

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2021071940801**

TO: Department of Enforcement  
Financial Industry Regulatory Authority (FINRA)

RE: Wefunder Portal, LLC (Respondent)  
Funding Portal Member  
CRD Funding Portal No. 283503

Pursuant to FINRA Rule 9216, Respondent Wefunder Portal, LLC (Wefunder) submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

**BACKGROUND**

Wefunder is a funding portal that acts as an intermediary for crowdfunding offerings conducted in reliance on Section 4(a)(6) of the Securities Act of 1933. It is headquartered in San Francisco, California, and has been a FINRA-registered funding portal since May 2016. Based on capital raised, Wefunder is currently the largest participant in the crowdfunding space.

**OVERVIEW**

From May 2016 through 2021, Wefunder violated federal securities laws and regulations and FINRA rules applicable to funding portals in multiple ways.

Across 39 separate offerings, Wefunder raised approximately \$20 million more than permitted under crowdfunding raise limits. It did this by diverting the excess funds raised in the crowdfunding offering to a subsequent offering conducted under a different exemption from registration. Thus, in each of the 39 offerings, after the regulatory maximum was exceeded, among other things, Wefunder directed the escrow agent to transfer investments from a Regulation Crowdfunding (Reg CF) escrow account into a separate escrow account owned by Wefunder's parent. By reason of such conduct, Wefunder violated Section 15(a)(1) of the Securities Exchange Act of 1934, Reg CF Rule 402(a), Reg CF Rule 301(a), Reg CF Rule 303(e), and FINRA Funding Portal Rule 200(a).

Separately, Wefunder failed to promptly direct the transmission of funds to issuers or investors as appropriate in connection with (i) canceled or oversubscribed offerings and (ii) funds left in two dormant escrow accounts in violation of Reg CF Rule 303(e) and FINRA Funding Portal Rule 200(a).

Wefunder also sent emails to hundreds of thousands of investors recommending and soliciting investments being offered on its portal in violation of Section 15(a)(1) of the Exchange Act, Reg CF Rule 402(a), and FINRA Funding Portal Rule 200(a).

Wefunder also included misleading communications on its funding portal website relating to “lead investors,” in violation of FINRA Funding Portal Rules 200(c)(2)(A) and 200(a).

Finally, Wefunder failed to maintain a reasonable supervisory system. It failed to establish and maintain written procedures that reasonably addressed parts of its core business and its supervisory system, as a whole, was not reasonably designed to review the content of email communications with investors; to maintain and track investments made through its platform; and, to supervise access to its bank accounts and protect investor accounts. Accordingly, Wefunder violated FINRA Funding Portal Rules 300(a) and 200(a).

## **FACTS AND VIOLATIVE CONDUCT**

This matter originated from FINRA’s examination program.

### **1. Background**

Crowdfunding is a way to raise money using the internet to create a public forum where the “crowd” can discuss, evaluate, and invest in a proposal. Title III of the Jumpstart Our Business Startups Act of 2012 (the JOBS Act) created a new exemption from the registration requirements of Section 5 of the Securities Act for certain crowdfunding transactions. The JOBS Act created an exemption for sales of unregistered securities to investors via certain crowdfunding intermediaries, which can be either broker-dealers or internet-based platforms called “funding portals.” Funding portals are required to comply with the relevant provisions of the Securities Act and Reg CF. They are also required to register with FINRA and comply with FINRA’s Funding Portal Rules.

### **2. In 39 offerings, Wefunder helped issuers exceed the Reg CF maximum and improperly induced the sale of securities outside the crowdfunding exemption.**

Section 15(a)(1) of the Exchange Act requires, in relevant part, any person who induces or attempts to induce the purchase or sale of any security to be registered as a broker or dealer. Crowdfunding intermediaries that are registered as funding portals are exempt from this requirement, provided that they comply with the conditions set forth by rule. In particular, Reg CF Rule 402(a) provides that crowdfunding intermediaries may not “offer investment advice or recommendations; solicit purchases, sales, or offers to buy the

securities offered or displayed on its platform or portal; ... [or] hold, manage, possess, or otherwise handle investor funds or securities.”<sup>1</sup>

In addition, under Reg CF Rule 301(a), a funding portal must have a reasonable basis for believing that issuers seeking to offer and sell securities through the portal’s platform comply with the requirements in Section 4A(b) of the Securities Act and related Reg CF rules.

Reg CF Rule 100, in turn, limits how much issuers can raise in a Reg CF offering during a 12-month period preceding and including the offering. Originally the limit was \$1 million; it was raised to \$1.07 million in April 2017, and then to \$5 million in March 2021.

Reg CF Rule 303(e) requires a funding portal to promptly direct its qualified third party, *i.e.*, the escrow agent, to transmit funds to the issuer when the target amount of the offering has been reached and the cancellation period has elapsed, or to return funds to investors when the investment commitment is cancelled or the issuer does not complete the offering.

Finally, FINRA Funding Portal Rule 200(a) requires a funding portal member, in the conduct of its business, to observe high standards of commercial honor and just and equitable principles of trade. A violation of any of the federal securities laws, Reg CF Rules, or FINRA Funding Portal Rules is also a violation of Rule 200(a).

From May 2016 to October 2021, Wefunder raised approximately \$20 million more than the maximum amount permitted by Reg CF Rule 100 across 39 securities offerings. It did this by diverting the excess funds raised to subsequent, separate offerings conducted under Regulation D (Reg D) of the Securities Act.<sup>2</sup> For example, in May 2016, in one of its first crowdfunding offerings, Wefunder raised approximately \$193,000 above Reg CF Rule 100’s maximum. After the Reg CF offering target and the regulatory maximum were exceeded, Wefunder identified accredited investors who had invested in the Reg CF offering, notified them that their investments were now being sold under Reg D, and directed the escrow agent to transfer their investments from a Reg CF escrow account into a separate Reg D account owned by Wefunder’s parent.

Wefunder repeated the same process in 38 additional offerings. Investors generally were not aware until after they had committed to invest in the Reg CF offering that there was a Reg D option for their investment. Although Wefunder was not directly compensated for the Reg D sales, it viewed the activity as beneficial because it permitted Wefunder to

---

<sup>1</sup> See also definition of “funding portal” at Exchange Act Section 3(a)(80) (“The term ‘funding portal’ means any person acting as an intermediary in a transaction ... pursuant to section 4[a](6) of the Securities Act of 1933 ... that does not ... (A) offer investment advice or recommendations; (B) solicit purchases, sales, or offers to buy the securities offered or displayed on its website or portal; (C) compensate employees, agents, or other persons for such solicitation or based on the sale of securities displayed or referenced on its website or portal; (D) hold, manage, possess, or otherwise handle investor funds or securities; or (E) engage in such other activities as the Commission, by rule, determines appropriate”).

<sup>2</sup> Rule 506(c) of Reg D creates an exemption from registration for general solicitation sales by issuers to accredited investors subject to certain conditions.

attract Reg CF business by offering issuers a way to raise more than the Reg CF maximum.

By inducing sales in a Reg D offering and managing investor funds, Wefunder violated Section 15(a)(1) of the Exchange Act, Reg CF Rule 402(a), and FINRA Funding Portal Rule 200(a). By lacking a reasonable basis to believe that the issuer was in compliance with the maximum raise limits set forth in Reg CF Rule 100, Wefunder violated Reg CF Rule 301(a) and FINRA Funding Portal Rule 200(a). By directing its escrow agent to release investor funds to an account controlled by its parent, rather than directing the funds promptly to the issuer or back to the investor, Wefunder violated Reg CF Rule 303(e) and FINRA Funding Portal Rule 200(a).

### **3. Wefunder failed to promptly transmit or return investor funds.**

As stated above, Reg CF Rule 303(e) requires a funding portal to promptly direct its qualified third party to transmit funds to the issuer upon the successful completion of the offering or to return funds to investors upon cancellation of the offering. Between 2016 and 2021, for offerings that were canceled or oversubscribed, in certain instances, instead of promptly transmitting the funds back to the investor as required under Reg CF Rule 303(e), Wefunder directed the funds to an escrow account held by its parent. Investors could then use funds in the parent's account to invest in a separate offering through Wefunder or make a withdrawal.

In addition, Wefunder maintains two dormant Reg CF escrow accounts which together hold approximately \$290,000. These accounts were last used in or about March 2018. Wefunder is not able to identify the source and intended destination of all of the funds held in the accounts and has, accordingly, failed for years to direct the funds promptly to either investors or issuers as required.

Therefore, Wefunder violated Reg CF Rule 303(e) and FINRA Funding Portal Rule 200(a).

### **4. Wefunder made investment recommendations and solicited investments.**

As stated above, Section 15(a)(1) of the Exchange Act requires any person who induces or attempts to induce the purchase or sale of any security to be registered as a broker or dealer. As also stated above, Reg CF Rule 402(a) prohibits a funding portal from offering investment advice or recommendations or soliciting purchases of the securities offered on its platform.<sup>3</sup>

From May 2016 through 2021, Wefunder regularly sent emails, drafted by the firm's email team, including interns, to individual investors recommending and soliciting investments in particular offerings on its platform. For example, until 2021, Wefunder routinely sent emails to investors containing the word "recommendation" in the subject line. In 2021, Wefunder sent 180 unique emails to tens of thousands of investors containing the word "suggestion" in the subject line. Those 180 emails, plus another 150 unique emails, also included the phrase "based on your profile you might want to check

---

<sup>3</sup> The SEC's adopting release for Reg CF also made clear that "it would be inconsistent with the statutory prohibition on providing investment advice or recommendations for a funding portal to send out soliciting e-mails recommending investments in particular companies as part of its advertising." *Final Rule: Crowdfunding*, Exchange Act Release No. 76324, 2015 SEC LEXIS 5486, \*563 (Oct. 30, 2015).

out [issuer name],” contained content from the issuer’s pitch decks, and included banner text that stated “[i]nvest in [issuer name],” and hyperlinked to the offering page on the funding portal. In total, over the five-year period, Wefunder sent over a million emails to hundreds of thousands of investors containing language that recommended or solicited investments.

By making recommendations and otherwise soliciting offerings on its portal, Wefunder violated Section 15(a)(1) of the Exchange Act, Reg CF Rule 402(a) and FINRA Funding Portal Rule 200(a).

## **5. Wefunder posted misleading communications on its website.**

FINRA Funding Portal Rule 200(c)(2)(A) provides: “No funding portal communication may include any false, exaggerated, unwarranted, promissory or misleading statement or claim.”<sup>4</sup>

Wefunder identifies a “lead investor” for nearly all of the offerings on its website. From May 2016 to December 2021, Wefunder made statements and claims about lead investors on its website that were exaggerated and misleading. Those included that the lead investor: “has vetted the startup”; “fights for you”; is “incentivized to maximize the value of the company”; “help(s) your company succeed”; and “is meant to advocate for investors.” Wefunder took no action to verify whether those statements were true. Among other things, these statements gave the misleading impression that lead investors mitigated the risk of otherwise inherently speculative investments in untested start-up companies. Wefunder removed or revised certain of the statements after FINRA brought them to their attention.

Therefore, Wefunder violated FINRA Funding Portal Rules 200(c)(2)(A) and 200(a).

## **6. Wefunder failed to establish and maintain a reasonable supervisory system.**

FINRA Funding Portal Rule 300(a) requires each funding portal to establish and maintain a supervisory system “reasonably designed to achieve compliance with applicable securities laws and regulations and with the Funding Portal Rules.” The system must provide for, among other things, the “establishment and maintenance of written procedures to supervise the activities of the funding portal member and its associated persons” and “the designation of a person with authority to carry out the supervisory responsibilities of the funding portal member.”

From May 2016 to 2021, Wefunder’s supervisory system was not reasonably designed in multiple respects. First, its written supervisory procedures (WSPs) were either silent or provided insufficient guidance regarding parts of its core business. Thus:

- Until 2018, Wefunder lacked any WSPs addressing supervision of its payment, banking, and investment fund management systems.
- Until 2021, the WSPs failed to address its practice of facilitating related Reg CF and Reg D offerings.

---

<sup>4</sup> FINRA Funding Portal Rule 200(c)(1) states that, “[f]or purposes of this Rule, the term ‘funding portal communication’ means any electronic or other written communication that is distributed or made available by a funding portal member to one or more investors.”

- The WSPs failed to identify a person responsible for certain parts of its business and, in other instances identified the wrong person. For example, the WSPs identified Wefunder's president as responsible for various functions although Wefunder had no president after April 2018.
- The WSPs failed to provide clear direction for identifying and reporting investor complaints that, pursuant to FINRA rules, were required to be reported to FINRA. This led to several investor complaints that were required to be reported to FINRA going unreported.

Second, from 2016 to 2021, Wefunder failed to have any system in place to ensure that the content of email communications with investors complied with applicable securities laws and regulations and Funding Portal Rules, including by avoiding prohibited recommendations and solicitations in individual offerings.

Third, apart from the WSPs, Wefunder lacked a reasonable system to track investments. The firm employed a manual, labor-intensive process for tracking and directing investor funds to issuers, back to investors, or elsewhere, that relied almost entirely on one person. That person had no accounting or finance training and was overwhelmed with other work. Wefunder realized this to be the case, as reflected in an internal email from May 2021, where one officer wrote to another that his "trying to do everything himself" was failing the team. Wefunder's unreasonable supervision of its system to track investments led to, among other things, its inability to account for the \$290,000 contained in its two dormant escrow accounts, as described above.

Finally, Wefunder also failed to supervise access to its bank accounts by former officers of the firm. In 2021, it learned that a former executive, who left Wefunder in 2018, still had access to one of the dormant accounts. Although the funds were subject to the terms of an existing escrow agreement and no funds were withdrawn by the former officer, his continued access improperly put investor funds at risk.

For all the foregoing reasons, Wefunder's supervisory system was not reasonably designed to achieve compliance with applicable securities laws and regulations, and with the Funding Portal Rules.

Therefore, Wefunder violated FINRA Funding Portal Rules 300(a) and 200(a).

B. Respondent also consents to the imposition of the following sanctions:

- a censure;
- a \$1,400,000 fine; and
- an undertaking to retain an independent consultant as described below.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

1. Respondent has undertaken to do the following:
  - a. Retain at its own expense and within 60 days of the date of the notice of acceptance of this AWC an independent consultant not unacceptable to FINRA to conduct a comprehensive review of the adequacy of Respondent's compliance with applicable federal securities laws and regulations, Regulation CF Rules, and FINRA Funding Portal Rules. Such review shall include but not be limited to the subjects and issues set forth in this AWC, including:
    - (i) Respondent's obligation not to engage in conduct or activities prohibited to funding portals;
    - (ii) Respondent's activities in connection with offerings under Reg D;
    - (iii) Compliance with Reg CF maximum limits on raising funds;
    - (iv) Communications with investors, including those that advertise new offerings;
    - (v) Exaggerated and/or misleading statements on its platform, including but not limited to those relating to "lead investors;"
    - (vi) Maintenance and transmission of investor funds collected in connection with Reg CF offerings;
    - (vii) Its supervisory system related to all of the above areas, including in particular tracking investments, maintaining control over and access to escrow accounts, accounting for all investor funds in those accounts, security over member and investor accounts, and reporting complaints to FINRA;
    - (viii) Its written supervisory procedures; and
    - (ix) As part of its comprehensive review, the independent consultant shall examine the funds contained in Respondent's escrow accounts, including the dormant accounts referenced in this AWC, and shall make recommendations as to the disposition of those funds, as well any other remedial steps that may be deemed appropriate and necessary.
  - b. Ensure that the independent consultant, any firm with which the

independent consultant is affiliated or of which he or she is a member, and any person engaged to assist the independent consultant in performance of his or her duties, shall not have provided consulting, legal, auditing, or other professional services to, or had any affiliation with, Respondent during the two years prior to the date of the notice of acceptance of this AWC.

- c. Cooperate with the independent consultant in all respects, including providing the independent consultant with access to Respondent's files, books, records, and personnel, as reasonably requested for the above-mentioned review. Respondent shall require the independent consultant to report to FINRA on its activities as FINRA may request and shall place no restrictions on the independent consultant's communications with FINRA. Further, upon request, Respondent shall make available to FINRA any and all communications between the independent consultant and the Respondent and documents examined by the independent consultant in connection with this review.
- d. Refrain from terminating the relationship with the independent consultant without FINRA's written approval. Respondent shall not be in and shall not have an attorney-client relationship with the independent consultant and shall not seek to invoke the attorney-client privilege or other doctrine or privilege to prevent the independent consultant from transmitting any information, reports, or documents to FINRA;
- e. Require the independent consultant to submit an initial written report to Respondent and FINRA at the conclusion of the independent consultant's review, which shall be no more than 130 days after the date of the notice of acceptance of this AWC. The initial report shall, at a minimum,
  - (i) evaluate and address the adequacy of Respondent's policies, systems, and procedures relating to all areas listed above at I.B.1(a)(i)-(ix); (ii) provide a description of the review performed and the conclusions reached; and (iii) make recommendations as may be needed regarding how Respondent should modify or supplement its processes, controls, policies, systems, procedures, and training to manage its regulatory and other risks in relation to all areas listed above at I.B.1(a)(i)-(ix); and
  - (i) Within 60 days after delivery of the initial report, Respondent shall adopt and implement the recommendations of the independent consultant or, if Respondent considers a recommendation to be, in whole or in part, unduly burdensome or impractical, propose an alternative procedure to the independent consultant designed to achieve the same objective. Respondent shall submit such proposed alternative procedures in writing simultaneously to the independent consultant and FINRA.



- (ii) Respondent shall require the independent consultant to (A) reasonably evaluate the alternative procedures and determine whether it will achieve the same objective as the independent consultant's original recommendation and (B) provide Respondent and FINRA with a written report reflecting its evaluation and determination within 30 days of submission of any Respondent's proposed alternative procedures. In the event the independent consultant and Respondent are unable to agree, Respondent must abide by the independent consultant's ultimate determination with respect to any proposed alternative procedure and must adopt and implement all recommendations deemed appropriate by the independent consultant.
    - (iii) Within 30 days after the issuance of the later of the independent consultant's initial report or any written report regarding proposed alternative procedures, Respondent shall provide the independent consultant and FINRA with a written implementation report, certified by an officer of Respondent, attesting to, containing documentation of, and setting forth the details of Respondent's implementation of the independent consultant's recommendations. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. FINRA may make reasonable requests for further evidence of compliance, and Respondent agrees to provide such evidence.
  - f. Require the independent consultant to enter into a written agreement that, for the duration of the engagement and for a period of two years from the completion of the engagement, the independent consultant shall not enter into any other employment, consultant, attorney-client, auditing, or other professional relationship with Respondent, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such. Any firm with which the independent consultant is affiliated or of which it is a member, and any person engaged to assist the independent consultant in the performance of its duties pursuant to this AWC, shall not, without FINRA's prior written consent, enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Respondent or any of Respondent's present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.
2. Upon written request showing good cause, FINRA may extend any of the procedural dates set forth above.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

## **II.**

### **WAIVER OF PROCEDURAL RIGHTS**

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against it;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

## **III.**

### **OTHER MATTERS**

Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and

C. If accepted:

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than

the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

April 25, 2022

Date

*Mr. Nicholas Tommarello, CEO*

Wefunder Portal, LLC  
Respondent

Print Name: Mr. Nicholas Tommarello, CEO

Title: CEO

Reviewed by:

*Michael D. Birnbaum*

Michael D. Birnbaum  
Counsel for Respondent  
Morrison & Foerster LLP  
250 West 55th Street  
New York, NY 10019-9601

Accepted by FINRA:

Signed on behalf of the  
Director of ODA, by delegated authority

May 4, 2022

Date

*John-Michael Q. Seibler*

John-Michael Q. Seibler  
Counsel  
FINRA  
Department of Enforcement  
15200 Omega Drive Suite 300  
Rockville, Maryland 20850

## CORRECTIVE ACTION STATEMENT

In connection with the issuance of the Letter of Acceptance, Waiver and Consent No. [ ] (“AWC”), Wefunder Portal, LLC (“Wefunder, or the “Firm”) submits this statement describing certain of the actions it has taken with respect to the issues described in the AWC.<sup>1</sup>

The Firm and its parent company, Wefunder, Inc., have undertaken numerous remedial measures since early 2021, including additional team members in compliance, operations, engineering, and customer support functions, improvements to its Written Supervisory Procedures (“WSPs”), changes to its marketing communications and investor-facing materials, and improvements in companywide training on policies and procedures.

- **Changes to Company Policies.** Wefunder WSPs have been rewritten to reflect current operations of the company. They more clearly establish roles and responsibilities, as well as accurately identify individuals responsible for various aspects of the Firm’s business. Wefunder has further revised its Marketing and Advertising Policy that applies to communications with investors about campaigns on its platform. Wefunder also has added additional legal and compliance personnel to assist in maintaining its WSPs and promoting compliance with them.
- **Revisions to Policies Regarding Marketing Communications.** In 2021, Wefunder began conducting more frequent and regular reviews of marketing and social media content. Improved policies also include Wefunder legal and compliance personnel conducting spot-checks of marketing emails, social media posts, and issuer advertisements, and maintaining better records reflecting the results of such reviews.
- **Enhanced Investor Disclosures.** Wefunder has added additional investor disclosures and clarified disclosures where warranted. By way of example, marketing communications sent to investors now have additional disclosures making clear that Wefunder does not provide investment advice or recommendations.
- **Companywide Training Efforts.** Wefunder has rolled out additional companywide training on its compliance obligations and disseminated its updated WSPs to all personnel to ensure their content is known to all. In late 2021 and early 2022, Wefunder has provided training on its policies related to marketing and advertising, account management, inbound business development, and customer support.
- **Improvement of Payments and Closing Operations.** Since the start of 2021, Wefunder has significantly increased the size of its Closing, Payments, and Customer Support teams. It has also improved policies and procedures that apply to those teams in order to be able to more quickly close campaigns and direct funds to issuers or back to investors.

---

<sup>1</sup> This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.