

What protections are there for investors?

There is a fine balance between allowing citizens the freedom to put money where they like, and protecting investors from losing their money to bad business deals or fraud. These new rules protect investors in ways such as:

- An investment cap of \$10,000.00 per investor – per offering. Investors can invest in hundreds of offerings if they'd like. Business offerings may invite investors for less than \$10K per investor – but may not exceed the \$10k.
- A business may post offerings up to \$1,000,000.00 without audited financials, \$2,000,000.00 with audited financials per company offering. Given that an investor may not invest more than \$10, if a business wanted a million dollars or more, they would be inviting 10 or more investors into the business.
- A set of disclosure requirements for each company
- Disqualifying people with certain convictions from raising capital this way
- Warnings in offering documents that investing carries certain risks
- Keeping it within Minnesota, and requiring companies post their contact details

Note that there are no guarantees from any state or federal agency, the offering documents are not assessed by the state, and the company offering securities sets the terms of the deal. **It is up to the investor to do due diligence: read the documents thoroughly, do your own research, and talk to the people offering the securities! We recommend** companies to meet with technical service providers (TSPs) to discuss their business plans.