

Executive Briefing: The Ins and Outs of Crowdfunding in Wisconsin

June 22, 2015

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Wisconsin Bankers Association*

Crowdsourcing and Crowdfunding

The crowdfunding process is very much like any other fundraising project or funding campaign. However, a new permissive regulatory structure combined with the power of the internet amplifies the ability of individuals and businesses to reach a wider audience, achieve financial goals or even validate a proof of concept. The process begins with an individual or business, an idea and a need for funding.

There are three categories of participant in the crowdfunding process:

1. Website: The crowdfunding platform
2. Creator/Issuer: An individual or business who is seeking funds
3. Donor/Investor: An individual or business who wants to make a donation or investment

Crowdsourcing and Crowdfunding

a. History

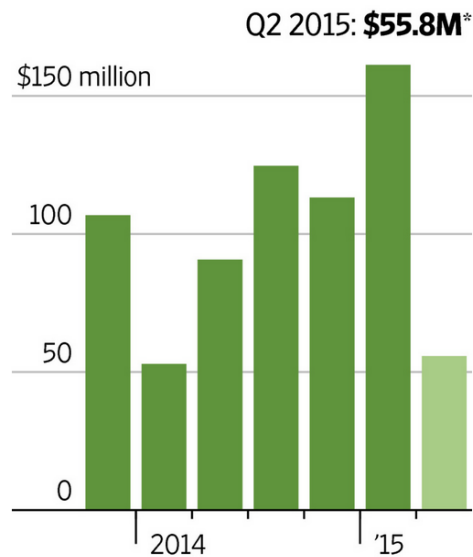


Crowdsourcing and Crowdfunding

a. Statistics

Start 'Em Up

Amount committed through crowdfunding platforms, by quarter



*Through May 28
Source: Crowdfunder

THE WALL STREET JOURNAL.

DC-Born Onevest Uses New Crowdfunding Rules to Raise Series A

Eric Hal Schwartz - Staff Writer
06/19/15 @10:28am in Tech

226

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3.5K Brian Warmoth

SocialRadar's Location Tech Team Has Left to Launch a New Startup

1.9K Eric Hal Schwartz



ENTREPRENEURS 6/09/2015 @ 5:33PM | 14,896 views

Trends Show Crowdfunding To Surpass VC In 2016

+ Comment Now + Follow Comments

By 2016 the crowdfunding industry is on track to account for more funding than venture capital according to a recent report by

While rewards- and equity-based campaigns typically get the most headlines, it's lending-based crowdfunding that dominates the industry: in 2014, it raised \$11.08 billion dollars.

Part of that, according to Massolution founder and CEO Carl Esposti, is explained by the strong growth of crowd-based lending in Asia: "Surprises materializing from this year's research included the astounding growth in the P2P and P2B lending market in Asia, stemming largely from the Chinese market."

This is the second major report Massolution, Crowdsourcing.org's sister firm, released this month: just a few weeks ago, it published its 2015CF - RE Crowdfunding for Real Estate Report, which takes a close look at one of the hottest sectors of crowdfunding.

Business and entrepreneurship remained as the most popular crowdfunding category, collecting \$6.7 billion in 2014, which represents 41.3 percent of total crowdfunding volume. Social causes (\$3.06 billion), films and performing arts (\$1.97), real estate (\$1.01 billion), and music and recording arts (\$736 million) rounded out the top five categories.

Crowdsourcing and Crowdfunding

a. Statistics

Crowdfunding statistics

*www.fundable.com

Key Crowdfunding Statistics*

- Average successful crowdsourcing campaign is around \$7,000
- Average campaign lasts around 9 weeks
- Campaigns that can gain 30% of their goal within the first week are more likely to succeed
- There is a direct correlation between the number of outside links to a crowdsourced campaign and the success of the funds raised.
- Social Media is a critical factor in crowdsourcing success: for every order of magnitude increase in Facebook friends (10, 100, 1000), the probability of success increases drastically (from 9%, 20%, to 40%)

Demographics of Crowdfunding

In mid-2012, the American Dream Composite Index surveyed a sample of the U.S. population to establish demographics for general crowdsourcing participants, and it is fair to assume that these are likely to be similar demographics for who would participate in a crowdfunded securities offering.

- **Age.** Individuals ages 24-35 are much more likely to participate in crowdfunding campaigns; those over 45 are significantly less likely to back campaigns
- **Gender.** Men are much more likely to take a risk on an unknown startup
- **Income.** Those earning over \$100,000 per year are the most likely to invest in startups through crowdfunding

Crowdsourcing and Crowdfunding

Creators (both individuals and businesses)

Wisconsin-based individuals between the ages of 18-65: **(2.1 million people)**

Individuals between the ages of 20-39: **(1.13 million)**

Wisconsin-based small businesses: **(441,954 small businesses)**

WI median household income: **(\$52,413)**

Prime motivators:

Raise Funds

Gain Approval

Learn New Skills

Brand Loyalty:

Top 3 sites have 50% of the market

Types of Campaigns:

Art	Music
Design	Non-profit/Research
Film & Video	Publishing
Games	Technology

Small Business Administration, U.S. Census Bureau, WI
Department of Revenue

Donors (primarily individuals)

Households in the U.S. making over \$100,000: **(23 million)**

U.S. median household income: **(\$51,900)**

Prime motivators:

Collect Rewards

Support Causes

Help Others

Brand Loyalty:

Top 3 sites have 50% of the market

Social Media Presence:

Facebook	Google+
Twitter	Tumblr
<u>LinkedIn</u>	Instagram
Pinterest	

Individuals with access to the internet (U.S.): **(239.8 million)**

Average non-profit donation: **(\$88)**

Repeat donors: **(28%)**

Small Business Administration, U.S. Census Bureau, WI
Department of Revenue, interworldstats.com

Wisconsin Law

a. Background

2013 Wisconsin Act 52 was enacted to help reduce in Wisconsin some of the barriers to capital raising resulting from securities laws.

b. Summary

2013 Wisconsin Act 52 made certain important changes to current securities laws designed to make it easier and cheaper for Wisconsin businesses to raise capital from Wisconsin investors:

Wisconsin Law

b. Summary (Continued)

1. Definition changes: modifies the definition of “institutional investor” and creates a new definition of “certified investor” as those terms relate to securities exemptions.
2. Expansion of current "limited offering" exemptions from Wisconsin securities registration requirements.
3. Creation of new "crowdfunding" exemptions: creates two new securities exemptions related to “crowdfunding,” a type of securities offering under which relatively small amounts of capital are raised through sales of small amounts of securities to a large number of purchasers. One of the crowdfunding exemptions relates to transactions conducted through an Internet site registered with the Department of Financial Institutions (DFI). The other crowdfunding exemption relates to offers and transactions conducted using more traditional methods.

Wisconsin Law

c. INTRASTATE OFFERINGS

The Act 52 exemptions generally expand the ability of Wisconsin issuers to offer and sell securities to Wisconsin residents in offerings that qualify as "intrastate" offerings under Federal law.

1. The issuer must be a "resident" of Wisconsin **and** doing business in Wisconsin:
 - The issuer is deemed to be a "resident" if incorporated or organized under Wisconsin law or, if a general partnership or other form of business organization not organized under any state law, if its principal office is located in Wisconsin.

Wisconsin Law

c. INTRASTATE OFFERINGS (Continued)

- The issuer is deemed to be "doing business" in Wisconsin if all of the following is true (note that these are summaries of the rules, and there is some complexity in making these calculations under the rules):
 - The issuer derives at least 80% of its gross revenues and those of its subs on a consolidated basis from the operation of a business or real property located in Wisconsin, or from the rendering of services in Wisconsin. This does not apply to any issuer which has not had gross revenues in excess of \$5,000 from the sale of products or services or other conduct of its business for its most recent twelve month fiscal period.
 - The issuer has at least 80% of its assets and those of its subs on a consolidated basis located in Wisconsin.
 - The issuer intends to use and uses at least 80% of the net proceeds of the offering for the operation of a business or of real property, the purchase of real property located in, or the rendering of services in Wisconsin.
 - The principal office of the issuer is located in Wisconsin.

Wisconsin Law

C. INTRASTATE OFFERINGS (Continued)

2. Offers and sales of securities must be made only to *bona fide* Wisconsin residents. For purposes of determining the residence of offerees and purchasers:
 - A corporation, partnership, trust or other form of business organization shall be deemed to be a resident of Wisconsin if, at the time of the offer and sale to it, it has its principal office in Wisconsin.
 - An individual shall be deemed to be a resident of Wisconsin if such individual has, at the time of the offer and sale to him or her, his or her principal residence in Wisconsin.
 - A corporation, partnership, trust or other form of business organization which is organized for the specific purpose of acquiring part of the offering is not deemed a resident of Wisconsin unless all beneficial owners of the organization are residents Wisconsin.
3. Resales of the securities sold in the offering must be restricted. During the term of the offering and for a period of nine months from the date of the last sale, the securities can only be resold to Wisconsin residents.

Wisconsin Law

d. CERTIFIED INVESTORS

Act 52 creates a new class of investor titled, “certified investor.” Under the Act, a certified investor is defined as an individual who is a resident of Wisconsin and satisfies one of the following tests:

- The individual has an individual net worth, or joint net worth with his or her spouse of \$750,000, including the individual’s primary residence as an asset and any debt associated with the residence as a liability.

Wisconsin Law

d. CERTIFIED INVESTORS (Continued)

- The individual has individual income in excess of \$100,000, or joint income with his/her spouse in excess of \$150,000, in each of the two most recent years and has a reasonable expectation of reaching the same income level in the current year.
- The Act creates a new securities exemption for sales of securities to a certified investor, or a person whom the issuer reasonably believes is a certified investor at the time of the sale or offer, if the transaction meets the requirements of the federal exemption for intrastate offerings.
- By allowing for lower financial thresholds for "certified investors", Wisconsin has greatly expanded the pool of investors to whom it is easier to offer securities beyond the traditional "accredited investors."

Wisconsin Law

e. INSTITUTIONAL INVESTORS

The Act lowers the asset threshold for entities of an institutional character to \$2,500,000.

Wisconsin Law

f. EXPANSION OF THE WISCONSIN LIMITED OFFERING EXEMPTIONS

Act 52 creates two new securities exemptions for limited offerees and limited securities holders involving Wisconsin residents. These new exemptions are essentially an expansion of Wisconsin's current "limited offering" exemptions (limited to 25 purchasers and 25 holders, respectively) for Wisconsin businesses.

Wisconsin Law

f. EXPANSION OF THE WISCONSIN LIMITED OFFERING EXEMPTIONS (Continued)

1. **Limited offerees:** Act 52 creates an exemption for an offering in Wisconsin directed to not more than 100 Wisconsin residents who do not qualify as institutional, accredited or certified investors, and unlimited Wisconsin residents who do qualify as institutional, accredited, and certified investors, as long as the following are true:
 - The issuer is a business entity organized under Wisconsin law and authorized to do business in the state, has its principal office in Wisconsin, and a majority of its full-time employees work in the state.
 - No commissions are paid in connection with the offer or sale of securities unless the person receiving the commission is registered as a broker-dealer or agent in Wisconsin.
 - No general solicitation or general advertising is made in connection with the offer or sale of securities unless permitted by DFI.

Wisconsin Law

f. EXPANSION OF THE WISCONSIN LIMITED OFFERING EXEMPTIONS (Continued)

- 2. Limited holders:** The second exemption is for an offering in Wisconsin if the aggregate number of persons holding the issuer's securities after the sales are completed does not exceed 100 Wisconsin residents who do not qualify as institutional, accredited or certified investors, and unlimited Wisconsin residents who do qualify as institutional, accredited, and certified investors, as long as the same requirements listed above in section f.1. are true.

Wisconsin Law

g. CROWD-FUNDING EXEMPTIONS

Act 52 creates two new, related exemptions known as the “crowdfunding” exemptions. “Crowdfunding” in concept is an offering in which relatively small amounts of capital are raised through sales of small amounts of securities to a large number of purchasers.

Wisconsin Law

g. CROWD-FUNDING EXEMPTIONS (CONTINUED)

1. **Crowdfunding through Internet Portal:** Under the first new crowdfunding exemption, the offer or sale of securities is exempt from registration if the following requirements are satisfied:
 - **Maximum aggregate amount raised the offering:**
 - Unlimited amounts permitted from accredited, certified and institutional investors.
 - Unlimited amounts from any officer, director, partner, trustee, or individual occupying similar status or performing similar functions with respect to the issuer or from a person owning 10% or more of the outstanding shares of any class or classes of securities of the issuer.
 - If the issuer has and makes available audited financial statements, \$2MM in 12 month period from investors who are not in the categories above.
 - If no audit, \$1MM in 12 month period from investors who are not in the categories above.
 - DFI may adjust these sales amounts for inflation.

Wisconsin Law

g. CROWD-FUNDING EXEMPTIONS (CONTINUED)

- **Maximum investment per investor** in the offering:
 - Unlimited from each accredited, certified or institutional investor, or from any of the issuer's officers, directors, 10% shareholders, etc.
 - The issuer cannot accept more than \$10,000 from any single purchaser who is not in one of the categories listed above.
 - DFI may adjust these sales amounts for inflation.

- Offering must be made through one or more Internet sites (portals) registered with DFI. Compensation may be paid to the portal in accordance with Act 52.

- The offering must qualify as an "intrastate" offering.

- The issuer cannot be an investment company (i.e. mutual fund, hedge fund) or registered as a public company with the SEC.

Wisconsin Law

- g. **CROWD-FUNDING EXEMPTIONS (CONTINUED)**
- No offer or sale of a different class or series of security can have been made by the issuer in reliance on this exemption or the other crowdfunding exemption during the last 12 months.
 - At least 10 days **before** the offering, issuer must pay a \$50 fee and file required notice and related documents, including the disclosure statement (also known as offering memorandum or prospectus) with DFI. These will be publicly available on DFI's website.
 - All payments for purchase of securities must be held and released, pursuant to an escrow agreement, by the issuer in a financial institution chartered in Wisconsin.
 - The issuer must inform all prospective purchasers that the securities have not been registered under federal or state securities law and that the securities are subject to limitations on resale. The statute requires a specific legend be included on the cover page of the disclosure document.

Wisconsin Law

g. CROWD-FUNDING EXEMPTIONS (CONTINUED)

- The issuer must obtain from each purchaser of a security offered under this subsection evidence that the purchaser is a resident of this state and, if applicable, is an accredited, institutional or certified investor.
- Prior to any offer or sale of securities, the issuer must provide to the portal evidence that the issuer is organized under the laws of this state and is authorized to do business in WI.
- The issuer and the portal must maintain records of all offers and sales of securities effected through the portal and must provide ready access to the records to DFI, upon request.
- The issuer must provide, free of charge, a quarterly report to the issuer's investors until no securities issued under this exemption are outstanding and file the quarterly report with DFI.
- Although the Internet sites used to facilitate the above transactions must be registered with DFI, the Act exempts the Internet site operators from broker-dealer registration under state law.

Wisconsin Law

g. CROWD-FUNDING EXEMPTIONS (CONTINUED)

- 2. Crowdfunding not over the Internet:** The second crowdfunding exemption created by Act 52 permits securities to be offered and sold without registration if similar criteria to the Internet-based crowdfunding exemption described above are satisfied. This second exemption applies to more traditional methods of offer and sale of securities (i.e. not through the Internet). The permitted offering amounts, requirements and restrictions of this exemption are very similar to the Internet-based offering exemption described above, with a few notable exceptions:

Wisconsin Law

g. CROWD-FUNDING EXEMPTIONS (CONTINUED)

- The offering is not conducted over the Internet, or through a registered Internet portal.
- No commission or other remuneration can be paid or given, directly or indirectly, for any person's participation in the offer or sale of securities for the issuer unless the person is registered as a broker-dealer or agent in Wisconsin. However, this limitation does not apply if the offer or sale of the security is to a certified investor.
- No general solicitation or general advertising can be made in connection with the offer to sell or sale of the securities unless it has been permitted by DFI.
- All funds received from investors must be deposited into a financial institution chartered under the laws of Wisconsin, and all funds must be used in accordance with representations made to investors. No escrow agreement is required.

Wisconsin Law

g. CROWD-FUNDING EXEMPTIONS (CONTINUED)

- Before the 101st offer of the security, the issuer must provide required notice and related documents, including the disclosure document, to DFI, accompanied by a \$50 fee. DFI may make the form available as an electronic document on the DFI website.
- The issuer must inform all purchasers that the securities have not been registered and make the disclosures required for the offering to qualify as an intrastate offering under Federal law.

Wisconsin Law

h. DISCLOSURE RULES

It is important to remember that the Act does not change the obligation of an issuer in ANY securities offering to provide prospective investors with disclosure materials containing all material information about the issuer and the proposed investment.

Wisconsin Law

i. FINANCIAL INSTITUTION HOLDING COMPANIES

Act 52 specifies certain disclosure requirements applicable to financial institution holding companies. Generally, under the Act, a financial institution holding company may not be required to prepare or distribute financial statements, information, or reports to its shareholders or to DFI, except for reports that all ch. 180 corporations are statutorily required to provide their shareholders and DFI annually. Unless a financial institution holding company regularly prepares its financial statements in accordance with GAAP, financial statements required of a financial institution holding company are not required to be prepared in accordance with GAAP, and are not required to be examined, reported upon, reviewed, or compiled by a certified public accountant.

Wisconsin Law

j. RULE 506 “BAD ACTOR” PROVISIONS

The Act applies certain “bad actor” provisions from federal rule 506 to the new exemptions created by the Act. Generally, under the “bad actor” provisions, a securities transaction is disqualified from exemption if the issuer, its executives or management, or significant owners of the issuer’s securities have been convicted of crimes or subject to regulatory enforcement actions relating to securities fraud.

Wisconsin Law

k. EFFECTIVE DATE AND INITIAL APPLICABILITY

Act 52 took effect on November 9, 2013. Provisions of the Act relating to the crowd-funding exceptions first apply to securities sold on June 1, 2014.

Wisconsin Law

State of Wisconsin
Department of Financial Institutions
Strengthening Wisconsin's Financial Future

Goog

Home	Corporations	UCC	Securities	Banking	Credit Unions	Financial Literacy	Consumer Affairs	Notary Public, Railroad & Trademarks	Charitable Organizations
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You are here: [Home](#) > [FI](#) > [Securities](#) > [Crowdfunding](#)

Crowdfunding in Wisconsin

Fees

Crowdfunding Exemption

To qualify for the exemption under Wis. Stats. Sec 551.202(26), issuers must:

- File a notice with the Division of Securities at least 10 days before commencing an offering – the notice must include a disclosure document, an escrow agreement with a Wisconsin-chartered financial institution, a financial audit (if applicable - upload with the disclosure document), and a \$50 filing fee.  [File Online Here](#)
- Comply with the "intrasstate" exemption under federal law, meaning that all offers and sales must be to Wisconsin investors.
- Make the offer available through one or more internet sites that are registered with DFI.
- Provide a copy of the disclosure document to each prospective investor, hold all payments in escrow and not access them until the target offering amount has been raised.
- Provide quarterly reports to investors.
- Not be subject to the "bad actor" disqualification under federal securities law.

For more information, please refer to the statute [551.202\(26\)](#), Wis. Stats.

Wisconsin Law

Internet Site Operator Registration Statement

CraftFund LLC

1101 North Market St.
Suite 200
Milwaukee, WI 53202
wisconsin.craftfund.com

Contact:

David Dupee
1101 North Market St.
Suite 200
Milwaukee, WI 53202
david@craftfund.com

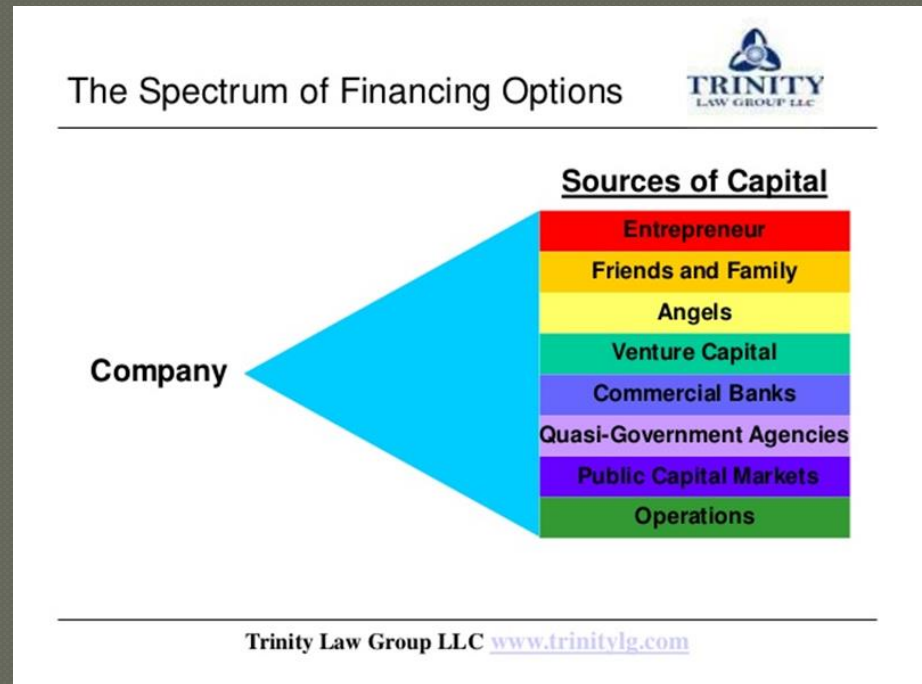
Registration Date: June 1, 2014

Represents the following:

1. The internet site operator is a business entity organized under the laws of Wisconsin and authorized to do business in Wisconsin. [see Wis. Stats. Sec. 205(1)(b)1a]
2. The internet site is being utilized to offer and sell securities pursuant to the exemption under Wis. Stats. Sec. 551.202(26). [see Wis. Stats. Sec. 205(1)(b)1b]
3. The internet site operator is not required to register as a broker-dealer under Wis. Stats. 551.401 because all the following statements apply with respect to the internet site and its operator:
 - a. It does not offer investment advice or recommendations;
 - b. It does not solicit purchases, sales, or offers to buy the securities offered or displayed on the internet site;
 - c. It does not compensate employees, agents, or other persons for the solicitation or based on the sale of securities displayed or referenced on the internet site;
 - d. It is not compensated based on the amount of securities sold, and it does not hold, manage, possess, or otherwise handle investor funds or securities;
 - e. The fee it charges an issuer for an offering of securities on the internet site is a fixed amount for each offering, a variable amount based on the length of time that the securities are offered on the internet site, or a combination of such fixed and variable amounts;
 - f. It does not identify, promote, or otherwise refer to any individual security offered on the internet site in any advertising for the internet site; and
 - g. Neither the internet site operator, nor any director, executive officer, general partner, managing member, or other person with management authority over the internet site operator, has been subject to any conviction, order, judgment, decree, or other action specified in Rule 506(d)(1) adopted under the Securities Act of 1933 (17 CFR 230.506(d)(1)) that would disqualify an issuer under Rule 506(d) adopted under the Securities Act of 1933(17 CFR 230.506(d)) from claiming an exemption specified in Rule 506(a) to (c) adopted under the Securities Act of 1933 (17 CFR 230.506(a)-(c)). [See Wis. Stats. Sec. 205(1)(b)2a-h]

Application of Crowdfunding

- i. Types of Projects – Is it really this simple? NO.
 - a) Small Business
 - b) Start-ups
 - c) Real Estate



Application of Crowdfunding

Motivations

Motivating Factors

***Crowdfunding: Motivations and Deterrents for Participation, Northwestern University*

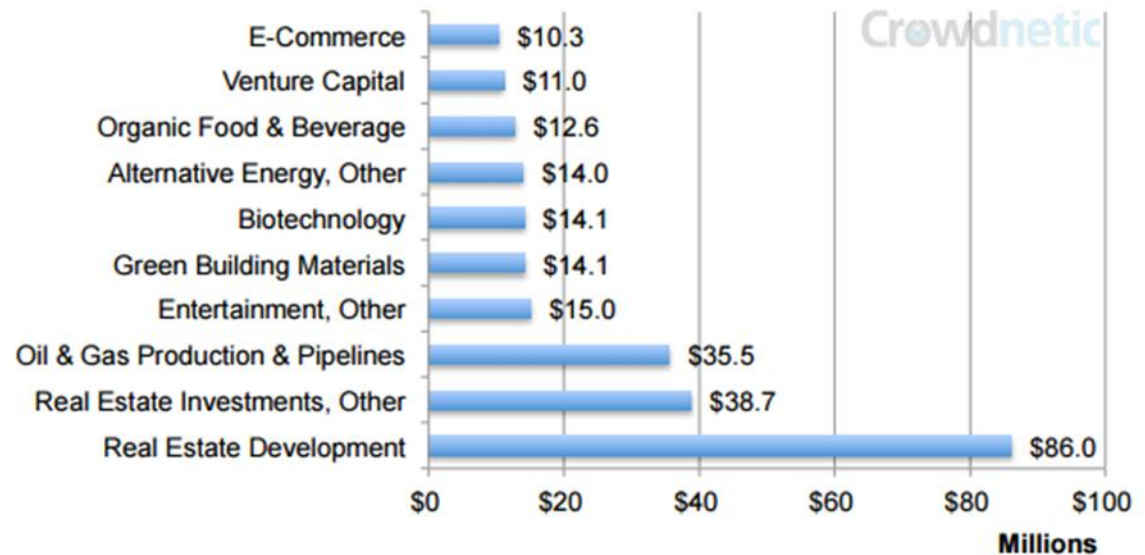
Design Principle	Motivation	Example
Support resource exchange	Raise Funds (Creator) Gain Approval (Creator) Learn New Skills (Creator) Collect Rewards (Donor) Support Causes (Donor) Help Others (Donor)	Open forums to post and seek production needs
Support community before, during and after	Form Connections (Creator) Gain Approval (Creator) Learn New Skills (Creator) Expand Awareness (Creator) Be Part of a Community (Donor)	Platform to support creator and supporter meet-ups
Provide transparency	Maintain Control (Creator)	Presentation of risks in an easy-to-understand and non-threatening format

Application of Crowdfunding

Table 2: Success Statistics for Top 10 Industries by Recorded Capital Commitments

	Number of Offerings	Recorded Capital Commitments	Number of Successful Offerings	Success Rate	Average/Successful Issuer
Real Estate Development	121	\$86,005,379	69	57.0%	\$1,246,455
Real Estate Investments, Other	89	\$38,710,617	36	40.4%	\$1,075,295
Oil & Gas Production & Pipelines	30	\$35,491,600	13	43.3%	\$2,730,123
Entertainment, Other	88	\$15,007,830	32	36.4%	\$468,995
Green Building Materials	10	\$14,125,000	5	50.0%	\$2,825,000
Biotechnology	42	\$1			
Alternative Energy, Other	31	\$1			
Organic Food & Beverage	12	\$1			
Venture Capital	16	\$1			
E-Commerce	232	\$1			

Chart 5: Top 10 Industries by Recorded Capital Commitments



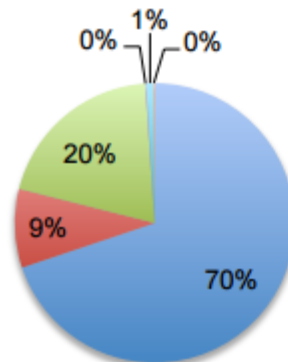
Application of Crowdfunding

Table 6: Summary of Offerings by Capital Structure

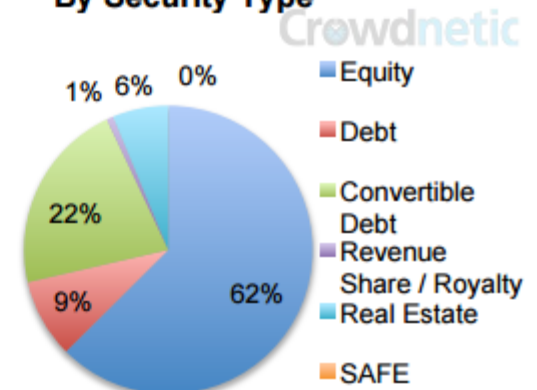
	Number of Offerings	Recorded Capital Commitments	Number of Successful	Success Rate	Average per Successful Offering
Equity	3,945	\$406,359,284	775	19.6%	\$524,335
Debt	514	\$57,491,505	150	29.2%	\$383,277
Convertible Debt	1,129	\$140,336,013	391	34.6%	\$358,916
Revenue Share / Royalty	6	\$4,889,500	5	83.3%	\$977,900
Real Estate	48	\$40,681,500	33	68.8%	\$1,232,773
SAFE	7	\$0	0	0.0%	\$0
Total	5,649	\$649,757,802	1,354	24.0%	\$479,880

Chart 11: Security-Type Breakdown

Percent of Total Number of Offerings By Security Type



Percent of Total Recorded Capital Commitments By Security Type

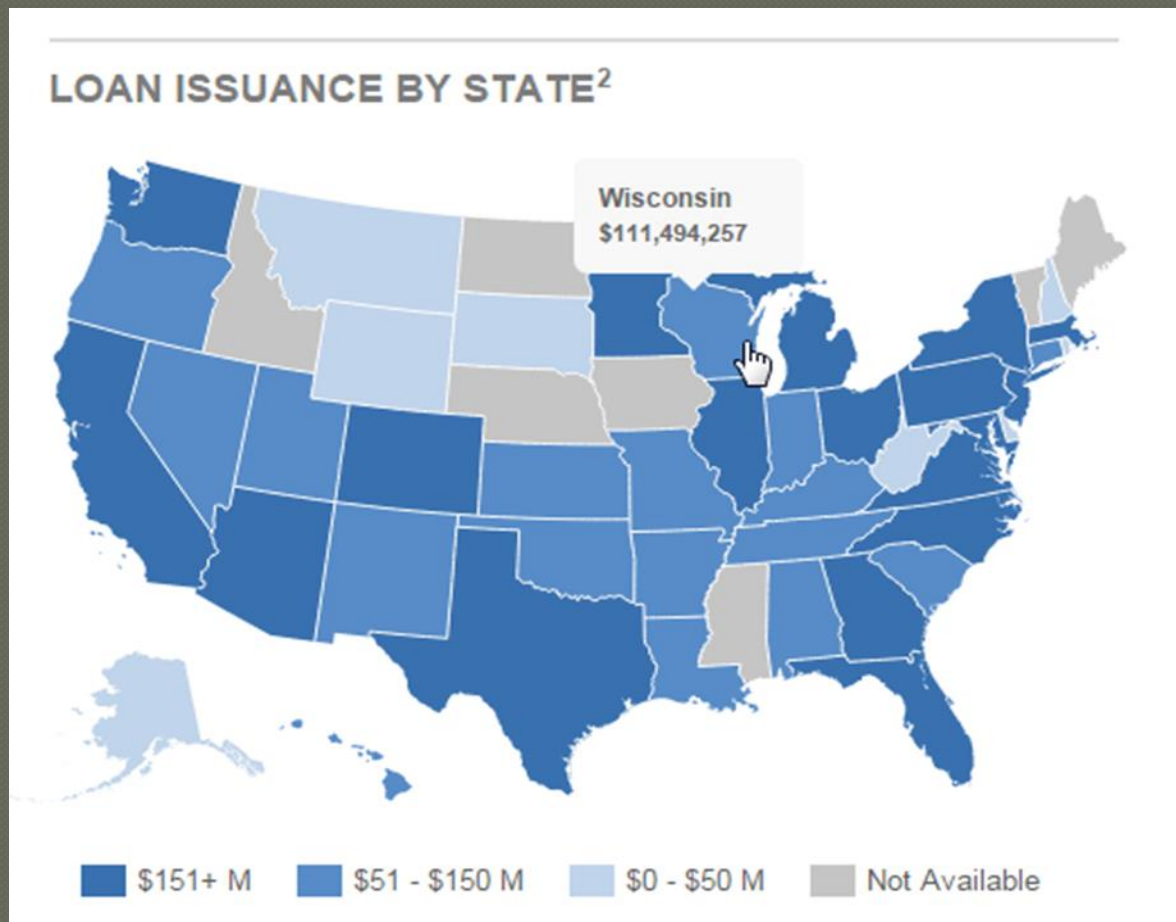


Crowdnetic

- Equity
- Debt
- Convertible Debt
- Revenue Share / Royalty
- Real Estate
- SAFE

Application of Crowdfunding

Equity vs. Debt (Lending Club)



Peer to Peer (P2P) Lending

Investor Account Performance

Investor Account Returns by Average Age of Portfolio

The chart below shows the [Adjusted Net Annualized Return](#) of all investor accounts on the Lending Club platform that have invested in at least 100 Notes and that have not purchased or sold Notes on the Folio Investing Note Trading Platform.** Use the controls to the right of the chart to customize which accounts are included and to visualize how different factors can influence returns.*

You can customize the weighted average age of the Notes in the portfolio by moving the red bar at the bottom of the chart. Remember that the numbers at the bottom of the chart reflect the weighted average age of the Notes in a portfolio, and not the age of the account.



Adjust returns for past-due Notes ?

Investor Population¹

Selected Investors¹

Minimum Number of Notes per Account

100 Notes ?

Portfolio Concentration

Maximum Note size is less than 2.5% of total portfolio value ?

Weighted Average Interest Rate

All ?

Application of Crowdfunding

EarlyShares

RAISE MONEY

VIEW OFFERINGS

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CURRENT OFFERINGS



REAL ESTATE

REVA Raleigh Colonnade, DST

REVA RALEIGH COLONNADE DST

RALEIGH, NC

Industry: Office

Equity investment in a beautiful Class A office building with strong national tenant

POSTING

EQUITY

Min. Investment: \$53,750

Cash on Cash 7.50% - 8.50%

Est. IRR: 9.86%-16.40%



REAL ESTATE

Carpathian Capital Fund II

CARPATHIAN CAPITAL MANAGEMENT

EDINA, MN

Industry: Residential

A multi-strategy residential real estate fund targeting Midwest markets

POSTING

EQUITY

Max. Offering: \$10,000,000

Min. Investment: \$25,000

Est. IRR: 15%+



INVESTMENT FUND

Inspire Investment Fund I, LLC

INSPIRE CAPITAL

PASADENA, CA

Industry: Residential

Mortgage pool fund providing investors with reliable returns through real estate.

POSTING

EQUITY



Min. Investment: \$25,000

Projected Returns: 10 - 13%



Preferred Return: 8%

Application of Crowdfunding

EarlyShares RAISE MONEY VIEW OFFERINGS LEARN MORE READ BLOG LOG IN SIGN UP

 **Carpathian Capital Fund II** 
Carpathian Capital Management Edina, MN


A multi-strategy residential real estate fund targeting well-performing markets in the Midwest.



	
Posting	Equity

Total Raise: \$10,000,000 Min. Investment: \$25,000

Property Type: Residential Est. Investor IRR: 15%+

INVEST SHARE WATCH




- Current portfolio returns in 2014: Bottineau on the River Project posted a 35% ROE and Ian Alliot Project posted a 39% ROE.
- 15%+ Expected ROE from current fund. Multi-asset and multi-strategy approach offers uncommon protection via diversification.
- Manager's track record will help to negotiate favorable terms with lenders and the Manager will personally guarantee a portion of the debt.

[Project Sponsor](#) [Property](#) [Investment Details](#) [Due Diligence](#) [Supporting Documents](#) [Q&A](#) [Updates](#) [MEET THE TEAM](#)

WHO WE ARE

Carpathian Capital Management (CCM) is an alternative asset manager in Minneapolis, MN with specific focus on residential real estate. CCM currently manages over \$20 million in single-family and multi-

PRINCIPALS

 **Ian Colville**
Managing Partner

Application of Crowdfunding

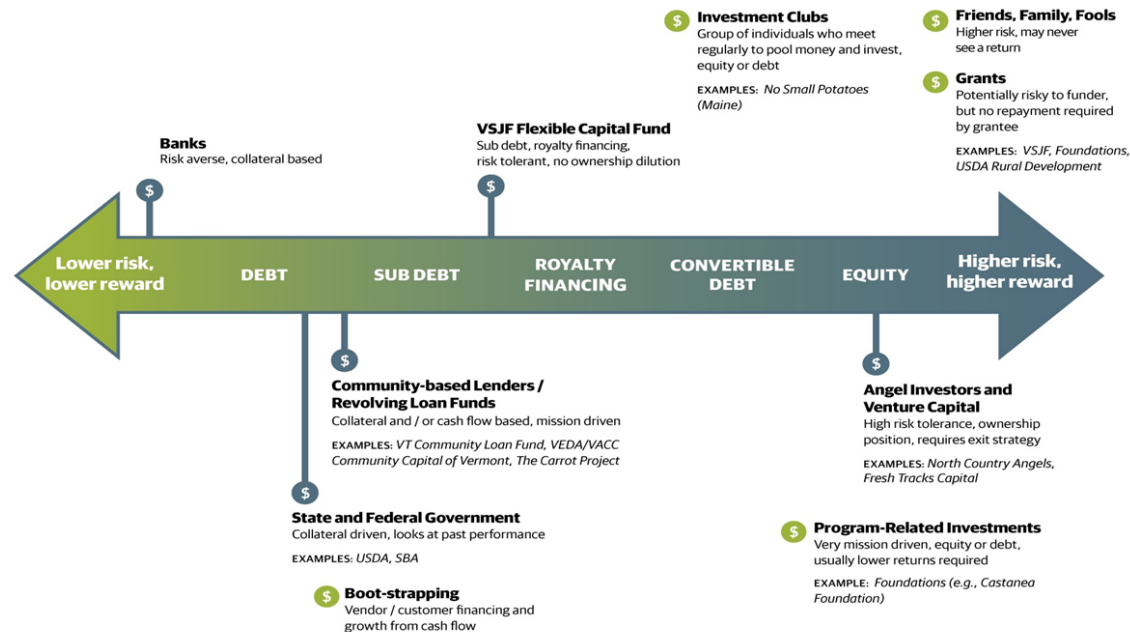
Equity vs. Debt



VSJF Flexible Capital Fund, L3C

Questions? Comments? Contact Janice St. Onge
janice@vsjf.org | (802) 828-0398 | www.vsjf.org

Capital Continuum



EXECUTIVE BRIEFING

The Ins and Outs of Crowdfunding in Wisconsin

QUESTIONS?