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## Backgrounder

The National Angel Organization – Ontario was established in March, 2007 under the auspices of the Market Readiness Program of the Ministry of Research and Innovation, in order to administer the Angel Network Program (ANP).

The ANP is one of Ontario’s key leverage-based solutions to the problem of Canada’s pre-commercialization capital availability gap (estimated at \$5 billion by Sustainable Development Technology Canada) and the decline of early-stage venture capital in Ontario from \$1.5 billion to \$235 million between 2000 and 2007.

**The primary purpose of the ANP is to bring new Angel investor groups into being and provide them with the knowledge, education, standardized procedures and other resources they need to invest wisely and successfully in Ontario’s high-potential companies.** Such capital is key to growth and supports Ontario’s commercialization policies.

The National Angel Capital Organization is taking a leadership role in encouraging the implementation of Angel Network Programs in other Canadian provinces. Industrial sectors and regions targeted by provincial governments for further development would assuredly benefit from the organization and connection of local Angel investors to reduce the capital availability gap.

Angel investors provide funding and mentorship at the most risky and crucial stage of enterprise development – just before they commercialize the world-leading intellectual properties that increase Ontario’s employment and competitiveness.

The ANP will result in:

- A significant increase in the number of formed Angel groups in Ontario;
- A substantial increase in Angel and pre-seed/seed stage investment in Ontario;
- An increase in the number of seed and start-up companies that successfully expand their operations, due to improved business-management capacity and investment levels; and
- Improved networking among potential partners in commercialization activities across all sectors.

### **What Initiatives Will The ANP Consider Supporting?**

The ANP provides services, resources, and financial assistance to Angel groups in Ontario. As such, the ANP will only consider supporting the development and/or establishment of non-profit Angel groups.

### **What Resources Will The ANP Provide to Angel Groups?**

Financial assistance will be provided to help cover the operational costs associated with the establishment and development of Angel groups including the hiring of professional group managers on a full or part-time basis as needed.

In addition to the financial assistance described above, the ANP provides a number of core resources to those Angel groups that the Funding Assistance Committee deems eligible. These include, amongst other things, a suite of best practices, tools, templates, and guidelines for how to operate an Angel group.

### **What Services Will The ANP Provide to Angel Groups?**

The ANP provides the education and outreach services to Angel groups, potential investee companies and entrepreneurs, and members of the MRP, including:

- Angel outreach to facilitate the creation of new Angel groups, and support the activities of existing entities;
- Provide educational material for and education to Angels;
- Provide educational material for and education to entrepreneurs;
- Help coordinate syndication activities amongst Angel groups;
- Establishment of a regional Angel Investment Showcase program, in collaboration with the Regional Innovation Networks, to showcase the best regional companies to neighbouring Angels and potential syndication partners;
- Integration of Angel groups and activities with the MRP and other stakeholders in the emerging-growth company community.

### **Who May Apply?**

Non-profit Angel groups operating in Ontario are invited to apply to the ANP. Applicants should also meet the following criteria:

- The applicant is registered as a not-for-profit corporation under the *Business Corporations Act* or *Canada Business Corporations Act*;
- Activities of the group are predominantly in Ontario;
- The participants in the organization are/will be predominantly individuals and all individuals are accredited investors, as defined by the Ontario Securities Commission, and the organization has a process to ensure its participants are accredited;
- Participating investors are/will be actively engaged in investment of their personal capital;
- The participants currently/will make investment decisions on opportunities presented to the full group. Individuals do not delegate investment decisions to a third party;
- The group holds regular in-person meetings as part of its investment process;
- The group has defined processes and procedures for making investment decisions as outlined in the Angel Network Program Best Practices Manual;
- The applicant is qualified to manage an Angel group.