



# Crowdnetic

Transparency for the Global Crowdfinance Marketplace

## Crowdnetic's Quarterly PIPR ("Private Issuers Publicly Raising") Data Analysis

For the Period Ending September 30, 2014

**Title II Turns One**

# Crowdfinance2014



Redefining  
Wall Street

New York City  
**Oct. 16**

## About the Event

A surge of financial innovation, guided by shifting trends in communications, advancements in technology and a new regulatory landscape, has triggered sweeping changes across the entire financial services sector. Today's global equity and debt markets are being redefined through a growing movement known as crowdfinance where capital is derived by the pooling of monies from a large crowd of individual investors as opposed to big institutions and government entities.

As the flow of capital becomes increasingly more democratized through rising asset classes such as peer-to-peer and peer-to-business lending as well as equity-crowdfunding, a floodgate of opportunities is opening for investment bankers, financial advisors, fund managers, asset allocators, family offices, financial consultants and investors of all sizes.

Join us in NYC on October 16, 2014 for Wall Street's second annual Crowdfinance Conference where financial veterans and industry leaders will provide participants with the resources necessary to capitalize in a financial services industry undergoing rapid transformation.

Crowdfinance 2014 will feature a powerful lineup of keynote presentations, interactive panel discussions, game-changing exhibitors and exclusive networking.

For tickets or to learn about Sponsorship or Exhibitor Packages, please visit:

[www.crowdfinance2014.co](http://www.crowdfinance2014.co)

Sponsored by:



**SPARK MARKET**



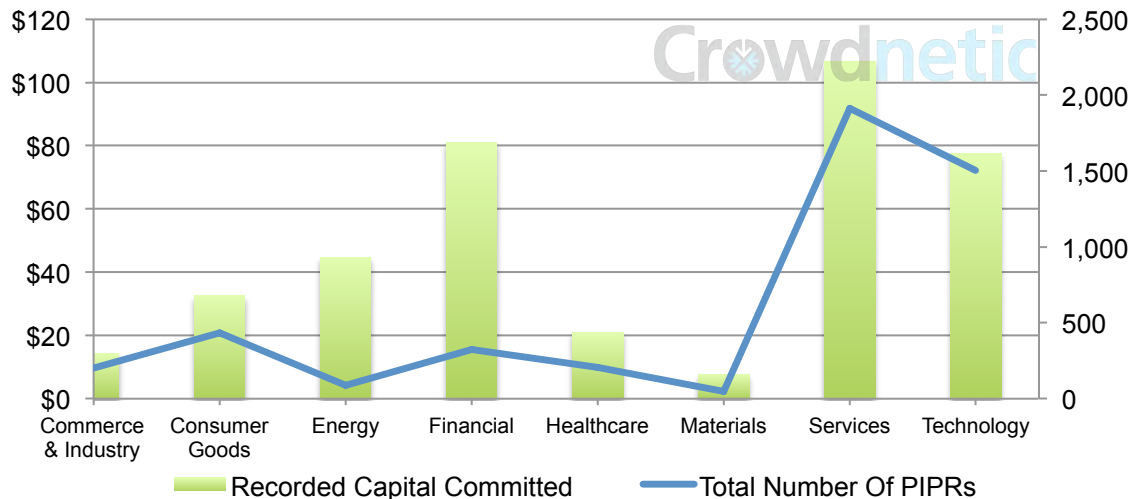
<b>I. SUMMARY</b>	<b>4</b>
<b>II. INDUSTRY SNAPSHOT</b>	<b>4</b>
CHART 1: SNAPSHOT OF TOTAL PIPR ACTIVITY	4
CHARTS 2 AND 3: PERCENT OF TOTAL BY NUMBER OF PIPRS & PERCENT OF TOTAL BY RECORDED CAPITAL COMMITMENTS	5
<b>III. SUCCESS RATES AND AVERAGES BY SECTOR</b>	<b>5</b>
TABLE 1: SUCCESS BY SECTOR	5
CHART 4: NUMBER OF SUCCESSFUL PIPRS AND PER-SUCCESSFUL-ISSUER AVERAGES	6
<b>IV. TOP 10 INDUSTRIES ACROSS ALL SECTORS</b>	<b>7</b>
TABLE 2: SUCCESS STATISTICS FOR TOP 10 INDUSTRIES BY RECORDED CAPITAL COMMITMENTS	7
CHART 5: TOP 10 INDUSTRIES BY RECORDED CAPITAL COMMITMENTS	8
CHART 6: TOP 10 INDUSTRIES BY NUMBER OF PIPRS	8
CHART 7: TOP 10 INDUSTRIES BY AVERAGE RECORDED CAPITAL COMMITMENTS PER SUCCESSFUL ISSUER	9
<b>V. DISTRIBUTION OF CAPITAL</b>	<b>9</b>
CHART 8: DISTRIBUTION OF CAPITAL BY SECTOR AND AMOUNT	9
TABLE 3: CAPITAL RANGES BY SECTOR	10
<b>VI. GEOGRAPHIC DISTRIBUTION</b>	<b>10</b>
CHART 9: NUMBER OF PIPRS BY SECTOR AND REGION	10
CHART 10: RECORDED CAPITAL COMMITMENTS BY SECTOR AND REGION	11
TABLE 4: TOP 5 STATES BY NUMBER OF PIPRS	11
TABLE 5: TOP 5 STATES BY RECORDED CAPITAL COMMITMENTS	12
<b>VII. CAPITAL STRUCTURE</b>	<b>12</b>
TABLE 6: SUMMARY OF PIPRS BY CAPITAL STRUCTURE	12
CHARTS 11 AND 12: PERCENT OF TOTAL NUMBER OF PIPRS BY SECURITY TYPE & PERCENT OF TOTAL RECORDED CAPITAL COMMITMENTS BY SECURITY TYPE	13
<b>VIII. WOMEN-OWNED AND WOMEN-LED COMPANIES</b>	<b>13</b>
TABLE 7: SUMMARY OF WOMEN-LED, WOMEN-OWNED AND TOTAL PIPRS	14
TABLE 8: WOMEN-LED COMPANIES BY SECTOR	14
<b>IX. REAL ESTATE</b>	<b>14</b>
TABLE 9: SUMMARY OF REAL ESTATE INDUSTRY STATISTICS	15
<b>X. CONCLUSION</b>	<b>16</b>
<b>ABOUT OUR SPONSORS</b>	<b>17</b>
<b>ABOUT CROWDNETIC</b>	<b>20</b>
<b>DISCLAIMER</b>	<b>21</b>

## I. Summary

A year has passed since the effective date of the SEC rules implementing Title II of the JOBS Act, which created a watershed event for the alternative asset industry. After more than 80 years of prohibition, private companies could publicly solicit funds; however, the regulations still restrict investments to accredited investors. Through [CrowdWatch](#), Crowdnetic has tracked these raises since the inception of this new asset class, and has aggregated and normalized data for 4,712 PIPRs (“Private Issuers Publicly Raising”), which collectively have received \$385,840,413 in recorded capital commitments.<sup>1</sup> Of these, 3,787 are still actively raising capital, having received approximately \$283.2 million since inclusion on our platform. The industry is in its infancy but continues to exhibit tremendous growth and the potential for far more.

## II. Industry Snapshot

Chart 1: Snapshot of Total PIPR Activity

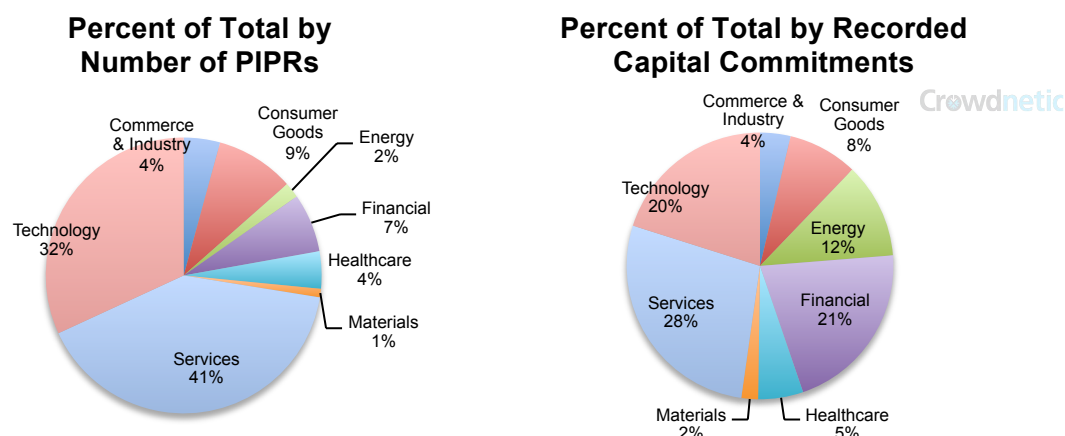


Throughout the past year, the Services and Technology Sectors have consistently dominated the space in terms of both the number of PIPRs and the amount of recorded capital commitments. The same two sectors continue to lead in terms of number of PIPRs (1,912 and 1,502 PIPRs, respectively), with the Consumer Goods and Financial Sectors in third and fourth place, respectively (434 and 324 PIPRs). In terms of recorded capital commitments, however, the Financial Sector has narrowly edged ahead of the Technology Sector during the last week of the third quarter, due to the success of one large real estate offering.<sup>2</sup>

<sup>1</sup> For the purposes of presenting an overview of total PIPR activity, all data, including charts and tables, presented in this report includes data for both active PIPRs as well as those that have been tracked through our platform but are no longer active. All data is from September 23, 2013 through September 30, 2014, unless otherwise indicated. The intermediaries currently included on our platform are, in alphabetical order: [Alchemy Global](#); [Angellist](#); [Crowdfunder](#); [EarlyShares](#); [EquityNet](#); [MicroVentures](#); [OurCrowd](#); [Patch of Land](#); [RealCrowd](#); [Realty Mogul](#); [Return On Change](#); [SeedInvest](#); and [WeFunder](#).

<sup>2</sup> See Section IX below for a brief discussion of this PIPR.

### Charts 2 and 3:



The Technology and Services Sectors represent almost three-fourths of the total number of PIPRs but account for slightly less than half the amount of recorded capital commitments. This is explained in part by activity in the Financial and Energy Sectors, which together represent only 9 percent of total PIPRs but account for almost one-third (32.6%) of all capital commitments.

This pattern is confirmed by the per-successful-issuer averages noted in Table 1 below. The Energy and Financial Sectors have significantly higher per-issuer averages (\$1.7 million and \$922,000, respectively) compared to the averages for the other sectors. In contrast, the Services and Technology Sectors have per-issuer averages of \$287,000 and \$291,000, respectively. The average across all sectors is approximately \$405,000.

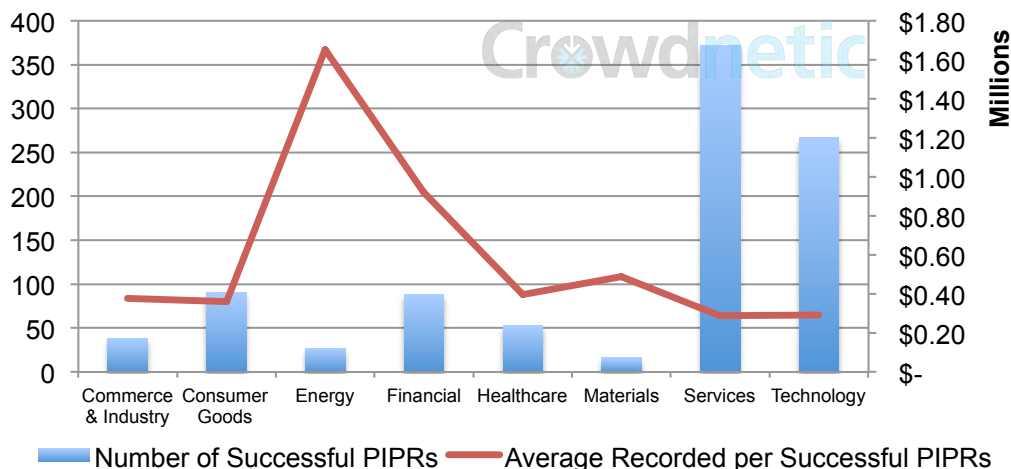
### III. Success Rates and Averages by Sector

**Table 1: Success<sup>3</sup> by Sector**

	Number of PIPRs	Recorded Capital Commitments	Number of Successful PIPRs	Success Rate	Average/ Successful Issuer
Commerce & Industry	201	\$14,283,678	38	18.9%	\$375,886
Consumer Goods	434	\$32,623,376	91	21.0%	\$358,499
Energy	86	\$44,666,500	27	31.4%	\$1,654,315
Financial	324	\$81,146,803	88	27.2%	\$922,123
Healthcare	206	\$21,076,758	53	25.7%	\$397,675
Materials	47	\$7,795,000	16	34.0%	\$487,188
Services	1,912	\$106,647,444	372	19.5%	\$286,687
Technology	1,502	\$77,600,854	267	17.8%	\$290,640
<b>Total</b>	<b>4,712</b>	<b>\$385,840,413</b>	<b>952</b>	<b>20.2%</b>	<b>\$405,295</b>

<sup>3</sup> For the purposes of this analysis and as used throughout this report, the term “success” is defined as receipt of a positive amount of recorded capital commitments by an issuer. Success is not a percent-of-target test.

**Chart 4: Number of Successful PIPRs and Per-Successful-Issuer Averages**



As noted above, although the Services and Technology Sectors consistently dominate all other sectors in terms of both number of 506(c) offerings as well as number of successful offerings, those sectors do not lead in success rates or average commitments per successful issuers. The Energy<sup>4</sup> and Financial Sectors have the two highest per-successful-issuer averages, outperforming the next-highest average (held by the Materials Sector<sup>5</sup>) by more than 200% and slightly less than 100%, respectively. These same three sectors also lead in success rates, with the Materials, Energy, and Financial Sectors achieving success rates of 34%, 31%, and 27%, respectively. These results are all materially higher than the overall success rate across all sectors of 20.2%.

<sup>4</sup> Please note that there is one outlier in the Energy Sector that has raised \$25 million. This one outlier has a disproportionately large effect on success rate and average-per-successful-issuer statistics for the Energy Sector.

<sup>5</sup> The Materials Sector is the smallest sector in terms of both number of PIPRs and number of successful PIPRs.

## IV. Top 10 Industries Across All Sectors

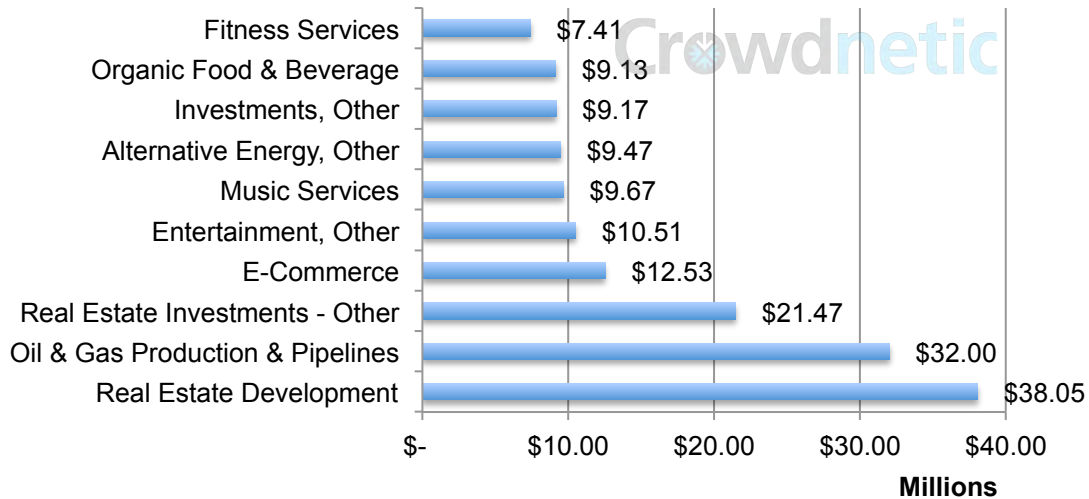
**Table 2: Success Statistics for Top 10 Industries by Recorded Capital Commitments**

	Number of PIPRs	Recorded Capital Commitments	Number of Successful PIPRs	Success Rate	Average/ Successful Issuer
Real Estate Development	38	\$38,049,000	14	36.8%	\$2,717,786
Oil & Gas Production & Pipelines	19	\$32,000,000	8	42.1%	\$4,000,000
Real Estate Investments - Other	57	\$21,468,138	21	36.8%	\$1,022,292
E-Commerce	235	\$12,531,300	40	17.0%	\$313,283
Entertainment, Other	66	\$10,508,550	20	30.3%	\$525,428
Music Services	64	\$9,668,100	8	12.5%	\$1,208,513
Alternative Energy, Other	19	\$9,470,000	10	52.6%	\$947,000
Investments, Other	39	\$9,168,415	14	35.9%	\$654,887
Organic Food & Beverage	7	\$9,133,600	5	71.4%	\$1,826,720
Fitness Services	56	\$7,406,500	8	14.3%	\$925,813

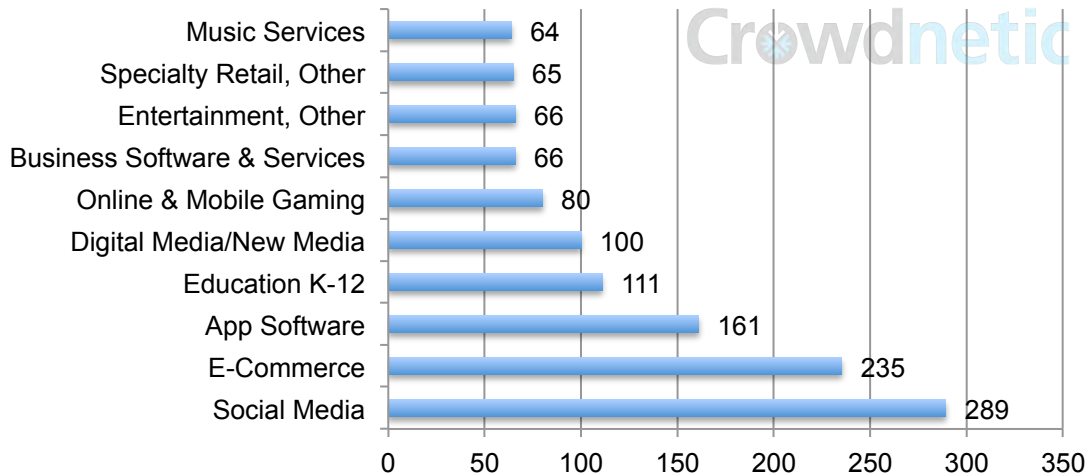
Real Estate Development and Real Estate Investments continue to place among the top three positions in the list of top industries ranked by recorded capital commitments, and finish the first year of Title II with healthy success rates of almost 37% each. Their per-successful-issuer averages are also among the top 5 industries across all sectors, with Real Estate Development posting the second-highest per-successful-issuer average of \$2.7 million. E-Commerce has also stood out during the past year as consistently garnering top-10 positions in both capital commitments as well as number of PIPRs.



**Chart 5: Top 10 Industries by Recorded Capital Commitments**



**Chart 6: Top 10 Industries by Number of PIPRs**



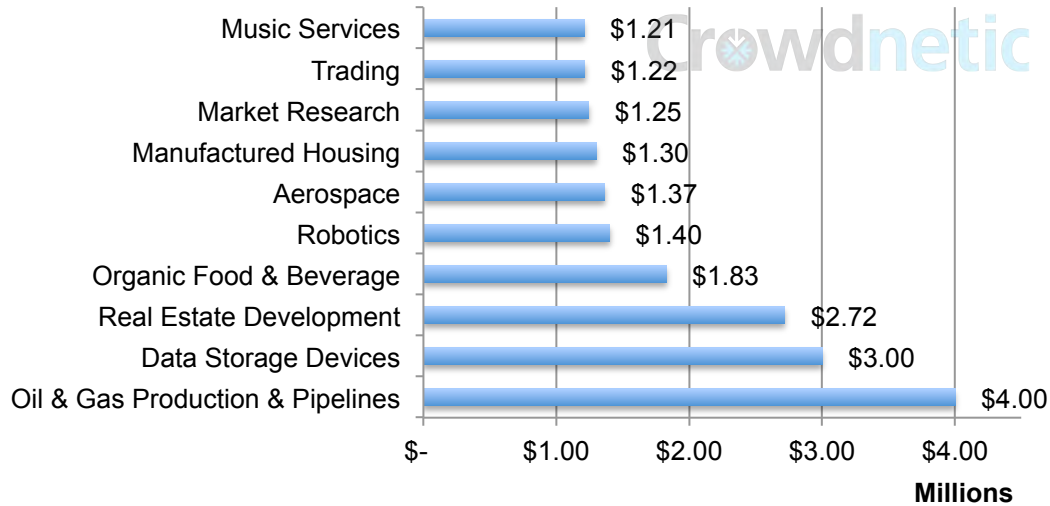
In addition to E-Commerce, there are two other industries that currently appear in both top 10 lists by capital commitments and number of issuers: Music Services and Entertainment, Other. Fourteen of the remaining twenty industries appear on only one compilation, showing that the industries that attract entrepreneurs are not necessarily the same ones that attract investors.

The list of top 10 industries by average per successful issuer shows additional diversity in its results. Although Music Services has the lowest success rates (12.5%) on the list of top 10 industries by capital commitments (see Table 2), it is the only industry out of 30 that appears on all three top 10 compilations. Organic Food & Beverage; Real Estate Development; and Oil & Gas Production & Pipelines<sup>6</sup> appear on the top 10 list

<sup>6</sup> See above, note 4.

by highest average per successful issuer as well as highest level of capital commitments.

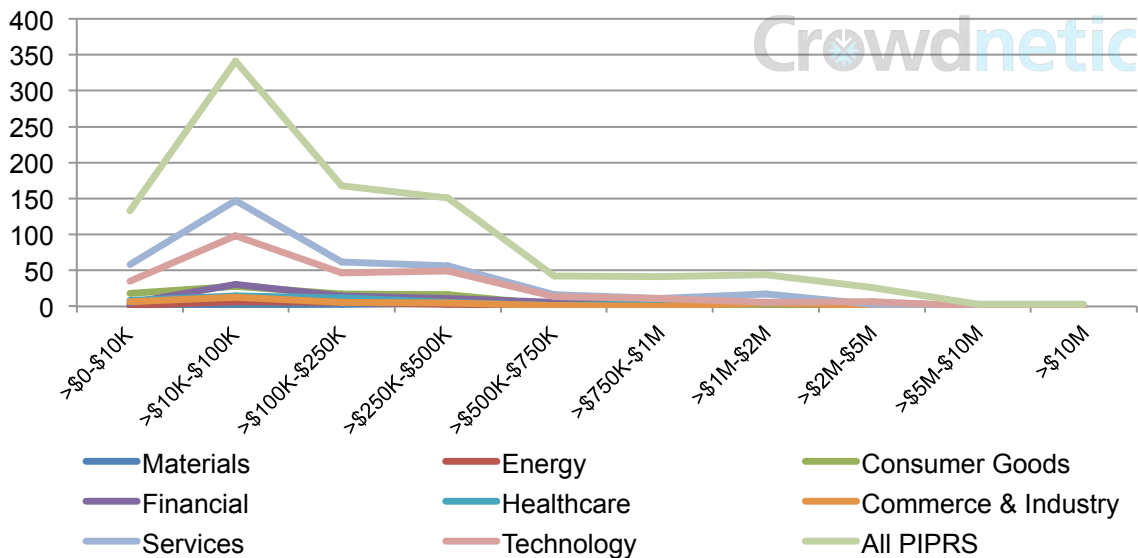
**Chart 7: Top 10 Industries by Average Recorded Capital Commitments per Successful Issuer**



## V. Distribution of Capital

Overwhelmingly, the vast majority of successful companies have raised capital within the range of \$10,000 to \$100,000 (341 PIPRs). The only sector that presents an exception to this rule is Materials, in which PIPRs have raised most of their capital in the \$250,000 to \$500,000 range. The following chart shows the sharp spike in this initial range, followed by a significant drop in the higher categories.

**Chart 8: Distribution of Capital by Sector and Amount**



**Table 3: Capital Ranges by Sector**

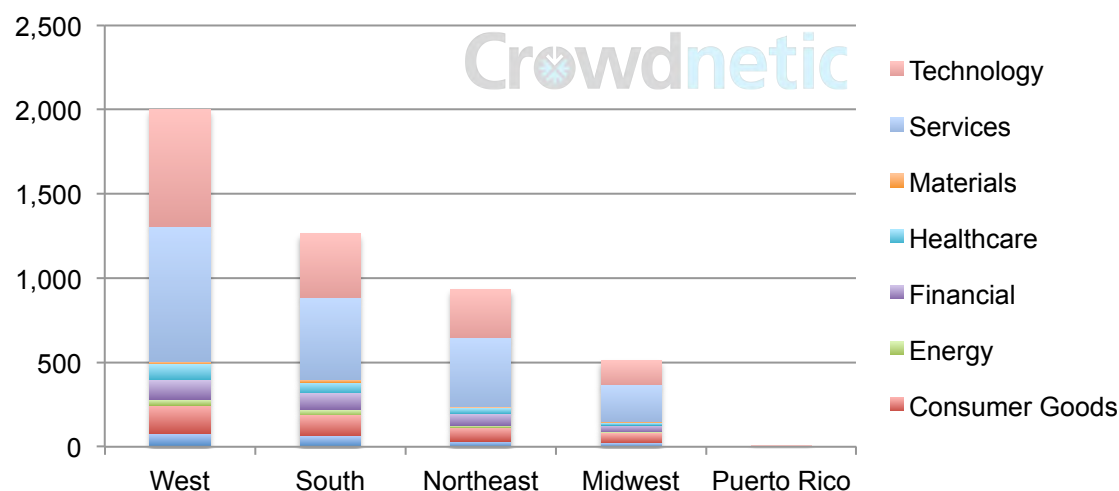
	\$0	>\$0- \$10K	>\$10K- \$100K	>\$100K- \$250K	>\$250K- \$500K	>\$500K- \$750K	>\$750K- \$1M	>\$1M- \$2M	>\$2M- \$5M	>\$5M- \$10M	>\$10M
Materials	31	1	2	3	5	1	2	2	0	0	0
Energy	59	1	7	6	3	1	3	1	4	0	1
Consumer Goods	343	18	28	17	16	2	4	2	4	0	0
Financial	236	5	31	15	11	6	6	6	5	1	2
Healthcare	153	8	15	12	6	1	4	5	2	0	0
Commerce & Industry	163	7	13	6	5	1	0	5	1	0	0
Services	1,540	58	147	62	56	16	11	17	3	2	0
Technology	1,235	35	98	47	49	14	11	6	7	0	0
<b>All PIPRs</b>	<b>3,760</b>	<b>133</b>	<b>341</b>	<b>168</b>	<b>151</b>	<b>42</b>	<b>41</b>	<b>44</b>	<b>26</b>	<b>3</b>	<b>3</b>

The above table shows the distribution in amount of recorded capital commitments by the number of PIPRs. During the first year of PIPR offerings, there were 159 companies that received \$500,000 or more in recorded capital commitments. Included in that total are 76 companies that received more than \$1 million in capital commitments. The Services Sector had the highest number of companies in this over \$1 million range, followed next by the Financial and Technology Sectors, respectively.

## VI. Geographic Distribution

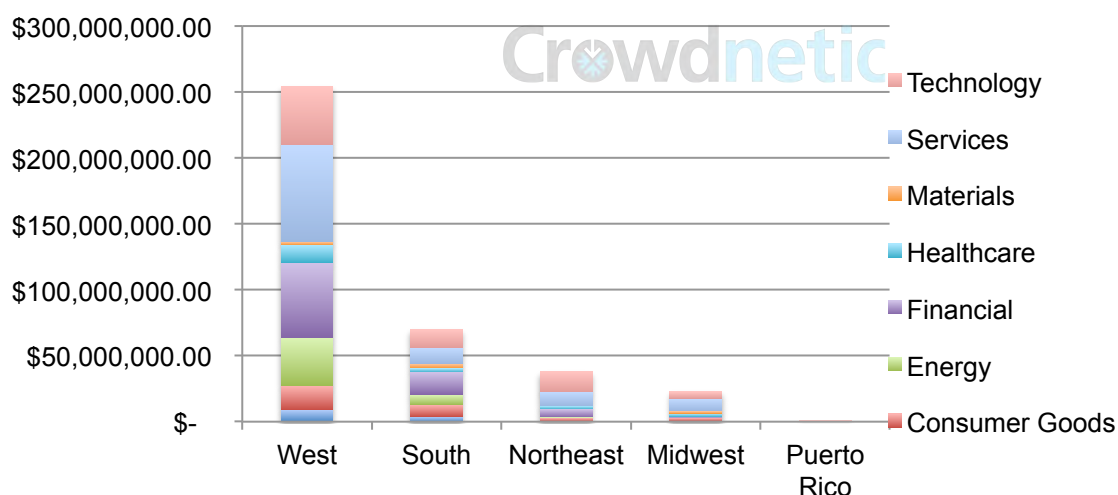
During the first year of 506(c) offerings, there have been PIPRs from all 50 states plus the District of Columbia and Puerto Rico. California has overwhelmingly led the nation in terms of both the number of PIPRs as well as amount of recorded capital commitments, due in large part to the strong entrepreneurial culture of the San Francisco Bay Area, including Silicon Valley.

**Chart 9: Number of PIPRs by Sector and Region**



With the proportionately larger amount of PIPR activity in California, the Western Region of the United States consistently leads the nation in both number of PIPRs and capital committed. (Of the total 4,712 total offerings during the previous year, 1,484 or 31.5% were from California.) The Services Sector continues to attract the largest number of PIPRs across all regions, followed consistently by the Technology, Consumer Goods, and Financial Sectors.

**Chart 10: Recorded Capital Commitments By Sector and Region**



As expected, due to the predominance of offerings in California, the Western Region leads the nation in recorded capital commitments, outpacing the next-highest region (the Southern Region) by over 250%. Unlike the distribution of number of PIPRs by region, the distribution of capital commitments shows regional sector differences. For example, in the Western Region, Services accounts for the largest percentage of recorded capital commitments, followed by the Financial and Technology Sectors, respectively. In contrast, in the Southern Region, which is the next-highest region by recorded capital commitments, the leading sector is the Financial Sector, followed by Technology and then Services. The leading sectors in the Northeast Region are, in order, Technology, Services, and Financial, and in the Midwest Region, Services, Technology, and Consumer Goods.

**Table 4: Top 5 States by Number of PIPRs**

	Number of PIPRs	Recorded Capital Commitments	Number of Successful PIPRs	Success Rate	Average/Successful Issuer
California	1484	\$176,119,680	344	23.2%	\$511,976
New York	566	\$23,927,127	97	17.1%	\$246,671
Florida	328	\$18,529,350	62	18.9%	\$298,860
Texas	297	\$18,490,798	74	24.9%	\$249,876
Illinois	178	\$15,779,905	35	19.7%	\$450,854

The table above shows success rates and other statistics for the top performing states ranked by number of PIPRs. California leads in terms of both number of PIPRs and total recorded capital commitments.

**Table 5: Top 5 States by Recorded Capital Commitments**

	Number of PIPRs	Recorded Capital Commitments	Number of Successful PIPRs	Success Rate	Average / Successful Issuer
California	1484	\$176,119,680	344	23.2%	\$511,976
Colorado	101	\$30,790,951	23	22.8%	\$1,338,737
New York	566	\$23,927,127	97	17.1%	\$246,671
Arizona	76	\$23,083,150	18	23.7%	\$1,282,397
Florida	328	\$18,529,350	62	18.9%	\$298,860

When ranked by capital commitments, Colorado displaces New York for the second position, which is predominantly the result of one large Energy-Sector PIPR. The newest addition to the top-5 list is Arizona, which recently joined the list primarily on account of a new, successful PIPR in the Real Estate Sector.<sup>7</sup>

## VII. Capital Structure

Overall, equity remains the most popular security type, accounting for 3,375 of the 4,712 total offerings, or 71.6%. The next-highest security type by number of PIPRs is convertible debt. What is remarkable about this particular security type, however, is that it has the lowest average recorded capital committed per successful issuer but the highest success rate.<sup>8</sup> While issuing equity may be the more cost-efficient option and results in a reduction of the proprietor's ownership, debt may prove costly to service. However, for smaller companies, access to cash is essential, and, therefore, while convertible debt may be less desirable for startups as it requires a company to service debt and then, depending on the terms, possibly give up a portion of ownership, it is unsurprisingly a popular option for investors, based upon the data.

**Table 6: Summary of PIPRs by Capital Structure**

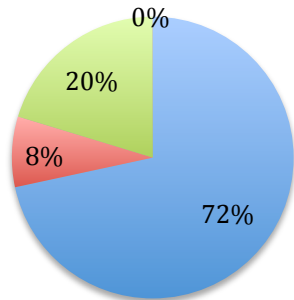
	Number of PIPRs	Recorded Capital Commitments	Number of Successful PIPRs	Success Rate	Average/ Successful Issuer
Equity	3,375	\$244,892,379	544	16.1%	\$450,170
Debt	381	\$38,990,192	89	23.4%	\$438,092
Convertible Debt	955	\$99,757,842	318	33.3%	\$313,704
Revenue Sharing	1	\$2,200,000	1	100.0%	\$2,200,000
Total	4,712	\$385,840,413	952	20.2%	\$405,295

<sup>7</sup> See discussion in Section IX below.

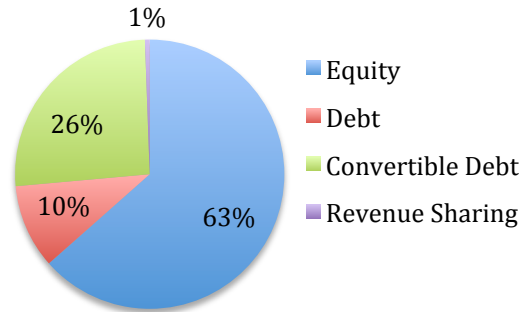
<sup>8</sup> While revenue sharing technically has the highest success rate of 100%, this is the result of only one PIPR currently in the category.

**Charts 11 and 12:**

**Percent of Total Number of PIPRs by Security Type**



**Percent of Total Recorded Capital Commitments By Security Type**



Crowdnetic

Comparing the above two capital structure pie charts suggests that convertible debt offerings are outperforming equity offerings in some respects, according to the data. Convertible debt offerings represent one-fifth of total offerings by number of PIPRs but account for slightly more than one-fourth of all capital commitments. As noted above, although the per-successful-issuer amounts for convertible debt are lower, this difference may be more than compensated for by the fact that convertible debt offerings have greater than twice the success rate of equity offerings (33.3% vs. 16.1%).

## VIII. Women-Owned and Women-Led Companies<sup>9</sup>

The United States Small Business Administration cited in its paper “Access to Capital among Young Firms, Minority-owned Firms, Women-owned Firms, and High-tech Firms” that women on average “obtain smaller loans, pay higher interest rates, must put up higher collateral, and are dissatisfied with the bank loan process.”<sup>10</sup> Furthermore, according to the same report, women tend to have less exposure to venture capitalists and are not as prevalent in high-tech companies, the funding for which usually comes from traditional channels. For all these reasons, crowdfunding has provided and will continue to provide a unique opportunity for women to utilize new means to seek capital.

During the past year, women-owned and women-led companies have fared extremely well with PIPR offerings, achieving higher success rates than those posted by all PIPRs on the intermediaries tracked by [CrowdWatch](#). (See Table 7, showing an almost 23% success rate for women-led companies and a 20.75% success rate for women-owned companies, exceeding slightly the 20.2% total success rate for all PIPRs.) Women-led PIPRs have also achieved a higher per-successful-issuer average,

<sup>9</sup> For the purposes of this report, we use the term "Women-Owned" for any company that has one or more female founders or owners, and "Women-Led" for any company that has one or more C-level or executive-level women in management. Please note that there were 24 companies that had no women-led data, and 33 companies that had no women-owned data.

<sup>10</sup> Robb, Alicia, “Access to Capital among Young Firms, Minority-owned Firms, Women-owned Firms, and High-tech Firms,” [U.S. Small Business Administration](http://www.sba.gov/sites/default/files/files/rs403(1).pdf) (April 2013), [http://www.sba.gov/sites/default/files/files/rs403\(1\).pdf](http://www.sba.gov/sites/default/files/files/rs403(1).pdf).

compared to total PIPR averages for all companies (\$422,000 women-led vs. \$405,000 for all PIPRs). Despite these achievements, women-led and women-owned companies still account for a smaller percentage of total PIPRs and total capital commitments, as shown in the table below.

**Table 7: Summary of Women-Led, Women-Owned and Total PIPRs**

	Number of PIPRs	Recorded Capital Commitments	Number of Successful PIPRs	Success Rate	Average/ Successful Issuer
Total	4,712	\$385,840,413	952	20.2%	\$405,295
Women-Led	864	\$83,629,337	198	22.9%	\$422,370
Women-Owned	795	\$54,061,386	165	20.8%	\$327,645

**Table 8: Women-Led Companies by Sector**

	Number of PIPRs	Recorded Capital Commitments	Number of Successful PIPRs	Success Rate	Average/ Successful Issuer
Commerce & Industry	33	\$3,920,500	10	30.3%	\$392,050
Consumer Goods	98	\$7,390,555	23	23.5%	\$321,328
Energy	6	\$150,000	1	16.7%	\$150,000
Financial	54	\$24,174,533	19	35.2%	\$1,272,344
Healthcare	40	\$5,710,892	13	32.5%	\$439,299
Materials	5	\$1,150,000	1	20.0%	\$1,150,000
Services	435	\$30,337,078	94	21.6%	\$322,735
Technology	193	\$10,795,779	37	19.2%	\$291,778
<b>Total</b>	<b>864</b>	<b>\$83,629,337</b>	<b>198</b>	<b>22.9%</b>	<b>\$422,370</b>

A comparison of Table 8 for women-led data to Table 1 above for all PIPRs shows that women-led companies have achieved a higher success rate in 6 out of 8 sectors (all but Energy and Materials). Women-led PIPRs have also achieved a higher per-successful-issuer average in 6 out of 8 sectors (all but Consumer Goods and Energy).

## IX. Real Estate

Real Estate continues to garner significant attention from investors, particularly those in the financial sector. The most successful of the real estate industries in terms of recorded capital commitments is Real Estate Development, which has received approximately \$38 million in commitments. For our last report, the largest PIPR in this industry was a San Francisco-based distressed fund, which received \$12 million in capital commitments. As previously mentioned, however, this amount has now been surpassed in the last weeks of the third quarter by a northern Arizona real estate development company that has raised approximately \$17 million to sell lots and build sustainable homes.

Real Estate Investments - Other has seen a similar degree of success, with 36.8% of all offerings receiving some level of funding. This is almost twice the success rate of the overall rate across all sectors of 20.2%. Both of these financial real estate industries also have a higher average per successful raise. While the average overall raise per successful PIPR is approximately \$405,000, it is approximately \$2.7 million and \$1.0 million for Real Estate Development and Real Estate Investments - Other, respectively.

There are a myriad of reasons why investors may be driven to this industry. Unlike many of the other industries, which may require significant knowledge to understand the product or service, real estate is a tangible and easy-to-understand resource. In the event of a company's bankruptcy, real estate also provides an asset through which an investor may be able to retrieve a portion of his investment. Furthermore, investors may be driven toward self-directed diversification of their investments, which investing as an individual or through a fund does not allow. Therefore, it is not surprising that this industry has been as successful as it has been.

**Table 9: Summary of Real Estate Industry Statistics**

	Number of PIPRs	Recorded Capital Commitments	Number of Successful PIPRs	Success Rate	Average/ Successful Issuer
Real Estate Development	38	\$38,049,000.00	14	36.8%	\$2,717,785.71
Real Estate Investments - Other	57	\$21,468,138.00	21	36.8%	\$1,022,292.29
Real Estate Management	15	\$2,150,940.00	2	13.3%	\$1,075,470.00
Real Estate Search	16	\$655,000.00	3	18.8%	\$218,333.33
Real Estate, Other	39	\$1,492,500.00	9	23.1%	\$165,833.33

However, when looking at measures of success for real estate PIPRs from the Services Sector<sup>11</sup>—namely, Real Estate Management, Real Estate Search, and Real Estate, Other—the allure of real estate appears to fade somewhat, based upon the data. Not only does the aggregate success rate fall to slightly below the overall PIPR rate of 20.2%, but the combined average amount raised per successful issuer falls \$100,000 below the overall average to \$307,000. As previously mentioned, this may be due to the nature of these companies, as they are based on services, such as helping to locate residential properties or helping to manage real estate, and do not involve investing in real estate itself. Therefore, while these real-estate-related service industries perform better than the Services Sector average, it appears as though they may be less desirable to investors who are seeking actual investment in real estate itself.

<sup>11</sup> The two industries discussed above—Real Estate Development and Real Estate Investments - Other—are part of the Financial Sector.



## **X. Conclusion**

Crowdnetic is pleased to present you with our findings following the first anniversary of the effective date of implementation of Title II of the JOBS Act. These rules represent a monumental change through which antiquated rules were altered to allow for a further convergence of technology and finance. This has revolutionized the private securities market not only through the allowance of public solicitation, but also by facilitating the online private securities market. Not only has this opened up new investment opportunities, it has provided another vehicle for entrepreneurs and small businesses to circumnavigate traditional resources and access capital that may have been otherwise unreachable. Moreover, jobs now exist that may not have otherwise been created which, after all, was one of the central tenets of the JOBS Act.

## About Our Sponsors



Venture-catalyst [Springboard Enterprises](#) is the premier platform where influencers, investors and innovators meet to help women build 'big businesses starting small'. Springboard sources, coaches, showcases and supports women-led growth companies seeking equity capital for product development and expansion.

545 women-led companies have participated in Springboard's accelerator programs; raising \$6.2 billion, creating tens of thousands of new jobs, and generating billions of dollars in annual revenues. 83% of Springboard companies are still in business as independent or merged entities, including 10 IPOs and many are the technology engines of publicly traded companies.

We are a non-profit 501c3 organization based locally in the USA but acting globally to accelerate women entrepreneurs' access to growth capital. We place great emphasis on collaborating with other business and entrepreneurial organizations, academic institutions, government offices and corporations to deliver results.

---

# SPARK MARKET

Money should not keep you from building or growing a business that makes our community better. Unfortunately, however, the outlook for small business financing in Georgia has suffered in recent years, with many traditional avenues of small business finance having disappeared.

[SparkMarket](#) is here to close the gap by creating a revolutionary new way for Georgia businesses to raise capital from a brand new investor class -- everyday Georgia residents. We believe that your local friends and neighbors are your best source of support. They live near you. They shop with you. Now, they can invest in you, too.

We helped frame the "Invest Georgia Exemption" (IGE), which places the State of Georgia on the leading edge of the movement to legalize local crowdfunding.



[Ventureneer](#) is a content marketing and market research company, which helps corporations reach small businesses through branded marketing and social media opportunities that generate visibility, thought leadership and brand loyalty.



[RealPartner](#) offers direct participation in the income from compliant, originated, performing, 1-4 family residential mortgage loans. Until now, the only ways to access these prime assets were through investment in a REIT or through residential mortgage-backed securities, where decisions about which loans are included in the loan portfolio are made for you, not by you. Now, through RealPartner, you can purchase these mortgage loan assets directly and thereby create your own residential mortgage loan portfolio.



[LendZoan](#) is changing the face of real estate investing by bringing together borrowers and investors in a collaborative and trusted environment. In short, LendZoan is a real estate crowdfunding platform for everyone. Borrowers and investors are empowered to tap directly into the local real estate market, stepping into an entirely new class of investing they once thought was unreachable. With the guiding hand of ZoanMakers, investors overcome the complexities and compliance issues that have kept them at bay in the past.

## About Crowdnetic

[Crowdnetic](#) is a leading provider of technology and market data solutions to the global crowdfinance marketplace. We operate the industry's premier centralized hub for real-time market data aggregated from platforms across the globe.

Founded in 2011 by experienced financial technology and data industry experts, Crowdnetic is committed to creating a productive and sustainable marketplace for the global crowdfinance industry. Bringing over 15 years of experience in building complex, data-intensive customized solutions, the leadership team has been instrumental in revolutionizing the industry through developing market data and analytics solutions.

Crowdnetic owns and operates [CrowdneticWire.com](#), [Lendvious.com](#) and [CrowdWatch.co](#).

**For sponsorship opportunities, please contact us at:**

**[contactus@crowdnetic.com](mailto:contactus@crowdnetic.com).**

**For media inquiries, please contact us at: [press@crowdnetic.com](mailto:press@crowdnetic.com).**

## **Disclaimer**

The information contained herein (“Information”) is provided by Crowdnetic Corporation (“Company”) for informational purposes only. This Information does not constitute, and is not intended to be used as, investment, financial, tax, legal, or other advice. Company offers no advice regarding the nature, potential value, or suitability of any particular transaction, investment or investment strategy. The use of the Information, and any decisions made in reliance upon the Information, are made at the user’s own risk. Users should seek the assistance of a qualified professional for investment or other related advice. The Information does not constitute, include, or incorporate any form of warranty, representation, or undertaking, and is provided to users “as is.” The Information is subject to change without notice and is only current as of the date of issuance. Company undertakes no obligation to update any Information as a result of new information or otherwise. The Information includes underlying data furnished by independent third parties who are not controlled by, or the responsibility of, Company or any of its affiliates. Neither Company nor any of its affiliates endorse, recommend or take responsibility for the accuracy or completeness of any of the underlying data. Neither Company nor any of its affiliates will be liable to any user or anyone else for any inaccuracy, error or omission, regardless of cause, in the Information or for any damages resulting therefrom.