

Crowdfunding Tour Enlisting Credit Union Partners

By [Roy Urrico](#) June 26, 2017



New York City-based GrowthFountain, an equity crowdfunding platform, is preparing for “The Heartland Tour,” to shine the spotlight on business startups and get credit union partners involved in the process.

GrowthFountain plans ten U.S. stops, in coordination with select credit unions and accelerator partners, in a mission to help businesses raise capital needed to grow. Crowdfunding is the practice of funding a project or venture by raising small amounts of money from a large number of people, typically via the internet.

“We thought what better way to launch our credit union partnerships than with a cross-country tour where we travel to 10 cities to specifically help their specific business community raise the capital they need to grow,” GrowthFountain CEO Ken Staut said.

The tour stops include:

1. New York City
2. Portland, Maine

3. Boston/Worcester, Mass.
4. Jacksonville, Fla.
5. Chattanooga, Tenn.
6. Waterloo, Iowa
7. New Orleans
8. Tulsa, Okla.
9. Portland, Ore.
10. Los Angeles

Staut confirmed about eight credit unions are committed to the tour so far, including the \$317 million Portland, Maine-based [Infinity FCU](#), \$7.2 billion, Marlborough, Mass.-based [Digital FCU](#), and \$1.19 billion Chattanooga, Tenn.-based [Tennessee Valley FCU](#). All events will take place in September but GrowthFountain has not yet announced specific dates.

They are still looking for [credit union participants](#). “The credit union connection is special to us. We believe the same things,” Staut added. “Any participating credit unions would spread awareness to their local business community.”

Here’s how the tour stops work:

At each event business founders gets to present a demo or participate in a fireside chat, whichever they prefer. Simultaneously GrowthFountain will broadcast the discussion/presentation to thousands of investors online, in addition to those assembled. “We will live stream it across all of our web properties,” Staut said.

The investors, both at the event and viewing remotely, can invest in real time through their devices. They will also have a computer set up at the events.

The goal is to raise awareness and possibly gain some activity as well. “It’s a way to amplify their exposure. It’s not really envisioned that funding will be completed during their demo but it’s a way to help them get started and get initial traction,” Staut explained. “It feels good to work with startups. There is an energy about them you can really feed off.”

Companies that want to participate need to apply and get their paperwork in order in advance. GrowthFountain also qualifies businesses by running background checks, reviewing the business plan, assisting with valuation, developing deal terms, and providing template docs and API.

“Investor protection is top of mind in everything we do,” Staut explain, His firm runs due diligence on all issuers (project initiators) who propose the idea/project needing funding.

The JumpStart Our Business Startups Act, or JOBS Act, which passed in 2012, encourages small business funding in the United States by reducing many securities regulations. Under new SEC rules effective May 16, 2016, the public can now help finance start-up companies.

According to GrowthFountain, the crowdfunding model has three components:

- The project initiator or issuer, who proposes the idea/project needing funding.
- Individuals who support the idea, the investors.
- A moderating organization or platform that brings the parties together to launch the campaign.

This past March, [GrowthFountain announced a partnership with Digital FCU](#) to enable entrepreneurs to raise capital and encourage members to invest.

Working with GrowthFountain, DCU receives a white-label platform built specifically for the Massachusetts credit union. There, anyone in the credit union's community, as well as nationwide through GrowthFountain's rebroadcast, can log in and see who is raising money and help that local business receive the funding it needs.

GrowthFountain sees its job as trying to bring as many users to the platform as possible through partnerships with credit unions, tech incubators, and university entrepreneurship programs and alumni; as well as PR campaigns, social media and digital marketing.