

Over Two Years After #MeToo Harassment Allegations, Justin Caldbeck Is Investing In Startups Again

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8-10 minutes



Justin Caldbeck in 2017. (Photographer: Michael Short/Bloomberg)

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Justin Caldbeck, the venture capitalist who resigned from his firm after **six women** accused him of unwanted sexual advances in the course of talking to him about their tech companies or other business deals, is investing in startups again. According to messages reviewed by *Forbes*, Caldbeck claims to have made small, angel investments in over a dozen startups, focusing on companies led by women and “underrepresented” founders.

“You may know my story and background and hope that you don’t mind me reaching out,” reads one such message from Caldbeck to an investor. He follows with a run-down of his resume: a former partner at Bain Capital Ventures, Lightspeed Venture and Binary Capital. “However, I also made some real mistakes personally by blending personal and professional relationships years ago. [I] have learned a lot and have stepped away from the industry (formally) for the last 2 years or so.”

“I’ve been investing ... in about 15 companies (mostly female and underrepresented founders) which I think are great and would love to connect with you,” reads Caldbeck’s message.

One San Francisco-based investor says Caldbeck offered to invest in her fund last year and has been “generally helpful in the ecosystem,” but none of her portfolio companies have wanted to take him on as an investor. A second investor said she and Caldbeck met after he reached out through Twitter, and she ended up investing in a startup that he introduced her to. One San Francisco-area startup founder, a recent immigrant, said he accepted a small investment that was less than \$100,000 by Caldbeck in 2019. All three declined to share their names out of fear of backlash for associating with him.

“Regardless of his reputation, he really did help the company,” said the male founder. “But still, I didn’t want my employees to know he was an angel investor.”

Not all of the messages were welcome reach-outs. Backstage Capital founder Arlan Hamilton [tweeted](#) in July 2018 that Caldbeck had been messaging her on Twitter offering to help her and asking for advice. She says she asked him to stop writing to her and “to stop being a trigger to his direct victims and others who are reminded of their own abuses”. Hamilton, who had not accused Caldbeck of unwanted advances, told *Forbes* she hasn’t talked to him since.

Caldbeck, cofounder of the now-defunct venture firm Binary Capital, declined to comment for this story.

The outreach offers a glimpse into how once influential men are reshaping their lives following public accusations they sexually harassed women, who often stayed silent because they feared professional retaliation. The reentry by some men into industries where they abused their power has engendered a fierce debate over whether they should get a second chance.

For some critics, the answer is a flat ‘no’. “Somebody taking a short break and then coming back to make money isn’t really accountability,” said Y-Vonne Hutchinson, cofounder of diversity and inclusion initiative Project Include. “The pain of being out of the public eye for a little bit is nothing compared to the pain that some of these women and folks feel.”

Others, such as Lesley Wexler, a law professor at the University of Illinois who conducts research on sex discrimination and human rights law, says it’s important that people accused of harassment have a path forward. “It’s a pretty good fit when the harm that he did was he made capital either less accessible to or contingent on accepting sexually inappropriate behavior, and his response is, ‘I’m going to make capital more available to the kinds of people that were subject to this behavior,’” she says.

Caldbeck was the first to be publicly accused in Silicon Valley’s #MeToo after [The Information](#) published in June 2017 the accounts of six women, three named, who claimed Caldbeck had made unsolicited sexual advances, such as groping an entrepreneur under the table, including when they were seeking funding or business advice. He at first denied the claims, but then [apologized](#) for his behavior. “It is outrageous and unethical for any person to leverage a position of power in exchange for sexual gain, it is clear to me now that that is exactly what I’ve done,” he wrote at the time.

Other venture capitalists and executives later faced accusations of sexual misconduct, prompting a broader discussion of the unspoken factors that have contributed to a dearth of female founders in the tech industry. LinkedIn cofounder Reid Hoffman [called for](#) a “decency pledge” for venture capitalists. After the outrage cooled down, some of the accused have quietly returned to investing or running companies. Dave McClure, who had acknowledged making advances to several women in “work-related situations” [in a July 2017 blog post before deleting it](#), started a new fund called Practical Venture Capital. Mike Cagney, who [announced](#) his resignation as CEO of loan financing startup SoFi in September 2017 after [a lawsuit](#) and accusations that female employees at his company had been sexually harassed, returned in January 2018 date with a new fintech startup. Cagney [later admitted](#) he was aware of sexual harassment cases reported at his company, but maintained he had never witnessed any incidents himself. The lawsuit was later settled.

Caldbeck, instead, has largely remained on the outside. He has been working with a diversity coach and attended a [company-culture building workshop](#) last fall. He also sued his former business partner, Jonathan Teo, in February 2019, accusing Teo of fraud when he took the helm of the now defunct Binary Capital after Caldbeck’s resignation. The two parties are working on a settlement as of September.

Caldbeck’s main role, according to his LinkedIn profile, is an angel investor. This includes connecting with female founders and fund managers through Twitter and email, offering to help using his background as an investor in consumer tech companies. In his messages to founders, he highlights his past early-stage investments in Grubhub and Snap. He also mentions his early check into clothing styling service StitchFix, whose founder Katrina Lake had asked Caldbeck to step down as a board observer, [reportedly citing his behavior](#). Lake and Lightspeed, the firm Caldbeck was working for at the time, [signed a non-disparagement agreement](#) as a result. She declined to comment on this story.

Some contacts have turned down his offer to invest or help after researching his past. Others appear more willing to collaborate, but they do so in secrecy. “I believe some people who have made #metoo mistakes may deserve a second chance, IF they’ve learned good lessons,” wrote the female investor who invested in a company that Caldbeck introduced her to.

The startup founder who accepted his investment said he met Caldbeck not as a result of a reach-out, but because a friend had rented out an Airbnb room that turned out to be in Caldbeck’s house in the

upscale Bay Area suburb of Hillsborough. The friend figured the owner was wealthy, and suggested that the founder should meet the Airbnb owner. When the founder initially met Caldbeck, he did not know about his past. Caldbeck, apparently, was upfront about his past transgressions, and also offered to invest. But after learning of his past, the founder said no. However, Caldbeck continued to stay in touch, and even introduced him to several potential investors, most of whom were women, and recommended two female product managers.

Months after their initial meeting, the founder accepted Caldbeck's investment of "several tens of thousands of dollars" as he felt he was playing a helpful role in the growth of the company.

"I still wonder if I made the right decision," says the founder. "Obviously, I'm not female. I've never been in that kind of a situation, and there's no way for me to even try and understand."

Biz Carson contributed reporting to this story.