

## **Definition of an Accredited Investor**

- 1) A natural person whose individual net worth or joint net worth with spouse at the time of purchase exceeds \$1,000,000
- 2) A natural person who had an individual income in excess of \$200,000 in each of the two most recent years, or joint income with spouse exceeding \$300,000 in each of those years and has a reasonable expectation to reach the same income level in the current year.
- 3) Any organization described in Section 501 (c) (3) of the Internal Revenue Code, or any other corporation limited liability company, Massachusetts or similar business trust or partnership not formed for specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000
- 4) A Private business development company (as defined in Section 202 (a)(22) of the Investment Advisory Act of 1940).
- 5) Any bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended (the "Act") or any savings and loan or other institution as defined in Section 3 (a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934; any insurance company as defined in Section 2(13) of the Act; any investment company registered under the Investment Company Act of 1940 (the Investment Company Act) or business development company as defined in Section 2 (a)(48) of the Investment Company Act; any 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; any plan established and maintained by a state, its political subdivision, or any agency or instrumentality of a state or political subdivisions for the benefit of its employees, if such plan has total assets in excess of \$5,000,000 or any employee benefit plan within the meaning of the Employee Retirement Income Security act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 2 (21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of \$5,000,000 or if a self directed plan, with investment decisions made solely by persons who are accredited investors
- 6) Any trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person. For the purposes of this exemption a sophisticated person is one who has such knowledge and expertise in financial and business matters that such person is capable of evaluating the merits and risk of prospective investment.
- 7) Any entity which all the equity owners are accredited investors under the above subsections. Please note that members in any limited liability company or limited partners in any limited partnerships that is investing in the company are considered equity owners.