

CROWD FUNDING

CROWDFUNDING WITH A SELF-DIRECTED IRA

Crowdfunding is a popular way entrepreneurs raise funds to gain capital for start-up ventures, business expansions, and other opportunities. The goal is to obtain small amounts of funds from rather large groups of people (family, friends, other investors) to amass the capital needed for this purpose.

In the past, only accredited investors boasting large net worths and proven financial security could acquire private stock and equity opportunities. Recent SEC rulings within the JOBS Act now permit average, non-accredited investors to partake in these offerings.

Crowdfunding for non-accredited investors:

- Net worth plus income must be less than \$100,000 to invest \$2,000 or 5% (whichever is higher) of either net worth or annual income.
- If net worth or income is over \$100,000, up to 10% of the net worth or income (whichever is higher) can be used for crowdfunding options.

Benefits of crowdfunding with a self-directed IRA:

- Availability of a myriad of investment options that provide diversity in retirement portfolios
- Does not require the use of all investment funds on one asset
- Smaller amounts of funds can be used to invest in many different assets

Steps to crowdfunding investing:

1. Open a self-directed account with Midland IRA. Plans include traditional and Roth IRAs, SEP, SIMPLE, and individual 401(k) plans, as well as health and education savings plans.
2. Fund the account by making a contribution or transferring funds from another plan to your Midland IRA account.
3. Select your crowdfunding platform and choose your investments.

CROWDFUNDING INVESTMENTS PERMISSIBLE IN SELF-DIRECTED IRAS INCLUDE:

- Real estate investments
- Technology and other start-up ventures
- Business start-ups and/or expansions

