



Roll Up Vehicles

FAQ For Investors



High Level Summary

Cleaner cap tables and less work for founders & investors

What are RUVs?

RUVs are SPVs that allow founders to consolidate multiple angels into a single entity that then signs the investment documents and sends a single wire to the company. It saves founders (and you) the hassle of collecting funds and signatures from many individuals. AngelList handles the entity formation, collection of funds, and post-investment

How easy is it for investors?

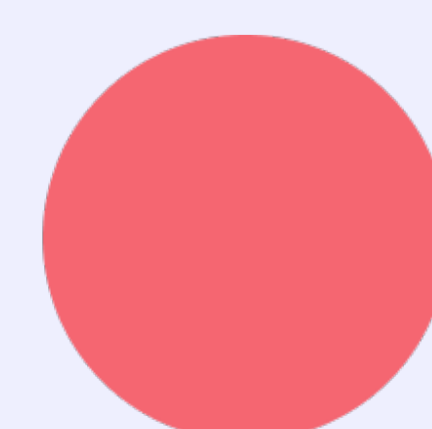
Investors often say that investing through RUVs is significantly easier than making direct investments. RUVs allow investors to complete their commitment within minutes and fund their commitment over ACH.

How much does a RUV cost?

The cost of the RUV is generally paid for by the company, so investors often incur no additional costs for the RUV administration itself.

Is this good for the founder?

If the company is paying for the fees, the breakeven point is around seven investors. We find that companies often save tens of thousands dollars when they do the math on cap table costs and future cap table cleanliness. More importantly, they have a cleaner cap table, which positions them better for future fundraises or M&A transactions. Our estimations, suggest that a seed stage company that is considering using a RUV for 45 angels will save \$75,000 over the lifetime of the company (when compared to the costs of allowing 45 direct investments)



Legal Overview

The nitty gritty details

What is the structure of the RUV?

RUVs are SPVs. The legal entity will be a Delaware Series LP, under a Master Partnership called “Roll Up Vehicles, LP”. An example Roll Up Vehicle legal name would be “LD Fund I, a series of Roll Up Vehicles, LP”. This is the entity that will be on the company’s cap table and sign for the investment documents

The fund's general partner is "Fund GP, LLC" which is advised by AngelList Advisors, LLC (unless otherwise indicated). The fund's administrator is Belltower Fund Group.

How are these legally different from normal AngelList SPVs?

RUVs utilize the same AngelList SPV documents you may have seen before, but the only changes are to specify that there is no “Special Partner” entity receiving carry nor is there a “Fund Lead”.

Are the founders acting as the GP of the SPV?

No. The Roll Up Vehicle fund structure does not need need a person (either the founder or a stand in GP) to act as a GP or “Fund Lead”. This solves for a potential conflict of interest if the founder were to act as the GP (fiduciary duty to the SPV members versus to the company). In Roll Up Vehicles, the founders or executives of the company are not on the fund documents at all.

Are investors going to get K-1s every year?

Generally, no. RUVs will generally only issue K-1s when there is taxable activity (such as distributions or interest).

** Not tax advice. Consult your own tax advisor*

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Voting & Exits

RUVs are often not a large shareholder/voting block.

Can the RUV proxy its voting rights to the founder?

Yes. We can share our standard proxy and power of attorney agreement. If the RUV is proxying its voting rights, we add a disclaimer to the portal so that investors in the RUV are aware of the proxy.

Who controls the voting if there isn't a proxy?

The investment adviser (Angellist Advisors*) make decisions for the SPV. These are usually for Post Close Actions such as corporate actions, follow ons, dissolutions, and exits. The usual way Angellist Advisors makes decisions when there is no proxy to defer to is to review the decisions made by other similar shareholders and then make a decision based on the circumstances of the post close action.

What about liquidity & exits?

If secondary liquidity is presented to the SPV by the company, the investment adviser will generally not sell shares in a secondary. For an exit, when we receive distribution proceeds, we will distribute them to LPs. In some cases (like an IPO or acquisition by a public company), we can directly disburse stock to the brokerage accounts of SPV members.

** Differs when companies are incorporated in Canada*

More Legal Details

Are there transfer restrictions on the members?

Yes. These are specified in Article 6 of the LPA. Typically transfers are done for estate planning purposes.

Can we review the SPV documents?

Sure. We can send along the SPV documents (LPA, Subscription Agreement, and an Operating Agreement)

What if I have more questions?

We're happy to chat with you directly. Reach out to rollups@angel.co or sumukh@angel.co

Can I refer other founders?

We'd be happy to help.. Send us an email (rollups@angellist.com)



During our fundraise, we had many early customers and value-add investors that wanted to participate in our round. But managing dozens of individual investors would have substantially increased operational overhead for us. AngelList took care of all the paperwork and was incredibly communicative throughout the process. **Our investors were able to sign and wire right on the platform and our legal counsel is a lot happier too!**

Shrav Mehta, Co-founder, SecureFrame