Transcript of Interview with Richard Swart

Director of Research, Program for Innovation in Entrepreneurial and Social Finance

University of California at Berkeley

Interviewed by
Jeffrey E. Garten
April 17, 2014

Note: This is a verbatim transcript.
Garten: So Rick, thank you very much for doing this. I'm really interested in the category of alternative financing, and I know you have spent a lot of time on this, so I wonder if you could take me through one part of it, the part that people call crowdfunding.

Swart: I'd be happy to.

Garten: Give me just a sense of what it is, and who is it that is supplying the money, and who is it that is receiving the money?

Swart: Okay. There are several different models. Let's walk through them in order. The origin of the industry in modern times – and people have been passing the plate, collecting money from large numbers of individuals for millennia. It was -- the base of the Statue of the Liberty was crowdfunded. The Dutch-East Indies Company essentially was crowdfunded. There's a lot of history of mass collection of donations to fund civic projects, like goes back to dawn of time, literally. But in terms of modern iteration, crowdfunding launched at the Sundance Festival in 2008, and it was a way of seeking donations to fund creative and arts projects so people would fund a movie, people would fund a play production, allow an author to finish their book, something like that. So it was literally "just please donate to my cause, please help me finish my project" --

Garten: These people are widely dispersed, right?
Swart: Yeah, they're very widely dispersed. Last year in the world, there was crowdfunding donations on the crowdfunding platform Kickstarter from 221 countries. So literally almost the entire world is participating in this now.

Garten: And these are individuals, and how do they --

Swart: Individuals --

Garten: How do they know about it? How are they approached?

Swart: Crowdfunding is a mechanism used by the person seeking funding, and they utilize social media and/or other forms of public relation to drive activity and to let people know they're raising funds or they're trying to sell inventory, whatever the model is.

Garten: Okay.

Swart: So the platforms themselves don't generate the traffic. The traffic is generated by social media activity or other forms of outreach by the person seeking funds.

Garten: Okay. And then what --

Swart: Then they -- then a transaction occurs on the crowdfunding platform, but the platforms don't generate the traffic.

Garten: So given the fact that his goes way back historically, why is there so much attention to it now? What's happened that has made
Interview with Richard Swart

April 17, 2014

crowdfunding a subject of so much discussion, so much press?

Why now?

Swart: Well, let's go back and talk about the different models, as understanding how this evolved might implicitly answer that question, so --

Garten: Okay, okay.

Swart: So we had crowdfunding for donation, and then we had where individuals realized they could take sort of the – I call it the NPR model, where they're doing a pledge campaign: If you give $50.00, you get a cup; $100.00, you get a T-shirt, but some sort of a rewards structure tied to different tiers of giving. That's called perks or reward-based crowdfunding, and that started to grow more and more, so people realized you could raise larger amounts of money by giving away some sort of a perk. And so it went from just being arts projects to all sorts of small enterprises, some not-for-profit, some for-profit. If you think about it, essentially it's micro-enterprises and/or community-based projects originally, very small enterprises. Then what happened is some entrepreneurs realized, well, instead of just perks, why don't I actually pre-sell inventory? So I want to make a video game, or I want to make a fantasy game, or I want to make consumer product, but what I'd like to do is solicit people from the community to actually fund the
development of that technology, the Pebble Watch being the most famous example. So entrepreneurs started realizing this is a mechanism for receiving funding for your project by preselling inventory before it's manufactured. And so you started to get interest from all sorts of small business and entrepreneurial companies, saying this is a mechanism for us to raise funds directly from our consumers. And the best source of financing is obviously revenue, not dilution through equity or debt instruments, so they eventually found a new way of seeking revenue that allows them to develop products and technologies oftentimes that are only put up as a prototype before they've been fully fleshed out.

Garten: So it's a kind of --

Swart: Then what happens --

Garten: It's a kind of venture – it's a variant of venture capital. Am I right?

Swart: It's a substitute for it, in many ways, but it's an earlier stage of smaller funding levels. These are companies that are essentially at the seed-funding stage. They're looking for relatively smaller amounts of money -- $50,000.00, $100,000.00, $200,000.00 – to go from concept or prototype to early production, and it will probably be their first tranche of revenue.

Garten: Okay.
Swart: So there are examples of revenue-positive companies using it, but the majority of the time, they don't have the revenue when they started their crowdfunding.

So the next generation was in Australia and in Western Europe and the United Kingdom. Companies said, "Well, why can't we actually solicit investment activity through these same mechanisms? Why is this only preselling of inventory?" And so sites launched in the United Kingdom and Australia – well, Australia was actually the first to come out with equity. Eight years ago, they launched equity crowdfunding in Australia, and it was called the Australian Small-sale Offering Board. It's a limited – think of a limited stock exchange – the difference being that all the companies in Australia are heavily vetted and curated and chartered account and passed review of the books before you're allowed on the platform, so it's not a purely social mechanism, there is a curation and screening mechanism involved. But Western Europe essentially said, this is just cooperative finance. We've had agricultural co-ops for hundreds of years. This is really a variation of a cooperative financing model, so they allowed it to be shepherded in under existing legal structures, and they started raising equity transactions. You could actually sell shares of stock in these emerging companies, so it became an alternative mechanism to a private placement, essentially. These are
companies that are too early to go into a full stock market, many times pre-revenue companies. Then other companies said, "Well, I don't really want the dilution from equity. What about just raising debt?" So debt-based crowdfunding has grown quite rapidly, and that emerged onto the American consciousness last year when Google Ventures put $125 million into Lending Club, and they were talking about doing an IPO about $1.6-1.8 billion. Now there's discussion that IPO could be north of $4 billion, so we're seeing the first major IPO in this emerging alternative finance industry, and so it evolved from a creative artist to now we see banks, credit unions, private equity funds, hedge funds deploying large amounts of capital, and when I mean large, we're talking hundreds of millions of dollars through these peer-to-peer lending platforms. They're able to --

_Garten:_ Okay. Let me stop you there for a second. Why – what is the – realizing this has been going on for a long time in one form or another, what is – how do you – why – why is this becoming so popular now? What is the impetus?

_Swart:_ There are several factors. First of all, there's this what I call necessity entrepreneurship, where the economic meltdown has forced a lot of people to figure out additional sources or alternative sources of income.
Garten:  Okay.

Swart:  Secondly, the ubiquity of social media and the reliance and trust upon social media has basically been – is baked into our culture now. So the idea of somebody utilizing social media for a fundraising activity doesn't seem at all strange or alien, and in many Western cultures, there's a high level of trust in Web-based transactions. That's not so true in some developing world, but in Western Europe especially, parts of Australia, of course, but you're not seeing that in Asia. You're not going to see that in a lot of parts of Africa. But in the Western world, the First World, people pretty much trust transferring money through the Web. So with that trust, with utility of the social graph and the social web, people realize that this is the next evolution of social media. If you boil it down to its basic principle, this is a mechanism to monetize social media relationships.

Garten:  Okay.

Swart:  So there's a combination of social media, economic necessity, but I also think this – and I'm not a sociologist – but I sort of call this the decade of entrepreneurship. Everybody's talking about entrepreneurship. There's Shark Tank. There's TV shows. There's reality shows. People realize that it's possible now to be an entrepreneur with much lower cost of entry than in the past, due to
the scalability of technology. So you have people out of work, people needing jobs, needing secondary sources of income, with this whole cultural shift of understanding the nature of technology companies and the emergence of startups, and then, of course, the massive growth in social media utilization. So the combination of all those factors have led to the profound interest in how do we utilize these mechanisms to finance our ideas. If you look at the Web traffic right now, search traffic for small business lending is cratering down to almost nothing. I mean, it's just – I think it's a small percentage, like 5 or 6 percent of what it was 2 years ago, but search terms for Kickstarter and crowdfunding are literally exponential growth. I mean, there are probably 20 or 30 _____?_____ lending searches are, but this one indication of the zeitgeist right now is that people thinking of starting companies are almost defaulting to how do I crowdfund it rather than how do I go through the papal process and the arduous process of applying for a bank loan.

_Garten:_ Okay.

_Swart:_ And you also have the financial implications of Dodd-Frank and banking regulation, which makes it more difficult for the banks to lend money. Even if they want to lend money, they're having a harder time doing so.
Garten: So what has been the – you talk about the growth. Can you talk about it geographically? Are we talking about a global phenomenon? I mean, let's stipulate Australia, yes, UK, yes, US, yes, but what about in the developing world, for example?

Swart: The developing world is very early. We're seeing indications – let's throw some numbers out. There's approximately a $6 billion global market.

Garten: Okay.

Swart: And there's growing – I don't have the numbers in front of me – approximately 70 percent in 2011, about 90 percent in 2012, about 120 percent growth in 2013, so year-over-year growth is increasing. It's literally exponential at this point. Western Europe, First World countries – and it's more Northern Europe, less more so than Southern Europe, and Eastern Europe is getting involved, but still more West and North. Obviously the UK. Canada's about to legalize it. In the last 60 days, France, Canada, New Zealand, and England have all issued new equity crowdfunding legislation. In terms of the developing world, what we're seeing is a lot of research happening is crowdfunding the next generation of micro-enterprise lending or microfinance, and/or can crowdfunding be the next stage of funding for the companies that have received micro-loans? And so in Africa, South Africa especially, you're
seeing lots of think tanks and NGOs trying to figure out how they utilize crowdfunding as the next iteration or the next tranche, so you give a person enough money to buy a cow or to develop a small artisan business, but how does that person scale their growth? How do you bring in the next tranche of money? And I think crowdfunding may be the answer to that. So the models are being applied differently. We're also seeing some examples in Africa of SMS-to-SMS-based crowdfunding, so they essentially don't have the Web layer, but they do have the mobile phone layer. And there are some examples: One platform called M-Changa, mobile giving, essentially, where you're able to use your phone, take a picture of a project or a meme, blast it out, so it's all mobile technology-based. They don't have a Web layer that's all Web-based. I've seen some leapfrogging occurring in the developing world. In terms of scale I don't have the numbers – I would say 5 percent or less of the market's in the developing world.

Garten: Okay.

Swart: We're seeing quite a bit of activity starting in Southeast Asia, but the potential is going to be huge for the developing world, and I think some very strappy entrepreneurs will figure out models, but it certainly is still a First World phenomenon.
Garten: So let's talk about the regulatory structure, because it sounds – now, maybe, you know, I'm an old guy, so I don't – I haven't – I'm not so comfortable transferring money over the Web, but let's take the US to start with. What is the regulatory framework? Because obviously, if this starts to get big, if it becomes really significant in terms of finance, there will be great regulatory attention, so how should we think about the regulatory framework that exists and that may evolve here? Let's take the US as a starting point.

Swart: Okay. And the US is probably done the most work in the area, and many other countries are looking to us as an example, and frankly as a counter-example, what not to do in some ways, but the legislation that enabled the equity crowdfunding was passed in 2012. It was an omnibus bill called the Jobs Act. It has seven titles, two of which were specifically related to crowdfunding. Title II is crowdfunding for accredited investors, those people making more than $200,000.00 or who have more than a million dollars of net worth exclusive of their house, and it allows accredited investors to participate in equity crowdfunding essentially without limitations, and so you're seeing a lot of angel networks, and even some venture groups are now opening up crowdfunding platforms as a way of soliciting investment dollars into activities. It is heavily regulated. It is an SEC-controlled activity. It took the SEC about 18 months to come out with the
final rules. It went live on September 23, 2013. Since then, there's been about $300 million in activity, so not a huge amount of financing, given the scale of all the venture capital, but still significant growth.

Title III crowdfunding is common man crowdfunding. It's a nonprofessional or accredited investors that are able to participate in equity markets. The proposed regulations have been out. The comment period closed about two months ago. No one knows when the SEC will issue final rules. There were 295 questions in the SEC's proposed rules that they asked for comments on. It was a 585-page document, but our suspicion is that it's going to take the team quite a while to come up with the regulations, and the essential structure is there's caps on your ability to participate in these markets based on your income structure, so under a certain amount of income, you can only put in "X" number of dollars, and the regulations are essentially designed to protect the average consumer from too much exposure to the market. And there's also a mandate in the regulations that forces the platforms to do active investor education, so they not only have an obligation to screen the companies, but they have to affirmatively and actively let the potential investors know the risks that they're taking on. Then the platforms themselves are now registered under FINRA, and most of them have either bought or been acquired by or in partnership
with broker dealers. So it's becoming a regulated form of securities transactions. It's very much under the aegis of FINRA and the SEC, and it's not going to change.

The question is the caps on investment activities, so under Title III, the common man crowdfunding, a company can only raise $1 million in a year. Under Title II, there's no limits. One company went out the first week trying to raise over $70 million.

There's also been some structural changes. The most significant in Title II is the rescission on the ban on general solicitation. Starting in 1933, the securities laws have always prohibited the general solicitation of investors into private placements, essentially no advertising. You could talk to a limited number of potential investors, but you had to be extraordinarily careful about not putting out information. We're now seeing, due to the change in this, in the 506(c) changes, the ability of companies to broadly and widely advertise the fact that they're raising money, and they're using social medial billboards, e-mails; all sorts of mechanisms are now legal, which for the last 80 years have been illegal here in the United States. But the change there is the onus is now on the company raising money to verify the status of the potential investor, whereas in the past, you could rely on representations and warranties by the investor, having him sign a form that I'm an accredited investor, I qualify under the law, and he has relied on
the representations. Now you have to actually investigate. There's a fairly onerous process to verify their status. So we're gonna shift it so if we allow you to advertise, you now need to verify it, is essentially the balance that the SEC made with these companies.

So the regulations exist essentially to protect against the limited risk of fraud, but I use "limited" intentionally, because the data so far in Australia and Western Europe and the UK is that fraud has been almost nonexistent in these markets. I'm not naïve -- there will be fraud, there will be misrepresentation, there will be issues, but I honestly believe the United States has taken a too heavy-handed regulatory approach compared to what some other countries have done. But this is and will always be a form of a securities transaction. There is an equity transaction. This is a registered activity, and I think a lot of people don't understand that. This truly is a securities market activity, and it's just a new asset class that's been developed, essentially.

_Garten:_ So is there any regulation that is developing to oversee cross-border operations? I mean, I understand that this is global in the sense that lots of countries are doing it. Is there activity across borders?

_Swart:_ There is activity across borders with a lot of limitations. For example, a foreign individual may invest in a US-based company
through a US crowdfunding platform, but a foreign corporation cannot utilize US platforms. Now, most countries have a similar regulatory scheme where it's only open to domicile corporations. Italy has actually changed that, and their laws now allow any EU member to raise funds from an Italian platform. They're trying to dominate the European market, essentially. All the platforms that exist are having to deal with know-your-customer and anti-money laundering issues, and there's quite a bit of regulatory compliance that's required in tracking the money flows, and so that's probably one of the main concerns that's fairly frequently brought up by governments, is we want to be able to trace these funds. We want to understand where these funds are coming from, and so the cross-border money flows are an issue.

There's also some regulatory challenges that some countries require that ownership of a company in their nation have, in some cases 50 or 60 percent of the ownership must be from citizens of that country. That opens up some interesting paradoxes if you're crowdfunding internationally, and the majority of the stock is owned by foreign citizens, technically those companies can't exist in those countries. This is more of a Middle Eastern issue. Some of the developing world has similar laws. The European Commission is looking at it, but at this point, there's no political will, or maybe just they have more pressing agendas to come up
with a pan-European regulatory scheme, so each of the members of the EU are coming up with their own rules.

There's no global discussion occurring. I don't think you'll see a global discussion occurring, simply because who would convene that discussion, and what's the regulatory basis for such a discussion? But you are seeing discussions between Canada, Mexico, North American countries, the UK, in terms of some of the anti-money-laundering issues that are involved.

_Garten:_ So what are the scenarios here? I mean, let me start with one of them, just based on what you've said. It sounds to me like it's possible that the market becomes so heavily regulated that individuals who are participating find it really onerous, or small companies who are soliciting the money, find it very onerous, and if there is a sort of global recovery, there may be some more lending from banks. So I guess one scenario is this never really gets to a large scale. Give me some other scenarios.

_Swart:_ It's hard to say. The data is very early. What we're seeing is significant growth, well over 100-percent-a-year growth in the UK where they've had a lot of regulatory scheming about five or six years now. The growth of discussion around equity crowdfunding – I mean, I can't rattle off some of the countries, but I can assure you that countries on every continent are looking at this. I'd say
there's 10 or 15 countries about to enact equity crowdfunding legislation. There's probably 20 or 30 more that are thinking about. So, there's going to be a significant growth in the number of countries that allow equity-based crowdfunding. I mean, perks and rewards and donation-based crowdfunding is going to continue to escalate, and it's just going to become part of how we engage with each other on social media. That's not long away. Equity crowdfunding is growing, I'd say, 100 to 200 percent a year in all the countries that allow it, but it's still a very small market. That's a small relative number.

My concern in the United States is that the regulatory schemes in terms of background checks, auditing requirements, financial reporting, and ongoing reporting impose a fairly significant cost on these early-stage companies. So equity crowdfunding is, in fact, one of the most expensive ways of raising equity in the United States right now, and we've made that issue very plain to the SEC, that the way they've interpreted the rules imposes inordinate and, I think, disproportionate costs on these early-stage companies.

So the question is then obviously why would they choose to utilize this mechanism if there's less expensive ways of doing it, and the answer is speed. You can use crowdfunding and sometimes have your money in 30 or 45 or 60 days, as opposed to spending a year or two years or three years out there pitching to dozens of angel
groups and constantly trying to get money from an existing angel
and venture capital community, though some companies are
willing to trade some of the cost of capital for speed of capital
acquisition. And then secondly, there's a number of secondary
benefits to crowdfunding in terms of mobilization of community,
recruitment of evangelists, potential employees, potential
distributor partnerships, that those benefits aren't realized through
traditional angel or venture capital financing. So there are
secondary benefits that are motivating some people.

I think you're gonna see relatively slow growth of equity
crowdfunding for Title III, which is the common man
crowdfunding. We're seeing significant activity starting to emerge
in real estate crowdfunding right now under Title II. We're seeing
some vertical portals emerge that attack very narrow segments of
the market, such as healthcare, life science technologies, financing
a film, some of the digital media arts, and those are starting to
attract relatively large amounts of money. There was a
crowdfunded skyscraper in Bogota, Colombia. It was a $200
million project. We're starting significant interest from large real
estate groups of allowing crowdfunding for real estate investing.
So I think that the financial markets are waking up to the fact that
this may be a way of utilizing the new changes in the securities
regulations to allow a new group of investors to participate in the
markets. But my suspicion is that, under Title II, with the 506(c) changes, you'll see significant activity continue for many, many, many years. I think the listing structure of Title III is going to keep it relatively small. However, this is a theoretical argument, because we don't have any data to support it yet – you will see more activity happening in the middle of America. So 80 percent of venture capital roughly occurs inside of Silicon Valley, and the major markets off in Boston, New York City. So if you're in Des Moines, or you're Bismarck, North Dakota, or you're in Jacksonville, Florida, you don't have the depth of relationships and the access to the venture capital/angel markets that entrepreneurs in the major urban cities on the East and the West Coast have. But arguably – and this is something we're trying to study through our research – you'll see more activity occurring in equity crowdfunding in those sort of mainstream America cities. There's also some data that shows that females are as effective or more effective than males at utilizing crowdfunding. Dr. Alicia Robb of the Kauffman Foundation has a paper out about that. So there's also the question of gender equity, and we know there are some homophily effects in venture capital, where basically there's racial and gender and elite school affiliations that affect the flow of venture capital, so there's a hope that crowdfunding will disintermediate a lot of that and allow entrepreneurs that lack
access to those funding networks to be able to directly receive funding. But if that in fact happens, and there is a discussion that crowdfunding is a democratization of access to capital. Being empiricists, we haven't seen that data yet, but that's the hope, that this will open up a whole new range of investor activity for people that are either locked out or unable to access traditional angel or venture funds.

Garten: Given the social media dimension of this, is there a possibility that – let's say Facebook – creates a crowdfunding operation, because in a sense, it already has the community --

Swart: Oh, yeah.

Garten: And it has the communication. Has that kind of stuff --

Swart: Trying to see how much I can say. I've been in discussion with some big companies, and I know there's a lot of thinking around these issues.

Garten: Right.

Swart: The challenging thing that's purely from a financial point of view is, is there enough revenue to make it worth the time of the companies to go through all the regulatory and legal issues around these financial transactions? Some of the larger banks are very interested in this, but right now, rather than opening up their own
markets, they're just basically buying loan portfolios from Lending
Club and Prosper. So you will see the emergence of larger
financial players into this sector.

Garten: I guess, you know --

Swart: Now, whether –

Garten: Yeah, go ahead.

Swart: With Facebook, and with LinkedIn, and some of the larger social
media platforms, that's a strategic move. They certainly are in a
position they could. There's some Asian platforms that have huge
followings. But my guess is that as the market matures, you will
see the entry of larger players, but that's – I'm making a guess there
– there's no data available to answer that.

Garten: Right. So here's the final question: I know that you are – you
focus a lot on research. What are the big research questions? I
mean, here we've got an alternative financing market that is riding
on some very deep-seated trends in society, and it has huge
implications, as you were saying, in terms of the democratization
of finance, but also the Internet is still very young in terms of all
the things that it could do for society. There is all this enthusiasm
for entrepreneurship. All of this you've said. So the research
agenda must be quite broad in terms of what you can look at. So
I'm wondering, if you had an army of real scholars around you – let's say you had 50 – and you wanted to set out 3 or 4 big questions that you wanted them to look at, what would they be?

Swart: That's the $64,000 question. So one is, to what extent does crowdfunding actually spur or affect the diffusion of innovation? And do crowdfunded companies have a higher or lower success factor than non-crowdfunded companies, or is there something about the mechanism or receiving finance through a social mechanism that affects the viability or the long-term profitability of these firms?

There's questions about pricing and to what extent do these early-stage markets price these equities without any transaction information, essentially an equity market which is existing very similarly to private placement. And then we know the geographical differences and the valuation of the firms, and so there's a lot of questions about how these things are going to be priced and how the valuations are going to be determined.

There's some very large questions about risk and securitization in the equity and the debt crowdfunding market, and is this destabilizing? Are we basically opening up a whole new subprime lending class, which is going to collapse? So there's a whole issue about underwriting and risk valuation inside the debt market.
There's an international economic development question in terms of the potential impact of crowdfunding for NGOs. You're gonna see some major, major international foundations that are highly interested in the area. So the question is, does crowdfunding disintermediate donor relationships, or does crowdfunding become a new mechanism for deeper engagement with the existing donors? And so how does this shift the philanthropic giving that's existing, and how does that change the relationships of organizations to their donor bases? So there's a whole research stream spinning up there.

And there's questions about information hiding, information diffusion. The information scientists are looking at it in terms of how much information do you have to reveal, and how much can you hide.

There's questions about intellectual property there.

There's questions about transparency, and there's a lot of questions about can people be nontransparent in a transparent market to protect something and still build trust? There's a lot of interesting questions occurring in those aspects.

Sociologists want to look at cultural effects to how people behave in these platforms, what's motivating people to deploy capital through these channels.
The consumer finance people want to understand the decision-making process of allocating or making decisions or investments or loans through these platforms.

The fact that it's growing so fast, so rapidly, and so internationally is of itself an interesting question for the digital media and the information side of the equation.

I got a call two days ago from the Federal Reserve asking me what impact crowdfunding will have on community developments in underserved communities.

And these huge potential questions about is this really a fad, or is this a new mechanism of financing activity, and how will it disrupt traditional financing? That was probably a long-winded answer to your question, but --

_Garten:_ No, that's a great answer.

_Swart:_ There's several different – there's several questions that we're trying to struggle with right now. And then one of the questions that I've – I've actually been an academic and I've also run a couple of startups – so does this thing work? That's a very basic question of ____?______ companies: Does this lead to success, and what do they do once they receive the funding? And so from an economic development aspect, we've been studying the behavior of
companies after they have successful crowdfunding, and we're finding a very interesting pattern. Ethan Mollick at Wharton has done some great work in the area, I'm doing some work in the area, and we're finding there's a very rapid pattern of these companies hiring new employees, so the use of capital is almost always hiring, and that seems to be about two new employees. So the argument we're making to economic development authorities is train your entrepreneurs to know how to use this mechanism, because they're going to redeploy the capital very quickly to hire more people, and we know that small businesses and micro-enterprises create most of the new jobs, so we're trying to get more and more data to show that this is a mechanism for job creation.

_Garten:_ That's a wonderful answer to the question. I think it really shows the many, many dimensions here, and the potential promise, and also the infancy of the market, so I really --

_Swart:_ It's very, very early.

_Garten:_ Very early days. But you know, the thing that comes to my mind, and the reason I wanted to talk to you was that we're in an era where disruptive technology looks very small until one day it turns out to be very big, and it happens very quickly, so it's been great being able to talk to you at this very early stage.

[End of Audio]