

## EQUITY CAPITAL

INVESTOR	ADVANTAGES	DISADVANTAGES
VC	<ul style="list-style-type: none"><li>✓ Your credibility takes steroids</li><li>✓ Deep well of cash (if you can get it)</li><li>✓ The contacts and expertise of the VC</li></ul>	<ul style="list-style-type: none"><li>✓ Very expensive money – half your company, caps on compensation, approval rights</li><li>✓ The deal to get the money won't be pleasant</li><li>✓ The legal fees to get the money won't be pleasant or small</li><li>✓ They push for an exit (maybe before you are ready)</li><li>✓ Very formal</li><li>✓ May be forced to expand too quickly<sup>2</sup></li></ul>
ANGEL	<ul style="list-style-type: none"><li>✓ Advice and counsel</li><li>✓ Gap filler in startup capital</li><li>✓ Contacts of angel</li><li>✓ Angels may take a more personal and mentoring role</li></ul>	<ul style="list-style-type: none"><li>✓ Expensive money</li><li>✓ Exit strategy</li></ul>