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The Fall of the Muni Startup That Wanted to Upend Wall Street.

- **Neighborly sought to bring crowdsourcing to bond underwriting**
- **Company told employees this month that it couldn't pay them**

In early 2017, a San Francisco startup backed by billionaire Laurene Powell Jobs and actor Ashton Kutcher scored the first victory in its campaign to shake up a $400 billion-a-year business dominated by Wall Street's biggest banks.

The firm, Neighborly Corp., underwrote a $2 million debt sale for Cambridge, Massachusetts — the home of Harvard University and the Massachusetts Institute of Technology — by selling the securities in $1,000 lots to residents who wanted to invest in their own community. The company didn't earn a penny in fees. But the successful experiment in the prestigious Boston suburb lent valuable publicity to Neighborly's quixotic quest to make a technological end-run around big mutual funds, insurers and banks by peddling municipal bonds directly to the people.

So employees went to Maui to celebrate.

Continue reading.

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By Amanda Albright

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