

crowdability

YOUR GUIDE TO THE PRIVATE MARKETS

Thanks to a new set of laws known as The JOBS Act, the private markets will soon open their doors to all investors for the first time in 83 years. You must prepare yourself.

To help you do that, we've compiled this short resource guide that will get you up to speed on these new laws—and most importantly, show you where to look for new investment opportunities.

THE FUNDING PLATFORMS: YOUR SOURCE FOR PRIVATE DEALS

Welcome to a new form of early-stage investing...

It's called *Equity Crowdfunding*.

Equity crowdfunding is a way for you to invest small amounts of money into a start-up or private venture—whether it's a few hundred dollars or a few thousand—and receive an actual ownership stake in return.

If the start-ups or projects you invest in become successful, you'll own a share of the profits. *That's* why this concept is so exciting.

But you can't find these deals through your stockbroker—and you can't find them at Schwab, eTrade or your local bank, either.

You find them on "Funding Platforms."

FUNDING PLATFORMS

A "Funding Platform" is basically a match-making website for private deals:

These sites connect entrepreneurs who need capital, with investors like you.

In some ways, they're similar to a stock exchange:

When you want to buy shares in Google, you use your brokerage platform—and when you want to buy shares in a start-up or private deal, you go to the funding platforms.

Title III of The JOBS Act

Investment Limits:

The SEC recently voted to approve Title III of the JOBS Act. This means that, starting in May of 2016, all U.S. citizens, regardless of their net worth or income, will be able to invest in "start-up" deals.

Although these deals offer the potential for high returns, early-stage companies can be risky. Accordingly, the SEC has placed limits on how much you can invest in equity crowdfunding opportunities. Here are those limits in a nutshell:

If your annual income or net worth is less than \$100,000, you can invest the greater of:

- \$2,000 per year, or
- 5% of your annual income or net worth, whichever is less.

If your annual income and net worth are more than \$100,000, you can invest:

- 10% of your annual income or net worth, whichever is less.

And no matter what your income or net worth may be, during any 12-month period, the total amount of Title III securities you can invest in can't be greater than \$100,000.

The birth of these sites coincided with Congress passing the JOBS Act, back in 2012, and now they're under the watchful eye of two regulatory agencies:

The first is the SEC, which is responsible for enforcing federal securities laws. And the second is the Financial Industry Regulatory Authority, or FINRA, which is the largest independent securities regulator in the U.S.

Since the JOBS Act was passed, hundreds of these sites have popped up, and more are getting started every day. Each one is a little bit different than the others:

Some focus on technology start-ups, where you might find the next Google or Facebook...

Others focus on food and beverage products, where you might discover the next Ben & Jerry's, or the next Snapple.

And still others focus on real estate, or bio-tech, or private loans.

These platforms help entrepreneurs put their investment opportunity in front of thousands of investors like you—then you can decide which ones to invest in.

Let's look at how the platforms determine which opportunities get accepted, and how they ensure that investors like you don't put money into phony deals.

THE SCREENING PROCESS

To kick-off their screening process, the platforms do some basic vetting.

For example, if they're evaluating a start-up opportunity, they'll confirm the identity of the executives, make sure they're not criminals, and make sure the company has been incorporated correctly.

So at a very basic level, if you see a company listed on a credible funding platform, you know it's legitimate.

Then, the platforms will ask the entrepreneur to upload some documents—for example, a summary of how the business operates, or financial projections.

Basically, the platforms aim to build a robust "profile page" for each opportunity, so investors like you can either make an investment decision, or be informed enough to ask some good

questions.

The platforms you'll read about in this guide are free to join, have credible deals, and make it easy for you to invest relatively small amounts of money online. So despite the fact that you'll need to go through a registration process on each platform you're interested in, we believe it's worth the effort!

HOW THE PLATFORMS MAKE MONEY

If you're going to be investing on these platforms, you should understand the various business models they use—in other words, how they make money.

The first way they make money is to charge the issuer a fee (say, \$500 per month) to appear on its platform and gain access to investors like you.

The second way a platform can make money is to register with the SEC as a broker-dealer; then it can charge the start-up a "success" fee on all the funds it helps raise. For example, if a platform helps a start-up raise \$500,000, perhaps it might take a 5% success fee, or \$25,000.

But there's also *another* way a platform can get compensated—and it's more interesting than the first two methods because it aligns your interests with the platform's interests.

It's something called "carry," which the platforms borrowed from the age-old venture capital model.

"Carry" lets the platform earn a percentage of the deal's long-term profits. Meaning, the platform only makes money if it picks profitable investments.

The typical percentage is about 20%.

Let's look at a quick example with some easy math:

Let's say you make a \$10,000 investment Company X.

A few years go by, the company does well, and Google decides to buy it for a lot of money—so much money, in fact, that your \$10,000 investment has turned into \$110,000.

If the platform is entitled to a 20% carry, that means it's entitled to 20% of the profits. Here's how the math works:

First you get your \$10,000 back, then there's \$100,000 left over in profits. Those profits will be divided 80% to you, and 20% to the platform.

So you get an additional \$80,000, and the *platform* earns \$20,000.

Are you giving up a little bit of your profits to the platform? Sure, but only when it makes you money.

Try getting that deal with your *stockbroker*. You pay your broker a commission when you *buy* shares, and another commission when you *sell* shares. He gets paid coming and going—regardless of whether he's making you a profit.

In our view, the best platforms add an enormous amount of value:

More than 60,000 new companies get started in the U.S. each year—that would be a *lot* of business plans to read through.

Remember: the platforms sort through all the applicants, put the management team through a background check to toss out the frauds, and then help promote the start-ups with the most potential...

After that, they help you with the paperwork and funds transfers—plus, you can always get someone on the phone.

To us, that's a lot of value.

So let's go ahead now and look at some of the most prominent platforms.

Keep in mind, many of these platforms were set up in 2013 to handle "Title II deals"—the type of deals that were only for so-called "Accredited" investors (those with a net worth of at least \$1 million, or income of at least \$200,000.)

But in May 2016, when Title III goes into effect, many of these platform will feature Title III deals, too—so you should start getting to know them now!

EQUITY CROWDFUNDING PLATFORMS

First let's look at the platforms that feature investments in tech start-ups. This is where you'll find the next Microsoft, Facebook or Google.

Platform: AngelList

Website: <https://angel.co/>

Focus: AngelList got its start back in 2010, before equity crowdfunding was even born. It launched as an informal “online introduction board” that connected tech start-ups with angel investors. Nowadays, it tends to feature tech-focused deals that are based in Silicon Valley.

What Makes it Unique: Since its launch, AngelList has continually pushed the innovation envelope. One of its recent products is called “Syndicates,” which allows investors like you to join the deals of prominent investors—investors who’ve already done significant research on a particular start-up.

Backers: AngelList is backed by some of the most prominent venture firms on the planet—from Kleiner Perkins to Google Ventures. More recently, it received \$400 million from CSC Venture Capital, the U.S. arm of a huge Chinese private equity fund, to invest in its start-ups. This represents the single largest pool of funds ever devoted to early-stage start-ups.

Prominent Deals: One of the first deals that AngelList posted in 2010 was for a tiny transportation company called Uber. If you’d made a \$10,000 investment in Uber back in 2010, today you’d be sitting on an estimated \$60 million.

How It Makes Money: AngelList makes money in two ways: 1) It earns a small piece of the “carry” on its Syndicates deals; and 2) it acts as a job placement board for job seekers looking to work at tech start-ups.

Platform: OurCrowd

Website: <https://www.ourcrowd.com/>

Focus: OurCrowd got its start by focusing on high-quality Israeli tech deals. It’s now expanding internationally—in fact, one of its recent deals was for a new type of car rental company in India.

What Makes it Unique: OurCrowd is a mix between a venture firm and a funding platform. As a venture firm, it raised a pool of capital from limited partners to allocate to start-ups. As a funding platform, it allows investors like you to co-invest when it identifies an attractive opportunity. It also tends to take board seats in its portfolio companies, which means it stays involved and continues to push for its companies’ success.

Backers: OurCrowd recently raised a \$25 million round of financing. Its backers include prominent private equity professional Andy Heyer, CEO of Mistral Equity Partners, and Geoff

Levy, former CEO and Chairman, Investec Bank Australia.

Prominent Deals: OurCrowd had success early: one company it funded, ReWalk, IPO'd just 13 months after investors got involved. It's now become well-known for getting deal flow from top-tier venture capitalists—from Canaan Partners and Accel Partners (literally the #1 venture fund in the world) to Index Ventures.

How It Makes Money: OurCrowd makes money via management fees and carry, just like a venture fund.

Platform: Funders Club

Website: <http://www.fundersclub.com>

Focus: Funders Club tends to focus on consumer technology companies, as well as broad new trends such as “Internet of Things” and Drones.

What Makes it Unique: Funders Club came out of the prestigious Y Combinator accelerator program, and it's been able to use its pedigree to get access to other strong technology start-ups. It also tends to feature “funds” of start-ups—where, for example, an investor can get access to 10 to 15 Y Combinator start-ups by writing a single check.

Backers: Funders Club is backed by A-list venture capitalists such as First Round Capital and Chris Dixon.

Prominent Deals: One of its portfolio companies, TalentBin, was acquired by Monster Worldwide. Its other prominent companies include InstaCart, which is currently valued at more than \$1 billion.

How It Makes Money: Funders Club makes money via management fees and carry, just like a venture fund.

Platform: SeedInvest

Website: <https://www.seedinvest.com/>

Focus: SeedInvest tends to focus on early-stage software and hardware companies, as well as bitcoin-related companies.

What Makes it Unique: SeedInvest's founder, Ryan Feit, was an early advocate for the JOBS Act,

and his platform was one of the first to offer Title II deals for accredited investors.

Backers: SeedInvest is backed by prominent VCs like Great Oaks Venture Capital, as well as east coast angel groups.

Prominent Deals: In addition to featuring attractive deals like CapLinked, which has gone to raise additional capital at far higher valuations, SeedInvest recently launched a campaign for the NY Wheel project, the world's largest observation wheel.

How It Makes Money: SeedInvest is a registered broker-dealer: it makes money via placement agent fees.

Platform: CircleUp

Website: <http://www.circleup.com>

Focus: CircleUp focuses on consumer packaged goods such as food and beverage products. Its companies tend to have traction already—generally they've already achieved at least \$1 million in annual sales, and they have distribution through national stores such as Whole Foods.

What Makes it Unique: Its laser focus on consumer packaged goods has brought welcomed attention from some 800-pound gorillas in the space. As one example, CircleUp has struck a deal with General Mills, whereby General Mills will invest in CircleUp's start-ups, and take an active role in their development.

Backers: CircleUp is backed by some of the most prestigious VCs in the business, including Union Square Ventures, Maveron, and Canaan Partners.

Prominent Deals: CircleUp's deals include ice-cream maker Phin & Phebes, Riazul Tequila, and fast-growing water filter company, Soma.

How It Makes Money: CircleUp is a registered broker-dealer: it makes money via placement agent fees.

Platform: OneVest

Website: <http://www.onevest.com>

Focus: OneVest focuses on consumer technology companies such as on-demand services and peer-to-peer fashion rentals.

What Makes it Unique: To foster an entrepreneurial community and attract strong new deals, OneVest acquired a company called Co-Founders Lab which helps entrepreneurs find appropriate teammates. In addition, Shark Tank's Barbara Corcoran is an advisor to the company.

Backers: OneVest is backed by a range of venture funds and angel investors.

Prominent Deals: OneVest's deals include Trustify, a service for private investigators on demand, and VetPronto, on-demand house calls for pets.

How It Makes Money: Historically, OneVest has taken listing fees from the companies it features on its platform. Recently, however, it launched a new service that charges investors a fixed fee to access pre-vetted deals; once this fee is paid, there are no further costs for investors.

Platform: WeFunder

Website: <http://www.wefunder.com>

Focus: WeFunder focuses on high-growth consumer technology companies such as on-demand services and online marketplaces.

What Makes it Unique: WeFunder only lists start-ups that have already raised capital from professional investors, or that have graduated from intense, high-quality incubators like Y Combinator or Techstars.

Backers: WeFunder is backed by prominent venture funds such as Green Visor Capital, as well as successful angels such as Yuri Milner.

Prominent Deals: One of WeFunder's most prominent deals is Zenefits. In April '13, WeFunder helped Zenefits raise money at a \$9 million valuation. In May '15, Zenefits raised \$500 million from Fidelity and other institutions at a valuation of \$4.5 billion. Not taking dilution into account, the new funding round gives early investors a paper gain of about 500 times their money.

How It Makes Money: WeFunder's compensation comes from carry; specifically, it takes 10% of the profits, which is about half the rate that most VCs take. It also takes a small administrative fee to cover costs.

Platform: Crowdfunder

Website: <http://www.crowdfunder.com>

Focus: Crowdfunder focuses on high-growth technology companies such as blockchain services, marketplace lenders, and drones.

What Makes it Unique: Since 2011, Crowdfunder and its advisors have engaged with Congress, the SEC and the White House on crowdfunding legislation. Members of its team are co-founders and members of the crowdfunding Industry and Trade associations, CFIRA & CFPA.

Backers: Crowdfunder is backed by high-quality venture capitalists such as Tim Draper and Dave McClure.

Prominent Deals: NBA star Yao Ming used Crowdfunder to help raise money for his wine company. A bio-tech company called Rani Therapeutics used it to help raise \$50 million; other investors in Rani included Google Ventures and Novartis.

How It Makes Money: Crowdfunder charges start-ups a one-time listing fee to set up a profile and get access to its investors.

Platform: MicroVentures

Website: <http://www.microventures.com>

Focus: MicroVentures focuses on high-growth technology companies that tend to be at a later-stage of their life.

What Makes it Unique: In addition to connecting investors like you to start-ups seeking growth capital, MicroVentures often features “secondary” offerings—where you can purchase shares in later-stage companies from early employees.

Backers: MicroVentures is backed by various venture capital funds and angels.

Prominent Deals: MicroVentures has offered shares in many companies that went on to IPO—from Box to Facebook. It also continues to offer shares in many pre-IPO companies including Pinterest, Spotify and Palantir.

How It Makes Money: MicroVentures is a registered broker-dealer: it makes money via placement agent fees.

Platform: Quire

Website: <http://www.quire.com/>

Focus: Quire tends to focus on early-stage consumer product and technology companies.

What Makes it Unique: When you invest on Quire, you're investing alongside top venture firms that vet the start-ups, set the investment terms, and work closely with the founders to help them succeed. And once you've invested in one of its companies, you can help the start-up yourself by testing its products and giving it feedback.

Backers: Quire is backed by some of the most prominent early-stage funds in the business, including Betaworks, SV Angel, and Lerer Hippeau Ventures.

Prominent Deals: Quire's deals include Giphy, a search engine for animated GIFs that's backed by Lightspeed Venture Partners, and Quibb, a professional network for sharing industry news and analysis that's backed by Bloomberg's venture arm.

How It Makes Money: Quire makes money by charging service fees to its start-ups, and via carry.

REAL ESTATE CROWDFUNDING PLATFORMS

Now let's look at the crowdfunding platforms that feature Real Estate.

These platforms are where you'll find investments in everything from a 2-family fixer-upper in San Francisco, to a strip mall in Ohio, to The World Trade Center in New York City.

From a financial standpoint, these private opportunities can be more appealing than REITs, and more attractive than investing in real estate directly.

Minimum investments are relatively low—sometimes as low as \$5,000—and yields can range anywhere from 10% to 15%.

These easy-to-understand benefits might help explain why private real estate investing has quickly turned into a massive industry: in 2014, ordinary investors just like you put about \$1 billion into these high-yielding investments—in 2015, that number is set to reach \$2.5 billion.

Here's a look at five of the top platforms.

Platform: Fundrise

Website: <http://www.fundrise.com>

Focus: Fundrise focuses on high-quality residential and commercial real estate.

What Makes it Unique: Fundrise “pre-funds” deals, meaning it puts up 100% of the capital for a real estate project *before* offering the investment to folks like you. If the deal doesn’t get sold, Fundrise will end up owning the real estate itself. Since it has skin in the game, it’s likely to do significant due diligence. In fact, it even uses a drone to do a “flyover” of each property before investing. Perhaps these unique qualities help explain why its last two investments sold out quickly—one in 49 minutes and the other in just over two hours.

Backers: Fundrise is backed by prominent venture capitalists such as Guggenheim Ventures, as well as senior real estate executives like James Rattner.

Prominent Deals: One of its most interesting deals to date is 3 World Trade Center. This property will be the third-tallest building on the World Trade Center site, and will feature 2.5 million square feet of Class A office space.

How It Makes Money: To service and manage its investments, Fundrise charges investors 0.3% to 0.5% of invested capital annually. In addition, it charges real estate companies a one-time 1% to 2% origination fee, as well as a \$5,000 due diligence and closing cost.

Platform: Patch of Land

Website: <http://www.PatchofLand.com>

Focus: Patch of Land focuses on high-yield, short-term, asset-collateralized investments in single-family and multi-family residential real estate.

What Makes it Unique: Patch of Land has done well with “fix and flips.” And like Fundrise, it “pre-funds” deals, meaning it has skin in the game. Since inception, it’s funded more than \$65 million in loans, and has returned more than \$13 million to investors. Its average blended rate of return is 11.84%.

Backers: Patch of Land is backed by venture capitalists, and by prominent marketplace-based lending executives like Ron Suber, President of Prosper.

Prominent Deals: Offerings include a Brooklyn Condo Conversion, a San Francisco “fix and flip,” and a residential acquisition in Echo Park, Los Angeles.

How It Makes Money: Patch of Land charges investors a management fee of between 0-2% on interest distributions.

Platform: Realty Mogul

Website: <http://www.RealtyMogul.com>

Focus: RealtyMogul offers Commercial Equity project of \$1 million to \$5 million; Commercial Loans ranging from \$1 million to \$50 million; and Residential Loans of \$100,000 to \$1.5 million.

What Makes it Unique: Realty Mogul was an early leader in the real estate crowdfunding space, and it's attracted press from outlets including *Forbes* and *The Wall Street Journal*. It's now financed more than 265 properties with a total value of over \$600 million.

Backers: RealtyMogul is backed by venture capitalists in the financial technology space including Canaan Partners.

Prominent Deals: Its offerings include a student-housing complex in North Carolina, a medical office building in Hollywood, Florida, and a commercial plaza in Bakersfield, California.

How It Makes Money: RealtyMogul earns fees in a variety of ways, including Acquisition Fees (2.0% of purchase price), Asset Management Fees (0.25% on market value) and Technology Fees (2.0% on equity raised). Its deal are generally sold on a "best efforts" basis, which means that it makes money whenever it helps sell a deal, but it's not on the hook for any unsold shares.

Platform: Real Crowd

Website: <http://www.RealCrowd.com>

Focus: RealCrowd aims to maximize investor returns through institutional-quality real estate investments in multi-family homes, as well as retail, office, and industrial opportunities.

What Makes it Unique: Every year, professionals from firms like IBM, KPMG, and Morgan Stanley identify the fifty most promising "financial technology" companies, then create a list called the "OnFinance 50 Companies to Watch." RealCrowd made the list—perhaps because 100% of your investment dollars go towards the real estate investment; RealCrowd charges no fees to investors.

Backers: RealCrowd is backed by prestigious tech incubator, Y Combinator, as well as venture funds like Data Collective.

Prominent Deals: Its offerings include a shopping center in Tucson, AZ, and an apartment complex in Colorado Spring, Colorado.

How It Makes Money: RealCrowd is free for investors. Instead, it charges a "technology access

fee” to the deal’s operating partner.

Platform: Prodigy Network

Website: <http://www.ProdigyNetwork.com>

Focus: Prodigy Network aims to give investors access to prime real estate assets in Manhattan—the kind of properties that, traditionally, have only been available to institutions and ultra-high net worth individuals.

What Makes it Unique: Prodigy Network is one of the largest real estate platforms in the world. It’s raised \$300 million in equity from the crowd for projects worth over \$850 million. It’s particularly unique in that it actually *develops* all the projects it raises money for.

Backers: Prodigy has not disclosed its funding history.

Prominent Deals: One of its first prominent activities was to help market the Trump SoHo hotel condo. More recent offerings include high-end residential apartments near the United Nations, and in Manhattan’s Financial District.

How It Makes Money: Prodigy charges a range of fees—from Development Fees (3%), Asset Management Fees (2%), and Financing Fees (1%).

MARKETPLACE LENDING PLATFORMS

Unlike the type of crowdfunding we usually write about—equity crowdfunding, where you invest in private companies and receive a stake of the business in return—some platforms focus on crowdfunded “lending.”

Peer-to-Peer crowdfunded lending (or “P2P Lending” for short) is an online trend where individuals—regular people like us—pool our capital and lend it to others.

Our capital is used to do things like help people consolidate their personal or student loans, or to help small businesses expand.

There’s no traditional bank involved. Instead, various web-based businesses match lenders with borrowers, and provide independent credit checks.

By cutting out the middleman, borrowers pay less, and lenders get higher yields.

Here are a few of the websites that offer crowdfunded income opportunities.

Platform: Lending Club

Website: <http://www.LendingClub.com>

Overview: Lending Club is the world's largest online marketplace connecting borrowers and investors. As of September 2015, it had funded more than \$13 billion in loans. It provides a number of personal loan solutions, including debt consolidation loans and loans to payoff credit cards.

For investors like you, it offers a way to earn market-beating yields. Loan minimums are just \$25, so you can diversify across hundreds, or even thousands of loans from what it calls "quality" borrowers. The average FICO score of its borrowers is 699.

Historically, Lending Club loans have returned 5.23% for A-rated loans, and 8.82% for C-rated loans.

At the end of 2014, Lending Club (NYSE: LC) went public. It was the second-biggest U.S. IPO of the year.

Platform: Prosper

Website: <http://www.Prospers.com>

Overview: Prosper was the United States' first P2P lending marketplace, and it's now funded more than \$5 billion in loans.

Like LendingClub, it connects borrowers and investors, and offers market-beating yields for investors like you. But its algorithm for rating borrowers is different from LendingClub's—so if you're thinking of dipping your toe into the P2P market and you want to be truly diversified, it's not a bad idea to invest on *both* platforms.

Prosper is backed by heavyweight investors like Sequoia Capital and BlackRock, and it's widely expected to IPO in the near future.

Platform: Funding Circle

Website: <http://www.FundingCircle.com/us>

Overview: After the 2008 crisis, it became increasingly difficult for small businesses to obtain

loans. Companies like FundingCircle stepped in to help fill the void.

FundingCircle offers business loans of up to \$500,000. It takes less than 10 minutes to apply, and businesses can get funded within 2 weeks. Since inception, FundingCircle has lent out more than \$1.5 billion.

For investors, FundingCircle offers attractive returns from secured term business loans. These loans are underwritten by seasoned underwriters.

Its investors include top-notch venture capitalists like Accel Partners and Union Square Ventures.

OTHER INTERESTING FUNDING PLATFORMS

Beyond investing in start-ups, real estate, and debt, a host of new funding platforms are offering investors like you shares in everything from modern art to food and beverage companies.

Here are a few of the platforms capturing the most attention.

Platform: Arthena

Website: <http://www.Arthena.com>

Overview: Investors in art are making fortunes. Earlier this year, for example, a Gauguin oil painting, "When Will You Marry?" sold for \$300 million. It was the highest price ever paid for a painting.

Thanks to hedge fund titans and wealthy citizens from China, Latin America, and the Middle East, billions of dollars are being injected into the global art market. This is leading to an unprecedented rise in prices—and unprecedented profits.

Historically, making money in this market has been the sole provenance of wealthy collectors or well-connected art dealers—but now a new crowdfunding platform called Arthena is inviting you to the party.

Arthena allows investors like you to pool together your capital, and invest it in investment-grade art that's been selected by experts.

Since Arthena makes money only when you make money (it earns 20% of any profits), your interests are aligned.

Platform: Poliwogg

Website: <http://www.Poliwogg.com>

Overview: One of the most profitable sectors on the globe is the \$2.5 trillion market for healthcare, bio-tech and life sciences.

And given major trends like Obamacare and a population of aging Baby Boomers, more growth is likely on the way

But investing in this sector is complex, especially when you're investing in early-stage companies. To succeed, you need someone looking out for you—someone who has an understanding of such areas as the latest medical research, the FDA approval process, and government healthcare policy.

Poliwogg is aiming to fill that role for you. It's a crowdfunding site specializing in early-stage healthcare and bio-tech.

Its CEO, Gregory Simon, has a wealth of knowledge in this sector covering everything from healthcare policy to Research & Development.

Simon's been a senior executive at Pfizer, the pharmaceutical company, as well as a healthcare entrepreneur. And as a member of Congress and the White House, Simon has experience overseeing healthcare initiatives at the National Institutes of Health, the National Cancer Institute, and the FDA.

Platform: Equity Zen

Website: <http://www.EquityZen.com>

Overview: When some people hear the words "Private Equity," they think of risky, unproven companies, and huge potential returns.

But Private Equity can also include *later-stage* companies—including companies that are on a path to go public in an IPO. These companies might have hundreds or even thousands of employees, and millions of dollars in revenue. They just haven't gone public yet.

Since these deals tend to offer lower-risk and relatively high returns, they're often in extremely high demand. Which is why, traditionally, only the largest institutional investors have been able to take part in these offerings.

But now a platform called Equity Zen is opening this world to *all* investors.

Equity Zen has already offered investors like you shares in some of the most promising pre-IPO companies in the world—from ZocDoc and Palantir to Cloudera.

Platform: Apple Pie Capital

Website: <http://www.applepiecapital.com>

Overview: Many risk-averse investors like to seek out the stability of big, recession-proof brands—brands like McDonald’s (NYSE: MCD) or Burger King (NYSE: BKW).

These stocks may help you sleep at night, but they don’t offer much yield: Dividends from Burger King are less than 1%, and “high-yielding” McDonald’s offers just 3.5%.

But what if you could invest in recession-proof brands like these at the same time you were earning yields of 8% to 12%?

A funding platform called Apple Pie Capital now lets you do exactly that by investing in **franchise opportunities**.

Basically, Apple Pie is a marketplace that connects investors like you with entrepreneurs seeking \$100,000 to \$1 million to open a franchise.

Platform: LexShares

Website: <http://www.lexshares.com>

Overview: Business litigation, where one company sues another for such things as breach of contract or intellectual property theft, is an expensive proposition:

Depositions, expert witnesses, court fees, and legal fees really add up.

But for the victor, the payouts can reach millions, or even billions, of dollars. So it’s no surprise that major financiers from Wall Street found a way to get involved and profit.

But now investors like you can get involved, too:

A new platform called LexShares offers “crowdfunded litigation finance.”

Basically, many individual investors each contribute a small amount of capital. The capital is pooled together to fund a specific litigation case.

If the case loses, you'll lose your money; but if it wins, you'll share in the proceeds—just like the big Wall Street firms. And since LexShares only makes money if you make money, your interests are aligned.

(Please Note: Crowdability has no financial relationship with any of these platforms. We're an independent provider of education, information and research on start-ups and alternative investments.)

Disclaimer:

This document is made available for general information purposes only.

This report does not constitute a specific investment recommendation or advice upon which you should rely based upon, or irrespective of, your personal circumstances. Use of this document is not a substitute for obtaining proper investment advice from an authorized investment professional.

Actual results may differ significantly from the results described.

Potential retail investors are urged to consult their own authorized investment professional before entering into any investment agreement. Past performance of securities is not necessarily a guide to future performance and the value of securities may fall as well as rise. In particular, investments in the technology sector can involve a high degree of risk and investors may not get back the full amount invested.

ABOUT CROWDABILITY

Crowdability provides individual investors with education, information and insight into opportunities in the crowdfunding market.

Our free website and email newsletter aggregate and organize deals from an ever-expanding universe of crowdfunding platforms. We aim to save people time and simplify the process of discovering and evaluating crowdfunding opportunities.

BENEFITS OF JOINING CROWDABILITY

- Never worry about missing an opportunity - we track them all for you
- Gain access to education and resources that remove the confusion and anxiety about early-stage investing
- Hear from professional venture and angel investors to help you better understand the mechanics of early-stage investing and how to identify the best opportunities
- Crowdability's goal is to become your primary resource for navigating the equity crowdfunding landscape.

Contact Us:
Crowdability, Inc.
229 West 28th Street
12th Floor
New York, NY 10001
www.crowdability.com
info@crowdability.com

Copyright © 2015 Crowdability, Inc. All rights reserved.