

FOR IMMEDIATE RELEASE



## **Crowdfunding for Illinois Businesses Now Up and Running** *Innovative program helps entrepreneurs, local communities*

**CHICAGO – January 17, 2017** – Three Chicago-area business owners were profiled today as the first entrepreneurs to be raising money under the new Illinois intrastate equity crowdfunding law. The businesses are using this capital to create jobs, re-invest in the local community and generate potential revenue for investors. Three businesses: Native Sons of Chicago (<https://www.facebook.com/NativeSonsChicago/>) CrossTown Fitness (<http://crosstownfitness.com/>) and CardFrenzy (<http://www.mycardfrenzy.com/>) are raising capital through the new crowdfunding portal [www.vestlo.com](http://www.vestlo.com). These entrepreneurs, along with the Small Business Advocacy Council, 1871, a state representative who supported the bill and the Chicago attorney from Freeborn & Peters LLP who authored it, gathered at the 1871 offices at The Merchandise Mart to spotlight innovation in Illinois.

"The team at VestLo couldn't be more excited to have first mover advantage leveraging the Illinois Investment crowdfunding law," said **Howard Orloff**, co-founder of VestLo. "We aim to enable businesses, people and communities who have historically been under-served by traditional financing to raise the capital they need to continue to grow and hire in Illinois."

The new Illinois intrastate crowdfunding law (HB3429) allows Illinois businesses to raise up to \$4 million in capital from Illinois investors, one of the highest intrastate crowdfunding allowances in the country and higher than the federal cap of \$1 million. This new way of accessing capital is having a positive impact on the economy and local communities. In addition, Illinois residents now have the ability to diversify their investment portfolios in local trust. These small business investments have exponential power to drive our local economy, while generating potential investment returns for investors.

"Intrastate equity crowdfunding provides small business owners and entrepreneurs the opportunity to raise money through a large number of people in their communities," said **Elliot Richardson**, founder and CEO of the Small Business Advocacy Council. "Intrastate crowdfunding will help spark the Illinois economy and create jobs throughout the state."

Also speaking at the event were Howard Tullman, CEO of 1871, and Rep. Carol Sente (D-59<sup>th</sup>) who sponsored the legislation.

"As the author of the Illinois intrastate crowdfunding law I cannot express how thrilled I am to see it finally being used. It took longer than expected to get here, but Illinois intrastate crowdfunding is already looking like it will be a game changer for Illinois companies like NativeSons, CrossTown Fitness and CardFrenzy, who are looking to find the funding necessary to grow and get to that next level," said **Anthony J. Zeoli**, a partner in the Corporate Practice Group at **Freeborn & Peters LLP**. "While this is truly a monumental step, this is only the first offering and there are several others expected to be released in 2017." Mr. Zeoli is also the author of the Crowdfunding Legal Hub Blog.

For more information on the Corporate Practice Group at Freeborn & Peters LLP, visit <http://www.freeborn.com/practice-area/corporate>.

For more information on Illinois intrastate crowdfunding, visit <https://vestlo.com/> and <http://www.smallbusinessadvocacycouncil.org/>.

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## **ABOUT SMALL BUSINESS ADVOCACY COUNCIL**

The Small Business Advocacy Council (SBAC) is a non-partisan, member driven organization that promotes the success of small business through political advocacy, support services and educational programs. The SBAC was established in 2010 and represents nearly 1,000 businesses in the Chicagoland area. <http://www.smallbusinessadvocacycouncil.org/>

## **ABOUT VESTLO, LLC**

VestLo is a FinTech company based in Chicago that is committed to the concept of investing locally. We believe individual customers, neighbors and communities can come together to support local businesses through crowdfunding the investment needed to operate or expand their business. Investing locally will benefit local communities and boost our local economy. Investors see the return on their investment through improvements in their community and potential investment gains. VestLo has two offices in Chicago including a satellite office in 1871, the startup hub of the Midwest. <https://vestlo.com/>

## **ABOUT FREEBORN & PETERS LLP**

Freeborn & Peters LLP is a full-service law firm, headquartered in Chicago, with international capabilities. Freeborn is always looking ahead and seeking to find better ways to serve its clients. It takes a proactive approach to ensure its clients are more informed, prepared and able to achieve greater success – not just now, but also in the future. While the firm serves clients across a very broad range of sectors, it has also pioneered an interdisciplinary approach that serves the specific needs of targeted industries, including credit unions, food, healthcare, transportation, private equity and venture capital, and insurance and reinsurance.

Freeborn is a firm that genuinely lives up to its core values of integrity, caring, effectiveness, teamwork, and commitment, and embodies them through high standards of client service and

responsive action. Its lawyers build close and lasting relationships with clients and are driven to help them achieve their legal and business objectives. For more information, please visit [www.freeborn.com](http://www.freeborn.com)

## **ABOUT 1871**

1871 is the home of almost 500 early-stage, high-growth digital startups. Located in The Merchandise Mart, this 130,000 square foot facility is also the headquarters of nationally recognized accelerators Techstars Chicago and the Good Food Business Accelerator; impact investing fund Impact Engine; half a dozen industry-specific incubators in key areas such as real estate, education technology, food and financial technology; several emerging tech talent schools (Fullstack Academy, Actualize, Future Founders, Designation and Evolve Security Academy), and the state's leading technology advocate, the Illinois Science and Technology Coalition. It is the second home to Chicago-based VCs, Pritzker Group Venture Capital, MATH Venture Partners, Hyde Park Angels, OCA Ventures, OurCrowd and Chicago Ventures, as well as satellite offices for DePaul University, Northwestern University, University of Illinois, University of Chicago, Loyola University Chicago, Illinois Institute of Technology and DeVry. 1871 has fast become recognized as the hub for the city's entrepreneurial/technology ecosystem and has been featured in Inc. Magazine, TechCrunch, The Wall Street Journal, The New York Times, Chicago Tribune and Crain's Chicago Business among other top media. 1871 is the flagship project of the Chicagoland Entrepreneurial Center.

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