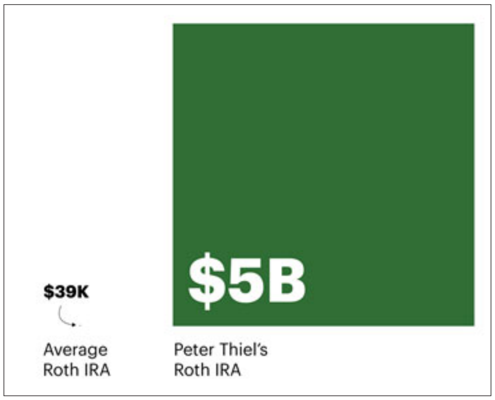
HOW TO INVEST ON EQUIFUND WITH YOUR **RETIREMENT ACCOUNTS**

▶ **Want to invest in private or pre-IPO opportunities in your retirement accounts?** This report walks you through how to do that on Equifund.



If you have money saved in a retirement account – like 401k, 403b, IRA, or Roth IRA – your investment options may be restricted to things like stocks, bonds, and mutual funds.

But according to ProPublica , wealthy Americans have been using their retirement accounts to invest in Pre-IPO investments to create a ***tax advantaged fortune!***

The most notable example being the founder of PayPal – and now billionaire venture capitalist – Peter Thiel.

According to the same ProPublica article Thiel started a Roth IRA in 1999 with assets that at the time were worth less than $2,000. **Those assets are now valued at $5 billion**.

How did he do it? By purchasing shares of his startup, PayPal, with his Roth IRA.

Tom Anderson – the adviser and now-retired president of PENSCO Trust Company who advised Thiel and other PayPal executives in 1999 on how to invest their early shares of the company – said Thiel had the idea of putting the startup's shares into a traditional

IRA. But Anderson suggested he use a Roth IRA instead.

Thiel allegedly paid $0.001 per share – called "Par Value" – of PayPal and bought 1.7 million shares for a total investment of $1,700.

Three years later, in 2002, when eBay acquired PayPal for $1.5 billion, Thiel sold his 1.7 million shares earning a whopping $55.5 million…

All of which remained inside his Roth IRA, and he paid no taxes on the gain.

In 2004, Thiel invested $500,000 from his Roth IRA into a little-known startup called Facebook. When the company IPO'd in 2012, Thiel sold about 16.8 million shares, netting $638 million.

Thiel eventually sold the rest of his shares bringing his net gain on Facebook stock to marginally over $1 billion… all tax free!

> *[Note: Investing in early stage companies should be considered high risk, and could result in the loss of some or all of the principal invested]*

Despite the outrage of people crying foul, Thiel did nothing illegal. Instead, he – like many wealthy people – understood ***how to use the tax code to his advantage!***

If you'd like to invest your retirement savings the same way the rich do – into alternative investments like ***precious metals, real estate, Pre-IPO investments,*** and ***cryptocurrency*** – a ***Self-Directed IRA*** is an option worth considering.

In this guide, you will learn…

- A brief history of retirement in America
- The difference between Qualified and Nonqualified Retirement Plans
- Why Pre-IPO investors may want to consider using a self-directed IRA to invest in Reg-D, Reg-A+, and Reg-CF investment opportunities.
- The major mistakes investors make when setting up their self-directed IRA

A Brief History of Retirement in America

On Labor Day, September 2, 1974, President Gerald Ford signed into law a landmark legislation called the ***Employee Retirement Income Security Act (ERISA).***

Prior to ERISA, employee pensions had few protections under the law. This, not surprisingly, provided opportunities for employers to "cheat" employees out of their earned retirement benefits.

With the passing of ERISA, the federal government's role in regulating private-sector retirement plans was greatly expanded.

Not only did it make the government the guarantor of private pensions by creating the ***Pension Benefit Guaranty Corp. (PBGC)***...

It also increased the safety of the establishment, operation, and administration of private retirement plans by delegating regulatory oversight to three federal agencies, which was a unique approach at the time.

- **The Department of Labor**, through the Employee Benefits Security Administration (EBSA, formerly known as the Pension and Welfare Benefits Administration) was given primary responsibility for promoting rules for reporting and disclosure. They also became responsible for determining the duties imposed on fiduciaries, who by law, are required to act in the best interests of the employees.
- **The IRS** was given primary responsibility for participation, funding, and vesting rules.
- **The Pension Benefit Guaranty Corp. (PBGC)** was given the task of providing insurance to protect benefit promises made by sponsors of Defined Benefit plans (aka "pensions").

ERISA covers two types of retirement plans: ***Defined Benefit*** plans and ***Defined Contribution*** plans.

Defined Benefit plans provide eligible employees guaranteed income for life when they retire.

Employers guarantee a specific retirement benefit amount for each participant that is based on factors such as the employee's salary and years of service.

Employees have little control over the funds until they are received in retirement. The company takes responsibility for the investment and for its distribution to the retired employee.

That means ***the employer bears the risk*** that the returns on the investment will not cover the defined-benefit amount due to a retired employee.

Because of this risk, Defined Benefit plans require complex actuarial projections and insurance for guarantees, making the costs of administration very high.

Not surprisingly, corporations decided they didn't want to bear that burden. So, they stopped offering Defined Benefit plans in favor of Defined Contribution plans.

The shift to Defined Contribution plans has placed the burden of saving and investing for retirement on employees.

A *Defined Contribution* plan does not promise a specific amount of benefits at retirement.

They are funded primarily by the employee. However, many employers offer matching contributions to incentivize retirement savings (i.e 5% of annual salary).

<u>These contributions are invested on the employee's behalf.</u>

The employee will ultimately receive the balance in their account, which is based on contributions, plus or minus investment gains or losses.

The value of the account will fluctuate due to the changes in the value of the investments.

Examples of Defined Contribution plans include ***401(k) plans, 403(b) plans, employee stock ownership plans, profit-sharing plans, SIMPLE IRA,*** and ***SEP-IRA.***

The most common type of Defined Contribution plan is a ***401(k).***

The major benefit of a 401(k) is it's **tax advantages**: In exchange for "locking up" a portion of their salary every year, employees don't pay income taxes on any contributions made into the plan.

This is called a ***deferred arrangement***.

Instead, they pay taxes only when they withdraw their money (i.e. distributions) from the 401(k), which they cannot do before age 59 ½ without paying a penalty.

This means the money contributed to the Defined Contribution plan grows tax free as long as it stays inside the account!

Employees who participate in 401(k) plans assume responsibility for their retirement income by contributing part of their salary and, in many instances, by directing their own investments.

There is also another form of retirement account known as a ***Simplified Employee Pension Plan (SEP)***.

This account is also a deferred arrangement, except the contributions are made to ***Individual Retirement Accounts (IRAs)*** owned by the employees.

If you've ever had an employer sponsored retirement plan and then left the company, you probably had to "roll over" your account balance into a Rollover *IRA*.

The Difference Between Qualified and Nonqualified Retirement Plans

When ERISA was passed, it also introduced a new distinction between different types of retirement plans: ***Qualified Retirement Plans*** and ***Nonqualified Retirement Plans.***

In simple terms, a qualified retirement plan is one that meets ERISA guidelines, while a nonqualified retirement plan falls outside of ERISA guidelines. Some examples:

- *Qualified Retirement Plans* include 401(k) plans, 403(b) plans, profit-sharing plans, and Keogh (HR-10) plans.

- *Nonqualified Retirement Plans* include ***Roth IRAs***, deferred compensation plans, executive bonus plans, and split-dollar life insurance plans.

Regardless of the plan, you may only contribute "cash" to the account.

This means you cannot "deposit" securities – like stocks, bonds, and mutual funds – directly into the account, or otherwise "assign ownership" of securities to the plan.

However, once you have contributed funds to the account, you may purchase securities directly from the account.

<u>The tax implications for the two plan types are also different</u>.

With the exception of a simplified employee pension (SEP), individual retirement accounts (IRAs) are not created by an employer and thus are not qualified plans.

- *Qualified Retirement Plans* have **tax-deferred contributions** from the employee, and employers may take an expense deduction on amounts they contribute to the plan.

- *Nonqualified Retirement Plans* use **after-tax dollars** to fund them, and in most cases employers cannot claim their contributions as a tax deduction.

One of the most common *Nonqualified Retirement Plan* investors are likely to have is the ***Roth IRA***.

Retirement savers fund their ***Roth IRA*** account with after-tax dollars, which offer some attractive benefits:

- Your Roth IRA contributions grow tax-free.

- When you withdraw post-retirement, you won't owe any taxes on the withdrawal amount. The amount in your Roth IRA account is yours to keep.

- You can continue making contributions to your Roth IRA account past the age of retirement as long as your income still falls within certain limits.

- Retirement savers are not required to take distributions at a certain age.
- You can choose beneficiaries to inherit your Roth IRA savings tax-free.

To avoid penalties, retirement savers must wait after the age of 59 ½ – and at least 5-years must have passed before your first contribution – to make what's called a "qualified distribution."

However, one of the features of a Roth IRA is that you can withdraw any contributions – meaning the funds you have personally contributed, but not any of the investment gains – you've made, at any time, for any reason.

Both traditional and Roth IRA accounts have ***annual contribution limits***. For 2020 and 2021, total contributions cannot exceed $6,000/year if you are under 50 years old, and $7,000/year if you are 50 and over.

With this in mind, you might wind up having multiple retirement accounts at the same time.

Also, you might use different investment strategies for each account based on the different advantages and disadvantages.

Why Pre-IPO Investors Should Consider Using a Self-Directed IRA to Invest in Reg-D, Reg-A+, and Reg-CF Investment Opportunities

With many retirement accounts, your investment options are restricted to publicly traded securities – *like stocks, bonds, mutual funds, exchange traded funds (ETFs), and certificates of deposits (CDs).*

However, with a special IRA known as a ***self-directed IRA (SDIRA),*** investors can invest their retirement savings in the types of opportunities normally reserved for the rich.

The list of alternative investments is expansive, limited only by a handful of IRS prohibitions against illiquid or illegal activities and the willingness of a custodian to administer the holding.

The most frequently cited example of an SDIRA alternative investment is ***direct ownership of real estate***, which might involve rental property or a redevelopment situation.

Other common examples include ***privately held companies stock, LLC interests, precious metals, mortgages, partnerships, private equity***, and ***tax liens.***

While there are several rules and regulations that restrict certain types of investments, the freedom this account can provide means investors have more options to grow their retirement savings.

For example, if you'd like to invest in Pre-IPO investment opportunities – just like Peter Thiel – this account lets you do that.

Additionally, because many alternative investments require longer hold times (sometimes 10+ years) before seeing a return, it can make a lot of sense to invest using funds that are already "locked up" until retirement.

Three Major Mistakes Investors Make When setting Up Their Self-Directed IRA

Before you decide to open up a SDIRA and start investing, there are two major mistakes investors make when choosing a custodian.

- **The first major mistake** is not having a financial plan – or a "reason why" – for how you're going to invest your retirement accounts.

In some cases, it makes more sense to invest using your regular brokerage accounts. In other cases, it makes more sense to use a tax-advantaged retirement account.

> *[Note: Please consult with a tax professional to help you make this determination based on your individual needs and circumstances]*

It really just depends on what types of investments you plan on making, how often you plan on making them, and when you think you'll need access to those funds.

- **The second major mistake** is not understanding the **fee schedule**.

Potential fees include things like…

- Account opening fees
- Account closing fees
- Administrative fees
- Custodian fees
- Asset value fees
- Transaction fees
- Outbound Wire Fees
- Inbound Wire Fees

Remember, these are for profit businesses, not charities.

If you don't understand how they make money, your retirement savings could get eaten alive by the fees… ***especially if you have a smaller sized IRA!***

Equifund is not qualified to advise you on the tax implications of your investments. However, there are plenty of financial advisors and tax attorneys who may be able to help you ***minimize taxes and maximize potential returns.***

- **The third major mistake** is not opening the **correct account.**

Most investors who open an SDIRA often open up something called a "Custodian Controlled IRA." Basically, this means you need your custodian's permission to make any investment. To be truly self-directed, you must have total control of your investment decisions.

But if you want to have total control over how you decide to invest your retirement savings, you will need to open what is called a ***"Checkbook IRA."***

This is important if you plan on investing in Pre-IPO opportunities! If you have a

Custodian Controlled IRA, it could create unnecessary – and costly – administrative burdens for you should one of your Pre-IPO investments go public.

Here's how ***Checkbook IRA's*** work:

- Your IRA forms an LLC and is the only (single) member of that LLC
- The LLC has the benefit of liability protection, comparable to that of a corporation
- The IRA owner (you) becomes acting manager of the LLC
- The LLC opens a bank account in its name and funds are deposited into the account from the IRA
- As manager, you are able to write checks out of the account to acquire investments

Because the funds are held inside of a corporate entity (the LLC) and in a bank account you can control… this means you can open up an account with any broker as a "corporation" (not an IRA) and invest your retirement assets how you want to.

To be clear: when you chose this account type, you are responsible for understanding what you can – and cannot do – by the letter of the law.

Which brings us to…

Understanding Permissible and Prohibited Transactions

To ensure that retirement accounts are used "appropriately" for actual saving and long-term investing, IRC Section 408 places some limits on the types of investments that can be held inside of an IRA.

While most types of "traditional" (i.e., publicly traded) investments are allowed – like stocks and bonds, or mutual funds (or ETFs) that hold them – IRC Section 408(a)(3) explicitly prohibits IRA assets from being invested into life insurance contracts.

IRC Section 408(m) prohibits investing IRA dollars into any form of collectibles (including artwork, rugs, antiques, gems, stamps, and coins, but not including certain gold, silver, or platinum coins or bullion).

In addition, an S corporation cannot be owned by an IRA either: IRC Section 1361(b)(1) requires all S corporation owners to be "individuals", and by definition, an IRA is a separate entity from an individual IRA owner.

Additionally, as the owner of the IRA, ***you have a fiduciary responsibility as the manager of the retirement account.***

As a result, the tax code requires that the assets of an IRA and its owner remain separate, and not be used in a manner where one indirectly enriches the other.

IRC Section 4975 says that an IRA owner (and anyone else responsible for the IRA account) is prohibited from commingling the financial interests of the IRA itself with its owner or any other related parties, all of whom are deemed to be "disqualified persons".

Under IRC Section 4975(e)(2), self-directed IRA disqualified persons include:

- Any fiduciary to the account (which includes the IRA owner themselves)
- A member of the family (which includes a spouse, ancestor, lineal descendent, or a spouse of a lineal descendent)
- A corporation, partnership, trust, or estate where 50% or more of the shares/profits/beneficial-interests are owned by any of the above
- An officer, director, or 10%-or-more shareholder or partner of an entity described above

If someone – or some entity – is considered a "disqualified" person, he/she/it is prohibited under IRC Section 4975(c)(1) from any of the following direct or indirect transactions between the IRA account and a disqualified person:

- Sale, exchange, or leasing of property (even if transacted at a fair market value price)

- Lending of money or extending credit (in either direction)
- Furnishing of goods, services, or facilities
- Transfer, use, or benefit from assets
- Dealing assets for your own benefits as a fiduciary
- Receiving personal consideration as a fiduciary from a third-party that engaged in a transaction with the IRA

Basically, the government doesn't want you to use a tax advantage account as a personal piggy bank to do things that are counter to the intended use of these accounts: ***to help people save for retirement***.

In the event a prohibited transaction does occur, there will be consequences!

Under IRC Section 4975(a), if a prohibited transaction occurs, there is a penalty tax of 15% on the transaction in question imposed on any disqualified person(s) engaged in the prohibited transaction.

Even worse? If the prohibited transaction isn't promptly unwound/corrected within the current tax year, ***the penalty tax is increased to 100%(!) of the transaction amount.***

But wait, there's more bad news…

Not only does the disqualified person(s) get smacked, so does the IRA owner.

IRC Section 408(e)(2) stipulates that the IRA itself is fully "disqualified" – which means it loses its tax-deferred status, and is treated as though it was fully liquidated in a taxable distribution as of January 1st of the tax year in which the prohibited transaction occurred.

This means the entire retirement account loses it's tax status!

Long story short; Even though these types of violations are rare, don't try any funny business when using these accounts.

However, there are two common ways investors put themselves at risk.

First… If you use your SDIRA to invest in real estate, you can't rent it out to yourself (the IRA owner) or other members of your family (who are also disqualified persons)...

You cannot allow your family to stay for free in the property. You cannot hire family members to work on/in the property.

Also, you cannot transfer existing real estate you already own into your IRA.

Second… if you work with a financial advisor, there are restrictions on compensating the advisor from the IRA.

The IRA can pay an ***investment advisory fee*** as it's a legitimate expense of the IRA itself under IRC Section 212.

However, you cannot pay the "personal" investment expenses of the IRA owner, which can disqualify the IRA. In practice, this means you cannot pay a ***financial planning fee***.

But don't let any of this scare you off from using a SDIRA to invest in Pre-IPO investment opportunities!

While there are always exceptions to the rule, generally speaking, you're not going to make any prohibited transactions if you're buying Reg-CF or Reg-A+ investment opportunities – so long as you, or a family member, does not work for the company you are investing into.

Before We Show You How Invest On Equifund...

There are dozens of companies that offer SDIRA services. Before you decide to work with any company, just remember that it pays to shop around.

If you have a financial advisor or tax adviser, consider discussing your plans with them so they can help you properly navigate this process based on your personal situation.

Be sure to ask each provider questions about how they get paid (and what that means for you as an investor). While some providers may appear to be "cheaper" at first glance, that doesn't mean it's the right solution for what you're trying to accomplish.

It's better to slow down, take your time, and get this set up correctly the first time than it is to rush things and have to pay more to fix avoidable mistakes.

How To Invest In Equifund Deals Using Your Checkbook IRA

Now that you know what accounts are available and how to get them set up, **here's how you can invest with a Checkbook IRA on Equifund...**

STEP 1 OF 7

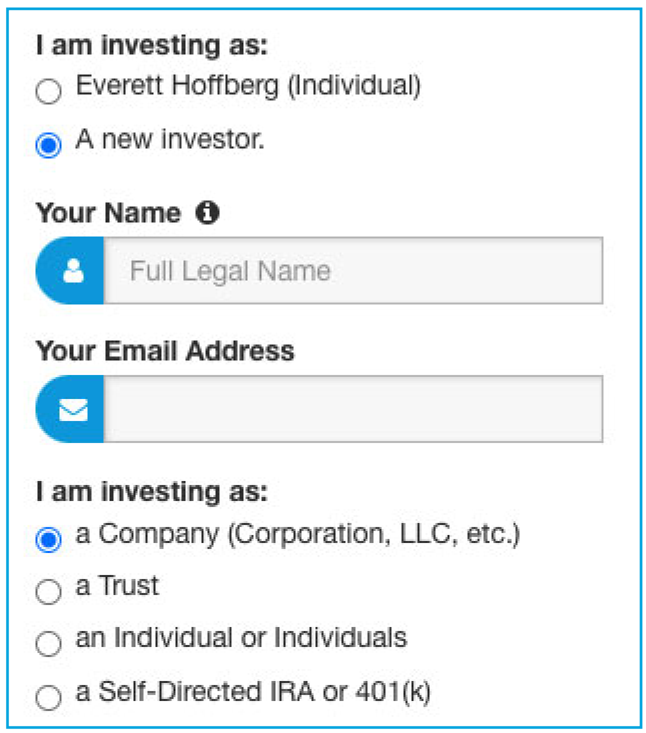
Once you click the "Invest Now" button, an encrypted page will pop up. This is a secure page specifically designed for investors to put in sensitive information that needs to be protected.

At the top of the form, you'll see an option to invest as "A new investor"

Once you select that option, please enter your full legal name, your email address, and then **select "I am investing as a Company (Corporation, LLC, etc.)"**.

Please do not pick the "a Self-Directed IRA or 401(k)" as it will not work!

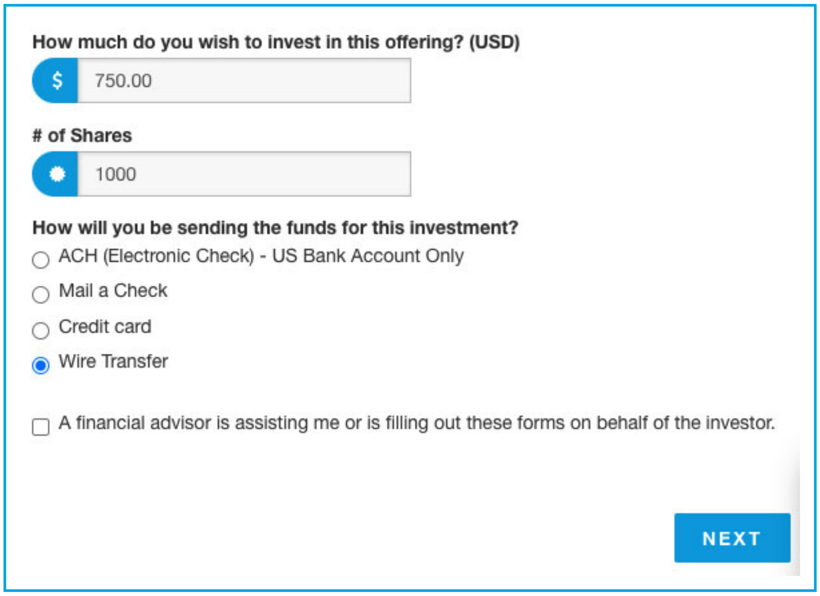
Here's what it looks like:


I am investing as:
Everett Hoffberg (Individual)
A new investor.
Your Name
Full Legal Name
Your Email Address
I am investing as:
a Company (Corporation, LLC, etc.)
a Trust
an Individual or Individuals
a Self-Directed IRA or 401(k)

Once you've done this, please enter the amount you wish to invest in the box below. Then select the payment method you'd like to use to send in funds.

If for any reason the dollar amount you enter is giving you an error, leave the section blank and enter the number of shares you wish to purchase. It will automatically enter the correct dollar amount based on the number of shares entered.

Once you complete this page, click the "Next" button to continue.



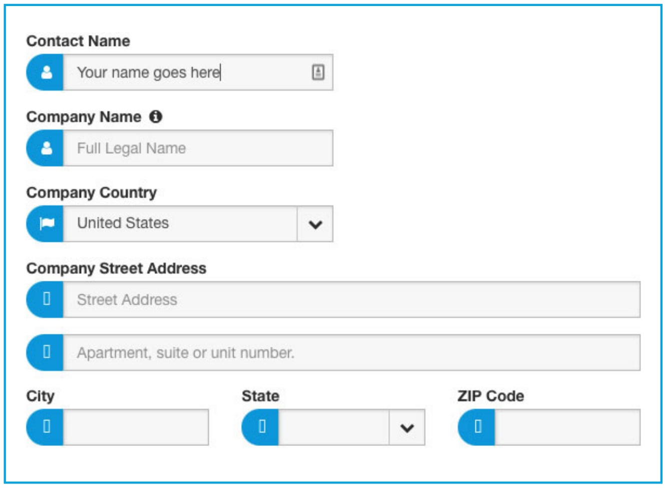
STEP 2 OF 7

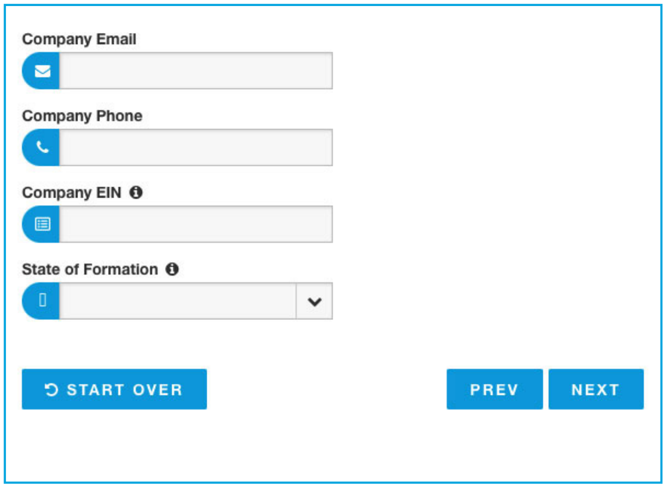
On this page, you'll be asked to enter all of the information required to correctly process your investment.

The ***"Contact Name"*** will be automatically filled out with whatever you entered on the previous page.

In the ***"Company Name,"*** please enter the exact name of the LLC – as it appears on your legal documentation – you're using to manage your Checkbook IRA.

Then, enter the street address, city, state and zip code where the LLC is located. If you don't know this information, please contact whoever helped you form your Checkbook IRA for assistance.



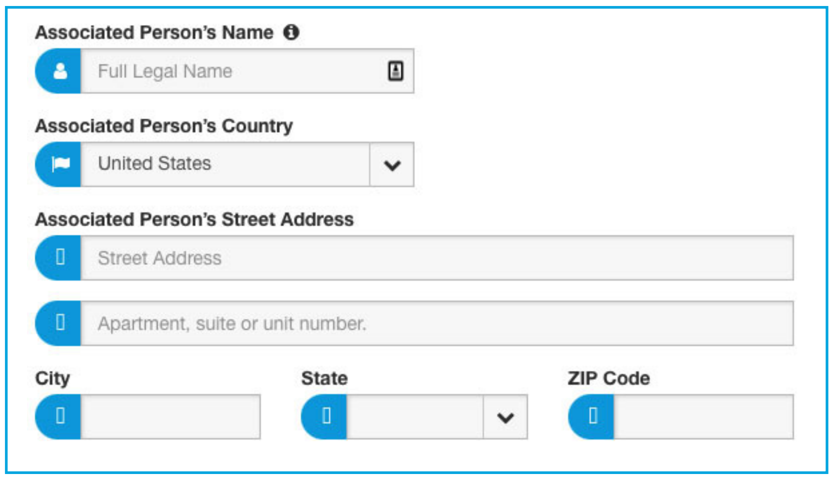


Once you've done this, you'll need to enter the ***"Company Email," "Company Phone," "Company EIN"*** – which is the 9-digit number that you use for tax purposes, and the ***"State of Formation"*** (which, in some cases, isn't the same as the mailing address of the company. If you don't know what this is, please contact your custodian).

Once you've filled all of this information out, click "Next."

STEP 3 OF 7

On this page, you'll be asked to fill out information about the "Associated Person," which is you – the owner of the IRA.



Your full legal name should be already filled out. However, you will need to enter your country of residence and the address you used on your most recent tax return *[note: this is important for verifying your identity]*.

Once you've done that, you'll need to enter your best contact email, phone number, your social security number, and your date of birth.

We need all of this information to comply with all ***Know Your Customer (KYC)*** and ***Anti-Money Laundering (AML)*** laws.

In the event your information doesn't match the database we use, we'll need to follow up with you for additional verification.

Once you are finished entering this information, please hit "Next" to continue.

STEP 4 OF 7

On this page, you'll be asked if you are an accredited investor or not.

If you select "yes" you will be asked how you qualify as an accredited investor. The options are:

- I have an individual net worth, or joint net worth with my spouse, that exceeds $1 million including any IRA's, 401K's and other retirement accounts, but excluding the net value of my primary residence.
- I am an individual with income of over $200,000 in each of the last two years, or joint income with my spouse exceeding $300,000 in those years, and I reasonably expect at least the same this year.
- I am an individual with certifications or credentials issued by an accredited educational institution including, but not limited to, order holders in good standing of the FINRA Series 7, Series 65 and Series 82 licenses.
- This is a private fund and I am a knowledgeable employee of this fund.
- I have pooled my finances with my spousal equivalent and qualify as an accredited investor.
- We are a business, trust or other non-individual entity in which all the equity owners or grantors/settlors are accredited investors.
- We are a bank, insurance company, pension fund, or other registered investment company with assets exceeding $5 million.
- We are a corporation, partnership, or charitable organization with at least $5 million in assets.
- We are an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million.
- We are a trust with assets in excess of $5 million, not specifically formed to acquire the securities offered, whose purchases a sophisticated investor makes.
- An entity, including Indian tribes, governmental bodies, funds, and entities or-

ganized under the laws of foreign countries, that own investments, as defined in Rule 2a51-1(b) under the Investment Company Act, in excess of $5 million and that was not formed for the specific purpose of investing in the securities offered.

- A family office with at least $5 million in assets under management and their family clients.

If you select "no" you will need to indicate your annual income and your net worth (not including your primary residence).

These numbers are required as they define your annual investment limits in Regulation Crowdfunding (Reg-CF) and Regulation-A+ (Reg-A+).

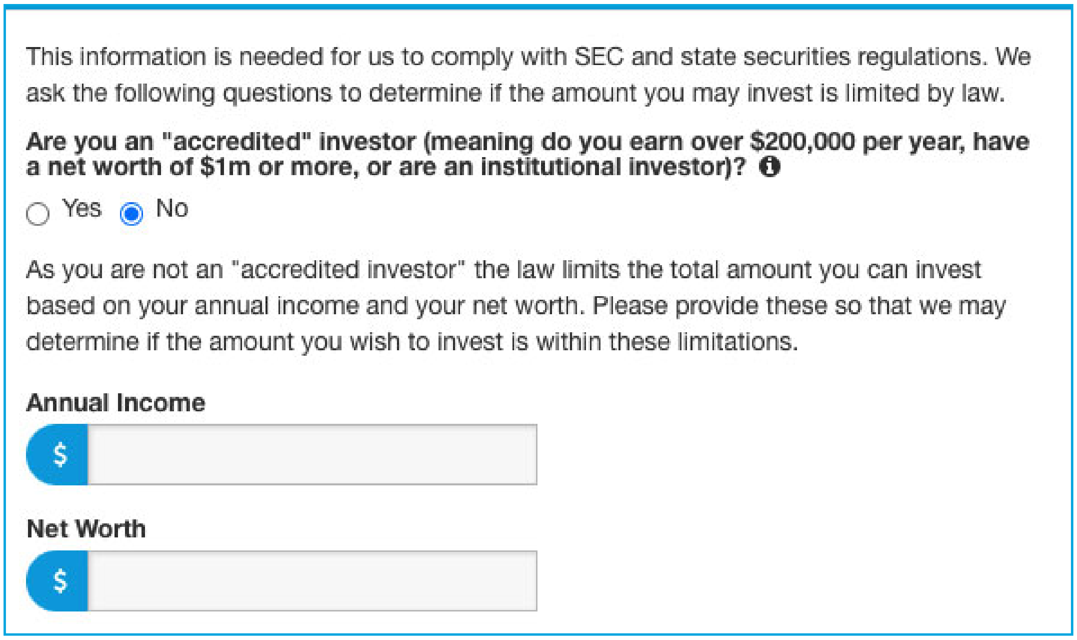
In Reg-CF, annual investor limits are as follows:

- If your annual income or net worth is **less than $107,000**, you can invest the greater of $2,200, or 5 percent of your annual income or net worth (whichever is higher).
- If both your annual income and net worth are **equal to or more than $107,000**, the limit increases to 10 percent of your annual income or net worth (whichever is higher), not to exceed $107,000
- If you are an ***accredited investor***, you are not subject to any investing limits in Reg-CF and may invest an unlimited amount per year.

If you'd like help determining your annual investment limits, please click here to use our free investment calculator.

In Reg-A+, investment limits are as follows.

- Accredited investors can invest an unlimited amount per year.
- Non-accredited investors can invest no more than **10% of the greater** of the person's, alone or together with a spouse, annual income or net worth (excluding the value of the person's primary residence and any loans secured by the residence, up to the value of the residence).



This information is needed for us to comply with SEC and state securities regulations. We ask the following questions to determine if the amount you may invest is limited by law.

Are you an "accredited" investor (meaning do you earn over $200,000 per year, have a net worth of $1m or more, or are an institutional investor)?

Yes No

As you are not an "accredited investor" the law limits the total amount you can invest based on your annual income and your net worth. Please provide these so that we may determine if the amount you wish to invest is within these limitations.

Annual Income

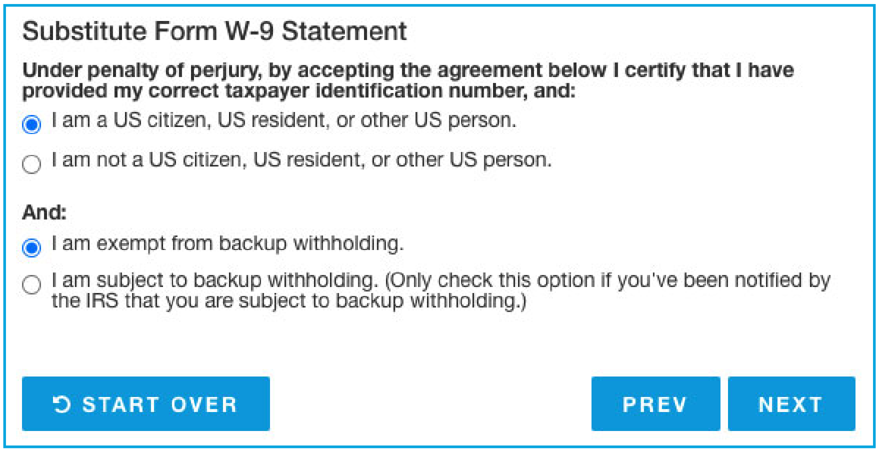
$

Net Worth

$

Once you complete this, you'll see two questions regarding your tax status (called the **Substitute Form W-9 Statement**).

By default, it will be auto-selected for "I am a US citizen, US resident, or other US person" and "I am exempt from backup withholding." Unless the IRS has otherwise notified you that you are subject to backup withholding, you don't need to change this option.



Substitute Form W-9 Statement

Under penalty of perjury, by accepting the agreement below I certify that I have provided my correct taxpayer identification number, and:

I am a US citizen, US resident, or other US person.

I am not a US citizen, US resident, or other US person.

And:

I am exempt from backup withholding.

I am subject to backup withholding. (Only check this option if you've been notified by the IRS that you are subject to backup withholding.)

START OVER PREV NEXT

Once you've finished, please click the "Next" button to continue to the next page.

STEP 5 OF 7

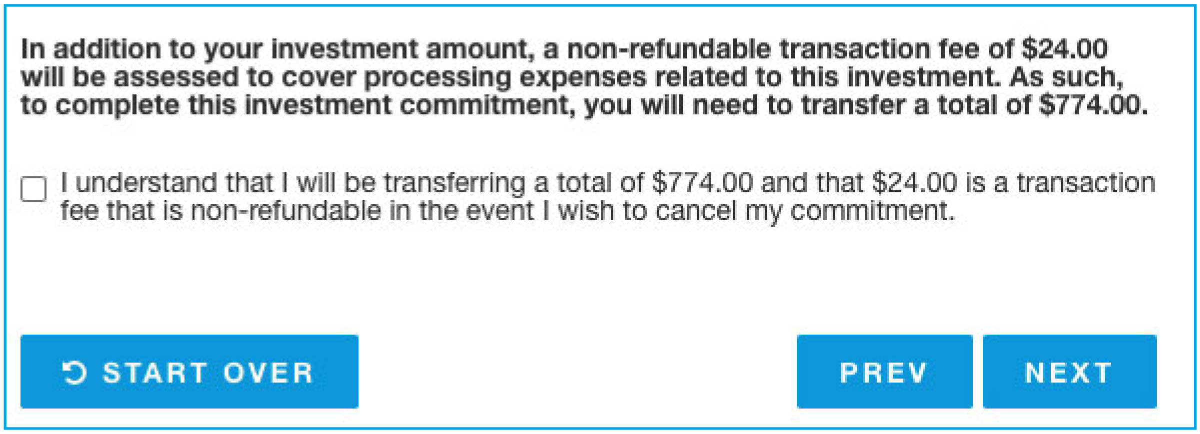
We are required by law to follow all of the "Know Your Customer" (KYC) and "Anti-Money Laundering (AML)" compliance protocols before accepting any investment via the Equifund Crowdfunding Portal.

This process is not free for us! It costs us – at a minimum – $24 in fees to receive funds in escrow, and then distribute those funds to the Issuer.

[Note: To clarify, Equifund does not take custody of investor money, nor do we take custody of shares. Funds are held in escrow until the transaction has been completed.]

We understand that our flat $24 fee might be inconvenient for smaller-dollar investors to pay versus a percentage-based fee.

However, a percentage-based fee unfairly penalizes larger investors.



In addition to your investment amount, a non-refundable transaction fee of $24.00 will be assessed to cover processing expenses related to this investment. As such, to complete this investment commitment, you will need to transfer a total of $774.00.

☐ I understand that I will be transferring a total of $774.00 and that $24.00 is a transaction fee that is non-refundable in the event I wish to cancel my commitment.

START OVER PREV NEXT

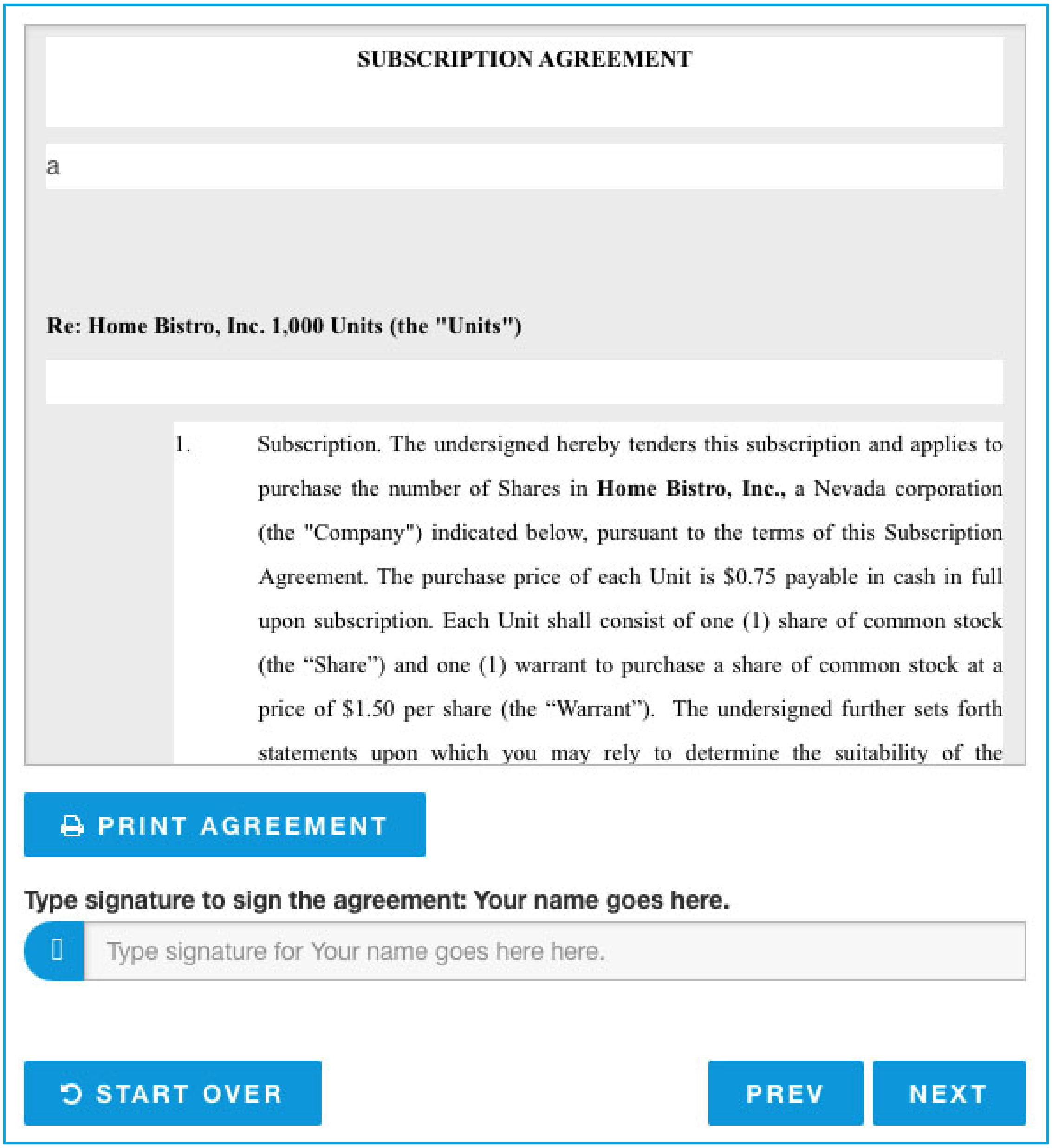
Once you've done that, click the "Next" button.

STEP 6 OF 7

On this screen, you will see something called the "Subscription Agreement." This is a contract between you and the company you are investing that, in essence, says *"I the investor agree to buy X amount of shares at Y price, and the company agree to sell X amount of shares and Y price."*

To complete this step, all you need to do is type your personal name into the box (not the name of the LLC).

Once you've done this, please click "Next" to advance to the final step.



SUBSCRIPTION AGREEMENT

a

Re: Home Bistro, Inc. 1,000 Units (the "Units")

1. Subscription. The undersigned hereby tenders this subscription and applies to purchase the number of Shares in **Home Bistro, Inc.,** a Nevada corporation (the "Company") indicated below, pursuant to the terms of this Subscription Agreement. The purchase price of each Unit is $0.75 payable in cash in full upon subscription. Each Unit shall consist of one (1) share of common stock (the "Share") and one (1) warrant to purchase a share of common stock at a price of $1.50 per share (the "Warrant"). The undersigned further sets forth statements upon which you may rely to determine the suitability of the

PRINT AGREEMENT

Type signature to sign the agreement: Your name goes here.

Type signature for Your name goes here here.

START OVER

PREV

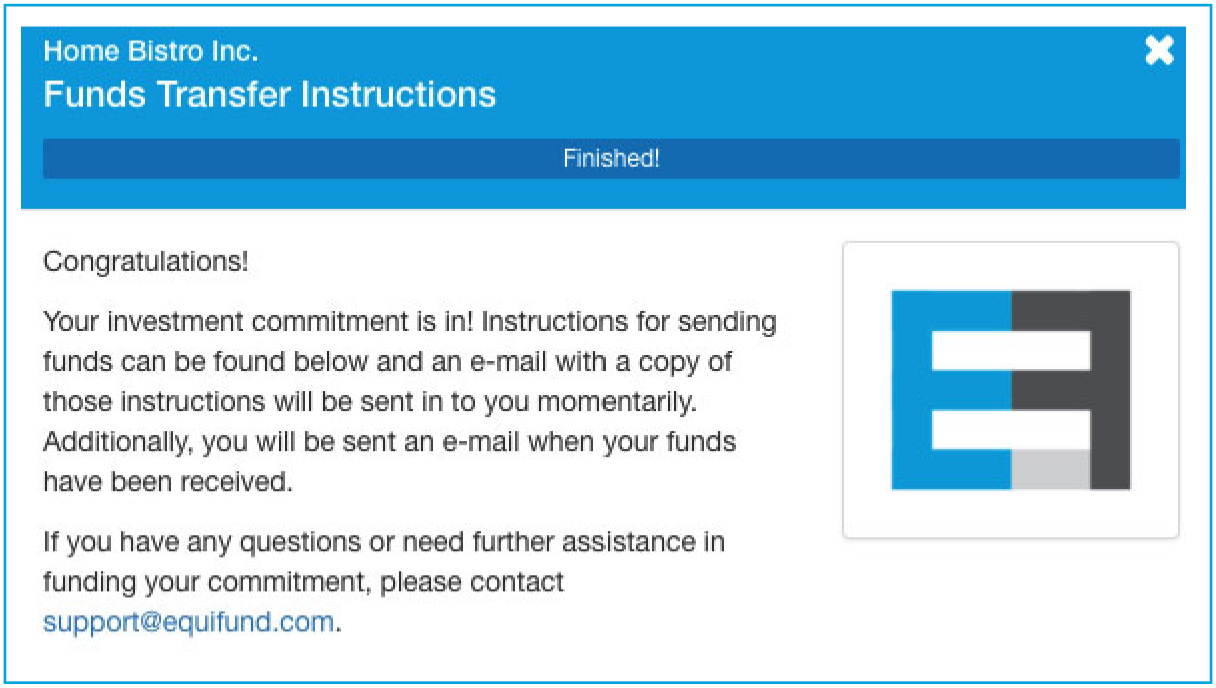
NEXT

STEP 7 OF 7

The final step is to transfer funds. At the top of your screen, you will see a message that looks something like the following box *(on next page)*.

Depending on the method you selected, what happens below this section will be different.

If you selected "Wire" or "send check by mail", it will list instructions for how to send funds. If you are using a credit card or debit card, you will fill out your payment information here on this form.



You will also receive an email with instructions on funding if you are unable to complete your transaction.

If you have any questions or need assistance with investing, please send an email at support@equifund.com

For more information on private investing and vetted opportunities, please visit: https://equifund.com/

IMPORTANT LEGAL NOTICE: This is not a offer to buy or sell securities. Investing in private or early-stage offerings (such as Reg A, Reg S, Reg-D, or Reg CF) involves a high degree of risk. Securities sold through these offerings are not publicly traded and, therefore, are illiquid. Additionally, investors will receive restricted stock that is subject to holding period requirements. Companies seeking capital through these offerings tend to be in earlier stages of development and have not yet been fully tested in the public marketplace. Investing in private or early-stage offerings requires a tolerance for high risk, low liquidity, and a long-term commitment. Investors must be able to afford to lose their entire investment. Such investment products are not FDIC insured, may lose value, and have no bank guarantee.