

walescapital

2013 SEC Government-Business Forum on Small Business Capital Formation

Crowdfunding: Crystal ball-- Now that you raised the money, what's next for the company and the markets?

CROWD INSTINCT: The Evolution of Information

Company Background

Wales Capital has been meaningfully involved in the crowdfunding program since its inception. Prior to the enactment of the JOBS Act **Kim Wales** spent 17 years as an advisor and consultant to Banks (*some on Wall street*).

Wales Capital is a strategic advisory firm that provides all size companies and industries → education on the exemptions and implementing aspects of the JOBS Act, Titles I - VII – whether creating a Funding Portal to creating a Fund or working with local governments.

CrowdBureau, is the Morningstar for the Crowdfunding industry in the style of Yelp.

For almost 2 years as a CFIRA Board Member, Kim have been working alongside many of you, advocating, lobbying and writing many letters (which were cited 57 times in the 585 pages of the SEC's Final Proposed Rules for Title III). Kim is a CF50 Board Member and former Chair of the CFPA.

Kim Wales Founder, Wales Capital



Kim Wales is the founder and CEO of Wales Capital, a strategy consultancy and CrowdBureau, a pioneering technology company providing research, ratings and investor relations for the private placement market. She is a sought-after thought leader who is ranked as one of the Top 10 Most Influential people in the Equity Crowdfunding Industry.

Kim is a frequently published author on the JOBS Act, crowdfund investing and sustainable business. She is a frequent speaker at global events and has been quoted in media including the New York Times, Forbes, Business Week, The Deal, Black Enterprise and featured on Bloomberg-TV and BBC-TV.

Prior to the signing of the JOBS Act on April 5, 2012, Kim spent 17 years as an international banking consultant, advising and implementing banks' strategy, operations and technology initiatives across varying sectors that include fund administration, cash management solutions, Trust – personal and company management, mergers, acquisitions and divestitures, risk management and compliance (Basel II, SOX, Dodd – Frank). She served as the CEO of a fund administrator with \$6.5B AUA until March 2012.

Her client list includes the Bank of N.T. Butterfield & Son Limited, Morgan Stanley, Chase Manhattan Bank, Depository Trust Clearing Corp., Securities Industry Automated Corp. (NYSE and AMEX) and Prudential.

The World has Changed

Women – 51% of the World's Population



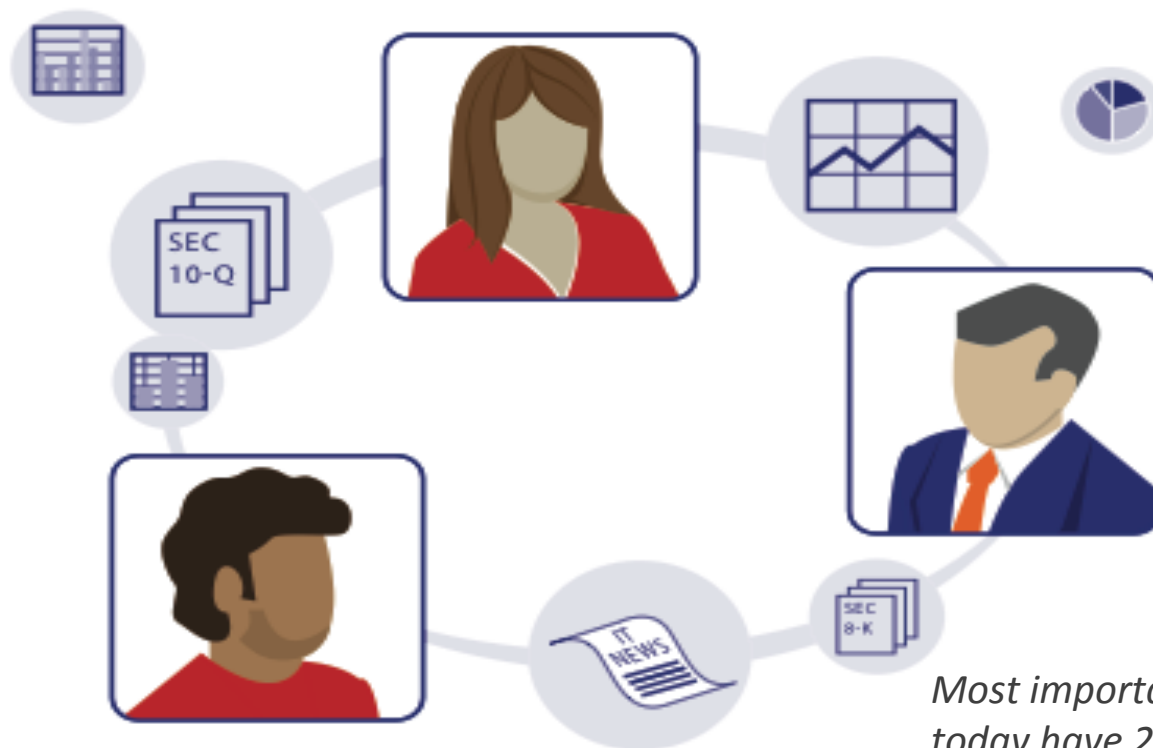
- **Gen Y (ages 18 – 37)** – 27% of U.S. Population (Eighty Six Million Strong)
- **Global Internet Population** – grew 6.59% between 2010 – 2011 = 2.1 Billion People
- **Mobile Devices** – 40% of the global population use mobile devices

Paradigm for Capital Formation: 3 Principles

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Principle 1: Social Computing

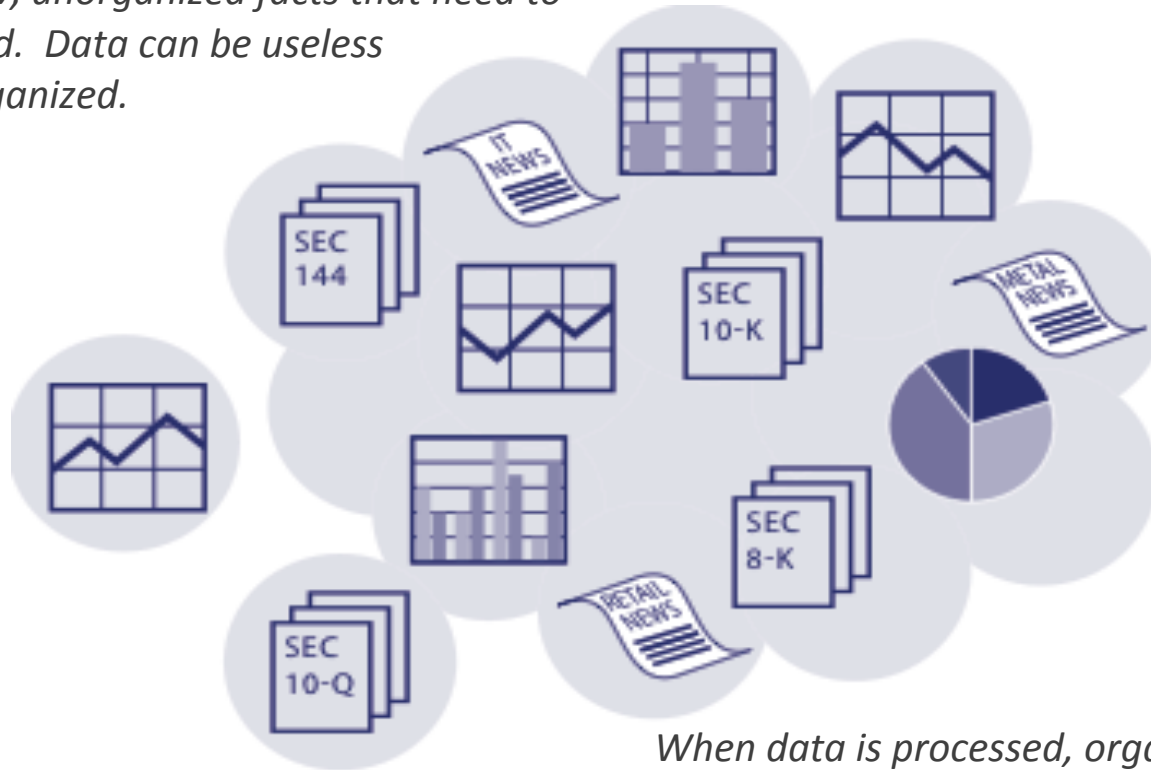
In one study in China, 90% of users said they have their mobile device within arms reach 100% of the time.



*Most important, knowledge workers today have 24-hour access to something else: **each other.***

Differences between Data and Information

Data is raw, unorganized facts that need to be processed. Data can be useless until it is organized.



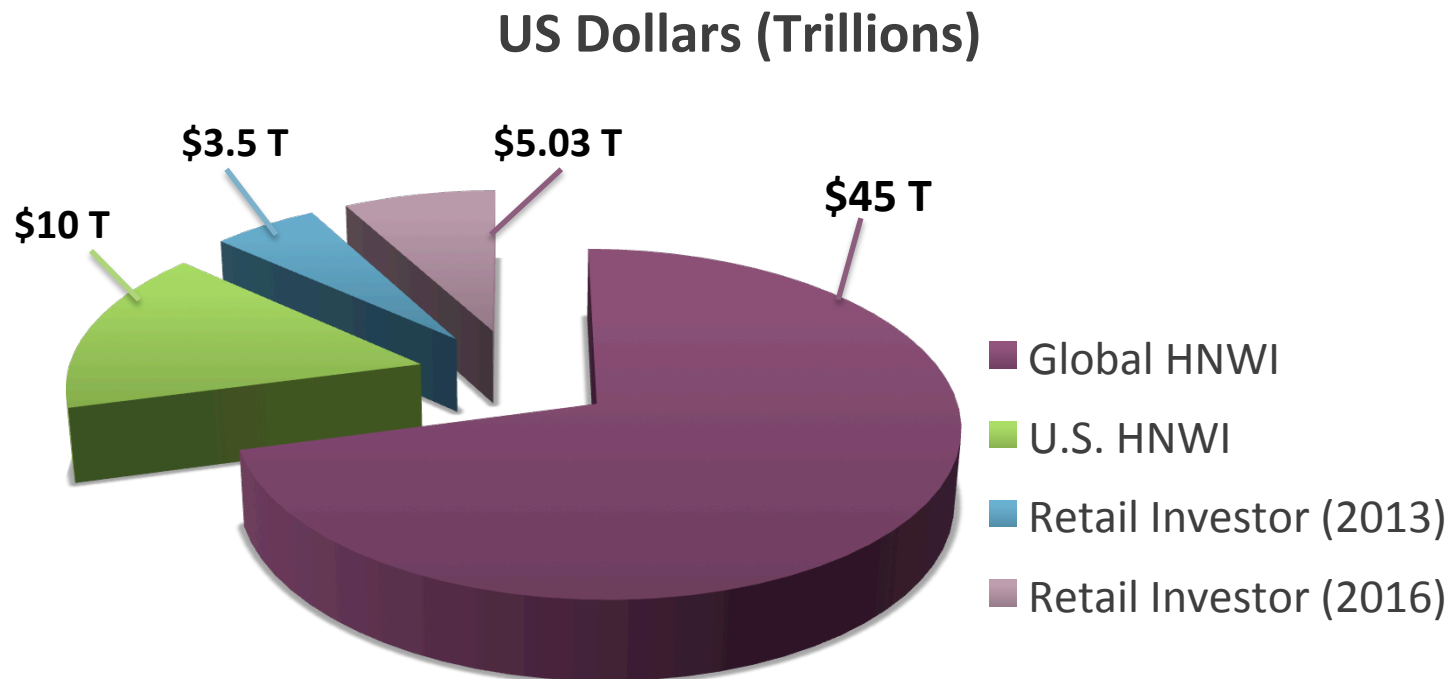
When data is processed, organized, structured or presented in a given context so as to make it useful, it is called **Information**.

Principle 2: Collective Intelligence

Funding Landscape Changing

Americans have accumulated **\$3.5 Trillion** in their 401(k) plans. Assets will grow about 6% a year to **\$5.03 Trillion** by 2016 in 401(k) plans.

Source: Financial Times, 2013



Note: HNWI – High Net Worth Individual

Principle 3: Deliberative Democracy

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SEC: Recommendations

1. Consider TAX Credit for investments in minority and women owned businesses .
2. Eliminate Limits or Raise Limits for Audited Financials.
3. Secondary Markets: Amend the Securities and Exchange Act of 1934 to provide a pilot program allowing emerging growth companies to increase the tick sizes of their stock.