

Cannabis Science, Inc.
 Accredited vs Non-Accredited Investors
 December 2, 2019

Requirements for Accredited Investors

<https://www.investopedia.com/terms/a/accreditedinvestor.asp>

To be an accredited investor, a person must have an annual income exceeding \$200,000, or \$300,000 for joint income, for the last two years with expectation of earning the same or higher income in the current year. An individual must have earned income above the thresholds either alone or with a spouse over the last two years. The income test cannot be satisfied by showing one year of an individual's income and the next two years of joint income with a spouse. The exception to this rule is when a person is married within the period of conducting a test.

A person is also considered an accredited investor if he has a net worth exceeding \$1 million, either individually or jointly with his spouse. The SEC also considers a person to be an accredited investor if he is a general partner, executive officer, director or a related combination thereof for the issuer of unregistered securities.

An entity is an accredited investor if it is a private business development company or an organization with assets exceeding \$5 million. Also, if an entity consists of equity owners who are accredited investors, the entity itself is an accredited investor. However, an organization cannot be formed with a sole purpose of purchasing specific securities.

What is a Non-Accredited Investor?

<https://www.investopedia.com/terms/n/nonaccreditedinvestor.asp>

A non-accredited investor is any investor who does not meet the income or net worth requirements set out by the Securities and Exchange Commission (SEC). The concept of a non-accredited investor comes from the various SEC acts and regulations that refer to accredited investors. An accredited investor can be a bank or a company but is mainly used to distinguish individuals who are considered financially knowledgeable enough to look after their own investing activities without SEC protection. The current standard for an individual accredited investor is a net worth of more than \$1 million excluding the value of their primary residence or an income of more than \$200,000 annually (or \$300,000 combined income with a spouse). A non-accredited investor, therefore, is anyone making less than \$200,000 annually (less than \$300,000 including a spouse) that also has a total net worth of less than \$1 million when their primary residence is excluded.

<p>USA-Accredited Investors, USA Resident</p> <ol style="list-style-type: none"> 1. USA residents to use USA paperwork on website listed as such. 2. Funds Wired to CBIS Agent RMS. 3. Shares issued FIRST QUARTER 2020. 	<p>NON-Accredited Investors, NON-USA Residents</p> <ol style="list-style-type: none"> 1. ONLY for NON-USA Residents use NON-USA Resident paperwork. 2. Funds Wired to CBIS Agent RMS. 3. Shares issued FIRST QUARTER 2020.
<p>NON-Accredited Investors, USA Residents</p> <ol style="list-style-type: none"> 1. Due to SEC requirements you MUST use a Crowd Funding website to verify your status and the amount of your qualifying investment. 2. CBIS Crowd Funding website will be announced shortly after the setup is completed. 3. You will have plenty of time, so no need to stress. 	