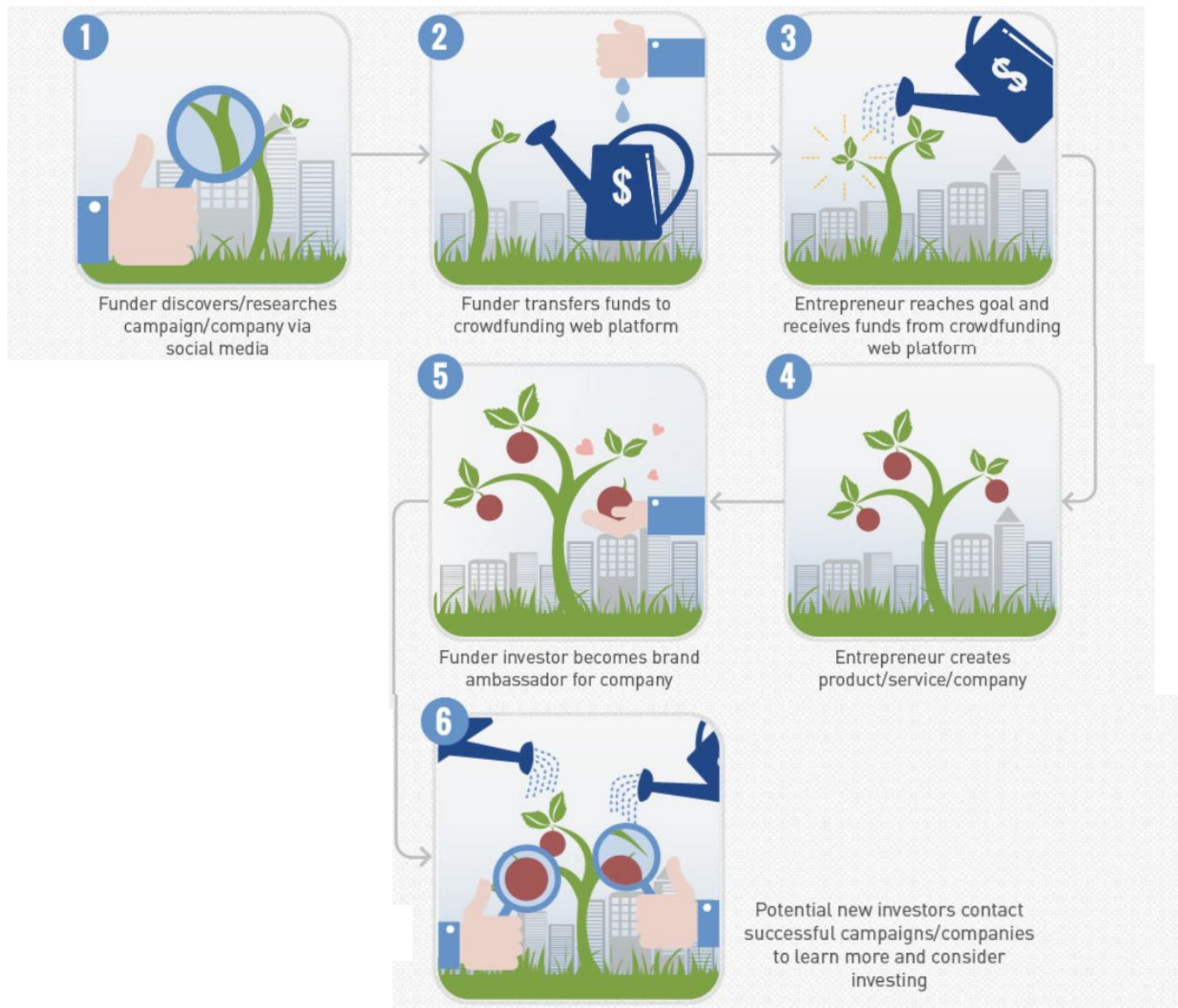


CROWDFUNDING **101**

GUIDING THE WORLD ON CROWDFUND INVESTING

How Does it Work?



Types of Crowdfunding

A financial return determines the whether or not it is regulated

**Unregulated
Crowdfunding**

Donation

Perks

Pre-order

**Regulated
Crowdfunding**

**Debt
(P2P, P2B)**

**Revenue
Based**

Equity

Crowdfunding Options

Know the difference between Title II, III and IV

	Original	Title II	Title IV Regulation A+		Title III
	506b	506c	Tier 1	Tier 2	Reg CF
Started	1982	2013	June, 2015	June, 2015	May, 2016
Max raise:	No Cap	No Cap	<\$20M	\$20M - \$50M	\$1M
General Solicitation Allowed	No	Yes	Yes	Yes	Yes
Online Crowdfund Platforms Allowed	No	Yes	Yes	Yes	Yes
Unaccredited Investors Allowed	Up to 35	No	Yes (only invest up to 10% of AI or NW)	Yes (only invest up to 10% of AI or NW)	Yes (\$2k AI or NW cap)
SEC Registration	Form D	506(c)	Reg A	Reg A	Form C
State (Blue Sky) Registration	Yes	Depends	Yes	No	No
SEC Review	No	No	Several Weeks	21 day	No
Annual Audit/Financial Reports	No	No	No	Yes	Yes
Estimated Costs	\$25k-\$75k	\$25k-\$50k	\$50k-\$75k	\$75k-\$150k	\$5k-\$25k
Investor Accreditation	Self	Issuer Verified	Self	Self	Self
Suitable for	Seed,Scale, Growth	Seed,Scale, Growth	Growth	Seed, Scale	Seed, Scale

Fix Crowdfunding Act

Sausage Making in DC Cuts the Potential but ...

- **Passed House Financial Services Committee 6/16/16 57-2**

- **Approved:**

- SPVs
- Remove 12g reporting trap

- **Denied:**

- Incr raise from \$1M to \$5M
- Test the Waters

114TH CONGRESS
2D SESSION

H. R. 4855

To amend provisions in the securities laws relating to regulation crowdfunding to raise the dollar amount limit and to clarify certain requirements and exclusions for funding portals established by such Act.

IN THE HOUSE OF REPRESENTATIVES

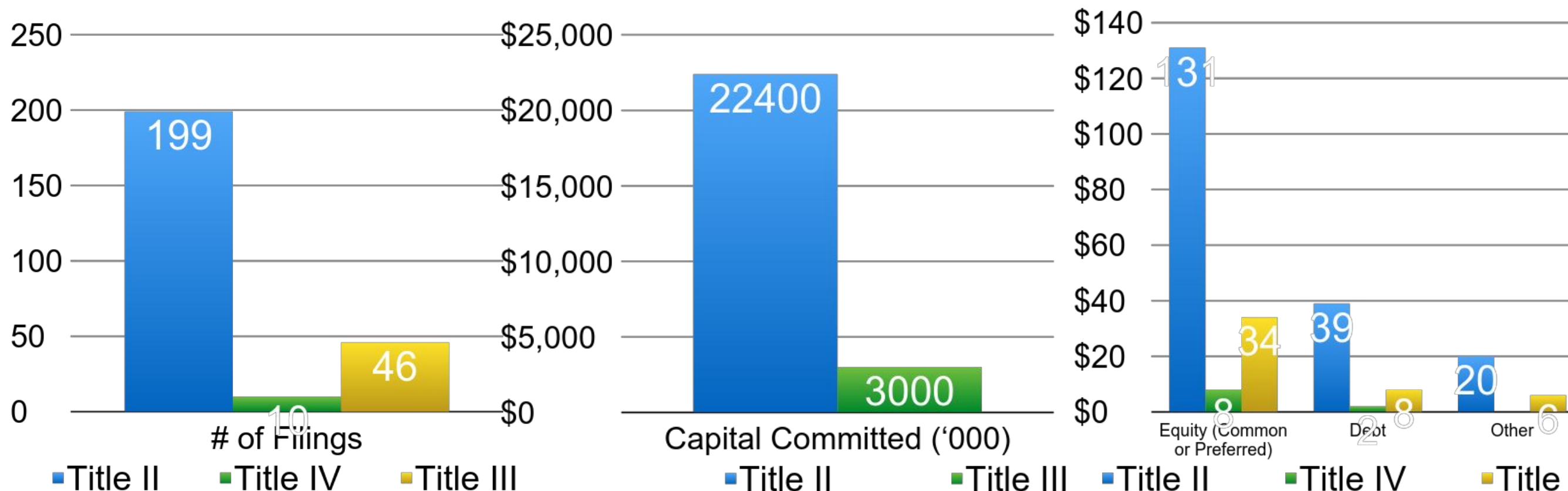
MARCH 23, 2016

Mr. MCHENRY introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend provisions in the securities laws relating to regulation crowdfunding to raise the dollar amount limit and to clarify certain requirements and exclusions for funding portals established by such Act.

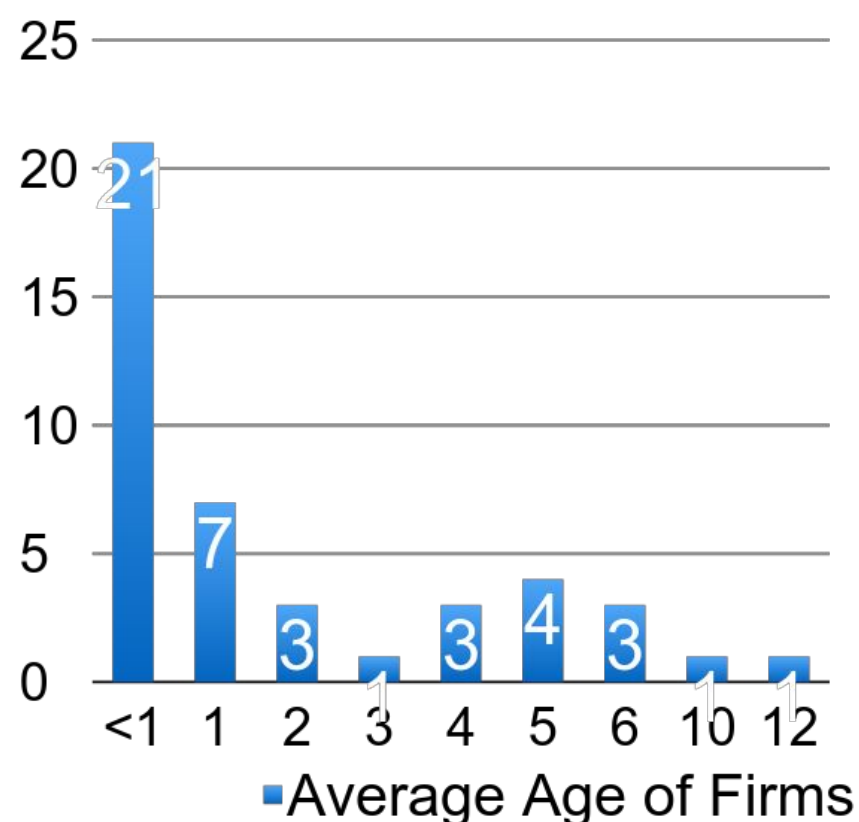
Is the JOBS Act Working? The first 41 days - Comparing T2, T3 & T4



1. Slow initial traction = No Wild West
2. Less Committed Capital, Lower Max Raise
3. Equity is the preferred offer

The first 41 days

How old are they?



Where are they &
How much?

COLORADO	2	\$114,876
DELAWARE	1	\$91,074
FLORIDA	1	\$4,187
HAWAII	1	\$21,375
ILLINOIS	2	\$16,825
MARYLAND	1	\$65,300
MASSACHUSETTS	4	\$719,547
MICHIGAN	1	\$31,900
MINNESOTA	2	\$30,063
NEVADA	1	\$0
NEW HAMPSHIRE	1	\$1,260
NEW YORK	4	\$23,906
OHIO	3	\$224,282
TEXAS	3	\$637,606
WASHINGTON	2	\$81,476
WEST VIRGINIA	1	\$62,000
WISCONSIN	1	\$0

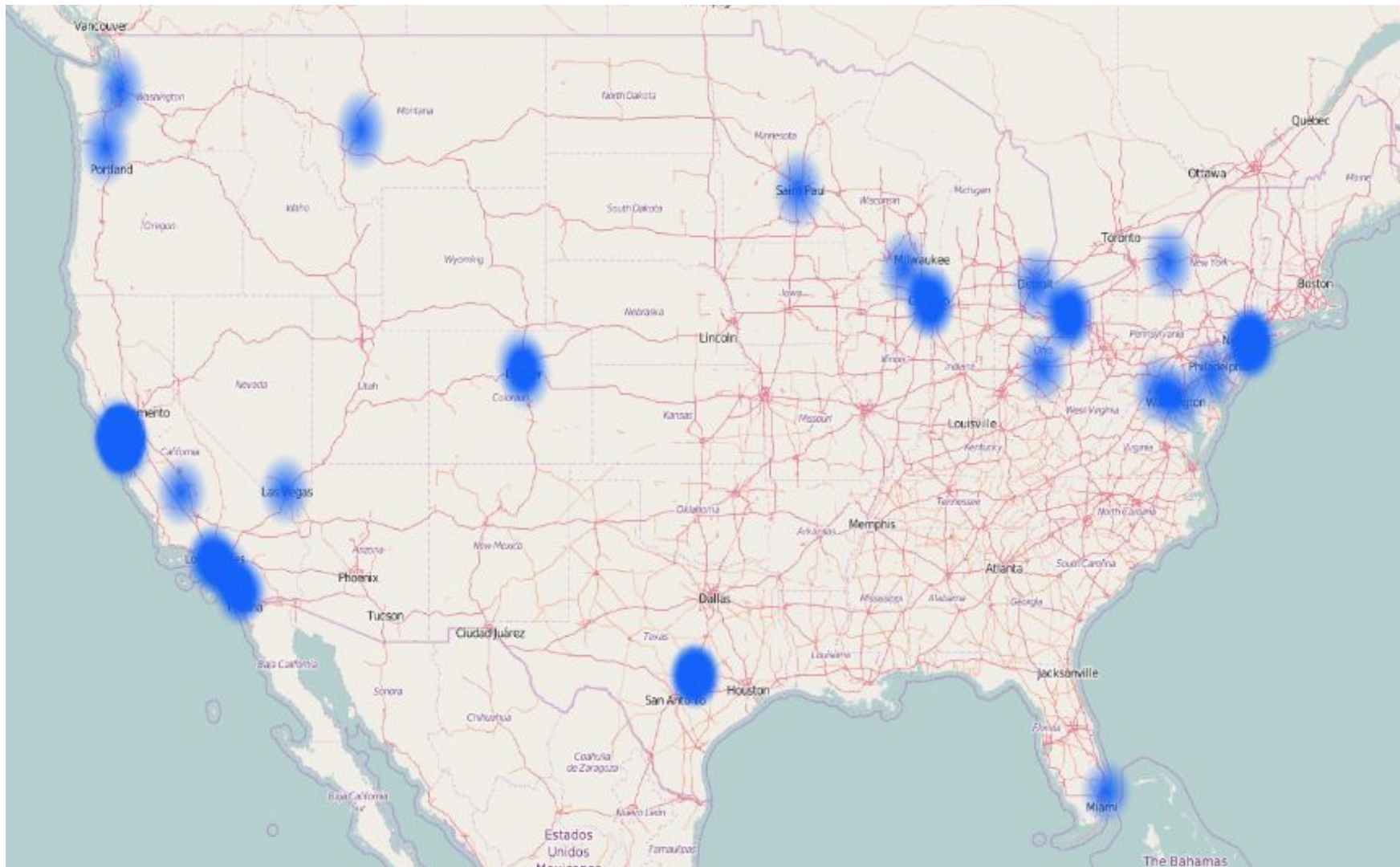
What region is getting
the most capital?

WEST	\$1,059,643
SOUTH	\$860,167
NORTHEAST	\$744,713
MIDWEST	\$303,070

1. Preferred by younger companies but used by older
2. # of Offerings Greatest West -> NE -> Midwest -> South
3. The West leads in \$ but the South is a surprise



Where is the Money Going?



- Areas known for VC top the list
- Capital is going outside of these money centers
- Not enough evidence to see impact on Main Street

Sector breakdown














	# of Offerings	Capital Committed	Average
Technology - Engineering	1	\$240,749	\$240,749
Beverage - alcohol	4	\$787,274	\$196,819
Gaming/Entertainment	2	\$257,224	\$128,612
Technology - hardware	7	\$784,387	\$112,055
Real estate	2	\$158,100	\$79,050
Law Enforcement	1	\$63,326	\$63,326
Food & Beverage	5	\$311,325	\$62,265
Technology - Software SAAS	2	\$95,500	\$47,750
Retail	4	\$162,453	\$40,613
Beverage - non alcoholic	1	\$21,375	\$21,375
Professional Services	1	\$18,263	\$18,263
Music	1	\$17,105	\$17,105
Education	3	\$30,022	\$10,007
Utilities	2	\$11,800	\$5,900
Technology - Health	2	\$4,187	\$2,094
Technology - App	2	\$3,043	\$1,522
Software & Services	1	\$1,260	\$1,260
ecommerce	1	\$200	\$200

- Technology leads in the # of offerings
- Alcoholic beverages are getting a surprisingly large amount of capital commitments
- Averages (finals TBD) are starting to signal

Approved Title III Platforms/Deals

Not Everyone Live with Deals

Yet

 CrowdBoards	 CrowdSource Funded	
	 2	
 3	 8	 1
	 25	
B/ D	 3	 2

Crowdfunding Ecosystem

It is much more than just platforms



Data Standards => Transparency => Credibility => Trust => Capital



FUNDING

“If 1% of the global capital available is used by 95% of businesses that create 65% of the jobs ... imagine what we can do with 2%?”

GUIDING THE WORLD ON CROWDFUND INVESTING

THANK YOU

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