WHAT IS ANGELS ANONYMOUS?  

Angels Anonymous (AA) facilitates the introduction of entrepreneurs to potential investors through presentations and other mechanisms. AA consists of individual angel investors interested in financing privately held companies or ventures typically in an early stage of development.

AA is focused on potential investments in the biopharmaceutical area. Potential members must have prior experience in the biopharmaceutical market or a strong desire, willingness, and capability to learn substantive components of the biopharmaceutical industry.

HOW DO I BECOME A MEMBER?

REQUIREMENTS OF MEMBERSHIP:

- Members must qualify as:
  - An “accredited investor” as defined under Rule 501 of the SEC regulations, which defines an individual accredited investor as: “Any natural person whose individual net worth or joint net worth with that person’s spouse at the time of his purchase exceeds $1,000,000”; OR “Any natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person’s spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year.”
  - Members must be _________________________________.
  - Members must be sponsored by a current member.
  - Members must agree to abide by the terms and conditions of the AA Membership Agreement.
  - Members must pay annual membership fee.
  - Members must make minimum angel investments of $__________ per year.

1 “Angels Anonymous” is a fictitious angel group and is merely a name used for example purposes.
2 This information document uses an example of an angel organization with a specific investment focus, namely, biopharmaceutical, to call attention to the need to identify such membership requirements in the information documents and all other communications. If your group has other restrictions such as gender, those should be specifically noted in all information communications.
3 Here is where specific requirements of membership may be added such as prior angel investing experience, industry experience, gender, geographic location, etc.
4 A minimum investment requirement is becoming more prevalent; though required investing does not necessarily have to be through the angel group.
PROCESS FOR MEMBERSHIP QUALIFICATION:

- Qualifying individuals are invited to consider becoming members of Angels Anonymous. Membership is at the discretion of AA's Membership Committee and is subject to annual renewal, non-renewal, revocation or termination by AA's Membership Committee.

- Interested parties must complete the Membership Agreement and Membership Survey, and submit the same as directed on the Membership Agreement.

- The Membership Committee will review all applications for membership and endeavor to provide applicants with a written response within thirty (30) days of completed application submission. (Your payment, whether by check or credit card, will be held for processing until after your membership has been approved.)

- AA membership may be terminated or membership revoked at the discretion and determination of AA Membership Committee, should it be determined that an AA member has breached any term of AA membership. A member will be notified in writing by the Membership Committee of the intent to terminate or revoke membership, and the on-notice member shall have thirty (30) days in which to submit a written response to the Membership Committee, should the member deem his/her actions or inactions do not warrant or qualify for termination or revocation of membership. The Membership Committee shall consider, in good faith, such on-notice member written response within sixty (60) days. The decision of the Membership Committee is final.
WHAT ARE THE BENEFITS OF MEMBERSHIP?

- Events – Monthly investor luncheon meetings with presentations from two to four pre-screened companies for members’ investment consideration. Afterward, there will be time for discussion of members’ observations and analysis.

- Access to “Members Only” section of the Web site, which includes:
  - Access to all deal flow through AA’s online database.
  - Copies of all presentations and materials provided at meetings.
  - Member Discussion Areas online forums to confidentially discuss or comment on business plans, companies and general angel investing topics with other members.
  - Best-practice sharing of investment tips and documents.

- Educational programs in term sheets, balanced investment portfolios, case studies, due diligence and other topics in angel investing.

- Opportunity to interact with other angel investors and meet individuals experienced in working with young companies.

FREQUENTLY ASKED QUESTIONS

- What is an angel investor?

  An angel investor is an individual who makes direct investments of personal funds into a venture, typically early-stage businesses. Because the capital is being invested at a risky time in a business venture, the angel must be capable of taking a loss of the entire investment, and, as such, most angel investors are high-net-worth individuals. These individuals are nearly always “accredited investors” as defined under the Securities Act of 1933.5

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5 “Accredited Investor” as defined in the Securities Act of 1933 for individuals means: “a natural person who has individual net worth or joint net worth with the person’s spouse that exceeds $1 million at the time of the purchase;” OR “a natural person with income exceeding $200,000 in each of the two most recent years or joint income with a spouse exceeding $300,000 for those years and a reasonable expectation of the same income level in the current year.”
What is an angel group?

An angel group is a formal or informal assemblage of active angel investors who cooperate in some part of the investment process. Key characteristics of an angel group are: control by member angels (who manage the entity or have control over the entity’s managers), and collaboration by member angels in the investment process.

Is membership in AA restricted?

Yes. Please see the description of membership requirements above, and review the entire content of the Membership Agreement.

How do I learn more about angel investing?

AA conducts periodic training programs for new members as an intensive introduction to angel investing. Periodically, AA has speakers on relevant topics as part of the monthly meetings. Members also learn from other experienced angel investor group members.

FURTHER QUESTIONS

Other questions that should be answered in your membership-information document include:

- Must I make a minimum number (or amount) of investments each year in order to remain a member?
- Is there a minimum or maximum amount of money I may invest?
- How will investment decisions be made?
- How will presenting companies be selected?
- May I invest in addition to the amount invested by the group?
- How is due diligence conducted?
- How is AA run? (Administration, board, etc.)
- How is AA funded?