
Morgenthaler Ventures has a new fund ... and a new name

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Canvas Venture Fund emerges with \$175 million to back tech startups.

FORTUNE -- Morgenthaler is one of the oldest names in tech venture capital, having made early investments in such companies as Apple ([AAPL](#)), Nextel and Verifone. But it's on its way out -- a victim of the firm's extreme makeover. In its place will be a new name and a new fund.



For much of its existence, Morgenthaler made three types of investments out of its funds: Tech venture capital, life sciences venture capital and middle-market private equity. Then in 2008 the firm raised a dedicated venture capital fund, referred to as Morgenthaler Venture Partners IX. Three years later [the firm decided](#) that its IT and healthcare teams would split up, and raise future funds on their own.

The IT group finished first, this morning announcing that it has raised \$175 million for what it is referring to as Canvas Venture Fund (compared to a \$150m target). The investment strategy will continue to be early-stage (Series A & B) software and services companies. Its three general partners will be Gary Little, Rebecca Lynn and Gary Morgenthaler. Former partner Bob Pavey is retiring, while Mark Goines (who joined in March 2011) will not be moving forward with the firm (the fit was never quite right, with Goines preferring to focus on seed-stage transactions -- but he will remain on his three Morgenthaler board seats at least through year-end).

Canvas also plans to add a fourth partner, but has not yet identified that individual. Vice president Ching Wu has been promoted to partner of marketing and investor relations, while Alex Nigg has been promoted from executive-in-residence to venture partner.

Gary Little had said back [in 2011](#) that there were "no plans" to change the firm's name, but now explains that Morgenthaler's history had become a bit confusing. Moreover, there were some legacy SEC registration issues that wouldn't allow "Morgenthaler Ventures" to qualify for the venture capital exemption (namely the fact that past funds also included private equity).

"We all remain partners of Morgenthaler Ventures, but felt like a fresh start was needed," Little says.

As for the former life sciences team, *Fortune* has learned that it is nearing a final close on around \$150 million for its own fund. That vehicle is called Lightstone Venture Partners, and also features former healthcare investors from Advanced Technology Ventures.

Mike Carusi, a Lightstone partner, declined to comment.