

  
 FAMILY OFFICE INSIGHTS  
*facilitated by The Bavelas Group*

# Peer Insights

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## R E P O R T

**Q&A with Craig Cummings and Kelly Perdew**  
of Moonshots Capital.



### **Principle Series:**

*Family Office Insights sits down with two West Point graduates—Craig Cummings, Co-Founder & General Partner, and Kelly Perdew, Co-Founder & Managing General Partner, of Moonshots Capital to discuss their early stage venture capital fund that invests in exceptional entrepreneurs with world-changing ideas that frequently, though not exclusively, invest in companies founded by top talent military veteran entrepreneurs.*

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*Family Office Insights is a voluntary, “opt-in” collaborative peer-to-peer community of single family offices, qualified investors and institutional investors. If you care to learn more, and perhaps join the community, you are welcome to visit us here at [FamilyOfficeInsights.com](http://FamilyOfficeInsights.com)*

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**Q:** Tell us about your background and your company, Moonshots Capital.

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**A:** [CRAIG CUMMINGS: CO-FOUNDER & GENERAL PARTNER]

Kelly and I are both West Point graduates. I ended up serving in the Army for 17 years, most of that time as an Intelligence Officer with the National Security Agency (NSA). During my service, I deployed to Afghanistan with the Joint Special Operations Command where I earned the Bronze Star. I also completed my Ph.D. in Political Science with a minor in Econometrics from Columbia University and then returned to West Point to serve as an Assistant Professor of Political Science.

I left the military to scratch the proverbial entrepreneurial itch. In 2009, I co-founded a company called BTS to design, build, and deploy the first cellular network on to a battlefield. I ended up exiting that business after the government purchased our core software product for a large amount of money. I then co-founded Upskill, formerly APX Labs, which provides wearable technology to connect hands-on workers to information, equipment, processes and people they need to do their jobs. Most recently, along with another West Point graduate, I co-founded RideScout, a mobile app that helps you get from point A to point B faster and smarter, aggregating all modes of transportation, which was successfully acquired by Daimler (Mercedes-Benz) in September of 2014.

I met Kelly while I was teaching at West Point in 2005 and Kelly had just won *The Apprentice*. I was assigned as the handler for Kelly's visit to West Point after he won the show and we quickly became fast friends. Kelly ended up moving back to LA and started actively angel investing. He started sharing deals with me and vice versa. We began vetting deals, advising people, and working really hard to source great opportunities together when we realized we were basically operating like a VC. We decided to form a company so we could syndicate deals and aggregate our vast network. In September of 2014, we founded Moonshots Capital.

[KELLY PERDEW: CO-FOUNDER & MANAGING GENERAL PARTNER]

I served in the US Army as a Military Intelligence Officer for 3 years and completed Airborne and Ranger training. Upon leaving, I pursued my JD from the UCLA School of Law, and an MBA from the Anderson School at UCLA. I have been the co-founder, first hire or a senior executive for 10 different startups; five of which have been acquired; three of which are operating profitably; and two of which I describe as "learning experiences." I read Robert Kiyosaki's, *Rich Dad Poor Dad*, and was struck with the importance of participating in Quadrants 3 (build systems) and 4 (invest). I understood that what I couldn't get back in life is time and to take advantage of the early stage technology investing asset class I need to be in 20+ deals. So, I became determined to figure all the various ways I could get equity positions in 30+ companies so I could differentiate my portfolio while feeding my passion - helping entrepreneurs grow.

Craig and my investment histories can be told in 3 chapters:

- 1) We started investing as angels (myself in 2004, Craig in 2011) and have invested ~\$2M as Angels.
- 2) In 2014, we founded Moonshots Capital Syndicates, agreeing to only invest with one another and to continue to syndicate great deals to those who believe in us and also want to help entrepreneurs grow. We

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deployed over \$9M via syndicates in that three-year period.

3) So this year - 2017 – we are raising the first Moonshots Capital \$40M committed fund. We just finished raising \$10M, and are actively pursuing deals, as well as, continuing talks with institutions to fill out the remaining \$30M.

We invest in exceptional entrepreneurs with world-changing ideas, and often back companies led by military veteran entrepreneurs. We bring a disciplined approach to the investment process so as to identify companies with “moonshot” potential. As West Point graduates and veterans, we know this group well and have had very good success investing in them, to date. Our combined IRR (personal Angel plus Moonshots Syndicates) is 139%, which increased just a few weeks ago after one of our portfolio companies, Bitium, exited to Google.

## Q: What are your target areas of investment?

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A: CRAIG CUMMINGS:

When RideScout was acquired by Daimler (Mercedes-Benz), I joined their corporate development team, so I have been operating in the mobility space for several years now and have built a network and expertise in that space. We have strong deal flow from mobility, and I have my finger on the pulse of that community.

KELLY PERDEW:

We compete for and win access to many of the best deals and we are focused on how we can help entrepreneurs and startups at the seed level with our company-building expertise. Craig and I are operators and have built 14 different companies as founders or as part of the senior management. Our portfolio company CEOs will attest that we provide invaluable company-building advice. I have operating and domain expertise in the consumer marketing and ad tech space, and Craig in the transportation and mobility space. We firmly believe that it's the leadership and operational expertise that makes a great company, not the latest trend that every VC goes after.

## Q: What are some of the challenges you face in this market?

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A: CRAIG CUMMINGS:

There has never been a VC fund co-founded by 2 “veteran entrepreneurs turned investors” so people do think “all we do is vets.” We are heavy on vet investments because we see amazing deals and veterans and are able to help those companies meaningfully. But we are not ONLY vets, as we get great deal flow from across the country. About a third of the deals that we have syndicated so far were veteran deals.

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KELLY PERDEW:

Up until now, our network of 400+ accredited investor angels have supplied our capital for the syndicates. And this is our first foray out into raising money for a committed fund from Family Offices and Fund of Funds. A risk factor LPs are concerned about in first time funds is whether or not either partner has a significant investment history - and if they have experience working together. We think we have a good answer for that concern: Craig and I have 14 companies between us that have much better than the average track record, and we have known each other for 12 years, invested together for 7 years, and for the last 3 years have been functioning together just like a VC fund.

**Q:** How are you different from your key competitors?

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A: KELLY PERDEW:

We believe that the number one differentiating characteristic for any early technology startup is leadership. The military is the only place in the world where millions of dollars are spent exclusively on leadership. If we like a deal that comes from a vet entrepreneur, we do our due diligence and call commanding officers asking, "Do we want this person in the foxhole with us?" The speed of trust and communication is very high for us because of our common military background. We have statistical data indicating that an early stage technology start-up is 20% more likely to raise institutional capital when a vet is on the team.

Our performance to date is 139% IRR and we have been investing as a part-time effort. Imagine our performance now that we are doing this full-time. We can aggressively hunt down the best deals and do more "heavy lifting" after investing to ensure the company is successful.

**Q:** How are you changing the landscape of your industry?

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A: KELLY PERDEW:

We aren't looking at this as a fund, but as our business. We want to create a legacy where the next Mark Zuckerberg is a military vet. Military vets are 30% more likely to hire other vets, so it's about paying it forward to create wealth for those who deserve it because they actually perform better. There hasn't been a focus on leadership on a fund before and we tend to see others mimic our focus on leadership after they see us, which is a good sign.

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## Q: How much are you looking to raise and who is your ideal investor?

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A: CRAIG CUMMINGS:

This is a \$40M fund and we have recently closed on our first \$10M. We are open to oversubscribing up to \$60M, but are ready to execute on the \$10M we have. Up until now we haven't been focused on fundraising from anyone beyond individuals, but our ideal investors now are Family Offices who are independent decision makers. Although it's easier to manage a fewer number of investors in general, we have been in the business of managing multiple investors for over 3 years now and it's been a great experience. We want to build a village, as we like to cast a wide net with our investors.

KELLY PERDEW:

We like to have long-term partners. Even before we were set up as a fund, we were seeing 100+ deals a month, so now that we've formed Moonshots Capital, we have even greater access to deals. Working with us, our investors have access to all of those deals, along with a team that's been operating, performing, and doing business optimally the way we have been. We attract investors who are cause-driven with an affinity for the military, or who happen to know someone who is a vet. There are a lot of pro-veteran companies, and those are ones that are at the top of our list.

## Q: What's your mission?

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A: CRAIG CUMMINGS:

We want to build a world-class venture capital business that becomes a massive platform for veteran entrepreneurship. Even though it may seem like a niche category, as other vets become more inclined to hire and back other vets, we want to inspire more vets to become entrepreneurs. We feel like that's part of the platform play. We want them to know that there are investors looking for their outstanding leadership skills. Everybody tries to help vets—building homes, and supporting the children of men and women who have been killed—but we think building wealth in the vet community is the best way to lift up that community. When our portfolio company management teams get wealthy, that wealth spills over into the vet community and everybody wins.

## Q: What's next for you?

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A: CRAIG CUMMINGS:

We will start to operate and make immediate investments with the \$10M we've raised, but the fundraising continues. We have so many fellow West Point graduates that are investors, and that's so humbling and encouraging for us, but it also means we have to crush it that much more!



Craig actively invests in and advises technology start-ups, many of which are founded by military veteran entrepreneurs, through his company, Moonshots Capital, which he co-founded with Kelly Perdew. Craig is the Co-Founder and former Chief Operating Officer of RideScout, a mobile app that shows users how to get from point A to point B by providing real-time ground transportation information. RideScout was acquired by Daimler (Mercedes-Benz) in September 2014 and recently merged with GlobeSherpa to form moovel N. America. Craig is also a Co-Founder of MILLIE, providing military families with information and on the ground support to ease the stress of frequent relocations, and Co-Founder of Upskill, developing augmented reality software for smart glasses to enable the hands-free industrial and commerce workforce.

Before he became an entrepreneur, Craig spent 17 years in the Army, most of that time as an Intelligence Officer serving in support of the National Security Agency (NSA). Craig deployed to Afghanistan with the Joint Special Operations Command where he earned the Bronze Star. He also served as an Assistant Professor of Political Science in the Department of Social Sciences at West Point, NY. Craig received a B.S. in Political Science from the U.S. Military Academy at West Point, where he was their first Truman Scholar, and he received a Ph.D. in Political Science (minor: Econometrics) from Columbia University.

In 2015, Craig was selected by HillVets as one of the 100 most influential and impactful veterans in the United States and, in 2016, Inc. Magazine named him as one of the Top 20 Military Veteran Entrepreneurs in the US. Craig was recently selected as a member of the 2016 Class of Henry Crown Fellows of the Aspen Global Leadership Network at the Aspen Institute.

Craig is married to Lawton Cummings, an attorney with Jackson Walker. They have two children, Addison (14) and Cooper (12), and reside in Austin, TX.

For more information, please reach out to Craig at [craig@moonshotscapital.com](mailto:craig@moonshotscapital.com).



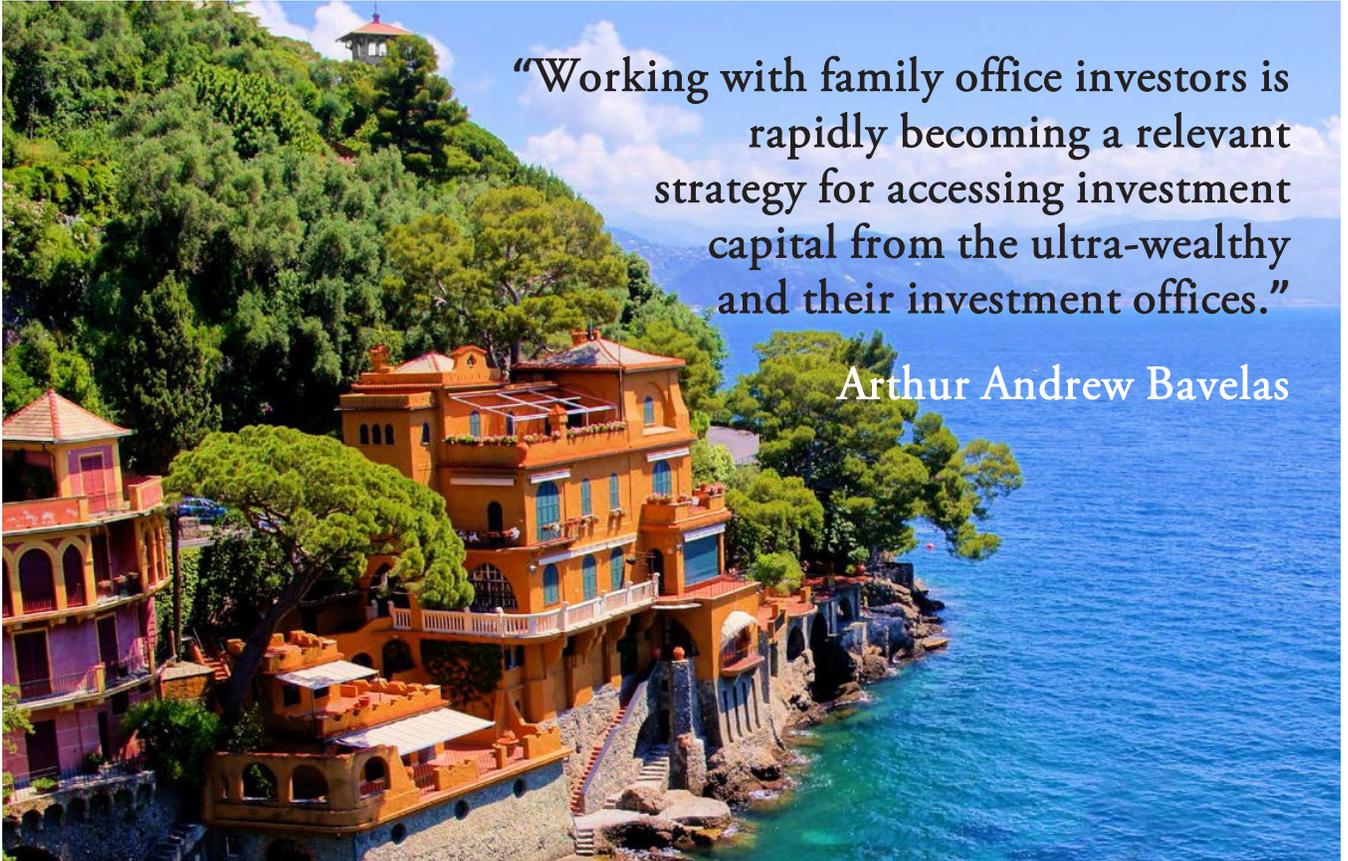
Kelly is the Managing General Partner of Moonshots Capital – an early stage angel syndicate that invests in early stage technology companies and leans in heavily in veteran founded companies. He is a co-founder & Managing Partner at DuMont Project – a consultative agency that helps accelerate the growth of direct to consumer brands. Prior to DuMont Project he was the CEO of Fastpoint Games, a venture-backed leading developer of live data-driven games for the fortune 500 brand set.

After winning the Season 2 of the NBC hit show, The Apprentice, Kelly served as an Executive Vice President in the Trump Organization in New York, where he managed several real estate projects and worked directly for Donald Trump for the year following the show.

Kelly is a nationally recognized speaker on leadership, technology, career development and entrepreneurship. He earned a BS from the US Military Academy, West Point, a JD from the UCLA School of Law, and an MBA from the Anderson School at UCLA. Kelly served in the US Army as a Military Intelligence Officer and completed Airborne and Ranger training. Kelly is author of “Take Command: 10 Leadership Principles I Learned in the Military and Put to Work for Donald Trump,” that provides guidance on how anyone can develop their leadership capabilities and he donates a percentage of the royalties to the USO and was host of GI Factory on the Military Channel. He has also served as a national celebrity spokesperson for Big Brothers/Sisters and The National Guard Youth Challenge Program. Kelly received a Presidential Appointment from President Bush to the President’s Council on Civic Participation and Service in 2006 and was re-appointed in 2008.

Kelly also serves as an investor, advisor and/or Board member for APX Labs, Scopely, Bitium, UStream, ID.me, Arx Pax, Thrively, Lettrs, DuMont Project and a dozen others and was previously an advisor or board member for LinkedIn (LNKD), eteamz (ACTV) and Pandora (P). He lives in Los Angeles with his wife Dawn, stepson Hunter, and twins – Grant and Grace.

For more information, please reach out to Kelly at [kelly@moonshotscapital.com](mailto:kelly@moonshotscapital.com).



“Working with family office investors is rapidly becoming a relevant strategy for accessing investment capital from the ultra-wealthy and their investment offices.”

Arthur Andrew Bavelas