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CONFIRMATION NO. 3398

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FILING RECEIPT



Date Mailed: 10/15/2013

Receipt is acknowledged of this provisional patent application. It will not be examined for patentability and will become abandoned not later than twelve months after its filing date. Any correspondence concerning the application must include the following identification information: the U.S. APPLICATION NUMBER, FILING DATE, NAME OF APPLICANT, and TITLE OF INVENTION. Fees transmitted by check or draft are subject to collection. Please verify the accuracy of the data presented on this receipt. If an error is noted on this Filing Receipt, please submit a written request for a Filing Receipt Correction. Please provide a copy of this Filing Receipt with the changes noted thereon. If you received a "Notice to File Missing Parts" for this application, please submit any corrections to this Filing Receipt with your reply to the Notice. When the USPTO processes the reply to the Notice, the USPTO will generate another Filing Receipt incorporating the requested corrections

Inventor(s)

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Applicant(s)

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Power of Attorney: None

If Required, Foreign Filing License Granted: 10/04/2013

The country code and number of your priority application, to be used for filing abroad under the Paris Convention, is US 61/884,067

Projected Publication Date: None, application is not eligible for pre-grant publication

Non-Publication Request: No

Early Publication Request: No

** SMALL ENTITY **

Title

Equitable Investment Venture Capital Platform for the Masses

Statement under 37 CFR 1.55 or 1.78 for AIA (First Inventor to File) Transition Applications: No

PROTECTING YOUR INVENTION OUTSIDE THE UNITED STATES

Since the rights granted by a U.S. patent extend only throughout the territory of the United States and have no effect in a foreign country, an inventor who wishes patent protection in another country must apply for a patent in a specific country or in regional patent offices. Applicants may wish to consider the filing of an international application under the Patent Cooperation Treaty (PCT). An international (PCT) application generally has the same

1. What do you call your invention?

Equitable Investment Venture Capital Platform for the Masses

2. What are the names and addresses of the inventors?

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3. What are the advantages of your invention over prior art?

Both existing prior art (i.e. 'venture exchange' system, patent # US 20100268667 and 'crowd funding system', patent # US 20130226688A1) as well as existing examples of 'crowd funding', as outlined in the 2012 USA JOBS ACT serve as a basic means of connecting entrepreneur's with investors. At the same time little measure of quality is assigned to various investment projects, and further both the rewards and interactions between entrepreneurs and potential investors (not outlined in the JOBS ACT) has both excluded collaborative development nor specified variations on equity ownership status. Previous models have this limited the potential for small and medium size investors to realize any long term gains or shareholder input status as a result of their donation or investment.

Further, with the rise of electronic trading on the web and the strength of large institutional investors, utilizing complex automated trading models, it is my belief that the traditional value proposition in common equities for the average middle to lower income shareholder has become diminished. It is my desire to provide a platform for crowdfunding beyond the prior art that remedies the value proposition for long-term investors for this segment of the economic public while at the same time advocating investment in start-up growth.

In order to remedy these issues, my invention proposes the following additions and modifications:

- I. While previously established investment portals utilize some form of project approval and also require basic bank/credit card/background information, including, perhaps, a business plan, all existing approval models are carried out by employed staff. Since the primary purpose of my invention is to include investor input (based on their particular area of expertise) in the actual funding decision, designated non-employee senior members of the user community will have the opportunity to vote on which projects will be approved for funding. The weight for each vote is determined by a proprietary model based in part on:
 - a. The total amount that user has contributed in the past (up to a certain limit so as to remain equitable to new investors)
 - b. The success/failure rate of projects the user has previously funded.

- c. The degree or amount of project feedback that user has provided to current or previous projects as well as a quantitative measure of the usefulness of that feedback.

The 'first-round' voting process ensures only those projects with the highest degree of either popular appeal/change of being fully funded are sanctioned for approval. This both greatly decreases the risk of investor fraud for small and medium size investors, by ensuring only the projects with the most broad base of support/vetting from individual users, based on their tastes and personal experience in various fields, are accepted. Following the first round approval process including a question and answer period projects will move on to the 'open for funding status.' Based on the entrepreneur's needs/project goals, one or more rounds of funding will be available.

However, in contrast to existing 'all-or-nothing' funding models as established by other examples of the 2012 USA JOBS ACT, in this case the final approval of each round of funding release will be dependent on meeting certain goals or standards outlined by the entrepreneur at the time of project submission and then verified by company staff (i.e. That a certain stage in product/project sourcing, production, inventory, design or development has been met). Community feedback will also provide a vote of confidence before final round approval.

From the original pool of approved projects, potential investors will also have two ways to invest.

- I. Individually in single projects/businesses/projects based on their personal choice/taste.
- II. Via a single contribution to the general fund. In the case of this method investor funds will be automatically distributed across a range of projects at various rounds of funding proportional to the previous success at meeting the goals of former rounds of funding as well as via popular vote. In the case of the general fund model, votes will be distributed based on:
 - a. The total amount the user has contributed in the past (up to a certain limit so as to remain equitable to new investors).
 - b. The success/failure rate of projects the user has previously funded.
 - c. The degree or amount of project feedback that user has provided to current or previous projects as well as a quantitative measure of the usefulness of that feedback.

In order to provide guidance to first time investors, projects will be assigned, in addition, a 'quality indicator' based on a proprietary mathematical model.

Whereas previous 'crowd funding systems' have placed an emphasis on the use of the portal as a means of advertising potential investment projects, the Equitable Investment Venture Capital Platform for the Masses includes potential investor input as a vital means of collaborative development at every level including not only feedback, but joint team development, engineering work, programming, design, etc. as a means of services rendered, at the agreement or behest of the entrepreneur as a means of services rendered in exchange for equity ownership. This integrative model not only ensures the overall quality of various projects, it also speeds completion time and greater spreads project awareness. Most vitally

of all, the high degree of investor collaboration and input on the portal ensures that investment risks for first-time, medium, and small-size investors is minimized.

Finally, while projects may have the option to offer rewards in the form of product and/or experience (i.e. Meet the inventors, marketing events, tutorials and lessons, etc.) for certain lower levels of funding, the emphasis of the Equitable Investment Venture Capital Platform will be primarily focused on establishing equity ownership in the various businesses/projects there in. Further, depending on the ultimate aims of the individual entrepreneur, funding/ownership may be restricted to a certain percentage of overall company equity. Long-term it is at the individual entrepreneur's digression, specified at the time of original project submission whether or not the given equity stake will be qualified for preferred share status in the instance the company brings an open market IPO to market. The advantage of this distinction and option is that it provides small and medium size investors truly the potential for long term equity growth, an option that is usually limited to institutional or high value investor groups.

Equity shares as offered by the prospective entrepreneur will provide returns based on one of the three models:

- I. Pure equity ownership with no returns but which would necessarily include either product samples, 'experience offerings', and/or preferential preferred share status at the time of the IPO offering.
- II. Equity ownership plus the return of one or more lump sum payments at a schedule outlined by the investor based on a percentage of yearly after tax profits.
- III. Equity ownership plus an annualized return based on a schedule outlined by the entrepreneur.

4. Figures and Drawings:

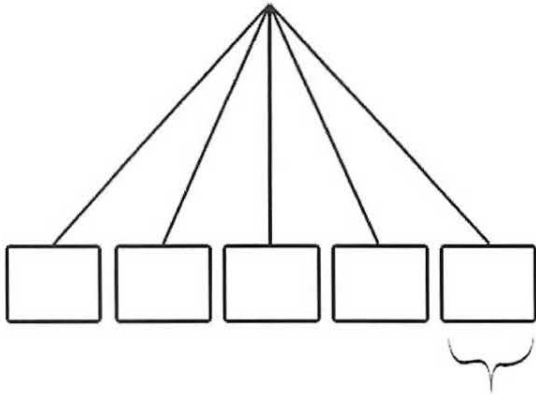


Figure 1: Individual Product/Project Elements:

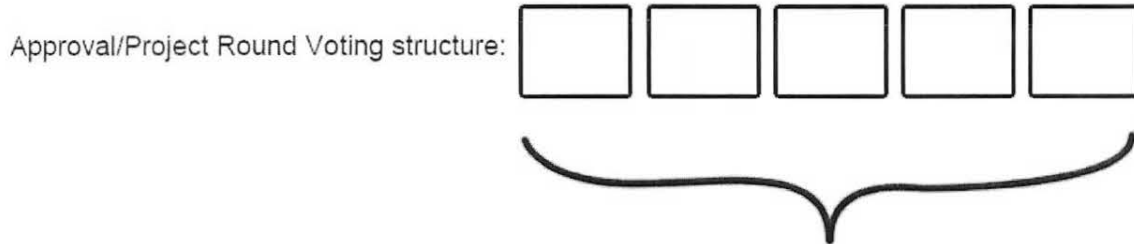
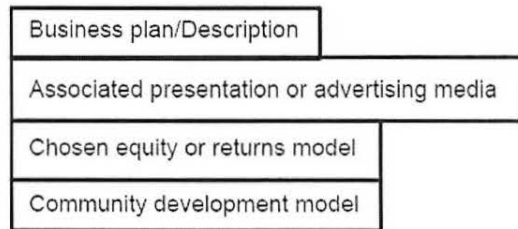


Figure 2:

Voting share of 100%. Projects in the majority outlined by previously stated voting share/rights are approved for subsequent rounds of funding until the project is completed. Equity shares are issued only at the time of project completion.

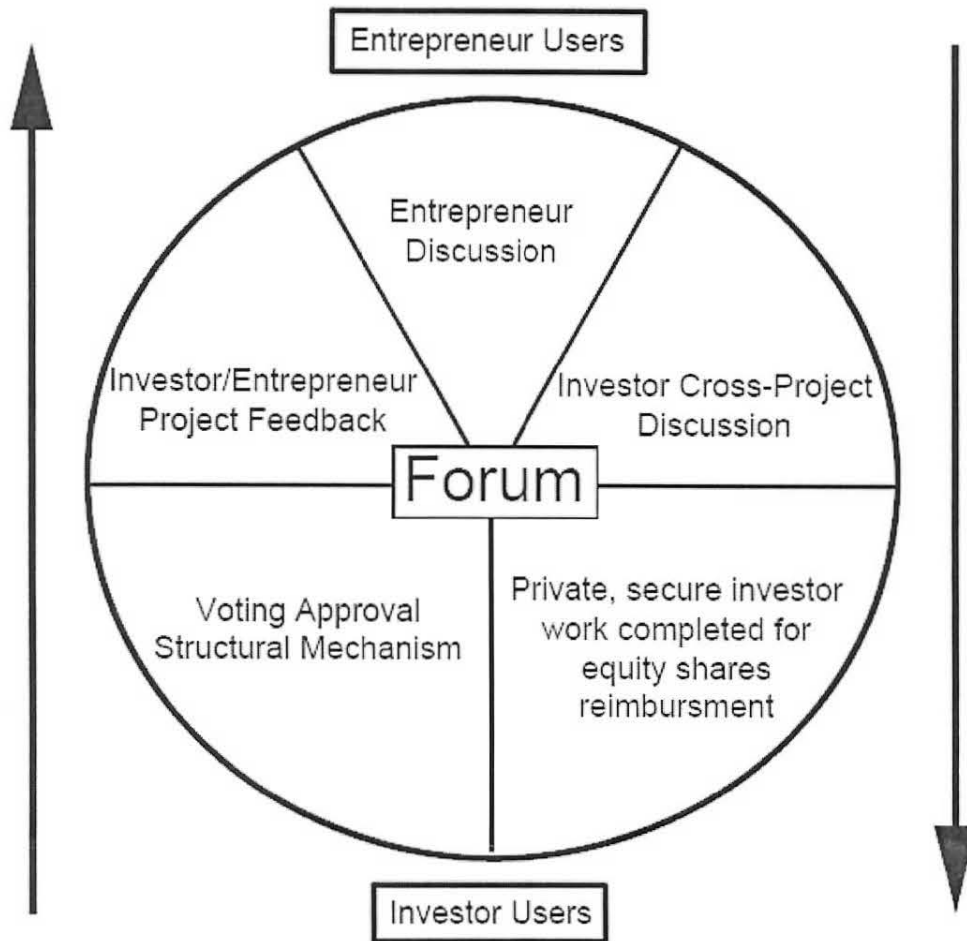


Figure 3: Description of part component interaction at portal level

5. The components of my invention are:

4. A portfolio of submitted and active projects stored on a secure remote computer server, each of which includes a business plan/description, a collection of associated presentation or advertising media, a chosen equity or returns model, and an associated community development portal.
5. A proprietary algorithm for numerically ranking project quality.
6. A weighted voting system for determining project selection as defined by users.
7. An entrepreneur user database stored on a secure remote computer server.
8. An investor user database stored on a secure remote computer server containing user information, funds, and investment status/returns.

6. How do the parts or components connect or interact?

The parts and components connect and interact via the portal itself, not simply by providing a location for shared investment fundraising, but more vitally also as a means to further improve the quality of the investment and the quality of the product by an agreed upon exchange of knowledge and

expertise between entrepreneur and investor. The parts described in part 5 are synergized through the portal itself to provide an innovative, high-growth, yet relatively safe model for investors.

7. How does the invention achieve its result?

Through the collaborative investment of both entrepreneur's and investors through the designated portal which this document, in outline, describes.

8. Alternate means of achieving the outcome of this invention:

While certain aspects of this model are similar to traditional VC formation, the main intention of the Equitable Investment Venture Capital Platform is to provide an open system via a transparent and public voting and investment projects for average medium and low-income investors rather than a closed door system that benefits the rarified elite. The specific forums and common modes of development outlined in the portal description have not been designed or implemented previously and it is these features that lay at the heart of the Equitable Investment Venture Capital Platform.

Alternate means of achieving the outcome of this invention include utilizing alternate weight systems for the voting process and/or limiting funding to a single round of investment.

Further, so as to ensure complete compliance with the 2012 JOBS ACT as the relevant laws are continuing to be developed, equity ownership may be temporarily replaced by the product / 'experience' returns model to ensure accurate predictive value in investment success and also ensure full compliance with the law.