

# STARTUP NV

Nevada's State-Wide Business Incubator

**FundNV**

StartUpNV Early Stage Accelerator Fund

Join our cause to make **Nevada Strong...**

*... as a Start-Up*

*... as a mentor*

*... as an advisor*

*... as a sponsor*

*... as an investor!*

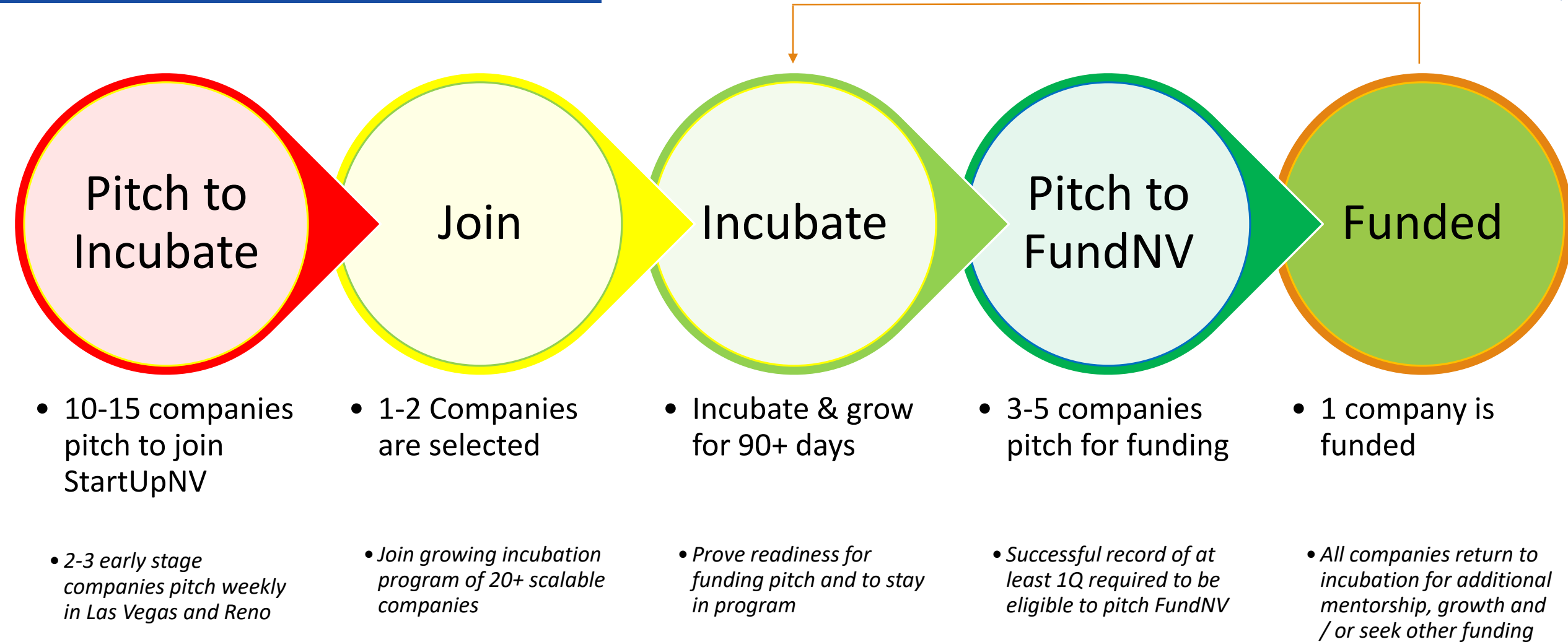
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*FundNV is a to be formed Nevada focused early-stage venture fund that will seek to provide growth capital to select StartUpNV member companies*

*FundNV affords accredited investors with Nevada based deal flow and startup investment opportunities at reduced costs on defined terms*



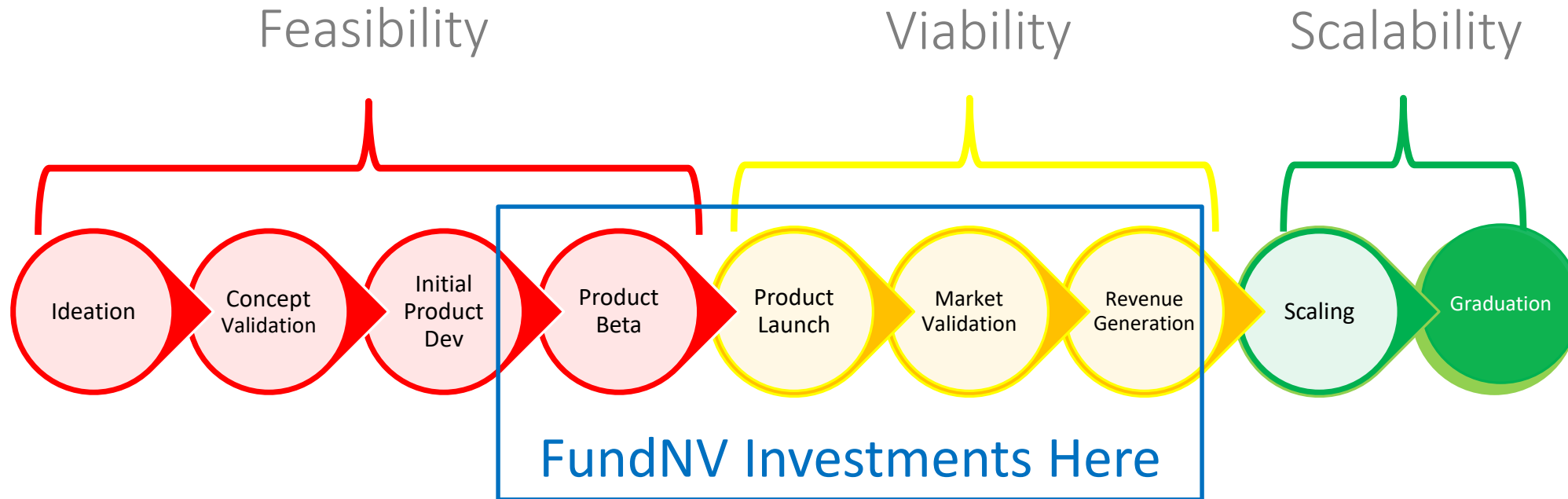
*Portfolio companies will have a months-long track record of performance working with StartUpNV prior to being considered for an investment*

*Minimal annual management fee of \$50/unit (1%)  
and a carry of 5% (donated to StartUpNV)*

- Investment terms and documents are **non-negotiable**
- FundNV invests up to \$50,000 per member company, as determined by the Investment Committee, which may be made in one or more tranches
- Investment is in the form of 2 year convertible notes at 10% interest with a 20% discount to priced round and pre-money valuation cap. *(w/ “anti-zombie” protection @ 2x note value)*
- FundNV will receive a warrant to purchase 100% of the principal amount on the terms of the first qualified equity investment (five year term)



# Stage at Investment



## FundNV will not invest in:

- “concept stage” ventures
- capital-intensive ventures requiring hundreds of thousands of dollars to build a product without raising significant additional non-revenue capital
- any company that is not a StartUpNV member

# Fund Size & Duration



<b>Target:</b>	\$500,000 to \$1 million
<b>Minimum:</b>	\$500,000
<b>Investment Period</b>	2 years max to deploy capital
<b>Duration:</b>	12 years maximum
<b>First Close:</b>	Q1 2020



*FundNV is organized as a Nevada LLC and administered through the fund hosting service and investment platform via a Special Purpose Vehicle (SPV) established by Assure (assure.co)*

*Investors will be “members” of the LLC. The Investment Committee (IC) will be “managers” of the LLC.*

- A one-time setup fee of \$20,000 (*Paid by Federal Grant*)
- Minimal management / membership fees of \$50/year/unit (1%)
- Carried interest of 5% directed to non-profit partner, StartUpNV
- Full back-office support, including all fund investment documents and annual tax filings
- Assured regulatory compliance

*Complete investment decision autonomy for FundNV Leadership, which will be appointed by the StartUpNV Board*

- An investment committee (IC) appointed by the StartUpNV Board serving staggered 2 year terms as FundNV Lead and make all FundNV investment decisions
- The IC will meet monthly to review applications for FundNV funding recommended by StartUpNV incubator member company sponsors and mentors
- FundNV Members will be invited to participate in all pitch meetings with the IC

- FundNV member “units” will be priced at \$5,000 each, with a minimum investment of \$10,000 per limited partner
- Fifty percent of the investment will be due at closing and the balance subject to future capital calls by the Fund Manager per the terms of the operating agreement
- All FundNV members must be “accredited investors” as that term is defined in Rule 501 under the Securities Act of 1933, as amended

- Potential for high growth at reduced risk
  - Similar funds have produced returns of 3X to 5X or more to investors
  - A traditional income investment portfolio would have to return 25% annually to match a 3X return on a FundNV investment
  - A reinvestment portfolio would have to return better than 10% annually to match a 3X return on a FundNV investment
- Putting your money to work growing the Nevada economy

- Website: <https://fundnv.com/>
- Fund Formation Team:
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- Key Dates:
  - Verbal Commitments / Soft Circles: thru Q2 2020
  - Assure Administrative Work: Complete
  - Investment Committee Formation: inaugural committee formed (reset after \$1M fully committed)
  - First Call (50% Funding): Q1 2020 - ongoing
  - First Investment: Q1 2020



- **Minimal Expenses:**
  - Our desire is to have **NO** expenses, however, we will need to cover basic operating expenses to hold LP meetings, occasional legal review of documents, etc. *(no salaries or consulting contracts)*.
  - Fees will be stated as an annual membership fee of \$50/unit per year *(1% equivalent)*
- **“Anti Zombie” Protection:**
  - Language which, at the note holders (FundNV’s) sole discretion upon note maturity, converts the note to a revenue based instrument.
  - The revenue based note requires the company to pay 5% of gross sales (monthly via ACH) until 2x the note amount (with accrued interest at the time of conversion) is paid.
  - Upon completion of payments, the note is retired and no equity is retained.

## Appendix 2: Example Investments

- **If FundNV were investing now, these StartUpNV member companies would likely be eligible to pitch in our first cycle(s):**



- **Fox Optimization (StaffFox):** “Solver” technology for complex scheduling at businesses like hospitals, casinos, restaurants, or anywhere there are 50+ employees of various disciplines where a business must cover shifts based on BOTH business requirements and employee preference. With thousands to millions of possible schedule combinations, Fox optimizes for **all** requirements and preferences, and adjusts as *life happens* (sick, quits, etc.) – and does so without any favoritism, engendering employee trust and longevity. Company has beta customers including a company that owns 27 minor league stadiums.



- **Heligenics:** Provides rapid and comprehensive “gene atlases of mutations” (GAMs) generated with the GigaAssay and custom analytical software. This patented technology predicts with *100% certainty* if a patient has the types of cancer that are mapped to the particular gene being evaluated. The very best current technology has a 20-30% level of certainty. GAMs are licensed to genetic testing, carrier screening and pharma companies. VCS’s solution can map as many as 50,000 mutants in 3-6 months, a 500-fold improvement over current capability. It is the **ONLY** solution that can map epistatic haplotypes, identified epistatic interdependencies between variants. The technology will expand to all types of cancers, Alzheimer’s, Parkinson's and other serious genetic issues.



- **PantyDrop:** Underwear and intimates subscription service for women of all sizes. Company has seen 3x q over q growth for 2 years and lead by an MIT trained (female) founder engineer. Recipient of additional funding from Gener8tor accelerator (2019).

- **If FundNV were investing now, these StartUpNV member companies would likely be eligible to pitch in our first cycle(s):**



- **iDemand Insurance**: “Just in time” disaster insurance. Property owners buy a baseline (right to buy) policy at 33-50% of a traditional annual insurance policy for hurricane, flood, tornado, etc. Policy owners have the right to buy additional insurance on a event (storm) by event basis as the storms form and advance. The closer the storm gets, the higher the cost of the event policy. Underwritten by the worlds largest re-insurance companies and sold online and thru traditional insurance brokers.



- **MindMed** (Savant) : Curing physical and behavioral addiction with “psychedelic inspired” treatments. Company has work completed over 10+ years of work – and is moving to market as a startup. Psychedelic properties of developed medicine “rewires” the brain to cure addiction (physical and behavioral).



- **Mobierge**: AI based high value guest relationship loyalty solution for luxury brand hospitality



crewbuilder

- **Trenlot** (CrewBuilder): A subscription SaaS solution that tracks and optimizes construction crews and equipment usage against project plans for mid sized and large contractors. Instead of meeting over the hood of a pick-up truck with a spreadsheet each morning, the Crewbuilder app assigns and tracks crews, locations, skills, and equipment based on project plans and real time, location based schedules saving an average of \$10-\$15k per crew per month.

- *There are 27 total companies to consider. The above 7 examples offered as possibilities in early 2020.*

- **Additional FundNV Member Benefits**

- Member's will have a pro-rata "first right" to invest additional money into selected companies at the same terms as FundNV to fill a round.
- Additional investment will be completed through a special purpose vehicle created and professionally managed by Assure.
- Member's who are NOT on the IC may invest in any member company at anytime, whether the IC selects the company for investment or not.
- To the extent possible in the investment vehicle, follow-on investment rights will be retained for FundNV and our Member's.

- **Expectation to Co-Invest**

- While not legally compelled to do so, Members's are generally expected to make one or more additional investments into FundNV and/or StartUpNV companies in each of the 2 years the fund is actively investing.

# Appendix 4: Activities to date

