Questions and Answers from ARC Appalachian Angel Capital Fund Formation RFP Conference Call
June 1, 2012

Questions on Proposal Submission Section of RFP (pages 4-5)

Q: ***Regarding Item 3b (page 4):*** Clarification was requested regarding the following statement: "Identify from this group of angel investors two to five individual champions who are willing to play a lead role in supporting the process required to form an angel fund and who are willing to lead fundraising activities . . ." Do applicants need to name these two to five individuals?
A: You (the applicant) should discuss the relationship between your entity and the angel investors—specifically, how you will engage, or are engaging, angel investors. You may list names if you would like, but that is not required.

Q: ***Regarding Item 4b (page 5):*** Clarification was requested regarding how to "outline how the partner organizations have collaborated in the past . . ."
A: If you are providing an example of a past collaboration, please give a brief overview of your organization's relevant collaborative relationships, and then provide details of the example, including outcomes.

Questions on Angel Fund Formation

Q: ***Regarding Phase 1 (Feasibility and Design):*** What happens if, at the end of feasibility testing and solicitation of interest (step C), it is determined that an angel fund is not going to be viable?
A: If this were to occur, RAIN and the applicant would gather the angel leadership group that designed the framework and discussed the fund with other accredited investors, to ascertain what was learned and to prepare for future opportunities.

Q: Are angel funds "for profit" or "not for profit" entities for IRS purposes?
A: Angel investment funds are typically incorporated as limited liability companies (LLCs) and are typically "for profit" entities. The members of the angel fund can be individuals, businesses, and nonprofit entities who meet the accredited investor standards set by the Securities and Exchange Commission.