

Alternative Investments as Innovative Gifts for the Holidays? Some Considerations from the Perspective of a Biotech CEO

Alternative Investments Aren't Limited to Crypto and NFTs. Equity Crowdfunding Is a Recent Creation That May Offer Expanded Gift Options for Holiday Shoppers.

ATLANTA, GEORGIA, USA, December 9, 2021 /EINPresswire.com/ -- As we leave the season of



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giving "thanks" and enter the season of giving "stuff", it's an annual challenge to come up with a gift that's unique and memorable for those special persons in our lives. But what if everyone had access to an area of gifting that was non-existent just a few years ago or only available to the wealthiest American households? A federal law called Regulation Crowdfunding (Reg CF) of the federal Securities Act of 1933, (amended effective March 15, 2021), may have made that possible.

This law allows small companies to raise capital by selling securities like stocks or convertible notes to people that were previously not allowed to invest in such companies. "Unless you were an 'accredited' investor, you were not allowed to invest in companies like ours before this law existed" says John F. Adamson, president and chief executive officer of DeoBioSciences, a small biotech startup focused on cancer drug R&D, which has a currently active Reg CF campaign on Netcapital.com.

"Now small or startup companies can raise capital and average folks can invest in them before they take-off or, frequently, crash and burn. The truth is this is a generally high-risk/high-reward area of investment. So the government limits how much people can invest based on their income and net worth." Nevertheless, over a billion dollars has already been invested in companies via this method, more commonly known as "Equity Crowdfunding," at "portals" like Netcapital.com, StartEngine, and WeFunder.

(https://www.crowdfundinsider.com/2021/10/182167-reg-cf-investment-crowdfunding-tops-1-billion-on-heals-of-funding-cap-increase/)

So how much is the minimum investment? That varies by company, but it is frequently as low as \$100. And while there are many fans of equity crowdfunding as a vehicle for accessing early

stage investment for people who aren't venture capitalists or "insiders," the DeoBioSciences CEO is quick to share some cautionary considerations. "First, understand the risk. Whether it's for yourself or others, research the company and make sure it's something you're prepared to lose your investment in if things don't work out. I would only choose a company that I or my gift recipient really believes in so that if they fail we don't mind treating it as a write-off.

"Two, what type of "security" do you get for your investment? Some might prefer companies that offer stock ownership or convertible notes rather than <u>SAFEs</u> (<u>Simple Agreement for Future Equity (SAFE)</u>). (The reasons why are at this FINRA link: https://www.finra.org/investors/insights/safe-securities)

"Three, know the exit strategy. The 'exit' is the plan for getting the investor a return on their investment. Usually it's an acquisition by a bigger company, or an IPO, or maybe they'll grow and pay the investor dividends from profits. But understand what it is before you make the purchase and whether it's a realistic strategy for that company.

"Lastly, expect a long-term investment. Most companies are unlikely to create an exit opportunity in less than four years, if ever. That's why these may make better gifts for younger people rather than retirees. Alternatively, look for portals that offer a secondary trading market, which is basically a 'stock market before an IPO.' For example, Netcapital.com offers access to Rialto Markets after a mandatory holding period. This means that it may be possible to liquidate an investment without waiting for a major exit event to occur."

So, if giving a lottery ticket seems like too much of a longshot and backing an early stage company sounds intriguing or you're just running late in your shopping and need a last minute gift option, equity crowdfunding may be the right ticket for this holiday season.

About DeoBioSciences

DeoBioSciences is a privately held, pre-clinical stage, minority/female founded, biotech developer with a principal office in suburban Atlanta, Georgia. The company performs targeted exploration of naturally sourced compounds with medicinal potential. DBS is currently developing DBX-31, a naturally sourced anticancer protein to address a wide range of advanced stage cancer types through external apoptotic induction. For more information visit: www.deobiosciences.com.

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DeoBioSciences' press releases and other company information are available at www.deobiosciences.com or by contacting DeoBioSciences' corporate line at 1-866-336-9530 within the United States or via email at pub_relations@deobiosciences.com.

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