

Question 255.06

Question: Rule 501(a)(8) accredits any entity in which all of the equity owners are accredited investors. In some cases, an equity owner is itself an entity rather than a natural person. If the owner-entity does not qualify on its own merits as an accredited investor, may the issuer look through the owner-entity to its natural person owners to determine whether they are all accredited investors?

Answer: Yes. An issuer can look through various forms of equity ownership to natural persons in ~~judging accreditation under~~ determining accredited investor status in accordance with Note 1 to Rule 501(a)(8). [~~Jan. 26~~ January 23, ~~2009~~ 2026]