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Apple/Siri Notes: Scoble “Is A Very Smart Guy”

[Dan Primack](#)

Posted on: April 28th, 2010

[Apple Siri](#)



Earlier today, iPhone assistant maker Siri confirmed that it has been acquired by Apple. No financial terms were disclosed by the startup, which had raised \$24 million in VC funding from Menlo Ventures, Morgenthaler Ventures and SRI International (from which it spun out in 2008). Some notes:

1. Robert Scoble [first spotted the deal](#), based on an early termination of Hart-Scott-Rodino by the SEC. Good eyes, although it saddens me that this could prompt other reporters to regularly begin sifting through FTC notices (saddens me more that I hadn't done my own regular sweep).

2. Scoble also wrote the following, vis-a-vis price:

If previous acquisitions by Apple are an indicator this would have gone for 8x to 10x investments, which would have put the price at about \$200 million. Since this company/product just came out this year (I named it one of the startups to watch in 2010) it would have had to go for that amount or more to get the investors interested in selling so soon.

I've spoken to a source familiar with the deal, who says that Scoble “is a very smart guy.” It's not \$200 million on the nose, but it's very, very close.

3. I also spent some time on the phone with Gary Morgenthaler, who has sat on the Siri board since the company's inception. To be clear, he's not the guy who talked price with me. He wouldn't even discuss the sale process, except to say that there has been acquisition interest in Siri “since the early days.” Can't blame his reticence, since we all know [what can happen](#) if you cross Apple.

4. What Morgenthaler did say, however, is that this was his firm's second successful deal related to SRI International, a nonprofit R&D organization that originally built the base Siri technology (with the help of lots of grant money). The first was Nuance Communications, the speech recognition company that now is publicly-traded with a market cap of nearly \$5 billion (original Morgenthaler investment had a pre-money valuation below \$10 million, according to Thomson Reuters data).

5. Morgenthaler added that he “can't imagine a better partner to take this forward than Apple.” I think he not only was talking in terms of corporate synergies, but also because Apple is developing a rep for knowing what to do with acquired companies (as opposed to, say, Yahoo).

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