

“HEARD ON THE STREET...V.C.’s Buying Into Franchise Brands!”

OpEd based on 14, 2019 WSJ Article Editorialized in conjunction with Cartel Equity Fund LLC and FranCap Corporation...

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Google Ventures, SoftBank’s Vision Fund and Venture-capital funds (“VC’s”) that usually focus on tech are now acquiring major positions in successful Consumer Brands and pouring vast amounts of marketing and capital into expanding their footprint both nationally and internationally!



In the first five months of 2019, 320 VC’s spent \$2.3 billion backing the Consumer Brands Sector in the U.S., Europe and Asia putting the industry on course to exceed the record \$4.3 billion it invested in the sector in 2018.

VC’s have found that, by addressing and filling the need for cutting-edge networking, funding, and ever-expanding market share, they have the ability to dominate a category in the same way that Uber and Lyft have cornered the U.S. ride-sharing business.

The purest tech players are writing some of the fattest checks. SoftBank’s Vision Fund, one of Uber’s biggest backers, led a \$240 million funding round last year for Brandless, a company launched in 2017 hyped in media reports as “Procter & Gamble for Millennials.” The business is also backed by Google Ventures and Alphabet’s investment arm. Other tech-focused VC’s moving into the sector include Sequoia Capital, Khosla Ventures and *Cartel Equity Fund who just Partnered with FranCap Corporation and committed \$24 million to expand and buy-into a number of currently successful, privately held Franchise Brands with an eye on profiting quarterly from the ever-escalating Gross Revenues of Franchisees and Franchisor IPO’s.*

PROVEN REASONS: VC’s -and specifically Cartel Equity Fund as results consistent success of its business model- has valid reason to invest into Brand Acquisitions. **BOTTOM LINE: PRESERVATION OF CAPITAL; WEALTH ACCUMULATION, AND; THE ABILITY TO HEDGE RISK.**

PROVEN MANAGEMENT / PROVEN PROFITS: *By partnering with well-established Franchise Brands whose seasoned/continuing management has “been there and done that,” and whose proven Brands have been well accepted and financially successful, FranCap’s unique platform has the ability to deliver escalating quarterly profit-sharing developed from up to 15% the gross revenues of its on-going number of Franchisees as well as exits of its Brand Partners (IPO’s, Mergers, Acquisitions) in access of \$26.50 for every dollar invested.*

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