

## **Athletes, Celebrities, Finance Gurus Team Up to Reduce Risk of Venture Capital Investments**

DALLAS, TX--(Marketwired – April 14, 2016) – A who's who of the world's premier athletes, musicians, actors and celebrities, aiming to reduce the risk of investing in business-to-consumer venture startups and to enhance the success of selected investments through social media, are teaming up with the top financial minds in America to form the Clubhouse Investment Club.

The Club is the brainchild of former Major League Baseball All-Star outfielder Torii Hunter and his close friend and associate Ed Butowsky, managing partner of Chapwood Investments. The Club's top analysts, institutional investors, venture capitalists, investment bankers and private equity experts thoroughly research potential business-to-consumer venture capital investments and recommend only the ones they predict will have a high probability of success. When a sufficient number of members have chosen to invest, a limited partnership is formed that may co-invest with a venture capital firm to provide funds for the startup business.

Since most Club members have large social media followings, they will promote their investments on Facebook, Twitter, Instagram and other networks. The investment club's leadership believes this strategy of providing maximum exposure on social media will encourage startups to seek the Club's investment dollars, in partnership with the venture capital firms, over alternative sources.

The Clubhouse Investment Club is not a venture capital fund; it's a club that offers members the opportunity to review and consider investment opportunities. There is no fee to join, and members never have an obligation to invest.

Membership also enables participants to share investment opportunities that come to them from outside the Club. The Clubhouse analysis team evaluates, free of charge, those offerings before or after the members have invested, and the best ones may be offered as investment opportunities for others.

"We believe financial support from the Club has greater value for companies than investment dollars from other sources, because our members can influence the success of the brand," said Butowsky, whose 27 years on Wall Street give members access to many of the top minds in finance.

"We have intentionally populated the Club with members whose fans and followers represent very diverse demographics. This boosts our ability to target specific audiences for each venture and to increase their opportunities for success. This makes the Clubhouse an extremely valuable go-to for any startup venture."

The Club currently has 700 celebrities, musicians, athletes and actors, a number that is expected to reach 1,000 soon. Hunter and Butowsky have formed an executive team that includes current and former baseball stars Curtis Granderson, Derrek Lee and Cliff Floyd; basketball standout Elton Brand; director/actor Peter Berg, actors Kirstie Alley and Claudia Jordan and celebrity chef Scott Conant.

Top venture capital firms from Silicon Valley, Austin, New York, Dallas and Boston have taken note of the Club's unique strategy and have asked it to consider co-investing in the startups. This co-investment creates an attractive opportunity for any business-to-consumer company that is seeking investors and looking for a novel market.

The idea for the Clubhouse Investment Club came when Butowsky, the driving voice behind the Sports Illustrated article *How (and Why) Athletes Go Broke* and an integral force in the 30 for 30 ESPN documentary *Broke*, was discussing why some athletes earn millions and then go broke with Hunter, a savvy investor who is highly regarded among his peers.

"The reason so many athletes and celebrities have lost large amounts of money is they don't engage in due diligence," Butowsky says. "They invest far too much money in illiquid venture capital, real estate and private equity vehicles.

"Tori told me of athletes who had invested the majority of their capital in venture capital, so we're addressing this issue head-on. Nobody should have more than 5 percent of their net worth in venture capital investments, and that amount should be broken up into a minimum of 10 different investments.

"We view the club as a way to teach members how to allocate their money appropriately, especially in the venture capital market. We're saying don't walk away, do it right. No one should even consider a venture capital investment unless he has more than \$3 million in the bank after taxes.

"It's a learning process. If you think trying to hit a 90-mile-per-hour fastball is tough, try investing in VC properly."

Too often, Butowsky and Hunter say, athletes and celebrities sink their money into losers. To reduce these missteps, the Clubhouse Investment Club serves as a venture capital clearinghouse, using the same vetting process as the top investment firms in the world to "scrub" potential investments, including ventures submitted by members themselves. The Club's analysts recommend only the ones that are most likely to succeed.

The Clubhouse Investment Club has brought together over 70 experts in venture capital, real estate and private equity who will rigorously vet investment opportunities according to the highest institutional standards. "These are analysts who have brought

some of the most successful companies public via IPOs," Butowsky said. "They literally will run every possible analysis to assess risk and reward."

While success is never guaranteed in any venture investment, having this extraordinary group assisting the Clubhouse in evaluating each potential investment will help reduce and avoid some of the pitfalls.

The Club also provides great flexibility to its members. There is no fee to join, and they are never committed to investing. They have the opportunity to see a digital presentation of potential investments that have cleared the experts' "scrubbing" process, along with additional detailed information to review.

If they then choose to invest, the Club will determine how much they and their advisers want to commit. Once there is sufficient interest, a limited partnership is formed, and it becomes the investor. The startup, in addition to receiving investment dollars from the limited partnership, gets the full marketing support of the Club's membership.

Butowsky said the Club will restrict its analysis and investment to cutting-edge business-to-consumer (B2C) companies that it determines are sound businesses with limited risk, that have international appeal and that Club members can get into early enough to achieve great returns.

"The idea is that now that the business has been vetted properly, the athletes will have crystal clarity about what it does, as well as its risk-reward profile," he said. "Then it's up to each member to decide whether it's right for him or her. If they like it, they invest. If they don't, they look at the next one."

The Club is limiting itself to B2C startups because that enables members to promote their investments' products and services on social media. The members believe high exposure from well-known investors will turbo-charge the growth of these early-stage companies.

"Most athletes and celebrities who go bankrupt do so because of bad private investments," Butowsky concluded. "The Clubhouse Investment Club is a one-stop shop for those seeking to invest in venture capital the right way and learn how to properly allocate their investment portfolio.

"It sources only the best B2C deals where investors can have a direct impact on their investment's success. And at the same time, athletes and Hollywood stars can protect themselves from making poor investment choices."

For more updates and information concerning the Clubhouse Investment Club, contact Ed at (972) 897-0197, or email him directly at [ed@clubhouseinvestmentclub.com](mailto:ed@clubhouseinvestmentclub.com), as well as following @EdButowsky and @ToriiHunter48 on Twitter.

**CONTACT INFORMATION**

- [clubhouseinvestmentclub.com](http://clubhouseinvestmentclub.com)  
972-897-0197  
Email Ed: [ed@clubhouseinvestmentclub.com](mailto:ed@clubhouseinvestmentclub.com)