



## CROWDMATRIX

**Exempt Market Dealer | Toronto, ON | Founded: 2015 | Employees: 2-10 | <https://Crowdmatrix.co>**

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TWITTER: <https://twitter.com/Crowdmatrixinc>  
LINKEDIN: <https://www.linkedin.com/company/10287787/>

### COMPANY OVERVIEW

CrowdMatrix is a register exempt market dealer in Ontario, Quebec, B.C. and Alberta. It creates an online investment marketplace that connects vetted alternative investment opportunities with accredited investors. It mainly raises crowdfunding for Canadian entrepreneur hence simultaneously can offer alternative asset classes to investors that can provide efficient diversification<sup>1</sup>. It brings multiple types of alternative investment together and simplifies traditional process of opening and closing a deal.

### SENIOR MANAGEMENT

**Rubsun Ho:** Chief Crowdpleaser (2015-Present); Owner and Advisor, Caravel Law 2016-present). Previously: Co-founder and Partner, Cognition LLP (2005-2016); Legal Counsel, Diversinet (2004-2006); Legal Counsel, Bitfone (2004-2006). Education: B. Com., McGill University; LL. B, University of Toronto.

**James Hershaw:** Director Capital Market and COO (2017-Present); Strategic Advisor, Corl Financial Technologies (2018-Present); Managing Director and Founder, WATT Capital (2001-Present). Previously: CFO and VP, Corporate Development, Claymore Inc (2014-2015); CFO, Director and VP Corporate Development, Greenock Resources Inc (2008-2015); VP and Director (1998-2002); Regional VP, Dynamic Funds (1995-1998). Education: Bachelor of Applied Science, Queen's University; MBA, (Finance), University of Alberta.

**Andrew Woods:** Product and Marketing Manager (2015-Present); Freelance Web Development and Digital Marketing (2015-Present). Previously: Marketing and Engagement Specialist, Hackworks (2015); Marketing Intern, XMG Studio (2012). Education: General Arts, Fleming College; BBA, Trent University.

### HISTORY

Before establishment of CrowdMatrix, Rubsun Ho founded another law services firm called *Cognition LLP* that later became *Caravel Law*. In Cognition, he strived to unbundle legal services aiming to help startups access to those services. Meanwhile, he witnessed the inefficient funding process for startups and felt impotent until Ray Sharma at Extreme Venture Partners approached Ho about launching a platform called *CrowdMatrix*. He then realized that in front of him was an opportunity to rewire the funding industry<sup>2</sup>.

### FUNDING

CrowdMatrix won support from Extreme Venture Partners in their seed VC round on July 28, 2016 and got backed by this venture capital fund ever since. Extreme Venture Partners specializes in supporting early-stage entrepreneurs and has been one of Canada's most successful venture capital funds.

### KEY CORPORATE DEVELOPMENTS

**Press releases:** <https://CrowdMatrix.co/guides>  
**Jul 27, 2016:** [Crowdmatrix Launch Party](#)  
**Jan 20, 2017:** [CrowdMatrix raises funds for several start-ups and closes its first deal with Homigo](#)  
**Jun 20, 2017:** [CrowdMatrix opens Plaza Ventures Fund IV](#)

<sup>1</sup> <https://CrowdMatrix.co/about>

<sup>2</sup> <https://startupheretoronto.com/type/profiles/CrowdMatrix-brings-whole-new-class-investors-startups/>

## BUSINESS HIGHLIGHTS

### STRATEGY

The traditional operation of alternative assets would require both the issuers to have efficient distribution and the investors to have access to opportunities in order to bring two sides together. There is no centralized marketplace that put various alternative assets opportunities on the shelf altogether while most of the deals requires private relationships or intermediary.

CrowdMatrix, however, creates an online marketplace for initially private transactions. It targets on the one side Canadian entrepreneurs with great ideas but lack of capital whereas on the other side targets investors that seek to diversify their portfolio. Instead of typical marketplace where companies can post funds freely, CrowdMatrix requires a leading investor from companies for each round of funding to minimize risk<sup>3</sup>. Other types of fund, like private equity and real estates, are also provided with significantly lower minimum buy-in thresholds.

Additionally, CrowdMatrix successfully brings the investing process online and streamlines the traditional ways of printing and faxing documents to open and close a deal. It strives to eliminate information asymmetry by providing investors with access to relevant information and documents<sup>4</sup>.

### PRODUCTS / PRICING

There are various alternative investing opportunities on the platform, listed as follows:

- **Tech Companies:** CrowdMatrix has a vetting process that can help identify top start-ups and allows investors to join the burgeoning Canadian tech ecosystem.
- **Private Equity:** CrowdMatrix provides easy investor access to VC, PE and hedge funds targeting annual return of 20-30%.
- **Flow Through Tax Savings:** Investors can receive diversified exposure to actively managed portfolio of exploration companies.
- **Real estate:** it offers attractive income streams and lower volatility.

There are no fees required to open an investor account and invest on CrowdMatrix, however, CrowdMatrix may charge a commission to the issuer of a fund or a portion of carried interest of any profits realized by the investors. This carry, if any, will always be described in the details of the offering<sup>5</sup>.

### TECHNOLOGY

CrowdMatrix automates the entire venture investing process, from deal discovery, document generation and syndication management through investors' social networks<sup>6</sup>.

### DISTRIBUTION / LOGISTICS

CrowdMatrix specializes in fundraising for a narrow industry of Canadian Tech companies and strives to establish a healthy tech ecosystem. Additionally, it only joins domestic PE or VC funds and rarely attends foreign funds.

### MARKETING

It is very likely that CrowdMatrix conveys its business concept through summits like *2016 Canadian Crowdfunding Summit* and *The Blockchain Society Conference*. Also, it received interviews from other small news websites.

## COMPETITORS

Since CrowdMatrix regards itself to be not a replace of current networks but rather a supplement to the crowdfunding industry, there is barely any identical firms in Canada that CrowdMatrix directly competes with. However, it can face threats from other exempt market dealers, for example:

1. **108 Securities Inc.** – (London, ON) 108 Securities is an independent investment bank with 2-10 employees and focused on providing strategic and financial advice on mergers, acquisitions, sales, divestitures and private capital solutions.

<sup>3</sup> <https://betakit.com/rubsun-ho-wants-CrowdMatrix-to-be-the-angellist-of-canada/>

<sup>4</sup> <https://CrowdMatrix.co/how-it-works>

<sup>5</sup> <https://CrowdMatrix.co/how-it-works>

<sup>6</sup> <http://extremeinnovations.com/>