

The Democratization of the Private Market

by Carine Schneider

EXCERPT

In order to understand more about the market place to sell shares, I spoke with Brian Smith, formerly a wealth management adviser with Morgan Stanley who is presently the CEO of RedCrow and The MainStage. He says: When asked, “Shouldn’t everyone be given a chance to invest?” I believe financial advisers certainly need to be educated and aware of these opportunities in order to support and help their clients. Like any traditional asset allocation and portfolio management, depending on your time horizon as an investor, and your risk tolerance, there are percentages within a portfolio that makes sense for different types of investors to be investing in the private equity world. One thing that makes it a little bit more exciting is that there’s so much to invest in, in all different fields. So, if you’re a doctor and you like healthcare innovation, then maybe you could have the ability to invest in companies like those found on the RedCrow platform. If you’re somebody who made a lot of your wealth and money from real estate, and you understand that world, then maybe there’s a real estate platform where you can get involved with some early investments in some different properties. Everybody has to be accredited to be able to invest in the companies that are on RedCrow. However, we just recently started adding Reg CF deals. So, what we’re doing now is helping to co-promote these investment opportunities, where the non-accredited investors within the Red Crow ecosystem can come to RedCrow, see the tile on these Reg CF deals, and when they click the tile, it’ll bring them directly to either Republic or WeFunder where they can go and invest as far as the deals we oversee. Private company liquidity is super important. I don’t want to see bad companies out there trading on a secondary market, and they’re just people trying to flip out of their stock because they realize it’s not going anywhere. So, I think that’s going to take some more regulations. I’m starting to see some organizations out there that are trying to be like a Morningstar for private companies and give them a rating. And I think those can only help in the curation of what a good deal is.”