



THE COMPLETE DEAL EVALUATION SYSTEM

THE DEAL DECODER

The complete system for reading deal pages, spotting red flags, and knowing exactly what you're buying — on every platform that matters.

5

PLATFORMS COVERED

25

POINT SCORECARD

30+

RED FLAGS DECODED

Deven Davis
devendavis.com

Every Platform Has an Agenda. Yours Should Be Different.

Crowdfunding platforms make money when deals fund. Not when deals SUCCEED. That's not a criticism — it's a structural reality you need to understand.

Every deal page is a sales page. The company is selling you on their vision. The platform is selling you on the opportunity. The design, the metrics, the testimonials — all optimized to get you to click "Invest."

Here's what that costs you. The average Reg CF investment is \$500–\$5,000. One bad deal doesn't just lose your principal — it costs you years of compound growth on that capital. A \$2,000 loss at age 30 is \$20,000 you won't have at 60. And most first-time investors make 2–3 bad investments before they develop the pattern recognition to avoid them. That's \$40,000–\$60,000 in lifetime opportunity cost. This system costs \$17.

Your job is to see past the sales page and evaluate the underlying business. This system teaches you how.

"The investor who reads a deal page like an investor — not like a customer reading a marketing page — makes fundamentally different decisions."

How to Use This System

- Read the platform guide first. Learn what each platform shows and hides before you evaluate any deals on it.
- Score every deal. The 25-Point Scorecard takes 15–30 minutes per deal. Never invest without scoring.
- Use the Comparison Template to evaluate 3–5 deals side by side before committing capital to any one.
- Check the Red Flags Encyclopedia before every investment. One red flag isn't necessarily a deal-killer. Three is.

The 10X Guarantee:

If this system doesn't save you from at least one bad investment OR help you find at least one good one, we'll refund every cent. You keep everything.



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SECTION ONE

Platform-by-Platform Guide

What each platform shows you, what it hides, and exactly where to look for the truth about any deal.

Republic

WHAT IT SHOWS

The Polished Pitch

Company overview, team bios, press mentions, traction metrics, use of funds, terms summary. Republic has the strongest editorial curation — deals look professional by default. Investor discussion threads are public.

WHAT IT HIDES

The Fine Print

Detailed financials are buried in the SEC filing (Form C), not on the main page. Valuation justification is often missing. Previous round terms may not be disclosed. Cap table complexity is hidden behind simple "% offered" numbers.

WHERE TO LOOK

Click "View Offering Circular" at the bottom of every deal. Read the Risk Factors section (pages 15–30 of the Form C). Check the "Discussion" tab — the hard questions from other investors often reveal what the pitch page doesn't.

Wefunder

WHAT IT SHOWS

The Community Story

Founder-centric narratives, video pitches, real-time fundraising progress, community engagement metrics. Wefunder leans into storytelling — emotional connection over financial rigor.

WHAT IT HIDES

The Numbers

Financial details vary widely by deal. Some founders share detailed P&Ls; others share almost nothing. Valuation context (comparable deals) is never provided. Lead investor information may be vague.

WHERE TO LOOK

Check if a lead investor is named — and if they have a track record. Look at the “Updates” tab: founders who post regularly are more transparent than those who disappear between raises. Ask direct questions in the comments — founder responsiveness is a signal.

StartEngine

WHAT IT SHOWS

The Growth Machine

StartEngine handles the highest volume of Reg CF deals. Metrics-heavy deal pages with traction charts, customer counts, and revenue figures. Many deals include secondary market eligibility.

WHAT IT HIDES

The Selection Filter

StartEngine accepts a wider range of companies than Republic. Higher volume = more variation in quality. Revenue figures shown on the deal page may be gross (not net) or annualized from a single month. The “valuation” shown is the post-money cap, not what the company is actually worth today.

WHERE TO LOOK

Always verify revenue claims in the Form C. Check if “revenue” means actual collected revenue or bookings/commitments. Look at the cap table: how many previous rounds have there been, and at what valuations? A company raising at \$20M that was valued at \$3M last year needs to justify that 7x jump.

Fundrise

WHAT IT SHOWS

The Portfolio View

Fundrise is a platform for real estate and alternative investments. Unlike the deal-by-deal model, Fundrise pools capital into funds. Performance data, fund composition, and historical returns are visible.

WHAT IT HIDES

The Lock-Up

Liquidity restrictions are significant. Early withdrawal penalties can be steep. Performance is shown after fees, but fee structures can be complex. Individual property performance within a fund isn't always visible.

WHERE TO LOOK

Read the fee disclosure document carefully. Understand the redemption policy before investing. Compare Fundrise returns to public REITs (ticker: VNQ) for context. Remember: illiquidity is the price you pay for potentially higher returns.

Angellist

WHAT IT SHOWS

The Insider's View

Angellist serves accredited investors and provides access to syndicate deals, rolling funds, and venture fund investments. Deal flow quality is generally higher. Lead investor track records are visible.

WHAT IT HIDES

The Carry & Fees

Syndicate leads charge carry (typically 20% of profits) plus management fees. These compound significantly. A deal that returns 3x before carry returns 2.4x after carry. Fee structures vary by syndicate.

WHERE TO LOOK

Evaluate the syndicate lead's track record, not just the deal. How many deals have they led? What's their return profile? Read the SPV docs — specifically the fee section and the pro rata rights clause. Ask if the lead is co-investing their own capital.

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SECTION TWO

The 25-Point Deal Scorecard

Rate any opportunity across 5 categories. Score it in 15–30 minutes. Never invest on gut feeling again.

How to Score

Rate each question 1–5 (1 = serious concern, 3 = acceptable, 5 = excellent). Total possible: 125. Scoring guide at the end.

Category 1: Team (5 questions)

#	QUESTION	SCORE (1-5)
1	Does the founding team have relevant domain expertise?	<input type="text"/>
2	Have they worked together before (or have complementary skills)?	<input type="text"/>
3	Is there a technical co-founder (if tech product)?	<input type="text"/>
4	Are the founders full-time and adequately compensated?	<input type="text"/>
5	Do they communicate transparently (updates, responses to questions)?	<input type="text"/>

Category 2: Traction (5 questions)

#	QUESTION	SCORE (1-5)
6	Is there measurable revenue (not just users or signups)?	<input type="text"/>
7	Is the revenue growing month-over-month?	<input type="text"/>
8	Are customers paying (not just on free trials)?	<input type="text"/>
9	Is there evidence of product-market fit (retention, repeat purchases)?	<input type="text"/>
10	Are the traction claims verified (not self-reported projections)?	<input type="text"/>

Category 3: Terms (5 questions)

#	QUESTION	SCORE (1-5)
11	Is the valuation reasonable relative to traction and stage?	<input type="text"/>
12	Are the deal terms standard (SAFE, convertible note, equity)?	<input type="text"/>
13	Is there a valuation cap that protects early investors?	<input type="text"/>

14 Is the use of funds clearly defined and reasonable?

15 Are there pro-rata rights or other investor protections?

Category 4: Market (5 questions)

#	QUESTION	SCORE (1-5)
16	Is the target market large enough to support venture-scale returns?	<input type="text"/>
17	Is the market growing (tailwinds)?	<input type="text"/>
18	Is there a clear competitive advantage or moat?	<input type="text"/>
19	Are there identifiable customer acquisition channels?	<input type="text"/>
20	Is the competitive landscape navigable (not dominated by giants)?	<input type="text"/>

Category 5: Impact (5 questions)

#	QUESTION	SCORE (1-5)
21	Does the business create measurable positive impact?	<input type="text"/>
22	Is the impact integral to the business model (not bolted on)?	<input type="text"/>
23	Does the company track and report impact metrics?	<input type="text"/>
24	Is the impact aligned with your personal investment thesis?	<input type="text"/>
25	Would this company exist even without the impact angle?	<input type="text"/>

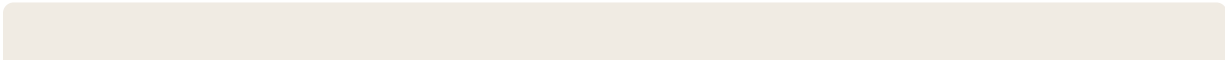
Scoring Guide

100–125
Strong Deal

Rare. This deal checks every box. Consider investing. Still do final due diligence.

75–99
Promising Deal

Most good deals land here. Identify the weak categories and determine if you can live with those risks.



50–74
Proceed with Caution

Significant gaps. Only invest if you have deep domain expertise or personal relationship with the team.

< 50
Pass

Too many red flags. There are better opportunities. Move on.



SECTION THREE

The Red Flags Encyclopedia

30+ warning signs organized by category. One red flag is a question. Three is a pass.

Team Red Flags

RED FLAG	WHAT IT MEANS
Solo non-technical founder building a tech product	They'll burn the raise on development contractors with no oversight
Founders aren't full-time	This isn't their priority. You're funding a side project.
No relevant domain expertise	First-time industry entrants underestimate complexity by 3-5x
High founder salaries relative to raise	If 40%+ of the raise goes to salaries, you're paying their lifestyle
Founder doesn't respond to investor questions	If they won't communicate now, they won't communicate after they have your money
Third-time founders with two failures in the same space	Persistence is admirable. Repeating the same mistake three times is a pattern.

Traction Red Flags

RED FLAG	WHAT IT MEANS
"Revenue" is actually pre-orders or LOIs	Letters of intent and pre-orders are not revenue. They're intentions.
Metrics shown in unusual timeframes	"\$500K ARR" based on one good month annualized is misleading
No retention or churn data	Growth without retention is a leaky bucket
Vanity metrics only (downloads, signups, social followers)	None of these are revenue. Ask for paying customers and revenue per customer.
Revenue flat or declining but still raising	They need money because the business isn't working, not because it's growing
User count growing but revenue isn't	They haven't figured out monetization. You're funding their experiment.

Terms Red Flags

RED FLAG	WHAT IT MEANS
Valuation 5x+ higher than last round with no matching traction	You're paying tomorrow's price for today's company
No valuation cap on a SAFE	Your conversion price is undefined. You could get diluted to nothing.
Complex multi-class share structures	Often designed to give founders/insiders preferential treatment

Raise amount is too small relative to stated plans	Raising \$250K to “build and launch” a tech product means they’ll need more money before any results
No clear use of funds	If they can’t tell you where the money goes, they haven’t thought it through
Previous investors not participating	The people who know the company best are choosing not to reinvest. Ask why.

Market Red Flags

RED FLAG	WHAT IT MEANS
TAM based on total industry size, not serviceable market	"The healthcare market is \$4T" tells you nothing about their addressable slice
No clear competitive advantage	If the only differentiator is "better UX," a well-funded competitor copies that in 6 months
Competing directly with Big Tech	Unless they have a genuine moat, this is a losing fight
Highly regulated market with no regulatory expertise	Compliance costs can consume the entire raise
Market timing is "too early"	Being right but too early is the same as being wrong. You run out of money waiting.
Customer acquisition cost isn't discussed	They either don't know it (bad) or it's too high to share (worse)

Impact Red Flags

RED FLAG	WHAT IT MEANS
Impact is marketing language, not measured outcomes	"We're changing the world" with no metrics = impact-washing
Impact angle was added after the product was built	Bolted-on impact is fragile — it disappears under financial pressure
No clear theory of change	How does THIS product create THAT impact? If they can't connect the dots, neither can you.
Impact claims rely on future features	"When we build X, it will create Y impact." Invest in what IS, not what MIGHT be.
No third-party impact validation	Self-reported impact is unreliable. Look for B-Corp certification, third-party audits, or customer testimonials.
Impact and profit are in tension	If maximizing impact reduces revenue, the business model has a structural problem

The One-Red-Flag Rule:

One red flag = a question to ask the founder. Two red flags = proceed with extra caution. Three or more = pass and move on. There are always more deals. There is never more capital.

The Comparison Template

Never evaluate a deal in isolation. Always compare 3–5 deals side by side. Use this framework:

METRIC	DEAL A	DEAL B	DEAL C
Company Name	<input type="text"/>	<input type="text"/>	<input type="text"/>
Platform	<input type="text"/>	<input type="text"/>	<input type="text"/>
Valuation Cap	<input type="text"/>	<input type="text"/>	<input type="text"/>
Revenue (verified)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Revenue Growth Rate	<input type="text"/>	<input type="text"/>	<input type="text"/>
Team Score (/25)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Traction Score (/25)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Terms Score (/25)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Market Score (/25)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Impact Score (/25)	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL (/125)	<input type="text"/>	<input type="text"/>	<input type="text"/>
Red Flag Count	<input type="text"/>	<input type="text"/>	<input type="text"/>
Decision	<input type="text"/>	<input type="text"/>	<input type="text"/>

"The discipline to say 'no' to a mediocre deal is more valuable than the ability to say 'yes' to a great one. Because mediocre deals come first and come often."

Decode the Deal. Deploy with Confidence.

You now have the same evaluation framework that professional investors use — adapted for crowdfunding platforms and translated into language anyone can follow. Use it on every deal. No exceptions.

But evaluating individual deals is only one part of building wealth through alternatives. The investors who compound over decades don't just pick good deals — they build systems. A thesis that guides what they look for. A portfolio strategy that manages risk across positions. An outreach network that surfaces deals before they hit the platforms. A follow-on framework for doubling down on winners. The scorecard gets you the deal. The system gets you the portfolio.

You Are Here: Decoder Ready

You can walk into any deal page on any platform and know exactly what you're looking at. That alone puts you ahead of 95% of retail investors. The question is what you build on top of that.

\$297 — Becoming Investable: The Operating System

The complete 10-week system that turns invisible founders into the ones investors call back. Deck, data room, financial model, outreach strategy, follow-up sequences — all built and ready.

- Full fundraising system (\$3,000+ if hired out)
- Data room framework (\$500 value)
- Investor outreach playbook (\$300 value)
- 10 weeks of implementation (\$2,000+ coaching equivalent)

Total value: \$5,800+. Your investment: \$297.

The 10X Guarantee: If this system doesn't save you at least \$2,970 in consultant fees or 100+ hours of work, we'll refund every cent. Keep everything.

[Learn About Becoming Investable ' devendavis.com/products/becoming-investable](https://devendavis.com/products/becoming-investable)

Also available: The BS Detector (\$7, quick-reference DD framework) and Your First Real Deal (\$7, first investment guide) at devendavis.com.

About the Author

Deven Davis is the Co-Founder of Ivystone Capital, an impact venture fund that bridges institutional capital and grassroots innovation. He's personally evaluated hundreds of deals across Republic, Wefunder, StartEngine, Angellist, and traditional venture — deploying capital into the ones that pass the same tests you just learned.

This system isn't academic. It's how real capital allocation decisions get made.

@deven.r.davis on Instagram

devendavis.com

“There is a thinking stuff from which all things are made... A thought, in this substance, produces the thing that is imaged by the thought.”

— Wallace D. Wattles, *The Science of Getting Rich*

devendavis.com