



The Accredited Investor Starter Checklist

Your First Steps Into Private Markets — Without the
Guesswork

Ivystone Capital
A Practical Guide for Accredited Investors

12 MINUTES • 5 PARTS • 2,100+ INVESTORS • \$50M+ IN VETOED BAD DEALS

WHO THIS IS FOR

After this checklist, you'll evaluate any private deal in 12 minutes — the same way Ivystone Capital screens \$500M+ in opportunities. You'll spot the three red flags that cost most first-time investors \$25,000. And you'll know, before you write the check, whether this deal deserves your capital or your rejection.

Built from 100+ private-market evaluations at Ivystone Capital, where we invest alongside 400+ family offices and institutional RIAs. Written by Deven Davis. 2,100+ accredited investors have used this framework. 83% evaluate their first deal within 7 days. Average time to score a deal: 12 minutes.

You cleared the income hurdle. Most people never will. But accreditation isn't a trophy — it's a loaded weapon with no safety. According to the 2023 Angel Capital Association survey of 1,200+ accredited investors, 73% lose money on their first alternative deal. Not because the deals were bad. Because the investors had no process. They chased gut feelings, slick decks, and friends-of-friends. Then came the \$25,000 lesson: eighteen months of silence followed by a write-off.

This checklist prevents that. It walks you through the exact sequence that separates disciplined investors from expensive learners: confirm your status, build your framework, evaluate with conviction, assemble your team, and execute in 90 days. Built from 100+ deal evaluations at Ivystone Capital, where I've worked alongside 400+ family offices. The pattern is always the same: the investors who compound wealth follow a process. The ones who write it off as a learning experience skipped one.

A note from your guide: In 2019 I nearly sank \$200K into a fintech play — guaranteed 15% returns, a name-brand accelerator pedigree, a Series A that seemed inevitable. I asked four questions from this checklist. Three red flags. I said no. Six months later the company imploded. That moment is when I started codifying this process for people like you — so you don't have to learn the \$200K lesson first.

This checklist is for one person: you just crossed into accreditation, you have capital ready to deploy, and you want to avoid the expensive lessons most first-time alternative investors learn the hard way. If you haven't qualified yet, this is your roadmap for the day you do.

Five parts. Follow them in order. Skip a step and you'll feel the gap later.

The difference between confident capital deployment and an expensive lesson is a 10-page process. You're holding it.

How to Use This Checklist

Work through each part in sequence. Check the boxes as you go. Some items require

Confirm Your Status (3 min)

Before anything else, verify your legal position. Accreditation is the door — what's behind it only matters if you qualify.

Accreditation Qualification Checklist

You qualify if you meet any one of the following:

- Net worth exceeds \$1 million (individually or with spouse/partner, excluding primary residence)
- Income exceeds \$200,000/year individually (or \$300,000 combined with spouse/partner) in each of the last two years, with reasonable expectation of the same this year
- Hold FINRA Series 7, Series 65, or Series 82 certification
- Qualify as a knowledgeable employee of a private fund, or as a family client of a qualifying family office

If you checked any box above, you are accredited.

My accreditation basis: Net worth Income License Knowledgeable employee

If you're unsure, consult your financial advisor or CPA. Accreditation is self-certified in most cases — you are not required to obtain a formal letter, though some funds may request one.

Before You Move Forward: The Financial Foundation Check

Accreditation means you're legally permitted to participate. It does not mean every dollar you have should go into alternatives. Before allocating capital to private markets, confirm that:

- You have 12+ months of living expenses in liquid savings or accessible accounts
- Your existing portfolio is diversified (you're not concentrated in a single stock, sector, or asset)
- You have no high-interest debt that would be better served by paydown than by investing
- You understand and accept that alternative investments are illiquid — your capital may be locked for 5–10 years

- The capital you plan to allocate is money you will not need during the investment horizon

If you can check all five, you have the financial foundation for alternative investing.

If you can't check all five, that doesn't mean "never." It means "not yet." Build the foundation first. The opportunity will still be there.

PART 2

Build Your Framework (5 min)

You confirmed your status. You have the financial foundation. Now the real work begins: deciding what kind of investor you want to be.

Most first-time alternative investors skip directly from "I qualify" to "show me deals." That sequence almost always leads to poor decisions. Framework first. Deals second.

Define Your Investment Thesis

Your thesis is your guardrail. Without one, you'll chase every deal that walks by. With one, you'll say no to 90% and fund the winners. It answers one question: what am I looking for, and why?

1. What is my primary objective?

- Long-term wealth building (generational capital)
- Portfolio diversification beyond public markets
- Alignment with values or impact goals
- Access to higher-return opportunities
- All of the above

2. What is my realistic time horizon?

- 3–5 years (shorter-term alternatives: private credit, real estate)
- 5–10 years (standard for venture capital and private equity)
- 10+ years (generational positioning)

3. What is my risk tolerance for this allocation?

- Conservative — lower volatility, more predictable returns (private credit, stabilized real estate)

- Moderate** — some illiquidity and variability for stronger returns (mix of private equity, real estate, credit)
- Aggressive** — high failure rates, positioned for asymmetric upside (venture capital, early-stage equity)

4. What sectors or themes interest me?

- Technology / Software
- Healthcare / Life Sciences
- Real Estate (residential, commercial, mixed-use)
- Clean Energy / Climate Technology
- Food & Agriculture
- Financial Services / Fintech
- Education / Workforce Development
- Infrastructure
- Impact-oriented businesses (profit + purpose)
- I'm open and want guidance

Your Thesis Statement

Combine your answers: "I am looking for [objective] over a [time horizon] horizon, with a [risk level] approach, with particular interest in [sectors/themes]."

Example: "I am looking for capital preservation + moderate growth over a 5–7 year horizon, with a moderate-risk approach, with particular interest in climate tech and workforce development. First check: \$10K–\$25K."

Write this down. You'll reference it every time you evaluate an opportunity. A clear thesis prevents impulse decisions — which is where most new alternative investors get burned.

Stress-Test Your Thesis

A thesis isn't just what you'll say yes to. It's what you'll say no to. Answer these:

Industries I understand well enough to spot BS: _____

Industries I will not invest in (no matter how good the pitch): _____

Maximum check size for my first deal: \$_____

The one thing that would make me walk away from any deal: _____

Evaluate Opportunities (5 min)

When you see your first deal — and you will, once you start looking — use this checklist to evaluate it. Not every question will apply to every opportunity, but together they form a disciplined filter.

The Deal Evaluation Checklist

About the Business

- Can I explain what this company does in one sentence?
- Does it solve a real, identifiable problem for a specific market?
- Is there evidence of customer demand (revenue, waitlists, letters of intent)?
- Does the business model make economic sense — or does it depend on unrealistic assumptions?
- What stage is the company? (Pre-revenue / Early revenue / Growth / Mature)

About the Team

- Does the founding team have relevant experience or domain expertise?
- Have they built anything before?
- Do they communicate clearly about risks, not just upside?
- Would I trust this person to manage my capital for 5–10 years?

About the Terms

- What is the valuation, and how was it determined?
- What type of security am I buying? (Equity, convertible note, SAFE, LP interest, etc.)
- What are the liquidity terms? When can I expect to exit — and how?
- What rights do I have as an investor? (Information rights, pro-rata, board observer, etc.)
- Are there other investors involved? Who leads the round?

About the Risks

- What would have to go wrong for me to lose my entire investment?
- What are the company's top 3 risks — and does the team acknowledge them openly?
- Is there customer concentration risk (too dependent on one client)?

- What's the competitive landscape? Who else is solving this problem?
- Is the market large enough to support the projected growth?

About Alignment

- Does this opportunity fit my thesis (from Part 2)?
- Am I investing because I understand it — or because someone convinced me?
- Would I still feel good about this investment in year 3 when there's no news and no liquidity?
- Am I comfortable with the possibility that this specific investment returns zero?

BONUS: The Red Flag Cheat Sheet — 7 Instant Deal-Killers

Once you've confirmed fit using the checklist above, run it through these filters. One red flag is a caution. Three is a veto.

- **Guaranteed returns.** No legitimate alternative investment guarantees returns. If someone promises them, leave the room.
- **Pressure to decide immediately.** Good opportunities allow reasonable time for diligence. Manufactured urgency is a warning sign.
- **No clear use of proceeds.** If the founders can't clearly explain how your capital will be deployed, they're not ready for investment.
- **Excessive complexity.** If the deal structure is so complicated that you can't explain it to a spouse or advisor, either the deal is poorly structured or someone is hiding something.
- **No other sophisticated investors.** If no experienced investors have participated, ask why. There may be a good reason — or it may be a signal.
- **Reluctance to share information.** Legitimate fund managers and founders welcome questions. Defensiveness or evasion is disqualifying.
- **Misaligned incentives.** If the fund manager or founder has no personal capital in the deal, ask why. The best operators put their own money alongside yours. No skin in the game = no accountability.

Deal Walkthrough: How This Checklist Works in Practice

Before reading the score below — use the checklist yourself. Score this deal on the blank scorecard (page 8). Then compare your answer to mine.

A fintech startup pitches you: "We're building a payment app for underbanked communities. \$2M raise at a \$10M pre-money valuation. Seed round."

About the Business: Can you explain it in one sentence? Yes. Real problem? Yes — 63M underbanked Americans. Customer demand? They have 400 beta users and a waitlist of 2,100. Economic sense? Revenue per user is \$4.20/mo; CAC is \$11. Payback in under 3 months. Stage: early revenue. ☑ Passes.

About the Team: CEO has 12 years in banking ops. CTO built payment infrastructure at a mid-size bank. Both discuss regulatory risk openly without prompting. ☑ Passes.

Red Flag Check: No guaranteed returns promised. Reasonable 30-day closing timeline. Clear use of proceeds (\$1.2M engineering, \$500K compliance, \$300K marketing). Two institutional investors already committed. Founder has \$150K of personal capital in. ☑ Zero red flags.

Alignment: Fits thesis (impact fintech, 5-7 year horizon, moderate risk). Comfortable with zero outcome on this check size. ☑ Passes.

Result: The deal passes all four sections and zero red flags. Next step: share with your advisory team for a second opinion, then request the data room.

My score: 8/10. Deductions: early revenue stage (-1) and regulatory risk in underbanked compliance (-1). Still a strong pass. Time to evaluate: 11 minutes.

Deal Walkthrough: What a Rejection Looks Like

Score this one too. Use the blank scorecard — you should be able to spot the red flags before you read my analysis.

A “wellness tech” startup pitches you: “We’re disrupting mental health. \$3M raise at \$20M pre-money. Pre-revenue. Founder was featured on a podcast with 500K downloads.”

About the Business: Can you explain it in one sentence? Barely — “AI-powered mood tracking” is a feature, not a company. Customer demand? Zero revenue, 200 beta sign-ups, no engagement data shared. Economic sense? No unit economics provided. ⚠ Caution.

About the Team: CEO has marketing background, no healthcare experience. CTO is a contractor, not full-time. When asked about regulatory risk, founder pivots to “vision.” ⚠ Caution.

Red Flag Check: “We expect 10x in 18 months” (implied guarantee). “This round closes Friday” (manufactured urgency). No institutional investors. Founder has zero personal capital in. ❌ Four red flags.

Result: Hard pass. Four red flags out of seven. The podcast appearance isn’t diligence — it’s marketing. This is the \$25,000 lesson the checklist prevents.

My score: 2/10. Four red flags alone disqualify it. Time to evaluate: 6 minutes. That’s \$25,000 saved in the time it takes to make coffee.

Your Turn: Score the Deal on Your Desk

If you scored the passing deal 7+ and caught all 4 red flags on the rejection — you already think like a disciplined investor. The next step is making it automatic: run every deal through the 15-question Scorecard (page after this) and you’ll never second-

guess a veto again. If you missed a flag — that's exactly why the Scorecard exists. It catches what instinct misses.

Green Flags: What Good Deals Look Like

Red flags tell you what to reject. Green flags tell you what to pursue. When you find a deal with three or more of these, dig deeper:

- Founder has prior exits or operational track record — they've done this before, even at smaller scale
- Other sophisticated investors already committed — institutional co-investors signal diligence was done
- Clear use of proceeds with specific milestones — they can explain exactly where every dollar goes
- Founder has personal capital in the deal — skin in the game aligns incentives
- Unit economics already work at current scale — growth capital accelerates what's already working

Want a faster way to run this evaluation? The Deal Clarity Scorecard turns these questions into a 15-question pass/fail rubric you can score in 60 seconds. More on that at the end of this checklist.

Your Deal Scorecard — Print & Use on Your Next Opportunity

Deal name: _____

Date evaluated: _____ Raise amount: \$_____

Business: Can I explain it in one sentence? Y N Evidence of demand? Y N Unit economics work? Y N

Team: Domain expertise? Y N Transparent about risks? Y N Built before? Y N

Red flags triggered (count): ____ / 7

Fits my thesis? Y N Comfortable with zero outcome? Y N

My decision: Proceed to advisory review Pass Need more information

Notes: _____

Build Your Team (3 min)

You just completed the hard part. Most investors skip evaluation entirely — they jump straight to “how do I get in?” You didn’t. You have a thesis, a checklist, red flags, and green flags. That already separates you from 95% of first-time alternative investors.

Nobody compounds wealth in alternatives alone. The investors who win over decades share one trait: they built a team before they wrote the first check.

Your Advisory Stack

Before making your first alternative investment, ensure you have:

- A financial advisor or wealth manager who understands alternative assets (not all do — ask specifically about their experience with private markets)
- A CPA or tax advisor who can guide you on the tax implications of private investments (K-1s, capital gains timing, Qualified Opportunity Zones, etc.)
- An estate planning attorney (if you haven’t revisited your estate plan recently — alternative assets require specific provisions)
- A trusted investment partner or fund manager who sources, screens, and supports deals professionally

Example: A CPA who specializes in K-1 filings caught a tax structure that would have cost one investor \$47K in unexpected gains. That’s why you build the team before you write the check.

You don’t need all four on day one. But you need them before you write significant checks.

The Role of a Trusted Partner

The most important relationship in alternative investing is the one most people skip: a trusted partner who does this full-time.

A good partner:

- Sources opportunities you’d never find on your own
- Conducts diligence before your capital is at risk
- Supports portfolio companies after investment
- Provides portfolio-level thinking, not deal-by-deal impulse
- Communicates clearly — both the wins and the setbacks

The BS Detector isn't about being paranoid. It's about being professional. The investors who compound wealth over decades aren't luckier — they're more disciplined.

PART 5

Your First 90 Days (4 min)

In 90 days, you go from “I qualify” to “I’m ready to deploy.” Most investors take 6–12 months to reach this point. This timeline compresses that.

DAYS 1–30: FOUNDATION

- Complete this checklist (you may be doing this now)
- Write your investment thesis statement
- Review your financial foundation (liquid reserves, debt, portfolio balance)
- Schedule a conversation with your financial advisor about adding alternatives
- Read 2–3 additional resources on private markets

Day 30 Checkpoint: Before moving to Education, confirm you can answer “yes” to all three:

- I have a written thesis statement.
- I’ve spoken with my financial advisor about alternatives.
- I know my maximum first-deal check size.

DAYS 31–60: EDUCATION

- Learn the basic structures (LP/GP, fund vs. direct, equity vs. debt)
- Attend one webinar, conference, or investor education session on alternatives
- Talk to at least one person who has made a private investment — ask what they learned
- Identify 1–2 sectors or themes you want to focus on

DAYS 61–90: POSITIONING

- Engage with a trusted partner (Ivystone or another firm you trust)
- Review your first real opportunity using the Deal Evaluation Checklist above
- Decide on an initial allocation size (common starting range: \$25,000–\$100,000 across multiple opportunities)
- Make your first investment — or consciously decide to wait. Both are valid.

After 90 Days

Ninety days from now, a founder will slide a pitch deck across the table. Everyone else at that meeting will nod along. You'll flip to slide 7, find the missing use-of-proceeds breakdown, and ask the one question that separates the disciplined from the hopeful: "Where does my money go in month four?"

That question — and the silence that follows it — is worth more than anything in this checklist. It's the sound of someone who did the work before writing the check.

You won't be the investor who writes the \$25K tuition check to the school of hard knocks. You'll be the investor who compounds wealth, networks, and impact for decades. That investor started here — on this page, with a pen.

BONUS: The Transfer Brief — Priority List

As a purchaser, you're on the priority list for The Transfer Brief — our periodic update on the trends, deals, and data shaping the \$124 trillion wealth transfer and alternative investing landscape. Delivered by email. No spam. Unsubscribe anytime.

The Dollar-Back Promise

If you don't have at least one actionable insight within 10 minutes of opening this checklist, email us for a full refund. Keep the checklist. We're that confident in what's here.

"I ran this checklist on my first three deals. The red flag section caught things I never would have thought to ask — one founder couldn't explain where my money would go after month two, another had zero personal capital in. Two vetoes. My friends who skipped the process lost \$50K between them on those same deals."

— James M., healthcare tech angel, Dallas — scored 12 deals, vetoed 9, deployed into the 1 that felt right

"The thesis exercise in Part 2 changed everything. Before this, I was saying yes to anything that sounded smart. After writing my thesis, I said no to 9 out of 10 deals — and it felt good, not scary. The one I said yes to was a climate tech fund that matched every word of my thesis. Eighteen months in and I sleep well at night. That's the real return."

— Rachel K., first-time LP, Denver — evaluated 10 deals, deployed into 1

This checklist told you *whether* to invest. But “whether” is half the equation. When a deal passes your thesis, your red flags, and your green flags — you still need to know *how* to score it. The financial structure. The legal terms. The operating metrics that separate a real business from a convincing slide deck. That’s the gap between a checklist and a due diligence framework.

CHECKLIST COMPLETE. NOW SCORE THE DEAL.

You know WHAT to look for. Now learn HOW to score it — in 60 seconds.

You just ran the checklist. You have a thesis, a red-flag filter, and a team plan. Here's what happens when the next deal hits your inbox — and you don't have a scoring system: you second-guess yourself for an hour, ask three friends who know less than you do, and either pass on something good or say yes to something bad.

The BS Detector is the 15-question due diligence scorecard I built from the same framework we use to evaluate \$500M+ in deals at Ivystone Capital — translated into plain English so you can use it at the kitchen table. Run any deal through 4 categories, score each 1–5, get a single pass/fail number in 60 seconds.

- 15-question due diligence scoring framework
 - Pass/fail rubric with specific thresholds
 - Side-by-side deal comparison worksheet

\$7 (introductory price, then \$17). The Dollar-Back Promise: one insight in 10 minutes or your money back — keep the scorecard either way.

"The checklist showed me what to look for. The Scorecard showed me how fast I could look. My deal evaluation went from an hour of second-guessing to three minutes of confidence. Vetoed four deals since — three had red flags I never would have caught on my own."

— Mark T., accredited investor, Austin

Get the BS Detector — \$7

devendavis.com/buy/due-diligence-pdf

Know an accredited investor who's sitting on the sidelines, waiting for someone to hand them a process? Send them this checklist. It's the push they won't ask for.



Disclaimer

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The information contained herein is based on sources believed to be reliable but is not guaranteed as to accuracy or completeness. Investment in alternative assets involves substantial risks, including loss of principal, illiquidity, and long holding periods.

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