

IIUSA

ASSOCIATION
TO INVEST IN USA

REGIONAL CENTER BUSINESS JOURNAL

December 2013

Building International Partnerships to Create American Jobs

In this issue: IIUSA Surpasses 125 Regional
Center Members!

Introducing IIUSA's New Editorial Committee!

EB-5 Government Affairs Update and 2013 Year in Review

What People are Saying About the EB-5 Program

The Future of the EB-5 Regional Center Industry - Reason for Optimism
by Peter D. Joseph, IIUSA Executive Director

History of Risk in the EB-5 Regional Center Context by Robert Loughran

The Institutionalization of the EB-5 Program by Daniel J. Healy

New IMPLAN "I-RIMS" Product Introduced as Alternative to RIMS II by
Paul Scheuren



THE DUE DILIGENCE ISSUE

2014 IIUSA WEBINAR SERIES

IIUSA is proud to announce its 2014 Webinar Series, featuring a comprehensive array of EB-5 panel topics and an online event schedule designed to give you expert insights and analysis of crucial themes affecting the EB-5 Regional Center industry today. Click on the QR code or visit www.IIUSA.org and click on the IIUSA Event Calendar.



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LIVE: \$100 | ON-DEMAND: \$150

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- 1/30 – EB-5 Industry Advocacy: IIUSA Government Affairs Strategy for 2014
- 2/27 – Securities Laws & EB-5: Broker/Dealer Business Model & JOBS Act Update
- 3/27 – USCIS EB-5 Adjudication Trends: I-526 Petitions
- 4/24 – Impact of Potential Retrogression of the EB-5 Visa Category this Fiscal Year
- 5/29 – EB-5 Economics: Overview of Available Input/Output Models
- 6/26 – Finance: Combining EB-5 Capital with Other Economic Development Tools
- 7/31 – Securities Laws & EB-5: Enforcement Actions & Registration Guidance
- 8/28 – USCIS EB-5 Adjudication Trends: I-829 Petitions
- 9/25 – EB-5 Economics: Targeted Employment Areas
- 10/30 – Form I-924A: Strategies for Fulfilling the Annual EB-5 Regional Center Reporting Requirement
- 11/20 – Finance: EB-5 Escrow, Fund Administration & Bridge Loans
- 12/18 – 2014 EB-5 Industry Year-In-Review & Look Ahead at 2015

IIUSA

**ASSOCIATION
TO INVEST IN USA**

7TH ANNUAL

IIUSA Regional Center Advocacy Conference

MAY 7-9, HYATT REGENCY HOTEL,
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**Calling all EB-5 Regional Center industry stakeholders
to Washington DC this May!**

Join hundreds of your peers this May 7-9 at yet another cutting-edge event with the perfect mix of grassroots advocacy, advanced education, and business development opportunities - brought to you by your trade association, IIUSA. Expert speakers from across the EB-5 industry and the federal government will address trending topics and the future of the EB-5 Regional Center Program. With the 113th Congress considering comprehensive immigration reform, USCIS opening its DC-based EB-5 Program Office, and the increase in federal inter-agency collaboration and Congressional oversight on the Program, it is more important than ever that we advocate with our collective voice in Washington, DC in pursuit of our common goals and interests.

Register today to take advantage of the early bird rates. Sponsorships and exhibit space are available on a first-come, first-serve basis.

We look forward to seeing you in DC! Stay tuned for more details.

www.iiusa2014eb5advocacyconference.org



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President's Advisory Council



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Robert G. Honts
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Kelvin Ma
Demei Shanghai Law Firm

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Kyle Walker
Green Card Fund

PUBLIC POLICY

Angelique Brunner
EB5 Capital

PUBLIC RELATIONS

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LETTER FROM THE EDITOR

DEAR READERS:

Judging from the appearance of the December 2013 edition of the Regional Center Business Journal — The Due Diligence Issue — IIUSA has enjoyed a productive and successful year as a leader in the rapidly-growing EB-5 industry.

Given the importance of due diligence to the success if not the survival of the EB-5 industry, this edition of the Journal features articles covering the institutionalization of EB-5 in practice, and the risks of termination of a regional center. Not as endorser but as a source of reliable and useful information, we present a briefing on the new IMPLAN I-RIMS product. We also share the fruits of IIUSA's long-running FOIA efforts, in this case a review of the USCIS "tenant occupancy" training manual and recent USCIS adjudications.

For this edition of the Journal, IIUSA staff has compiled an impressive 2013 year-in-review government affairs section, highlighting major legislative events and policy changes that occurred during the year. IIUSA also has gathered from its regional center membership a selection of human interest narratives that illustrate the positive economic ripple effect caused by EB-5 investment.

IIUSA continues to show its commitment to deliver to its members as much useful, publicly-available information as possible. If you have any suggestions regarding the content of future issues of the Regional Center Business Journal, please feel free to contact one of us and share your thoughts.

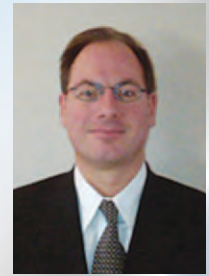
We wish you the happiest of holidays and a successful New Year in 2014!

Lincoln Stone
Chair of the Editorial Committee, IIUSA

INTRODUCING IIUSA'S EDITORIAL COMMITTEE



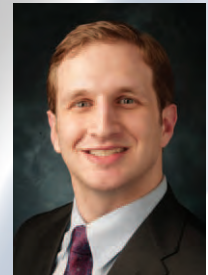
Lincoln Stone, *Stone Grezgorek & Gonzales (Committee Chair)*



K. David Andersson, *Whatcom Opportunities Regional Center (IIUSA President)*



Jillian Fortuna, *EB-5 Jobs for Massachusetts*



Peter D. Joseph, *IIUSA*



Suzanne Lazicki, *Lucid Professional Writing*



Kelvin Ma, *Demei Law Firm*



Paul Scheuren, *Impact DataSource*



Reid Thomas, *NES Financial*

Thank You FOR YOUR GENEROUS SUPPORT!

In recognition of their generous support to the mission of IIUSA, we would like to extend our sincerest gratitude to the 2013 Leadership Fund contributors, including the President's Advisory Council and Program Champions! Your support has enabled us to accomplish unprecedented work this year in terms of government advocacy and public engagement for the EB-5 Program. Thank you for all that you do and we are looking forward to another exciting year in 2014!

President's Advisory Council



Program Champions

GOLD



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Get Involved Today!

We encourage our members to help us continue our work by joining the IIUSA President's Advisory Council in 2014. To join or to make a contribution to the Leadership Fund, scan the QR code on this page or visit www.iiusa-marketplace.myshopify.com. To learn more about the IIUSA President's Advisory Council or to join, contact Allen Wolff at 312-283-8167 or allen.wolff@iiusa.org.



Government

2013 IN REVIEW

- 01/06-07: IIUSA meets with American Chamber of Commerce - South China President, Harley Seyedin, and Senior Foreign Commercial Service Officers in Guangzhou, China
- **02/06: SEC brings civil enforcement action against Intercontinental Regional Center Trust of Chicago (nonmember of IIUSA)**
- 02/12: EB-5 success highlighted by members of the Senate Judiciary Committee during hearing
- 02/25-28: IIUSA meets with Shanghai, Beijing, and Guangdong Exit/Entry Associations in China
- 03/04: IIUSA meets with members of the North American Securities Administrators Association (NASAA) in Washington, DC
- 03/05: IIUSA Hosted Economic Development Breakfast in Washington DC with Keynote Speakers from Senate Judiciary Committee Staff
- 03/05: USCIS Ombudsman Stakeholder Meeting held, where Executive Director Peter D. Joseph is a featured speaker
- **03/11: Executive Director Peter D. Joseph Testifies in front of Texas State Legislature Committee on International Trade and Intergovernmental Affairs**
- 04/01: IIUSA submits comments on USCIS draft EB-5 adjudications guidance memorandum
- 04/03: USCIS/SEC EB-5 Stakeholder Teleconference Engagement to discuss securities laws compliance in the context of EB-5 Regional Centers and investments
- 04/05: IIUSA Files Amicus Brief in SEC v A Chicago Convention Center Case supporting SEC's Motion to return frozen assets directly to EB-5 investors
- 04/10: IIUSA submits letter to USCIS Director on processing backlog stifling job creation
- 05/01: IIUSA Leadership Dinner in Miami, FL to discuss how the industry can break the processing backlog and update leadership on the status of comprehensive immigration reform
- 05/02: IIUSA attends the AILA, Mexico City Chapter "Show Me the Jobs" Conference in Miami, FL where USCIS Special Counsel to the Director, Robert Silvers, was the keynote speaker
- **05/06: The new EB-5 Program Office in Washington, DC officially opens its doors in the USCIS DC headquarters**
- 05/08: Daniel Renaud Accepts Position as Deputy Associate Director of Office of Field Operations
- **05/09: IIUSA sends letter to the White House regarding USCIS processing backlog**
- 05/13: IIUSA sends letter of appreciation to Chairman of the Senate Judiciary Committee, Patrick Leahy (D-VT) regarding his amendment to S. 744
- 05/13-22: IIUSA travels to China and Japan on a Trade Mission; Meets with Exit/Entry Associations in Beijing and Guangzhou; Tours Japan with the U.S. Commercial Service promoting the EB-5 Program to Japanese business people
- **05/16: Chairman Patrick Leahy's Amendment to S. 744 passed in Senate Judiciary Committee**
- 05/23: House Judiciary Committee Chairman Bob Goodlatte (R-VA) and Government Reform Chairman Darrell Issa (R-CA) introduce the Supplying Knowledge Based Immigrants and Lifting Levels of STEM Visas (H.R. 2131), also known as the SKILLS Act
- 05/29: IIUSA comments on Leahy EB-5 reform legislation

Affairs

- **05/30: USCIS issues its final comprehensive EB-5 Adjudications Guidance Policy Memorandum**
- 06/21: Conference of Mayors Support EB-5
- 06/27: White House Nominates USCIS Director Alejandro N. Mayorkas to be Deputy Secretary of Homeland Security
- 06/27: Senate passes S. 744 (68-32)
- 06/27: House Judiciary Committee passes SKILLS Act out of committee
- 07/12: New USCIS 2012 Administrative Appeals Office decisions related to EB-5 applications posted to USCIS.gov
- 07/25: Senate Homeland Security & Government Affairs Committee held hearing on Mayorkas nomination to become deputy secretary of the Department of Homeland Security
- 08/06: IIUSA Speaks/Exhibits at 2013 CDFA National Development Finance Summit in Washington, DC
- 08/27: New USCIS 2012 Administrative Appeals Office decisions related to EB-5 applications posted to USCIS.gov
 - 09/06: IIUSA leads trade mission to CIFIT to promote investment in U.S. along with American Chamber of Commerce in South China & the U.S. Commercial Service
 - 09/13: IIUSA President David Andersson testifies before Washington State Legislature
 - 09/20: New USCIS 2012 Administrative Appeals Office decisions related to EB-5 applications posted to USCIS.gov
 - **09/23: SEC implements JOBS Act to allow general solicitation in Regulation D Offerings**
- 09/30: Bureau of Economic Analysis eliminates Regional Input-Output Modeling System (RIMSII) due to sequestration unless budget is re-instated
- 09/30: SEC announces enforcement action against USANow Regional Center in McAllen, TX (nonmember of IIUSA)
- **10/01: SEC Office of Investor Education & Advocacy and USCIS jointly issue an "Investor Alert" warning individual investors about fraudulent investment scams that exploit the EB-5 Program**
- 10/03: U.S. Bureau of Economic Analysis reports on improving Q2 value of U.S International Investment position
- 10/01-10/16: U.S. Government shutdown in effect
- 10/13: IIUSA presents peer-reviewed 2010-2011 economic impact to AUBER annual conference in Richmond, VA
- 10/16: IIUSA meets with Financial Industry Regulatory Authority (FINRA)
- 10/16: IIUSA meets with North American Securities Administrators Association (NASAA)
- 10/31: IIUSA Vice President Robert C. Divine speaks at U.S. Department of commerce International Trade Administration SelectUSA Investment Summit in Washington DC
- **11/20: Stephen Cohen, SEC Enforcement Division Associate Director, speaks about the EB-5 Program at Federal Bar Association luncheon in Washington, DC**
- 11/20: SEC vs. A Chicago Convention Center status hearing (all material issues are settled, with settlement under seal)
- 11/20: Senate Homeland Security & Government Affairs Committee hearing on DHS Secretary nominee Jeh Johnson
- Dec: New EB-5 program head at USCIS, Nicolas Colucci, with financial and law enforcement background
- 12/11: Senate Homeland Security & Government Affairs Committee passes Mayorkas nomination for full Senate consideration

What People Are Saying About the EB-5 Program

"EB-5 capital is becoming one of the most sought after sources of financing for economic development projects nationally. This form of financing is flexible and can support a variety of projects, making it a reliable source of gap financing for project developers. CDFA members in the economic development finance industry are partnering with regional centers across the country to successfully bring projects to completion, create jobs, and support the economic development and sustainability of their communities."

TOBY RITTNER, PRESIDENT & CEO,
COUNCIL OF DEVELOPMENT
FINANCE AGENCIES

ECONOMIC DEVELOPMENT PROFESSIONALS

"The Flats East Bank Project was one of the first new, large-scale commercial developments in the City of Cleveland in over a decade, and its construction helped to jump start Cleveland's renaissance. A key portion of the funding came from Cleveland International Fund and the EB-5 Program -- without which the Project would have never been successful."

TRACEY NICHOLS, DIRECTOR OF ECONOMIC
DEVELOPMENT, CITY OF CLEVELAND

"We are excited about the new hotels being built with the help TriCities Investment District's Regional Center arm. In order to continue to attract tourists, both wine-related and business visitors to our area, we are in need of new hotels and conference facilities. We have a "year around" market, so having a new property helps attract more people here."

GARY BELLEW, BUSINESS AND ECONOMIC DEVELOPMENT
MANAGER, RICHLAND, WA

"Given the loss or diminishing of funding sources available to local government, particularly in the state of California, programs such as the EB-5 program serve as a catalyst to encourage investment in our local communities, such as our city of El Centro. A major project that has seen the benefits of the EB-5 Program is the expansion of the El Centro Town Center, which is a commercial shopping area in our city. The El Centro Town Center is generating revenue for our community and, more importantly, is creating new jobs which are very impactful in an area where the unemployment rate is more than 20%."

MARCELA PIEDRA, DIRECTOR OF ECONOMIC
DEVELOPMENT, EL CENTRO, CA

FEATURE YOUR BUSINESS IN THE

REGIONAL CENTER BUSINESS JOURNAL

IIUSA'S QUARTERLY PUBLICATION >>>>



AD SPACE



WHAT PEOPLE ARE SAYING, CONT.

ELECTED OFFICIALS

"The work of FirstPathway Partners to bring EB-5 investments to Milwaukee is a welcome and positive element in this community's economy. You have successfully connected investors with investment opportunities in a way that benefits our city. We look forward to attracting additional EB-5 investment in Milwaukee."

MAYOR **TOM BARRETT**, MILWAUKEE, WI

"The EB-5 program has brought much needed investment to the State of Wisconsin, improving our infrastructure, helping businesses, and most importantly creating jobs."

FORMER WISCONSIN GOVERNOR
JIM DOYLE

"We carefully studied the Regional Center marketplace before launching the City of Dallas Regional Center in partnership with Civitas Capital Group. We're proud to be recognized as a pioneer for this successful public-private partnership and are utilizing EB-5 capital for job-creating enterprises throughout Dallas. This unique structure allows us to align the city's economic development priorities with the goals of EB-5 investors."

MAYOR **MIKE RAWLINGS**,
DALLAS, TX

"Fort Worth has always been an All-American city and one of the fastest growing of its size in the U.S. Through our EB-5 financing partnership with the Fort Worth Chamber and Civitas Capital, we will continue to foster a thriving business environment and create jobs while raising the profile of Fort Worth among international investors."

MAYOR **BETSY PRICE**, FORT WORTH, TX

"Tri-Cities Investment District's development of the Horn Rapids Residential Community is an excellent example of a good developer being able to come in, turn around troubled project and make it work for you and your investors as well as the City. The City of Richland welcomes outside investment in our community and works to encourage new development to diversify and strengthen our economy. The hotel and multi-family projects will encourage and support this diversification."

MAYOR **JOHN FOX**, RICHLAND, WA

"Here in Washington, we are committed to nurturing new businesses and sustaining established ones through international investment. One way Washington attracts foreign direct investment is through the EB-5 visa program administered by the United States Citizens and Immigration Service (USCIS) and the establishment of 'Regional Centers' across the state. Washington State supports the USCIS EB-5 visa program and encourages foreign investors to explore this investment option as they are seeking residence in the United States as part of their investment strategy."

FORMER WASHINGTON GOVERNOR
CHRISTINE GREGOIRE

"We are proud of the Tri-Cities region and the assets it has to offer our residents and visitors. We believe it is a great place for prospective EB-5 Visa Investors to invest and build a future for themselves and their families. Washington State's 8th district welcomes investment in our infrastructure thus creating economic development which leads to quality jobs for our citizens. The EB-5 Visa Program helps both our citizens and foreign nationals achieve their goals and dreams."

WASHINGTON STATE SENATOR **JEROME DELVIN**
WASHINGTON STATE REPRESENTATIVES **LARRY HALER**
AND **BRAD KLIPPERT**

"I am proud to recognize and support the great commitment from investors around the world that allowed the construction of such great facilities here in Whatcom County. This new community will provide homes for our elders and jobs for the community for years to come."

CONGRESSWOMAN **SUZAN DELBENE**
(WA-1)

"This project is a state of the art facility designed to bring over three hundred direct and indirect jobs within the medical sector of our economy, while creating numerous construction jobs during its development phase. This is a great investment to the region and I am honored to have this project within the Third District that I serve."

COUNTY SUPERVISOR **JEFF STONE**,
RIVERSIDE, CA

"The EB-5 Program is something we had to have for the future prosperity of Delano. The Program has funded a marketplace with new amenities that have been sorely needed for years. Not only does it put people back to work but also keep professionals living and spending more of their incomes in our community."

GRACE VALLEJO, COUNCIL MEMBER AND FORMER
MAYOR OF DELANO, TX

"USA Continental Regional Center provides high quality projects that allow investors to participate in the Visa programs containing a pathway to permanent residency and citizenship in our country. The leadership of this organization is outstanding and has been instrumental in bringing quality jobs and projects to our area. Renaissance Village in Moreno Valley is a state of the art facility creating jobs in the medical sector along with numerous construction jobs while the Village is under construction. The County of Riverside is proud to partner in a development that not only brings jobs to the area but provides valuable services to our residents."

COUNTY SUPERVISOR **MARION ASHLEY**, RIVERSIDE, CA

WHAT PEOPLE ARE SAYING, CONT.

LOCAL BUSINESS AND UNION LEADERS

“The development of Studio 52

Boston was made possible with our partnership with EB-5 Jobs for Massachusetts and their ability to raise investor funds that helped get the project off the ground. The results have been beyond what we ever imagined. The local Allston economy has been jump started by the 300-400 musicians using the facility each week. This has brought thousands dollars and dozens of jobs to area businesses.”

RICH ANTON, GENERAL MANAGER, STUDIO 52

“In the wake of the financial crisis,

it was very difficult to find funding for new commercial real estate projects. Working with Cleveland International Fund to include EB-5 as a critical part of our capital stack allowed us to bring our vision of The Flats East Bank Project to fruition.”

SCOTT WOLSTEIN, CHAIRMAN & CEO OF STARWOOD
RETAIL PARTNERS

“Dallas has a unique competitive advantage when it comes to attracting EB-5 capital, the city is decidedly business friendly and it is home to a highly talented and energetic workforce.”

AMBASSADOR **JIM OBERWETTER**, PRESIDENT AND
CEO, DALLAS REGIONAL CHAMBER

“The Northwest Innovation

Resource Center’s partnership with the Whatcom Opportunities Regional Center has been a tremendous boost for Whatcom County. As a direct result of over \$34 million in EB-5 funded investments into retirement communities, over 800 direct or indirect jobs have been created since 2010.”

DIANE KAMIONKA, EXECUTIVE DIRECTOR,
NWIRC

“The Tri-Cities Research district is one of eleven designated Innovation Partnership Zones recognized by the State of Washington. Our goals and objectives are in alignment with the State of Washington’s economic development and energy strategies. We strongly support TCID’s EB-5 investment for our region.”

DIAHANN HOWARD, EXECUTIVE DIRECTOR,
TRI-CITIES RESEARCH DISTRICT

“The Flats East Bank Project is a catalytic development that not only allows our Region to retain existing companies but also to attract new business and talent to Northeast Ohio. Cleveland International Fund and its EB-5 investment played an important role in making Flats East Bank a success.”

JOSEPH ROMAN, PRESIDENT &
CEO, GREATER CLEVELAND
PARTNERSHIP

“In Fort Worth, we deployed the EB-5 program as an alternative way to attract international financial support to advance strategic projects in our city. Foreign capital gives us greater flexibility and opportunities to extend our track record of attracting industry leaders and global companies – in manufacturing, health sciences, aerospace and aviation – to Fort Worth. We’re excited to see what new investment and jobs this platform brings to our dynamic city in the future.”

DAVID BERZINA, EXEC. VICE PRESIDENT/
ECONOMIC DEVELOPMENT FORT WORTH
CHAMBER OF COMMERCE

“Economic studies estimate the SLS development will create 8,500 direct or indirect jobs, including construction work, and 2,500 permanent positions once the property opens. In total, SLS Las Vegas is expected to infuse \$400 million into the local economy. The EB-5 capital raised by American Dream Fund was a critical piece of the financing structure for the construction of SLS Las Vegas. The utility far exceeded our expectations as it enabled us to pay down the senior note on the property to keep development moving.”

SBE ENTERTAINMENT CEO **SAM NAZARIAN**
(DEVELOPER)

“The (Flats East Bank) project came along at a time when not a lot was going on in terms of construction and work for electric union workers. During the two years of construction, we had over 100 workers on sight which accounted for over 300,000 hours for our members.”

DENNIS MEANEY, CLEVELAND ELECTRIC
WORKERS UNION



CONTINENTAL REGIONAL CENTER



Al Rattan
Co-Founder



Lydia Percia
Co-Founder



RENAISSANCE

VILLAGE
Moreno Valley

Fully Subscribed



RENAISSANCE

VILLAGE
Murrieta

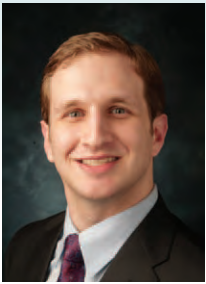
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The Future of the EB-5 Regional Center Industry – Reason for Optimism



BY PETER D. JOSEPH
IIUSA EXECUTIVE DIRECTOR

The enclosed article is designed to provide a comprehensive review of the current state of the EB-5 Regional Center industry and

the legal and regulatory oversight structure of the EB-5 Regional Center Program (the “Program”).

This first article highlights recent, extensive EB-5 related activities of federal agencies and Congress that, we believe, are significant positive changes that will help protect the integrity of the Program and address concerns of the Program’s stakeholders and critics.

IIUSA’s comprehensive analysis leads to the following conclusion: we, as your industry representative, are optimistic about the short and long term future of the EB-5 Regional Center Program and think you should be too.

OVERVIEW

As a result of your hard work and success harnessing the Program for regional economic development and U.S. job creation in your communities, 2013 has been another year of substantial growth and change for the Program. This growth has created new public policy challenges and opportunities. Recognizing that the growth and interdisciplinary nature of the program requires a comprehensive approach to oversight, federal regulatory agencies are aligning their personnel and processes in new ways and Congressional oversight is increasing.

Together we have engaged the relevant federal oversight agencies seeking operational improvements and predictability, the Congress to achieve permanent authorization and other necessary Program reforms, and the public to enhance the positive profile of the EB 5 program as a major engine of job creation and economic development in communities across the country. Our combined efforts and grassroots activities are now showing results.

The enclosed communication provides

updates on: (1) some of the steps USCIS has taken to improve the Program in recent years, with tangible results becoming apparent; and, (2) to review the status of federal EB-5 legislation. Membership engagement is the driving force allowing IIUSA to further these results. Thank you for your hard work and continued support.

FEDERAL AGENCIES

No federal agency is more integral to the EB-5 Regional Center Program than U.S. Citizenship and Immigration Services (“USCIS”) within the U.S. Department of Homeland Security (“DHS”). IIUSA continues to be actively engaged with USCIS on a range of administrative and policy issues created, in part, by the exponential growth of the Program in recent years -- from fewer than 2,000 investor petitions received in fiscal year (FY) 2010 to over 6,000 in both FY2012 and 2013.

With this rapid growth, the resulting capacity issues at USCIS for administering the Program, in terms of expertise and administrative resources, were inevitable. To its credit, USCIS has recognized this and has taken significant steps to improve the situation.

At the first ever SelectUSA Investment Summit on October 31st, 2013, IIUSA was able to hear from the Acting Chief and Deputy Chief of the new Immigrant Investor Program Office (the “Office”) – which is located at USCIS headquarters in Washington, DC. The following list of issues discussed is a sign of substantial progress within USCIS, signaling a future of enhanced predictability in processing times and policy interpretations:

1. Creation and Staffing of an Immigrant Investor Program Office at DHS Headquarters in Washington, DC. The Immigrant Investor Program Office in Washington, DC opened in May 2013. To-date, over 60 full-time employees staff the Office, including more than 20 economists with diverse backgrounds in academia, public service, and the private sector. The additional staff is made up of experts in the fields of business, immigration, fraud detection and national security. USCIS plans for all EB-5 related adjudications to be relocated to the Office in approximately six months.

2. Development of Inter-Agency Relationships Critical to Program Oversight and Implementation. USCIS has developed a range of very important inter-agency relationships that will help protect the integrity of the EB-5 Program and demonstrate the federal government’s commitment to Program success:

- a. **U.S. Securities and Exchange Commission (“SEC”):** USCIS’ new collaboration with the SEC in 2013 is a welcome development. With the EB-5 Program becoming the source of a tangible capital market that delivers billions of dollars to the U.S. economy, it is no surprise that bad actors have attempted to inappropriately use the Program for fraudulent purposes. Two high-profile civil enforcement actions by the SEC against nonmember Regional Centers have been essential to demonstrating that the government will act when the Program is being abused – which is key to maintain confidence within the marketplace. Furthermore, the SEC and USCIS jointly hosted a public engagement and issued an “Investor Alert” with tips for performing due diligence on an EB-5 investment. There is no one more interested in these “bad actors” being dealt with swiftly than IIUSA’s members that account for over 95% of the capital flowing to job creating projects in local communities through the EB-5 Program.
- b. **Federal Bureau of Investigation (“FBI”):** USCIS has been collaborating with the FBI to ensure that criminal charges, when warranted, are also part of the enforcement regime
- c. **Intelligence Agencies:** USCIS works closely with the U.S. intelligence community to ensure national security issues are addressed with all of the tools at its disposal, including the Fraud Detection and National Security Directorate.
- d. **U.S. Department of Commerce:** USCIS also continues to collaborate as needed with the SelectUSA Initiative, housed within the U.S. Department of Commerce’s International Trade Administration, on business and economic issues.

3. Clarification of Adjudication Policy: The comprehensive EB-5 adjudications guidance memorandum published by USCIS on May 30, 2013 clarified many outstanding policy issues into one document, combining guidelines from sources including statute, regulation, case law, and administrative interpretation. It further articulated USCIS' commitment to a "deference" policy where previous agency decisions on the business aspects of EB-5 adjudications can be counted on by Regional Centers, projects, and investors.

4. Progress on Backlog: After dealing with the backlog of I-924 applications over the course of the year, USCIS is now making progress on the backlog of over 7,000 I-526 petitions that represent more than \$3.5 billion in EB-5 capital ready to create in excess of 70,000 American jobs.

5. Moving Adjudication Process to Electronic System: USCIS is also making significant progress in moving EB-5 adjudications to the USCIS Electronic Immigration System ("ELIS") and remain committed to testing the system with industry stakeholders before formal implementation. Perhaps the most important efficiency if ELIS system is the ability for USCIS to initiate inter-agency reviews of documents without having to circulate an entire -- or multiple -- paper files to different federal agency offices.

6. Increasing Public Engagement: USCIS is committed to more public engagement with stakeholders on the EB-5 Program in the near future, something that IIUSA will continue to support and encourage.

7. Improved Communication between USCIS and Regional Centers: USCIS has implemented more efficient communication systems to address issues that arise in the adjudication process for applications/petitions affiliated with Regional Centers. Instead of only issuing requests for evidence that require paper-based communications, USCIS now embraces direct communication with Regional Centers to clarify issues through in-person or telephonic interviews in a far more efficient and effective manner.

The seven points detailed above demon-

strate that USCIS has made significant progress toward improving its administrative infrastructure in a way that protects the integrity of the Program while providing industry stakeholders with a new level of predictability in the application and adjudication process.

With the Program continuing to set records for economic impact in terms of capital formation, U.S. job creation, and federal/state/local tax revenue, IIUSA welcomes and supports USCIS' actions to ensure the long term vitality of the Program by focusing on efficiency, predictability, and integrity.

CONGRESS

With comprehensive immigration reform ("CIR") still a real possibility during the current 113th Congress, IIUSA has been an active participant in the legislative process.

We supported the inclusion of EB-5 reform provisions in the Senate immigration bill, S. 744, which passed in June. Included are provisions that cover IIUSA's three point advocacy platform for permanent authorization, maximized capacity for economic impact through enhanced annual visa allocation, and enhanced authorities for USCIS to administer the Program in a way that prioritizes efficiency and integrity -- such as background checks on Regional Center principals.

IIUSA remains hopeful that through continued engagement, further improvement to the legislation will be possible by including the bipartisan S.A. 1455 Senator Leahy manager's amendment if/when CIR is conferenced by the Senate and House.

On the House side, IIUSA commented on H.R. 2131 -- "SKILLS Act," which was passed out of the House Judiciary Committee but not yet taken up by the full legislative body -- which also includes provisions that address our three point advocacy platform. The SKILLS Act includes provisions that IIUSA advocates be amended in floor debate. Other CIR legislation has been introduced by Democrats in the House and now enjoys some Republican support as well, has EB-5 provisions that mirror those in S. 744.

With the U.S. Department of State reporting to IIUSA that initial data shows 8,567 EB-5 visas were issued in FY2013, and over

7,000 I-526 petitions pending at USCIS, the EB-5 industry must remain vigilant in supporting Congressional action that addresses Program capacity issues.

Absent Congressional action in the 113th Congress on immigration legislation, the Program must be reauthorized again by September 30, 2015 -- the same year that the 114th Congress will take office after mid-term elections in 2014. The Program continues to enjoy bipartisan support, having been reauthorized with unanimous support in the Senate and on a 412-3 vote in the House in 2012. It is essential that you continue to educate your Congressional representatives about the success you are having in economic development and job creation in their states/districts -- in addition to thanking these offices for their engagement and support on EB-5 related issues.

CONCLUSION

The next chapter of the EB-5 Regional Center industry is currently underway. The Program is a tangible capital market that is delivering substantial results in the form of capital investment, U.S. job creation, and tax revenue. With people, capital, and economic opportunity crossing national borders at an unprecedented rate, the Program is finally fulfilling its potential as a 21st century engine of economic development in the U.S. Stakeholders must continue to collaborate on addressing ongoing issues that have the potential to undermine our collective success, something that will be addressed in more detail in the second memorandum on IIUSA's evolving operations. Furthermore, IIUSA encourages you to express your support and recognition that USCIS is working hard to improve the Program with more guidance and oversight for investors and business people alike.

IIUSA believes the issues detailed in this memorandum give reason to be optimistic that federal agencies and Congress are working to ensure the industry's next chapter allows the Program to achieve new levels of success in both the short and long term. The resulting success promises to bring capital investment and jobs to America, thanks in large part to your hard work and support. Thank you for all that you do. ■

New IMPLAN “I-RIMS” Product Introduced as Alternative to RIMS II



BY PAUL SCHEUREN
PRINCIPAL ECONOMIST,
IMPACT DATASOURCE, LLC.

IMPLAN Group, LLC, the maker of IMPLAN impact analysis software, has developed “I-RIMS” which is a new product intended to be an alternative to the RIMS II impact model produced by the Bureau of Economic Analysis (BEA). IMPLAN’s I-RIMS product incorporates some of the company’s advancements in input-output methodology but presents the multipliers in the familiar RIMS II format and sector scheme.

In an IIUSA blog post from October, IMPLAN economist David Kay explains the differences between the RIMS II multipliers produced by the BEA and IMPLAN’s I-RIMS product:

Previous users of RIMS II multipliers will notice that the I-RIMS multipliers differ from the RIMS II multipliers, even for the same industry and study area. While RIMS II Type II multipliers and IMPLAN

Type SAM multipliers both include induced effects, the RIMS II induced effects differ from IMPLAN’s induced effects in three main ways:

1. *RIMS II uses a single household type for induced personal consumption while IMPLAN uses 9 household types.*
2. *RIMS II maintains the national ratio of Value-Added to Intermediate Outlay regardless of the study area. IMPLAN adjusts the national coefficients to reflect state- and county-level value-added data.*
3. *RIMS II uses location quotients to regionalize the national technical coefficients, a method which underestimates inter-regional trade and overestimates regional multipliers when cross-hauling is present. IMPLAN uses trade flows based on a gravity model.*

The data year on which the two products are based is different as well. The new I-RIMS product utilizes 2011 IMPLAN data while current RIMS II multipliers are based on 2010 BEA data.

The pricing for I-RIMS is comparable to RIMS II for a single county or MSA (\$270 I-RIMS vs. \$275 RIMS II). However, the cost for a custom region, a common occurrence in EB-5 studies, is more expensive using I-RIMS (\$500 I-RIMS vs. \$275 RIMS II).

Beyond the EB-5 program, many local governments and other organizations rely on RIMS II multipliers to estimate economic impacts. The I-RIMS product will allow organizations to continue to obtain impact multipliers in a consistent format if the RIMS II program is eliminated.

The BEA alerted users in June of this year that the RIMS II program would be eliminated due to sequestration-related budget reductions. The continuing appropriations act ending the government shut down in October allowed the BEA to continue processing RIMS II orders at least through January 15, 2014. As noted by the BEA on the RIMS II site, “Should funding cut by the sequestration be restored in FY 2014 as proposed in the President’s Budget, the Bureau would reinstate the RIMS II program.” ■





MODERN-DAY SLAVERY

IT ENDS HERE

A \$32 billion industry, human trafficking is the fastest growing criminal enterprise in the 21st century — with Los Angeles representing one of the top three points of entry for trafficking of slaves into the United States.

27 Million

Estimated number of slaves in captivity in the world today

17,500

Estimated number of children, women and men trafficked into the United States each year

2 Years Old

Age of the youngest trafficking survivor CAST has served



A Los Angeles-based not-for-profit organization 501c3, CAST is the final lifeline for human beings escaping the dangerous world of modern day slavery, as well as the go-to resource for the media, policymakers, law enforcement, and the philanthropic community to access information about modern-day slavery.

As an industry EBS is on the profitable side of immigration. On the other side of the coin are thousands of people that come to the US illegally as human slaves. Please join us and support ending human slavery.

Contact Wendy Santana at 213.365.0671 or wendy@castla.org

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EB-5 institute

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magazine

THE LAW OFFICE OF ANGELINE CHEN

FOIA Efforts Reveal USCIS Adjudications and Behind-the-Curtain Work on “Tenant Occupancy” Job Creation



BY LINCOLN STONE

STONE GREZGOREK & GONZALES
IIUSA EDITORIAL COMMITTEE CHAIR

In search of vital answers to critical questions about USCIS adjudications, IIUSA continues to

lodge a flurry of FOIA requests. The materials produced through the FOIA process allow IIUSA to serve its diverse membership with an array of information concerning the USCIS adjudications process that is not otherwise available to stakeholders. See, e.g., S. Sujanani, S. Yale-Loehr & R. Divine, A Cumulative Analysis of What USCIS Looks For in EB-5 I-829 RFEs and Denials, IIUSA Regional Center Business Journal, October 2013. The latest fruits of IIUSA's labor include more than one hundred RFE and NOID adjudications of I-526 petitions, as well as USCIS training materials.

The RFE and NOID adjudications range from August 2012 to March 2013. Viewed in terms of broad categories, these adjudications cover I-526 petition adjudication standards for investment of capital and job creation. The following is a summary of these adjudications.

INVESTMENT OF CAPITAL

Adjudications teach important lessons on the ordinary – such as, the claim to doing business in a TEA cannot be based on old unemployment data – as well as on the more exotic – for instance, a deposit of \$100,000 against an installment plan for investment of \$500,000, is held by USCIS to be not sufficient as an investment of the required amount of capital.

Lawful source of capital is a recurring focus of adjudications. In one case, USCIS stressed that the petitioner must prove the lawful source of capital used to acquire the property that has been used as security for the loan proceeds that he used to invest in the new commercial enterprise.

In numerous cases, USCIS pushed for further documentation of completed agreements for construction (i.e., construction contracts) and for operations of businesses in completed facilities (e.g., management agreements). Absent such agreements, USCIS would conclude the petitioner's capital is not sufficiently at risk.

USCIS also would conclude the investor's capital is not at risk if the limited partnership agreement authorized the general partner to exercise a repurchase option, at the general partner's discretion, if the agreement set a specific price. USCIS deemed the provision an impermissible redemption.

JOB CREATION

USCIS adjudications continue to raise vexing questions about reasonable methodologies for estimating job creation. In one case involving a skilled nursing facility that reveals a pervasive adjudications theme, USCIS concluded the job creation analysis lacked foundation where the construction costs and operating revenue estimates were not supported by reliable, objective third party data.

In another adjudication USCIS objected to the job creation analysis that sought to capture jobs occurring beyond 2.5 years. USCIS offered the rationale that 2.5 years is a necessary cut-off for considering job creation because in its view the purpose of the later I-829 petition is to measure completed job creation.

In another case, adjudicated in August 2012, USCIS objected to the tenant occupancy-based analysis of job creation, finding that the nexus of EB-5 capital to the claimed jobs was too attenuated. To succeed with a tenant occupancy-based theory, USCIS would require proof of “excess demand” of specific kinds of tenants for the particular type of space under construction.

USCIS TRAINING MATERIALS

IIUSA efforts also uncovered USCIS training materials dated October 30, 2012. Under the title, “EB-5 Economics Cell: Implemen-

tation of Tenant-Occupancy Methodology”, these materials shed some light on the considerations USCIS examiners would deem relevant to an adjudication of tenant occupancy-based job creation.

The “Summary” page of the training materials begins with the statement:

“If applicants provide an cogent argument supported by reasonable and verifiable evidence that benefits generated by a commercial space development/renovation project financed by EB-5 capital will be a significant factor in the decision of a business to start operations and locate in the specific commercial space, then USCIS will allow the EB-5 investment group to take credit for the employees of the tenant.”

It refers to the required adjudication standard as “but for” job creation – that is, “the tenant jobs would not have been created but for the construction/renovation of the commercial space.”

The training materials cover the “core analytical and methodological focus areas” in a slide titled “Analytical Focus”. The highlighted factors include – interaction of local commercial space and product markets; incentive factors for the tenant startup/location decision; startup job estimation methods and metrics used; and industry specificity for prospective tenants.

The training materials confirm that tenant jobs can be credited if the supply of space relevant to the development will “generate economic benefits that factor significantly into the decision calculus of a new tenant business.” These benefits would stem from two general sources – the new space “removes a market based constraint on the realization of demand for a tenant specific products/services”; or the new space provides “direct or imputed cost savings.”

In instructing examiners on what to look for, the slide “Demonstrating Facilitation” stresses that “USCIS will focus its evaluation

on the presentation of the supply and demand conditions for specific space and specific products/services.” USCIS is looking for evidence that the new or renovated commercial space “will cause new businesses to start/expand operations that were otherwise constrained in startup/expansion.” USCIS examiners would consider supply and demand metrics such as space absorption, vacancy rates, rental rates, “externalities associated with tight markets (such as search costs),” as well as product/service market and competitor analysis.

In order to show “incentives” provided by the developer that might entice startup tenants, evidence of “direct or imputed cost savings” should be presented. Evidence might include rental subsidies, energy and utility incentives, maintenance and operational costs, tax subsidies, and possibly other factors.

When it comes to crunching the numbers to estimate the job creation,

the training materials emphasize that estimates must be based on acceptable methods and verifiable data sources relevant to specific industries and space parameters. Accepted techniques include capital-labor ratios, production functions, revenue per employee, square feet per employee, sales per square feet, and possibly others.

A final slide highlights the need for tenant industry specificity in business plans. Given that “tenant industry specificity drives the estimation of direct tenant jobs, which drive indirect and induced jobs,” the training materials caution that “incorrect direct job estimates create highly inaccurate total job estimates.” The same slide warns that petitioners must indicate the type of tenant that will occupy the space, otherwise “they can gerrymander job creation estimates by cherry-picking industries with the highest square feet per employee and calculating an average.”

EPILOGUE

The subject FOIA productions yield valued information about USCIS adjudications and the tenant occupancy problem in particular. As to the latter, it would appear USCIS thinking continues to evolve. See, e.g., L. Stone, *The Economics of EB-5 Job Creation: Overcoming “Tenant Occupancy” and “Guest Expenditures” Objections*, *Immigration Daily*, Dec. 10, 2013. Meanwhile, IIUSA presses ahead with yet another round of FOIA requests, aiming to fill-in the gaps in our understanding of how USCIS goes about its business of adjudications. In a time of little or no public dialog with USCIS about the EB-5 program, this is indeed yeoman’s work. ■

REGIONAL CENTER DEVELOPERS

Wright Johnson is the national leader in EB-5 Regional Center consulting. We are a preferred consulting firm for Regional Center applications and economic analysis. Wright Johnson prepares the necessary materials for the regional center application/submission required by the USCIS for approval of a Regional Center.

USCIS guidelines for Regional Centers are complicated and difficult to comprehend. Our Regional Center experience will help the client successfully navigate this complex process. A major advantage provided by Wright Johnson to our clients. Wright Johnson is one of a small number of firms, and the dominant non-law firm that truly understands what is required by USCIS to obtain a Regional Center designation.



WRIGHT JOHNSON
professional authors and analysts

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The Institutionalization of the EB-5 Program

BY DANIEL J. HEALY

PRESIDENT/CEO, CIVITAS
CAPITAL GROUP; DIRECTOR,
IIUSA; CHAIR, BEST PRACTICES
COMMITTEE, IIUSA



As an industry, we are witnessing the increasingly rapid institutionalization of the EB-5 investor visa program. When I started in this industry in 2008, very few large investors were focused on EB-5; in those dark days, most were more concerned with their survival. But what a difference a few years makes!

Today, EB-5 remains a narrow niche in the world of finance and capital markets, but it is fair to say that EB-5 capital is no longer exotic, especially in the commercial real estate context. Interest in the program among institutional investors and their capital managers is widespread and swelling. Many major companies, such as Lennar Corporation, the Related Companies, and Forest City Enterprises, are using EB-5 capital to create jobs via a diverse range of projects. My firm, Civitas Capital Group, has made EB-5 investments alongside capital from insurance companies, pension funds, and private equity investors, and we are not alone. While the program does face various challenges, there is every indication that the use of EB-5 capital in institutional quality investments will be more and more common.

The numbers tell the story. U.S. Citizenship and Immigration Services (USCIS), the federal agency that administers the program, received approximately 2,000 investor petitions in 2010, compared to over 6,000 in 2012 – a 300% increase. For 2013, IIUSA estimates that more than \$2 billion of EB-5 capital will be deployed, all at absolutely zero cost to the taxpayer. And because the return on each foreign investor's capital is partially in the form of an immigration benefit, EB-5 capital is inexpensive – and will be increasingly valuable when market interest rates rise (someday).

This explosive growth has not been without setbacks of the sort that keep institutional investment managers like me awake at night. In recent weeks and months, the EB-5 program has quite justifiably come un-

der increased scrutiny from both regulators and the media. Serious questions have been raised about some EB-5 investment sponsors, as well as the effectiveness of the regulatory oversight structure governing the program. For example, the U.S. Securities and Exchange Commission (SEC) recently teamed up with USCIS to issue an 'Investor Alert' linked to a fraudulent EB-5 investment scam in McAllen, Texas. This wasn't the first such fraud alert. We've seen similar scams before, including one that resulted in a major enforcement action in Chicago in which the SEC – and here I don't mind mentioning they got a critical assist from IIUSA – helped enable the recovery of \$149 million for foreign investors who had been defrauded.

Fortunately, USCIS has responded by aggressively beefing up its capabilities. The agency moved the program's administrative headquarters from California to Washington, D.C., where it opened an Immigration Investor Program Office with 60 full-time employees and 20 economists in May of this year. They are also coordinating closely with the SEC, recently issuing the first joint USCIS-SEC investor alert. Finally, USCIS is strengthening inter-agency relationships with the Federal Bureau of Investigation and U.S. intelligence agencies – critical steps to ensure the integrity of the program and protect our national security.

Other financial regulators have also taken note, and I can say from personal experience that the EB-5 business is starting to feel like the regulated investment advisory business I have been in for years. For example, the Financial Industry Regulatory Authority (FINRA), the securities industry's self-regulatory organization, recently issued formal guidance affirming that EB-5 investment offerings are subject to the same suitability requirements as any other offering – an important clarification. IIUSA has been actively collaborating with the North American Securities Administrators Association (NASAA), the umbrella group representing state securities regulators, for the better part of a year to provide state officials responsible for investor protection with accurate information about EB-5. This enhanced regulatory scrutiny, which brings the program into line with the mainstream of private securities offerings, will go a long

way toward institutionalizing the use of EB-5 capital.

Despite many growing pains – processing times for individual investors, for example, remain far too long – progress continues apace, and investor interest in the EB-5 program shows no sign of slowing. Regulators are doing their part to protect the integrity of the program – the recent series of high-profile fraud investigations sent an unmistakable message to would-be bad actors – while ensuring it remains an effective economic development tool. And the robust industry growth has led to the creation of a wide range of new investment options for overseas investors to choose from.

The bottom line: this is all very healthy. As an investment professional and chairman of IIUSA's Best Practices Committee, I am pleased that the EB-5 program's evolution is toward higher quality offerings from Regional Centers and project sponsors, as well as increasingly rigorous due diligence on the part of investors, lenders, and intermediaries. As a former compliance officer for a broker-dealer and having filled out countless due diligence questionnaires for various institutional investors over the years, I smile when a prospective investor or an overseas marketing agent demands to review the legal documentation for a Civitas EB-5 investment or presses one of my salespeople on how we protect confidential customer data.

In the not-too-distant future, Regional Centers and investment sponsors will find it difficult to compete for scarce EB-5 capital if they cannot prove to the satisfaction of both prospective EB-5 investors and the institutional capital providers that the diligence processes – including project evaluation, investor screening, and securities compliance – are up to snuff. It is the right thing to do. Just as importantly, though, it is a rare institution indeed that will tolerate the headline risk associated with the alternative.

Dan Healy is the Chief Executive Officer of Civitas Capital Group, a leading independent specialty asset management and financial services firm with operating divisions focused on Alternative Investments, EB-5 Funds and Wealth Management. More information can be found at civitascapital.com. ■



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History of Risk In the EB-5 Regional Center Context



BY ROBERT F. LOUGHRAN

The Immigrant Investor Program can be a “win-win” for developers, who get access to low-interest capital, and also for the foreign investor who may be

principally seeking the non-monetary return of Lawful Permanent Residency in the U.S. However, due to the potentially distorting mix of immigration regulations, there can be situations where the needs of the developer and the needs of the foreign investor do not completely align.

For example, in order to be eligible to file an I-526 petition, the foreign national's investment must be “at-risk” in the commercial sense. Meaning, the investor's petition will be denied if USCIS determines that the investor's investment is not at risk. This requirement of risk in turn means there is no guarantee that the applicant will recover

their investment made to the commercial enterprise, and it is this “at-risk” requirement which creates the opportunity for a divergence of interests between the project developer and the individual foreign investor. Added to the commercial risk requirement are numerous other risks connected with investments. It may turn out that a high percentage of commercial enterprises, perhaps a majority, will experience some, or total, loss of investment capital due to poor planning, inexperienced management, outright fraud, or generally unfavorable economic conditions.

One of the risks of the EB-5 program is the continuing compliance of the EB-5 regional center. USCIS may approve a regional center, which then sponsors investments for individual investors. But the investor's removal of conditions requires continuing compliance of the regional center. Experience shows that USCIS may terminate regional center status for non-compliance with EB-5 program requirements.

Those considering the use of an EB-5 regional center as a means of raising capital should be aware of recent regional center terminations in order to better understand the representations that they, or their agents, may be making to foreign investors and the variety of risks and expectations that exist. Under current immigration procedures and timelines, investors and regional center developers should expect a relationship of no less than five years. The national

economic picture, industry performance and even family relationships can evolve dramatically in half a decade and with USCIS approval needed for significant amendments, regional centers may lack the adaptability of those projects that do not require USCIS ratification. Expectations, rights and legal recourses should be spelled out contractually, understood and memorialized. USCIS has terminated participation of EB-5 regional centers four times in the past three years. The reasons for these terminations were generally based on either a lack of economic growth or determinations of potential fraud. Owners and developers should be aware of the legal authority to terminate regional centers and adjust their practices to document ongoing viability. Not only can careful planning reduce economic loss and litigation for potential investors, it may give developers the opportunity to adjust their practices so as to successfully structure and operate their current or future regional centers. Specific and applicable lessons can be learned from previous regional center failures.

CURRENT IMMIGRATION LAW REGARDING REVOCATION OF CIS DESIGNATION

Pursuant to 8 CFR Section 204.6(m)(6), the USCIS may terminate a regional center's designation for various reasons, including:

1. The regional center fails to submit required information; or
2. The regional center no longer promotes economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.

If the regional center is issued a Notice of Intent to Terminate (NOIT), then the regional center must be provided 30 days, from receipt of the NOIT, in which to submit evidence in opposition to the grounds alleged in the NOIT. Furthermore, if the USCIS determines that the regional center's participation in the



Program should be terminated, the USCIS shall notify the regional center of the decision and of the reasons for termination.

SUMMARY OF RATIONALE FOR REVOCATION OF REGIONAL CENTER'S DESIGNATION

In review of four revocation cases, the rationale for the revocations has been as follows:

1. USCIS may revoke a regional center's designation for lack of job creation.
2. USCIS may revoke a regional center's designation for failure to promote economic growth. USCIS may question:
 - a. How many investors have used the regional center in the last few years?
 - b. Has the regional center or the General Partner of the regional center filed for bankruptcy or otherwise manifested economic weakness?
 - c. Are the representations made in previous filings born out as factual?
3. USCIS may revoke a regional center's designation if it fails to demonstrate that its projects will create jobs in verifiable detail based upon a business plan and economic analysis that employs reasonable methodologies for estimating jobs.
4. USCIS will revoke a regional center's designation where it no longer promotes economic growth in the sense that the regional center's projects are no longer viable and the regional center entity is no longer overseeing the projects and investments that were outlined in the original request for regional center designation.

Among the lessons learned: If USCIS revokes the regional center designation, foreign investors could be stranded if their immigration cases are in progress. There also exists the possibility that cases previously approved could be reopened and denied if it is determined that previous approvals were based on false statements.

Below, we identify each of the four regional

center revocation cases, summarize the regional centers' case history, and detail the reasons for the termination.

VICTORVILLE REGIONAL CENTER

In the case of the Regional Center of Victorville Development, Inc. (Victorville RC), USCIS had approved Victorville RC in June 2009, however, USCIS then terminated Victorville RC on October 10, 2010. After Victorville RC filed a motion, and responded to a subsequent request for evidence, USCIS issued a Final Notice of Termination on May 24, 2011. The Administrative Appeals Office affirmed the decision on December 21, 2011.

The stated rationale of USCIS for terminating the Victorville RC was the regional center failed to promote economic growth through job creation. According to the decision adjudicated by the Administrative Appeals Office, the Victorville RC sought to invest EB-5 capital only after the jobs in question had already been created. According to the record, Victorville RC undertook an Industrial Waste Water Treatment Facility project (IWWTF) which involved bridge financing. Due to the structure of the bridge financing, the IWWTF began hiring employees and construction of the project reached 90% completion before the investors had contributed and invested their EB-5 capital. Therefore, Victorville RC, according to the USCIS, was improperly claiming immigrant investor job creation credit for jobs that existed before EB-5 capital was invested into the project.

EL MONTE REGIONAL CENTER

The El Monte Regional Center (El Monte RC) had been approved in June 2008 by USCIS. Three years later in 2011, USCIS issued notices for terminating El Monte RC. After an unsuccessful motion, the Administrative Appeals Office affirmed the decision to terminate the regional center on July 23, 2012. El Monte RC was terminated because USCIS determined that the regional center could not promote economic growth.

El Monte RC submitted annual reports in 2009 and 2010. In the 2009 annual report, El Monte RC identified a single investor, and in the 2010 report, it identified a second investor. In its notice of July 11, 2011, USCIS cited the following factors:

1. El Monte RC had recruited only 2 investors;
2. El Monte RC had insufficient financial resources to deliver on its representations as evidenced by its bankruptcy proceedings; and,
3. El Monte RC did not have title to the property it purported to own.

LAKE BUENA VISTA REGIONAL CENTER

The Lake Buena Vista Regional Center (LBV RC) was initially approved by USCIS in September 2008. Thereafter, LBV RC filed with USCIS and obtained several approvals of amendments to the regional center designation. Nonetheless, USCIS issued a notice to terminate LBV RC in December 2011, conducted an interview in March 2012, and finally terminated LBV RC in a notice dated July 23, 2012.

According to USCIS, it terminated LBV RC for failure to establish continuing eligibility and compliance with program requirements of promoting economic growth. In particular, USCIS indicated that a statistically valid job creation analysis had not been submitted. The analysis was plagued by errors in data sources and methodologies. Also, for instance, the market competitor analysis indicated significant excess capacity in accommodation services, jeopardizing the ability of LBV RC to meet the requisite EB-5 job creation requirements based on a claim of increase in visitor spending. USCIS concluded that LBV RC failed to demonstrate its projects would create jobs in verifiable detail, based upon a business plan and economic analysis that employed reasonable methodologies for estimating job creation through EB-5 capital investment.

CONTINUED ON NEXT PAGE >>

MAMTEK REGIONAL CENTER

USCIS had approved Mamtek Regional Center (Mamtek RC) in August 2011. Mamtek RC involved a planned sucralose manufacturing facility in Moberly, Missouri. But within just 3 months of regional center approval, USCIS issued a notice of intent to terminate. USCIS finally terminated Mamtek RC on April 11, 2012. In this case, USCIS had determined upon review of individual investor I-526 petitions filed by Mamtek investors that the proposed capital investment project was not viable.

Mamtek RC was a single member LLC with Mamtek, U.S., Inc. According to the initial business plan, Mamtek U.S., Inc. was the operating company and full owner of Mamtek RC. USCIS later discovered that Mamtek RC was no longer overseeing the projects and investments that Mamtek RC had outlined in its original request for regional center designation. Instead, Mamtek RC was controlled by a new company and supervised by the City of Moberly. Therefore, the USCIS determined that the Mamtek RC could no longer claim credit for the estimated job creation related to the future projects.

In its decision, the USCIS noted that the existence of bankruptcy proceedings against

Mamtek U.S., Inc. did not preclude the USCIS from exercising its power to ensure that Mamtek RC had fulfilled its statutory and regulatory obligations as a regional center. USCIS terminated the approval of the Mamtek RC because it determined that the regional center no longer served the purpose of promoting economic growth. Since then, a lengthy parade of legal proceedings has ensued, including enforcement action by the State of Missouri. See e.g., <http://www.sos.mo.gov/securities/orders/AP-13-10.pdf>

CONCLUSION

Developers and other industry stakeholders can learn much from the terminations of Regional Centers. In particular:

1. The financial projections need to make sense independent of the immigration issues;
2. The financial arrangements, identification of all fees and all parties and agents participating and receiving fees should be disclosed and memorialized;
3. Developers cannot sit on a Regional Center designation, they must attract investors, and begin activity or the approval can be revoked;
4. USCIS can gather contradictory or negative financial information from a variety of public, private and intra agency sources which may trigger revocation;
5. The experience and track record of the managers of the regional center and the developers of the projects are relevant to the long term success of the investments;
6. The economic projections need to be realistic, and perhaps conservative to survive the 5-10 years that a developer could be dependent on USCIS review and approval;
7. Just because you can project significant job creation, does not mean you should rely on the most optimistic projections and take in as many investors as that optimistic projection would "support";
8. Do unto others as you would have them do unto you;
9. Be prepared to exhaustively document every aspect of the regional center and its projects; and,
10. Do not skimp on professional guidance when every investor is a potential litigant. ■

LEASE A REGIONAL CENTER!

Dear business owners,

We now lease out fully designated regional centers that cover the entire states of **California** and **Hawaii**, along with many other counties in **Washington, Oregon, Nevada** and **Arizona**. If your main business location operates out of any of these areas, please let us help you start projects TODAY, not tomorrow.



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(562) 495-5888



Online at:
www.pnwerc.org
investorrelations@pnwerc.org

Investing in a Greener America

The Trucking Industry is critical to the health of the U.S. economy. New emissions standards come into effective January 1, 2014. Recognizing the urgent need for environmentally compliant trucks, David Andersson, founder of WORC, established Pacific Northwest EB-5 Regional Center (PNWERC).

PNWERC will inject much-needed capital into the American trucking industry throughout its designated geographic region of Washington, Oregon, Idaho, and Montana. Opportunities for immigration through investment are **now available!**

Celebrating Past Success

As we advance into 2014, we look back with pride on WORC's achievements, which include not only a 100% approval rate on I-526 and I-829 petitions, but three vibrant job-creating retirement communities in Whatcom County, Washington. We congratulate our immigrant partners who have each realized their dream of living in America.

Looking Forward to the Future

We are excited about our expansion through PNWERC and to serving new immigrant investors with the same diligence and expertise that is a hallmark of our past projects.

Please contact us for more information



Pacific Northwest EB-5
Regional Center
www.pnwerc.org
investorrelations@pnwerc.org
360.201.3933



Green Truck I GP
www.greentruck.us
info@greentruck.us



Whatcom Opportunities
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www.eb5worc.com
investorrelations@worc.biz

Industry Event Schedule

LEARN ABOUT ALL THESE EVENTS AND MORE ON THE IIUSA EVENT CALENDAR AT WWW.IIUSA.ORG

- **1/24:** American Immigration Lawyers Association (AILA): Midyear Continuing Legal Education (CLE) Conference. Strategies in Advising & Processing Entrepreneur & Investor Visas - Grand Cayman, Cayman Islands
- **1/30:** EB-5 Industry Advocacy: IIUSA Government Affairs Strategy for 2014 (IIUSA Webinar)
- **2/27:** Securities Laws & EB-5: Broker/Dealer Business Model & JOBS Act Update (IIUSA Webinar)
- **3/27:** USCIS EB-5 Adjudication Trends: I-526 Petitions (IIUSA Webinar)
- **4/24:** Impact of Potential Retrogression of the EB-5 Visa Category this Fiscal Year (IIUSA Webinar)
- **5/7:** 2014 IIUSA Membership Meeting at the Hyatt Regency Hotel on Capitol Hill in Washington, D.C.
- **5/7-5/9:** 7th Annual IIUSA EB-5 Regional Center Advocacy Conference at the Hyatt Regency Hotel on Capitol Hill in Washington, D.C.
- **5/29:** EB-5 Economics: Overview of Available Input/Output Models (IIUSA Webinar)
- **6/18-6/21:** AILA Annual Conference on Immigration Law - Boston, MA
- **6/26:** Finance: Combining EB-5 Capital with Other Economic Development Tools (IIUSA Webinar)
- **7/31:** Securities Laws & EB-5: Enforcement Actions & Registration Guidance (IIUSA Webinar)
- **8/28:** USCIS EB-5 Adjudication Trends: I-829 Petitions (IIUSA Webinar)
- **9/25:** EB-5 Economics: Targeted Employment Areas (IIUSA Webinar)
- **10/30:** Form I-924A: Strategies for Fulfilling the Annual EB-5 Regional Center Reporting Requirement (IIUSA Webinar)
- **11/20:** Finance: EB-5 Escrow, Fund Administration & Bridge Loans (IIUSA Webinar)
- **12/18:** 2014 EB-5 Industry Year-In-Review & Look Ahead at 2015 (IIUSA Webinar)

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Weibo

Understanding the Exit/Entry Industry in China & Summarizing IIUSA Involvement in 2013



BY KELVIN MA

PARTNER, SHANGHAI
DEMEI LAW FIRM;
CHAIR, INTERNATIONAL
SUBCOMMITTEE OF IIUSA
MEMBERSHIP COMMITTEE

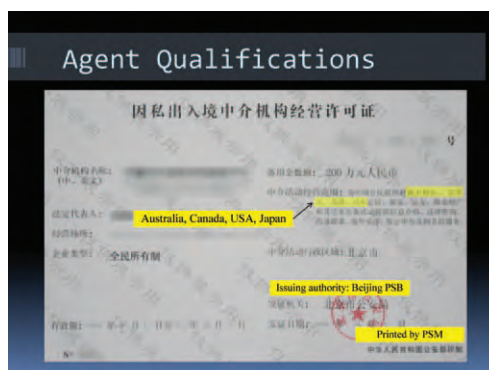
Over the past year, I have had the opportunity to serve as Chair of IIUSA's International Subcommittee of the Membership Committee. It is been my distinct honor to do so, and has kept me busy this year. This article provides an overview of the Exit/Entry Industry in China in Part 1, followed a details on IIUSA's work in China in 2013 in Part 2. I hope you enjoy.

PART 1 INTRODUCTION OF CHINA EXIT-ENTRY INDUSTRY

The Exit and Entry Industry in China is well-organized and regulated. The governing body is the Bureau of Exit and Entry Administration of the Ministry of Public Security ("PSB"). By 2013, there were a total of 789 migration consulting firms (in this article, I use this term and "agents" interchangeably) approved by the Bureau of Exit and Entry Administration. The following link shows the number of agents increased by over 60% over the seven year period of 2006-2013, from 485 to 789: <http://www.mps.gov.cn/n16/n84147/n84211/n84409/index.html>

Like the Regional Centers need to be approved the USCIS, agents have to be licensed by PSB in order to conduct business in the Exit and Entry Industry in China. Furthermore, like the Regional Centers have geographic boundaries, agents are required to conduct business within the boundaries of the provinces (cities governed directly under the Central Government and autonomous regions) that they are registered in. Below is a sample approval notice of a Beijing agent approved by Beijing PSB. Note that each agent in Beijing has to submit to its governing PSB RMB 2,000,000 (roughly USD 330,000) as security deposit. If things go south, e.g., some investors lose money due to the agent's mis-

conduct, the PSB will confiscate the security deposit and use them to pay back the investors. The Exit and Entry Industry understands that RMB 2,000,000 is actually far from enough to deter any serious fraud involving multiple EB-5 investors, and there is ongoing discussion among credible agents in China about how to address this issue.



In addition to the geographic limitations, agents must be approved to promote migration destination countries by the PSB. In the above example, the agent is licensed to promote migration programs of Australia, Canada, USA, and Japan. If this company promotes any program beyond the above four countries' programs, it may be sanctioned by the PSB. In order to obtain specific migration destination country approval, the PSB in certain areas have additional requirements. An example list of documents a Beijing agent is required to submit to the local PSB in order to promote EB-5 projects is listed below:

- Regional Center and Agent partnership agreement
- Regional Center approval letter (notarized by Chinese embassy)
- Regional Center and immigration attorney partnership agreement
- Immigration attorney law firm certificate (notarized by Chinese embassy and the U.S. state of issuance)
- Immigration attorney law firm 3-year's history notarization
- Regional Center and investor subscription agreement
- Notice of informing investment risk from

Regional Center to investor

- Attorney retainer agreement with investor
- Examples of two successful Chinese I-829 approvals by the immigration law firm

Most of the agents run their agents in geographic areas with dense populations of high net worth individuals. This is of course no coincidence. The more wealthy people a province has, the more potential clients there are for agents to serve. The below picture shows 11 provinces and cities which have an Exit-Entry Industry association, namely, Beijing, Liaoning, Shandong, Suzhou, Shanghai, Zhejiang, Fujian, Hubei, Sichuan, Chongqing, and Guangdong. The other below picture shows concentration of high net worth individuals. The darker the colored provinces and cities have a higher concentration of wealthy residents.

The Guangdong Exit/Entry Service Association has the largest number of agents with 120. A complete table listing the number of member agents in all 11 exit/entry associations is included below.

Guangdong	120
Beijing	79
Shandong	73
Shanghai	56
Zhejiang	46
Sichuan	45
Liaoning	43
Fujian	35
Chongqing	28
Wuhan	13
Suzhou	11

Out of 11 associations, only 5 have official websites, Guangdong, Beijing, Sichuan, Zhejiang, and Suzhou. Over the course of the last year, IIUSA has built several partnerships with these associations so we can address industry issues as needed. Part 2 of this article will address this in more detail.

In China, migration agents operate independently but also must adhere to the rules

CONTINUED ON NEXT PAGE >>



and regulations as enforced by the local PSB. “Active” agents are sometimes branded with independent branches in different cities/provinces. Other “active” agents operate only within their local city/province. There are also so called “zombie” agents that are listed as approved online but are currently dormant and do not provide agency services at the present time (similar to the situation with Regional Centers in the U.S.).

Not all agents are created equal however. It can be difficult to know if an agency is worth working with, but there are some signs to look out for. First, if an agency is well known or part of a branded chain of agents, it usually indicates that they have respect within the industry and have built up their brand on conducting business with integrity.

Second, agents should always make it clear that the interests of their investors come before their own personal interests. An agent should demonstrate value to the investor by its actions, not just through his words. Third, successful agents ensure they keep informed on the most current developments within the industry. They will attend industry events, stay abreast of any changes, and make sure that they convey any changes within the industry to their clients as necessary. Last, agents should have great networking and communication skills. If they cannot effectively communicate with the investors, the

PSB, and others in the industry, then they will not be an effective agent. Agents need to have deep relationships with a wide variety of people to be successful.

Another way to determine the credibility of an agent is to know their involvement with IIUSA. Agents are becoming increasingly aware of the importance of joining IIUSA; by involving themselves with the organization they are demonstrating that they follow the industry closely and want to be involved in a group that strives to ensure integrity and accountability within the industry. These agents utilize the resources of IIUSA in a variety of ways. IIUSA affords them increased ability to conduct due diligence on Regional Centers and specific projects in order to avoid fraudulent situations or scams similar to the Chicago Convention Center project. Through increased collaboration between IIUSA and the agents in China, Chinese investment through the EB-5 program in the United States can be conducted with more confidence and encourage further growth and success.

IIUSA has created a Weibo account in Chinese language to communicate with Chinese agents as well as other stakeholders in China on the most updated information in the EB-5 industry. Weibo is similar to Twitter here in the U.S. You can visit IIUSA’s Weibo page at the following link: We already have 333 followers starting from May 2013. The number is increasing every day.

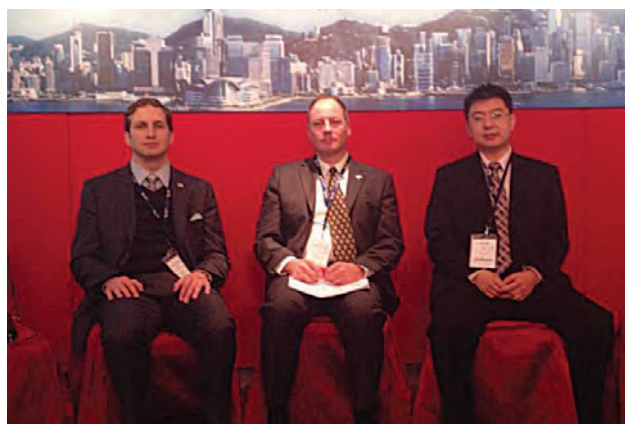
Having a thorough understanding of the Exit and Entry Industry in China is vital to all parties involved in the EB-5 program. These agents are the main link between Regional Center projects and investors. Without this link the flow of capital from EB-5 investors would have a far less efficient path to the U.S. as the expense of job-creating projects that need it. With agents acting as an important conduit between the various parties, it is essential to fully understand the agency process. Before working with any agent you should know their track record, their involvement in the industry and with IIUSA, their credibility in China, and all other relevant information you need to make an informed decision and keep the EB-5 Regional Center Program on the right track.

PART 2 IIUSA’S DEVELOPMENT IN CHINA IN 2013

JANUARY 2013: GUANGZHOU AND HONG KONG

I have had the pleasure of assisting with IIUSA matters in China throughout 2013. It started in January 2013 when Peter D. Joseph, IIUSA Executive Director, K. David Andersson, IIUSA President, and I first met with the organization that would become our most essential partners in China over the year: the American Chamber of Commerce in South China (“AmCham South China”), led by its President Harley Seyedin. IIUSA gave a speech to several Guangdong agents who are members of AmCham South China on the EB-5 Program and IIUSA membership – signing up a member on the spot.

We then travelled to Hong Kong to attend and speak at a Migration Forum organized by several major agents in China. David gave a speech where he introduced IIUSA, up-



From left to right: Peter D. Joseph, K. David Andersson, Kelvin Ma in Hong Kong in January for a migration forum.

dated attendees on the latest industry developments, and provided an outlook on 2013. About 100 migration agents attended, many of whom were introduced to IIUSA for the first time there.

FEBRUARY: SHANGHAI, GUANGZHOU, AND BEIJING

Just one month later, Peter traveled back to China, visiting Shanghai, Beijing and Guangzhou in 2013 February to discuss the Securities and Exchange Commission’s enforcement action against Chicago Conventional Center, how the case was likely to proceed, and how U.S. securities laws protect investors. The first stop was Shanghai, where 20 agents attended a seminar hosted at my Shanghai Demei Law Firm office. From Shanghai, we headed to Guangzhou, where IIUSA presented at Am-



Peter D. Joseph presenting to a group of migration agents in Shanghai, China.

Cham South China event space where more than 50 agents attended with the assistance of the Guangdong Exit-Entry Industry Association. Mr. He Boyi, Chairman of the Guangdong Association, and Ms. Cai Jing, then General Secretary of the association were of great help to this event. They were very concerned about the return of Chicago investors' fund. In Beijing, IIUSA gave a talk to about 15 agents who are directors of Beijing Exit-Entry Industry Association, led by Mr. Lin Kang, Chairman, and Mr. Chang Xin, General Secretary.

MAY: BEIJING AND GUANGZHOU

IIUSA came back to China in 3 months' time with good news that Chicago investors began to receive their funds back from the escrow bank. In Beijing, with the help of Mr. Lin and Mr. Chang, IIUSA hosted a seminar to pass along the good news, along with an update on other industry developments, to a group of 60 agents, including many from Si-

chuan and Shandong who took great efforts coming to Beijing to attend. In Guangzhou, IIUSA's presentation was attended by a larger number of agents than in February. IIUSA actively engaged media during this trip. Several mainstream media outlets covered IIUSA's efforts to assist in the return of funds to investors from the Chicago Convention Center, such as the Beijing Evening Post, and Tencent News.

SEPTEMBER: XIAMEN, TAIPEI, AND BEIJING

The 17th Annual China International Fair for Trade & Investment (CIFIT) was held in Xiamen, China on Sept. 6-10, 2013, with a combined AmCham South China/IIUSA U.S.-lead delegation of over 300 (a record). With IIUSA delegates in excess of 120 (including IIUSA Vice President, Robert C. Divine, and Peter again) and 25+ IIUSA member exhibitors, CIFIT was an indispensable opportunity to showcase the EB-5 Program to a large and comprehensive network of glob-

ally-minded investors. At CIFIT, we hosted an EB-5 seminar which covered such topics as the importance of cross-Pacific partnerships for EB-5 Success, potential immigration reform and its potential impact on EB-5, USCIS EB-5 policy, processing and trends update, and more. This event represents the culmination of a year of hard work with AmCham South China in our steadfast effort to support the vitality of EB-5's largest investor marketplace.

In addition to CIFIT, IIUSA traveled to Taiwan to share EB-5 information with its counterparts at the Taiwan Immigration Consultants Association (TICA). A big thank you to David Enterline at WTW Taipei Commercial Law Firm for his help in setting up the engaging seminar at TICA's offices. Taiwan continues to be a consistent source of EB-5 investors. After Taiwan, IIUSA headed to the Summit of Beijing Exit/Entry Migration Agents Association of Year 2013. IIUSA Vice President, Robert Divine, was the keynote speaker at the event, updating attendees on the latest of EB-5 developments.

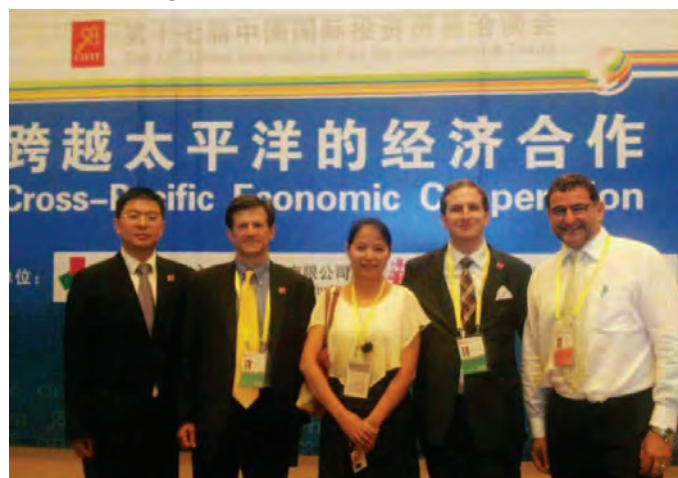
NOVEMBER: GUANGZHOU

Lastly, in November IIUSA was invited to speak at the Annual Meeting of Guangdong Exit/Entry Service Association and brought the latest information of EB-5 Program to the people present there on Nov. 22, 2013. David addressed attendees about the growth of the EB-5 Program and importance of due diligence.

A full list of 20+ overseas migration agency members of IIUSA can be found at the following link: <https://basecamp.com/2282260/projects/3476558-member-directory>



Kelvin Ma and Harley Seyedin at CIFIT.



From left to right: Kelvin Ma, Robert C. Divine (IIUSA VP), Liu Xin (Sichuan Exit/Entry Service Association), Peter D. Joseph, and Bernie Wolfsdorf at CIFIT.

COMMITTEECORNER

2014 ADVOCACY CONFERENCE

Planning the 7th Annual IIUSA EB-5 Regional Center Advocacy Conference in Washington DC (May 2014)

BEST PRACTICES

Advance/maintain recommended industry best practices on an ongoing basis to promote an ethical business climate in the industry marketplace.

BUDGET AND FINANCE

Report IIUSA finances to Leadership and Membership on a regular basis; recommend annual budgets to Leadership and Membership.

BYLAWS

Consider and recommend amendments to IIUSA bylaws, as needed.

EDITORIAL

Curate and edit select IIUSA publications, including the quarterly industry magazine, *Regional Center Business Journal*. Facilitate data analysis on FOIA results.

MEMBERSHIP

Enhance current member benefits; improve outreach strategy to attract new members; serve as a resource to potential and new members; facilitate feedback loop between IIUSA members/committees/ leadership.

PUBLIC RELATIONS

Participate in developing and implementing public relations activities, such as message development and media/public outreach and education.

PUBLIC POLICY

Recommend communications between the government and IIUSA, particularly with federal government agencies. Facilitate feedback loop between membership/leadership/ government stakeholders.

Members should email info@iiousa.org with questions about serving on a Committee.

SIGN UP FOR A DAILY EMAIL UPDATE ON THE IIUSA BLOG

Signing up for daily blog post updates via email is easy! Just visit the IIUSA blog website, enter your email where it says "STAY CONNECTED" (on the right side of your screen) and click "CONNECT!" Then follow the instructions to confirm your

account. By signing up, IIUSA will send blog updates directly to your email inbox once per day, keeping you informed of current events, legislation and advocacy updates, new resources, networking tools, and more! ■

STAY CONNECTED

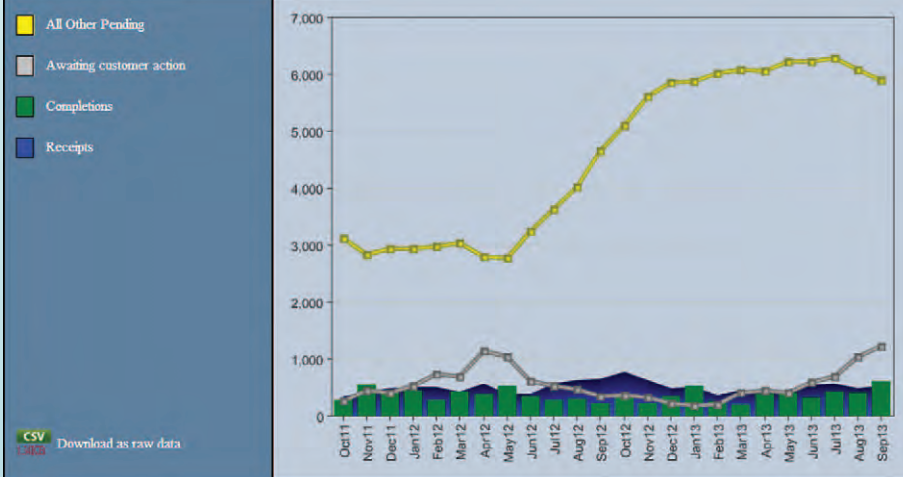
Receive daily email updates from the IIUSA Blog!

CONNECT!

I-526 & I-829 Trends

AS OF SEPTEMBER 2013

I-526 National Trend



ALL OTHER PENDING

5901

AWAITING CUSTOMER ACTION

1230

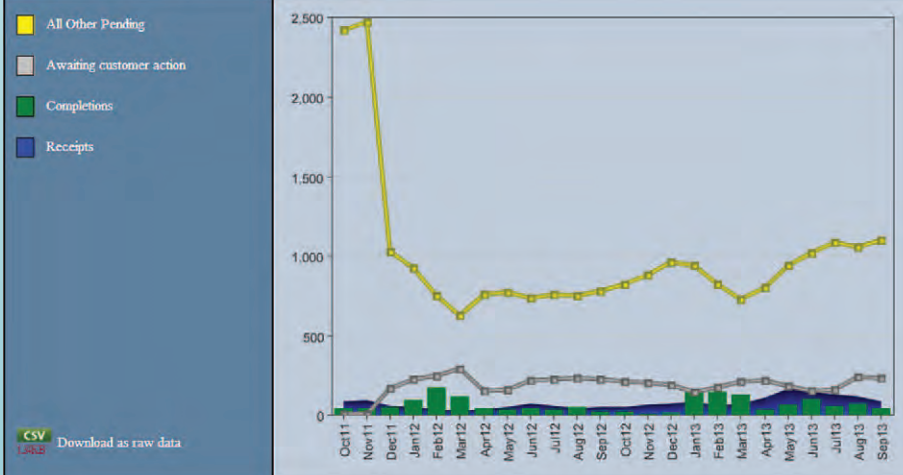
COMPLETIONS

4647

RECEIPTS

6346

I-829 National Trend



ALL OTHER PENDING

1105

AWAITING CUSTOMER ACTION

240

COMPLETIONS

888

RECEIPTS

1217

Source: www.USCIS.gov.

**EB-5 IN OUR COMMUNITIES:
LET YOUR STORIES BE HEARD!**

As part of a sustained effort to drive increased knowledge and support of the EB-5 industry, IIUSA will be reaching out to our members to chronicle human-interest narratives and success stories which move beyond statistics. In particular, we hope to collect details of Americans working on site, the economic ripple effect felt within the community, and immigrant investor stories of triumph and perseverance. These stories—your stories—will be profiled on the IIUSA blog and used as material evidence to record the benefits of EB-5 capital projects for the U.S. economy.

Send your stories and ideas to IIUSA's newest team member, Marketing/Communications Coordinator Allen J. Wolff, at allen.wolff@iiousa.org. ■



IIUSA's Online Marketplace has been updated and is more accessible and comprehensive than ever! To access the marketplace, simply visit iiusa.org, select IIUSA Online Store, and follow the instructions.

Impressed with the webinars and want to get in on the action? Become a sponsor of the 2014 IIUSA Webinar Series and have your company logo branded on IIUSA marketing materials and webinar registration pages as well receive the chance to address webinar attendees at the beginning of the webinars. Within the online Marketplace, you can also purchase a copy of the Economic Impact Report of the EB-5 Program from 2010-2011, conference materials from the 2013 IIUSA EB-5 International Investment & Economic Development Forum, IIUSA branded merchandise, and magazine advertisement space in our quarterly publication, Regional Center Business Journal. Scan the QR code above to visit IIUSA Marketplace today!



We are currently featuring On-Demand recordings on IIUSA Marketplace (discounted for IIUSA Members), from our 2013 Fall Webinar Series. Topics include EB-5 Due Diligence, Bridge Financing & Escrow, Regional Center Annual Reporting and Year in Review/Look Ahead to 2014. Scan the QR code below to enjoy IIUSA OnDemand today!



iiusa-marketplace.myshopify.com

By the Numbers

5,796 Number of I-526 petitions received by USCIS in the first 11 months of FY2013 (averaging about 525 received petitions a month in the fiscal year, meaning FY2013 will likely be the highest year on record by slightly eclipsing the current record of 6,041 in FY2012).

25+ The number of countries with immigrant investor programs around the world, a number that continues to rise.

8,567 Preliminary reporting of EB-5 visa usage in FY2013, with the following five countries accounting for the most visas: China, S. Korea, Taiwan, Mexico, Venezuela. (according to the Department of State, Visa Controls Office).

95+ Percentage of EB-5 capital flowing through the EB-5 Regional Center Program attributable to IIUSA's 125+ Regional Center members, based on analysis of annual reporting statistics for FY2010-2012.

300+ Number of U.S. delegates in the AmCham/IIUSA lead delegation to the 17th Annual China International Fair for Investment & Trade (CIFIT). The largest U.S. delegation in CIFIT history!

125+ Current IIUSA Regional Center Members!

42,000+ Initial estimate of US jobs supported by the EB-5 Program according to the forthcoming IIUSA commissioned economic impact study for 2012.

THE FREE IIUSA MOBILE APP IS AVAILABLE FOR DOWNLOAD NOW!



IIUSA's new Mobile App is now available for download on Android, iOS, or Blackberry! Carry all of the industry intelligence you need to stay informed about the EB-5 Regional Center industry right in your pocket while you are on the go...



IIUSA SURPASSES 125 REGIONAL CENTER MEMBERS!

IIUSA is proud to announce that we recently surpassed 125 Regional Center members! Thank you to everyone for your dedicated support during this time of unprecedented opportunity and challenges for our industry. Our organization, and the industry as a whole, is stronger thanks to your hard work and commitment.

Stay tuned for some new advocacy tools on best practices and

economic impact that will equip our industry with the necessary information to engage the public with data-driven industry analysis and powerful anecdotes that drive the real narrative of the 21st century economic development through the Program. ■

A BIG
THANKS TO OUR
MEMBERS FOR YOUR
SUPPORT, AND TO THOSE
WHO HELPED MAKE THIS
EXCITING MILESTONE
POSSIBLE!



“I3” Online Member Database Update

IIUSA Members should take note of the recent additions to the Basecamp Industry Intelligence Online (“I3 Online”) database. The following materials, and more, are available for full viewing:

- “A View of EB-5 Program Issues from a Top SEC Enforcement Official” by Daniel Nathan & Lawrence Bard, Morrison & Foerster: (12/03/2013)
- IIUSA & EB-5 Messaging for Member Media Prep (For Internal Use Only)
- Final AIS v. USCIS Settlement Agreement (10/05/2012)

IIUSA has over 1,000 documents (totaling tens of thousands of pages) easily accessible from I3 Online including resources, presentations and files relating to advocacy, economic methodology, litigation, securities laws, USCIS adjudication and SEC Enforcement Actions. ■



Regional Center Member Map

Our Interactive Regional Center Members Map on www.iiusa.org has recently been updated to include each Regional Center’s date of approval, states they serve, and I-526 or I-829 approvals. These updates to the map and accompanying information will promote even greater visibility for your Regional Center to EB-5 stakeholders. If you are a Regional Center member, please visit the site and make certain that all the data associated with your Regional Center is correct. Should there be a need for any edits to your information on the interactive map, please e-mail Allen Wolff at allen.wolff@iiusa.org. ■

PENG & WEBER

U.S. Immigration Lawyers

彭·韦移民律师事务所



Elizabeth Peng 彭春云律师

- Author of "How to Successfully Represent Chinese Investors in EB-5 Cases," The EB-5 Book (ILW 2012).
- 1988 JD, University of Kansas.
- 1982 LLB, China University of Political Science and Law in Beijing, China.



Cletus M. Weber 韦立德律师

- Editor of multiple books on EB-5 and other options.
- 1989 JD, George Washington University.
- Managing Editor, George Washington Law Review.
- 1986 BBA, College of William & Mary.

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