

Folsom startup closes \$1.5M funding round

Sacramento Business Journal - by [Melanie Turner](#) Staff writer

Folsom startup **Freepath Inc.**, which is developing projection software, has closed a \$1.5 million Series A funding round led by Velocity Venture Capital.

Also participating in the round were individual members of Strategis Early Ventures, the Sacramento Angels and the Sierra Angels.

Freepath makes software that allows a person to make one presentation that integrates different media types -- video, **Microsoft Corp.**'s PowerPoint, and **Adobe Systems Inc.**'s Portable Document Format (PDF), for example.

With Freepath, media tools that don't normally integrate together well can be placed into a playlist that the user clicks on during a presentation.

Freepath plans to use a portion of the funds to roll out second-generation software that will be made available for free as a playlist application. The funds also will go toward product development, marketing, and expanding the senior management team.

Last year, Freepath hired **PowerSchool Inc.** founder John Stone to be its chief executive officer. Stone, a former **Apple Inc.** vice president, learned about Freepath as an investor.

Stone said Freepath is going to change how people show and share the content they create and the digital assets they collect.

In 2001, Apple (Nasdaq: AAPL) acquired PowerSchool, which sells Web-based software to help schools track their records, for \$62 million in stock. In 2005, Apple sold the business to London-based **Pearson Education Inc.**

Jack Crawford Jr., a founder and general partner of Velocity Venture Capital, said it's exciting to see a second-generation entrepreneur like Stone, who can leverage the "operating and exit experience" he gained from his experience with PowerSchool, launch new companies.

It demonstrates the maturity of Sacramento's tech economy, said Crawford, who sits on Freepath's board.

"I think Freepath is right at the center of a very interesting market opportunity," Crawford said, adding that it's young, innovative companies like Freepath that get acquired by tech giants such as Microsoft and Google.

In less than a month, Freepath plans to release Freepath 2.0, an upgraded version of the original software that the company sold for \$150. The new version will be available to download for free.

"We suspect early adopters of this will be in education and online collaboration," Stone said.

Freepath launched in February 2006 as a spinoff of Grass Valley-based Grass Roots Software, which focused on the church market. Pastors were using Freepath to put together Sunday sermons.

"There were lots of teachers and business people who'd say, 'How'd you do that? I've been wanting to do that in the classroom or the boardroom,'" Stone said.

Freepath 2.0 is intended to reach a mainstream audience. Someone could use it to bring together photos and video for a family reunion, for example.

"People spend hours preparing for a five- or 10-minute presentation," Stone said, adding that Freepath makes preparation quick and allows users to bring together various content pieces.

Freepath has no revenue coming in yet. The company plans to always make available a free version of the software, and hopes to license a more sophisticated professional version of the product that would be sold.

Plans also call for creating an online "content store," where users could access animation, sound effects and visuals for presentations.