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Brothers net \$2 million -- Pharmitas, Fyreball enjoy good week

By: John Cook

It's been a very good week for the Parsons family. On Thursday, Fyreball founder Pete Parsons raised \$1 million for his new Bellevue online communications startup -- a deal first reported in the Seattle P-I.

Turns out his younger brother, Chris, also has a knack for raising capital. The 41-year-old founder of Pharmitas of Bellevue pulled in a \$1 million financing round of his own Friday. The 14-month-old company will use the money to market software that tracks retail sales of the over-the-counter cold medicine pseudoephedrine.

In a classic sibling rivalry, Chris noted that his brother beat him to the punch with the financing round at Fyreball.

"He was born before me, too, so he has always had a bit of a jump on me in the Parsons clan," he joked. That's OK -- Chris claims to be the smarter one.

Two brothers raising capital in the same week for separate startup ventures is unique. Was something in the water at the Parsons household?

That's actually not too far off the mark, according to their father. A. Peter Parsons, a prominent lawyer in Seattle with Davis Wright Tremaine who has worked with startup companies for years, said Pete and Chris encountered plenty of entrepreneurial endeavors growing up.

"These poor cherubs have been exposed to more geeks and visionaries than is healthy," Parsons said with the family's well-known wit. "Some lucky kids hear Mozart in the womb. No doubt in adolescence ... Pete and Chris heard the vibes of entrepreneurs and lawyers and made the better choice."

In fact, the Parsons brothers have shown an ability to jump on entrepreneurial ideas quickly. "Both Pete and I are creative guys that like building stuff," Chris said.

Pete, 42, came up with Fyreball after waking up in the middle of the night, while it was a trip to the drug store last year before a family vacation that got Chris thinking about a better way to track the sale of pseudoephedrine, a key ingredient in methamphetamine production.

After encountering a retail clerk juggling paper forms tied to new federal regulations, Chris said there had to be a better way. While on vacation, the Interlake High School graduate started writing code for a new software system that would help retailers comply with the Federal Combat Methamphetamine Epidemic Act of 2005. That act required retailers to track sales of the cold medicine to individuals by checking driver's licenses at the point of sale.

"For retailers, it has been an absolute nightmare," Chris said, adding that the paper-based system can take up to five minutes to complete. "When the law went into effect, they told them to track all of this stuff and to log this stuff, but they didn't give them any mechanism to do that."

ComplyScan, the name of Pharmitas' first product, automates the drug-logging process by reading demographic information off the back of driver's licenses and then correlating that with the universal product code from the cold medicine. If a person is found to have exceeded a monthly limit, the retailer is notified. The technology also archives the sales information to meet the requirements of the new law.

Pharmitas is just starting to ramp up sales efforts, with a product distribution deal signed in August with McKesson Pharmacy Systems. ComplyScan is being tested in four Bartell Drugs stores. A full rollout with McKesson is slated for early next year. Pharmitas, with six employees, gets paid a few pennies on each transaction.

Investors include local angels and Liberty Venture Partners of Philadelphia.

Chris Parsons chose not to raise capital from his dad or older brother.

"I want to keep Thanksgiving peaceful," he said. "I get along pretty well with my family right now, and I would hate to do something to screw that up."

But they do rely on each other for entrepreneurial advice.

"We find ourselves commiserating quite often; though we are brothers, we have dramatically different personalities and I think quite complementary," said Chris. "It is nice to be able to call a Parsons, whether it is your brother on the creative side or your dad on the legal side."