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Online Private Placements for Real Estate

MAREMA - October 23rd, 2015

WEALTHFORGE

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WealthForge Overview

We're changing the way firms raise private capital by making access to capital markets easier and more transparent

We provide an integrated solution of risk management, standardized processing and automated technology for issuers and intermediaries

Outsourcing the back office allows issuers and intermediaries to focus their time on finding investors and enables them to raise more private capital in less time

28.9
days

Less than 30 days on average for a real estate offering to close

$1.5B
reviewed

Nearly $1.5 billion in private placement offerings reviewed

58%
real estate

More than half of the offerings on our platform are real estate

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Online Private Placements and CrowdFunding

Private placement (or non-public offering) is a funding round of securities which are sold not through a public offering, but rather through a **private** offering, mostly to a small number of chosen investors. PIPE (**Private** Investment in Public Equity) deals are one type of **private placement**.

Private placement - Wikipedia, the free encyclopedia
https://en.wikipedia.org/wiki/**Private_placement** Wikipedia

crowd·fund·ing
/ˈkroudˌfəndiNG/

noun

the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet.
"musicians, filmmakers, and artists have successfully raised funds and fostered awareness through crowdfunding"

Translations, word origin, and more definitions

Sources: Crowdfunding - http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370540017677
Private placements - http://www.sec.gov/oiea/investor-alerts-bulletins/ib_privateplacements.html

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Size of Real Estate Private Market

US Real Estate is valued at $40T by the Federal Reserve

Private Placements equate to $1.7T annually

Approximately $100B+ of that is Directly Attributable to Real Estate

Thus far, almost $1B has moved online via private placements

Sources: http://www.sec.gov/info/smallbus/acsec/acsec103111_analysis-reg-d-offering.pdf and WealthForge research based on Form D filing analysis

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Sectors and Types of Real Estate Private Placements

Residential – single family homes, multi-family properties, community development, land development

Commercial – shopping centers, office parks, skyscrapers, hotels, storage facilities, industrial buildings

Equity – preferred and common

Debt – subordinated, mezzanine, senior

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The JOBS Act: Understanding Titles II, III and IV

	Title II 506(c)	Title III* Crowdfunding	Title IV Reg A+
Current Status	Allowed as of September 2013	Currently not permissible, awaiting final rules from the SEC	Allowed in May 2015
Investor Base	• Accredited investors (status needs verifcation) • No cap on investment amount, however, suitability must be taken into account	• Open to everyone • Cap on the investment amount, depends on income and net worth of investor	• Open to everyone • Cap on the investment amount, depends on income and net worth of investor
Maximum Amount Raised	None	$1MM per 12 months	$50MM per 12 months
General Solicitation Allowed?	Yes	Yes	Yes
Exempt from State Registration?	Yes	Yes	Yes
Intermediaries Sold Through	Broker-Dealers	• Broker-Dealers • Funding Portals	Broker-Dealers
Requirement on Audited Financials?	No	Depending on the size of the offering	Yes
Ongoing Reporting Requirements?	No	Yes	Yes
SEC Pre-Review?	No	No	Yes

* WealthForge provides this information to our clients and other friends for educational purposes only. It should not be construed or relied on as legal advice. Information regarding Title III is as proposed. Final rules have not yet been published.

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About WealthForge

Founded in 2010, WealthForge provides a **simple and compliant online platform** for processing private placement transactions, making private investing more **transparent and efficient.**

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WealthForge Solution

VS

We've moved the process of private placement transactions from offline to online

By building a compliant "plumbing" infrastructure that streamlines the entire process from beginning to end

It's an agnostic platform, that is whitelabeled making it simpler and more efficient for all of the stakeholders to work together and interact

The Result:
Reduce friction in the process with the usual benefits of moving transactions online: lower cost of capital, faster, and easier

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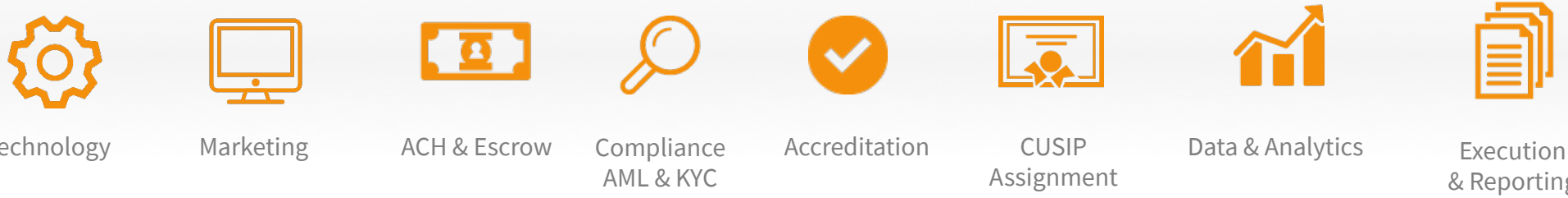
WealthForge Platform

We have simplified things down to one button

Simple to get started from our website with the ability to add additional premium offerings such as white label marketing portal, API access, data analysis, reporting and more



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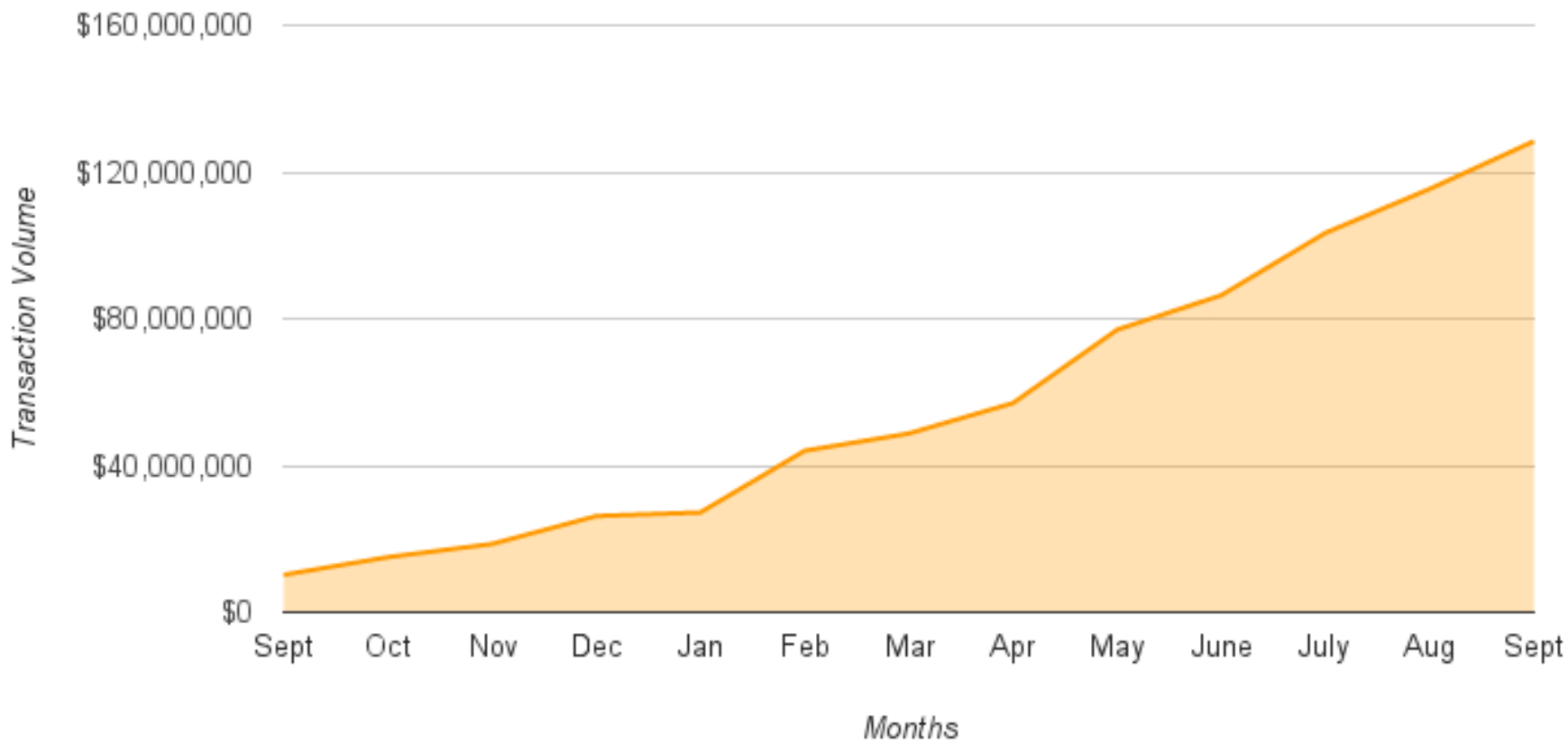
Leading the Industry with $125M+ in Transaction Closings

COMPLETED OFFERING TRANSACTIONS	2015 TRANSACTION VOLUME (THROUGH SEPTEMBER)	TOTAL HISTORICAL CLOSINGS
71	$102M	$128M



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For more information or to request a demo,
please contact:

MAT DELLORSO

mdellorso@wealthforge.com

804.308.0431 x100

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Raising capital, simplified.