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Allen Stanford's Venture Capital Investments Revealed

The scandal involving alleged con artist R. Allen Stanford has touched more venture capital firms and start-up companies than we previously thought, including the successor to J.P. Morgan's venture capital arm.

Court papers filed Thursday by the receiver appointed to oversee Stanford's assets list all the companies and firms that Stanford affiliates invested in. [We reported on some of them](#) in February when the scandal broke out, but we didn't know exactly how many were affected at the time.

According to the filing, Stanford affiliates invested more than \$650 million in equity and debt in a diverse array of 36 companies, from petroleum distributors and fitness center operators to high-tech start-ups that develop medical-devices and drugs. At least four of these companies have received funding from venture capital investors:



Reuters

Texas billionaire Allen Stanford flashes a "thumb up" as he leaves the Federal courthouse in Houston, Texas June 26, 2009, in the custody of a US Marshal.

CardioDX Inc. - The molecular diagnostics company raised a \$19 million Series B round led by Mohr Davidow

Ventures and including Kleiner Perkins Caufield & Byers and Texas Pacific Group Ventures in 2006, but it's not known off-hand when Stanford invested.

Insound Medical Inc. - Stanford Group invested alongside several venture firms in a \$13 million Series E round for this hearing-aid product maker.

KineMed Inc. - In 2007, Stanford led a \$15 million round of financing consisting of convertible notes for the drug developer. In February, KineMed President David Fineman told us that Stanford made a one-time investment in the company but hasn't had any say in Kinemed's operations. "After that investment, they just seemed to have lost interest in us," he said at the time. Reached Thursday, Fineman had no further comment.

Luminetx Corp. - The maker of a vein illumination device received \$11 million of Series A funding led by Stanford in 2005 and \$15 million in Series B funding in 2006 from investors including Stanford.

Losing an investor in a syndicate, especially one that has already committed money and has no board seat, would not likely severely hamper a start-up's future. However, several venture capital firms that received Stanford money may run into trouble when they have to call down capital from their limited partners since the assets of Stanford are currently frozen.

The Stanford firms invested capital in 11 funds, according to the court documents, including several run by venture capital investors. The biggest surprise is Panorama Capital, the successor to JPMorgan Partners that spun out of J.P. Morgan in 2006 and raised a \$240 million debut fund two years later. VentureWire previously reported that the 21 limited partners in that fund included J.P. Morgan, Boeing Co., California State Teachers' Retirement System, National Railroad Investment Trust; Storebrand ASA; and two sovereign-wealth funds. A representative of Panorama Capital said Thursday, "We are not prepared to make a comment at this time." Here are the other venture and private equity funds invested by Stanford:

AquAgro Fund LP - The Israeli fund boasts a small portfolio that includes companies developing water and agriculture technologies.

Catalyst Private Equity Partners II LP - Israeli firm Catalyst Investments received a commitment from Stanford of at least \$5 million and invests in technology companies.

Inifinty I-China Fund LP - The \$300 million fund raised in 2008 is run by Israeli investor Infinity Group and focuses on Israeli technology companies with parallel investments in Chinese businesses licensing Israeli technologies.

Louisiana Ventures LP - VCE Capital Partners, a small venture firm in Louisiana, runs this fund and invests in a wide range of biopharma, chemical, energy and technology companies.

Memphis Bio-Med Ventures II LP - This \$54 million fund closed in 2006 and invests in health care companies.

SSM Venture Partners III and IV - Memphis-based SSM invests between \$5 million and \$20 million in Southeastern companies. The firm declined to comment.

You can see the entire list [here](#), or check out the filing [here](#) from the receiver in which it asks for the help of Blackstone Group's Park Hill Group to manage the estate's assets.

We will continue to update this post as we get comment from the companies and firms listed above.

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