

STAIRWAY

A BETTER WAY



This document contains everything you need to learn how to invest professionally. The document will teach you how to raise capital to buy quality passive assets. This is how I achieved financial freedom and how you can too. After all personal and business expenses, my net worth increases by over \$2 million a year. Working through this document will take you less time than it took you to learn how to drive, and provide you with skills that are critical if you wish to control your financial future.

Step 1: Start the learning process

Watch [this overview video](#). And [this walkthrough video](#). Read through the “Learn more” page on the [stairwayinvest.com](#) website. Feel free to ask questions on the [assets](#) and/or [fundraising](#) forum (click the join button for each forum and refresh the page) or by [emailing me](#) or by putting time on my [calendar](#).

Step 2: Track your progress

Add your name and email address to [this spreadsheet](#). I run regular training sessions on fundraising every Friday at 8:30am and 5pm PST. You can join the sessions, which are free and open to all, using the following link: <https://meet.jit.si/stairway-fundraising>

Step 3: Tell us about yourself!

Column C: create a document describing yourself and your areas of investment experience and interest and link it in the spreadsheet. You can see many examples there and get to know other people.

Step 4: Are you accredited?

Column D: Have you earned \$200k as an individual the last 2 years, or \$300k as a couple, or do you have at least \$1M in net assets excluding your primary residence, or will you invest using

an entity where all owners are accredited? If you, or an entity you are an owner of, meets any one of these bars, enter a Y. Leave the cell blank otherwise. Positive thinking. No Ns allowed anywhere in this spreadsheet. The goal is to help everyone put a Y here, and indeed everywhere a yes/no question is asked.

Step 5: Open a Stairway account

Column E: If you are accredited, [create a Stairway account online](#). You can do so with an initial deposit as low as \$1. If you aren't accredited, get to know an accredited investor on [the spreadsheet](#). Once you know each other, they can open an account for you.

Step 6: Test your account

Columns F and G: Don't just open an account, transact. Put some money in, take some money out. Internally, ACH collections and transactions are used to move money. Deposits take a few business days. Withdrawals typically complete next business day.

Step 7: Test out the experience of fundraising

Columns H and I: Use your Stairway account to create yourself a fundraiser account. Click on the button "Become a fundraiser". You'll get a welcome email. When you log in, provide a link to book time on your calendar (create an appointment schedule using your favorite calendar app), or, if you don't want to, just provide any valid URL to satisfy the form (eg: <https://a.com>). Set a maximum balance for your clients. If you don't know what to put, just put \$1,000,000. After you are set up, create a fake account for testing purposes using any name and your own email address so you get the welcome email. See what your future clients will see. Log in to the fake account. When you are done, use the fundraiser portal to delete the account. If you have kids, create an account for each of them. Kids can earn up to \$1,350 a year passively tax free.

Step 8: Start performing a monthly self audit

Column J: Use my [Audit history](#) as a template. Get in the habit of working out the value of all of your assets and liabilities on the first of each month. This will help you identify what is working well when it comes to growing your net worth, and what is not. My general recommendation is to create a folder that you share only with your future clients containing all of the documents that

support your audit, and a high level overview spreadsheet that you are prepared to share with anyone. Links in the high-level overview can go to private documents only your clients can see.

Step 9: Explain how you are going to beat 8% when investing

Column K: If you are already an experienced investor, describe your general approach and how it leads to returns consistently in excess of 8% per annum. If you do not have experience, I recommend using [Energea](#) initially as you do not need to be an accredited investor and can invest small sums of money with them. This is sufficient to learn the business of raising capital and deploying it responsibly. As you grow, you can learn from your manager how to flip a house, hands on or hands off, or follow the BRRRR strategy. Keep following these strategies until you are an accredited investor. When accredited, I recommend focusing on being an LP in multifamily deals, which are posted regularly to the assets forum.

Step 10: Get your first adult client

Column L: Talk to a close friend or relative and ask them to help you test out the Stairway ecosystem. Ask them to allow you to open a Stairway account for them.

Step 11: Build a list of prospects

Column M: Create a spreadsheet, you can keep this one private, but link it anyway, containing the names and email addresses of close friends and relatives you would like to have a Stairway account.

Step 12: Get 10 clients

Column N: Work through your list of prospects, explaining the Stairway ecosystem to them, opening accounts for them as you go. Don't hesitate to open \$1 accounts for people. That is still a big step forward. Periodically encourage them to test out their accounts with deposits and withdrawals. Encourage them to follow this 16 step action plan themselves. Note that it is not recommended you get an LLC at this point in time. You will get a dedicated LLC formed in Delaware with a specific operating agreement during step 13. The securities lawyer will create this for you.

Step 13: Get your legals (Column O)

Obtain a 506b (no advertising, existing relationship required, both unaccredited and accredited investors)

Before you start to scale your operation, you will need an SEC exemption, and an excellent exemption is the 506b. This allows you to work with up to 35 unaccredited but sophisticated investors (people with the investment experience and financial knowledge to understand the risks), and also accredited investors (\$200k individual income, or \$300k couple income, or \$1M net assets excluding primary residence). You need an existing relationship with anyone you work with. The cost to get one Stairway-style exemption is \$10k, the second \$5k. These are pure legal fees for documents and ongoing support, none of this goes to Stairway. I'll introduce you to a securities lawyer when you are ready for this. You'll need to fill out a 2-page questionnaire, and you should email Michael Fugler <michael@michaelfugler.com> to get the latest version.

Obtain a 506c (may advertise in any way, clients must be accredited)

At some point you are going to want to start talking to strangers and advertising, and for that you'll need a 506c. Each client must be verified to be accredited. Note that whether you have one or both of the 506b or 506c, the maximum number of clients is capped at 100 as Stairway makes use of the [section 3\(c\)\(1\) exemption](#). In practice, this is plenty of clients per manager. It's a quantity where you can really know your clients and give platinum-level service. It is recommended that you get both exceptions at the same time to reduce the work that needs to be done.

Step 14: Create a meeting link

Column P: Use your favorite calendar system, I use Google calendar, to choose times during the week that you would be happy to talk about the Stairway ecosystem and your approach to investing.

Step 15: Join the online sign-up flow

Column Q: If you have made it this far, you are now ready to be featured on the website as a Stairway manager. People coming to the website can now open an account directly with you on the website.

Step 16: 100 clients

Column R: I follow [this workflow](#) to get new clients. Getting to 100 clients is not the end of the journey. It's time to start teaching your own clients how to raise capital and scale up their investing. Encourage them to work through the 16 step action plan as you have done.

Note well that capital you raise using the infrastructure of Stairway is yours to deploy when you are ready. Stairway does not charge any fees or take any cuts of any capital. The goal is to build a network of like minded investors so we can all grow together.

Any questions about anything, please ask!

Best,

Austin Fowler.

afowler@stairwayinvest.com