

Best Practices for Independent Reviewers

1. Independent Consultant

IR should be an independent contractor working for themselves in a consultant capacity.

2. Insurance Coverage

Maintain Professional Liability and Errors & Omissions insurance coverage.

3. Rabbinic Oversight

Dedicate a Choshen Mishpat Rav as an Oversight Rav and adhere to 100% of the Rav's oversight, instructions, and guidance. If anything seems suspicious or concerning, even if it looks minor, report it immediately to the Oversight Rav.

4. Confidentiality

Maintain strict confidentiality of any information learned before and/or during a review. Understand that people's livelihoods are at risk and uphold strict discretion. Should not share any deal, syndicator, or investor information under any circumstances, except to the dedicated Oversight Rav.

5. Conflicts

Remain truly independent on any deal that is reviewed. Should even a minor conflict of interest present itself, reject the assignment or get written approval from the Oversight Rav. Should not engage in raising money, syndicating, or brokering non-regulated private investments.

6. Representation

Represent only the interest of the investor. Derive no benefit from the syndicator, the deal, the closing, or the ability to invest in a deal under review.

7. Continued Education

Attend continued education meetings with Rabbinical, Industry, and Educational venues to remain relevant and updated and to maintain status of approved IR.

8. Review Results

Maintain brief comments in written format of every Independent Review for transparency and liability purposes.

9. Best Practices

Encourage that Best Practices recommendations be adhered to by investors and syndicators alike.

10. Investor Acknowledgment

Have investors sign an acknowledgment form prior to a review meeting to protect the investor and the IR.

11. Closing Statements

Advise the investor to pay attention to the closing documents and financials where misappropriations can potentially occur.

12. Review Details

Utilize a checklist as an education tool for the investor to take into consideration. Remind the investors to verify any preconceived assumptions they already adopted.

13. The Transparency Recommended Checklist:

- a. People** Ethics, competence, focus, references
- b. Property** Area comps, rental comps, condition, value
- c. Price** Fees, cost of management, incentives alignment
- d. Philosophy** Approach to investing, plan, exit strategy
- e. Process** Accountant, software, infrastructure, reporting
- f. Performance** History, experience, track record, execution
- g. Personal** Investor's personal income and expenses, risk tolerance, debt, experience,
source of funds

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