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Online Advertiser Scores With Investment Campaign

TECHNOLOGY: Latest funding round gives GumGum \$7 million to chew on.
By **NATALIE JARVEY**

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Facing increased competition in the crowded online advertising industry, ad network GumGum has raised a round of funding to improve its technology and increase staff.

The Santa Monica company has raised \$7 million from Century City venture-capital firm GRP Partners, Menlo Park-based NEA and San Francisco-based First Round Capital. That brings its total funding to \$11 million.

GumGum sells ads that appear over online images. The company works with publishers such as Time Warner Inc., Hearst Corp. and TMZ to broker the ads.

Ophir Tanz, GumGum's chief executive, founded the company in 2007 when the most common form of online advertising was the large banner ad at the top of a website.

GumGum's technology recognizes the subject of photos on a website and overlays an advertisement that's relevant to the image.

For example, a photo of actress Jennifer Anniston might have a GumGum-brokered ad promoting her latest movie.

"I've always taken issue with traditional banner ads," Tanz said. "People really do ignore things around the perimeter of the web pages. What I saw was a real opportunity with images to drive relevant experiences for users and monetization for publishers."

Tanz plans to use the funding to add employees to his 15-person staff, improve technology, and open up regional sales offices in New York, Chicago, Detroit and San Francisco. He said the money will help the company stay competitive.

"We see the space becoming more saturated with other players and funded entities, which we think is a good sign," he said. "But we're focused on maintaining our leadership positioning and continuing to be the pioneers in the space."

Celebrity Money

Social game startup Mention Mobile has caught the eye of celebrity investor and entrepreneur Mark Cuban.

L.A.-based Mention Mobile announced last week that Cuban has invested \$250,000 and now owns a minority stake in the company.

Ryan Ozonian, Mention Mobile's chief executive, said the company will benefit from the Cuban connection.

"His guidance and overall strategies and advice are very well thought out," he said. "When it comes to what we need to do and the steps we need to take, he's extremely helpful."

Cuban made his fortune selling a technology company to Yahoo and now owns the Dallas Mavericks basketball team and appears as an investor on the ABC reality TV show "Shark Tank."

Mention Mobile, which Ozonian founded last year, makes free games for Facebook. Its first game, Trivia Friends, creates quizzes for people about their Facebook friends. Another game, Doodley, allows users to do drawing contests online.

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