

## EQUITY

### ADVANTAGES

- ✓ No personal guaranty
- ✓ Could be a bigger amount than debt
- ✓ Usually no obligation to pay back the investment
- ✓ Investors often join board, providing expertise and counsel, as well as discipline

### DISADVANTAGES

- ✓ "Securities Laws," a painful spider web of red tape
- ✓ Equity will dilute (reduce) your total ownership in your company
- ✓ Investors often join board, providing expertise and counsel, as well as discipline
- ✓ Investors have a right to see the books and records of the company at their request
- ✓ You will have "fiduciary" duties to your investors (like ethics and diligence)