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Angels and venture capitalists in the initial public offering market

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determine generate a the rms having l investors. erent ating nd find a ns. For a . However,

on the whole, our results suggest that angel investors and venture capital investors serve different sets of firms who need to obtain outside equity financing.

Keywords: [business angels](#) [venture capital investors](#) [initial public offerings](#) [underwriters](#)

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Notes

1. See, for example, Megginson and Weiss (1991), Jain and Kini (1995), and Brav and Gompers (1997).
2. Survey papers concerning angel investors include Freear, Sohl, and Wetzel (2002) and Wong (2002).
3. For a review of angel data sources in the US, Canada, and the UK, see Mason and Harrison (2008).
4. We recognize that this screen will eliminate a disproportionate number of angel-backed IPO firms since we expect that most angel-backed firms will be smaller than other IPO firms. However, since penny stocks have different disclosure requirements, we eliminate them to get a relatively uniform sample of firms to ensure a consistent sample.
5. When we control for the presence of limited liability partnerships (LLPs), our results show that the average number of investors make investments in the sample is significantly higher. We categorize firms as LLPs if they are listed as such in the fact sheet. This may be a conservative measure of LLPs.
6. Figure 1 shows that the average number of investors in the sample are significantly higher when we control for the presence of LLPs. The results are not sensitive to this grouping. The average number of venture-backed firms in the sample is significantly higher when we control for the presence of LLPs.
7. Several studies have shown that the average number of investors in the sample is significantly higher when we control for the presence of LLPs.
8. We control for the presence of LLPs in our regression analysis. The results are not sensitive to this grouping. The average number of venture-backed firms in the sample is significantly higher when we control for the presence of LLPs.
9. We control for the presence of LLPs in our regression analysis. The results are not sensitive to this grouping. The average number of venture-backed firms in the sample is significantly higher when we control for the presence of LLPs.

underwriter rank for firms with both angel and venture capital backing is 8.29, a figure that is not significantly different from firms with only venture capital backing.

10. We group the firms backed by both angels and venture capitalists with the angel-backed firms. However, our results are not significantly impacted by this grouping.

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