

## What is an Accredited Investor?

According to SEC and federal guidelines (32-5-504c and Rule 501 of SEC Reg D, 17 CFR 230.501 ), an accredited investor is:

1. a bank, insurance company, registered investment company, business development company, or small business investment company;
2. an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;
3. a charitable organization, corporation, or partnership with assets exceeding \$5 million;
4. a director, executive officer, or general partner of the company selling the securities;
5. a business in which all the equity owners are accredited investors;
6. a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, or has assets under management of \$1 million or above, excluding the value of the individual's primary residence;
7. a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year
8. a trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.
9. a natural person who has certain professional certifications, designations or credentials or other credentials issued by an accredited educational institution, which the Commission may designate from time to time. Presently holders in good standing of the Series 7, Series 65, and Series 82 licenses.
10. natural persons who are "knowledgeable employees" of a fund with respect to private investments.
11. limited liability companies with \$5 million in assets may be accredited investors.

12. SEC- and state-registered investment advisers, exempt reporting advisers, and rural business investment companies (RBICs) may qualify.
13. Indian tribes, governmental bodies, funds, and entities organized under the laws of foreign countries, that own "investments," as defined in Rule 2a51-1(b) under the Investment Company Act, in excess of \$5 million and that was not formed for the specific purpose of investing in the securities offered.
14. Family offices with at least \$5 million in assets under management and their "family clients," as each term is defined under the Investment Advisers Act.
15. "Spousal equivalent" to the accredited investor definition, so that spousal equivalents may pool their finances for the purpose of qualifying as accredited investors