

EXHIBIT 12

INVESTOR-SIDE DILIGENCE (AKA RESPONSIBILITIES OF A “PLACEMENT AGENT”)

As described in the Placement Agent Agreement, FINRA Rule 2111 requires that the Placement Agent has a reasonable basis to believe the Transaction is suitable for each prospective investor. This is sometimes referred to as “customer-specific” diligence or “investor-side” diligence. In addition, FINRA Rule 3310 requires the Placement Agent to conduct adequate diligence on each prospective investor in order to comply with the Bank Secrecy Act and its implementing regulations (“Anti-Money Laundering rules”).

The Placement Agent may at its sole discretion and expense, elect to engage registered sub-agents, under separate agreement (see Exhibit 5 Schedule II, “Fee Sharing Agreement”), to identify suitable Investors for the Transaction and/or to assist in fulfilling these regulatory obligations. At a minimum, the Placement Agent or its sub-agent must:

“Have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer's investment profile. A customer's investment profile includes, but is not limited to, the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information the customer may disclose to the member or associated person in connection with such recommendation.”

If the Placement Agent engages a sub-agent, it performs reasonable diligence to confirm that the sub-agent:

- (1) is a broker/dealer in good standing with FINRA;
- (2) is approved, per its Membership Agreement with FINRA, to act as a placement agent for Reg D securities such as TIGRcubs;
- (3) is compliant with all applicable federal and state requirements, and the firm and its registered representatives have satisfied registration requirements in each state in which you plan to solicit;
- (4) has a reasonable basis to believe that the investment shown in the subject line for the designated Offering/Investment is suitable for each investor per FINRA Rule 2111;
- (5) has documented the basis for this “suitability” determination; and
- (6) has performed and documented requisite and appropriate checks on each indicated Investor in compliance with the Bank Secrecy Act and its implementing regulations (aka “Anti-Money Laundering rules,” including FINRA Rule 3310).

If the Placement Agent and or the engaged sub-agent are to collect all available fees, they are to:

- (1) assemble the subscription agreement and sufficiently document suitability on behalf of the accredited investor or investors;
- (2) perform necessary processes for Investor IRA account set up;
- (3) perform ACH (Automated Clearing House) set up and produce documentation affirming accredited investor or investors are ACH approved;
- (4) perform aforementioned adequate diligence on each prospective investor in order to comply with the Bank Secrecy Act and its implementing regulations (“Anti-Money Laundering rules”)
- (5) assemble funds distribution agreement for Entrex Capital Market, Inc;

If the agreed upon diligence procedures are not completed within 30 days of investor introduction the Entrex Capital Market, the Placement Agent and or its sub-agent will be subject to a fee reduction;

Placement Agent fees will be reduced at the sole discretion of Entrex Capital Market LLC if the responsibilities indicated above are not executed pursuant to the above regulatory requirements. The Placement Agent may also choose or elect to reduce its fees for assistance in the areas indicated above.