

The Bulldog Angel Network Process

1. **Pre-screening** by the President of BAN.

The President of BAN will prescreen companies to see if they fit our criteria for investing and conduct a small amount of due diligence to ensure the basics are met. The Deal Term Sheet is also negotiated by the BAN President at this stage. It may be changed later based on indications of interest.

2. **Deal pitches** by online web communications to BAN members.

The company (or companies) will provide a deal pitch to the membership of BAN via an online medium such as webex. Other types of online media may be used at the discretion of the BAN President.

3. BAN collects **non-binding indications of interest** from members.

The President will ask the members to send indications of interest and amounts to him within a certain time. If the target company provides a go ahead, then proceed to step 4. If the target company decides not to proceed, the process stops or the Deal Term Sheet is changed and we repeat the process.

4. A **Due diligence committee** is formed and performs due diligence.

The President will form a due diligence committee of member volunteers and they will use the ACA checklist to perform due diligence and each member of the committee will fill out opinion sheets. Members receive the due diligence documents in their documents folder on the BAN website for review.

5. Members provide a **final indication of interest** to the President of BAN after reviewing the due diligence information and opinions.

6. Members receive the go ahead to **execute deals** either directly with the company or through an LLC.

Depending on the number of members that are going to invest, an LLC may be formed and members will invest through that LLC. (The costs associated with the LLC will be paid by the company we are investing in). If no LLC is needed, members will execute the deal directly with the company they are investing in. In either case, the documents to execute will be contained in your deal folder on the BAN website.

7. A **Mentor** is assigned by either BAN or MSU Entrepreneurship and Outreach Center (MSU Ecenter).
BAN or MSU Ecenter or both will assign a mentor.

8. **Advisory Board** formed by company (usually).

Volunteers for an advisory board will then be formed into an advisory board by the company.

9. If we receive a **Board Seat** as part of our investment terms, a member will be assigned.

If no LLC is formed, we will use a member volunteer. If we form an LLC to invest, the managing member of the LLC will be assigned. In either case if we have no member volunteer, then the President of BAN will be assigned.

10. Long term tracking of the **company's progress** will be reported back to members.

The President of BAN, volunteer board member, or managing member of the LLC if one was formed to invest will begin regular tracking of the company's progress and have the company report back to members. We can determine if we need to make mentor or advisory board changes and can supply suggestions to the company to help it. Nurturing our portfolio companies is an important use of the Bulldog Angel Network.

11. **Be prepared** to participate in follow on rounds at least pro-rata in some cases.

BAN needs to be prepared for follow on funding rounds as the company may need them to fund growth.

12. **Exit** positively or negatively. This usually takes 3 - 5 years, but some can take longer.

Angel investing is long term investing.