Form 1

Accredited Investor Questionnaire

Gentlemen/Ladies:

The information contained in this questionnaire is being furnished to you in order for you to determine whether the undersigned purchaser (the “Purchaser”) will be a qualified purchaser of shares of the Company’s common stock, par value $[par value] per share (the “Shares”), pursuant to Section 4(a)(2) of the U.S. Securities Act of 1933, as amended (the “Securities Act”), and Regulation D promulgated thereunder by the Securities and Exchange Commission (“Regulation D”). The Purchaser understands that you will rely upon the following information for purposes of making such determination, and that the Shares will not be registered under the Securities Act in reliance upon the exemption from registration provided in Section 4(a)(2) of the Securities Act and Regulation D.

ALL INFORMATION CONTAINED IN THIS QUESTIONNAIRE WILL BE TREATED CONFIDENTIALLY. However, the Purchaser understands and agrees that you may present this questionnaire to such parties as you deem appropriate if called upon to establish that the proposed offer and sale of the Shares is exempt from registration under the Securities Act or meets the requirements of applicable state securities laws or blue sky laws.

The Purchaser agrees that this Questionnaire is merely a request for information. The Purchaser agrees that this Questionnaire does not constitute an offer to sell or a sale of the Shares and that no sale will occur prior to the acceptance of the Purchaser’s subscription.

ACCREDITED INVESTOR QUESTIONNAIRE

GENERAL INSTRUCTIONS

If the Shares subscribed for are to be owned by more than one entity, each co-subscriber must complete a separate Questionnaire and sign the signature page.

All questions must be answered. If the appropriate answer is “None” or “Not Applicable,” please so state. Please attach additional sheets if necessary to complete your answers to any item.

1. General Information Regarding Purchaser

|  |  |  |
| --- | --- | --- |
| (a) | Name of Purchaser:Additional Purchaser: (i.e., Joint Tenant) | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| (b) | Principal Place of Business:Telephone Number: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| (c) | Address: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| (d) | Taxpayer Identification No. or Social Security No.: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

2. Information Regarding Corporate Officer or Authorized Person Executing This Questionnaire on behalf of the Purchaser

|  |  |  |
| --- | --- | --- |
| (a) | Name: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| (b) | Current Position or Title: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

3. Purchaser’s Accountant

|  |  |  |
| --- | --- | --- |
| (a) | Name of Accounting Firm: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| (b) | Address: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| (c) | Name of Contact: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| (d) | Telephone No.: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

4. Purchaser’s Bank or Lead Bank

|  |  |  |
| --- | --- | --- |
| (a) | Name of Bank: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| (b) | Address: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| (c) | Name of Bank Representative: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| (d) | Telephone No.: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

5. Method of Investment Qualification

The Company will sell Shares only to Purchasers that are [(i)] “Accredited Investors” as that term is defined in Rule 501(a) of Regulation D (“Accredited Investors”) [or (ii) not “Accredited Investors” but who, either alone or with a purchaser representative, have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the prospective investment].

A. ALL INDIVIDUALS MUST INITIAL WHICHEVER OF THE FOLLOWING STATEMENTS IS APPLICABLE TO SUCH INDIVIDUALS:

|  |  |
| --- | --- |
| \_\_\_(a) | I certify that I am an Accredited Investor because I had an individual income[[1]](#footnote-1) of more than $200,000 in each of the two most recent years, or joint income?1 with my spouse in excess of $300,000 in each of such years, and I reasonably expect to have an individual income in excess of $200,000 (or a joint income with my spouse of $300,000) in the current year. |
| \_\_\_(b) | I certify that I am an Accredited Investor because I have an individual net worth,[[2]](#footnote-2) or my spouse and I have a joint net worth, in excess of $1,000,000. |
| \_\_\_(c) | The undersigned is a director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of the issuer. |
| \_\_\_(d) | The undersigned is an individual (not a partnership, corporation, etc.) holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Securities and Exchange Commission has designated as qualifying an individual for accredited investor status, including a:(i) Series 7 license, which qualifies a candidate for the solicitation, purchase, and/or sale of all securities products, including corporate securities, municipal securities, municipal fund securities, options, direct participation programs, investment company products, and variable contracts;(ii) Series 65 license, which is designed to qualify candidates as investment adviser representatives and covers topics necessary for adviser representatives to understand to provide investment advice to retail advisory clients; or(iii) Series 82 license, which qualifies candidates seeking to effect the sales of private securities offerings. |
| \_\_\_(e) | The undersigned is a “family office,” as defined in rule 202(a)(11)(G)-1 under the Advisers Act:(i) With assets under management in excess of $5,000,000.(ii) That is not formed for the specific purpose of acquiring the securities offered, and(iii) Whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment. |
| \_\_\_(f) | The undersigned is a “family client,” as defined in rule 202(a)(11)(G)-1 under the Advisers Act, of a family office meeting the requirements in paragraph (a)(12) of this section and whose prospective investment in the issuer is directed by such family office pursuant to paragraph (a)(12)(iii). |

B. ALL CORPORATIONS, PARTNERSHIPS, AND OTHER ENTITIES THAT ARE NOT TRUSTS MUST INITIAL WHICHEVER OF THE FOLLOWING STATEMENTS ARE APPLICABLE TO SUCH ENTITY:

1. Has the corporation, partnership, limited liability company, or other entity been formed for the specific purpose of acquiring the Shares?

|  |  |
| --- | --- |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ |

2. INITIAL “yes” or “no” for each of the following statements:

|  |  |  |
| --- | --- | --- |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is a bank as defined in Section 3(a)(2) of the Securities Act. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is a savings and loan association or other institution, as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is a broker or dealer registered pursuant to Section 15 of the U.S. Securities Exchange Act of 1934. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is an insurance company as defined in Section 2(13) of the Securities Act. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is an investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, provided that (i) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or (ii) the employee benefit plan has total assets in excess of $5,000,000, or (iii) if a self-directed plan, investment decisions are made solely by persons that are Accredited Investors. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is an organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, Massachusetts or similar business trust, or a partnership, nor formed for the specific purpose of acquiring the Shares with total assets in excess of $5,000,000. [A limited liability company should answer no to this question.] |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is an entity all of whose equity owners are Accredited Investors. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser has total assets in excess of $5,000,000 and is any of: (i) corporation; (ii) partnership; (iii) limited liability company; or (iv) Massachusetts business trust. |
| Yes \_\_\_\_\_\_ | No \_\_\_\_\_\_ | The Purchaser is a rural business investment company as defined in section 384(A) of the Consolidated Forum and Rural Development Act. |

C. EACH TRUST MUST CHECK WHICHEVER OF THE FOLLOWING STATEMENTS APPLY TO SUCH TRUST:

|  |  |
| --- | --- |
| \_\_\_\_\_\_\_\_\_\_ | The Trust has total assets in excess of $5,000,000, was not formed for the specific purpose of acquiring the Shares, and its purchase will be directed by a sophisticated person as described in Rule 506(b)(2) (ii) of Regulation D. |
| \_\_\_\_\_\_\_\_\_\_ | The grantors of the trust may revoke the trust at any time and regain title to the trust assets and retain sole investment control over the assets of the trust and all of the grantors are individual Accredited Investors. |

6. The undersigned corporate officer or authorized person represents and warrants to you, on behalf of the Purchaser, that (a) the information contained herein is true, complete, and accurate and may be relied upon by you; and (b) the undersigned corporate officer or authorized person will notify you immediately of any material adverse change in such information occurring prior to the acceptance of the Purchaser’s subscription for Shares.

7. The Purchaser is \_\_\_\_\_\_\_\_\_\_ OR is not \_\_\_\_\_\_\_\_\_\_ subject to backup withholding under the provisions of Section 3406(a)(1)(c) of the Code.

8. The Purchaser has \_\_\_\_\_\_\_\_OR has not \_\_\_\_\_\_\_\_ been formed solely for the purpose of investing in the partnership.

If the answer to Question 8 is “has,” the entity must be able to certify to the following statement in order to qualify as an Accredited Investor:

The corporation, partnership, or other entity certifies that it is an Accredited Investor because each of its equity owners is an Accredited Investor.

9. The Purchaser is \_\_\_\_\_\_\_\_ OR is not \_\_\_\_\_\_\_\_ acquiring all or part of the Shares, directly or indirectly, for or on behalf of a “benefit plan investor” as described in U.S. Department of Labor regulations Section 2510.3-101.

10. The Purchaser understands that the representations contained in this Questionnaire are made for the purpose of qualifying the Purchaser as an Accredited Investor. The Purchaser represents and warrants that the information furnished above is true and correct in all respects and that all documents attached to this Questionnaire are complete and correct as of the date hereof. The Purchaser understands that a false representation may constitute a violation of law, and that any person who suffers damage as a result of a false representation may have a claim against the Purchaser for damages.

Signature Page

By signing below, you are representing to the Company that (a) the information you have provided in this Accredited Investor Questionnaire is complete and accurate as of the date set forth below and that the Company may rely on such information and (b) you will notify the Company promptly of any material change in any such information that occurs prior to the issuance to you of the Shares.

Full Legal Name of Individual or Entity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Individual or Authorized Signatory: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name and Title of Individual or Authorized Signatory: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. For purposes of this Questionnaire, “individual income” means adjusted gross income as reported for Federal income tax purposes, less any income attributable to a spouse or to property owned by a spouse, increased by the following amounts (but not including any amounts attributable to a spouse or to property owned by a spouse): (i) the amount of any interest income received which is tax-exempt under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), (ii) the amount of losses claimed as a limited partner in a limited partnership (as reported on Schedule E of Form 1040), (iii) any deduction claimed for depletion under Section 611 et seq. of the Code, (iv) amounts contributed to an IRA or Keogh retirement plan, and (v) alimony paid; for this purpose, “joint income” shall equal the combined individual incomes of the individual and his spouse.

 [↑](#footnote-ref-1)
2. For purposes of this Questionnaire, “individual net worth” (except as otherwise specifically defined) means the excess of total assets at fair market value, including home (but excluding the value of the primary residence of such individual) and personal property, over total liabilities (but excluding the amount of indebtedness secured by the individual’s primary residence up to its fair market value, and including the amount of any such indebtedness in excess of such fair market value). [↑](#footnote-ref-2)