Finder Regulation

Presentation to SEC Small Business Capital Formation Advisory Committee

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Presented by Kelley Arena
kelleyarena@goldenhourventures.co

GOLDEN HOUR ventures

My Role

I connect early-stage founders with first-time angel investors, **facilitating capital activation** and supporting overlooked entrepreneurs through tailored accelerator programs that nurture growth and opportunity.

Kelley Arena, Founder, Golden Hour Ventures
NYC-based angel investor, advisor, and community builder

- Angel investor & venture studio leader based in NYC
- Operator turned investor with roots in Fortune 500, pro sports, and investment banking
- Built a nationwide community of 600+ mostly female angel investors
- Creator of Dream Ventures Accelerator: 250+ early-stage founders supported
- Mission: Radically expand access to capital

The Founder/Funder Ecosystem

- I sit between early-stage founders and first-time angel investors
- I activate capital from people outside traditional venture networks
- I run an accelerator that helps overlooked founders raise their first checks
- I often make warm intros between investors and founders where no "broker-dealer" dynamic exists—just trust, credibility, and aligned incentives

The Founder/Funder Ecosystem

The data is clear: capital access is not evenly distributed. Finders often serve as the first bridge for underrepresented founders—before a deck is polished or a warm intro exists.

Women-only founding teams received just 1.8% of VC funding in 2024. (PitchBook x All Raise)

Black founders raised 0.48% of total VC dollars in 2023. (Crunchbase)

Latinx founders received <1.5% of venture capital annually. (LatinxVC)

Black women consistently receive <0.35% of VC funding. (ProjectDiane)

Over 80% of VC is concentrated in CA, NY, and MA. (NVCA)

First-time founders often have no prior investor network access. (DocSend Startup Index)

Why Regulation Should Be Calibrated

- ✅ Early-stage capital is relationship-driven. Finders unlock access to networks most founders don't have—especially women and founders of color.
- ✅ Many finders are not full-time intermediaries. They're mentors, operators, or community builders who make thoughtful, low-volume intros.
- ✅ Overregulation disincentivizes inclusion. If every helpful connector needs to become a broker-dealer, we create a chilling effect on diverse capital access.
- ✅ There's a meaningful difference between Wall Street brokers and ecosystem connectors. Let's not treat them the same.

Proposed Threshold-Based Framework

Understanding the importance of intentionality and transparency in regulatory measures

Point of View

We need a safe, clearly defined space for non-broker-dealer connectors.
Not all capital introductions are created equal—
and most in the early-stage world aren't high-volume or commission-driven.

Proposed Threshold-Based Framework

Regulation should reflect intent, frequency, and financial upside
Consider a tiered model based on:

- Number of deals/year
- Total compensation involved
- Role in diligence or investment decisions
- Disclosure requirements vs. licensing

Finders aren't the problem. In many cases, they're the solution.
Let’s create clarity, not constraints, around this role—especially for emerging funders and overlooked founders.