



## InsideVenture CEO Hopeful Liquidity Events Will Return

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[InsideVenture](#)

No foolin', the exit markets for VC-backed companies are bad.

Thomson Reuters and the National Venture Capital Association released exit numbers today, [which you can view hear](#). Really, though, nothing to see here, folks. Move on.

In the face of an economic downturn, there were zero venture-backed IPOs in the first quarter of 2009, marking the second consecutive quarter in which there were no new issues. Again, this is not an April Fools' Day prank. There has never before been any record of back-to-back quarters of no venture-backed IPOs.

In addition, M&As were also lousy. Only 56 transactions were recorded the last three months of VC-backed companies, 13 of which had disclosed volumes, totaling a combined \$654.3 million. By the way, Cisco's announced purchase last month of Pure Digital for \$590 million is not part of the tally. That deal is not yet finalized

However, Mona DeFrawi, CEO of InsideVenture, is confident that liquidity events will return. The exits may not come in the form of an IPO, but liquidity, through late stage financing, for example, will happen, she says.

What gives DeFrawi hopes is that last week, her Menlo Park, Calif.-based organization held a conference in Santa Barbara in which 50 late stage private companies presented to a mix of

institutional buyers that included PE firms, late stage venture investors and other financial institutions. The idea is to get the buyers to invest in the companies, which otherwise might go IPO. But no one's going public these days.

DeFrawi says that in the week following the conference, she knows of 10 companies that are actively in negotiations to raise late stage financing. Two of them are "extraordinarily likely" to raise cash. One is on tap to raise \$40 million and the other is looking to raise \$50 million.

"There are a lot of great opportunities out there, and we're starting to see movement in the market," she says.