



**APPLICATION FOR CERTIFICATION AS AN ANGEL FUND**  
 NORTH DAKOTA DEPARTMENT OF COMMERCE  
 SFN 59140 (2-2015)

ND Department of Commerce  
 Economic Development &  
 Finance Division Use Only  
 Approved  
 Denied  
 Original  
 Recertified

►Use only for certification as an angel fund for the Angel Fund Investment Tax Credit under N.D.C.C. §57-38-01.26.

**Business Information**

Please Print

Applicant		Federal Employer Identification Number	
Primary Contact	Title		
Address	City	State	Zip
Web site	Telephone		
Email Address			

**Angel Fund Certification**

1. Type of organization: <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Limited Liability Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Estate	1a. <input type="checkbox"/> Non-profit <input type="checkbox"/> For-profit  1b. State in which business was organized: <input type="checkbox"/> North Dakota <input type="checkbox"/> Other: _____	<b>OFFICE USE ONLY</b>
2. Location of Headquarters (State) _____		
3. Is this fund organized for the purpose of investing in a portfolio of at least three <b>primary sector, early-stage</b> and <b>mid-stage</b> private, non-publicly traded enterprises with strong growth potential? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Please provide organizational documents supporting this claim and verification of any investments. See page 2 for definitions of items in bold text.</i>		
4. Does this fund consist of at least six accredited investors as defined by Securities and Exchange Commission regulation D, rule 501? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, please complete attachment A. The information will remain confidential.</i>		
5. Does this fund have more than twenty-five percent of its capitalized investment assets owned by an individual investor? <input type="checkbox"/> Yes <input type="checkbox"/> No		
6. Does this fund have commitments totaling at least \$500,000 from accredited investors? (See page 2 for definition of <i>accredited investor</i> .) <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Please provide documented verification of investment commitments.</i>		
6a. Is this capital subject to call to be invested over an unspecified number of years to build a portfolio of investments in enterprises? <input type="checkbox"/> Yes <input type="checkbox"/> No		
7. Is the fund member-managed or a manager-managed limited liability company? <input type="checkbox"/> Yes <input type="checkbox"/> No		
7a. Do the investor members, or designated board of directors that includes investor members, make decisions as a group on which enterprises are worthy of investments? <input type="checkbox"/> Yes <input type="checkbox"/> No		
8. Is the fund in compliance with the requirements for filings with the securities commissioner under the securities laws of this state? <input type="checkbox"/> Yes <input type="checkbox"/> No		

The undersigned certifies that the information provided in this document is true and accurate.

Applicant (Please print)	Title
Signature	Date

**Consistent with North Dakota law, information contained in the shaded areas will be kept confidential within the North Dakota Department of Commerce, the North Dakota Securities Department and the North Dakota Office of State Tax Commissioner.**

In compliance with the Federal Privacy Act of 1974, Public Law 93-579, the disclosure of the taxpayer's social security number or federal employer identification number (FEIN) on this form is mandatory and is required under Subsection 2 of North Dakota Century Code § 44-04-28. Failure to provide this information will result in withdrawal of the application.

## Certification criteria

The Angel Fund must:

- Have at least five hundred thousand dollars in commitments from accredited investors and that capital must be subject to call to be invested over an unspecified number of years to build a portfolio of investments in enterprises.
- Be a partnership, limited partnership, corporation, limited liability company, limited liability partnership, trust, or estate – organized on a for-profit basis which is headquartered in North Dakota.
- Be organized for the purpose of investing in a portfolio of at least three primary sector, early-stage and mid-stage private, non-publicly traded enterprises with strong growth potential.
- Investments in real estate or real estate holding companies are not eligible investments by certified angel funds.
- Consist of at least six accredited investors as defined by US Securities and Exchange Commission Regulation D, rule 501.
- Not have more than twenty-five percent of its capitalized investment assets owned by an individual investor.
- Be member-managed or a manager-managed limited liability company and the investor members or a designated board that includes investor members must make decisions as a group on which enterprises are worthy of investments.
- Be in compliance with the securities laws of this state.

## Definitions

- “Primary sector business” means an individual, corporation, limited liability company, partnership, or association which through the employment of knowledge or labor adds value to a product, process, or service that results in the creation of new wealth.
- “Domestic organization” means an organization created under the laws of this state.
- “Early-stage entity” means an entity with annual revenues of up to two million dollars. Does not include those that have more than twenty-five percent of revenue from income-producing real estate.
- “Mid-stage entity” means an entity with annual revenues over two million dollars not to exceed ten million dollars. Does not include those that have more than twenty-five percent of revenue from income-producing real estate.

## Required Documentation

- Attachment A of this application
- Organizational documentation;  
i.e. Articles of Organization or Incorporation
- Membership Agreement
- Subscription or Contribution Agreement
- List with name, location and description of companies in which your fund has already invested (if any)

## Instructions for applicant

The applicant must verify the accredited investor membership of the business by either completing Attachment A or attaching a separate document listing the names, contact information and investment amounts of each accredited investor. Definition of accredited investors can be found at the bottom of Attachment A.

The applicant must submit verification of the investments meeting the five-hundred thousand dollar minimum commitment requirement.

Fund must meet all qualification criteria in the North Dakota Century Code § 57-38-01.26 to be considered for certification and the Angel Fund Investment Tax Credit.

New applications should be submitted prior to December 1<sup>st</sup> of the year for which investors intend to submit a claim for the tax credit. Applications for re-certification should be submitted by December 1<sup>st</sup> of the year the fund's current certification expires. Certifications are valid for three calendar years, beginning January 1 of the year of certification.

Submit the supporting documentation and the completed application to:

North Dakota Department of Commerce  
Economic Development & Finance Division  
Attention: Research Manager  
PO Box 2057  
Bismarck, ND 58502-2057

**IMPORTANT:** There are additional reporting requirements and other conditions contained in the governing statute that the angel fund must satisfy. To see them, please visit: <http://www.legis.nd.gov/cencode/t57c38.pdf> (see § 57-38-01.26).

### If you have any questions...

#### Call:

Research Manager – 701-328-5300

#### Write to:

North Dakota Department of Commerce  
Economic Development & Finance Division  
Attention: Research Manager  
PO Box 2057  
Bismarck, ND 58502-2057

