



Silicon Valley VC Seeks to Crowdfund 100mm with JOBS Act

500 Startups, a Silicon Valley venture capital fund known for its startup incubator, said on Thursday it would generally solicit investments from the public for its third fund.

Prior to the JOBS Act going into effect last year, 500's attempt to generally solicit the public would have drawn the ire of the Securities & Exchange Commission. Now, the Act's general solicitation provision allows private funds—500 Startups being the most prominent one thus far—to solicit the public through Tweets, Facebook posts, or YouTube videos. Such a tactic could prove to be particularly valuable for private funds who already have large online followings.

While there is great promise in general solicitation, 500 Startups CEO Dave McClure envisions most of the fund's investors coming from established channels. He did acknowledge, however, that general solicitation would increase awareness of the 500 Startups brand. Doing so could create future investors in 500 Startups, because the JOBS Act still requires all investors to be accredited, meaning they have tax returns showing \$200,000 in yearly income or \$1m net worth.