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Local reinvestment: Archer Technologies founders put money in Kansas City tech firms

Kansas City Business Journal - by [David Twiddy](#) Staff Writer

Less than two months after selling **Archer Technologies LLC**, co-founder and CEO Jon Darbyshire is pouring some of the proceeds back into the local technology scene.

Darbyshire said Feb. 22 that he and his wife will invest around \$200,000 in each of five area companies — a total of about \$1 million.

After combing through a group of eight candidates, Darbyshire chose **AthletixNation Inc.**, **ImmunoGenetix Therapeutics Inc.**, **Mygistics Inc.**, **KC BioMedix Inc.** and **Data Locker LLC**.

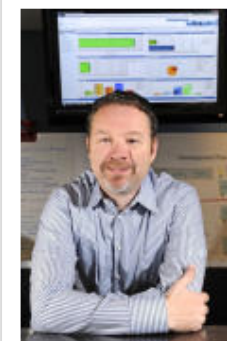
“I always had the intent of creating a little incubator here in Kansas City where we bring companies together ... and try to get them off of paper and implement them to a point,” he said. “It’s not just becoming an angel investor; it’s becoming a mentor and helping the companies become successful.”

Darbyshire built Archer during the course of nine years, creating a small but well-regarded brand in the market for software that helps companies comply with security and industry regulations. On Jan. 4, he announced he was selling the Overland Park-based firm to information technology software giant **EMC Corp.** for a reported \$200 million — he has declined to say how much the deal was worth — providing the means to make his investment dream a reality.

All five companies Darbyshire will invest in are on the Kansas side of the state line, partly because that allows him to receive state tax credits for angel investors.

“I didn’t understand until about four weeks ago that those credits were even available,” he said. “It takes some of the risk off the table for an angel investor to help some of these young companies in the beginning.”

MEDIA



Jim Laufenberg, CEO of ImmunoGenetix, said Darbyshire's investment comes at a crucial time as the biotech firm enters what he called "the Valley of Death" between research leaving a university setting and getting commercial success.

"This kind of funding is really helpful," Laufenberg said. "Angel investors have supported this company to a great degree."

Darbyshire said he plans to be very involved in the development of the five companies, offering his suggestions on how they can attract further investment, whom they should approach for sales or strategic partnerships and, in the case of Data Locker, how to tweak their product's design.

"The value of being the CEO of a company like Archer is you make a lot of contacts in the private equity world where people want to invest in you," he said. "The next level up from an angel investor is an institutional investor, and they'll bring in a lot more money and bring you into a lot of new (business) accounts. So we'll help some of these companies get to that next level of money invested from outside Kansas City."

Darbyshire said he recognizes that but for a few individuals and angel networks, the venture capital pool in Kansas City is rather shallow, a fact not helped by the recession.

The majority of large venture capital firms remain on the coasts or in Austin, Texas, and typically either don't invest in the Midwest or expect the companies to move closer for better contact and oversight. He said that he hopes his investment encourages other angels to invest in the area's tech industry and that those groups then can serve as local contacts for the large capital firms, attracting the dollars but keeping the talent here.

"My intent is to get more involvement with the bigger tier-one private equity guys to know there's great ideas in Kansas City," Darbyshire said. "You've got some great entrepreneurs who have been successful. We just haven't done a great job marketing that."

Greg Kratofil, a technology lawyer with Polsinelli Shughart PC, helped line up some of the companies for Darbyshire's review. He said Darbyshire's success in developing Archer makes him a great cheerleader for the region's technology industry.

"I think it's going to get these companies a little farther down the road where we'll be able to attract that later-stage capital that will allow us to really grow the tech community," he said.

Michael Peck, a partner at institutional investor Open Prairie Ventures, said Darbyshire's entrance to the angel ranks is "tremendously important" because investment is an even more valuable commodity today.

"There are a lot of different classes of investors, and given the difficult fund-raising environment in the venture world and the shrinking size of the investment funds, the opportunity to work and collaborate with all types of investors is really important," Peck said.

VALUABLE INPUT

Archer Technologies founder Jon Darbyshire is investing about \$200,000 each in five Kansas City-area technology companies. Here's some background on the recipients:

ATHLETIXNATION INC.

This Lenexa-based company markets college sports videos for media and sports Internet sites, collecting revenue through the sale of advertising shown along with the clips. Darbyshire's investment will help the company hire a chief operating officer, increase its sales force and introduce the company to new large media partners.

IMMUNOGENETIX THERAPEUTICS INC.

Also based in Lenexa, ImmunoGenetix is working on a vaccine that prevents HIV from developing into full-blown AIDS using research developed at the University of Kansas. The money from Darbyshire will go to help the company get closer to starting human trials.

MYGISTICS INC.

Based in Prairie Village, this company develops computer models predicting traffic patterns in urban areas, which can be sold as applications to consumer navigation tools, freight transportation companies or local government planners. Mygistics has completed a model for Chicago, and Darbyshire's investment would help the company build a model for the Boston-to-Washington corridor.

KC BIOMEDIX INC.

This company, based in Shawnee, has developed and is selling medical devices that measure the ability of premature infants to suckle, an important step for releasing those babies from intensive care. Darbyshire said his money will help the company get to market faster.

DATA LOCKER LLC

Data Locker makes a portable hard drive with state-of-the-art data encryption that uses a touch-screen keypad to unlock and is not tied to any particular computer operating system. Because Archer is in the security industry, Darbyshire said he can help the Lenexa-based company make contacts and improve the device's user interface.

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