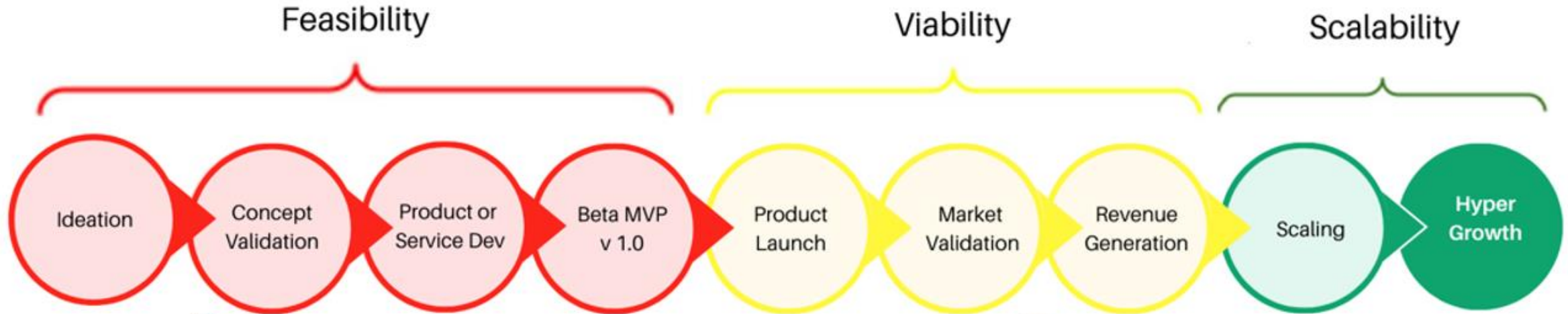


Assembly Bill 75 - 2023

Nevada Certified Investor

Presenter: Jeff Saling,
Executive Director, StartUpNV
Nevada Non-Profit / 501(c)3

Development & Capital Stages



AB-75 | Impact Here | Creates New Investors and Opportunities for Startup Projects

Capital Source	Founders	Friends & Family and/or Debt	Pre-Seed Funds & Angels Invests \$25k to \$250k	Seed Funds & Angel Groups Invests \$250k to \$3M	A Round Funds Invests \$5M+
Annual Sales	Pre-Revenue		< \$500k	\$500k - \$1M	\$1M+
	18 - 24 months			9 - 16 months	

SEC Accredited Investor Rule: The Problem

- **SEC Rules for Private Investing do not serve Nevada**
 - **Accredited Investors** are permitted invest in *private* company investments
 - \$1M net worth - *outside of primary residence or*
 - \$200k+ annual W2 income (*individual*) or \$300k (*couple*)
 - Accredited Investor Population = US National @ 8.75% vs Nevada @ 3.74%
 - “The rich get richer...” is true - and the gap is widening
 - Private investments are risky, but have high returns and create wealth
 - Protective intentions are admirable, but have unintended consequences
 - Nevada businesses are capital starved – compared to states with more AI’s
 - *Local* investors fund *local* projects: 80+% of early private capital is local (*within 37 miles*)
 - Nevada businesses and investors are at a disadvantage

SEC Accredited Investor Rule: The Solution – AB75

- Allow more locals to invest with relevant protections
 - Nevada Certified Investor
 - Nevadans with income **above** Nevada’s median W2 income OR
 - Nevadans who operate a business with gross sales **above** \$200k AND
 - Investing *less than 10%* of their net worth
 - Grows the investor base within Nevada for Nevada projects
 - Local businesses / local high growth startups / private projects / real estate
 - Creates investable projects for VC’s at later stages – attracts capital to NV
 - Expands the access to wealth creation opportunities for more Nevadans

SB75 Nevada Certified Investor: Examples

- **Local Business Example**

- Business with Annual Revenue of \$250k (current value is \$300k)
 - Requires \$60k in startup capital (20% of the value)
 - Founder sells 60,000 shares at \$1 to 250+ Nevada Certified Investors
 - Founder operates business for 5 years, at a 20% profit (\$50k), then sells business for \$500k
 - Investors earn dividends for 5 years @ \$0.17/share (\$0.83), then \$1.67/share at sale
 - Every \$1 invested returns \$2.50
 - Founder incurs no debt – local investors probably get a discount too!

SB75 Nevada Certified Investor: Examples

- Scalable (Venture) Business Example
 - Technology Business founded by local Computer Science & Business Grads
 - Requires \$250k in startup capital for first 24 months (20% of the value = \$1.25M valuation)
 - Founder raises a pre-seed round: 250,000 shares at \$1 to 500+ *Nevada Certified Investors* (20%)
 - Founder raises a \$1M seed round 2 years later at a \$7.5M valuation (13.3% / 6x)
 - Founder raises a \$5M A-round 2 years later at \$30M valuation (16.7% / 24x)
 - Founder raises a \$15M B-round 2 years later at \$75M valuation (20% / 60x)
 - Company acquired for \$100M 1 year later (7 years from start)
 - Founders retain 30% = \$30M
 - *Nevada Certified Investors (NCI)* retain 10% (with dilution) = \$10M
 - Every \$1 invested by NCI pre-seed investors returns \$40

Questions & Contact Info

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<https://angelnv.com>

<https://fundnv.com>

<https://1864.fund>