

Dam Secure raises \$4M to secure AI-generated code for enterprises

Dam Secure has closed a \$4M seed round led by Paladin Capital to address security risks from AI-generated code entering production at scale.

SAN FRANCISCO, CA, UNITED STATES, January 20, 2026 /EINPresswire.com/ -- AI security startup [Dam Secure](#) has raised \$4 million in a seed funding round led by Washington, D.C.-based cyber and AI investor, [Paladin Capital Group](#), to solve for the security risks created by AI-generated code entering production at scale.



Dam Secure's Patrick Collins and Simon Harloff

Founded by Patrick Collins and Simon Harloff, Dam Secure is developing an AI-native platform which helps organizations proactively manage the growing security risks created by the rapid adoption of AI coding tools.

“Enterprises are rushing to adopt AI to increase developer velocity, but the volume of software being produced is overwhelming traditional application security processes,” said Collins. “Existing security tools generate too much noise to work effectively in this new environment.

AI systems frequently produce code that functions correctly but fails basic security expectations. Traditional application security tools and scanners detect known patterns, but miss dangerous logic flaws introduced by AI-generated code.

“Industry research shows that, when not explicitly constrained, large language models introduce vulnerabilities in up to half of generated code. This creates dangerous ‘logic gaps’ that organizations are largely blind to. We are already seeing the cost of this in recent billion-dollar heists and widespread ecosystem attacks. These breaches don’t rely on classic bugs, they exploit valid but flawed logic that existing ‘scan-and-patch’ tools simply cannot see”, continues Collins.

Dam Secure’s platform is built around an engine that enables organizations to express security

requirements in plain English – such as “customer data must be encrypted at rest” – and automatically enforce those rules across large code bases during the software development process.

Paladin Capital Managing Director Mourad Yesayan, who will join Dam Secure’s Board, said the firm backed the founders based on their experience building security products inside fast-growing technology companies.

“The current approach to application security is struggling to keep pace with generative AI,” Mr. Yesayan added. “Developers are becoming increasingly reliant on AI-generated code, and Dam Secure is focused on putting guardrails around that workflow.”

Collins, a former executive at Zip Payments and Secure Code Warrior, previously built and exited mobile technology industry leader, 5th Finger. Harloff has led product security teams at Zip Payments and Secure Code Warrior and is responsible for Dam Secure’s core technical architecture.

Dam Secure has significant interest in their product with multiple customers across industry verticals and will use the new capital to accelerate product development and expand go-to-market efforts throughout 2026.

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About Paladin Capital Group

Paladin Capital Group was founded in 2001 and has offices in Washington DC, New York, London, Luxembourg, and Silicon Valley. As a multi-stage investor, Paladin’s core strength is identifying, supporting and investing in innovative companies that develop promising, early-stage technologies to address the critical cyber and advanced technological needs of both commercial and government customers.

Combining proven investment experience with deep expertise in global security, cyber technology and cutting-edge research, Paladin has invested in more than 85 companies since 2008 and has been a trusted partner to investors, entrepreneurs and governments for over two decades.

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Patrick Collins

Dam Secure

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