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**Securities Offering for [entity to be named]**

**Due Diligence Questionnaire for: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**(Name of Person Who is the Subject of This Questionnaire)**

Complete Separate Questionnaire for Each: Officer, Director, Principal,

Managing Member, Key Employee, Owner of > 5% of Company,

And for each Proposed Officer and Director,

And for each Broker Offering Securities of the Company, and for each Money Finder for the Company

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Attorneys conduct Due Diligence on the Principals of a Company which plans to offer securities, as a routine part of the Offering process. “Principals” are Founders, Officers, Directors and Control Persons (persons who own at least 5%, or who have voting control or influence over the company.) Due Diligence is conducted even in a private placement offering and even in a small public offering.*

*The Company is legally responsible for determining that all information in the Offering Memo is accurate, and that nothing material is omitted, including information about the principals and their backgrounds. The Company’s attorneys assist the Company in this regard with determining that accurate and complete background information is contained in the Offering Memo, using the Due Diligence Questionnaire as one of the tools.*

*Professional investors will run background checks on the Principals, and will find the Due Diligence information. Therefore we pre-empt their discovery by disclosing any info in advance. As a business tool for the Company, Due Diligence screens for issues that may prevent professional investors from investing, or that may affect future rounds of financing.*

*Due Diligence is required in order to determine which disclosure items go into the Offering Memo, as well as eligibility for securities exemptions.*

*Our protocol is to conduct due diligence background checks on each Principal of a company for which we will be preparing,* ***or reviewing,*** *an Offering Memo, and on each Principal of business into which our client Issuer is investing, or our client Business Purchaser is buying.*

*The information gathered in this questionnaire, or as a result of background checks from this questionnaire, will be kept confidential within the Company, and among its Officers, Directors, attorneys and accountants.*

*However, please note that the attorneys represent the Company, not the individual, and therefore may have an obligation to disclose to the Company’s Officers and Board of Directors, and even to regulators, information collected in this questionnaire. The attorneys’ disclosure obligation is a result of Sarbanes Oxley Rules (and standards of practice that have evolved for private placements under them).*

**Instructions:**

Please answer the following questions by ***typing answers directly into this document.*** To check a box, double-click on it, and select “checked”. Please email the completed questionnaire to nfallon@nfhlaw.com. Then sign a paper copy on the signature page, and scan and email us, or fax us the signature page. Please follow up by regular mailing us the entire paper document with your original signature.

Please type details of any “Yes” answers, into separate pages at the end of this questionnaire, beginning on the Signature Page. If you prefer instead, type details right after the text of each question. For typing between questions, please use bold or italicized font, or highlight, or change font, to distinguish your answers from questions. If you prefer, send narrative answers to us in the text of a separate email. Email us or call us with questions, and call us with your social if you are emailing this form, instead of including your social on an emailed form.

If any answer “Yes”, please include it, regardless of how long ago the item occurred. Some SEC disclosure items are required without date limitation. However, we may opt to exclude from Offering Memo disclosure, any items that we deem immaterial, based on distant age of the event, irrelevance to the Offering, or irrelevance to the Issuer’s responsibilities of holding and spending investor money. Include all items here, even if they seem immaterial, as the Company and its attorneys will determine materiality, and therefore exclusion from Offering Memo disclosure.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Due Diligence Questions:***

1. **Current and Past Employment.**

Please list your current employer or employers:

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Past Employers for the past 20 years (or back to college).

Please attach your Resume and a narrative Biography (if you have a bio).

**Biography and/or Resume**. If you have not already done so, please email to [nfallon@nfhlaw.com](mailto:nfallon@nfhlaw.com), a **biography and/or resume for yourself for at least the past 20 years.**  Please list all positions you have held and companies in which you have been involved, as officer, director, manager, principal, partner, or material equity holder. Feel free to provide non-business related bio info if you’d like.

Please list dates, or approximate dates. If your business background is longer than 20 years, please list all of it. List your degrees, dates and colleges attended. If your business background is shorter than 20 years, please provide biographical information only back through college information, no need to list info prior to college.

Emailed previously  Attached  Will Email within 24 hours

1. **Other Affiliations:** 
   1. Do you hold any position as officer, director, board member, advisory board member, managing member, general partner, principal, of any other company?  No  Yes

List: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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* 1. Do you own or hold, or stand to own, 5 % equity holder for any other company or entity, public or private? (5% equity holder means directly, indirectly, or combined with other persons or entities over which you have actual, practical, or legal control).  No  Yes

If yes, please type/write detailed description here, or add a page at the end of this document.

1. **Background Items: Criminal, Civil Fraud, Regulatory Actions:** Do you have, or have you ever had, any of the following occur in your background?
2. ***Criminal*** arrest, criminal proceeding brought, or criminal conviction, including DUI or drug arrest, in federal, state or county court, or court of a non-US country. (Exclude speeding and parking tickets and moving violations.) (Not all items are disclosure items, but we need to review and discuss.)

No  Yes [If yes, please type/write detailed description here, or add a page at the end of this document.]

1. ***Fraud*** action or allegation: Civil or criminal action brought against you, or a company of which you were an officer or director, in the US or in any other country.  No  Yes If yes, please type/write detailed description here, or add a page at the end of this document.
2. ***Business Bankruptcy***: Bankruptcy, reorganization, or failure of a business, which you founded, managed, or were an officer, director, promoter, broker, or shareholder, or equity owner of 5% or more.

No  Yes, Name of Business: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[If yes, please type/write detailed description here, or add a page at the end of this document.]

Did shareholders, equity owners or investors lose money?

No  Yes [If yes, please type/write detailed description here, or add a page at the end of this document.]

Did shareholders, equity owners, or investors sue the company, its founders, officers or directors, alleging loss of their investment?

No  Yes If yes, please type/write detailed description here, or add a page at the end of this document.

1. ***Personal Bankruptcy***. (Let’s discuss whether it will be a disclosure item in the Offering Memo, depends on circumstances.)  No  Yes. [If yes, please type/write detailed description here, or add a page at the end of this document.]
2. ***Tax Liens***. (Personal income tax, business income tax, payroll / employer tax, real estate tax.) If a tax lien has been levied, but is now paid, it will not be a disclosure item in the Offering Memo. However, please disclose it here.

No  Yes. Type:  Business  Personal

[If yes, please type/write detailed description here, or add a page at the end of this document.]

1. ***Regulatory investigation or action,*** or stop order, issued by a securities regulator or self-regulatory organization, such as the SEC, NASD, CFTC, NFA, any state securities commission, any banking, mortgage, or insurance commissioner, or any other federal or state regulatory body, such as the FTC, USPS, FDA, or by any regulatory body of a non-US country.  No  Yes

[If yes, please type/write detailed description here, or add a page at the end of this document.]

1. ***Disciplinary action*** by a professional licensing body, such as accounting, law, real estate, insurance, financial, medical, or other, in the US or any other country.

No  Yes [If yes, please type/write detailed description here, or add a page at the end of this document.]

1. ***Cease and desist order***, or stop order, issued by a court or regulatory body, in the US or in another country.  No  Yes [If yes, please type/write detailed description here, or add a page at the end of this document.]
2. ***Delisting by Stock Exchange***: Has a company of which you have been officer director principal, managing partner, or control person, ever been de-listed from any securities exchange or trading system, including OTC, Bulletin, Pink Sheets, local stock exchange, foreign stock exchange, or other exchange?  No  Yes [If yes, please type/write detailed description here, or add a page at the end of this document.]

|  |  |  |  |
| --- | --- | --- | --- |
| **Symbol & Exchange** | **Company Name** | **Position with Company** | **Dates** |
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4. **Financial Industry History as Securities Broker, Investment Adviser, Commodity Broker, or Financial Industry Employee or Representative:** Have you ever been a member of the NASD, or NFA, an exchange, or employed by, or been a registered representative or agent of, a broker-dealer firm, or an investment adviser firm, private or public fund or fund manager, commodity pool operator, commodity trading advisory, commodity broker, or other securities or futures industry firm, in the US or in any other country?  No  Yes

[If yes, please type/write detailed description here, or add a page at the end of this document.]]

If yes, Please provide your CRD number or NFA number, exchange registration number, name of Firm(s), your position, and approximate dates of employment or affiliation?

|  |  |  |  |
| --- | --- | --- | --- |
| **CRD or NFA #** | **Firm Name** | **Position with Firm** | **Dates** |
|  |  |  |  |
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5. **Aliases:**

Have you ever been known by, or used, any other name?  No  Yes

[If yes, please type/write detailed description here, or add a page at the end of this document.]

6. **Multiple Social Security Numbers or Names:** Have you ever used any other social security number?  No  Yes

Any other name?  No  Yes

If yes, please type/write detailed description here, or add a page at the end of this document.

|  |  |  |  |
| --- | --- | --- | --- |
| **Other Name** | **Other Social** | **Dates** | **Reason** |
|  |  |  |  |
|  |  |  |  |

6. **Civil Litigation:** Do any of the following apply to you?

1. **Litigation Brought Against You, By Others:** Please describe any civil litigation brought against you personally, or against any company of which you are, or were, a principal, officer, director, manager or founder:
   1. Any current or threatened?
   2. Any in the past 20 years?
   3. If yes, please list and discuss with attorney. Some items might be disclosure items in the Offering Memo. Multiple law suits: Probably a disclosure item. Litigation that could affect the Company is a disclosure item.

No  Yes

[If yes, please type/write detailed description here, or add a page at the end of this document.]

1. **Litigation Against Your Former Company:** Please describe any civil litigation against a company with which you were involved as an officer, director, principal or partner:
   1. Any current or threatened?
   2. Any in the past 20 years?
   3. If yes, please list and discuss with attorney. Some items might be disclosure items in the Offering Memo. Multiple law suits: Probably a disclosure item. Litigation that could affect the Company is a disclosure item.

No  Yes

[If yes, please type/write detailed description here, or add a page at the end of this document.]

1. **Litigation Against The Current Company or its Affiliates:** Please describe any civil or criminal litigation, or regulatory action, of any amount, which has ever been brought, or which has been threatened to be brought, against the Company or against any predecessors or affiliates of the Company, without time limitation. (We will evaluate these items and discuss with Company disclosure of them in the Offering Memo.)  No  Yes

[If yes, please type/write detailed description here, or add a page at the end of this document.]

1. **Litigation Brought by You, Against Other Parties:** Please describe any civil litigation that you have filed against any other parties:
   1. Any current or threatened?
   2. Any in the past 20 years?
   3. If yes, please list and discuss with attorney. Some items might be disclosure items in the Offering Memo. Multiple law suits: Probably a disclosure item. Litigation that could affect the Company is a disclosure item.

No  Yes

[If yes, please type/write detailed description here, or add a page at the end of this document.]

7. **Knowledge of Background of Other Principals:** Are you aware of the existence of any of the items in this questionnaire, in the backgrounds of, or related to, any of the Officers, Directors, Managers, Key Employees, or 5% Shareholders, of this Company or its affiliates?  No  Yes

[If yes, please type/write detailed description here, or add a page at the end of this document.]

8. **Finders or Brokers:** Does the Company intend to use any finders or brokers to sell the securities of the Company?  No  Yes

[If yes, please provide name, address, contact info and firm name, and write a detailed description here or by add a page at the end of this document]

Does the Company intend to pay anyone any commissions or fees for finding money for the Company in this offering?  No  Yes

[If yes, please provide name, address, contact info and firm name, and write a detailed description here or add a page at the end of this document]

Does the Company intend to issue an equity interest in exchange for finding money for the Company in this offering?  No  Yes

[If yes, please type/write detailed description here, or add a page at the end of this document.]

If yes to any of these, **the finder or broker will need to complete this questionnaire,** even though they may likely be precluded from acting in a finder capacity. We will also need to discuss the complex regulatory issues triggered by their involvement. Please list the names and company names of any such persons, and the CRD #’s of the person and the company.

9. Are you a U.S. Citizen?  No  Yes

10. **Signature Block, Rep, and Consent:** Please complete the signature block by tabbing across the table and typing in your responses. After emailing your completed form, please return an executed copy, at your convenience, to the address above.

I have executed this document below, attesting to the truth of my answers.

I consent to a background check using my personal information, including my name, address, home address, social security number, and my phone numbers including home phone number. I’ve listed those items below.

(Background check will not initially include credit check, other than search of bankruptcy filings or tax lien filings. However, I understand that the attorneys reserve the right to later order, and I hereby consent to, a credit check.)

I have checked a “Yes” answer above, and therefore have provided a written explanation/description within the question, or at the end of this questionnaire below my signature, or by separate email, or in a separate document.  No  Yes

Name of Person: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Signature Page for Due Diligence Questionnaire for Company:***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Signature: | X | | | |
| Name: |  | | | |
| Title and Positions currently  held with the Company: | | |  | |
| Today’s Date: | | |  | |
| Your Social Security # (Call our office 630-963-0439 with this if you are emailing the completed form) | | | |  |
| Birth Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | | | |  |
| Your CRD # or NFA ID # (if applicable): | | | | |  |
|  | | | | |
| Your Business Address (If other than that of the Company): | | | | |
|  | | | | |
| Business Phone: | |  | | |
| Business Email: | |  | | |
|  | | | | |
| Home Address: | |  | | |
|  | | | | |
| Home Phone: (All information, including home information, to be kept confidential) | | | |  |
| Home email, only if you prefer to be contacted at home for correspondence regarding this questionnaire and the Offering: | | | |  |
|  | | | | |
| How do you prefer to be contacted for correspondence regarding this questionnaire and the offering? | | | |  |
|  | | | | |
| CRD # (If former NASD broker): | | | |  |

***Additional Information- Narrative Answers:***

Please type below, narrative answers for any questions to which you answered “Yes”. State the Item Number to which your answer applies, then write your narrative description. Use any number of pages.