



Office of the Indiana Secretary of State

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News Release

FOR IMMEDIATE RELEASE

Secretary of State Connie Lawson implements crowdfunding in Indiana

New rules create new ways to invest in Indiana

INDIANAPOLIS (July 1, 2014) - Today, Secretary of State Connie Lawson announced the rules for crowdfunding in Indiana which will allow Indiana investors to direct their equity investments to homegrown Hoosier entrepreneurs through the Internet. Indiana entrepreneurs can raise up to \$2 million and Indiana investors can invest up to \$5,000 per opportunity.

“Crowdfunding creates a new way for Hoosier entrepreneurs and investors to invest in Indiana,” said Secretary Lawson. “Previously, entrepreneurs could only solicit funding from wealthy investors, limiting their ability to grow their business and preventing smaller investors from taking advantage of up and coming opportunities. Now, all Hoosiers will have a chance to invest in Indiana.”

Crowdfunding began as an online fundraising strategy to facilitate the public donating small amounts of money, often through social networking websites, to help musicians, filmmakers and other artists finance their projects. Indiana moves to the forefront of using the concept of crowdfunding as a tool to help facilitate the equity investment market. Through Indiana’s new crowdfunding rules, small businesses and entrepreneurs will be able to tap into the “crowd” in search of investments to finance their business ventures.

Congress passed the JOBS Act in April of 2012 authorizing the Securities Exchange Commission to write federal rules for crowdfunding. Those rules have not been finalized. The Indiana General Assembly passed crowdfunding legislation for the state during the 2014 legislative session and tasked the Secretary of State’s office with writing the rules. Secretary Lawson, Securities Commissioner Carol Mihalik and their team worked tirelessly to complete the rules by July 1 to give emerging Indiana businesses the tools they needed the day the law went into effect.

“Crowdfunding has potential to be a great capital formation tool for start-up businesses,” said Securities Commissioner Carol Mihalik. “Hoosiers need to be aware of the risks before they invest and they should always do their research before investing. As always, our efforts to fight fraud and impose consequences will continue regardless of the type of investment.”

For more information and to view the rules, entrepreneurs and investors can view Secretary Lawson’s website www.in.gov/sos/investinindiana. Investors and entrepreneurs

with questions about crowdfunding may also call the Securities Division of Secretary Lawson's office at (317) 232-6681.

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About the Secretary of State's Securities Division

The Secretary of State's Securities Division is charged with licensing and regulating loan brokers, securities broker dealers, investment advisers, collection agencies and continuing care retirement communities. It is the front line of defense for Indiana investors by investigating and helping Hoosiers learn how to protect their assets from securities fraud.

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