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**CIT Invests in Ostendio, Inc.**

*Startup enters a \$5 billion marketplace to help digital health companies demonstrate better Information Security Compliance and Risk Management*

February 3, 2015 (HERNDON, Va.) – The Center for Innovative Technology announced today that its CIT GAP Funds invested in Ostendio, Inc., an Arlington-based startup that delivers affordable information security & privacy compliance solutions to digital health companies.

Over \$30 billion a year is spent in the U.S. on information security compliance, about 10% of which is spent on eGRC (Government, Risk Management, and Compliance) tools. This segment is growing at over 14% a year, and regulatory changes stemming from new laws have led to heightened awareness of cyber security vulnerabilities and put greater focus on regulatory compliance. In 2014 over \$7 billion was invested in digital health space alone.

Ostendio's MyVirtualComplianceManager™ (MyVCM™) is a cloud-based security and compliance management platform that delivers an easy to use, cost-effective way for companies to improve their Information Security posture. The platform enables the management and distribution of security policies and training, demonstrates employee compliance and facilitates effective vendor risk management. Ostendio's MyVCM was recently selected by MedStar Health, the largest not-for-profit health system in Maryland and the Washington, D.C., region, to ensure its Health IT vendors are managing their compliance effectively.

Pete Jobse, CIT President and CEO, said, "The digital economy brings many challenges, such as new regulations, but far more opportunities. The team at Ostendio is seizing on an opportunity that helps digital health companies simplify their administrative requirements so they can focus on their customers."

The \$2-3 billion a year spent on eGRC tools in the U.S. is primarily in the enterprise market. However, the need for it in the small and medium business space is growing. The digital health space, Ostendio's initial target market, is estimated at \$300 million, but when extended across other regulated segments, such as finance, utilities and government, the market potential expands to nearly \$1 billion. As Ostendio enhances its services to address more general enterprise needs such as training, document management and infrastructure support, the opportunity grows to approximately \$5 billion annually.

Ostendio CEO Grant Elliott said, “We have already demonstrated there is a significant demand for the functionality that MyVCM provides. We will use the GAP Funds investment to help us increase our distribution and sales channels.”

CIT GAP Funds is a family of seed- and early-stage investment funds placing near-equity and equity investments in Virginia-based high-growth technology, life science and clean technology companies.

Tom Weithman, CIT Vice President and GAP Funds Managing Director, said, “We are proud to invest in both Ostendio’s innovative technology and their strong team. As seed funds remain hard to find for these startups, CIT GAP Funds assists them with a proven public-private leveraged investment model that is helping to create the new Virginia economy.”

Since its 2005 launch, CIT GAP Funds has invested in over 128 companies across the Commonwealth of Virginia, deploying more than \$16 million of public funds and attracting over \$257 million more in private funding.

**About the Center for Innovative Technology, [www.cit.org](http://www.cit.org)**

Since 1985, CIT, a nonprofit corporation, has been Virginia’s primary driver of innovation and entrepreneurship. CIT accelerates the next generation of technology and technology companies through commercialization, capital formation, market development and revenue generation services. To facilitate national innovation leadership and accelerate the rate of technology adoption, CIT creates partnerships between innovative technology start-up companies and advanced technology consumers. CIT’s CAGE Code is 1UP71. To learn more, please visit [www.cit.org](http://www.cit.org). Follow CIT on Twitter [@CITorg](https://twitter.com/CITorg) and add the Center for Innovative Technology on [LinkedIn](https://www.linkedin.com/company/cit-org) and [Facebook](https://www.facebook.com/cit.org).

**About the CIT GAP Funds, [www.citgapfunds.org](http://www.citgapfunds.org)**

CIT GAP Funds makes seed-stage equity investments in Virginia-based technology, clean tech and life science companies with a high potential for achieving rapid growth and generating significant economic return for entrepreneurs, co-investors and the Commonwealth of Virginia. CIT GAP Funds investments are overseen by the CIT GAP Funds Investment Advisory Board (IAB). This independent, third-party panel consists of leading regional entrepreneurs, angel and strategic investors, and venture capital firms such as: New Enterprise Associates, Grotech Ventures, Valhalla Partners, Harbert Venture Partners HIG Ventures, Edison Ventures, In-Q-Tel, Intersouth Partners, SJF Ventures, Carilion Clinic, Johnson & Johnson, General Electric and Alpha Natural Resources.

**About Ostendio, [www.ostendio.com](http://www.ostendio.com)**

Ostendio delivers affordable compliance solutions to digital health companies. Ostendio’s MyVirtualComplianceManager™ (MyVCM™) is a cloud based compliance management platform that delivers an easy to use, cost-effective way for companies to improve their Information Security posture. MyVCM™ allows businesses to: assess risk; create and manage critical policies and procedures; educate and assess employees on their security awareness; and monitor continuous compliance against industry regulations. Visit us at [www.ostendio.com](http://www.ostendio.com)

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