

Term Sheet -- Thursday, April 30

by Dan Primack

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Salesforce.com stock was temporarily halted yesterday afternoon, following a Bloomberg report that the company “is working with financial advisers to help it field takeover offers after being approached by a potential acquirer.” The cloud software giant’s shares had spiked 12% prior to the circuit breaker being tripped.

A bunch of notes about this potential blockbuster:

1. We don't know if Bloomberg is right: I'm not suggesting that the reporters messed up on this one, but figure it's important to lead off with a note of caution. From what I can tell, no other media organization has yet done its own independent report on Salesforce hiring bankers, including us at Fortune. For its part, the cloud software giant is only saying that it doesn't comment on rumors or speculation (although this is a big enough report that it should deviate from such policy if it's false). It's also unclear who would have incentive to leak such a thing, given that this isn't a situation where bankers need to shake the trees to find prospective buyers -- there are only a handful of logical candidates.
2. But let's assume it's right: The most likely banking candidate is BAML, given its history with Salesforce. Qatalyst is a dark horse, if only because it seems to be involved in all big-money software M&A lately.
3. Who it's not: Bloomberg's list of mystery suitors includes Oracle, IBM and SAP. Let's cross off that last one, both due to what sources tell me and the CEO's recent public posture on the possibility of big M&A. IBM also seems unlikely, given that it has just \$8.8 billion of cash on hand and this total deal would be valued at around \$50 billion. Oracle makes the most sense from a strategic perspective, and did just sell \$10 billion in notes yesterday. It also would give Larry Ellison a way to avoid eventually promoting one of his two co-CEOs (Mark Hurd and Safra Catz). But we're also hearing that the suitor wasn't Oracle -- although that doesn't preclude the company from soon jumping into the fray.
4. Who it (probably) is: Microsoft. Remember, Satya Nadella was leading Microsoft's cloud business before being named CEO, and Salesforce CEO Marc Benioff has been publicly complimenting Nadella for months. Yes, this would be a massive strategic shift for Microsoft, and maybe even a geographic one. But no one else in this group has the same financial resources, nor a new CEO with a major mandate for change. Also worth noting, for whatever it's worth, that Benioff and Nadella both were at the same private CEO event on Tuesday night, in advance of a Microsoft developers conference in San Francisco.
5. Marc's role: Those familiar with Salesforce say it is difficult to imagine Benioff ever taking a #2 role, even at a place like Microsoft. However, they also say that Salesforce has always been willing to sell at the right price. That means one of two things could happen in a sale scenario: Either Benioff gets made CEO of a company like Oracle or IBM, or he takes a Microsoft board seat (chairmanship?) and focuses most of his efforts on philanthropy.

- Entry update: On Monday we reported that Circle Financial, the Boston-based bitcoin startup led by Brightcove founder Jeremy Allaire, was raising around \$40 million at a pre-money valuation of around \$200 million -- with "both venture capital and Wall Street firms expected to participate."

This morning came formal word that the round totaled \$50 million (at the \$200m pre-money figure), from Goldman Sachs and IDG Capital Partners. Worth noting that Goldman director Michele Burns was an existing Circle board member.

- Exit update: Yesterday we had a news blurb about Twitter agreeing to buy personalized marketing solutions startup TellApart for an undisclosed amount. Twitter later filed an 8-k showing that the deal included around \$532.6 million in stock (at Twitter's post-leak closing price on Tuesday or \$42.27 per share). It also suggests that there could be a cash component, but doesn't specify. TellApart had raised over \$17 million in VC funding from firms like Greylock Partners and Bain Capital Ventures.

THE BIG DEAL

- Francisco Partners has agreed to acquire ClickSoftware Technologies Ltd. (Nasdaq: CKSW), an Israel-based provider of automated mobile workforce management and optimization solutions for the service industry. The deal is valued at approximately \$438 million, or \$12.65 per share in cash (28.81% premium over yesterday's closing price). www.clicksoftware.com

VENTURE CAPITAL DEALS

- Warby Parker, a New York-based eyeglass maker, has raised \$100 million in new funding at a valuation of \$1.2 billion, according to the WSJ. T. Rowe Price led the round. Read more.
- Lyst, a UK-based fashion e-commerce platform, has raised \$40 million in Series C funding. Group Arnault led the round, and was joined by return backers Accel Partners, Balderton Capital, 14W and Draper Fisher Jurvetson. Read more.
- MX (a.k.a. Money Desktop), a Provo, Utah-based provider of cross-platform financial management and transactional banking solutions for financial institutions, has raised \$30 million in Series A funding. USAA led the round, and was joined by Digital Garage. Read more.
- Rocana Inc. (f.k.a. ScalingData), a San Francisco-based provider of root cause analysis software, has raised \$15 million in new VC funding. Google Ventures and return backer General Catalyst co-led the round, and were joined by Toba Capital and Paul Sagan (who serves as an XIR with General Catalyst). www.scalingdata.com
- Femasys Inc., an Atlanta-based developer of medical devices for women's healthcare, has raised \$10.2 million in new VC funding. Legacy Capital Partners and Mario Family Partners co-led the round. www.femasys.com
- Clarifai, a New York-based "deep visual learning" startup, has raised \$10 million in Series A funding. Backers include Union Square Ventures, Lux Capital, Osage University Partners, Google Ventures, Qualcomm Ventures, Nvidia Ventures, Corazon Capital, LDV Capital and New York University. www.clarifai.com

- MD Insider, a Santa Monica, Calif.-based big data healthcare platform, has raised \$9.5 million in Series A funding from backers like Jason Ader, Tim Ferriss and Bill Ackman. www.mdinsider.com
- Jukely Unlimited, a New York-based app for music concert information and ticket booking, has raised \$8 million in new seed funding from Northzone, 14W, Larry Marcus, Hany Nada, Lyor Cohen, Maiden Lane and GroupMe founders Steve Martocci and Jared Hecht. www.jukely.com
- Campus Job, a New York-based online marketplace for college students to find part-time jobs and internships, has raised \$7.8 million in Series A funding. General Catalyst led the round, and was joined by Index Ventures, SV Angel, Slow Ventures and return backers Box Group and Lerer Hippeau Ventures. www.campusjob.com
- Sticky, an eye-tracking analytics SaaS platform for digital publishers and advertisers, has raised \$5 million in Series A funding. Dawn Capital led the round, and was joined by Northzone and Conor Venture Partners. www.sticky.ad
- Pamlico BioPharma Inc., an Oklahoma City-based developer of fully human monoclonal therapeutics and point-of-care diagnostics, has raised \$2.2 million in Series A funding. Accele Venture Partners led the round, and was joined by the Oklahoma Seed Capital Fund. www.acelebio.com
- TripleMint (f.k.a. Suitey), a New York-based apartment rental site, has raised \$1.65 million in seed funding. Backers include Dominion Capital, Winklevoss Capital, Entrepreneurs Roundtable Accelerator, Kima Ventures and Archangel Ventures. www.triplemint.com
- Social Quant, a Tampa, Fla.-based provider of big data solutions for analyzing and growing Twitter audiences, has raised an undisclosed amount of equity funding from Atlantic Merchant Capital Investors and Fleur De Lis Partners. www.socialquant.net
- USARAD Holdings Inc., a Ft. Lauderdale, Fla.-based provider of telemedicine and radiology services, has raised an undisclosed amount of VC funding from Siemens Venture Capital, Omphalos Venture Partners and Excelerate Health Ventures. www.usarad.com

PRIVATE EQUITY DEALS

- ACON Investments has acquired Fiesta Mart LLC, an international and Hispanic grocery chain with 60 stores in Texas. No financial terms were disclosed. In related news, ACON has named Mike Byars, former president and CEO of BI-LO, as Fiesta's new president and CEO. www.fiestamart.com
- Boulevard Acquisition Corp. (NASDAQ: BLVD), a blank-check acquisition company sponsored by Avenue Capital Group, has agreed to acquire AgroFresh from Dow Chemical Co. (NYSE: DOW) for around \$810 million of cash and stock. AgroFresh is Dow's post-harvest specialty chemical business. www.dow.com
- Cathay Capital Private Equity has acquired a minority equity stake in Echosens, a French subsidiary of China's FuRui group that develops non-invasive diagnostic products and services for hepatology. No financial terms were disclosed. www.echosens.com
- Coral Reef Capital has acquired a majority stake in ROC Service Company LLC, a Bridgeport, Texas-based provider of wellsite and facilities services to E&P and midstream companies, from Turnbridge Capital. No financial terms were disclosed. www.rocserviceco.com

- Hunters Gate Holdings has acquired LOFA Industries LLC, a Roswell, Ga.–based maker of control systems for off-highway engine driven equipment. No financial terms were disclosed. www.lofa.net
- Hunter's Specialties Inc., a Cedar Rapids, Iowa-based hunting accessories maker owned by Peak Rock Capital, has acquired Buck Bomb, a Crofton, Md.–based supplier of hunting attractants. No financial terms were disclosed. www.hunterspec.com
- JZ Capital Partners has acquired S.A.C., a Denmark-based van leasing company, for an undisclosed amount. www.jzcp.com
- OmniVision Technologies Inc. (Nasdaq: OVTI), a Santa Clara, Calif.-based maker of smartphone and tablet camera chips, has agreed to be taken private for around \$1.9 billion by a Chinese private equity group that includes Hua Caital Management, CITIC Capital Holdings and GoldStone Investment Co. The \$29.75 per share deal represents around a 12% premium to yesterday's closing price for OmniVision stock. www.ovt.com

IPOs

- Alion Science & Technology Corp., a McLean, Va.-based provider of engineering services to the U.S. federal government, has filed for a \$100 million IPO. Credit Suisse and Jefferies are serving as lead underwriters. The company reports a \$35 million net loss on \$847 million in revenue for 2014. www.alionscience.com
- Blueprint Medicines, a Cambridge, Mass.-based developer of kinase inhibitors for genomically-defined cancers, raised \$147 million in its IPO. The company priced 8.1 million shares at \$18 per share, compared to original plans to offer 7.19 million shares at between \$15 and \$17 per share. Its initial market cap is around \$448 million, and it will trade on the Nasdaq under ticker symbol BPMC. Goldman Sachs and Cowen & Co. served as lead underwriters. Blueprint Medicines had raised around \$115 million in VC funding from firms like Third Rock Ventures (41.8% pre-IPO stake), Beacon Bioventures (13.43%), Partner Fund Management, Wellington Management Company, RA Capital, Tavistock Life Sciences, Perceptive Advisors, Sabby Capital, Cowen Investments, Redmile Group, Biotechnology Value Fund, Casdin Capital and Nextech Invest. www.blueprintmedicines.com
- Clayton, Dubilier & Rice and Ardian are prepping an IPO for French engineering company Spie SA, which could value the company at around €4 billion, according to Bloomberg.

EXITS

- Flextronics (Nasdaq: FLEX) has agreed to acquire Mirror Controls International, a Dutch manufacturer of glass and powerfold mirror actuators for the auto market, from private equity firm Egeria for €457 million in cash. www.flextronics.com
- Penn National Gaming Inc. (Nasdaq: PENN) has agreed to acquire the Tropicana Las Vegas Casino Hotel Resort for \$360 million. Sellers include Onex Partners.

OTHER DEALS

- Crown Castle International Corp. has agreed to acquire telecom provider Quanta Fiber Networks Inc. (a.k.a. Sunesys) for approximately \$1 billion in cash from Quanta Services (NYSE: PWR). www.sunesys.com

- Massive Interactive Inc. (OTC BB: HUGE), a London-based provider of end-to-end platform software and user-experience design services for multi-screen video entertainment, said that it has hired Scura Paley Securities to explore “a full range” of strategic alternatives. www.massiveinteractive.com
- Progenity Inc., a San Diego-based provider of diagnostic testing services, has acquired Carmenta Bioscience, a Palo Alto, Calif.-based preeclampsia diagnostics company. No financial terms were disclosed. www.progenity.com
- Tencent (HK: 700) has agreed to acquire a 14.6% stake in San Francisco-based mobile game developer Glu Mobile (Nasdaq: GLUU) for \$126 million, or \$6 per share (17.4% premium on yesterday’s opening price). www.glu.com
- UBM PLC (LSE: UBM) is exploring a sale of PR Newswire Association LLC that could value the New York-based press release distributor at more than \$700 million, according to Reuters.

FIRMS & FUNDS

- Fortissimo Capital, an Israel-based special situations private equity firm, has closed its fourth fund with \$470 million in capital commitments. www.ffcapital.com

MOVING IN, UP, ON & OUT

- Michael Anderson has joined growth equity firm Mainsail Partners as an investment partner. He previously was a principal with Summit Partners. www.mainsailpartners.com
- Ben Bernanke, former chairman of the U.S. Federal Reserve, has joined bond giant Pacific Investment Management Co. (Pimco) as a senior advisor. This comes just weeks after Bernanke took a similar position with hedge fund manager Citadel. [Read more.](#)
- Daniel Hoffer and Shashi Seth have joined seed fund Tandem Capital as partners. Hoffer is the co-founder and former CEO of CouchSurfing, and has spent the past two years with Concur’s TripIt as a senior director and head of project management. Seth is a Google and Yahoo vet who has been leading Tribune Digital Ventures. www.tandemcap.com
- RJ Jain has joined Foundation Capital as an entrepreneur-in-residence. Jain co-founded both Appurify and Continuous Integration (acquired by Google), and also was a senior engineer with Sidecar Technologies and Zynga. www.foundationcap.com
- Correction: Yesterday’s issue incorrectly identified Tjarko Hektor as the former head of secondaries with AlpInvest. He was the former co-head who most recently was listed as a managing director.

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