

# IPO CERTIFICATION

## (FINRA Rules 5130 and 5131)

Sub Firm #	BR Code	REP Code	Account Number

*(Office Use Only)*

Account Title

### SECTION A (Rule 5130)

**(Please check one of the applicable boxes.)**

FINRA Rule 5130 is designed to protect the integrity of the public offering process by ensuring a bona fide or good faith distribution to the public of Equity IPOs. Dawson James Securities may not sell or cause to be sold an equity IPO to any account in which a **restricted person** holds a **beneficial interest** unless the account qualifies for a **general exemption** under the Rule. (Definitions of all bolded terms are provided at the end of this document.)

- The account is eligible** to purchase new issues either because no restricted person (which includes those accounts that meet a general exemption and, by definition, are not restricted persons) holds a beneficial interest in the account; **or**
- The undersigned is a conduit (such as a bank, foreign bank, broker/dealer, or investment adviser)** and all purchases of new issues are, and will be, in compliance with the Rule. If the beneficial interests of all restricted persons in any one account exceeds, in the aggregate, 10% of the account but the account has implemented procedures to reduce the beneficial interest of all restricted persons with respect to new issues to, in the aggregate, below 10%, the undersigned hereby represents that it will follow such procedures in connection with the purchase by the account of all new issues.

If neither of the statements apply to you, you are not eligible to purchase equity IPOs and you need not return this document.

### SECTION B. IPO Allocation Rule (FINRA Rule 5131) *(Select one box)*

- No person that holds a beneficial interest in the account is a **Covered Person (as defined herein); or**
- The account is eligible to purchase new issues because the account: **(a)** has **Covered Persons** where their beneficial interests in the aggregate do not exceed 25% of the account; or **(b)** has implemented procedures to reduce the beneficial interests of all Covered Persons, in the aggregate, below 25%, and the undersigned hereby represents that it will follow such procedures in connection with the purchase by the account of all new issues.

**The undersigned hereby certifies they are authorized to provide this Certification and they, or an authorized representative of the account, will promptly notify Dawson James in the event this Certification ceases to be true and correct.**

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Customer Signature (If Joint)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

### General Exemptions:

1. An investment company registered under the Investment Company Act of 1940.
2. A common trust fund or similar fund as described in Section 3(a)(12)(A)(iii) of the Securities Exchange Act of 1934, provided that: (i) the fund has investments from 1,000 or more accounts, **and** (ii) the fund does not limit beneficial interests in the fund principally to trust accounts of restricted persons.
3. An insurance company general, separate, or investment account, provided: (i) the account is funded by premiums from 1,000 or more policyholders or, if a general account, the insurance company has 1,000 or more policyholders, **and** (ii) the insurance company does not limit the policyholders whose premiums are used to fund the account principally to restricted persons, or if a general account, the insurance company does not limit its policyholders principally to restricted persons.
4. An account, including a fund, limited partnership, joint back office broker-dealer, or other entity, if, in the aggregate, the beneficial interests of 1) restricted persons for purposes of **Section A** do not exceed 10% of the account under FINRA Rule 5130, and 2) covered persons for the purposes of **Section B** do not exceed 25% of the account under FINRA Rule 5131.
5. A publicly traded entity (other than a broker-dealer authorized to engage in the public offering of new issues either as a selling group member or underwriter, or an affiliate of such a broker-dealer) that is: (i) listed on a U.S. national securities exchange, or (ii) a non-U.S. issuer whose securities meet the quantitative designation criteria for listing on a national securities exchange.
6. An investment company organized under the laws of a non-U.S. jurisdiction, provided that: (i) the investment company is listed on a non-U.S. exchange or authorized for sale to the public by a non-U.S. regulatory authority, **and** (ii) no person owning 5% or more of the shares of the investment company is a restricted person.
7. An ERISA benefits plan that is qualified under Section 401(a) of the Internal Revenue Code, provided that the plan is not sponsored solely by a broker-dealer.
8. A state or municipal government benefits plan that is subject to state or municipal regulation.
9. A tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code.
10. A church plan under Section 414(e) of the Internal Revenue Code.

### Restricted Persons/Entities:

1. A FINRA member firm or other broker-dealer.
2. An officer, director, general partner, **associated person, or employee of a FINRA member firm** or any other broker-dealer (other than a **limited business broker-dealer**).
3. An agent of a FINRA member firm or any other broker-dealer (other than a limited business broker-dealer) that is engaged in the investment banking or securities business.
4. A person who has authority to buy or sell securities for a bank, savings and loan association, insurance company, investment company, investment adviser (whether or not registered as an investment adviser), or **collective investment account**.
5. A person listed, or required to be listed, on one of the following schedules to Form BD as filed, or required to be filed, with the SEC by a broker-dealer (other than with respect to a limited broker-dealer): (i) Schedule A, unless the person is identified by an ownership code of less than 10%; (ii) Schedule B, unless the person's listing on Schedule B relates to an ownership interest in a person that is listed on Schedule A and identified by an ownership code of less than 10%; or (iii) Schedule C, unless the person would be excluded under the percentage ownership criteria for Schedule A or B above.
6. A person that directly or indirectly owns an interest, in the amounts specified below, of a public reporting company listed, or required to be listed, on Schedule A or B of Form BD relating to a broker-dealer (other than a limited business broker-dealer), unless the public reporting company is listed on a national securities exchange: (i) 10% or more of a public reporting company listed, or required to be listed, on Schedule A; or (ii) 25% or more of a public reporting company listed, or required to be listed, on Schedule B.
7. A person acting: (i) as a **finder** in connection with any new issue in which the person is participating or (ii) in a fiduciary capacity to the managing underwriter(s) in connection with any new issue in which the person is participating.

8. An **immediate family member** of: (i) a person specified in items 2-7 that **materially supports**, or receives support from, that person; (ii) a person specified in items 2-3 that is employed by or associated with the FINRA member or its affiliate selling the new issue to the immediate family member, or that has an ability to control the allocation of the new issue; or (iii) a person specified in items 5-6 that is an owner of the FINRA member or its affiliate selling the new issue to the immediate family member, or that has an ability to control the allocation of the new issue.

**Other New Issue Rule and IPO Allocation Rule Definitions:**

**Associated person or employee of a FINRA member firm:** (1) Any natural person registered with FINRA and (2) any natural person, whether or not registered or exempt from registration with FINRA, who is a sole proprietor, partner, officer, director, or branch manager of a FINRA member firm, or any natural person occupying a similar status or performing similar functions, or any natural person engaged in the investment banking or securities business who is directly or indirectly controlling or controlled by a FINRA member firm (for example, any employee).

**Beneficial interest:** Any economic interest, including the right to share in gains or losses. The receipt of a management fee or performance-based fee for operating a collective investment account, or other fees for acting in a fiduciary capacity, shall not be considered a beneficial interest.

**Collective investment account:** Any hedge fund, investment partnership, investment corporation, or any other collective investment vehicle that is engaged primarily in the purchase and sale of securities. A "collective investment account" does not include a "family investment vehicle" or an "investment club."

**Covered non-public company:** Any non-public company satisfying the following criteria: (i) income of at least \$1 million in the last fiscal year or in two of the last three fiscal years and shareholders' equity of at least \$15 million; (ii) shareholders' equity of at least \$30 million and a two-year operating history; or (iii) total assets and total revenue of at least \$75 million in the latest fiscal year or in two of the last three fiscal years.

**Covered Person:** Any executive officer or director of a public company or a covered non-public company, or a person materially supported by such executive officer or director.

**Executive officer or director:** Any (i) person named as an executive officer or director in a U.S. public company's most recent proxy filed with the SEC or in an annual report filed with the SEC on Form 10-K or Form 20-F, (ii) executive officer or director of a foreign company that is registered with the SEC under the '34 Act, as amended, or (iii) executive officer or director of a covered non-public company.

**Finder:** A person who receives compensation for identifying potential investors in an offering.

**FINRA Member:** A member of the Financial Industry Regulatory Authority or any person or entity associated with a FINRA member firm.

**Immediate family member:** A person's parents, mother-in-law or father-in-law, spouse, brother or sister, brother-in-law or sister-in-law, son-in-law or daughter-in-law and children, and any other individual to whom the person provides material support.

**IPO Allocation Rule:** As defined under FINRA Rule 5131.

**Limited business broker-dealer:** Any broker-dealer whose authorization to engage in the securities business is limited solely to the purchase and sale of investment company/variable contracts securities and direct participation program securities.

**Material support:** Directly or indirectly providing more than 25% of a person's income in the prior calendar year. Members of the immediate family living in the same household are deemed to be providing each other with material support.

**New Issue:** Any initial public offering (IPO) of an equity security as defined in Section 3(a)(11) of the Exchange Act, made pursuant to a registration statement or offering circular.

**New Issue Rule:** As defined under FINRA Rule 5130.

**Public Company:** Any company that is registered under Section 12 of the Securities Exchange or files period reports pursuant to Section 15(d) thereof.