



Individual Questionnaire and Instructions:

By Burke Files

This questionnaire is designed for a comprehensive Due Diligence Background Check on an individual.

“Truth is like the sun. You can shut it out for a time, but it ain't goin' away.”

Elvis Presley

The instructions for this questionnaire guide the user as to the relevance and significance of the information, interpretation of the information, and where that information becomes important in the process of the investigation.

Going through the questionnaires, point by point by point, and telling you exactly what each section means would be an insult to your intelligence as well as a waste of ink and paper. The following is only a brief overview.

Background Information. This section of the questionnaire deals with general information about an individual. This is information that helps define the person -- socially, fiscally and geographically. The first section of the questionnaire helps define the individual, where to contact him/her, what he is doing now, and his current relationships. As part of your investigation, you will request the person's Social Security and driver's license numbers, as well as authorization to pull his credit report and driving history (an authorization form is posted at the end of the individual questionnaire). While most credit reports contain errors, they will tell you a lot. They will indicate if bills are paid on time, show some residential history, and provide some information on the spouse. Primarily, a credit report will tell you how well a person is regarded in the credit granting community. A driving record will show you if there is a reckless disregard for the law, or a history of accidents. All of this information is important, as it reflects on the overall character of the individual.

In the section discussing the relationship this individual has with the company, as well as other companies that may contract with the company, you need detailed information. This information should expose any conflicts of interest. These relationships are important, as excess payments directed to outside vendors is a common method of theft. A questionnaire should simply be used as one of many tools to locate potential areas of occupational abuse.

The personal financial information will provide some information about financial needs. If this individual has an expensive lifestyle and no savings, they are getting money from somewhere to support this lifestyle. Is money from the company funding the cash-flow-lifestyle gap? It is a question you need to ask and answer. Does this gap mean the person will steal from the company? Does this mean he has to find additional employment? Does this mean that because he cannot support himself at this company, that he will not be with this company for a long period of time?

The important point is, means vs. ability. What are the person's means in terms of expenditures and what abilities does he have to cover those expenditures? If there is a shortfall between the two, that shortfall has to be accounted for, either from investment, savings, trust disbursements, spousal income, investment income or embezzlement.

Licenses, Credentials, Awards and Significant Achievements is a section in which an individual has an opportunity to demonstrate to you what he believes to be important. Many of us have received Who's Prominent acknowledgements and the blankety blank nominations. Once you have been nominated, you pay your exorbitant fee, and you are Who's Prominent. I don't believe that to be a significant achievement. I know I have a few of those plaques. I do however; weigh the individual's professional membership or recognition in their industrial and professional groups as significant peer acceptance or acknowledgement of their abilities. Those are the ones that I would look for to be important to the individual as opposed to the pomp and circumstance of a Who's Prominent or similar type award.

Legal Proceedings. Any entrepreneur worth their salt has made mistakes and has gone through litigation. How they dealt with those problems, on the other hand, is a real test of an entrepreneur's mettle. Litigation, by itself, shouldn't be a disincentive or dissuasion for a person to have business dealings. Litigation reflects how an individual deals with adversity, it is publicly disclosed, and provides a rich record of their activities to be harvested and read.

In one particular case I worked on in California many years ago, an angel investor hired us to perform a comprehensive background check on an entrepreneur prior to funding a real estate management company venture with him. We located more than forty-two potential lawsuits to which the entrepreneur was exposed. As a longtime entrepreneur and developer, he had gone through a crash in California real estate, and afterward he chose to start his new business in property management. However, he had failed to effectively deal with his old problems, and as in the course of our due diligence investigation, we discovered that if these lawsuits were successful, he could have approximately \$20 million in judgments against him. Second, these disputes were likely to result in judgments because he was not defending himself. Now, not all of the claims against him were valid – but he had enough of a real estate business to make him a target, and sufficient frustration with litigation that he chose to ignore it in hopes that it would all go away. As a consequence, the angel investor decided to withhold funds until he had settled all potential disputes. The entrepreneur finally had to declare bankruptcy. It was a sad day for him and his creditors.

After the bankruptcy, the angel investor contacted the entrepreneur and said, "Now that you have all of your problems cleared up, let's talk again about investments in real-estate management." I don't know if it was ever funded, or where it went from there, but it was a real object lesson in doing your homework.

Ownership. The section on ownership is important because understanding the ownership and control of the company is important. It should be simple to understand, well stated and correctly stated. Whether this individual controls shares through proxies or relatives or close friends, or whether the individual

controls all the shares in his own name. There is not a significant difference with respect to the SEC and SEC Disclosure, nor is it a significant difference in how the company would be run. So as a consequence, you need to find out what shares this person controls over and above the shares issued in his own name. Remember to look for who is the beneficial owner and who has control of the vote of the shares.

The Certain Practices section goes into activities that are blatantly illegal and asks the individual if the individual or the corporation has ever been engaged in such activities. Some examples are: kickbacks, excessive political party contributions, fees in excess of the reasonable value of services for consultants or agents, donating money to the individuals of the corporation so those individuals in mass can donate to a political party, any type of off-balance sheet or income statement activity. This is important activity to be disclosed. If it has happened, it is not necessarily a pass or fail for the individual; however, it is something that needs to be disclosed within the scope of activity of the company to any potential investor. The issue needs to be forced. If the answers are no, an active declaration affirming that no such activities have taken place must be made, passive assurances are no longer sufficient.

The Indemnification section talks about how officers and directors will be indemnified by the company for their actions when taken on behalf of the company. Please note, the company cannot be held or be required to indemnify an officer or director of the company if the action that the individual has taken is outside the scope of authority of that individual or if that activity is criminal in nature.

National Association of Securities Dealers (NASD). This section is important to be included for any individual who is a subject of a due diligence investigation of a company that is going public or intends to go public within the near future. Going public means offering its shares for sale to the investing public.

Affirmation. This is where the individual affirms all of the answers in the individual questionnaire to be true and correct and that he understands that he could be held liable for any mistakes, errors or omissions.

The last section is called the Acknowledgment. In most cases, you should get five to 10 originals of the acknowledgment for when you are performing any public records search in which is required the written consent of the individual to gather that information. Specifically, records such as driver's licenses and credit reports, require this type of personal consent for the due diligence practitioner to gain access to these records.

Individual Questionnaire

I. Background Information

1. General Information

a. Personal Information

Name – First, Middle, Last – also any other names used including aliases and maiden names.

Age, Date and Place of Birth

Social Security Number

Driver's License Number

Address, State and ZIP Code

Citizenship

Passport Number

2nd Citizenship

Passport Number

Work Permit / Green Cards Held

Marital Status

Name of Spouse

Age, Date and Place of Birth

Social Security Number

Driver's License Number

Address, State and ZIP Code

Citizenship

Passport Number

2nd Citizenship

Passport Number

Work Permit / Green Cards Held

Children's Names and Addresses and Current Employment

Residential Address, Street, City, State, ZIP Code

Business Address: Street, City, State, ZIP Code

Home Telephone

Business Telephone

Cell Phone Number(s)

Voice Over Internet Protocol (VoIP) Number(s)

b. Education:

For each institution you have attended from high school onward including college, university, trade schools, professional and technical certifications etc.

Institution

Field of Study

Months / Years Attended

Degree or Certification Used, If None State So.

c. Employment Foundation

i. Please state your current position with the company and the length of time you have held that position. (Please discuss and attach agreement.)

ii. Were you (or will you be) selected by the company pursuant to any arrangement or understanding between yourself and any other person? (Please discuss and attach agreement.)

d. If you are not an employee of the company, please describe your principal occupation and the name and principal business of your employer. (Please discuss and attach agreement.)

e. Briefly describe any arrangement or understanding between you and any other person or persons pursuant to which you were or are to be selected as a director or officer of the company and identify the person or persons

with which you have any such arrangements. (Please discuss and attach agreement.)

- f. State the nature of any family relationship between you and any director or officer (or person nominated or chosen to become a director or officer) of the company or any affiliate of the company. (Please discuss)
- g. Please describe your business experience up to, together with the dates, and including the present time, including your principal occupations and employment during that period and the name and principal business of any corporation or other organization in which such occupations and employment were or are being conducted, and, if you are an officer of the company, describe the nature of the responsibilities undertaken by you in your prior positions with the company including where applicable, the size of the operation, number of personnel and annual budget supervised. Please complete on a separate sheet. Include, principal occupation, name and principal business of employer, period of service, and an explanation of the duties and postings held.
- h. List the name of each company in which you currently serve as a director. Please indicate whether (i) each company has a compensation committee on its board; (ii) you serve as a member of the compensation committee, if any; and (iii) each company is a "publicly held company" (any company which has a class of securities registered with the Securities and Exchange Commission pursuant to Section 12 or Section 15 of the Securities Exchange Act of 1934 or any company registered as an investment company under the Investment Company Act 1940).
- i. Please list all business, civic, trade, or other organizations to which you belong, including any offices or other positions held in each.
- ij. Are you now, or have you been since the formation of the company, an officer, director, employee of, or do you now own, or have you owned since the formation of the company, directly or indirectly, in excess of a 1 percent equity interest in any firm, corporation or other business or professional entity:
 - (1) which has made payments to the company or its subsidiaries for property or services during the company's last fiscal year in excess of \$10,000;
Yes ___ No ___
 - (2) which proposes to make payments to the company or its subsidiaries for property or services during the current fiscal year in excess of \$10,000;
Yes ___ No ___

(3) to which the company or its subsidiaries were indebted at any time during the company's current fiscal year in an aggregate amount in excess of 3 percent of book value;

Yes ___ No ___

(4) to which the company or its subsidiaries have made payments for property or services during such entity's last fiscal year in excess of 3 percent of such entity's gross revenues for its last full fiscal year; or

Yes ___ No ___

(5) to which the company or its subsidiaries propose to make payments for property or services during such entity's current fiscal year in excess of 3 percent of such entity's consolidated gross revenues for its last full fiscal year?

Yes ___ No ___

k. Do you possess (other than through your position as director), or indirectly, the power to direct or cause the direction of the management and policies of the company, which through the ownership of voting securities, by contract, or otherwise?

Yes ___ No ___

l. Did you have during the past five years a principal occupation or employment with any of the company's parents, subsidiaries or other affiliates?

Yes ___ No ___

m. Are you, or is any member of your immediate family, or any associate of yours, currently engaged in any activity that is similar to or is in any way competitive with any of the present or proposed business activities of the company? (Please see glossary for definition of "immediate family" and "associate.")

Yes ___ No ___

n. Do you, or does any member of your immediate family, or any associate of yours, have any direct or indirect ownership or other interest in, or family relationship with, any person or entity that currently is or in the future may be engaged in any activity that is similar to or is in any way competitive with the present or proposed business activities of the company?

Yes ___ No ___

- o. Please provide all of the screen names and posting names you have used when working with any of the many forms of social media such as but not limited to: e-mails, blogs, posting boards, Twitter, Facebook, My Space, etc. Please attach this information.

For all "yes" answers to any of the above questions, please describe.

2. Residential History: (Give all addresses for the last 10 years, starting with current address, and be specific with street, city, state, ZIP Code and time period of residence.

3. Financial Institution Relationships

- a. List all deposits with financial institutions including but not limited to: banks, savings and loan, credit unions, brokerage firms, insurance companies and trust companies either domestic or international. Include the name, address, type of account, account number and balance.
- b. Please prepare a letter to each of these institutions authorizing them to confirm these balances to [Insert Name]. Attach the letters to this questionnaire and return with questionnaire. Credit lines and borrowing capacity including credit cards and insurance policies. Please be specific for each financial institution and include contact person's name, telephone number and details and terms of the relationship.
- c. List all debt with current maturities (amounts, dates):
- d. Discuss any "buy-sell" agreements or other buyout options in existence (Please attach agreement) :
- d. Are you bonded? If so, please discuss and attach a copy of the bond.

4. Licenses, Credentials, Awards & Significant Achievements

Please set forth a list of all designations you have -- either by achievement, membership, license, award or other, and please include a list of all publications along with dates for all.

5. Intellectual Property and Critical Information (IPCI)

- a. Are you bringing or have you brought to this company any items of IPCI that are deemed to be your own or that of a third party?

Yes ___ No ___

- b. Does your agreement with the company clearly state who is the owner of the IPCI generated by your efforts for this company?

Yes ___ No ___

If you have answered "yes" to any of the questions above please supply the information related to the questions(s) on an attachment to this questionnaire.

II. Legal Proceedings

1. Please indicate whether:

- a. A petition under the federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for, your business or property, or any partnership in which you were a general partner at or within two years before the time of such filing, or any corporation or business association of which you were an executive officer at or within two years before the time of such filing.

Yes ___ No ___

- b. You were convicted in a criminal proceeding or are a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses but including all felony charges).

Yes ___ No ___

- c. You were the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any competent jurisdiction permanently or temporarily enjoining you from, or otherwise limiting any of your activities.

Yes ___ No ___

- d. You were the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days your right to engage in any activity described in subparagraph 3 above, or to be associated with persons engaged in any such activity.

Yes ___ No ___

- e. You were found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission (the "Commission") or any state securities commission to have violated

any federal or state securities law, and the judgment in such civil action or finding by the Commission or any state securities commission has not been subsequently reversed, suspended or vacated.

Yes ___ No ___

- f. You were found by a court of competent jurisdiction in a civil action or by the Commodities Futures Trading Commission to have violated any federal commodities law, and the judgment in such civil action or finding by the CFTC has not been subsequently reversed, suspended or vacated.

Yes ___ No ___

- g. A lawsuit has been filed against you, any business or property of yours, any partnership in which you were a general partner, or any corporation or business association of which you were an officer or director.

Yes ___ No ___

- h. You, any associate of yours or any affiliate of the company are or may be a party to any pending or contemplated legal proceedings, including administrative proceedings and governmental investigations in which you or such associate or affiliate has an interest adverse to the company?

Yes ___ No ___

- i. Are you aware of any pending legal, arbitrations or administrative proceeding to which the company is a party which may have an effect upon the earnings or financial conditions of the company?

Yes ___ No ___

- j. At anytime have your civil rights been suspended, and if so have they been restored?

Yes ___ No ___

- k. At anytime have you been the subject of, or been required to request the courts for any type of protective order?

Yes ___ No ___

- l. Have your wages or assets ever been subject to a garnishment or an assignment for any reason?

Yes ___ No ___

- m. Have you ever employed casual labor such as childcare, or handyman work, etc., where the annual compensation for an individual has been more than \$800 in the year?

Yes ___ No ___

- n. Have you issued a 1099 for that (those) person(s) as required by current tax guidelines?

Yes ___ No ___

- o. Are your state and federal taxes current?

Yes ___ No ___

- p. Are you aware of any of the control persons, officers and directors, promoters or key persons that would be required to answer yes to any of the questions in this Section II?

Yes ___ No ___

If you answered "yes" to any of the foregoing questions, please explain the circumstances, including any mitigating circumstances, in detail on a separate sheet of paper. For purposes of this questionnaire, the date of a reportable event shall be deemed the date on which the final order, judgment or decree was entered, or the date on which any rights or appeal from preliminary orders, judgments, or decrees have lapsed. With respect to bankruptcy petitions, the date shall be the date of filing for uncontested petitions or the date upon which approval of a contested petition becomes final.

III. Ownership

- 1. Please list the number of shares of all classes and types of stock, of the company beneficially owned, directly or indirectly, or controlled by yourself.

<u>Number of Shares</u>	<u>Voting Power (Sole or Shared)</u>	<u>Investment Power (Sole or Shared)</u>
Shares owned by you.	_____	_____
Shares owned by your spouse, minor children or relatives living with you. Provide details.	_____	_____

Shares owned by you as trustee, custodian, or in some other capacity for the benefit of another person. Provide details.

Shares owned by a corporation, partnership, or other entity of which you are an officer, director, or 5 percent shareholder. Provide details.

Shares which you have a right to acquire (by option, contract, or otherwise) after the date of this questionnaire. Provide details.

Any other shares over which you possess voting or disposition power. Provide details.

- a. If you listed any shares, please explain the details of ownership.
 - b. If you listed any shares over which you share authority to vote or dispose with another (e.g., with other directors, pursuant to a voting agreement, with other trustees, or otherwise), explain the details of the shared-power.
 - c. If you wish to disclaim beneficial ownership of the above shares of common stock, please furnish the following information with respect to the person or persons, who should be shown as the beneficial owner(s) of the shares on question. Include, name of actual beneficial owner, relationship to you, number of shares beneficially owned, and the reason for the disclaiming of beneficial ownership.
2. Do you have any right to acquire beneficial ownership of any of the company's securities, whether through the exercise of any option, warrant, right, convertible security, or otherwise?

Yes ___ No ___

If "yes" please set forth the title of the securities, the number of shares associated with such rights and date such rights become exercisable.

3. Do you know of any person or entity which owns beneficially in the aggregate, more than 5 percent of the outstanding security of the company?

Yes ___ No ___

If the answer is "yes," please state the name and address of such person or entity and state the number of shares beneficially owned. Be specific and include security holder, number of shares, type of ownership, and anything else that may be material.

4. As to securities indicated as being beneficially owned in answer to question 3 a or b, does any person other than the person identified as the beneficial owner have:

- a. The sole or shared power to vote or to direct the vote of any such securities?

Yes ___ No ___

- or b. The sole or shared power to dispose or to direct the disposition of any such securities?

Yes ___ No ___

If "yes," please set forth below the name and address of each person who either has such power or with whom the indicated beneficial owner shares either such power, together with the number of shares and relationship to beneficial owner and the limits on the power to vote or dispose of these shares..

5. Do you have knowledge of any arrangements, contracts or agreements of which you are aware, including any pledge, hypothecation, or voting agreements of the company's securities, that may at some future date result in a change of control of the company or of the ownership of the equity securities of the company presently beneficially owned by you?

Yes ___ No ___

6. Do you know of any arrangement through which the company's common stock is held or is to be held in voting trust or other similar agreement?

Yes ___ No ___

7. Do you or any associate of yours have any interest, direct or indirect, by security holdings or otherwise, in the proposed issuance of securities by the company?

Yes ___ No ___

8. Do you have any interest in or affiliation or association with [name of company asking questions]?

Yes ___ No ___

9. Do you intend to sell any shares of common stock pursuant to a registration statement other than the registration statement to which this questionnaire relates?

Yes ___ No ___

10. Do you own an interest, either public or private, domestic or international, in companies other than this one?

Yes ___ No ___

11. Do you have obligations to other companies as an officer, director, employee or significant person? This list is to include all companies even family enterprises and trusts.

Yes ___ No ___

If you have answered "yes" to any of the questions above please supply the information related to the question(s) on an attachment to this questionnaire.

IV. Certain Practices

In your response to these questions, the following instructions apply:

- Each of these questions is to be read as relating to the activities of the company and any of its affiliates, as well as to the conduct of any person who has acted or is acting on behalf of or for the benefit of any of them.
- Each question is to be read as relating not only to activities or conduct within the United States, but outside the United States as well.
- The terms "payments" and "contributions" include not only giving of cash or hard goods but also the giving of anything else of value, for example, services or the use of property.
- The term "indirectly" means an act done through an intermediary. Payments to sales agents or representatives that are passed on in whole or in part to purchasers, or compensation or reimbursement to persons in

consideration for their acts, are examples of acts done through intermediaries.

- Your answers should consider not only matters of which you have direct personal knowledge, but also any matters of which you have reason to believe may have existed or occurred, (for example, you may not "know" from your own personal knowledge that contributions were made by the company to a political party, but based upon information which has otherwise come to your attention you may nonetheless have "reason to believe" that such contributions were made. In such case, your response would be "yes.")

Do you know or have reason to believe that any of the activities or types of conduct enumerated below have been or may have been engaged in by the company, directly or indirectly, at any time since the formation of the company:

1. Any bribes or kickbacks to government employees or their relatives, foreign or domestic or any other payments to such persons, to obtain or retain regulatory approvals, licenses, or otherwise to receive favorable treatment with regard to business;
Yes ___ No ___
2. Any bribes or kickbacks to persons other than government employees, or to relatives of such persons, or any other payments to such persons or their relatives which might be deemed questionable, to obtain or retain business or to receive favorable treatment with regard to business;
Yes ___ No ___
3. Any contributions, whether or not legal, made to any political party, political candidate or holder of government office;
Yes ___ No ___
4. Any fees paid to consultants or commercial agents which exceed the reasonable value of the services purported to be rendered;
Yes ___ No ___
5. Any payments or reimbursements made to personnel of the company for the purpose of enabling them to expend time or to make contributions or payments of the kinds or for the purposes referred to in subparts 1. through 4 above;
Yes ___ No ___
6. Any bank accounts, funds or pools of funds created or maintained without being reflected on the corporate books of account, or as to which

the receipts and disbursements therefrom have been reflected on such books;

Yes ___ No ___

7. Any receipts or disbursements, the actual nature or amount of which have been disguised or intentionally misrecorded on the corporate books of accounts?

Yes ___ No ___

If you have answered "yes" to any of the questions above please supply the information related to the question(s) on an attachment to this questionnaire.

V. Indemnification

Is there any arrangement under which any control person, director or officer of the company is insured or indemnified in any manner against the liability which he may incur in his capacity as such?

Yes ___ No ___

If "yes," please describe such provisions:

VI. National Association of Securities Dealers (NASD)

If this questionnaire is being completed in connection with an offering or due diligence review of an existing public company, the company is required to furnish certain information to the National Association of Securities Dealers, Inc. (NASD) relating to its security holders, and provide disclosure to current and potential shareholders.

1. Indicate below whether or not you have any information pertaining to underwriting compensation and arrangements or any dealings between any underwriter or related person of the NASD, person associated with a member or associated person of a member on the one hand and the company or controlling security holder thereof or an affiliated company on the other hand, other than information relating to the proposed underwriting agreement to be entered into in connection with the offering. If you know of such information, please describe below.

I know of no such information _____ I know of such information _____

2. State below whether you are a member of the NASD, a controlling stockholder of a member, a person associated with a member or associated person of a member, or an underwriter or related person with respect to the offering.

Yes ___ No ___

3. State whether (i) you have made any sales or disposition (including contracts to sell or to dispose) of securities of the company during the last twelve (12) months to any member of the NASD or any person associated with a member or any underwriter or related person with respect to the offering, or (ii) you contemplate any such sale or disposition to be consummated in whole or in part within the next twelve (12) months, other than a sale or disposition in connection with the offering. If your answer is "yes," please describe below.

Yes ___ No ___

If your answer to any of these questions is "yes" please describe.

VII. AFFIRMATION

The answers I have supplied to the foregoing questions are true, complete and correct, to the best of my information and belief. I understand that material misstatements or the omission of material facts in the registration statement may give rise to civil and criminal liabilities to the company and to each officer and director of the company signing the registration statement. I will notify you and the company of any misstatements of a material fact in the registration statement or any amendment thereto, and of the omission as soon as practicable after a copy of the registration statement or any such amendment has been provided to me. I shall advise the company's counsel promptly from time to time if any event occurs that to my knowledge would require any change in my answers to the foregoing questions in order to make such answers correct. I also understand that all of the attachments and appendices are hereby incorporated by reference into this questionnaire and form parts of the answers I have given.

Dated: _____

Signed

Typed or printed name of Signee

THE INFORMATION PROVIDED ON THIS FORM IS COMPLETE AND ACCURATE. I AUTHORIZE VERIFICATION OF THIS INFORMATION VIA A BACKGROUND INVESTIGATION AND I AUTHORIZE A FULL CREDIT, EDUCATIONAL, EMPLOYMENT AND PUBLIC RECORDS INVESTIGATION EITHER DOMESTIC OR INTERNATIONALLY.

Signature Date

****THIS FORM MUST BE NOTARIZED***

ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

On this ____ day of _____, 20____, before me, _____ the undersigned officer, personally appeared _____ to me personally known and know to me to be the same person(s) whose name(s) is (are) signed to the foregoing instrument, instrument, and acknowledged the execution thereof for the uses and purposes set forth herein.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

(Notary Public)

(Notary Seal)

My commission expires: _____