



The Fund Raising Process

InfoCentre specializes in helping your management team raise money to grow your business through private placements. We can work closely with you to enable you to minimize the cost of our services by providing as much of the work yourselves as you wish. This way our involvement is leveraged and your costs are minimized.

Or we can do it all, freeing you to do the things that you need to accomplish. However, at least for the investor presentations, your management team should plan on being very involved with these presentations. We can also be very involved in all the presentations, including actually making the presentations to potential investors, answering their questions, going through the business plan and private placement memorandums with them and closing them for the investment.

Because I am not licensed as a broker-dealer, if you want me to assist with the actual fund raising process, including speaking to any prospective investors, I would need to serve as a member of your management team during the fund-raising process.

The purpose of this document is to provide an overview of the typical process that we go through to raise equity investment in a company.

Phase One - High-Level Assessment

The first thing that we need to do in the fund-raising process is to analyze your business model and conduct preliminary research on your industry and your competitors to understand your existing business strategy or develop a broad brush business strategy that will enable your company to grow significantly with this round of funding. We all need to agree on a plan that will satisfy all the stakeholder's needs and desires; this includes your needs and the needs of new shareholders. This is a high-level assessment of where you are now in terms of market share and capabilities and how you want to grow your company.

Phase Two - Draft Business Plan

Once we know what we need to do and we all agree with the overall strategy, we then draft a written business plan that lays out the strategy logically, from an operational as well as an investor's perspective. We break down what we will do with the investment capital and how we will minimize the investor's potential risks. Potential investors need to be able to easily, logically and emotionally visualize what we are going to do, why we are doing it, and what the potential rewards are likely to be when we are successful.

Phase Three - Final Business Plan

Continued work on the plan, including review and feedback and ultimately any final revisions, and formatting. We run the plan past your board of directors, advisors and industry experts. The last thing we develop in the plan is the Executive Summary, which summarizes what we are going to do and how it will benefit investors in two pages or less.

Phase Four - Investor Multimedia Presentation & PPM

Next we develop the investor multimedia presentation, while the Private Placement Memorandum (PPM) is being prepared by our counsel. The PPM cannot be started until the business plan is finished. The PPM is legally required and we must file documentations with the states in which we plan on presenting the investment opportunity. We work closely with you on the development of this presentation and content that you already have will be very helpful in developing this important presentation. The structure of this presentation needs to be very logical and organized in a way that will inspire confidence and motivate immediate investment interest.

Phase Five - Investor Presentations

I can assist you in making initial investor presentations, if needed. However, I am not a broker-dealer, therefore, if you want me to assist in presenting the investment opportunity you will need to appoint me as an interim officer of the company. In terms of potential investors, we basically have five potential types of investors; (1.) Strategic Partners, ideally with distribution opportunities, (2.) Additional founders, with cash and potentially, expertise or other resources, (3.) Unaccredited investors, (4.) Accredited investors, including angel investors, (5.) Institutional or venture capital investors.

We work closely with you to begin with your friends, associates and family. We invite them to come to an investor presentation where we will serve them a light meal and go through the investor presentation with them. We will also provide them with a copy of your business plan and the private placement memorandum after the presentation is completed. We also ask each attendee for the names of at least three other people who they think might possibly be interested in looking at the investment opportunity. We then contact them and invite them to attend the next meeting. All attendees who express interest in the opportunity after the presentation are contacted after the meeting to answer questions and assist them in filling out the subscription agreement, which is a part of the private placement memorandum. This process continues until we raise all the funding needed.

Depending on the type of private placement, (Reg. D, 504, 505 or 506) we may be restricted to approaching specific types of investors, ie. accredited vs. non-accredited investors. A private placement cannot be the subject of advertising, general promotional seminars or public meetings in connection with the offering. This limitation does not preclude meeting with offerees to discuss the terms of the offer or to present information concerning the issuer or the offer.

Escrow Account

An escrow account must be established before any funds are accepted, into which all funds are immediately deposited until a pre-determined amount has been raised. This is typically ten percent of the total to be raised. After this amount has been raised, the funds can be withdrawn from the escrow account and used as described in the business plan.