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A WSJ report that Nvidia's board may remove Jensen Huang divided investors over founder succession. Separately, Fractile raised $720M for memory-stacked AI chips, Runway released open robotics weights, data showed older GPUs holding their rental value, and a16z laid out its case for agents as buyers.

Nvidia: a key-person risk at the center of AI

The WSJ reported that Nvidia's board is preparing to oust CEO Jensen Huang after "two extramarital affairs, including one with a suspected Chinese spy" [1]. This follows the internal probe covered in earlier briefs. Venture investors quickly sided with the founder: - **Garry Tan** called an ouster ill-advised and said it would be "hard to believe a transition happens without massive market cap implosion" [2]. - **Naval** cited Steve Jobs and Travis Kalanick: "one does not just simply replace the founder" [3]. - **Suhail** suggested boards wait two weeks after a PR crisis before moving on a CEO, unless criminal acts are involved [4]. - **Jason Calacanis** wants a summary of the investigation released to shareholders so they can vote. He predicts the board will act in "CYA mode" [5]. - **Elad Gil** used the episode to advise founders to keep boards small and high-trust, and to resist the "governance experts" who push outside directors at IPO [6].

Two related policy items. Axios reports that President Trump authorized a crackdown on companies suspected of diverting Nvidia's advanced chips to China, and that Commerce Secretary Lutnick "repeatedly stood in the way" [7]. An unconfirmed rumor, labeled "wild" by the account that posted it, says DeepSeek is pretraining a ~2T-parameter V5 on Huawei Ascend 950 chips [8]. Taken together, the headlines raise both the governance risk and the geopolitical risk around the AI supply chain's most important vendor. None of this is a

confirmed leadership change yet.

Funding

- **Fractile** raised a **$720M Series C** led by Thrive, Founders Fund, Lightspeed and Redpoint [9]. Sarah Guo describes the approach as stacking DRAM directly on top of the processor to meet frontier models' memory-bandwidth needs, "in close partnership with some of the top labs," which sets it apart from incremental chip bets [10].
- **Imprint**, a co-branded card fintech, raised **$130M at a $1.88B valuation**. It aims to double revenue to $400M while growing headcount only 30%, using AI internally and in agentic commerce [11].
- **Nuance Labs** raised a **$50M Series A led by Lightspeed** [12]. The founders are ex-Apple researchers building a unified, full-duplex foundation model for real-time text, speech and video expression [12]. They argue that cascaded avatar pipelines lose emotional cues and add latency [12]. The team has reached 27 people; the original plan was about eight [12].
- **Index Industries** came out of stealth with a **$50M seed** to power USHP, pitched as the first investable index of US residential real estate. The CEO is former Polychain president Josh Rosenthal [13].
- **Higgsfield** reports annualized run rate rising from $1B in September to **$1.35B in October**, with a target of $2B by year-end [14]. Two caveats. The figure is the last four weeks of revenue × 13, and about 60% of revenue is credits and usage, which can swing month to month [14]. SaaStr, which reported it, is an investor [14].
- **Standard Capital** opened its next Series A cycle. Applications are due Dec. 1, with decisions by Dec. 11 [15].

Model capability and cost

Allie K. Miller highlights Fable 5.2 scoring **41.3% on the Remote Labor Index**, up from 17.9% for Fable 5.1 and 2.5% a year ago. By her reckoning, that is a doubling time of about three months [16]. Pushing the other way on price, Bindu Reddy says that in her blind tests DeepSeek matches Carbon/Opus on 95% of agentic loops at about 40x lower cost. It degrades faster on very long loops [17]. These are one tester's results, but they support last brief's point that model routing is eroding frontier pricing power.

Runway released **Praxis-1**, a world action model that turns video pretraining into control for real robots. The weights are open under Apache 2.0 [18]. Cristóbal Valenzuela says it ranks #1 on NVIDIA's RoboLab-120 leaderboard [19]. Separately, experts OpenAI appointed to vet its AI-generated proof of the existence of quantum Yang-Mills theory say they have verified it, per Scientific American [20]. That verification comes from OpenAI's own reviewers, not open peer review.

Suhail says his five-person startup "maxed out all our inference compute in

2w across customers." He is offering a $20K referral bonus for post-training or inference-optimization hires [21].

Infrastructure economics: GPUs holding value, data-center queues inflated

a16z data show GPU rental rates as of Oct. 19 sitting above a six-year straight-line depreciation path: **A100s by 9%, H100s by 54%** [22]. Mike Volpi explains it as scarcity. Demand is high enough that even inefficient chips get used, and that benefits anyone financing the assets. He adds that once there are enough Vera Rubins, running H100s stops making sense [23]. Neocloud lenders should note that the residual-value assumption depends on chip manufacturing staying constrained.

On power, Ascend Analytics' Brent Nelson says ERCOT's large-load queue is about 400 GW against a roughly 90 GW system peak. He thinks realistic buildout is "a tenth to a fifth" of raw queue figures [24]. Hyperscalers can't find capacity for 2027, he says, but by around 2030 many data centers may be competing for tenants. He also expects many VC-backed AI tenants to disappear [24]. Senator Josh Hawley is backing a nationwide data-center moratorium [25], which adds a political risk to that picture.

Agents as buyers

a16z argues that agents will increasingly choose products, subscriptions and spending on users' behalf, and that the business models this enables "mostly aren't visible yet" [26]. Its evidence includes Shopify's AI-driven store traffic up 8x year over year in Q1 '26, with AI-search orders up nearly 13x [26]. It also cites agents accounting for nearly 40% of Stripe documentation traffic and 70% of CLI requests for API resources [26]. The firm's investment map covers agentic models, agent-native businesses, incumbents optimizing for agent-led purchasing, and agent infrastructure. It notes that payments, fraud, identity and communications are already strained at low agent volumes [26].

SaaStr offers a firsthand example. Its AI marketing agent went straight to Higgsfield and Gamma over MCP and never connected to Canva. SaaStr's conclusion: "the window to get picked is when an agent is first wired into a workflow" [27].

Agent security

- **Lazarus (Microsoft Research):** editing fewer than 10 dormant neurons can plant a trigger-activated backdoor in an agent's LLM that still passes standard safety evaluations [28]. The attack requires write access to the weights, and Microsoft has seen no use in the wild [28]. Microsoft's detector flagged 91.4% of edited checkpoints, with a 9.7% false-positive

rate [28]. This makes model signing and weight provenance an emerging product area.

- **Perplexity SPACE:** Perplexity red-teamed its open-source agent sandbox. It says non-cyber models found exploits better than cyber-tuned ones, the sandbox held against isolation escapes, and it found and fixed a DNS-spoofing network bypass [29].
- **Fortinet:** a commenter citing Fortinet's own post says its patches of nearly 100 vulnerabilities included fixes from a frontier-AI testing program with Anthropic, OpenAI, Google and SpaceX. The same post warns these tools can turn patches into exploits within hours or days [30].
- **1Password:** the company says it has passed $500M ARR [31] and that Q3 net-new ARR grew about 90%, driven by AI use cases [31]. It reports "explosive adoption" of 1Password for Agents, a zero-knowledge way to give personal agents access to credentials [31].

Operator and investor lessons

Ro says it went from about $270M run rate growing ~9% in 2021, which it calls a "zombie company," to $3B+ in 2026 [32]. Headcount fell from 596 at its 2022 peak to 406 [32]. Elizabeth Yin listed Hustle Fund's misses, starting with passing on Shield AI at pre-seed; Shield AI is now valued near $30B [33]. Her conclusion: "sometimes you should just invest in your super entrepreneurial friends even if you don't like the idea" [34].

Sources

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