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o DeWaay Backs Consumer Health Advisers From Debut VC Fund

Chicago -- DeWaay Investment Partners has made the fifth investment from its first venture capital fund with the \$1.15 million Series A round for personalized health care information technology provider Consumer Health Advisers Inc.

DeWaay's investment comes out of DeWaay Investment Partners I LLLP, which closed at more than \$10 million in April through individual limited partners.

With the first fund, DeWaay plans to invest in between 10 and 12 companies, initially investing \$500,000 to \$1 million while setting aside funding for follow-on investing, said Adam Claypool, who serves as managing director of both DeWaay Investment Partners and DeWaay Investment Banking, which provides investment and advisory services.

The firm has also invested in software-as-a-service companies GCommerce Inc. and TrueChoice Solutions Inc., prodrug developer KemPharm Inc. and data loss prevention technology and services company Palisade Systems Inc.

DeWaay recently participated in a previously unreported Series B round of about \$3.8 million for KemPharm as the company seeks to advance its pipeline including lead candidates targeting attention deficit hyperactivity disorder and pain.

The fund has so far deployed about 40% of its capital, Claypool said. The firm's investment period will last for another 12 to 18 months. DeWaay typically focuses on capital-efficient businesses, especially in the areas of software and technology, seeking to grow sales and marketing capabilities.

DeWaay participated in Consumer Health's Series A round alongside HMA Capital Partners and three individual investors. The post-money valuation of the round, which closed Sept. 2, was \$3 million, Consumer Health Chief Executive Nelson Rosenbaum said.

Consumer Health's technology provides company employees and their dependents with access to individualized health information at home. The technology generates alerts, decision support tools, recommendations and reports based on information assimilated from an individual's claims and clinical and financial health history.

Consumer Health plans to use the Series A funds to continue to build out its technology platform, expand sales and marketing and continue to build infrastructure. The platform, which is currently in beta, is scheduled to formally launch Jan. 1 through distribution partners. The company plans to hit certain sales and distribution targets in the first and second quarters of 2010, Rosenbaum said, and pursue around \$3 million in Series B funding next year.

"They do anticipate a Series B at some point, and we expect to participate in that, assuming things go as we expect them to go," Claypool said.

With the Series A, Consumer Health has added DeWaay's Claypool and HMA President Jay Rosen to its board.

At the same time, Consumer Health has opened a new office in Chicago at Illinois Institute of Technology's University Technology Park. That office will support product development and sales and marketing for the Midwest region.