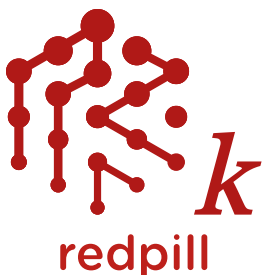




Questions to ask yourself

These are questions that you should ask yourself, and hopefully the syndication team has already asked you.



Real estate is the most powerful way to accumulate wealth. More people have become millionaires through real estate than any other means. We know how to find the property, create a plan for improving the cashflow, negotiate the deal, and manage the asset. Your passive investment provides you with the opportunity to earn an income without the nine to five. We create a unique business strategy that fits your financial and investment goals. Get the financial freedom you need to do more of what you love. **We are Red Pill Kapital, with a K.**



Are you a sophisticated investor or accredited?

This all has to deal with the securities and exchange commissions rules on who can invest in these kinds of deals because these deals are nontraditional deals. You're not buying stock; you're buying things that have a lot of value—potentially. With that value comes risk, so it deals with something called reg D. Essentially, there are two components of reg D that we have to worry about: 506 and 506c. So, I'm going to kind of go through this, but the key elements are: **are you a sophisticated investor or are you accredited?** A sophisticated investor is somebody that has information about the market. They understand the market. They may not have invested in the real estate market, but they're sophisticated. They understand how finances work.

They may not have all of the money of an accredited investor, but yet they know what they want to do. An accredited investor is someone with an individual income greater than \$200,000 a year and expect it to be in the future of greater than \$200,000 or as a couple, greater than \$300,000, and a net worth greater than a million or a net worth greater than a million. But that net worth cannot include their primary residence.

So the real question is: are you sophisticated or are you accredited?

If you're accredited, you can invest in a 506b or 506c but if you're sophisticated, you can only invest in a 506b. Now what a 506b is is that the person who's the syndicator has a personal relationship with you. They know you and they can bring in up to 35 sophisticated investors into their project. In a 506c, they don't know you. They can advertise to a large number of people. They can advertise what the deal structure is. They obviously can't promise a specific return because that would be illegal and there's no way that anybody could actually do that. In a 506c, it can be advertised, but the securities and exchange commission says, *"Hey, look, if you're going to advertise, we're only going to let you in, bring in accredited investors who have money, so if they lose some of it, it doesn't look bad for us."*

What's your background



- You kind of should be aware of your own background, and they should ask you about your background. What's your education?
- What type of education did you do?
- Have you done investment courses? Have you done investment seminars?
- Have you worked in the stock market?
- Have you gotten money in the stock market?
- Have you been sophisticated and you've done calls and puts, or are you a mutual fund investor? You just put the money in and you wait. That would be an unsophisticated investor.
- Do you have prior real estate experience?
- Have you previously invested directly?
- Have you previously been a prior passive investor somewhere?

It's very important to realize that your status can change and they should reaccredit you or recheck your sophistication every six months. Lots of things happen, and that should be verified again in six months.

They should be asking you

What makes you interested in us as a sponsor?

How'd you find us?

What are you looking for in a sponsor?

They should be asking you what your investment goals are for this investment

What are your criteria?

What type of asset class are you interested in investing in?

Are you interested in a particular market?

What about if we have deals that don't fit that investment profile that don't fit that asset group or that particular market?

Would you be interested in those?

This is very relevant because just like everybody else, you have to consider what you're hunting. You're hunting yield and return, but you're also hunting with a sniper rifle. You're not hunting with a shotgun. You just simply can't point a gun at something and hope that you hit the butterflies. You have to be very precise, so just as we have precision in the actual deal, you should have precision in your goals because your goals determine whether somebody is a good fit for you—that's a syndicator or not and whether the deal is a good fit.

I recommend that you spend some time considering what your investment goals are and what you're trying to achieve in what kind of time horizon.

They should ask you about your personal financial situation



- Do you have the funds set aside in case there's an emergency?
- Do you have an emergency fund outside of this investment and is this investment specifically set aside to be used in real estate or was it for something else?
- Was this for the kids' college education?
- What are you saving for?
- What's your intended purpose long-term?
- How much time do you have to get to the point where you need this money?
- When do you plan on start investing?
- Do you have a specific financial plan that you're following?
- Do you know how to use an IRA account?
- Do you understand the benefits of an IRA account and utilizing that?
- Do you understand that you can't use depreciation in an IRA account?
- Do you understand that if you do use an IRA account, you may be subject to UBIT taxes unless you structure it correctly?

These are all things that should be discussed about your personal situation. Would the deal syndicator? Obviously they're not going to give you accounting advice, but they need to understand your situation. Only you truly know your situation, but they should understand your situation.

Your future investment goals are very important for them



- Do you want to be only a passive or do you want to sometime become an active investor as well?
- What's your plan for becoming an active investor if that's your choice?
- What asset class do you want to invest in when you become active?
- What's your expectation in terms of the duration of that investment?
- Do you understand the risks involved while investing in a syndication?

If you become active, the risks dramatically go up. If you remain passive, the risks obviously are limited to the extent of your investment.

If you need help underwriting a deal, let me know. Just send me an email: info@redpillcapital.com. If you need us to help you underwrite a deal, it's pretty cheap. It's about \$1,900, but that's not specific because some deals are very, very complicated. However, \$1,900 is really cheap compared to getting into a really, really bad marriage. Now, this doesn't mean that we're going to go do a site visit for you because that takes a lot more time, but at least we can get you help you with your underwriting and the reputation analysis research.

That's one way to do it. But if you just have a couple of questions, that's always free. Just email me at info@redpillkapital.com with just the subject line, «Call me.» Give me your number, and we'll chat because we want to help other investors. We don't want people to go into bad deals.

So what's Red Pill Kapital?

Red Pill Kapital is a physician-owned commercial real estate investment and education company. It allows you to invest passively alongside us. We find the property or we find the investment group. We create and validate their plan. We look at how to improve the cash flow. We negotiate the deal. We manage and oversee the asset. Your passive investment provides you with an opportunity to earn an income without the 9 to 9 because physicians don't work 9 to 5; we probably work 6 to 9. We create a unique business strategy that fits your financial investment goals because we understand the specific needs of physician professionals.

Is Red Pill Kapital right for you?

Are you looking to enhance your financial wealth and truly live the life that you deserve? Are you an accredited investor who's interested in learning more about passively investing and cash flowing commercial real estate? Are you interested in investing alongside us? Because we don't need your money. What we're trying to do is do bigger projects with more leverage, and the bigger the project, the less the risk because the leverage improves. We only make money if you make money. If you have any questions, please email me at info@redpillkapital.com and that's Kapital with a K.

We search for value-added real estate for our passive commercial real estate partners, and we actively manage that investment long-term for a successful exit. We are Red Pill Kapital. Find us at redpillk.com.