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If you would like to speak during the Q&A session, use this
call-in toll number (US/Canada): +1-408-600-3600

Access code: 664-149-735#
(Then enter your Attendee ID)



Get Funded Through Crowdfunding!

Tuesday, June 12, 2012

Get Crowdfunded!

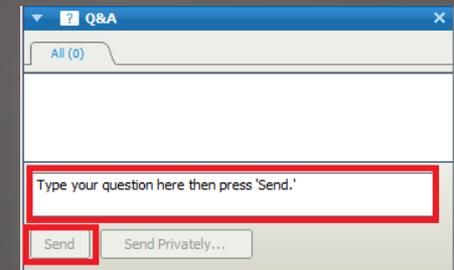


General information

- Attendees in listen-only mode



- Type questions into Q&A box



- We are recording



- This is a live event



Presenters

- Maurice Lopes

- Founder & CEO
- Former Founder & CEO of Hotbrick Network Solutions
- Management positions with Motorola, MCI-Worldcom, GICC, & Bellsouth



- Ruth Hedges

- Founder and CEO
- 30 years in executive management



Presenters

- Paul Winkle

- 28 years experience in financial services and consulting
- Participated in dozens of IPOs as a series 4, 7, 24, and 63.
- Previously managed five series 7 offices



- Karl F. Buhl

- Fortune 50 executive management
- Advertising executive
 - General Mills, Pillsbury, Wrigley, McDonalds
- Former Microsoft Exec
 - Business development, int'l mktg., gov't affairs



Topics

1. Crowdfunding for Issuers—Paul Winkle
2. JOBS Act Title III Regulatory update—Paul Winkel
3. Eligibility and reporting requirements—Ruth Hedges
4. How to position your company to receive Crowdfunding capital—Maurice Lopes
5. How to value your company and set an appropriate share price—Karl Buhl
6. Q&A

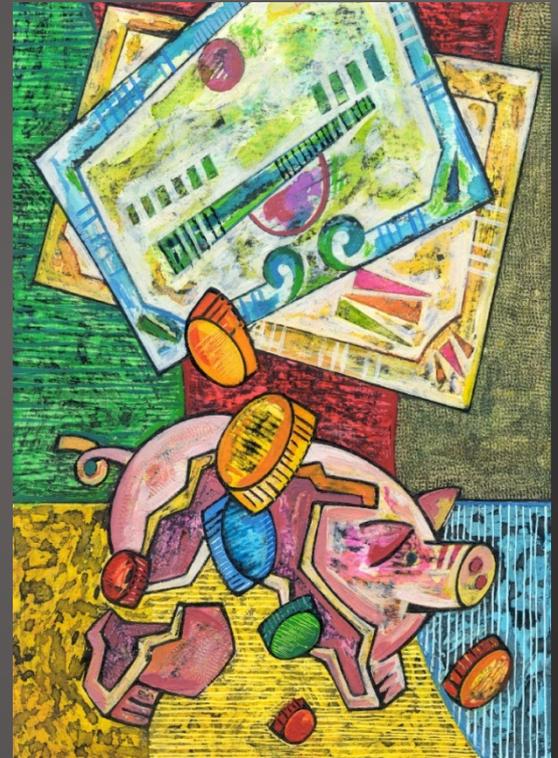


Paul Winkle



Crowdfunding Act – Issuer Overview

- What is an “Issuer”?
 - A legal domestic corporation offering securities for sale to investors for the purpose of financing its operations
- In order for a company to offer equity securities to investors, it must be incorporated



Crowdfunding Act – Issuer Overview

- Equity Crowdfunding is the process of raising small investments from a large number of individual investors in return for company stock
- Types of Crowdfunding
 1. Donation based
 2. Reward based
 3. Revenue model
 4. Pre-Purchase model
 5. Equity/Debt based



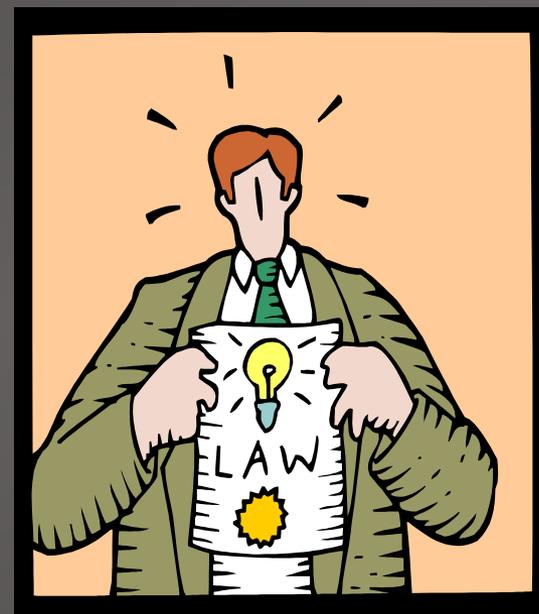
Crowdfunding Act – Issuer Overview

- Issuer securities exemption applies if:
 - Aggregate funding limits are followed
 - Individual investor limitations are met
 - Transactions are conducted through a broker dealer or registered funding portal
 - Issuer complies with section 4A(b) – “Requirements for Issuers”



Crowdfunding Act – Issuer Overview

- Crowdfunding Facts:
 - Signed into Law April 5th
 - Not yet active under the federal securities laws
 - SEC must adopt rules to implement crowdfunding exemption
 - SEC has latitude to prescribe additional rules and requirements



Crowdfunding – Regulatory Update

- SEC Update - Advisory Committee Meeting on Small and Emerging Companies – June 8th, 2012
 - Title III - Crowdfunding Issuer Update
 - Capital access alternative
 - Funding hierarchy
 - SEC rulemaking

MARK YOUR
CALENDAR!



CROWDFUNDINGROADMAP

Ruth Hedges





Maurice Lopes





THIS BILL CHANGES EVERYTHING.

1 GENERAL SOLICITATION

2 UN-ACCREDITED INVESTORS

TIME LINE

EARLYSHARES CONCEIVED

DEVELOPMENT BEGINS

05
MAY

ENTREPRENEUR ACCESS PASSES

407-17 BIPARTISAN VOTE

03
NOV

JOBS ACT PASSES

AMENDED WITH CROWDFUND ACT

22
MAR

SIGNED INTO LAW

OBAMA SIGNS THE CROWDFUND ACT INTO LAW

05
APR

SAME DAY, EARLYSHARES FEATURED ON STARTUPAMERICA.COM HOME PAGE

2011

2012

08
SEPT

OBAMA

THE PRESIDENT MENTIONS CROWDFUNDING IN JOBS SPEECH

JAN 1ST 2013 EQUITY CROWDFUNDING GOES LIVE

10
APR

PEBBLE PROJECT

PRODUCT BASED NON-EQUITY PLATFORM PROJECT RAISES \$10,000,000 TO DATE

27
MAR

CROWDFUND ACT PASSES

HOUSE PASSES THE CROWDFUND ACT

CROWDFUNDING ADVANTAGES

- 1 PROVIDES NEW BUSINESSES WITH **CRITICAL INFORMATION** PRIOR TO FUNDING.
- 2 CREATES A **COMMUNITY FOLLOWING** THAT A BANK LOAN DOESN'T OFFER.
- 3 FACILITATES **MARKETING EFFORTS** EVEN BEFORE A NEW COMPANY IS OPERATIONAL.
- 4 PROVIDES **ONLINE EXPOSURE** TO POTENTIAL CUSTOMERS.
- 5 PROVIDES YOUNG BUSINESSES WITH **INEXPENSIVE CAPITAL**.

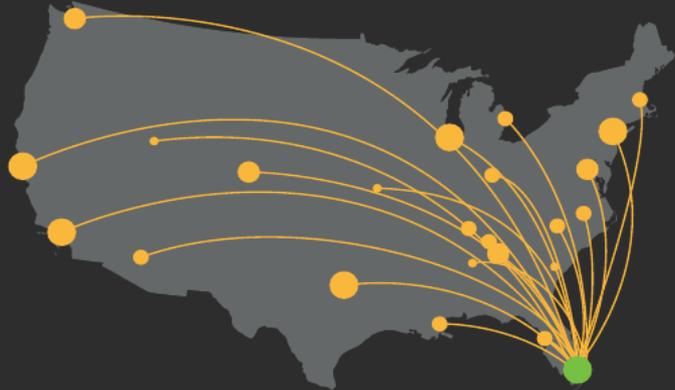
LAUNCHED IN 2011, **EARLYSHARES** IS THE EQUITY BASED CROWDFUNDING PLATFORM.

OUR GOAL:

CONTINUING TO BE THE LEADING PLATFORM ON THE MARKET.

OUR MISSION:

CONNECTING INVESTORS TO ENTREPRENEURS.



NATIONAL PLAYER



CAPS ACCREDITED PLATFORM



FOUNDING MEMBER OF THE NATIONAL CROWDFUNDING ASSOCIATION

ACCREDITED & INVOLVED

TEAM



MAURICE LOPES

Maurice is the founder and CEO of **EarlyShares**. He previously served as CEO and founder of Hotbrick Network Solutions, an international network security appliance manufacturer with offices across the globe. In addition, he has held a variety of management positions at Motorola, MCI-Worldcom, GICC and Bellsouth.



STEPHEN TEMES

Stephen is a Cofounder of **EarlyShares** as well as a highly successful trader with over 25 years experience in the equity and option markets. He brings his strong investment acumen to bear in scrutinizing small business applicants and investor feasibility. Among Mr. Temes's endeavors are Founder and Managing Director of both Lincoln Capital LLC, a hedge fund, and Lincoln Partners Group LLC, a venture capital fund.



RENEE CAPUTI

Renee is a cofounder of **EarlyShares**. With close to 25 years of financial services experience, she has worked with investors and entrepreneurs across the globe to create successful growth and estate planning strategies. Caputi holds a JD from the Buffalo School of Law, an LLM in International Taxation, an MBA from Queens University of Charlotte and a business finance degree from State University of New York College at Fredonia.

EARLYSHARES ADVANTAGES

WHY EARLYSHARES?

- ✓ **STRONG AND EXPERIENCED MANAGEMENT TEAM WITH AN EXTENDED NETWORK**
- ✓ **INVESTOR PROTECTION DRIVEN PLATFORM**
- ✓ **COMPLETE DUE DILIGENCE PROCESS**
- ✓ **TRANSPARENCY, COMMUNICATION & SECURITY**
- ✓ **STRATEGIC PARTNERS (CROWDCHECK & NAVOCATE)**
- ✓ **NATIONAL MARKETING ROLL-OUT AND STRONG ONLINE PRESENCE**
- ✓ **GOOD DEALFLOW AND SOURCING**
- ✓ **COMPLETE FINANCIAL SOLUTION & VC CO-INVESTMENT**
- ✓ **MOMENTUM BUILDING & LEADING PLATFORM**

SIGNING DAY OF THE JOBS ACT **EARLYSHARES** WAS FEATURED ON THE HOME PAGE OF **STARTUP AMERICA** - A NATIONAL MOVEMENT LAUNCHED BY **THE WHITE HOUSE**.

APPLY FOR FREE MEMBERSHIP

SIGN IN



GO



ABOUT

FOR STARTUPS

PARTNERS

EVENTS

MEDIA CENTER

STARTUP REGIONS



RESOURCES



COMMUNITY



LOCAL NETWORK



EXPERT ACCESS

JOIN NOW

APPLY FOR YOUR
FREE MEMBERSHIP

TODAY'S FEATURED
MEMBER, EARLY SHARES

PITCH TO WIN

WHAT'S NEW

EarlyShares

CrowdFunding for Business

How would you like to be a micro venture capitalist? Crowdfunding allows you to own a piece of the next big idea!

EarlyShares.com is a crowdfunding platform where you find promising crowdfunding opportunities (companies) offering ownership. You will be able to invest as little as \$100 just like a Venture Capitalist.

Support Small Businesses, Create Jobs, Help Rebuild the American Economy

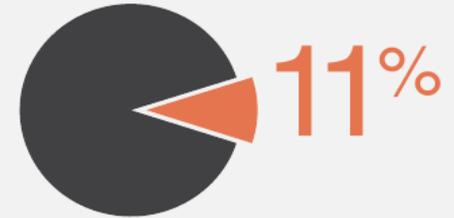
CROWDFUNDING

SITUATION

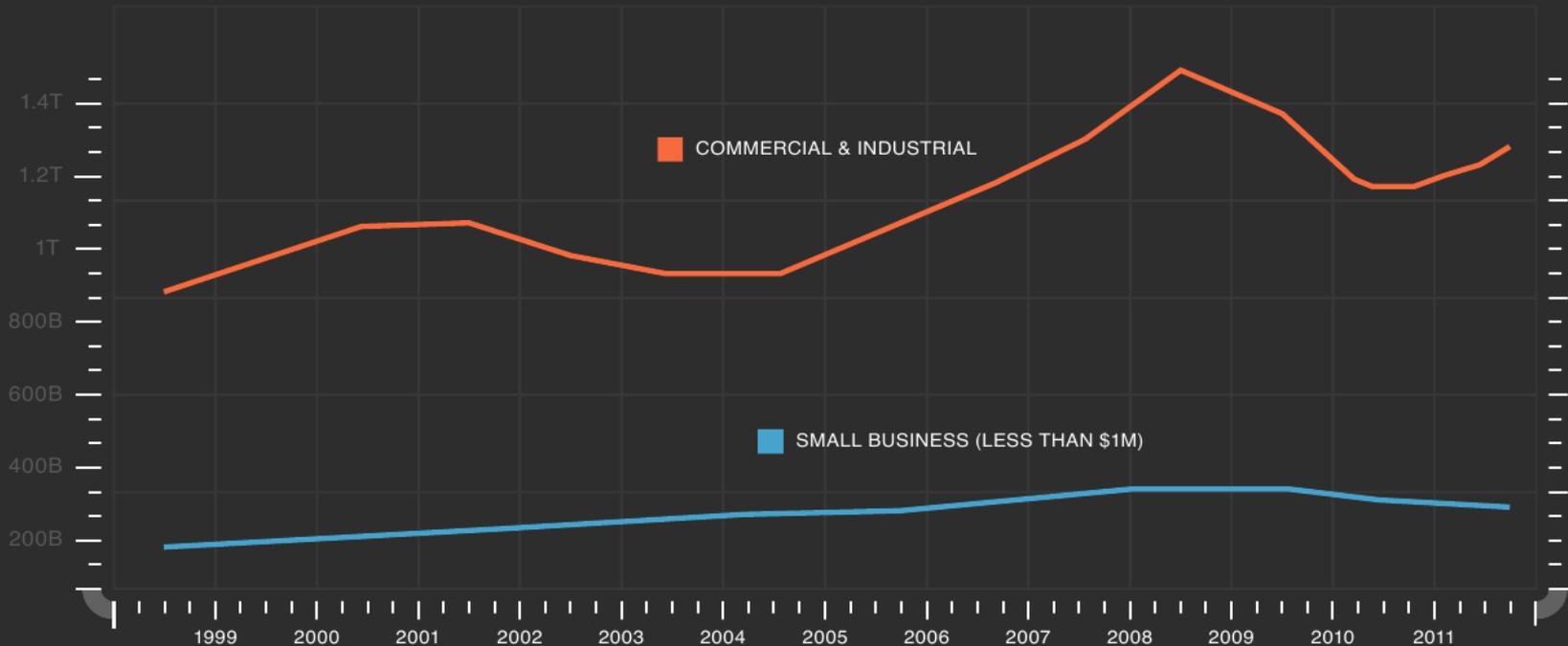
THE FUNDING GAP:

THE RECENT RECESSION HIT STARTUPS PARTICULARLY HARD. THE RECOVERY OF SMALL BUSINESSES HAS BEEN SLOW BECAUSE OF THEIR INABILITY TO ACCESS CAPITAL.

SMALL BUSINESS LOAN APPROVALS BY BIG BANKS DROPPED TO 10.9% IN MARCH 2012.



COMMERCIAL LOANS REBOUNDED AS SMALL BUSINESS LOANS DECLINE TO 12 YEAR ALL TIME LOW



OPPORTUNITY

HOW BIG IS THE MARKET?

THERE ARE OVER 27 MILLION SMALL BUSINESSES IN THE US.

CROWDFUNDING WORKS.

DONATION CROWDFUNDING IS GROWING EXPONENTIALLY,
EQUITY CROWDFUNDING THRIVES IN EUROPE!

\$13,200,000

FUNDED IN EQUITY CROWDFUNDING
IN EUROPE 2011

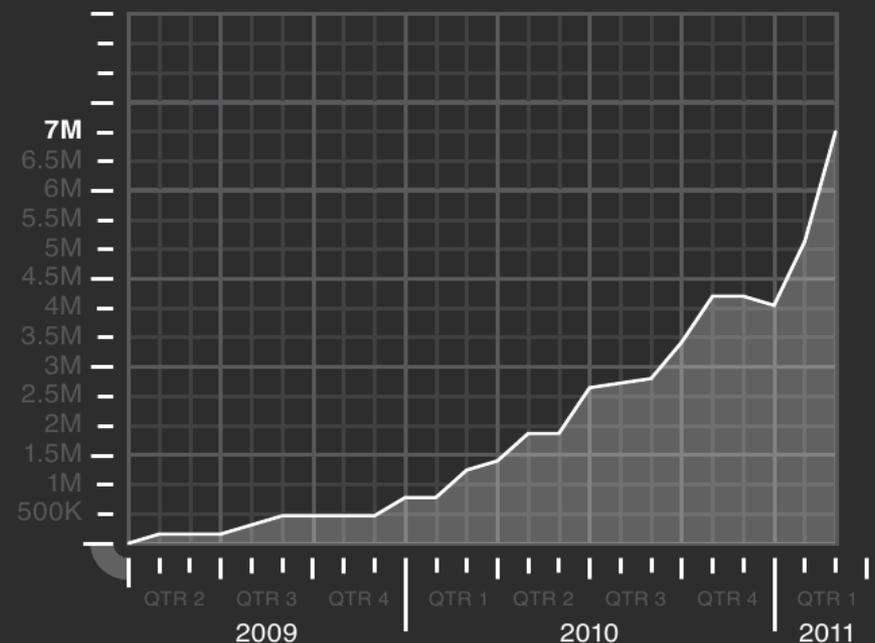
SOURCE: CrowdCube

\$30 TRILLION

AMERICA'S SAVINGS AVAILABLE TO BE
INVESTED IN SMALL BUSINESSES

SOURCE: Michael Shuman
Author of Local Dollars, Local Sense

DOLLARS PLEDGED BY MONTH
KICKSTARTER.COM NON-EQUITY BASED PLATFORM



SOLUTION



[Profile](#) [\(Edit Logout\)](#)

[Start a Pitch](#) [FAQ](#) [VC Club](#) [What is Crowdfunding ?](#)

XYZ SAMPLE

[Overview](#) [Docs & Images](#) [Financials](#) [Updates\(0\)](#) [Investors\(0\)](#) [Q/A](#)



Entrepreneur: **Gustavo Machado**
Investment target: \$150000
End date: Not Available
Equity offered: 35.00%
Category: **Internet Services Business**
Location: 74 se 3rd ct
dania beach,
dania beach,florida,33004
954-701-9224
Phone:
Website: <http://www.awsflorida.com>

[Invest Now](#)

SHARE THIS COMPANY WITH YOUR FRIENDS

[Like](#) Be the first of your friends to like this.



[Embed on your site](#)

About Gustavo Machado

Very self motivated all around I.T. technology specialist that can do anything from simple task as removing spyware to complex Algorithms programing on SOA and SQLdatabases. Quoted Genius many times just need a little push to get on my way to success.

Mission Statement



[+Follow this investment](#)

Investment target:

\$150000

Progress



\$0 invested

0% of target

0 investors

Need to ask a question?

[Click here to discuss this Business with the Entrepreneur and other EarlyShares](#)

THE PLATFORM

- ✓ SOCIAL MEDIA DRIVEN
- ✓ LAUNCHED! UP & RUNNING
- ✓ MODERN & CLEAN PRESENTATION
- ✓ USER FRIENDLY INTERACTION
- ✓ INVESTOR KNOWLEDGE BASE
- ✓ SEO FOCUSED (SEARCH ENGINE OPTIMIZATION)
- ✓ MOBILE APP  Available on the App Store

WWW.EARLYSHARES.COM

INVESTORS

WHO ARE OUR USERS?

INVESTORS FROM ALL OVER THE USA

THOUSANDS HAVE ALREADY PRE-REGISTERED

HOW DO WE ATTRACT INVESTORS TO EARLYSHARES?

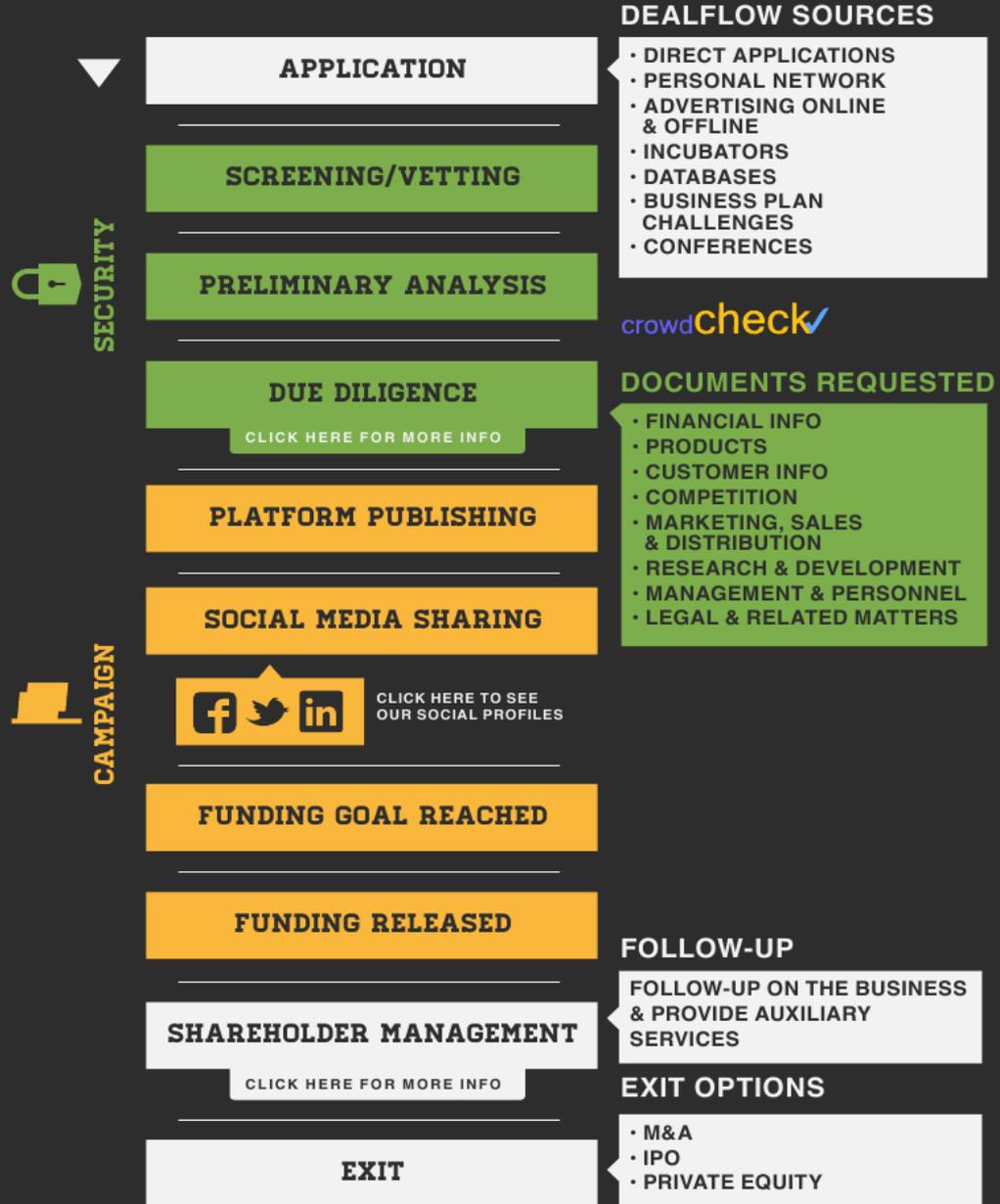
- ✓ **SOCIAL MEDIA**
- ✓ **PRESS, MEDIA & TV**
- ✓ **WORD OF MOUTH**
- ✓ **CONFERENCES**
- ✓ **PAID ADVERTISING**
- ✓ **SEO (SEARCH ENGINE OPTIMIZATION)**

“ IF AMERICANS SHIFTED 1% OF THE \$30 TRILLION THEY HOLD IN LONG-TERM INVESTMENTS, TO SMALL-BUSINESSES INSTEAD, IT WOULD AMOUNT TO MORE THAN TEN TIMES THE VENTURE CAPITAL INVESTED IN ALL OF 2011. ”

*- AMY CORTESE
AUTHOR OF LOCAVESTING.*

CROWDFUNDING PROCESS

THOUSANDS OF START-UPS ARE WAITING TO BE CROWDFUNDED. HUNDREDS HAVE ALREADY PRE-REGISTERED ON **EARLYSHARES**





Karl F. Buhl



M&A with Emerging Companies



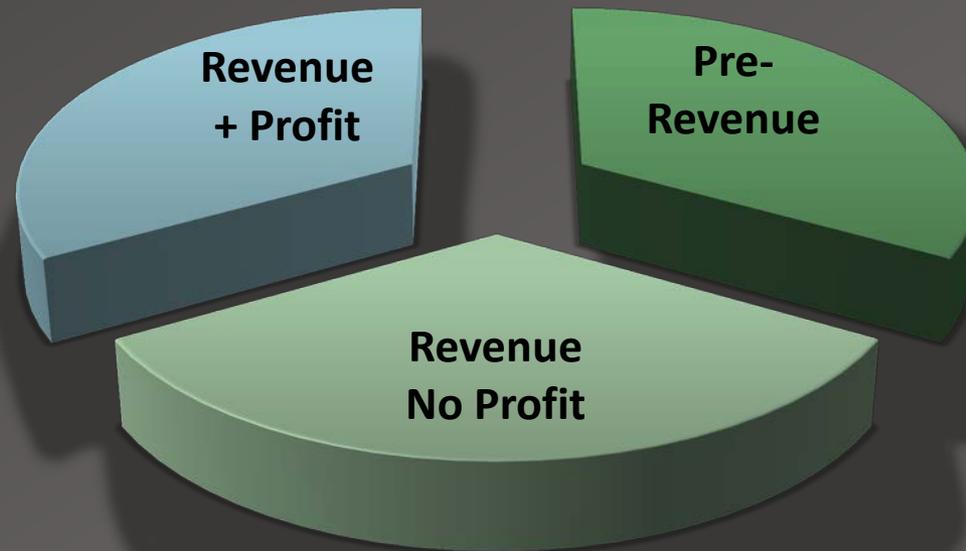
Company Size	Revenue	Structure / Mgmt.	Intermediaries
Large Corporations	\$100M +	Public Company Corporate Hierarchy	Wall Street Investment Banks
Middle Market	\$50M - \$150M	Public or Private Corporate Hierarchy	Boutique Investment Banks
Lower Middle Market	\$15M - \$50M	Private Developing Organization	Boutique Investment Banks
Emerging Companies	\$3M - \$30M	Private Entrepreneurial	
Main Street	< \$1M	Private Proprietor	Business Brokers

Navocate's Valuation Model



Navocate's Valuation Model

Three business stages



Three Levels Analyses

Sell-Side

- Database ~ 650 Industries
- Asset Value
- Multiples: Sensitivity analysis

Buy-Side

- Deal Structure
- Projections
- Multiple deal-based combinations

Soft-Side

- Management
- Financial Controls
- Market Opportunity
- Systems
- Risk Factors

Three Business Stages With Three Levels of Analysis

		3 Business Stages		
		Pre-Revenue	Revenue No Profit	Revenue With Profit
3 Levels of Analysis	Sell-Side	✓	✓	✓
	Buy-Side	✓	✓	✓
	Soft-Side	✓	✓	✓

Q&A



www.earlyshares.com



www.crowdfundingroadmap.com



www.navocate.com