

Angel Investor Mark Goines Switches Sides, Joins Morgenthaler Ventures

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Compared to the sudden proliferation of angel investors and seed firms, venture capitalists have started to look like a dying breed. So it's a rare occasion when an angel investor switches to "the dark side" and becomes a VC.

But that is precisely what Mark Goines intends to do. The angel investor behind Mint.com, BillFloat (lending), Nolo.com (self-help legal service), WePay (payments) and other successful internet startups, is joining Menlo Park-based venture capital firm [Morgenthaler Ventures](#) to focus on financial technology, mobile, consumer and small business internet services. Goines had previously paired up with Morgenthaler on [Pageonce](#) and [Practice Fusion](#), where he will continue to serve on the board.

"Angel investing had become a full time job for me," says Goines. "I'm pretty careful about the deals I look at, but the deal flow had gotten to a point where the proper due diligence had become so time consuming that I was forced to significantly narrow the deals I was looking at. Morgenthaler provides the platform and broader resources to do the due diligence that many angel investors skip."

Point well taken. It's still hard to tell whether all, or any, of the seed firms now blooming will make it past spring. Many have started to skip the due diligence phase altogether (*See Yuri Milner, Ron Conway, Y-Combinator*). In the quest to fund the next Facebook or Groupon, angels seem all-too-eager to throw cash at anything that screams social or daily deals. That may prove fruitful, or it may prove a nice little exercise in writing checks with little to show for it.

“Most angels I know find it hard to make money. Often times they can't participate in the follow on rounds,” says Goines. “There are so many angel investors investing in two guys and a dog in a garage these days. To me, it's more interesting to be the first institutional money in, to work with companies who have gone through the primary product market fit and are looking to scale the business. That is where my skill set is.”

Previously, Goines helped build and manage [Intuit](#)'s consumer tax unit—which eventually became TurboTax. He also served as senior vice president of the software company's international division and worked as a general manager of Intuit's consumer division. He later co-founded and eventually became chief marketing officer at PassMark Security, the online banking security outfit that sold to RSA in 2006. That operational experience lent him some serious cachet with entrepreneurs.

“Not only is he one of the most successful angel investors out there, he is also a fantastic mentor,” notes Mint.com founder Aaron Patzer. Goines put some of the first money in [Mint](#) and served as a board member before the online money management startup was acquired by Intuit in 2009 for a reported \$170 million.

Should angels and entrepreneurs be concerned Goines is switching sides? “Most say ‘Congratulations, now you're on the dark side’,” says Goines. “I don't call it the dark side, but the next side.”