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Raising capital for Financial Butler (A)

Hidden behind a line of pine trees on California Avenue, the house looked like many others in Palo Alto. That it was named “The Goldmine” was due to students who lived there years ago and were famous for throwing parties, not the quality of the interior; nor indeed – like so many places in the surrounding area – the brainstorming sessions or start-ups that had been hatched there. But a current resident had a plan to change that... The students moving in for this academic year were surprised that this one graduate had seemingly forgotten his time was up and they kindly let him stay on the fold-out bed at the bottom of the house in exchange for doing their shopping and some odd jobs.

That night the new housemates returned from a school welcome party to find their tenant where they had left him almost eight hours earlier, hard at work finishing a pitch deck for what he described as “the biggest pitch of my life”. As they drifted asleep dreaming of the empires they could create, the clock ticked over to 3.30am.

The next morning, driving past the brown grasslands, mature trees and plain white address signs, Lars Green could not help feeling a little nervous. But this was Sand Hill Road and in these spaces worked the venture financiers who had backed the prominent Silicon Valley giants in the last four decades. So, no matter what he was feeling inside, he had to present an aura of all-conquering confidence. A freshly-minted Stanford MBA, Green had decided to found his own “FinTech” start-up, turning down a lucrative offer in New York at a prestigious investment bank. Financial Butler, as the new venture was called, was an investment service that had initially started as a venture to match the long tail of individuals looking for financial advice with the wealth managers most suited for each person. Green said:

Our initial idea, which we rejected, was similar to eHarmony, but for people looking for financial advice.

He had ticked off all the right boxes in setting himself up for success. The idea, devised in a class assignment in January 2010, had been explored in depth. He had interviewed over 50 wealth managers in the Bay area to uncover the characteristics they were looking for in potential clients. Countless hours were spent trading ideas with fellow would-be entrepreneurs on campus and a presentation had been crafted (see **Exhibit 1**). But three

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