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CVC Partners to Take Stake in Payments Security Provider

By **MICHAEL J. de la MERCED** DEC. 16, 2015

As CVC Partners looks to expand its push into so-called growth investments, the private equity firm is planning to take a stake in a payments security start-up.

CVC plans to announce Wednesday that it has invested \$80 million into Kount, whose products are meant to help merchants clamp down on fraudulent online transactions, according to people briefed on the matter.

Other terms of the transaction, including the valuation assigned to Kount, were not available.

The deal will be the second from CVC's growth equity fund, for which the firm has been raising \$750 million to focus on smaller, technology-focused investments. It is the latest effort by a major private equity firm to focus on growth investments, which require less money upfront but could have a sizable return down the road.

Executives at the investment firm had been interested in mobile payments for some time and began looking into the industry about a year ago, one of these people said. The firm eventually concluded that Kount, which is based in

Boise, Idaho, was a top leader in the field and worth becoming close with.

Kount's products are meant to help retailers determine whether "card not present" transactions — largely those conducted online — set off particular warning signs. The company's clients include Chase Paymentech, PayPal's Braintree subsidiary and the music streaming service Spotify.