



# 230 of the Biggest, Costliest Startup Failures of all Time

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Startup Failures: Total funding of \$100M+

## Airlift

Company: **Airlift**

Select VC investors: First Round Capital, ACE Capital, Quiet Capital

Total disclosed funding: \$109M

"Airlift founder Usman Gul confirmed to TechCrunch that the startup is shutting down and provided detailed notes about the events of recent months...

'As of July, 2022, Airlift was about three months away from operating profitability (i.e. positive cash flow from operations), and about 6-9 months from company-level profitability (i.e. Free Cash Flow),' [Airlift founder Usman Gul] wrote.

It was also finalizing a new funding round when suddenly things [fell] apart.

‘Last week, amidst rapidly deteriorating conditions in the global economy, several participants shared uncertainty in wire schedules and their disbursements – this ultimately meant that the company’s capital requirements would not be met. Ultimately, the round was unsuccessful,’ he added.”

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## Volt Bank

Company: Volt Bank

Select VC investors: Australian Finance Group, The Collection House

Total disclosed funding: \$102M

“[Volt’s] collapse is a further blow to a business model that the Australian government and regulators promoted heavily after a 2018 inquiry into misconduct in the finance industry led to a loosening of rules for new banking entrants.

Rising inflation and interest rates this year have made it harder for online-only banks, called neobanks in Australia, to compete with established lenders, making fundraising much more difficult.”

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## Nice Tuan

Company: Nice Tuan

Select VC investors: Alibaba Group, GGV Capital, DST Global

Total disclosed funding: \$1.2B

“As it expanded into small towns, costs rose disproportionately. Goods were sold at below cost to entice customers. Fake buyers appeared at the end of each month to meet sales targets. Regulators were alarmed.

Nice Tuan reportedly had a sales target of 80 billion yuan in 2021 but brought in no more than 2 billion in a good month. In March, Meituan, Nice Tuan, Pinduoduo and Xingsheng Youxuan, were each fined 1.5 million yuan for fraud and dumping. In May, Nice Tuan was fined for misleading advertising. ‘The fines really tied our hands,’ a former employee said. ‘We couldn’t do the kind of promotions our competitors were doing, which really hurt sales.’”

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## Fast

Company: **Fast**

Select VC investors: Index Ventures, Stripe, Addition, Global Founders Capital

Total disclosed funding: \$125M

“One-click checkout startup Fast is shutting down entirely and will discontinue its products and brand, according to several people familiar with the matter.

It’s a stunning collapse for a fintech company that had raised \$120 million in funding from backers including payments giant Stripe, Index Ventures and Lee Fixel’s Addition. Fast has been aiming to transform online shopping by making it easier to check out across a wide range of stores.”

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## LendUp

Company: **LendUp**

Select VC investors: Andreessen Horowitz, Google Ventures, Y Combinator, PayPal Ventures

Total disclosed funding: \$366M

“LendUp was backed by some of the biggest names in venture capital,” said CFPB Director Rohit Chopra in a Tuesday statement. “We are shuttering the

lending operations of this fintech for repeatedly lying and illegally cheating its customers.”

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## Yunniao

Company: **Yunniao**

Select VC investors: GSR Ventures, Matrix Partners China, Sequoia Capital China

Total disclosed funding: \$210M

“The manager of Yunniao’s Weibo account used it to denounce the CEO, Hán Yì 韩毅, encouraging people to sue him and claiming some employees haven’t been paid for three months.

More disgruntled employees quickly emerged, claiming they were forced to buy the company’s financial products, and that drivers were required to pay a 4,000 yuan (\$626) deposit before they could get jobs, but never had them refunded.”

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## KupiVIP

Company: **KupiVIP**

Select VC investors: MCI Capital, Accel, Balderton Capital, Intel Capital

Total disclosed funding: \$119.5M

“It is true that the initial business model turned out no longer unique. A commercial innovation introduced in Russia by KupiVIP, discounts progressively became the norm both online and offline,’ David Waroquier of Mangrove Capital Partners previously told East-West Digital News.

‘KupiVIP attempted to become omnichannel, involving operating across its websites, mobile app and brick-and-mortar retail stores. All this required significant capital, given the size of the Russian market,’ Waroquier added.

‘While the international context was less favorable, not all local players were able or willing to invest in the company.’”

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## Katerra

Company: **Katerra**

Select VC investors: SoftBank Group, Greenoaks Capital Management, Foxconn Technology Company, Khosla Ventures

Total disclosed funding: \$1.5B

“Katerra’s fall marks the most high-profile failure for SoftBank since the failed 2019 WeWork IPO. The firm has largely been seeing gains among its Vision Fund portfolio in the past year amid a larger tech stock rally, though some of those gains have receded in recent months.

In an interview with Barron’s last month, CEO Masayoshi Son highlighted Katerra as well as SoftBank’s investment in Greensill as ‘regrets’ of his. Katerra’s other backers included Khosla Ventures, DFJ Growth, Greenoaks Capital and Celesta Capital.”

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## Quibi

Company: **Quibi**

Select VC investors: Goldman Sachs, NBC Universal, JPMorgan Chase

Total disclosed funding: \$1.75B

Quibi Holdings LLC is shutting down a mere six months after launching its streaming service, a crash landing for a once highly touted startup that attracted some of the biggest names in Hollywood and had looked to revolutionize how people consume entertainment. [...]

“Our failure was not for lack of trying,” founder Jeffrey Katzenberg and Chief Executive Meg Whitman said in an open letter to employees and investors. “We’ve considered and exhausted every option available to us.”

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## Loon

Company: **Loon**

Select VC investors: HAPSMobile

Total disclosed funding: \$125M

Google’s dream of delivering global internet access with a fleet of balloons floating on the edge of space came to an end on Thursday, as parent company Alphabet disclosed the nine-year project was being closed down. [...]

Astro Teller, head of X, said on Thursday that, “despite the team’s groundbreaking technical achievements over the last nine years, the road to commercial viability has proven much longer and riskier than hoped.” X would not comment on why its view of Loon’s commercial prospects had shifted in the space of the past six months.

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## Xinja

Company: **Xinja**

Select VC investors: Equitise, World Investments

Total disclosed funding: \$100.6M

“After a year marked by Covid-19 and an increasingly difficult capital-raising environment, and following a review of the market in Australia, Xinja has decided to withdraw the bank account and Stash (savings) account and cease being a bank. This was an incredibly hard decision. We hope to

refocus the business in other areas such as our US share trading product, Dabble, should circumstances allow.”

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## Essential Products

Company: **Essential Products**

Select VC investors: Redpoint Ventures, Playground Global, Tencent Holdings

Total disclosed funding: \$330M

Essential is shutting down less than three years after the startup unveiled its first smartphone. The company’s only complete product, the Essential Phone, sold poorly and received mixed reviews. A follow-up phone was canceled, and a number of other promised devices — like a smart home assistant and operating system — never materialized.

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## ScaleFactor

Company: **ScaleFactor**

Select VC investors: Bessemer Venture Partners, Canaan Partners, Coatue Management

Total disclosed funding: \$104M

Though the pandemic may have been a death knell, ScaleFactor was on rocky ground long before, Forbes found. Technology startups are often rewarded for a “fake it ‘til you make it” mentality by venture capital firms willing to throw money at a product until it meets expectations. But ScaleFactor used aggressive sales tactics and prioritized chasing capital instead of building software that ultimately fell far short of what it promised, according to interviews with 15 former employees and executives. When customers fled, executives tried to obscure the real damage.

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## LeSports

Company: LeSports

Select VC investors: HNA Capital, Caissa Travel, Zhongtai Securities, Fortune Link

Total disclosed funding: \$1.7B

The Hong Kong-based sports streaming arm of cash-starved mainland Chinese conglomerate LeEco closed on Thursday night because of overdue rent. LeSports HK confirmed its shutdown amid other problems – the Consumer Council revealed it also received 30 subscription-related complaints against the troubled company.

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## Singulex

Company: Singulex

Select VC investors: OrbiMed Advisors, Fisk Ventures, Prolog Ventures, Advantage Capital, GE Capital

Total disclosed funding: \$219M

During a two-week jury trial held in Charleston, South Carolina, the government introduced evidence that [HDL and Singulex] paid physicians remuneration disguised as processing and handling fees... for each patient they referred to two blood testing laboratories: Health Diagnostics Laboratory Inc. (HDL), of Richmond, Virginia; and Singulex Inc., of Alameda, California.

The government also introduced evidence that the kickback scheme resulted in physicians referring patients to HDL and Singulex for medically unnecessary tests, which were then billed to federal health care programs.

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## Tink Labs



Company: **Tink Labs** (hi Inc.)

Select VC investors: SoftBank Group, FIH Mobile (Foxconn subsidiary), Sinovation Ventures

Total disclosed funding: \$125M

Interviews conducted by the FT with several former employees have painted a picture of an organisation that pursued growth too aggressively, falling back to earth when its profits did not meet its vision. [Founder] Terence Kwok declined to comment on “potential ongoing labour disputes” or “business transaction details” in terms of outstanding bills. “I am trying to do what I can, but a lot of things are now out of my hands,” he said.

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## uBiome

Company: **uBiome**

Select VC investors: 8VC, Y Combinator, Dentsu Ventures

Total disclosed funding: \$110M

The company’s cofounders have resigned, it faces law enforcement scrutiny over its billing practices, it’s currently in bankruptcy proceedings, and it filed a motion Tuesday to move from Chapter 11 to Chapter 7 bankruptcy, which would mean liquidating its assets and shutting down.

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## Beequick

Company: **Beequick**

Select VC investors: Sequoia Capital China, Eastern Bell Capital, Tiantu Capital

Total disclosed funding: \$110M

According to media reports, Beequick has now moved out of its original office space, and the app has been removed from major app stores such as Apple and Xiaomi. It is suspected to be out of service. At the same time,

the owner of Beequick has also received a formal notice of suspension. This community convenience store [startup], which once set off the Online-to-Offline wave, has ended.

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## Anki

Company: [Anki](#)

Select VC investors: Andreessen Horowitz, Index Ventures, Two Sigma Ventures

Total disclosed funding: \$205M

It is with a heavy heart to inform you that Anki has ceased product development and we are no longer manufacturing robots. To our partners and customers, thank you for all your support and joining us on this journey to bring robotics and AI out of research labs and into your homes.

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## Roadstar.ai

Company: [Roadstar.ai](#)

Select VC investors: CMB International Capital, Shenzhen Capital Group, Vision Plus Capital

Total disclosed funding: \$128M

In an announcement published on WeChat in late January, Tong and Heng announced they had fired Zhou, accusing him of receiving kickbacks during fundraising, deliberately hiding codes, and putting false data into a government regulatory report.

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## Panda TV

Company: [Panda TV](#)

Select VC investors: Bright Stone, HanFor Holdings, Woken Asset Management

Total disclosed funding: \$194M

Panda TV announced that the company was in a potential bankruptcy, posting an image of its panda mascot facing a sunset, alongside the word “Bye.” The reasons behind this bankruptcy have not yet been officially published.

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## Seven Dreamers Laboratories

Company: [Seven Dreamers Laboratories](#)

Select VC investors: [Panasonic Semiconductor Solutions](#), Daiwa House Group, KKR

Total disclosed funding: \$104M

Clearly, the product was too ambitious. Seven Dreamers had planned a simpler, but still potentially-impressive version that merely folded and sorted clothes. The first-gen model still required a complex combination of robotics, image analysis and artificial intelligence to achieve its goals, however.

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## Arrivo

Company: [Arrivo](#)

Select VC investors: Plug and Play Ventures, Trucks VC

Total disclosed funding: \$1B

Futuristic transportation startup Arrivo shut down its operations this week, *The Verge* has learned. All of the company’s 30 or so employees were furloughed in late November, with about half being completely laid off at the end of that month ... Now, the Los Angeles startup is shutting down because it hasn’t been able to secure new funding, these people say. Remaining employees were informed Friday via text messages seen by *The Verge*, or by phone.

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## iwujiwu

Company: Aiwujiwu

Select VC investors: GGV Capital, Temasek Holdings, Gaorong Capital

Total disclosed funding: \$305M

While no official statement has been made, the former unicorn's website appears to be inactive:

Aiwujiwu, the Chinese online property listings platform and "unicorn," had ceased regular operations as of the end of January 2019, according to mainland news reports. The company is in a liquidation phase, and services are no longer available on its website ([www.iwjw.com](http://www.iwjw.com)) and app.

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## Munchery

Company: Munchery

Select VC investors: Greycroft Partners, Menlo Ventures, Sherpa Capital

Total disclosed funding: \$117M

As a player in the increasingly crowded food delivery space, Munchery writes:

Today, with heavy heart, we're announcing that Munchery is closing its doors and ending operations effective immediately. Any outstanding orders with Munchery will be cancelled and refunded. Please allow 2-3 business days for these refunds to process.

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## Solyndra

Company: Solyndra

Select VC investors: Redpoint Ventures, US Venture Partners

Total disclosed funding: \$1.22B

Even industry heavyweights such as China's **Suntech Power Holdings Co Ltd** and U.S.-based **First Solar** Inc are struggling with dwindling profits, while small, up-and-coming solar companies are finding it increasingly difficult to stay afloat.

Solyndra said it was evaluating options, including a sale of the **business** and licensing its copper indium gallium selenide (CIGS) technology.

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## Jawbone

Company: **Jawbone**

Select VC investors: Khosla Ventures, Sequoia Capital, Kleiner Perkins Caufield & Byers

Total disclosed funding: \$929.9M

In July 2017, device maker Jawbone became one of the most spectacular failures in the history of startups.

The company's announcement that it was selling off its assets was long coming: despite grabbing \$930M in funding during its 17-year lifespan, Jawbone failed to hold on to significant market share for its line of headsets, fitness trackers, and wireless speakers.

With its demise, Jawbone become the second-costliest VC-backed startup failure of all time (per CB Insights' 2017 **Hardware Failure report**).

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## Abound Solar

Company: **Abound Solar**

Select VC investors: Technology Partners, DCM Ventures, BP Alternative Energy Ventures

Total disclosed funding: \$614M

Abound Solar was the manufacturer of cadium telluride thin-film photovoltaic modules for solar panels. During its run, the company received support from institutions like Colorado State University and the National Science Foundation.

In addition to its VC investors, the startup was heavily backed by a loan from the US Department of Defense and a grant from the US Department of Energy. With \$614M in Total disclosed funding when it went under in 2012, the company is the third-costliest startup failure in our database.

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## Theranos

Company: **Theranos**

Select VC investors: BlueCross BlueShield Venture Partners, Rupert Murdoch, Walgreens

Total disclosed funding: \$500M

Theranos is going out with barely a whisper. Once heralded as a revolutionary new way to conduct a blood test to detect myriad diseases, all with a single finger prick, the company is making preparations to close its operations, according to a letter sent to shareholders.

“We are now out of time,” David Taylor, the company’s chief executive and general counsel, informed investors in an email first reported on Tuesday by The Wall Street Journal, whose in-depth investigation unraveled the company’s claims. Mr. Taylor declined to comment further, saying the letter spoke for itself.

Theranos’s efforts are now focused on avoiding bankruptcy.

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## ReVision Optics

Company: **ReVision Optics**

Select VC investors: InterWest Partners, Canaan Partners, Domain Associates, ProQuest Investments

Total disclosed funding: \$172M

ReVision Optics developed an implantable corneal device to treat presbyopia, a vision condition which results in the loss of the eyes' ability to focus on nearby objects.

In an interview with OIS Weekly, ReVision president and CEO John Kilcoyne called the presbyopia segment "very challenging." He said the reason for shuttering ReVision was that the company "could not get the business to grow fast enough." The firm would have needed significantly more capital to achieve positive cash flow, and the investors ... were reluctant to put more money in.

Corneal inlays may yet find their place in ophthalmologists' business models, but as of now they require more time and effort in a practice than either refractive or cataract surgery, which typically involve the operation itself and one follow-up visit. "Ophthalmic surgeons do not want to keep seeing their patients," Kilcoyne said.

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## **Wonga**

Company: **Wonga**

Select VC investors: 83North, The Accelerator Group

Total disclosed funding: \$158.4M

While the company received a £10m emergency cash infusion earlier this month, it also saw a new rise in compensation claims, with one source saying that complaints had risen 80 percent since the funds were received. Each complaint costs Wonga £550 in fees before any compensation is even issued, which is more than the lender's average loan size.

After admitting its algorithmic technology had been lending money to people who couldn't pay it back, Wonga agreed to write off the loans of 330,000 customers, as well as waive the interest and fees for an additional 45,000. The company was also censured by the FCA for sending fake lawyers' letters to customers in arrears, which led to the company being forced to pay out a further £2.6 million in compensation.

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## Beepi

Company: **Beepi**

Select VC investors: SAIC Motor, Foundation Capital, Gil Penchina, Redpoint Ventures

Total disclosed funding: \$147.7M

Riding on the hype of transportation startups and marketplaces, Beepi may have raised too much, too soon. "They were running the business to raise money, and then to get someone else to take it on," was how one person described it.

One investor in the startup said that the founders were too aggressive in pushing for higher valuations. Indeed, co-founder Alejandro Resnik, the CEO, told the WSJ in 2015 that it was looking to raise a "monster round" of \$300 million at a \$2 billion valuation to fuel its national expansion.

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## AOptix Technologies

Company: **AOptix Technologies**

Select VC investors: Kleiner Perkins Caufield & Byers, Lehman Brothers, Clearstone Venture Partners

Total disclosed funding: \$107.9M



Long-time Free-Space Optics (FSO) player AOptix has shut up shop and is selling off its assets at auction next week... the company is currently trying to shop around its intellectual property.

A source tells Light Reading that AOptix's hybrid radio-FSO units were expensive, selling for up to \$80,000 a link. Carriers in the US and beyond are looking at wireless backhaul as alternative to fiber, but the expectation is that it should be cheaper and easier to install as well.

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## DEFY Media

Company: **DEFY Media**

Select VC investors: ABS Capital Partners, ZM Capital, Wellington Management

Total disclosed funding: \$100M

"Regretfully, Defy Media has ceased operations today," the company said in a statement released Tuesday evening. "We are extremely proud of what we accomplished here at Defy and in particular want to thank all the employees who worked here. We deeply regret the impact that this has had on them today... Unfortunately, market conditions got in the way of us completing our mission."

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## Primary Data

Company: **Primary Data**

Select VC investors: Battery Ventures, Lightspeed Venture Partners, Accel, Pelion Venture Partners

Total disclosed funding: \$103M

According to a trusted source close to the company, Primary Data's problem from the outset was that its technology was never quite as compelling as it needed to be, given that it was trying to sell mission-critical

software. (If it's not up to snuff, data virtualization software can create challenges with manageability, usability, data quality and performance.)

Immediately upon joining Primary Data, [former CEO] Lance Smith realized that its burn rate was out of control, particularly for a company with no revenue. But while the processes Smith instituted helped, they didn't change the fact that Fortune 500 companies weren't prepared to buy Primary Data's technology.

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## Guvera

Company: **Guvera**

Select VC investors: AMMA Private Investment

Total disclosed funding: \$102.6M

Australian music streaming company Guvera has reportedly stopped operating, with its co-founder and biggest financial backer walking away from the project. The startup, which was established in 2008, privately raised \$185 million before its \$100 million initial public offering was blocked by the Australian Securities Exchange last year.

Guvera's IPO prospectus was widely criticised and the company was forced to issue an updated version with 45 amendments after scrutiny from the Australian Securities and Investments Commission. The company had lost \$81 million in the 2016 financial year with revenue of just \$1.2 million.

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## ChaCha

Company: **ChaCha**

Select VC investors: Qualcomm Ventures, Rho Ventures, VantagePoint Capital Partners

Total disclosed funding: \$108M

Advertising revenue declined sharply [2016], leaving the company unable to service its debt, and no suitors took a bite. So its secured lender, which [founder Scott] Jones didn't name, recently emptied ChaCha's bank accounts.

"We sold some assets, but not enough to sufficiently cover all of our obligations," Jones said in an email Monday morning. "Unfortunately, our debtholders and shareholders, including me, will be writing off their investment."

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## Drugstore.com

Company: [Drugstore.com](#)

Select VC investors: Amazon, Kleiner Perkins Caufield & Byers, Maveron

Total disclosed funding: \$157M

[Walgreen's wants] to make sure they can invest more of the equity in Walgreens.com. Drugstore.com and Beauty.com are distractions.

At the end of the day, it's about getting new customers, increasing the frequency of transactions and increasing transaction sizes. When I see the retirement of these two domain names, I see a play (for Walgreens.com) in all those spaces.

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## Mode Media

Company: [Mode Media](#)

Select VC investors: Accel Partners, Draper Fisher Jurvetson, Greycroft Partners

Total disclosed funding: \$229M

"The general consensus of the employee base is that there was mismanagement of finances," said one former company executive...

The day after the shutdown announcement, one Mode manager of an overseas office described receiving frantic emails from headquarters requesting immediate transfer of all funds and assets back to the US.

“It was the most unprofessional, unethical experience imaginable. [A] confirmed catastrophe,” another exec said about the shutdown. “It’s so catastrophically unethical. No one can believe it.”

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## Next Step Living

Company: **Next Step Living**

Select VC investors: Black Coral Capital, Braemar Energy Ventures, VantagePoint Capital Partners

Total disclosed funding: \$100.8M

The firm intended to provide a missing channel for residential energy services leveraging its core energy-audit business. At one point Next Step Living had more than 800 employees and was generating more than \$100 million in annual revenue.

In order to spur revenue, the company moved into downstream energy services such as solar installation and insulation installation and found itself in a low-margin business with a high rate of cash burn. The company also found itself confronted by conflicting energy program mandates and regulations.

By the time NSL tried to return to its core home energy audit skills and jettison its downstream installation businesses, many of the VC investors had chosen to stop investing in NSL, despite their earlier entreaties for growth at all costs.

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## Airware

Company: Airware

Select VC investors: Andreessen Horowitz, GE Ventures, Google Ventures, Intel Capital, Kleiner Perkins Caufield & Byers

Total disclosed funding: \$101M

It appears [Airware] wasn't able to raise necessary funding to save the company or secure an acquisition from one of its strategic partners like Caterpillar.

Airware will serve as cautionary tale of startup overspending in hopes of finding product-market fit. Had it been more frugal, saved cash to extend its runway, and given corporate clients more time to figure out how to use drones, Airware might have stayed afloat. Sometimes, even having the most prestigious investors can't save a startup from mismanagement.

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## AwarePoint

Company: AwarePoint

Select VC investors: Kleiner Perkins Caufield & Byers, New Leaf Venture Partners

Total disclosed funding: \$100.9M

Awarepoint executives and board members could not be reached to comment on a recent tip from a former Awarepoint employee, who asked to remain anonymous and who said the company had unexpectedly shut down. A separate tip, sent to me Tuesday by direct message on Twitter from a pseudonym, said the company shut down on May 24. CEO Tim Roche did not respond to a voice message left on his office phone or to an e-mail. Awarepoint's offices on the second floor of the One America Plaza building in downtown San Diego were locked Wednesday afternoon, and a building representative said the company was gone.

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## KiOR

Company: **KiOR**

Select VC investors: Khosla Ventures, Alberta Investment Management Corporation, Artis Capital Management

Total disclosed funding: \$252.9M

Different parties disagree about which side was responsible — Khosla Ventures or [chemical engineer Paul] O'Connor and the CEO — but most agree that KiOR made poor hiring decisions as it staffed up. The result was a relative preponderance of lab researchers with Ph.D.s and a dearth of people with technical, operational experience running energy facilities. The lack of people with real operational experience “hurt KiOR a lot,” says O'Connor.

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## Aquion Energy

Company: **Aquion Energy**

Select VC investors: Bill Gates, CapX Partners, Constellation Technology Ventures

Total disclosed funding: \$196.6M

Company CEO, Scott Pearson, commented: “Creating a new electrochemistry and an associated battery platform at commercial scale is extremely complex, time-consuming, and very capital intensive. Despite our best efforts to fund the company and continue to fuel our growth, the Company has been unable to raise the growth capital needed to continue operating as a going concern.”

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## Quixey

Company: **Quixey**

Select VC investors: Alibaba Group, Atlantic Bridge Capital, GGV Capital

Total disclosed funding: \$164.2M

Quixey, which revealed last month it was ‘exploring strategic options,’ has reportedly shut down... in part due to its inability to repay a loan provided by a shareholder, e-commerce firm Alibaba. (*Read the Axios report [here](#).*)

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## Quirky

Company: [Quirky](#)

Select VC investors: RRE Ventures, Kleiner Perkins Caufield & Byers, Andreessen Horowitz

Total disclosed funding: \$185.3M

Steering the ship — handling all of the engineering, manufacturing, marketing, and retailing, even when you’re taking 90 percent of the subsequent profits — was ultimately too expensive of a proposition, especially in comparison to other, less-handholding-oriented start-ups. “The reason why Kickstarter makes a ton of money is they don’t have to do anything besides put up a website,” [founder Ben] Kaufman notes.

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## Powa Technologies

Company: [Powa Technologies](#)

Select VC investors: Wellington Management, Otto Group

Total disclosed funding: \$176.3M + at least \$50M of debt

The chief executive’s downbeat tone was a stark contrast to an optimistic tone last year. “I’ve forced you to hold out your nerve because I asked you to and I’ve taken you through that, but we’re past that point and now it’s all sunshine and light,” he said in a staff video.

In a meeting with the Financial Times last April, [Dan] Wagner compared himself to John Rockefeller, the US business magnate who dominated the oil and rail industries in the 19th century. He believed Powa would set down mobile payments infrastructure that would be just as revolutionary.

“What we’re building here is the biggest tech company in living memory,” he said in his offices in Heron Tower, a skyscraper in the heart of the City of London. A person with knowledge of the matter said that Powa could be paying as much as £2.5m a year.

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## Lilliputian Systems

Company: **Lilliputian Systems**

Select VC investors: Kleiner Perkins, Atlas Venture, Intel Capital

Total disclosed funding: \$150.4M

The Nectar system had its roots at MIT’s Microsystems Technology Lab — and may have simply left the lab a few years too early.

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## Rdio

Company: **Rdio**

Select VC investors: Atomico, Mangrove Capital Partners

Total disclosed funding: \$117.5M

“Rdio, I guess, made the mistake of trying to be sustainable too early,” says [early employee Wilson] Miner. “That classic startup mistake of worrying about being profitable and having a business that makes any sense before you’ve reached this astronomical growth curve. Which is partly the trap of the business model itself — because of the content licensing deals, the margins for the business were so incredibly thin. No matter what we did, the labels made the lion’s share of the revenue. You have to make it up with



extreme volume, which is why you see Spotify going after every human being in the world.”

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## OnLive

Company: **OnLive**

Select VC investors: Lauder Partners, Time Warner Investments

Total disclosed funding: \$116.5M

First there were doubts about its ability to deliver a lag-free experience, then business troubles led to a form of bankruptcy followed by big layoffs and a buyout, and all sorts of uncertainty after that.

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## Coraid

Company: **Coraid**

Select VC investors: Azure Capital Partners, Menlo Ventures

Total disclosed funding: \$114.3M

Its U.S. operations had not been successful in raising new funding, among other things. A CRN report earlier this month said the company was closing up for good and was filing for bankruptcy.

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## Terralliance

Company: **Terralliance**

Select VC investors: Kleiner Perkins Caufield & Byers, Goldman Sachs, DAG Ventures

Total disclosed funding: \$296.3M

“All told, the investors had sunk nearly half-a-billion dollars into Terralliance, an astounding sum given the audacity of the company’s aspirations — and the paucity of its accomplishments.”

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## Webvan Group

Company: **Webvan Group**

Select VC investors: Sequoia Capital, Softbank Capital

Total disclosed funding: \$275.2M

“They spent so much money on all this infrastructure, which was basically part of their business model,” [stock analyst David] Kathman said. “But what they hoped was going to be their advantage turned out to be their downfall. They got big fast, but size turned out to be an albatross when the demand wasn’t there.”

One reason demand fell short was that Webvan wasn’t as convenient as it billed itself, Kathman said.

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## Better Place

Company: **Better Place**

Select VC investors: VantagePoint Capital Partners, Lend Lease Ventures

Total disclosed funding: \$675.3M

The bet was risky because it required large geographies — indeed, entire nations — to adopt the technology in order for it to scale successfully. The company chose small countries like Israel and Denmark to test its model, but the company’s upfront costs kept mounting, and it kept delaying debuts. Also, a number of competing electric car efforts, including the venture by new company Tesla but also by the Big 3 and other manufacturers, kept the industry from adopting any one standard.

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## Amp'd Mobile

Company: [Amp'd Mobile](#)

Select VC investors: Highland Capital Partners, Columbia Capital, Redpoint Ventures

Total disclosed funding: \$324.5M

Maybe it was Verizon's most recent in-court request to stop serving up costly airwaves for which it couldn't pay, maybe it was the cold reality that it'll allegedly have a mere \$9,000 in the bank as of next Monday — but at any rate, Amp'd Mobile appears ready to throw in the towel.

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## AllAdvantage.com

Company: [AllAdvantage.com](#)

Select VC investors: Alloy Ventures, Walden Venture Capital

Total disclosed funding: \$133.8M

In a statement posted on the site, the company said the move was taken because "the advertising and capital markets have changed so fundamentally that it is now impossible to continue our infomediary incentive programs and benefits."... The company saw traffic to its Web site drop significantly during the last six months of 2000. In June, the site was drawing visitors 2 million visitors each month, according to Nielsen/NetRatings. That number dropped to less than 600,000 by December.

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## Kozmo.com

Company: [Kozmo.com](#)

Select VC investors: Oak Investment Partners, Flatiron Partners

Total disclosed funding: \$256.5M

If making money on operations was a near impossibility, Kozmo seemed perpetually on the precipice of tapping into the public equity markets. Meanwhile, it floated other plans, like starting a print catalogue and delivering for local retailers. But then they discovered that other retailers had their own deliverymen.

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## eToys

Company: eToys

Select VC investors: Bessemer Venture Partners, Sequoia Capital

Total disclosed funding: Undisclosed, but raised \$166.4M at IPO

The company also said it was on the verge of being delisted from the Nasdaq stock exchange. The exchange sent a notice to eToys, threatening to remove the company by May 2 because it has failed to maintain at least a \$1 share price for 30 consecutive days, according to Gary Gerdemann, spokesman for eToys.

The events were not a complete surprise, given that company executives had cautioned late last year that eToys had only enough cash to remain open through March.

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## Caspian Networks

Company: Caspian Networks

Select VC investors: New Enterprise Associates, US Venture Partners

Total disclosed funding: \$260M

First core routing. Then P2P networking. Then net neutrality. Investors apparently put the kibosh on the company before it crow-barred itself into another communications fad.

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## Pay By Touch

Company: **Pay By Touch**

Select VC investors: Mobius Venture Capital, Rembrandt Venture Partners

Total disclosed funding: \$130M

Despite those early customers, processing fingerprint payments has not taken off as expected. Pay By Touch claims that it has fingerprint scanners in 3,000 stores, but the privately held company has never disclosed how many transactions it processes. For millions of consumers accustomed to using credit and debit cards, the proposition of using a fingerprint hasn't been all that appealing. "It's hard to fight the credit-card companies," says Gartner (IT) analyst Avivah Litan. "Consumers are so used to racking up frequent-flier miles and other rewards that it's like a David vs. Goliath situation. There's just not much of a value proposition for the consumer to use a fingerprint."

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## RealNames Corporation

Company: **RealNames Corporation**

Select VC investors: Draper Fisher Jurvetson, Clearstone Venture Partners

Total disclosed funding: \$116.2M

RealNames said it had no choice to but to close operations as Microsoft was its primary distribution partner. Microsoft was owed \$25 million for RealNames "resolutions" already delivered over the past two years and remained unwilling to bet that RealNames would become successful in the

long-term. In addition, Microsoft expressed concerns about the quality of RealNames keywords that were sold.

The bad guy in all of this is clear: Microsoft, at least when reading the commentary posted on the weblog run by RealNames founder and former CEO Keith Teare, as well as comments he's made to the press.

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## Arts Alliance

Company: Boo.com

Select VC investors: Arts Alliance

Total disclosed funding: \$135M

"The firm mis-timed and failed to execute on a good idea," Torris said. "They started by keeping most of their target audience out," she added, referring to the need for high-speed connections to easily use the site.

Torris said Boo.com also spent too much on advertising and promotions and failed to keep pushing forward on technology innovations. She pointed out that sites such as Landsend.com now feature similar "try on" technology and that third party vendors have begun to develop similar Web sites.

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## Savaje Technologies

Company: **Savaje Technologies**

Select VC investors: VantagePoint Venture Partners, RRE Ventures

Total disclosed funding: \$113.7M

Now the company is close to closing its doors as it seeks additional funding from venture capitalists. The company, which employs about 140 people, had furloughed its developers and some other employees early in

October, asking them to use up their vacation time or go on unpaid leave while Savaje moved to find its way out of its financial troubles.

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## **Pets.com**

Company: Pets.com

Select VC investors: Hummer Winblad Partners, Bowman Capital

Total disclosed funding: \$110M

Almost from the start, Pets.com was a losing proposition, despite its backers' talk about how much money consumers lavish on their pets. Many pet supplies are heavy and costly to ship – cat litter, cans of dog food – and the firm couldn't sell enough higher-profit items such as pet toys. Moreover, to attract customers, the company depended heavily on discounts, said Jupiter Communications analyst Heather Dougherty. As a result, the firm was selling supplies below cost the entire time.

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## **Cereva Networks**

Company: Cereva Networks

Select VC investors: Oak Investment Partners, North Bridge Venture Partners, Intel Capital, Goldman Sachs

Total disclosed funding: \$109.5M

A victim of swiftly shrinking corporate IT budgets and a sharp drop in demand for the startup's large-scale enterprise storage systems, the Marlborough, MA.-based company last week abruptly shut down and laid off 140 employees.

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## **COPAN Systems**

Company: **COPAN Systems**

Select VC investors: Globespan Capital Partners, Austin Ventures

Total disclosed funding: \$108.4M

The COPAN product was well differentiated. The weakness was their not understanding, focusing and exploiting its sweet spot. A consequence of an incomplete or erroneous market understanding and a sole reliance on the internal body of experience and knowledge.

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## Calxeda

Company: **Calxeda**

Select VC investors: Battery Ventures, Flybridge Capital Partners

Total disclosed funding: \$103M

ARM server chip designer Calxeda has shut down as one of its executives told The Register: “We simply ran out of money.”

## Startup Failures: Total funding from \$75M – \$100M

## YCloset

Company: **YCloset**

Select VC investors: Alibaba Group, Sequoia Capital China, SoftBank China Venture Capital

Total disclosed funding: \$70M

“YCloset’s collapse comes as investor sentiment sours toward the once-popular fashion rental market, which has proven to be capital intensive. As YCloset scaled, it struggled to keep up with high expenses in shipping, dry cleaning, and staying abreast of the latest fashion trends.”

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## Houseparty

Company: **Houseparty**

Select VC investors: Sequoia Capital, Greylock Partners, Comcast Ventures

Total disclosed funding: \$69.7M

“Epic says that ‘tens of millions of people’ have used the app. Going forward, however, ‘the team behind Houseparty is working on creating new ways to have meaningful and authentic social interactions at metaverse scale across the Epic Games family,’ Epic said.

That seems to indicate that Epic has more social features in the works for games like Fortnite and Rocket League that the Houseparty team will be contributing to, which could be important tools to keep gamers playing the ever-updating games. But for those who used Houseparty to chat with their friends and family, the impending shutdown means they’ll have to move those conversations to another messaging app.”

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## GoBear

Company: **GoBear**

Select VC investors: Walvis Participaties, Aegon

Total disclosed funding: \$97M

In a statement, the fintech firm said Covid-19 has made the operating and fundraising environment “very challenging,” despite the firm having made progress in its growth and transformation plans last year.

The factors included a prolonged period of weakened demand for some financial products and services, in particular travel insurance.

Its chief executive Adrian Chng said: “GoBear has made the difficult decision to close the business. Our purpose has been to improve the financial health of people across Asia, and I’m proud and grateful for the

contributions that all our employees and partners have made towards that mission.”

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## Aura Financial

Company: **Aura Financial**

Select VC investors: FirstMark Capital, Varadero Capital, Revolution Ventures

Total disclosed funding: \$82M + \$264M of debt

Hit hard by the pandemic-induced recession, the consumer lender Aura Financial has suspended its operations.

“When the pandemic first hit, Aura was on the verge of closing new financing on its final march to profitability. However, suddenly, all capital dried up as the uncertainty of how our low-income, mostly Latino customer base would recover from a pandemic that disproportionately impacted their jobs, health, and finances intimidated investors,” [co-founder James Gutierrez] wrote.

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## Jumpshot

Company: **Jumpshot**

Select VC investors: Avast Software, Ascential

Total disclosed funding: \$83M

Our investigation found that Avast, through a subsidiary called Jumpshot, made millions of dollars following its users around the internet. Jumpshot told its clients, which include Microsoft, Google, McKinsey, Pepsi, Home Depot, Yelp, and many others that it could track “every search. Every click. Every buy. On every site.”

Avast CEO Ondrej Vlcek wrote in a public letter Thursday morning that he and the company's board of directors have decided to "terminate the Jumpshot data collection and wind down Jumpshot's operations, with immediate effect."

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## Atrium

Company: **Atrium**

Select VC investors: Andreessen Horowitz, General Catalyst, Y Combinator

Total disclosed funding: \$76M

Justin Kan's hybrid legal software and law firm startup Atrium is shutting down today after failing to figure out how to deliver better efficiency than a traditional law firm, the CEO tells TechCrunch exclusively. The startup has now laid off all its employees, which totaled just over 100. It will return some of its \$75.5 million in funding to investors, including Series B lead Andreessen Horowitz. The separate Atrium law firm will continue to operate.

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## Sienna Biopharmaceuticals

Company: **Sienna Biopharmaceuticals**

Select VC investors: Fidelity Investments, Altitude Life Science Ventures, ARCH Venture Partners, Partner Fund Management

Total disclosed funding: \$86M

The company, founded in 2010, had hoped to sell itself and restructure but didn't receive any bids for the whole company. It sold its topical photoparticle therapy assets to Sebacia, a dermatology company, for \$1.7 million.

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## Lesara

Company: **Lesara**

Select VC investors: Mangrove Capital Partners, Northzone Ventures, 3L Capital

Total disclosed funding: \$99M

Lesara, which was an online fashion retailer, stated on its website:

We regret to inform you that the Lesara Online Store has closed. Rest assured, we will do our best to fulfill orders that have been placed. Orders placed before 28th February will have a return policy of 30 days.

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## Juicero

Company: **Juicero**

Select VC investors: Kleiner Perkins Caufield & Byers, Thrive Capital

Total disclosed funding: \$99.9M

On Sept. 1, as many U.S. businesses closed early for the Labor Day holiday weekend, Juicero Inc. — a lavishly funded startup that once sold a \$699 Wi-Fi-connected juice press — announced it was shutting down forever.

Juicero's demise was not unexpected. Its collapse was the consequence of unsustainable costs, unflattering headlines and a bungled product launch. After attracting about \$134 million in funding from such illustrious investors as Google Ventures and Kleiner Perkins Caufield & Byers, Juicero was losing about \$4 million a month. Four years after its founding, the startup was unable to find new backers willing to fund its ambition of making fresh juice accessible to all.

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## Auctionata

Company: **Auctionata**

Select VC investors: German Startups Group, Bright Capital, e.ventures, Earlybird Venture Capital

Total disclosed funding: \$97.4M

Auctionata has been in decline since news of serious trade violations perpetrated by co-founder and former CEO Alexander Zacke came to light in March 2016, when Zacke and Auctionata board members were accused of illegally bidding on their own auctions.

Months later, reports of business difficulties at Auctionata emerged after independent evaluations of auction results suggested that the house was making only very few direct sales. At the time, the company insisted that the figures didn't take into account private sales and other revenue streams.

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## Wimdu

Company: Wimdu

Select VC investors: Rocket Internet

Total disclosed funding: \$90M

They say imitation is the sincerest form of flattery. But it doesn't guarantee success, and today, an Airbnb clone learned that the hard way. Wimdu, a startup originally hatched out of the Rocket Internet startup factory in Berlin and modelled on the travel accommodation US startup Airbnb, announced that it would be shutting down at the end of 2018, citing "significant financial and business challenges."

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## Verdezyne

Company: Verdezynegri

Select VC investors: BP Alternative Energy Ventures, Sime Darby

Total disclosed funding: \$89.4M

Confirmed this month, Verdezyne, the synthetic biology company that was founded in 2008 and was working on the production of renewable chemicals, using their own highly-proprietary platform, has gone into bankruptcy.

First reported by BiofuelsDigest, this month Green Chemicals Blog had spoken with a senior employee from Verdezyne, who said the Californian company closed its operations on May 15th due to its primary investor, Sime Darby, having withdrawn its funding.

The closure of the company came ahead of the imminent opening of its first commercial facility, which would have been an impressive achievement for an industry where one of the main challenges lies in producing bio-based materials on an industrial scale.

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## Sonitus Medical

Company: **Sonitus Medical**

Select VC investors: GE Capital, Aberdare Ventures, Novartis Venture Funds, RWI Ventures

Total disclosed funding: \$89.7M

We took a prevalent surgical treatment into the office where we reduced the cost by half and we significantly impact patient safety because there was no surgery involved and we made it more effective...

They [the Centers for Medicare & Medicaid Services (CMS)] arbitrarily draw a line saying, "No, you are not qualified for coverage because the way we draw a line between what's a prosthetic and what's a hearing aid is whether it involves surgery or not."

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## DeNovis, Inc.

Company: DeNovis, Inc.

Select VC investors: Advanced Technology Ventures, UV Partners

Total disclosed funding: \$97.8M

In a Boston Globe interview in January, he had indicated that the company's financial performance was a pressing concern. He said the \$22 million in venture capital the company raised nine months ago was effectively its last chance.

But having spent such a large sum of venture capital, DeNovis needed to go public or find a deep-pocketed buyer to return a large profit to its investors. Burkett said at the time, "I only hear that about 11 times a day."

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## Aereo

Company: Aereo

Select VC investors: FirstMark Capital, Highland Capital Partners

Total disclosed funding: \$97M

Inside the infrastructure that drove its online service, it assigned every Aereo user a mini broadcast TV antenna, and it used this to argue that its service was no different than sticking a pair of bunny ears on your television. That way, Aereo could avoid paying retransmission fees for broadcasters' content. But broadcasters never bought this argument, and when it came down to it, neither did the US Supreme Court.

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## Aereo

Company: Beyond The Rack

Select VC investors: Silicon Valley Bank, BDC Venture Capital, Highland Capital Partners

Total disclosed funding: \$95.6M

Launched in 2009 by former Saks executive Yona Shtern, Beyond the Rack pitches steep markdowns on designer goods, accessories and home décor. The sales typically last 48 hours and are announced to email subscribers. The company has 14 million members, and 450,000 active buyers, according to court filings.

But Beyond the Rack struggled to turn a profit and spent its funds on “aggressive and costly marketing campaigns aimed at increasing customer growth,” according to court papers. It filed for protection with less than \$1 million in cash, the documents show.

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## Canopy Financial

Company: **Canopy Financial**

Select VC investors: GGV Capital, Foundation Capital

Total disclosed funding: \$89.5M

...company management discovered earlier this month financial records provided to investors and lenders that were “fraudulent,” as well as “significant financial and accounting irregularities.”

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## Soapstone Networks

Company: **Soapstone Networks**

Select VC investors: Accel Partners, Oak Investment Partners

Total disclosed funding: \$87.3M

Soapstone was an underdog from the start. Even as a known quantity, it was going to have to wrestle with the slow process of qualification at big carriers. The recession certainly didn’t help. And it seems to me (and one



source from outside Soapstone agrees) that while Soapstone wasn't entirely wrapped up in PBB-TE (Provider Backbone Bridging – Traffic Engineering), the stall in that technology's ascent was a contributing factor, too.

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## Claria Corporation

Company: **Claria Corporation**

Select VC investors: US Venture Partners, Crosslink Capital

Total disclosed funding: \$84M

The company realized that there were too many ad networks out there, and with the souring outlook for advertising, it made better sense to close shop and sell the company's extensive set of patents, the source said.

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## 38 Studios

Company: **38 Studios**

Select VC investors: Rhode Island Economic Development Corporation

Total disclosed funding: \$75M

Add it all up, including interest, and already-cash-strapped Rhode Island could be out as much as \$110 million on the loans. As Schilling sits beside the softball diamond, his company, with nearly \$151 million in debt and just \$22 million in assets, is being liquidated through Chapter 7 bankruptcy.

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## SunRocket

Company: **SunRocket**

Select VC investors: Anthem Capital, BlueRun Ventures

Total disclosed funding: \$79.3M

Analysts have been predicting that it would be difficult for companies, like SunRocket and the more popular Vonage, to base an entire business around a VoIP service. While VoIP makes it relatively cheap to serve customers, it's still expensive to acquire them.

## Startup Failures: Total funding from \$50M — \$75M

### Butler

Company: **Butler**

Select VC investors: Kraft Food Groups, Shamrock Holdings

Total disclosed funding: \$51M

“Butler’s downfall is a cautionary tale both of the opportunities and challenges that exist in the world of on-demand startups. There may be clear gaps in the market for services that appear in theory like easy sailing. Yet they can inevitably be buffeted by economic, social and, in recent times, extreme public health headwinds. And amidst all that, those working there are the first to go over.”

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### Hubba

Company: **Hubba**

Select VC investors: Brightspark Ventures, Kensington Capital Partners, Real Ventures, GS Growth

Total disclosed funding: \$59M

“It is unclear to what extent the COVID-19 pandemic had hampered Hubba’s growth and customer base. However, one source BetaKit spoke with claimed a months-long battle between Zifkin and Hubba’s board of directors regarding the ongoing viability of the company. Recent StatCan

data indicates that over half of Canadian businesses (98 percent of which are small businesses) saw a drop in revenue compared to 2019, with 20 percent seeing a revenue drop of 40 percent or more.”

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## Quantopian

Company: **Quantopian**

Select VC investors: Bessemer Venture Partners, Andreessen Horowitz, Khosla Ventures

Total disclosed funding: \$51M

To some pros, the end of Quantopian was inevitable. Could amateurs really figure out anything they couldn't? Even high-priced hedge fund managers are struggling to outwit the market these days. [...]

Quantopian's bet was that this kind of elitism might give it a competitive edge. By offering everyone on the internet free access to data, tutorials, and tools, it sought to beat the army of Ivy League Ph.D.s by picking the best quant strategies from the world's untapped geniuses. It was the wisdom of the crowds, applied to the nerdiest corner of Wall Street — radical, sure, but a logical extension of a burgeoning gig economy and a tech revolution that was opening up access to ever-deeper market data. [...]

In late October, the company announced it was shutting down. A few weeks later, Quantopian Chief Executive Officer John Fawcett announced that he, his co-founder, and other employees were going to work at the retail brokerage Robinhood Markets Inc.

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## Stay Alfred

Company: **Stay Alfred**

Select VC investors: Nine Four Ventures

Total disclosed funding: \$62M

Stay Alfred had raised around \$60 million in funding, with its most recent round coming in at \$47 million in October 2018. Allen said he and his leadership had been seeking new funding of up to \$30 million as recently as March [2020] but the global lockdown caused by the coronavirus pandemic, coupled with investor interest failing to materialise into an offer, forced the startup's hand.

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## IfOnly

Company: **IfOnly**

Select VC investors: New Enterprise Associates, Khosla Ventures, Founders Fund

Total disclosed funding: \$54M

IfOnly — an “experiences” marketplace based around access to exclusive, and often expensive, events and people, with a portion of the proceeds that a guest pays for the experience going towards good causes — was quietly acquired and shut down by credit giant Mastercard for an undisclosed sum. Mastercard told TechCrunch that it has folded the tech and team into Priceless — its own experiences marketplace — after initially leading a strategic investment in the company in 2018.

...IfOnly's business had ground to a halt in the wake of the coronavirus pandemic...

The sale (and closure) puts an end to a startup that began life with exclusive experiences that appeared to be aimed squarely at the one percent.

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## Wellfount

Company: **Wellfount**

Select VC investors: Arboretum Ventures, Elevate Ventures, Deerfield Management

Total disclosed funding: \$51M

The sky seemed the limit. “It’s a very scalable model,” CEO Eric Orme told IBJ in 2014.

But last month, Wellfount quietly shut its doors, stopped answering its phones and pulled down its website. Several employees told IBJ the company closed on March 31 [2019] and laid them off. Nursing homes, the company’s largest customers, were caught off guard. [...]

What happened at Wellfount remains unclear, though industry observers say the competitive landscape shifted for the company in recent years, as the vending machine-style medicine dispensers it helped pioneer became available from many vendors.

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## Vicis

Company: Vicis

Select VC investors: Rx3 Ventures, Trilogy Equity Partners, W Fund

Total disclosed funding: \$74M

“We were more successful than most at raising capital, but it took a tremendous amount of time and effort, effort that could have been applied to growing and running the business,” [co-founder and ex-CEO Dave] Marver said.

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## Stratoscale

Company: Stratoscale

Select VC investors: Battery Ventures, Bessemer Venture Partners, Cisco Investments, Intel Capital, Qualcomm Ventures

Total disclosed funding: \$69M

We built something amazing but the merger was not successful. The product that we developed was great and right, if it will be part of a larger organization. We think there has been a technological switch in which the giants dictate the direction of the market and we gave more power to the traditional players. We had an amazing team but we decided that the time had come to move on.

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## Hipmunk

Company: Hipmunk

Select VC investors: Ignition Partners, Oak Investment Partners, NGP Capital

Total disclosed funding: \$55M

We carefully considered all potential avenues for Hipmunk and Concur Hipmunk and determined that it was in the best interests of our travelers, customers, our people, and SAP Concur to terminate the service and retain all of the intellectual property.

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## Oryx Vision

Company: Oryx Vision

Select VC investors: Bessemer Venture Partners, Trucks VC, Maniv Mobility

Total disclosed funding: \$67M

Currently, the architecture of the autonomous vehicle is simply not converging, so a venture-backed company will not be able to justify the investment that will still be needed... There was a lot of deliberation and investors were prepared to keep going, but we saw that LIDAR was becoming a game of giants and as a small company, it would be difficult to continue operating and return investments.

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## Crazy Teacher

Company: Crazy Teacher

Select VC investors: Tencent Holdings, Kun Ling Capital, bioVENTURE

Total disclosed funding: \$65M

The crazy teacher app page displays the words “Goodbye” and writes: “The madness has ended, thank you for the past.”

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## Shyp

Company: Shyp

Select VC investors: Homebrew, Sherpa Capital, Kleiner Perkins Caufield & Byers, Slow Ventures, Otter Rock Capital, Machine Shop Ventures

Total disclosed funding: \$62M

Shyp had bet everything on sustainability rather than expansion. It drastically downsized itself last July, when it ended service in Chicago, Los Angeles, and New York, laid off much of its staff, and dedicated itself to reaching profitability in its home market of San Francisco. Even earlier, it had laid off 8% of its workforce and before that shuttered its Miami operations.

According to [Shyp CEO and co-founder] Gibbon, the new, smaller Shyp began turning an operational profit last December... But the company still needed more funding to continue and was unable to secure it from venture capital firms, which have grown wary of the whole category of startups that provide on-demand services involving physical infrastructure such as Shyp’s couriers and warehouses. With no viable alternative moves such as selling the company on the horizon, “we just ultimately ran out of time with the cash that we had available to us,” [Gibbon] says.

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## Appenda

Company: Appenda

Select VC investors: **Ignition Partners**, Safeguard Scientifics

Total disclosed funding: \$55.5M

Venture capital firm Safeguard Scientifics has invested \$22.1 million in Appenda since 2013 and held a 29 percent ownership stake in the company, corporate controller Dave Kille said during an earnings call Thursday. Safeguard took a \$6.6 million charge against earnings during the second quarter to write off its ownership in Appenda.

“Appenda recently decided to wind down its operations,” Kille said during the call.

Appenda “would have needed ... to continue to develop technology and try to catch back up,” Safeguard CEO and president Brian Sisko said. “The collective view around the table (was) that it wasn’t appropriate to plow more capital into this opportunity.”

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## PATH

Company: PATH

Select VC investors: Ashton Kutcher, Gary Vaynerchuk, Greylock Partners, Kleiner Perkins Caufield & Byers

Total disclosed funding: \$66.3M

As Facebook ballooned in size and our friend lists grew with it, Path sought to be the place where you chatted with only the people you were closest to. And for a little while, the idea seemed to work. Quickly, Google reportedly tried to gobble it up. By mid-2013, Morin proclaimed that people were checking the app “over 1 billion times per month.”



Around [2015], it was bought by Korean tech company Daum Kakao. And then we forgot about it. On October 1, the app will be removed from the app stores.

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## Seatwave

Company: Seatwave

Select VC investors: Accel, Ticketmaster Entertainment

Total disclosed funding: \$62.6M

We're shutting down our sites GET ME IN! and Seatwave.

That's right, we've listened and we hear you: secondary sites just don't cut it anymore and you're tired of seeing others snap up tickets just to resell for a profit.

All we want is you, the fan, to be able to safely buy tickets to the events you love.

So, we're launching a fan-to-fan ticket exchange on Ticketmaster where you can easily buy tickets or sell tickets you can't use through our website at the price originally paid or less.

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## Gridco Systems

Company: Gridco Systems

Select VC investors: General Catalyst, North Bridge Venture Partners, Lux Capital

Total disclosed funding: \$54M

Utilities have failed so far to expand their use of distribution grid-level power electronics much beyond the pilot phase, leaving Gridco with little

opportunity to grow to the scale necessary to maintain its operations on the strength of its own revenues.

“Though we were able to successfully prove Gridco’s technology as best-in-class for use in utility-scale volt/VAR optimization programs, the VVO market did not actualize quickly enough for us to achieve critical mass and financial self-sustainability,” said CEO Naimish Patel.

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## Hello

Company: Hello

Select VC investors: Cherubic Ventures, Temasek Holdings

Total disclosed funding: \$52.9M

Hello, the startup behind Sense sleep tracking devices, plans to shut down. The company recently laid off most of its staff.

Hello recently held discussions to sell its assets in what one source described as “a firesale” to Fitbit, but the deal fell through, according to a source familiar with the situation. According to a [blog post](#) from founder and CEO James Proud, the company continues to seek buyers for its assets. “The past few weeks we have been working hard to find the right home for Sense and we are still focused on that,” wrote Proud.

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## TerraLUX

Company: TerraLUX

Select VC investors: Access Venture Partners, Emerald Technology Ventures

Total disclosed funding: \$55.6M

A fast-growing maker of LED and smart lighting doesn’t have enough cash to keep its own lights on.

Longmont-based Terralux, now known as Sielo, ceased all operations on Aug. 3 and is now looking for a buyer to get things running again.

As of December 2016, the company employed 57 people, according to the Longmont Economic Development Partnership. Lundie declined to comment on current workforce numbers.

Lundie said the shutdown was necessary because “there wasn’t money to continue.” He declined to answer further questions, citing ongoing negotiations.

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## LOYAL3

Company: **LOYAL3**

Select VC investors: Community Investment Management, Brevet Capital Management, Trinity Ventures, Giles Raymond

Total disclosed funding: \$62.4M

Loyal3, a commission-free brokerage that initially emphasized IPO shares before transforming into a discount broker, announced Wednesday it will close its doors May 19.

Offering a portfolio of 70 stocks, the firm allowed beginner investors to purchase fractional shares and to engage in transactions as low as \$10 and as high as \$2,500. The strategy relied on batch trading, wherein Loyal3 grouped company trades and executed only once a day.

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## PepperTap

Company: **PepperTap**

Select VC investors: Innoven Capital, Sequoia Capital India

Total disclosed funding: \$52M

PepperTap – which operated in a high-competition, low-margin market – decided to shut down its main e-grocery business after months of rapid expansion showed no signs of profitability and deep discounts led to high cash burn.

“Losing cash on every order (no matter how small or how controlled or how goal-oriented the burn) meant one day we will run out of cash – perhaps we could slow down the process but mathematically speaking, this was a certainty,” PepperTap co-founder Navneet Singh said while announcing the shutdown.

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## Sprig

Company: **Sprig**

Select VC investors: Greylock Partners, Social Capital and Sozo Ventures

Total disclosed funding: \$56.7M

“No question, I’m sad that the Sprig model did not work out,” CEO Gagan Biyani said in an email circulated to the app’s users. “The demand for Sprig’s convenient, high-quality food was always incredibly high, but the complexity of owning meal production through delivery at scale was a challenge.”

Sprig had raised \$56.7 million to cook and deliver its own gourmet meals in the San Francisco area, but insiders said it was losing six figures monthly and could not expand the service into other cities.

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## Dealstruck

Company: **Dealstruck**

Select VC investors: Community Investment Management, Brevet Capital Management, Trinity Ventures, Giles Raymond

Total disclosed funding: \$70.1M

Dealstruck closed its doors after more than three years in business. It did not close because the customer base isn't there or due to a lack of demand for its lending products. It closed because a deal fell through.

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## Sand 9

Company: Sand 9

Select VC investors: Commonwealth Capital Ventures, Flybridge Capital Partners, General Catalyst

Total disclosed funding: \$55.5M

It was revealed last month that Sand 9's website and phone numbers were no longer operating and that its former CEO and other executives had left the company.

Consultant Mark Sherwood, principal associate with Consulting Services and Associates LLC (Cupertino, Calif.), told eeNews Europe that although the piezoelectric technology showed promise Sand 9 had hit technical issues amidst changing markets and effectively outlasted investors' patience.

Sherwood told eeNews Europe in email "I can confirm the sale of Sand 9 to Analog Devices Inc. We are now about three months post acquisition, and the Sand9 executive team is gone but the meat of the company was indeed the MEMS technology that had been in development for many years."

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## Karhoo

Company: Karhoo

Select VC investors: David Kowitz, Jonathan Feuer, Nick Gatfield

Total disclosed funding: \$52M

Ultimately, [its] structure ... is based on very large economies of scale ... building out any transport service before it can get to that scale is extremely capital intensive ... Karhoo, however, didn't appear to have the reach with consumers to achieve anything like enough scale. [Its shutdown letter states that the] "Karhoo staff around the world in London, New York, Singapore and Tel Aviv have, over the past 18-months [sic], worked tirelessly to make Karhoo a success. Many of them have worked unpaid for the last six weeks in an effort to get the business to a better place. Unfortunately, by the time the new management team took control last week, it was clear that the financial situation was pretty dire, and Karhoo was not able to find a backer."

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## Beenz.com

Company: [Beenz.com](#)

Select VC investors: Gefinor Ventures, Apax Partners

Total disclosed funding: \$73.8M

After the Internet bubble burst, e-currency companies tried to evolve by concentrating on business customers, but the collapse of a high-profile trailblazer such as Beenz shows that the Old Economy credit card companies have probably won the online shopping battle.

Experts believe that online currency sites such as Beenz were overtaken as a way of shopping online by credit cards, which had the advantage of being virtually universally accepted both on and offline.

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## Veoh Networks

Company: [Veoh Networks](#)

Select VC investors: **Shelter Capital Partners**, Spark Capital

Total disclosed funding: \$70.8M

...the venture was pronounced dead in a tweet today by Veoh board member Todd Dages of Spark Capital, a Boston VC firm that invested in Veoh Networks. Dages tweeted, "Veoh is dead. Universal Music lawsuit was the main killer. Veoh won resoundingly but was mortally wounded by the senseless suit. Next."

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## Dash Navigation

Company: **Dash Navigation**

Select VC investors: Kleiner Perkins Caufield & Byers, Sequoia Capital

Total disclosed funding: \$41M, sold for \$8.3M to BlackBerry

User adoption was slow, likely because the device carried a \$600 price tag (later reduced to \$399), but the service won praise from many reviewers, including Om. The navigation device was designed with true mobile web access and interactivity in mind, but sales were sluggish.

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## Move Networks

Company: **Move Networks**

Select VC investors: Hummer Winblad Venture Partners, Steamboat Ventures

Total disclosed funding: \$60.3M

So what went wrong? For one thing, Move Networks never reached critical mass on the consumer side of things; despite early success with ABC, Fox, the CW, and others, many media companies shied away from the technology because it required a plugin that not many consumers had installed. This created a vicious chicken-and-egg problem: How do you get people to install the plugin if it's not being used to deliver good premium

content? And how do you get good premium content unless people already have the plugin installed?

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## Nirvanix

Company: **Nirvanix**

Select VC investors: Valhalla Partners, Mission Ventures

Total disclosed funding: \$70M

By trying to play in the pure storage business, Nirvanix found itself in a market that, over the past five years, became increasingly commoditized by Amazon Web Services, Windows Azure and now Google Compute Engine, which have all been engaging in a price war. With no service to offer on top of its storage, Nirvanix did not stand a great chance of differentiating from such large competitors.

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## Expand Networks

Company: **Expand Networks**

Select VC investors: The Challenge Fund-Etgar, Tamir Fishman Ventures

Total disclosed funding: \$69M

Although Expand Networks won appreciation for its technology, its operational performance was much less impressive. The court documents show that it was losing \$ 250,000 a month and had \$ 11 million revenue in 2010. Although it was a pioneer in its field, it failed to make a breakthrough.

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## Ecast

Company: **Ecast**



Select VC investors: Doll Capital Management, Crosslink Capital

Total disclosed funding: \$66.8M

The San Francisco-based technology firm's board of directors voted for an immediate shutdown after the company failed to raise enough capital to continue operating. "We worked diligently for this not to happen," said Ecast vice-president of network operations Scott Walker. "We appreciate all the support from jukebox operators and the industry."

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## Edgix

Company: **Edgix**

Select VC investors: Battery Ventures, Venrock

Total disclosed funding: \$65M

"Companies that joined in during the last few years are primarily the ones dropping out. Many never had a sound business model to begin [with]. Edgix is one example. The company was basically a carbon copy of Cidera and other ISP caching solutions, with little new to offer. They basically launched a platform and went into business believing they would quickly generate revenue. Unfortunately for companies such as Edgix, once you continually say to investors, 'There is a market out there and we can own it,' you start to believe it yourself."

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## DoubleTwist

Company: **DoubleTwist**

Select VC investors: Institutional Venture Partners, Boston Millennia Partners

Total disclosed funding: \$56.6M

Two months later, DoubleTwist bowed to the inevitable. "No one was surprised by this," Williamson told the San Francisco Chronicle, "but

everyone was disappointed. We had a great product and a great team — we just didn't have the revenues.”

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## Akimbo

Company: Akimbo

Select VC investors: Zone Ventures, Draper Fisher Jurvetson

Total disclosed funding: \$54.7M

The company had raised \$4 million earlier this year from existing investors, but Chantel said the company was looking to raise \$8 to 10 million to become cash positive with its new white-label strategy. Unfortunately, “there wasn't enough runway to execute the plan,” he said.

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## Sequoia Communications

Company: Sequoia Communications

Select VC investors: Tallwood Ventures, BlueRun Ventures

Total disclosed funding: \$54M

Luis Arzubi, a general partner at Tallwood Ventures, told EE Times that Sequoia (San Diego) was forced to cease operations despite having working parts and customers because it failed to raise the needed capital to continue. The company and its investors “basically had no choice,” he said.

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## govWorks

Company: govWorks

Select VC investors: Tallwood Ventures, BlueRun Ventures

Total disclosed funding: \$54M

govWorks, the brilliant idea, has been bungled badly in execution. Arrogant and overly aggressive, company officials have alienated key government partners and vendors. They have burned through millions in false starts and other fumbles, and it has lost time and ground to competitors. One of the co-founders has been forced out by the board and other senior executives. Now directors are looking for a more seasoned manager to help Isaza Tuzman run the company. Harvard Business School case study department, here they come.

## Startup Failures: Total funding from \$25M — \$50M

### Apervita

Company: **Apervita**

Select VC investors: Pritzker Group Venture Capital, MATH Venture Partners, Optum Ventures, GE Ventures

Total disclosed funding: \$45M

“Apervita, which once claimed to be the first health analytics marketplace, has ceased operations as of October 1.

Chief Informatics and Innovation Officer Blackford Middleton wrote in a post on LinkedIn that the company had failed to drum up enough resources in its second round of funding.”

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### AWOK

Company: **AWOK**

Select VC investors: Al Faisaliah Ventures, StonePine Capital Partners

Total disclosed funding: \$30M

Dubai-based ecommerce platform Awok has shut down just a little over a year after raising \$30 million in one of the largest investment rounds for an ecommerce startup in the region. [...]

“Awok’s journey as a mass-market e-commerce player has unfortunately come to an end and the company has ceased operations,” reads the statement. [...]

MENAbytes has spoken with multiple employees at Awok all of which have confirmed that the company has had been in crisis since the start of 2020. All of them have told us that the employees weren’t paid salaries since January and the majority of them left the company in March. The employees who spoke to us have also told us that the employees who left this year did not receive their end of service benefits as well.

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## Hollar

Company: **Hollar**

Select VC investors: Pritzker Group Venture Capital, Lightspeed Venture Partners, Kleiner Perkins Caufield & Byers

Total disclosed funding: \$48M

Los Angeles-based Hollar launched in 2015 to help users find dollar store-like bargains on branded consumables, ranging from kitchen goods to toys to beauty products. [...]

Hollar’s thesis was that dollar store denizens would buy multiple products at a time, thus alleviating pressure on shipping costs. But a source close to the situation says the unit economics never panned out.

The company is said to have started looking for a buyer late last year, and is in final negotiations with retailer Five Below, which would bring on more employees and at least some of the other assets.

Hollar's site and app are not expected to survive.

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## Stockwell

Company: **Stockwell**

Select VC investors: DCM Ventures, New Enterprise Associates, Google Ventures

Total disclosed funding: \$47M

Stockwell AI entered the world with a bang but it is leaving with a whimper. Founded in 2017 by ex-Googlers, the AI vending machine startup formerly known as Bodega first raised blood pressures — people hated how it was referenced and poorly “disrupted” mom-and-pop shops in one fell swoop — and then raised a lot of money. But ultimately, it was no match for COVID-19 and the hit it has had on how we live.

TechCrunch has learned and confirmed that Stockwell will be shutting down, after it was unable to find a viable business for its in-building app-controlled “smart” vending machines stocked with convenience store items.

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## Sorabel

Company: **Sorabel**

Select VC investors: OpenSpace Ventures, Shift Accelerator, Kejora Ventures

Total disclosed funding: \$28M

Indonesia's fashion e-commerce startup Sorabel is shutting down its operations by end of July [2020] after struggling to stay afloat amid the COVID-19 pandemic, an investor in the startup confirmed to DealStreetAsia. [...]

In a letter to Sorabel employees, the company said it had done its best to save the business but was left no choice but to close down. "Due to this liquidation process, we have to terminate employment contracts with no exception, effective July 30. I am certain that no one would ever expect this to happen," the letter, quoted by Daily Social, said.

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## IgnitionOne

Company: IgnitionOne

Select VC investors: SoftBank Capital, ABS Capital Partners

Total disclosed funding: \$40M

While the business had turned the corner this year and had the best year to date for % growth, revenue and EBITDA, our liquidity was severely hampered by our inability to renew our line of credit from existing lenders. The underlying cause of this was client concentration and that we operate in an industry where we are required to pay for inventory from suppliers long before our customers remit payment to the Company.

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## Omni

Company: Omni

Select VC investors: Highland Capital Partners, Precursor Ventures

Total disclosed funding: \$35M

They realized that the core business was just challenging as architected... The service was really great for the consumer but when they looked at what it would take to scale, that would be difficult and expensive.

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## Miaoshenghou

Company: **Miaoshenghou**

Select VC investors: Capital Today, Eastern Bell Capital

Total disclosed funding: \$34M

The rent for a shop of more than 100 square meters is about [~\$5,050 USD] on average in Shanghai; with other costs approximately [\$10,100 USD to \$11,500 USD]. Even if we automate, such a premium is not enough to offset the sensitivity of consumers to prices.

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## CrediFi

Company: **CrediFi**

Select VC investors: Battery Ventures, Liberty Technology Venture Capital, Viola Ventures

Total disclosed funding: \$29M

The company, led by CEO Ely Razin, had been in talks to sell to firms including Moody's — which has been ramping up its real-estate data business — but no deal ever went through, according to a senior employee, whose account was later confirmed by sources familiar with the talks.

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## Kettlebell Kitchen

Company: **Kettlebell Kitchen**

Select VC investors: North Castle Partners

Total disclosed funding: \$27M

The prepared meal delivery business is tough to scale, given all the supply chain, safety requirements, and logistics. Now we have to see if Kettlebell Kitchen is a canary in the prepared meal delivery coalmine.

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## Layer

Company: **Layer**

Select VC investors: Bloomberg Beta, Salesforce Ventures, Promus Ventures, Data Collective

Total disclosed funding: \$37M

In an email sent out to users, head of Layer Shaun VanWeelden wrote, "On the business side, we definitely messed up and have learned a lot in the process. [...] I also recognize the timeline is very tight, but it is that way for our mutual safety. What I would not want to happen is that I say we can continue to support you for 6 months and then 4 months from now, we have a critical outage that we can just not resolve with our team. That would put us both in a much, much worse position."

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## Call9

Company: **Call9**

Select VC investors: Index Ventures, Y Combinator, Anne Wojcicki

Total disclosed funding: \$34M

The company had raised \$34 million in venture capital but struggled to secure additional capital to scale its business and manage the high cost of running a health-care business. The company said it laid off about 100 employees in the process of winding down.

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## Swell Investing

Company: **Swell Investing**

Select VC investors: Pacific Life Insurance

Total disclosed funding: \$30M



The California-based investment platform was founded in 2017 on impact investment principles. In a statement on the company's website, it was announced that Swell would no longer be accepting new clients from 24 July. "Our journey began as a mission that every dollar you invest would have a positive impact on the world," the statement reads. "Together, we built a product that allows you to invest in companies innovating to solve global challenges." It continues: "While we're incredibly proud of what we've accomplished together, Swell was not able to achieve the scale needed to sustain operations in the current market. As a result, we will be closing."

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## Arivale

Company: **Arivale**

Select VC investors: Spectrum Health Ventures, Maveron, Polaris Partners

Total disclosed funding: \$49.6M

The decision was a surprise to many Arivale employees and customers. In a message to Arivale customers this afternoon, the company attributed the decision to "the simple fact that the cost of providing the service exceeds what our customers can pay for it."

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## Aria Insights

Company: **Aria Insights**

Select VC investors: Lux Capital, Bessemer Venture Partners, General Catalyst

Total disclosed funding: \$46.5M

The company was primarily known for its Persistent Aerial Reconnaissance and Communications (PARC) platform, a tethered drone that provided secure communication and continuous flight to customers. It relied heavily on law enforcement and military contracts.

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## ZipGo

Company: ZipGo

Select VC investors: Essel Infraprojects, Orios Venture Partners

Total disclosed funding: \$43.7M

ZipGo had earlier suspended operations in Bangalore and Mumbai two months ago, before completely shuttering down operations in other cities including Delhi NCR, Jaipur, Kolkata, and Pune.

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## Alta Motors

Company: Alta Motors

Select VC investors: Harley-Davidson

Total disclosed funding: \$31.2M

A report from Asphalt and Rubber suggested that Alta Motors was ceasing operations.

According to an anonymous source, the company has halted business operations effective immediately, sending staff home early.

Alta Motors currently has over 70 dealers across the country, and has already begun informing some of the closure.

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## Eleven James

Company: Eleven James

Select VC investors: Great American Capital Partners, Jason Saltzman

Total disclosed funding: \$40.1M

...Eleven James tried to raise additional funds to allow them to continue operating. When the company was unable to raise said funds, the company's main lender pulled its existing line of credit, causing the company's management and board to begin winding down operations around the middle of June 2018.

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## Liquavista

Company: Liquavista

Select VC investors: Amazon, Philips, Samsung Electronics, SenterNovem

Total disclosed funding: \$35.6M

Liquavista, a screen tech company Amazon acquired five years ago, has shut down.

News of Liquavista's closure was first reported by Nate Hoffelder's The Digital Reader site and confirmed by the company. Rumblings of Liquavista's potential closure have been bouncing around the e-reader community for more than six months.

It remains unclear if Liquavista's work has been brought inside Amazon and moved to other parts of the organization, or if it was shut down entirely. Amazon declined to release further details.

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## Yogome

Company: Yogome

Select VC investors: 500 Startups, Insight Venture Partners

Total disclosed funding: \$36.5M

The company's shutdown, first reported by Forbes Mexico, is tied to allegations that Yogome's co-founder and CEO, Manolo Diaz, had been

committing fraud and mismanaging funds. A video obtained by Forbes shows what appears to be a team meeting in which employees were informed of the news. The speaker said (translated from Spanish):

“The conduct by the previous management has compromised finances and integrity of the company by possibly having committed fraud. The board of directors, as well as its investors and financial advisors, have met over the past few days to investigate and analyze the current state of the company as well as possible fraud... Based on an analysis of the economic situation of the company, and the effects of the crime of fraud, the decision has been made to end the operation definitively, since the company is in a situation of no return.”

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## Chef'd

Company: Chef'd

Select VC investors: CircleUp

Total disclosed funding: \$40M

We have had some unexpected circumstances with the funding for the business. Due to setbacks with financing, unfortunately, we are ceasing operations for all employees, effective today, July 16, 2018. If we had been successful with these funding efforts, this difficult decision would have been avoided.

The meal kits space is notoriously expensive, with many firms facing high marketing expenses as they work to attract and retain customers, many of whom flee after just a few times using the service. There also has been growing evidence that investors, concerned by high operating costs and the lack of a clear path to profitability, are reluctant to invest further in meal kits, a factor that ultimately contributed to the demise of Chef'd.

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## Navdy

Company: Navdy

Select VC investors: Eniac Ventures, Ludlow Ventures, Promus Ventures, Formation 8

Total disclosed funding: \$42M

No one ever says hardware is easy, and today it looks like another promising startup has hit a wall. Navdy, which made an in-car heads-up display that projected info like navigation on to your windscreen, has been sending out notices to customers and others who might have claims against the company, as part of a General Assignment for the Benefit of Creditors.

...the heads-up display market is very crowded ... and even more so, considering that this isn't a mainstream product today. Indeed, for many the jury may still be out on whether a display on your windscreen is less or more distracting than other kinds of displays and interfaces. Together, all this makes for a tricky product/market fit.

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## Doppler Labs

Company: Doppler Labs

Select VC investors: Sterling VC, Acequia Capital

Total disclosed funding: \$41M

The Here One [headphones] was a sales flop. In a candid profile, Doppler told Wired that Here One only sold 25,000 units, well below the hundred thousand-plus it expected. As a result, investors were unwilling to put more money into the company, and couldn't find a reasonable buyer.

[Doppler Labs founder] Kraft places the blame squarely on the fact that Doppler was in the hardware business — a cutthroat market that requires

massive amounts of capital to get started, and pits you against the likes of Apple, Microsoft, and Amazon.

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## Klout

Company: Klout

Select VC investors: Venrock, Kleiner Perkins Caufield & Byers, Greycroft Partners

Total disclosed funding: \$40M

Klout was founded in 2009 by Joe Fernandez. ...Ranking people by importance or influence turned out to be a strong enough idea to raise four rounds of venture funding from top-tier firms totaling \$40M. Eventually, it was sold in 2014 for \$200M to Lithium Technologies

...Lithium CEO Pete Hess discussed the shutdown in an email to customers. "The Klout acquisition provided Lithium with valuable artificial intelligence (AI) and machine learning capabilities but Klout as a standalone service is not aligned with our long-term strategy."

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## Otto

Company: Otto

Select VC investors: Greylock Partners

Total disclosed funding: \$37M

The startup, first founded in 2013, was planning on bringing the lock to market in the first couple of months of 2018 after having been acquired by an unnamed company that was going to handle the shipping of the product.

...the long and the short of it is that Otto entered a round of financing, and [was] approached by a company that offered acquisition rather than funding, Otto agreed, and then the acquisition fell through.

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## Plaxo

Company: **Plaxo**

Select VC investors: Sequoia Capital, Globespan Capital Partners, Harbinger Venture Management

Total disclosed funding: \$35M

Comcast had hoped to turn Plaxo into a way “to bring the social media experience to mainstream consumers,” according to a blog post by the startup’s founders at the time of the acquisition. Among the ideas floated: discovering new TV shows to watch based on friends’ recommendations and sharing photos with friends and family that they could view “online, at work, on their mobile device, or in their living room watching TV.” But Plaxo never expanded beyond being a utility for syncing contacts.

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## Bluesmart

Company: **Bluesmart**

Select VC investors: FundersClub, Endeavor Catalyst, Tsing Capital, Fairhaven Capital, Pear

Total disclosed funding: \$27M

Earlier this year when airlines started banning luggage with lithium-ion batteries in their cabins, smart luggage maker Bluesmart had a problem — one that ultimately led to the company’s demise.

Bluesmart’s bags included a battery that’s not meant to be taken out, and customers needed to be able to remove it in order to fly. While the company

eventually posted elaborate directions on how to remove the component on its site, doing so rendered many of the features of the suitcase useless.

Though Bluesmart was looking into ways to change how its suitcases operate, the luggage ban was one that ultimately resulted in the closing of the business. In a statement Tuesday, Bluesmart said that the new rules “put our company in an irreversibly difficult financial and business situation.”

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## Pearl Automation

Company: **Pearl Automation**

Select VC investors: Accel Partners, Shasta Ventures, Venrock

Total disclosed funding: \$50M

Early product sales disappointed, which was exacerbated by a high burn rate.

The Pearl Automation team received several “acqui-hire” offers, but opted instead to shut down and part ways, according to a source close to the situation.

Pearl was founded in 2014 by three ex-Apple iPod engineers, and hired dozens of other ex-Apple employees. It eventually settled on the wireless rear-view camera as a first step in developing autonomous driving technology — and raised \$50M in VC funding from Accel, Shasta Ventures, Venrock, and Wellcome Trust.

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## Raptr

Company: **Raptr**

Select VC investors: Accel Partners, DAG Ventures, Tenaya Capital



Total disclosed funding: \$41M

Raptr, the online optimization platform founded by former pro gamer Dennis “Thresh” Fong a decade ago, is about to be shuttered.

“We are sad to announce that we will be closing Raptr on September 30th, 2017. We want to start by thanking you for your support over the past 10 years,” Fong announced on September 1.

“The world is different today than when we first launched Raptr. Many companies offer game optimization tools. Having an independent platform to do this is no longer necessary.”

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## SideCar Technologies

Company: [SideCar Technologies](#)

Select VC investors: Google Ventures, Union Square Ventures, Softbank Capital

Total disclosed funding: \$36.3M

Sidecar Technologies Inc., a smaller rival to Uber whose investors include Alphabet Inc.’s Google Ventures and British billionaire Richard Branson, said it is shutting down its ride-sharing and delivery service and reassigning its staff to new projects.

The San Francisco startup, which was co-founded by Sunil Paul in 2011 and says it has raised \$39 million in financing, cited a capital disadvantage to its competitors for the reversal. Uber has raised more than \$12 billion in debt and equity while Lyft Inc. has collected about \$1 billion in funding.

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## Stayzilla

Company: [Stayzilla](#)

Select VC investors: Matrix Partners India, Nexus Venture Partners

Total disclosed funding: \$33.5M

Stayzilla CEO and co-founder Yogendra Vasupal was particularly reflective in his post, explaining how, as a founder, his own objectives were altered as the company ramped up.

“The initial 7 years were all about having negative working capital, positive cash flow and a sustained ability to fund our own growth. Those were the only metrics we tracked. In the last 3–4 years, though, I can honestly state that somewhere I lost my path. I started treasuring GMV, room-nights and other ‘vanity’ metrics instead of the fundamentals of cash flow and working capital,” he explained.

*Note: Less than a month after the closure announcement, Vasupal was arrested for fraud in a bizarre case involving Stayzilla business dealings. Read more [here](#).*

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## Mobeam

Company: [Mobeam](#)

Select VC investors: Glu Mobile, Greycroft Partners, Sequoia Capital, BOLDstart Ventures

Total disclosed funding: \$39.8M

Another company’s dreams of changing the way we use coupons have ended in disappointment. Mobeam is no longer promising to “bring consumers one step closer to phasing out paper coupons entirely,” as it once did. Instead, it has now sold off its technology to Samsung, and has left the coupon industry trying to make something out of the new mobile couponing standard it helped to create.

Mobeam launched back in 2010, pitching a complex solution to a problem that most couponers didn’t know exists: Most retail scanners can’t read a

barcode off a mobile device. In 2015 it was announced that NBC was going to develop a quiz show based on the game, which was supposed to premiere in spring 2017.

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## Plain Vanilla Games

Company: [Plain Vanilla Games](#)

Select VC investors: Glu Mobile, Greycroft Partners, Sequoia Capital, BOLDstart Ventures

Total disclosed funding: \$39.8M

In 2015 it was announced that NBC was going to develop a quiz show based on the game, which was supposed to premiere in spring 2017.

“We placed our bets on the extensive collaboration with the television giant NBC. One could say that we placed too many eggs in the NBC basket. We have spent a lot of time and energy on developing the show. When I received the message from NBC that they were canceling the production of the show, it became clear that the conditions for further operation, without substantial changes, were gone,” [CEO Þorsteinn B. Friðriksson] stated.

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## Shoes.com

Company: [Shoes.com](#)

Select VC investors: N/A

Total disclosed funding: \$36.5M

Doug Stephens, founder of consultancy Retail Prophet, said the company suffered from having too few managers from the fashion industry and too many from the technology sector. And customer service “wasn’t where it needed to be to give online customers the level of confidence necessary – especially in such a tricky category ... It seems a matter of biting off way

more than they could chew through a spate of acquisitions. Despite all the appearances of growth, market awareness was still quite low.”

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## Carrier IQ

Company: **Carrier IQ**

Select VC investors: Accel Partners, CRV, and Mohr Davidow Ventures

Total disclosed funding: \$42M

Knowledge of what (our) software tracked unbeknownst to the average user clearly hit a nerve with a public already skeptical about how private information is regarded by large corporations and other organizations for their own purposes ... And so, unsurprisingly, following the revelations, there was a windfall of announcements about which companies were using it (and were not using it) to collect information; lawsuits over privacy violations and legislation drafted to tighten controls for the future. Some of those class-action suits, it appears, have been settled. As AT&T did not acquire the full company, we understand that it will not be liable for any outstanding litigation or settlements against CIQ.

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## Homejoy

Company: **Homejoy**

Select VC investors: First Round Capital, Google Ventures, Max Levchin

Total disclosed funding: \$39.7M

CEO Adora Cheung said the “deciding factor” was the four lawsuits it was fighting over whether its workers should be classified as employees or contractors. None of them were class actions yet, but they made fundraising that much harder.

“A lot of this is unfortunate timing. The [California Labor Commission’s] Uber decision ... was only a single claim, but it was blown out of proportion,” she told Re/code.

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## Laguna Pharmaceuticals

Company: [Laguna Pharmaceuticals](#)

Select VC investors: Sante Ventures and Versant Ventures

Total disclosed funding: \$34.5M

Two months into its roughly 600-patient initial Phase 3 trial, called Restore SR, researchers started to see side effects that would not have enabled Laguna to market the drug as widely as they had initially anticipated, [Laguna CEO Bob] Baltera said. “We were actually very surprised,” he said. “The [prior] Phase 2 study was robust.” Baltera declined to say much about the side effects, describing them only as “safety signals.” “The normal response in this business is to find a way forward,” Baltera said. “But it just wasn’t going to be commercially viable. Rather than trying to find any path forward, we decided to shut the company down.”

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## Healthspot

Company: [Healthspot](#)

Select VC investors: [BlueTree Allied Angels](#)

Total disclosed funding: \$32.7M

Jason Gorevic, CEO of telemedicine company Teladoc, expressed his belief that there are three critical elements to success in this industry segment: the technology platform, clinical capabilities and consumer engagement. “Consumer engagement is hard to do,” Gorevic said. This is where HealthSpot may have fallen down. Teladoc has two revenue streams: a

per-member, per-month fee it charges its partners, plus a per-visit fee.

“Because we have both of those revenue sources, we can pour that money back into our customers.” ... Also, Teladoc is purely a software company, so it doesn’t have the overhead associated with building and delivering kiosks ... A bigger issue, according to [CEO of American Well Roy] Schoenberg, is that HealthSpot required patients and providers to pre-arrange appointments; it was not truly telemedicine on demand. “You actually have to build a lot of administration around it,” he said.

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## Nebula

Company: **Nebula**

Select VC investors: Highland Capital Partners and Kleiner Perkins Caufield & Byers

Total disclosed funding: \$25M + \$3.5M in debt

At the same time, we are deeply disappointed that the market will likely take another several years to mature. As a venture backed start up, we did not have the resources to wait.

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## Nanochip

Company: **Nanochip**

Select VC investors: New Enterprise Associates, JK&B Capital

Total disclosed funding: \$48.8M

“No matter what, you’ll need \$70 million to take [Nanochip’s technology] into production,” he [CEO Gordon Knight] said.

That’s a large hurdle considering established chip companies have not been very active buyers lately and venture investors only put \$327 million in chip deals in the first half of this year – not even half the amount for the

same time last year, according to VentureSource, a research unit of Dow Jones & Co.

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## Joost

Company: Joost

Select VC investors: Sequoia Capital, Index Ventures

Total disclosed funding: \$45M

Joost attracted investment – \$45 million to be exact – because it appeared to be the antithesis of YouTube, suspected by the networks of enabling and then turning a blind eye to piracy. Indeed, news coverage at the time billed Joost as a “YouTube killer.” But while YouTube proved popular, was acquired by Google and came to dominate web video, adoption of Joost was stunted by its peer-to-peer technology, which allowed high-quality video but required a clunky software download.

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## Pixelon

Company: Pixelon

Select VC investors: Advanced Equities

Total disclosed funding: \$35M

“In April, Pixelon employees and investors were surprised to learn that the real name of Michael Fenne, the company’s founder and former chairman, was Paul Stanley. And they were more shocked to find out that Paul Stanley had been on Virginia’s most-wanted list for several years, after skipping bail following a stock-swindling conviction.”

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## Digg

Company: **Digg**

Select VC investors: Highland Capital Partners, Greylock Partners

Total disclosed funding: \$44M

“In the soon-to-be end, Digg will become known as the first network to die from social fatigue,” wrote Mike Phillips in June 2010. “Facebook and Twitter are booming, LinkedIn is holding steady and even Myspace seems to have settled into a niche. But Digg is in a deadly, unrecoverable tail spin.

“The fact is, people – real people – are beginning to tire. Submit this, upload that, vote on this, ‘like’ that, be my ‘friend’, check in here, suggest this, retweet that... there’s already so much to do. The only thing left to ‘Digg’ is a grave.”

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## ThumbPlay

Company: **ThumbPlay**

Select VC investors: i-Hatch Ventures, Softbank Capital

Total disclosed funding: \$41M

Our source tells us that the sale is a do-or-die scenario because the company is running out of cash: “The price is very low. No one is making any money.”... the music industry has been hit hard with cannibalisation from digital sales and piracy. And the promise of new revenues, on the back of the explosion in mobile and internet usage, have yet to materialise for most music companies, with Apple’s iTunes dominating the market with more than a 60 percent share.

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## Color Labs

Company: **Color Labs**

Select VC investors: Bain Capital Ventures, Sequoia Capital



Total disclosed funding: \$41M

Nevertheless, the app simply failed to gain much traction with users, with reviewers often commenting that Color appeared to be an app trying to solve a problem that didn't seem to exist.

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## Color Labs

Company: **Goodmail Systems**

Select VC investors: Doll Capital Management, Emergence Capital Partners

Total disclosed funding: \$40M

Daniel Dreymann, cofounder and CEO of Goodmail, said the biggest reason for the shutdown was an aborted acquisition attempt by a firm he would only call a "Fortune 500 company."

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## Xeround

Company: **Xeround**

Select VC investors: Benchmark Capital, Ignition Partners

Total disclosed funding: \$39.8M + \$4M of debt

Xeround is shutting down their MySQL Database as a Service (DBaaS) because their free instances, while popular, simply did not convert into sufficient paid instances to support the company.

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## Webvisible

Company: **Webvisible**

Select VC investors: **Sutter Hill Ventures**, Redpoint Ventures

Total disclosed funding: \$37M

“Even with all our efforts to recover throughout this past year, we found ourselves in a position in which the debt load of the company was simply too much to overcome. Our bank foreclosed on its loan which means they are taking over the company’s assets and collecting all remaining payments. As a result they have forced the company to shut down.”

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## ArsDigita

Company: **ArsDigita**

Select VC investors: Trident Capital, Greylock Partners

Total disclosed funding: \$35M

The technical and managerial incompetence of the VCs and those they hired drove the company into the ground. All but 10 of the 240 employees were fired, laid off, or quit. All of the \$40+ million in venture capital was squandered. The monthly operating profit turned to loss as more talentless executives were hired who threw out the company’s old, useful products and put their blind faith in engineers who spent millions building complicated software that solved no business problems.

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## Optiva

Company: **Optiva**

Select VC investors: AltoTech Ventures, **NGEN Partners**

Total disclosed funding: \$30M

Like most other nanotech companies, Optiva took a while to get its product out. It shifted focus, its technology changed, as did the market. Its “polarizer” technology was supposed to be sold for use in wrist watch, calculator and PDA displays, but as VentureWire reports, suddenly the

people who already made the displays found a glut of scrap material, which was also suitable, thus resulting in a rapid drop in market prices.

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## Flooz.com

Company: [Flooz.com](#)

Select VC investors: Oak Investment Partners, Maveron

Total disclosed funding: \$51.5M

While the company says it suffered in an unfavorable economic climate, credit card fraud also played a part in its demise. "We have been the victims of organized credit card fraud," says Levitan, who says Flooz was hit for \$300,000 for transactions charged to card numbers stolen by an international crime ring. The company's credit card processor was holding \$1 million in Flooz's funds to cover chargebacks, says Levitan.

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## AdBrite

Company: [AdBrite](#)

Select VC investors: Sequoia Capital, Artis Capital Management

Total disclosed funding: \$35M

Despite claiming to be the largest independent ad exchange and at one time being seen as a serious competitor to Google Adwords, it seems that they were unable to make enough money or sell the company to potential buyers.

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## Microdisplay Corporation

Company: [Microdisplay Corporation](#)

Select VC investors: Mobius Venture Capital, BlueRun Ventures

Total disclosed funding: \$33M

“We knew that we were entering a mature, competitive market, and that we had a narrow window in which to succeed. We developed a TV with a unique display technology, excellent picture quality and a low cost, and we saw an opportunity. Unfortunately, the recent uncertainty in the TV industry, highlighted by particularly slow sales in May, made it virtually impossible to introduce a new type of projection TV at this time.”

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## Cuil

Company: Cuil

Select VC investors: Tugboat Ventures, Greylock Partners

Total disclosed funding: \$33M

...if it has failed, it's probably because the name is tough to spell and unintuitive to pronounce (every story about Cuil has to remind you that it's pronounced “cool”), and because it couldn't live up to its hyperbolic claims of outperforming Google.

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## TrueSAN Networks

Company: TrueSAN Networks

Select VC investors: JT Venture Partners, Spring Creek Partners

Total disclosed funding: \$30M

...a turnaround plan that founder and CEO Tom Isakovich presented to its board of directors last week failed to convince the company's backers to stump up more cash.

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## Asempra Technologies

Company: Asempra Technologies

Select VC investors: US Venture Partners, Polaris Partners

Total disclosed funding: \$29M

Why did Asempra cease trading – which, by the way, happened so fast its PR agency knew nothing of the asset sale to Bakbone? The probability is that it ran into cash flow problems in the recession and the investing VCaps were reluctant to go through another funding round. Three million dollars does not look like anywhere a worthwhile exit strategy for the three VC firms, not with \$29m in the Asempra can, but it is something to pull out of the failed venture.

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## Entellium

Company: Entellium

Select VC investors: Ignition Partners, Sigma Partners

Total disclosed funding: \$28M

Just because you run a private company that does not have to file quarterly financial statements with the SEC does not make it okay to cook your books. The CEO and CFO of Seattle-based CRM firm Entellium found that out the hard way. They were arrested by the FBI earlier this week for inflating their revenues and then lying to their board about it. The company appears to be toast.

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## Agillion

Company: Agillion

Select VC investors: Matrix Partners India, Nexus Venture Partners

Total disclosed funding: \$33.5M

Agillion, which offered a Web service that helped businesses maintain vital information about their customers, filed for bankruptcy in July 2001 with about \$100 in the bank. Just 15 months before, Agillion had \$30 million in the bank, according to the suit.

Between the product launch date, Feb. 23, 2000, and the bankruptcy filing more than a year later, Agillion had only a “few dozen subscribers” to its Web-based service, the suit claims.

“Their revenue was so inconsequential that management never recorded a single dollar in revenue in their internal bookkeeping,” the suit alleges. Despite the poor performance, “Agillion’s management increased their wasteful spending,” the suit states.

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## Bling Nation

Company: **Bling Nation**

Select VC investors: Meck and Camp Ventures, Lightspeed Venture Partners

Total disclosed funding: \$28M

Executives at several banks said that they liked Bling Nation’s business strategy but its service ultimately suffered from a lack of merchant adoption and consumers’ unwillingness to switch from bank-issued debit cards.

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## NebuAd

Company: **NebuAd**

Select VC investors: Menlo Ventures and Sierra Ventures

Total disclosed funding: \$31.6M

The company, which has occasionally been described as the 'US version of Phorm', has been dying a slow death since US authorities forced the company to abandon its targeting practices with local internet service providers in September.

NebuAd was sued in November 2008 by US web users, who alleged the company violated privacy rights by purchasing information about their web activity from ISPs, using the data to serve targeted ads.

The company was investigated for its targeting practices, which included the purchase of detailed web history from broadband providers, including search queries and browsing habits.

NebuAd argued that it did not know the web users names, phone numbers, home addresses or IP addresses and gave users the option to opt out of the service.

After being grilled in US Congress, NebuAd chief executive and founder Bob Dykes quit the company, shedding a number of staff and its PR firm in his wake, including staff from its offices in the UK.

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## LV Sensors

Company: **LV Sensors**

Select VC investors: US Venture Partners, Mayfield Fund

Total disclosed funding: \$27M

...the company closed its doors in the spring after failing to raise a new round of capital... Though many sectors have been under pressure as venture funding is harder to get than it was a year ago, chip companies have been especially hard hit due to their high capital needs and the many years it can take to move beyond the development stage.

# Startup Failures: Total funding from \$15M — \$25M

## WanderJaunt

Company: **WanderJaunt**

Select VC investors: Founders Fund, Stonebridge Ventures, Global Founders Capital

Total disclosed funding: \$19M

“A San Francisco short-term rental tech startup that branded itself as a competitor to Airbnb has abruptly shut down with barely a trace.

WanderJaunt, headquartered in SoMa, no longer has an active website or Facebook page, nor does it have any active listings on partner websites...

WanderJaunt’s shuttering is just another symptom of the tech industry’s big-time crunch, with investors reticent to put money into fledgling startups, large companies pausing hiring or laying off workers outright and the cryptocurrency industry collapsing.”

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## BeyondMinds

Company: **BeyondMinds**

Select VC investors: NVIDIA Inception, Grove Ventures

Total disclosed funding: \$15M

“Israeli AI startup BeyondMinds notified its 65 employees on Sunday that the company is shutting down and that they will be laid off. The company’s investors urged CEO and co-founder Rotem Alaluf to sell the company following the downturn in the tech market that started last year, with the board of directors not believing that the company would be able to complete another funding round and continue to grow. However, Alaluf didn’t agree with the board and went on to leave his position as CEO and found a new company with other staff from BeyondMinds.”



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## Lido Learning

Company: **Lido Learning**

Select VC investors: Picus Capital, Unilazer Ventures, ZNL Ventures

Total disclosed funding: \$24M

“In a nightmare for more than 150 employees, homegrown edtech startup Lido Learning which is backed by top entrepreneur Ronnie Screwvala, has apparently shut operations, forcing its workforce to seek help via social media platforms.

Several vendors and employees of Lido Learning took to social media and professional networking platforms, complaining about delayed payments and no salaries for nearly two months.”

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## Fridge No More

Company: **Fridge No More**

Select VC investors: Insight Partners, AltaIR Capital, AltaClub

Total disclosed funding: \$17M

“After the pandemic made on-demand delivery startups a lifeline for many Americans, the New York City landscape became crowded with startups offering ultra-fast deliveries. Fridge No More launched in October 2020, followed by competitors...Their fight for consumers brought rich discounts and splashy marketing, but the long-term potential of the business model remains unclear.

Fridge No More CEO Pavel Danivol told employees in an email Thursday that a deal with a potential buyer fell through two days earlier and that it could not continue operating.”

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## Zero Grocery

Company: **Zero Grocery**

Select VC investors: Sway Ventures, Gingerbread Capital, 1984 Ventures

Total disclosed funding: \$16M

“The Fresno County-based tech startup Zero Grocery announced it’s shutting down in early March, a mere month after raising \$12 million in funding. In a post on Twitter founder and CEO Zuleyka Strasner said the company was ‘chronically undercapitalized.’

Now a number of Bay Area food businesses tell the Chronicle the company owes them money. As Kneaded Bakery owner Iliana Berkowitz says the start up owes her East Bay business \$6,000, and Starter Bakery’s owner Brian Wood says he’s owed \$25,000.”

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## Neufund

Company: **Neufund**

Select VC investors: Atlantic Labs, Freigeist Capital

Total disclosed funding: \$19M

“Our hard-working team combined with you, our incredible community, went down the right path. However, the existing environment of the regulatory system seems not to be equipped yet to support innovative fintech companies.

We are leaving the market as Neufund. Yet our mission will never die. We believe that digital securities will be the future of finance and the technology we’ve built in the process will one day enable that exciting future. Until that day, however, we’ll keep rooting for innovation to trump conformity. Comfort is the enemy of progress.”

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## Local Motors

Company: **Local Motors**

Select VC investors: GE Ventures, Airbus Ventures, VTF Capital

Total disclosed funding: \$15M

“I am disheartened to announce that Local Motors will cease to exist as of January 14,” wrote Chris Stoner, former VP of sales and customer success. “I was only there a few months, but loved every minute of it. I made some great friends, both locally and globally, which makes it worthwhile.

The autonomous vehicle space is an exciting emerging market with plenty of opportunity. Experiencing first-hand the skill and dedication of the people I worked with, I have no doubt AVs (like Olli) are the future of transportation.”

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## Mamsy

Company: **Mamsy**

Select VC investors: RTP Global, Baring Vostok Capital Partners

Total disclosed funding: \$15M

“Online e-commerce platforms, KupiVIP and Mamsy, both managed by parent company, Private Trade, have announced they will close after 13 years in operation.

KupiVIP was established in 2008 and focussed on discount sales. The company had over 3,000 suppliers from Russia and abroad. According to Fashion Consulting Group, the platform’s turnover decreased by 10 percent year-on-year in 2020, to 4.5 billion roubles (\$61.7 million).

Mamsy specialised in mid-price products for children and women. Its revenue last year, according to SPARK-Interfax, amounted to 671.6 million roubles (\$9.2 million), representing a year-on-year loss of 167.9 million roubles (\$2.3 million)."

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## Automatic

Company: **Automatic**

Select VC investors: Y Combinator, Founders Fund, Andreessen Horowitz

Total disclosed funding: \$24M

"Just like many other companies in the United States, the COVID-19 pandemic has adversely impacted our business," the company said in a statement. "With fewer consumers purchasing and leasing vehicles and drivers on the road, we unfortunately do not see a path forward for our business. These are unprecedented times, and with so much uncertainty ahead, we have made the difficult decision to discontinue the Automatic connected car product, service and platform."

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## Starsky Robotics

Company: **Starsky Robotics**

Select VC investors: Y Combinator, Trucks VC, Shasta Ventures

Total disclosed funding: \$20M

In 2015, I got obsessed with the idea of driverless trucks and started Starsky Robotics. In 2016, we became the first street-legal vehicle to be paid to do real work without a person behind the wheel. In 2018, we became the first street-legal truck to do a fully unmanned run, albeit on a closed road. In 2019, our truck became the first fully-unmanned truck to drive on a live highway.

And in 2020, we're shutting down. [...]

Timing, more than anything else, is what I think is to blame for our unfortunate fate. Our approach, I still believe, was the right one but the space was too overwhelmed with the unmet promise of AI to focus on a practical solution. As those breakthroughs failed to appear, the downpour of investor interest became a drizzle. It also didn't help that last year's tech IPOs took a lot of energy out of the tech industry, and that trucking has been in a recession for 18 or so months.

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## Pillow

Company: **Pillow**

Select VC investors: Expansion VC, Mayfield Fund, Veritas Investments

Total disclosed funding: \$16M

As part of its reorganization efforts, Expedia Group is winding down its multifamily building short-term rental business that it began with the 2018 acquisitions of Pillow and ApartmentJet, Skift has learned.

Expedia Group bought the two companies for around \$54 million, and combined them, along with some staff from its Vrbo subsidiary, to create Expedia Group Multifamily solutions. Expedia rebranded the product into a suite of software tools called Flex, or Flexible Living Platform, and it was geared to help landlords attract short-term rental bookings for vacant apartments, and to enable tenants to offer up their units to guests. [...]

The Expedia Group spokeswoman said factors that led to the demise of its multifamily business grew out of the Covid-19 crisis, which hurt urban demand and complicated investment in supply.

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## Planswell

Company: Planswell

Select VC investors: Plug and Play Accelerator

Total disclosed funding: \$14M

“Our revenue was up sharply, our culture was fantastic. We had a ton of investors ready to put together a \$20M round and several international expansions had just signed. That’s when an ex-employee caused a social media storm around a situation that happened over a year ago. The issue had been investigated and was properly dealt with in February (to the satisfaction of our lawyers, advisors, and major investors).” — Planswell CEO & co-founder Eric Arnold

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## Phytelligence

Company: Phytelligence

Select VC investors: Cowles Company, Rio Investment Partners, WRF Capital

Total disclosed funding: \$20M

In its lawsuit, Phytelligence claimed that [Washington State University] wrongly blocked the company from commercializing Cosmic Crisp [apples]. In its own counter-lawsuit, WSU alleged that Phytelligence improperly sold thousands of Cosmic Crisp trees to a grower. A judge dismissed Phytelligence’s case against WSU in July. The role of the dispute in the decision to shut down the company isn’t clear, but the closure is an about-face for a company that just 14 months ago was raising millions and hiring rapidly.

In his message to shareholders, Donald wrote that the board “has concluded that it is in the best interests of the company to make a general assignment of its assets for the benefit of creditors and to file a petition to appoint a general receiver to administer and liquidate such assets in accordance with the Washington Receivership Act.”

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## Homepolish

Company: Homepolish

Select VC investors: Alumni Ventures Group, Elephant Venture Capital

Total disclosed funding: \$17M

CEO Noa Santos told designers [the funding is] all gone. “We frankly don’t have the funding left to run the business on an ongoing basis,” Santos said in a video conference call on Wednesday with the company’s remaining employees, according to a recording provided to Intelligencer. ... Designers will not be paid any owed earnings and customers will not be receiving refunds.

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## DAQRI

Company: DAQRI

Select VC investors: Tarsadia Investments

Total disclosed funding: \$15M

Daqri faced substantial challenges from competing headset makers, including Magic Leap and Microsoft, which were backed by more expansive war chests and institutional partnerships. While the headset company struggled to compete for enterprise customers, Daqri benefited from investor excitement surrounding the broader space. That is, until the investment climate for AR startups cooled.

Daqri was, at one point, speaking with a large private-equity firm about financing ahead of a potential IPO, but as the technical realities facing other AR companies came to light, the firm backed out and the deal crumbled, we are told.

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## Shoes of Prey

Company: Shoes of Prey

Select VC investors: Blackbird Ventures, Blue Sky Alternative Investments

Total disclosed funding: \$23.5M

Customised footwear e-tailer Shoes Of Prey has ceased trading.

Major investor Blue Sky Alternative Investments said the decision to stop taking new orders was made to protect Shoes Of Prey's assets and avoid incurring more debt.

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## Lighthouse AI

Company: Lighthouse AI

Select VC investors: Eclipse Ventures, Felicis Ventures, SignalFire

Total disclosed funding: \$17M

Lighthouse AI, a smarthome startup, stated on its website:

To our customers, investors, family, friends, partners, fans, and everyone else involved in the Lighthouse journey: It's been a pleasure, and we can't thank you enough for your support along the way.

I am incredibly proud of the groundbreaking work the Lighthouse team accomplished – delivering useful and accessible intelligence for our homes via advanced AI and 3D sensing. Unfortunately, we did not achieve the commercial success we were looking for and will be shutting down operations in the near future.

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## CareSync

Company: CareSync



Select VC investors: Greycroft Partners,, Merck Global Health Innovation Fund

Total disclosed funding: \$22.5M

Health care technology firm CareSync closed its doors on Thursday despite previously announced plans to hire 350 people by the end of 2017 and expand its Tampa headquarters.

A manager with the company, who spoke on the condition of anonymity, told the Tampa Bay Business Journal that there had been several rounds of layoffs in recent weeks, but that a plan to sell the company gave remaining employees hope their jobs would remain intact. The employee said a deal fell through and the company had been “bleeding money” the past several weeks.

The company’s Twitter and Facebook pages were both taken down Thursday evening.

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## **FST Biometrics**

Company: FST Biometrics

Select VC investors: GMF Capital, Olive Tree Ventures

Total disclosed funding: \$20M

It came with some of the best credentials a security technology company could have, as well as \$23 million in venture capital behind it, but FST Biometrics is closing up shop after 11 years. A source at the company who asked not to be identified said Tuesday that the board voted June 14 to cease operations. “Management is now making an effort to meet its obligations to customers and minimize the harm to its employees,” the source said.

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## **Lantern**

Company: Lantern

Select VC investors: Stanford University, The University of Pittsburgh Medical Center

Total disclosed funding: \$21.5M

It is with a heavy heart that we are forced to admit that Lantern as it exists today will not be able to accomplish its mission to provide affordable and accessible mental health services that empower people to live their healthiest and happiest lives.

We've spent the past six years working hard to build a product that is engaging for users, reduces symptoms, and has a sustainable business model. After some trial and error in the direct to consumer and employer spaces, we ultimately pursued a strategy of alignment with traditional healthcare insurance companies. Healthcare moves very slowly and we made the mistake of misjudging the time it would take to achieve sustainable revenue through this approach.

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## StumbleUpon

Company: StumbleUpon

Select VC investors: Accel, eBay

Total disclosed funding: \$19.7M

After careful consideration, we've made the decision to focus fully on building Mix and transition StumbleUpon accounts into Mix.com over the next couple months. We have built Mix to work on every browser and smartphone, to make the transition as smooth as possible. With a few clicks you can register and import your SU favorites, interests and tags – creating Mix Collections that are easily shared with friends.

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## Village Voice Media

Company: **Village Voice Media**

Select VC investors: Voice Media Group, Weiss Peck & Greer Investments

Total disclosed funding: \$17.9M

On the Friday before Labor Day, Village Voice staffers found out the paper was being shut down. According to Gothamist, the paper's owner, Peter Barbey, told the staff in a phone call that "due to the business realities, we're going to stop publishing Village Voice new material." Some staff members are being retained to "wind things down" and migrate the Voice's archive online. The rest have been let go.

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## **Raze Therapeutics**

Company: **Raze Therapeutics**

Select VC investors: MPM Capital, Atlas Venture, Partners Innovation Fund

Total disclosed funding: \$24M

Seeded in part by Atlas Venture, the company was focused on cancer anabolic metabolism, specifically mitochondrial one-carbon energetics. The space has emerged recently as a major driver of cancer proliferation, survival, and biomass accumulation. But apparently the tech was too tough to continue.

"Although it made intriguing progress, the underlying cancer metabolism biology was too complicated to warrant further investment," wrote Bruce Booth, partner at Atlas, in a recent portfolio update.

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## **Chorus**

Company: **Chorus**

Select VC investors: Emergence Capital Partners, Redpoint Ventures

Total disclosed funding: \$22M

Through the Beta and subsequent launch, we observed a number of fascinating things about the social motivation and accountability mechanics in Chorus, including the following very important observations:

1. Teams are more likely to stick together and work toward their goals if they also meet in the real world
2. Teams are more likely to stick together and work toward their goals if there is an event-based deadline everybody on the team is working toward (a wedding, a marathon, etc.)

Outside of these two cases, we were unable to reduce typical churn. If team members didn't meet regularly in the real world or weren't all working toward the same deadline-based event, we essentially observed traditional (high) churn after 4 – 8 weeks.

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## CastAR

Company: CastAR

Select VC investors: Playground Ventures

Total disclosed funding: \$15M

CastAR, the augmented reality start-up co-created by two former Valve employees, laid off its staff, shut down internal studio Eat Sleep Play and closed its doors today, according to now former employees...

Jeri Ellsworth and Rick Johnson launched the company in 2013 after leaving Valve with permission to take their AR research with them.

The company, which had plans to launch its self-contained AR glasses later this year, was backed by finance group Playground. But, according to former employees, Playground Global declined to invest any more in the

company last week. The company also failed to land any Series B funding from other potential investors.

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## Jinn

Company: Jinn

Select VC investors: Bull Capital Partners, Samaipata Ventures

Total disclosed funding: \$19.3

Jinn was primarily a food delivery app that connected hungry customers with restaurants and self-employed couriers. But unlike rival services such as Deliveroo and UberEATS, Jinn allowed customers to place custom orders for virtually any shop in a city. That meant it was able to offer on-demand McDonald's deliveries long before the fast food officially announced a partnership with UberEATS.

A source with knowledge of Jinn's current situation said that the company met with three rival food delivery businesses on October 13 [2017] about a potential acquisition deal. But by 5 p.m. on October 16, this source said that a deal looked unlikely, and they said that a decision to close Jinn was made on October 17.

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## Atlas Informatics

Company: Atlas Informatics

Select VC investors: Aspect Ventures, Microsoft

Total disclosed funding: \$20.7M

Atlas Informatics, whose Atlas Recall promised an intuitive and powerful way to index all your information across many services, is shutting down less than a year after launch. There will be no long sunset period: all user data will be deleted next Friday, [October] 27th [2017].

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## Teforia

Company: Teforia

Select VC investors: Correlation Ventures, Upfront Ventures

Total disclosed funding: \$17.2M

Teforia, the maker of a \$1,000 internet-connected tea brewing machine, announced on Friday [October 27, 2017] that it was shutting down effective immediately. The company touted the quality of its award-winning product, but said that “we simply couldn’t raise the funds required” to “educate the market” about it.

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## HomeHero

Company: HomeHero

Select VC investors: Launch Fund, Tencent Holdings

Total disclosed funding: \$22.4M

“Almost exactly one year ago, HomeHero lost its core identity when we were effectively forced to terminate our working relationships with 95% of our 1099 caregivers and required to adopt an inferior employment business model. In the process, HomeHero also lost a majority of its competitive differentiators in price, speed and scalability that allowed us to be so disruptive in 2014 and 2015, and it had nothing to do with competition.” — Kyle Hill, HomeHero CEO

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## Lily Robotics

Company: Lily Robotics

Select VC investors: Dorm Room Fund, InnoSpring, Liquid 2 Ventures, Seven Seas Partners

Total disclosed funding: \$15M

In the past year, the Lily family has had many ups and downs. We have been delighted by the steady advancements in the quality of our product and have received great feedback from our Beta program. At the same time, we have been racing against a clock of ever-diminishing funds. Over the past few months, we have tried to secure financing in order to unlock our manufacturing line and ship our first units – but have been unable to do this. As a result, we are deeply saddened to say that we are planning to wind down the company and offer refunds to customers (details below).

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## Kitchensurfing

Company: **Kitchensurfing**

Select VC investors: Spark Capital, Tiger Global Management, Union Square Ventures

Total disclosed funding: \$19.5M

The startup had originally allowed customers to book chefs days in advance for at-home dinner parties, but last year **moved to an on-demand model**. Neither version of the service, though, produced enough demand to be sustainable for a venture-backed business. The company was competing in a crowded market, as better-capitalized companies like Blue Apron and Plated pushed the concept of meal-kit delivery while startups like DoorDash, Postmates and Caviar started delivering meals from popular restaurants that didn't offer delivery on their own.

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## Maximum Play

Company: **Maximum Play**

Select VC investors: Technicolor Ventures

Total disclosed funding: \$17M

For a variety of reasons, more on the side of the money guys and not because of us, the transaction didn't go through. At the last minute, they pulled out of their commitments and left us in a very difficult place. We had several groups looking to acquire us, and for a variety of reasons those didn't pan out.

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## Take Eat Easy

Company: **Take Eat Easy**

Select VC investors: DN Capital, Piton Capital, Rocket Internet

Total disclosed funding: \$17.7M

The reasons are that 1) our revenues do not cover our costs, and 2) we are not able to close a third fundraiser.... In March 2016, after having been rejected by 114 VC funds, we signed a term sheet with a French, state-owned, logistics group, for a 30M euro investment. Unfortunately, after 3 months of intensive due diligence, their board rejected the deal and they ended up withdrawing their offer. We were negotiating with them under an exclusivity agreement, didn't have a plan B, and only had a couple of weeks of run-way left..

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## GigaOm

Company: **GigaOm**

Select VC investors: True Ventures, Alloy Venture

Total disclosed funding: \$22M

For its eight years of life Gigaom never turned in an annual profit. Many other VC-funded publishers are in a similar position.



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## Procket Networks

Company: **Procket Networks**

Select VC investors: New Enterprise Associates, Institutional Venture Partners

Total disclosed funding: \$20M

Since introducing its products more than a year ago, Procket has only a handful of customers, mostly including universities and small carriers. Its most prominent customer is NTT in Japan, which also uses Cisco and Juniper gear. It has yet to announce a major deal in the North American market.

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## Prismatic

Company: **Prismatic**

Select VC investors: Accel Partners, Breyer Capital, Battery Ventures

Total disclosed funding: \$16.2M

“Four years ago, we set out to build a personalized news reader that would change the way people consume content,” the Prismatic team wrote in a **blog post**. “For many of you, we did just that. But we also learned content distribution is a tough business and we’ve failed to grow at a rate that justifies continuing to support our Prismatic News products.”

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## Daptiv

Company: **Daptiv**

Select VC investors: Bay Partners, Kennet Partners

Total disclosed funding: \$24.7M

“Everyone thought there was an opportunity to take this company and jump it up, and operate it at a higher level and grow in a different direction,” Franklin said at the time. “We made a good attempt at that and ultimately just weren’t able to raise money around that opportunity.”

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## RatePoint

Company: **RatePoint**

Select VC investors: .406 Ventures, Prism VentureWorks

Total disclosed funding: \$24.5M

RatePoint was venture capital funded. According to a press release back in 2009, the company reported at the time that it had “closed a \$10 million Series B round of funding led by Castile Ventures of Waltham, Mass., with participation by existing investors .406 Ventures and Prism VentureWorks.” Which goes to show ... venture funding is no guarantee of business success.

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## BuyWithMe

Company: **BuyWithMe**

Select VC investors: Bain Capital Ventures, Matrix Partners

Total disclosed funding: \$21.5M

“The capital markets willingness to invest in \*daily deal\* businesses has dried up. Our game plan was to raise a significant amount of capital to push this comprehensive service offering deeply into markets and, as a result, change the basis of competition in the daily deal space. We were a little late.”

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## BusRadio

Company: **BusRadio**

Select VC investors: Charles River Ventures, Sigma Partners

Total disclosed funding: \$20.1M

The FCC study found that BusRadio, the only commercial broadcaster on school buses, had disguised commercial content as editorial and exposed kids to more commercial content than the four-minutes-per-hour limit it promised parents... “What happened was they were unable to get into schools because of parental protests at the local level. Without a really large audience, they were unable to attract significant advertisers.”

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## Monitor110

Company: **Monitor110**

Select VC investors: Acadia Woods Partners, Draper Fisher Jurvetson

Total disclosed funding: \$16M + \$3.5M in debt

“We began to raise our next round of funding in May, during one of the most challenging quarters in recent history for VC investments, and despite the progress we have made operationally, we have been unable to secure funding.

As a result, the company has decided to cease operations.”

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## Atrato

Company: **Atrato**

Select VC investors: Aweida Venture Partners

Total disclosed funding: \$18M

A big problem at Atrato has been sales. The boxes simply didn't sell in large enough numbers... The new executives couldn't turn the company around on their own, and by June of this year, it was looking for new funding and what was called a rebirth. Up to a quarter of its staff were laid off, and the company's strategy changed so that Atrato focussed more on software than hardware. It also intended to promote OEM sales more.

We understand just 18 employees were left in July 2010.

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## Moblyng

Company: **Moblyng**

Select VC investors: Deep Fork Capital, Mohr Davidow Ventures

Total disclosed funding: \$17.4M

"We did not monetize enough to stay in business," said [Stewart] Putney... Putney said the games have gotten traction, but too late. The company launched its HTML5 games on the Facebook HTML5 mobile platform in mid-October, but the audience started growing in December when time and cash had run out.

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## Alice.com

Company: **Alice.com**

Select VC investors: Kegonsa Capital Partners

Total disclosed funding: \$13.9M + \$3.4M in debt

Nacho Somalo, Alice.com's president for the European Market, said that Alice.es closed due to lack of funding opportunities. Alice.com tried to reorganize its structure, and used the few funding yet available in their Spanish subsidiary to help their growth in the US market. But it seems they have not been able to do so.

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## LucidEra

Company: **LucidEra**

Select VC investors: Benchmark Capital, Matrix Partners

Total disclosed funding: \$15.6M

According to Kaplan, a LucidEra representative he spoke with characterized the roots of the company, founded in 2005, as being firmly in the “SaaS 1.0” era. This group of technology innovators had to “build a lot of their own architecture, delivery capabilities, and software-development resources,” Kaplan explains. Companies starting today can leverage platform-as-a-service capabilities and computing power from vendors such as Salesforce.com and Amazon.com, greatly reducing costly upfront capital investments and ongoing operational expenses. “[LucidEra] got caught with the heavy overhead,” Kaplan says, “and they weren’t going to continue to invest.”

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