

# Drive Capital's Mark Kvamme is raising a fund that's like a sovereign wealth fund for Ohio, one month after stepping down from the \$2.2 billion venture-capital firm he cofounded

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Mark Kvamme, partner emeritus at Drive Capital, the venture firm he cofounded. Drive Capital

**In October, Mark Kvamme said he was stepping down at Drive Capital, the venture firm he founded.**

**He's now in talks with potential investors to raise a fund separate from Drive, Insider has learned.**

**The so-called Ohio Fund will raise money mostly from Ohio institutional investors, sources said.**

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Ohio venture capitalist Mark Kvamme, who stepped back at the firm he founded, Drive Capital, last month, is in talks to raise a separate investment fund, according to people familiar with the matter.

The new fund — whose working title is "Ohio Fund" — has drawn comparisons to a sovereign wealth fund, because Kvamme plans to raise capital from mostly Ohio institutions. The idea is that the fund's returns will flow back into the state economy. One source said Kvamme has been pitching banks, university endowments, and hospitals in Cleveland and Columbus over the past six months.

In October, Kvamme told a Columbus, Ohio, newspaper that he was transitioning to partner emeritus at Drive Capital.

Unlike the venture firm he founded, the Ohio Fund will invest in multiple asset classes, including other funds, public stocks, private companies in Ohio, and infrastructure, sources said. They asked not to be identified because they weren't authorized to speak publicly.

Kvamme did not respond to a request for comment.

## From Silicon Valley to the Midwest

Before he founded Drive Capital, Kvamme rose to prominence as an investor at Sequoia Capital, where he cut a \$5 million check to LinkedIn the year the networking giant launched. In 2011, he quit the firm to take a position in Ohio Governor John Kasich's administration as director of job creation. He stayed one year before striking out on his own with ambitions to start a venture firm.

Kvamme was the animating spirit behind Drive's push to bring venture dollars to the Midwest. Ten years ago, the region already had the makings of a booming tech hub, with large state colleges creating a highly educated workforce, an affordable cost of living, and a slew of large employers — mostly insurance companies — starting investment funds to support founders. But a dearth of local, institutional capital meant that as the region's startups scaled, they largely looked to investors on the coasts to unlock bigger checks.

In June, Drive Capital, headquartered in Columbus, closed a \$1 billion fund, giving the firm \$2.2 billion in assets under management to invest in the middle of the country. The close

came as a "signal of confidence" in the Midwest economy, especially as institutional investments flow into fewer funds, data shows.

So, Kvamme's transition at the firm only months after its biggest close ever surprised some regional investors.

"I was very surprised he left Drive at all. It seems to be a pretty successful franchise," said one Chicago venture capitalist, who spoke on condition of anonymity in order to talk freely.

Others had a different take on Kvamme's departure. For years, Kvamme has spoken privately of his desire to run for public office in Ohio, several people said. The new fund, meant to bolster the state's economy, could lay the groundwork for a future campaign.

Kvamme was an active donor in the midterm elections, public records show. According to the Federal Election Commission website, he contributed thousands of dollars across two campaigns: Bernie Moreno, the Cleveland businessman who sought Ohio's open Senate seat but dropped out before the Republican primary, and Kentucky Sen. Rand Paul, who sailed to reelection. In September, Kvamme and his wife, Megan, co-hosted a fundraiser for Trump-backed venture capitalist J.D. Vance, who won the Ohio Senate race in early November.

For now, Kvamme is keeping his cards close to his chest. He told the Columbus Business First newspaper that as Drive Capital broadened its territory, backing startups anywhere between the Hudson River and Rocky Mountains, he wanted to shift focus back to Ohio.

"Drive is now becoming so big," he said. "I want to focus on Ohio. I'm working on some stuff in the Ohio area, some public service things as well as some companies."