



Accredited Investor Representation (Regulation D, Rule 506(c))

An **accredited investor** is a person or entity that is allowed to invest in private companies, hedge funds, venture capital funds, and other high-risk or unregistered securities because regulators assume they have enough financial sophistication (and resources) to bear the risks.

The undersigned hereby represents and warrants to the Company that the undersigned is an "Accredited Investor" as defined in **Rule 501(a) of Regulation D** under the Securities Act of 1933, as amended (the "Securities Act"), and acknowledges that the Company is relying on this representation for purposes of establishing compliance with Rule 506(c) of Regulation D.

Who qualifies as an accredited investor?

1. Natural Persons

- (a) A natural person with individual income exceeding **\$200,000** in each of the two most recent years, or joint income with a spouse or spousal equivalent exceeding **\$300,000** in each of those years, with a reasonable expectation of reaching the same income level in the current year;
- (b) A natural person whose individual net worth, or joint net worth with a spouse or spousal equivalent, exceeds **\$1,000,000**, excluding the value of the primary residence;
- (c) A natural person holding one or more professional certifications, designations, or credentials recognized by the SEC (including **FINRA Series 7, Series 65, or Series 82 licenses**).

2. Entities

- (a) A bank, insurance company, registered investment company, business development company, or small business investment company;
- (b) A corporation, partnership, limited liability company, trust, or tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code, with total assets exceeding **\$5,000,000** and not formed for the specific purpose of acquiring the securities offered;
- (c) An entity in which all equity owners are Accredited Investors;
- (d) An investment adviser registered under the Investment Advisers Act of 1940 or under state law;
- (e) A rural business investment company (RBIC) or a family office with at least **\$5,000,000** in assets under management, or a "family client" of such office.

3. Other Categories

- Any other person or entity that qualifies as an accredited investor under **Rule 501(a) of Regulation D**, as amended from time to time.

Entities may qualify if:

- A bank, insurance company, registered investment company, business development company, or small business investment company.
- Any entity with **assets over \$5 million**, not formed just to purchase a specific investment.
- Any entity where all equity owners are accredited investors.
- Certain family offices with at least \$5 million in assets under management.

Why does it matter?

- Accredited investors are permitted to participate in **private placements** (like Regulation D offerings, hedge funds, private equity, venture capital).
- Regulators believe these investors don't need the same level of protection as the general public, since they can handle financial risks and losses.

The Company is required to take **reasonable steps to verify** Accredited Investor status. Accordingly, the investor agrees to provide such documentation as the Company may reasonably request, including but not limited to:

- Federal tax returns or W-2 forms;
- Brokerage or bank statements;
- Credit reports;
- Written confirmation from a registered broker-dealer, SEC-registered investment adviser, licensed attorney, or certified public accountant.