement in hostile anatomy. This side arm can also be locked in place allowing phenomenal sheath stability. RAM has made significant market research by collecting opinions of dozens of potential users and several well-known Key-Opinion-Leaders (KOLs) in this domain. RAM has filed for 6 US and 4 PCT patents to protect its unique designs. Femoral sheath prototype development is 90% complete. FDA 510k submission is anticipated Q3-2018 with approval in Q4-2018.

A second product, a carotid version for stroke intervention, is on the back-burner; RAM will pursue it

after the completion and exit of its first product. The Carotid/Neurovascular sheath prototype has undergone cadaver, animal, and vascular model testing and has shown significant superiority to predicate devices. A NIH-SBIR grant application is in process. RAM will assess applicability in coronary and TAVR interventions in the future.

RAM's objective is to license its product to one, or more, large device manufacturer/distributor following FDA 510k clearance of M-Y Sheath™. While pursuing strategic licensing agreements, RAM plans to transfer to manufacturing following FDA approval. This is possible (capacity up to 1,000 units per month) with no extra capital needed and will feed RAM's "demonstration sales". The company's exit strategy is by acquisition by an established medical device company. Early users will be KOLs with demonstration of the product at international conferences. The company contemplates access to the vascular distribution channel through a cooperation agreement with a strategic vascular device company and/or via independent sales representatives and distributorships.

A year ago, RAM raised \$650K which funded the product development and the patent portfolio to date. RAM is looking to raise an additional \$450K to complete FDA approval via a Convertible Bridge Note with 10% discount and \$5M cap.

GRAVITY (www.gravity.com), sponsored by Band members Wade Luders and Mizan Rahman, will be presented by CEO and co-founder Adam Martel (adam@gravity.com; 978-869-0930).

When most people think about nonprofit organizations, they don't think about artificial intelligence, big data, or machine learning. Nonprofits, however, have access to a wealth of data about their donors beyond the traditional reach of many for-profit companies. The challenge that these organizations face is that if their fundraisers don't know which donors to search for, the usefulness of their

system of record is limited to the knowledge and intuition of the user. Due to this disconnect between fundraisers and their tools, nonprofit organizations are losing millions of dollars in revenue every year from their top and mid-level donors.

Founded by a former professional fundraiser and a Wall Street technologist, Gravyty provides a suite of proactive AI products that transform a system of record into a system of intelligence. Gravyty combines private data with big public data and behavioral insights to predict the most important donors to cultivate relationships with, at the most opportune times throughout the year. Gravyty then prescribes action through AI and NLP techniques to draft donor communications, plan travel, and coordinate weekly agendas. These AI-first tools take on the majority of the repetitive and monotonous tasks that prohibit fundraisers from building relationships with more of their organization's top donors, and ultimately, enables them to spend their time closing transformational gifts.

The company's cornerstone product, 'First Draft', automatically crafts self-written email drafts that are delivered directly to the fundraisers' inbox - no integrations or plugins required. These emails consist of three unique sections:

- (i) a lead scoring introduction, which helps the fundraiser understand why the algorithms picked a particular donor out of the thousands of possible donors that are affiliated with the organization;
- (ii) the draft email to the donor, crafted on behalf of the fundraiser. This draft is paired with an exciting breakthrough where Gravyty hijacked staid mailto technology to open and edit the draft from any device, in any email application. Fundraisers simply review, edit, and hit send, and our algorithms learn their tone and preferences through time when they make changes to our predicted drafts; and lastly
- (iii) fundraisers loath using their CRM for workflow, so Gravyty created one-click CRM interactions that don't require a login and can directly update data in the CRM and has unlocked sales-enablement for the nonprofit sector.

Existing clients include Yale SOM, City of Hope Cancer Institute, Lahey Hospital, Babson College, DePaul University, Lycoming College, and more.

The target market includes 150K+ nonprofits who can support a \$25K ACV and the company is on track to hit \$1M in ARR in 2018.

After an initial pre-seed round of \$955K, Gravyty is seeking to raise \$2M at a \$6M pre-money valuation. Over half of the round is already committed, and the majority of the funds will fuel sales and marketing to scale top-line revenue growth and solidify our current lead in the marketplace.

COMBINATI (www.combinati.com), sponsored by Band member Mike Mokelke, will be presented by CEO Paul Hung, PhD (paul.hung@combinati.com; 510-703-6887). Combinati has developed a system that can monitor tumor DNA in a patient's blood to help the physician and the patient know if the cancer is in remission, or if it is time to restart therapy.

Combinati has raised \$225K from Life Science Angels as of March 8th (the round is still open), \$375K from previous investors and personal contacts, and 10% of total raised will be matched by Stanford's incubator, StartX.

The team includes: Paul Hung, PhD, serial entrepreneur, former co-founder of CellASIC, acquired by Merck KGaA for in 2012. He has secured over \$5M SBIR grants from NIH to date. Andrew Zayac, mechanical/bio-engineer who has worked with Paul Hung since 2011. They have commercialized two life science research tools, currently still being sold by Merck KGaA. Megan Dueck, PhD, molecular biologist with 15+ years interfacing with microfluidics. Overlapped with Paul Hung at UC Berkeley. Samuel Yang, MD, Stanford physician faculty and clinical advisor.

Combinati's patented microfluidic chip and reader partition a patient sample into tens of thousands micro-chambers in search of tumor DNA that has spilled into the patient's blood from a tumor. This technology is called digital PCR (dPCR), which is growing rapidly to overtake incumbent technology in qPCR, which has grown into a \$4B market. Performance wise, dPCR has at least 10 times lower limit of detection and much better precision than both qPCR and sequencing, which are incumbent technologies for tumor DNA monitoring. Thus, dPCR detects increases in tumor DNA sooner than those technologies to save patient time and money on ineffective therapy.

Combinati has US Patent #9,845,499, which grants broad defense of the company's dPCR platform. Additionally, Combinati has a Freedom To Operate (FTO) from Wilson Sonsini Law Firm. The cost and ease of use of the system will greatly simplify the customers' process

of transitioning from the older qPCR to Combinati's system. In addition, Combinati's platform works with any existing qPCR chemistry without re-optimization. The company is now focused on cancer, with assay pipeline including NIPT (non-invasive prenatal testing) and HIV therapeutic monitoring.

In terms of competition, Bio-Rad dominates the market with a patented technology that uses an oil and water mixture to measure DNA. As many as a dozen other companies are seeking entry into this market, but have no viable system, and are locked out of the Bio-Rad platform by Bio-Rad patents. Combinati will compete with Bio-Rad with a less expensive, easier to use, and faster time-to-result platform with a differentiated technology.

Combinati will prove out its system with both industrial and academic partners in 2018. It has already secured two well-known PCR reagent companies to support its ongoing SBIR projects, which could be potential acquirers. Combinati will sell its injection molded chip and reader through both partners. The reader will have margins of 60% at launch and the chip will have margins of 50% at launch and over 90% at scale.

Life science tools which improve limit of detection and precision have enjoyed healthy exits including QuantaLife (acquired by Bio-Rad for \$163M), Amnis (acquired by Merck KGaA for \$115M), Cellular Research (acquired by BD for \$121M), GeneWEAVE (acquired by Roche for \$425M), and Advanced Cell Diagnostics (acquired by Bio-Techne for \$250M).

“SECOND LOOK”

The “Second Look” Lunch will be on Thursday, March 22nd from 12:00 PM to 3:00 PM at The Bently Reserve (400 Sansome Street, San Francisco). In addition to repeat presentation from **RAM Medical**, **Gravyty**, and **Combinati**, we will hear an update from Band portfolio company **SIFT** (September 2016 Dinner). Sift unlocks hidden credit cards benefits, like price protection, which enables its subscribers to automatically get refunds when it finds lower prices. Sift also supports return, warranty, theft, and damage protection. It will not only detect the benefits available, but it will also automatically file claims on behalf of its subscribers with credit card issuers to get their money back.

SIFT (www.siftwallet.com) will be presented by CEO and cofounder Abhinav Dubey (abhinav@siftwallet.com; 914-602-7703).

Sift is an award-winning consumer protection service (featured by Apple multiple times) which has received widespread media coverage in CNN, CNET, Forbes, TechCrunch, Huffington Post, AP, and other press. Sift's mission is to unlock the hidden benefits and costs buried in the fine print in a consumers wallet. Sift starts with credit cards which come with a whole array of benefits and protections: price protection, extended warranty, theft and damage, car rental insurance, travel protections, etc. That's all great, but when was the last time you actually took advantage of any these protections? Over \$20B goes unclaimed every year due to the limited awareness and hassle of tracking and claiming these benefits. Even worse, people spend money on unnecessary coverage (extended warranties, car rental insurance, etc.) when they are already covered by their credit card.

Sift solves this problem - automatically tracks and claims these credit card protections, resulting in hundreds of dollars' worth of savings every year - money that you would not otherwise be able to get.

The team, from Harvard and IIT, have extensive experience leading successful innovations in the mobile space both in venture-funded startups and also at leading tech companies (Microsoft, Nokia, Samsung, etc.) The founders were part of the team that designed the first generation of smartphones, scaled the first successful modern mobile OS (Symbian) to 100 million users, and led the development of the first mobile gaming service (nGage). The initial product is designed for millennials, the largest demographic in the US (~80 million) who do over 50% of shopping online.

Since launch last year, the service has grown rapidly, saved consumers \$1.7M, and also signed a strategic distribution partnership with a major player in the finance category. The Android app will launch in Q2.

Prior Band investors include: Ron Burns, Christian Dahlen, Andre Gueziec, Basant Kedia, Joan Plastiras, Pirooz Parvarandeh, VK Rajaram, and Rakesh Sood.

To attend any Band events,
please RSVP to:
650.695.0400 or
BandHQ@bandangels.com

Special Interest Group (SiG) Updates

“Art of the Deal”: will have the third workshop on Monday, March 26th at Carr & Ferrell (120 Constitution Dr, Menlo Park) from 11:30 AM to 2:00 PM with Tarak Shah, Of Counsel in the Carr & Ferrell Corporate Practice Group. This session will compare the practical implications of investing via convertible notes vs. SAFE vs. priced equity rounds. For more information, please contact Pat Guerra (guerra@bandangels.com).

Digital Disruption: will meet on Thursday, April 12th from 10:30 AM to 3:00 PM at the Band’s office (750 Battery St, 7th Fl, San Francisco). For more information, please contact Aron Bohlig (aron@bandangels.com).

HardTech: will meet on Monday, April 9th at TechCode (1172 Castro St, Mountain View) from 11:00 AM to 3:00 PM. To nominate companies, please contact the SiG chairs Kurt Petersen (kurt.mems@gmail.com) and Bruce Walicek (bwalicek@bandangels.com).

Life Science/MedTech: instead of holding the regular SIG meeting on March 21st is planning a field trip to visit Band member Suresh Pai’s LamaMed Solutions, a medical device contract research and development group (709 Sandoval Way, Hayward). For more information, please email Craig Pritsky (cpritsky@bandangels.com), as well as the SiG chairs Mike Bates (mbates@gmail.com) and Rich Juelis (juelis@sbcglobal.net).

Software: Ron Burns has joined Ron Weissman as co-chair of the Software SiG. Big thanks to Heather Crawford for co-chairing the SiG alongside Ron in the past year and being instrumental in organizing the AI and FinTech focused days, Mentor Day, as well as scouting many of the companies that presented at the Software SiG meetings. The Software SiG will meet on Tuesday, April 10th at Carr & Ferrell (120 Constitution Dr, Menlo Park) from 1:00 PM to 5:00 PM. To nominate companies, please contact the SiG chairs Ron Weissman (weissman@bandangels.com) and Ron Burns (rburns@bandangels.com).

VC: will meet on Monday, March 19th at TechCode (1172 Castro St, Mountain View) from 12:00 PM to 2:00 PM. Please contact Jack Guedj (jackguedj@bandangels.com) and Bill Loesch (bill@loeschmail.com).

Mentor Day

This year’s Mentor Day will be on Wednesday, May 2nd from 12:00 PM to 5:00 PM at Hanson Bridgett (425 Market Street, San Francisco). Mentor Day will provide 50 startups, in any of the Band’s investment sectors, with the opportunity to meet 2-3 Band members for 45-minute conversations about their business and readiness for angel funding. Big thanks to Ron Weissman for leading this “give-back” event to the entrepreneur community. As a member, here is how you can help make this another successful Mentor Day:



Big thanks to Ron Weissman for leading this “give-back” event to the entrepreneur community. As a member, here is how you can help make this another successful Mentor Day:

- 1) **Volunteer to be a mentor.** Indicate your areas of industry interest and which hours you can be available; please register TODAY (<http://bit.ly/2018-mentor-day>).
- 2) **Get the word out** to startups you are working with, your favorite accelerator, and/or your colleagues who work regularly with startups (accountants, attorneys, bankers, etc.). The deadline for submission is April 20th and the application to forward to candidate companies is located on the Band’s web site (www.bandangels.com/mentor-day).

Band of Angels Meetings Calendar

Deal Dinner

6:15 PM - 9:00 PM

Wednesday, March 21st

Los Altos Golf & Country Club

1560 Country Club Drive, Los Altos

Second Look Lunch

12:00 PM - 3:00 PM

Thursday, March 22nd

The Bently Reserve

400 Sansome Street, San Francisco

Deal Screening Committee

11:30 AM - 2:00 PM

Wednesday, March 28th

Wilson Sonsini Goodrich & Rosati

650 Page Mill Road, Palo Alto