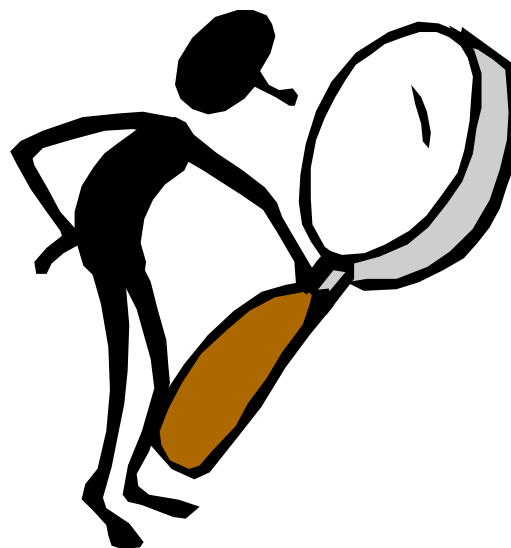


WHERE CAN I FIND VENTURE CAPITAL?

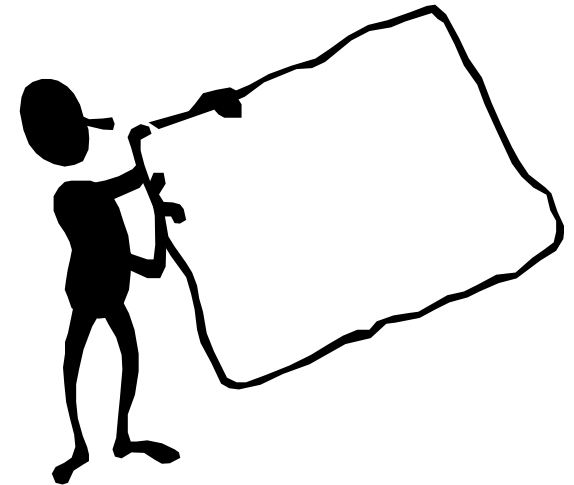


WHERE TO FIND VCs

- Venture capital and private equity conferences
- Attorney, Accountant or other service provider
- Professional fund raisers (not always the best path—most early stage VCs don't want to their investment going to pay a finder)
- Every VC has a website and many of these websites list and describe the VC's "sweet spot" and existing portfolio investments
- Databases, such as Capital IQ or Venture Source
- Do your homework—don't reach out to a biotech VC with an enterprise solution...

GETTING IN THE VC DOOR

- Best way to reach a VC is with a solid executive summary with financials (including projections)
- This is a first impression—make sure it reflects your company
- Should be no more than 2 pages
- Should have text as well as pictures

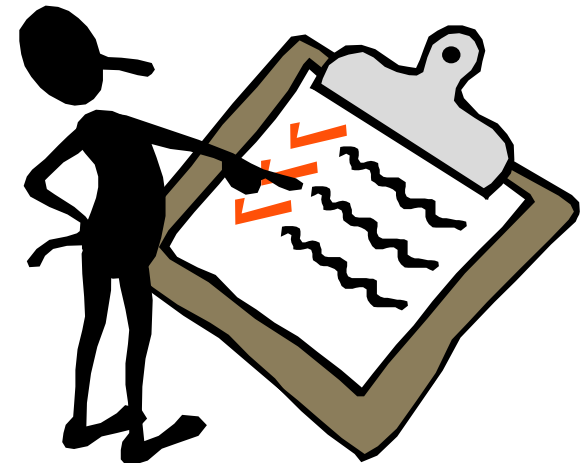


FIVE MUST-HAVES IN AN EXECUTIVE SUMMARY

- What/Who is the Company?
- What problem in the industry do you solve?
- What is your solution to that problem?
- What is the market for that solution?
- How will you access that market to make money?

EACH VC HAS ITS OWN “WISH LIST” FOR THE IDEAL INVESTMENT

- Revenue threshold or enterprise value
- Targeted investment amount
- Particular areas of investment expertise
- Particular stage of company
- Debt vs. Equity
- Do your homework...



SOURCES OF GROWTH CAPITAL

- Friends and Family
- Government Grants
- Angel Investors
- Venture Capitalists
- Strategic Investors
- Private Equity Funds
- Hedge Funds

ANGELS

vs.

VCs

- Not necessarily angelic.
 - More difficult to find outside of organized angel networks.
 - Typically minority investors with minimal rights: corporate law plus fiduciary obligations of the Board and controlling shareholders.
 - Most exposed to cram downs.
 - More open to convertible notes and Series Seed deals
- More standardized deal terms.
 - Pay more for their interests, however, their investment may be less risky in that it is often made at a time when the company has greater proof of model.
 - Commonly-accepted VC terms may be better than the terms granted to Angels.
 - Check out www.thefunded.com

More questions?

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