

Crowdfunding/Crowdfunding Frequently Asked Questions

- **How much money can I raise using the crowdfunding exemption?**

You can raise up to \$1,000,000.

- **Is there a limit on how much money one investor can invest in my business?**

Yes. You may not accept more than \$10,000 from a single purchaser during a 12 month period unless the purchaser is an accredited investor.

- **Where do I put the money that I raise in my crowdfunding exemption?**

You must escrow all funds received from investors with a bank or other depository institution authorized to do business in this state until the minimum target dollar amount is met. You must file the escrow agreement with the Division before you start.

- **What do I need to do to get started?**

You will need to submit a formal application with the required fee. You should also carefully read and comply with the requirements contained in the crowdfunding statute (AS 45.56.130) and regulations (3 AAC 08.810 through 3 AAC 08.895). Visit the Division of Banking and Securities [website](#) for more information.

- **Can I use the crowdfunding exemption to raise capital for a marijuana or alcohol business?**

Yes, but you must also comply with the laws and regulations that govern those types of businesses, including restrictions on who can invest in those types of businesses. You should visit the Alcohol & Marijuana Control Office's [website](#) for guidance.

- **Can I use the crowdfunding exemption to raise funds for a not-for-profit entity?**

No you cannot. AS 45.56.130 states that the issuer of the security shall be a for-profit corporation, another for-profit entity, or a business cooperative, have its principal place of business in this state, and have an Alaska business license. Visit the Division of Corporation, Business and Professional Licensing's [website](#) for more information.

- **Can I advertise my crowdfunding offering?**

Yes you can but there are certain requirements that must be met before you begin advertising. You must pre-file your advertising materials with the administrator 10 days before the use of a general solicitation. The advertising

can be directed only to residents of Alaska and before advertising or solicitations are viewed, each person viewing the materials must affirmatively certify they are a resident of this state. Please review the regulations covering the crowdfunding exemption for more information.

- **What kind of advertising can I use for my crowdfunding efforts?**

You can use any type of advertising you prefer such as print, electronic media, Facebook, twitter, LinkedIn, radio, television and so forth. Remember that you must pre-file what you intend to use at least 10 days before beginning your campaign. The information that can be included in advertising materials are limited to the following:

- Name and contact information of the issuer
- A brief description of the general type of business of the issuer
- The type of security offered
- The minimum target offering amount and the total offering amount
- A description of how the issuer will use the funds
- The deadline for raising funds through the offering
- The issuer's logo; and
- A link to the issuer's website in which the securities are offered or sold or to a third-party website in which the securities are advertised

- **Can I have a website for my crowdfunding campaign?**

Yes, it is considered a form of advertising.

- **Can I use someone else's website to help sell my securities?**

Yes, but note that certain restrictions apply to those third party sites and they must also register with our office. See 3 AAC 08.880 for more information.

- **Should I hire an attorney to help me with my crowdfunding efforts?**

You do not have to do this but it is highly recommended that you consult competent securities counsel before issuing any securities. State and federal securities laws are complex and although the crowdfunding act is an effort to make fundraising easier for entrepreneurs you do not want to do something that could cloud future fundraising efforts and be costly to correct. Note that the Division cannot give legal advice and cannot recommend attorneys. If you need a referral to an attorney, contact the [Alaska State Bar](#).