



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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RANKING MEMBER
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MEMBER
FINANCE, REVENUE AND BONDING COMMITTEE
PLANNING AND DEVELOPMENT COMMITTEE

Banking Committee
February 19, 2015

Senator Leone, Representative Lesser, Senator Martin, Representative Simanski and the entire membership of the Banking Committee, I want to thank you for giving me the opportunity to testify in support of **H.B. 5131 AN ACT REQUIRING THE BANKING COMMISSIONER TO CONDUCT A STUDY OF CROWDFUNDING LEGISLATION IN OTHER STATES.**

Small businesses are the backbone of Connecticut's economy. Fostering new and innovative ways to increase capital for local businesses will go a long way towards creating jobs and economic opportunity for all. Reward based crowdfunding already exists, as exemplified by companies such as Kickstarter and Indiegogo. However, equity crowdfunding is also an excellent way to raise capital and give businesses the necessary help from the private sector. It is time that we revamp our efforts to bolster our state's economy.

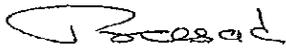
How does crowdfunding work? If someone wants to open a Laundromat, he or she may need a capital resource of roughly \$50,000.00. Through crowdfunding, the capital can be raised and each party that contributes gains equity within company. To facilitate the raising of capital an internet portal is set up, which essentially becomes a match maker. The Banking Commissioner will need to establish criteria in order to qualify interested parties to participate in crowdfunding depending on net worth and annual income. Capping the amount that can be raised needs to be an established regulation. Additionally, registry for accountability and transparency needs to be established as well. The State of Maine has a one page form that accomplishes all of this.

Ever since the conclusion of the Great Depression, the concept of crowdfunding has been presented, but not robustly implemented. Today, however, the internet serves as the basic infrastructure to connect interested parties interested in engaging in crowdfunding ventures. Georgia, Kansas, Maine, Tennessee, Texas, and Michigan have already passed legislation for this concept, with half a dozen more considering similar legislation.

Governments and legislatures do not grow jobs, entrepreneurs do. Entrepreneurs need the support of their elected officials through effective legislation. The way to grow Connecticut's economy is through the creation of new businesses, started by local Entrepreneurs who base their business operations in Connecticut. One of the best ways to facilitate this growth is through crowdfunding.

I want to thank you for your consideration of HB 5131 and for allowing me to express my thoughts before the committee today.

Sincerely,



Prasad Srinivasan
State Representative, 31st District



Fund-ME Short-Form Seed Capital Registration Filing Checklist

To help you make sure your filing is complete, we developed this filing checklist. Please complete the checklist and include it as the cover sheet with your Fund-ME filing submission. Before you complete the Fund-ME registration form, be sure to read the eligibility requirements in the statute and the related rule (available at www.investors.maine.gov) to make sure you are eligible to register securities on the Fund-ME Form.

Issuer Information

Company name: _____

Company street address: _____

City, state, zip code: _____

Company web site address: _____

Contact Person and Contact Information

E-mail address of contact person: _____

Phone number for contact person: _____

Address (if different from above): _____

Make sure you submit the following with your Fund-ME Form:

- This cover sheet
- Appendix A – Business Plan
- Appendix B – Financial Statements – The type of financial information you need to submit depends on the amount of your offering. Make sure you check the statute to find out whether you need to submit the company's income tax returns along with company financial statements certified by the company's principal executive office, company financials statements reviewed by a public accountant, or audited financial statements for the company.
- Appendix C – Capitalization Table
- Appendix D – Biographical Information
- Subscription Agreement
- Fully executed Impoundment Agreement
- Filing Fee

How to Submit Your Form

You must send your filing fee at the same time that you submit your Fund-ME Form. Please indicate here how you are sending your filing fee.

Check enclosed Amount: \$ _____
Checks should be made payable to Treasurer, State of Maine

Credit Card: Please click here for the credit card authorization form or visit www.investors.maine.gov

Delivery Methods

Email: OOS.Registration@maine.gov

Fax: (207) 624-8590, Attention: Fund-ME - Office of Securities

Mail:

- ◆ All US Postal Service deliveries (including overnight express) must be addressed to:
121 State House Station, Augusta ME 04333.
- ◆ All private deliveries, such as FedEx and UPS, must be sent to our physical location:
76 Northern Avenue, Gardiner ME 04345

Questions? If you have questions about the Fund-ME process, please call the Office of Securities toll-free in-state at (877) 624-8551 or (207) 624-8551. Additional information is available at www.investors.maine.gov.

Tips for Completing the Form

- ◆ Do not alter the form in any way.
- ◆ Make sure you respond completely and accurately to every item on the form. Include every page of the Offering Circular, including the table of contents, executed signature page, and all required exhibits with your filing.
- ◆ Make sure that the minimum offering amount (and the amount you will put into the impoundment account) is at least 30% of your maximum offering amount. **Remember, the maximum amount you offer during any 12-month period cannot exceed \$1,000,000.**
- ◆ Form Fund-ME is only for Maine, and the requirements for securities offerings differ from state to state. **Before** you offer in states other than Maine, check with the securities regulator in each of those states to find out what each state requires for filings, fees, etc.

IMPORTANT: Until you receive a letter from the Office of Securities stating that your offering is effective, you cannot start marketing or offering the securities.