

REGIONAL CENTER BUSINESS JOURNAL

March 2015

DEPARTMENT OF
HOMELAND
SECURITY

DEPARTMENT OF
STATE

DEPARTMENT OF
TREASURY

DEPARTMENT OF
COMMERCE

DEPARTMENT OF
JUSTICE

SECURITIES &
EXCHANGE
COMMISSION

REGIONAL CENTER

TEA

STATE GOVERNMENT

1 Immigration

I-526

ADJUSTMENT OF STATUS OR
CONSULAR PROCESSING

CONDITIONAL
GREEN CARD

I-829

GREEN CARD



INVESTORS



ESCROW BANK



NCE

2 Financial



JVE

BANK



DEVELOPER
EQUITY



EB-5
Compliance:
A Blueprint for
Economic Development

ECONOMIC
GROWTH
(GDP)

U.S. JOBS

TAX REVENUE

CIVIL
SOCIETY

COMMUNITY/
ECONOMIC
DEVELOPMENT

PUBLIC
SERVICES

The above does not represent any standard flow of funds for an EB-5 transaction. It is an example to demonstrate the layers of compliance needed to make sure #EB5isWorking.

In this issue:

EB-5 Program Integrity: Separating Fact from Fiction

Association Building Committee Pushes Support Through Public Letter to Congress

NASAA Simplifies Blue Sky Form D Filing Process

Rule 2040 and the Lawful Payment of Foreign Broker Fees

Regional Center Terminations

Form I-924A as a National Security and Fraud Detection Tool

Self-Regulation and IIUSA's Enforcement Procedure

\$826 Million Foreign Direct Investments: Another Record-Breaking Quarter

Regional Center Designation: Refining the Basic Approval

SelectUSA Summit Showcases Diversity of U.S. Investment Opportunities for Foreign Investors

IIUSA IS PROUD TO ANNOUNCE THE

5th Annual

EB-5 MARKET EXCHANGE

INTERNATIONAL INVESTMENT &
ECONOMIC DEVELOPMENT FORUM

October 21-23, 2015 • Dallas, TX

The Fifth Annual EB-5 Market Exchange will be held from October 21-23, 2015 at the Sheraton Dallas Hotel. The largest urban center of the fourth most populous metropolitan area in the United States, Dallas has become a national leader in utilizing EB-5 capital for economic development.

The three-day event will feature EB-5 professionals from around the globe gathering to network, discuss infrastructure and development opportunities in the U.S., and learn about trending topics from leading experts on immigration and investment.

At the 2014 EB-5 Market Exchange in San Francisco, CA, over 500 conference attendees joined over 25 panels, where more than 80 leading experts – including special guests former Ambassador to China Gary Locke, former San Francisco Mayor and former Speaker of the California state legislature Willie L. Brown, Jr., and Charles Oppenheim, Chief of the State Department's Visa Control and Reporting Division – spoke on trending topics in immigration and investment.

Interested in being a sponsor or exhibitor? E-mail info@iiousa.org for pricing information.

See you in “Big D” this October!

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Letter from the Editor

DEAR READERS:

With nearly six months until the September 30th sunset date for the EB-5 Program, now is the perfect time to examine what steps IIUSA and the EB-5 are taking to ensure and protect the Program's integrity. This edition of the *Regional Center Business Journal* focuses on compliance in the EB-5 marketplace and the examination of existing laws and regulations that govern the industry.

A strong commitment by industry stakeholders to adhere to all applicable laws and regulations is essential to ensuring compliance. At the federal level, departments and agencies that play active roles in administering the program are not only promoting good governance but keeping American citizens safe. Separating fact from the all too prevalent fiction, the following pages dissect the I-924A intake process, showing what USCIS is doing to protect national security; delve into securities regulations that work to ensure safe and ethical business practices; and demonstrate USCIS's authority to terminate Regional Centers on a basis of failure to promote economic growth.

As an industry, we must commit to elevating and enforcing the highest of industry standards. By working with relevant government actors and regularly engaging in dialogue to encourage enforcement and Program integrity means that we are doing our part to ensure that EB-5 continues to be used as an innovative tool for regional economic development for years to come.

Lincoln Stone

Chair of the Editorial Committee, IIUSA
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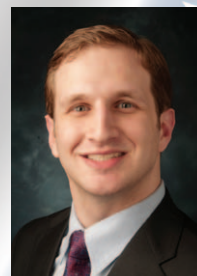
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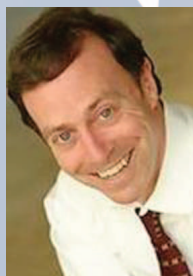
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Government Affairs Timeline

- **1/5** – IIUSA officially opens for business in its new headquarters in Washington, DC. Relocating from Chicago, moving operations to DC will allow the organization to be in the heart of the action that affects the industry and ensure it can influence policy at this crucial juncture for the Program.
- **1/11** – USCIS creates a new page on its website dedicated to listing all EB-5 Regional Centers terminated over the lifetime of the Program. The 16 terminated Regional Centers listed demonstrate the commitment of USCIS to maintain a program that supports centers that promote economic growth and eliminate designations for centers that do not.
- **1/14** – New York University Stern Center for Real Estate and Finance Research releases a draft study titled, “A Roadmap to the Use of EB-5 Capital: An Alternative Financing Tool for Commercial Real Estate Projects”, addressing the background of EB-5 and key features of EB-5 capital and its role in current economic development projects.
- **1/15** – President of IIUSA, K. David Andersson, speaks at the Seattle Economic Development Council Forum on Economic Forecasting. Mr. Andersson participated on a panel about foreign direct investment, pointing to EB-5 as a tool for project financing.
- **1/16** – IIUSA releases its first Mandarin version of the Regional Center Business Journal, affirming its commitment to keep the industry’s largest investor market informed with accurate and compelling information.
- **1/19-20** – SelectUSA hosts the Asian Financial Forum in Hong Kong
- **1/22** – USCIS hosts its first Dialogue with Director Leon Rodriguez of the year
- **1/23** – IIUSA Executive Director Peter D. Joseph speaks on a panel at the Information Management Network (IMN) Winter Forum on Real Estate Opportunity & Private Fund Investing in Laguna Beach, CA. He was joined by other EB-5 experts including IIUSA Director Pat Hogan and Editorial Committee Chair Lincoln Stone for a panel about using EB-5 for alternative financing for infrastructure and construction projects.
- **1/28** – Congressmen Jared Polis (CO-02) and Mark Amodei (NC-02) introduce H.R. 616, the American Entrepreneurship and Investment Act of 2015.
- **2/1** – Government Accountability Office (GAO) begins outreach for interviews of EB-5 Program stakeholders. GAO is conducting a review of the Immigrant Investor Program at Congressional request to determine which aspects of the Program are working as intended to stimulate job growth and economic development and aspects of the Program that could be strengthened to further this goal while at the same time minimizing risks related to fraud and national security.
- **2/11** – EB-5 is Working public letter of support passes 500 signatories. The letter was launched in December 2015 to gain signatures from a broad range of EB-5 supporters. IIUSA’s goal is to boast 700 signatures by its Advocacy Conference in April.
- **2/12** – IIUSA releases its first Advocacy Alert of 2015 calling for the EB-5 Regional Center industry to come together to mobilize efforts to answer concerns aired on the Senate floor and ABC News that mischaracterized how the EB-5 Program is administered today and ignored the demonstrable economic benefits the Program is delivering to communities across the U.S.
- **2/12** – IIUSA hosts its first-ever, members-only EB-5 Advocacy Webinar. Government and public affairs consultants for the organization shared their insight on the currently political climate and strategies for ensuring reauthorization occurs before the September 30 sunset date.
- **2/13** – The Federal Reserve Bank of New York and Commonwealth of Puerto Rico Regional Center co-host an EB-5 forum in San Juan to talk about the benefits EB-5 can and is providing the Puerto Rican communities. Several IIUSA members participate as moderator and speakers.
- **2/17** – IIUSA’s newly formed Investor Markets Committee hosts its first monthly teleconference. The committee is charged with enhancing communications between IIUSA and investor markets and keeping members informed of market developments that affect global EB-5 markets.
- **2/17** – USCIS releases FY2015 Q1 data on I-924, I-526 and I-829 processing times and adjudications. Each application/petition showed increases in processing times from the previous quarter.
- **2/25** – IIUSA Executive Director Peter D. Joseph participates on a panel with other IIUSA leadership members at the Public-Private Partnership (P3) Conference in Dallas, TX. The panel addressed the benefits of P3s and the advantages of this alignment.
- **2/25** – USCIS holds a stakeholder teleconference with Director Leon Rodriguez highlighting agency initiatives and answering questions of concern to the stakeholder community.
- **2/26** – USCIS and the Immigrant Investor Program Office (IPO) host their first EB-5 Interactive session. The new series is meant to provide more in-depth conversations about pertinent topics in the industry. This session focused on Requests for Evidence (RFEs) and lawful source of funds.

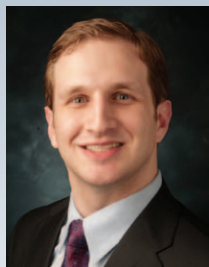
In 2015, IIUSA Celebrates 10 Years as the EB-5 Industry Trade Association.

Our deepest appreciation for your
continued support of IIUSA and the
EB-5 Regional Center Program!



EB-5 PROGRAM INTEGRITY:

SEPARATING **FACT** FROM FICTION



BY PETER D. JOSEPH

EXECUTIVE DIRECTOR, IIUSA

Supporters and stakeholders of the EB-5 Regional Center Program (the “Program”) often describe it as “win-win-win” proposition – American businesses secure financing for job-creating projects; local communities enjoy increased economic development and employment opportunities; and foreign investors gain the benefits of U.S. residency. These benefits are demonstrably true. According to IIUSA’s comprehensive peer-reviewed economic impact reports, the program contributed \$3.39 billion to U.S. GDP and supported over 42,000 U.S. jobs during fiscal year 2012. And projects are coming to fruition across the country, creating jobs and transforming neighborhoods.

Meanwhile, the Program’s critics claim it is an unregulated, fast-track to citizenship – false statements that ignore or misunderstand how the Program and the U.S. immigration system operate.

To continuing bringing jobs and economic benefits to American communities, we must do more to correct misinformation and increase understanding of how the EB-5 Program works and the policies and procedures that protect the integrity of the program.

Any discussion about EB-5 and program integrity must take into account significant changes that have been made in the last few years to how U.S. Citizenship & Immigration Services (USCIS) oversees the Program. There is no doubt that the Program is complex and that maintaining Program integrity requires commitment and resources. In the last two years, USCIS has demonstrated its commitment to strong oversight of the Program by creating a dedicated Investor Program Office (IPO) in Washington D.C., continually expanding its team of experts in immigration

law, economics, business, national security and fraud detection, and appointing a Program chief who is a veteran who previously served in the Treasury Department’s Financial Crime Enforcement Network.

USCIS has clarified its guidance for adjudicators with a comprehensive policy memorandum and has strengthened interagency relationships critical to Program oversight and implementation. At IIUSA’s Advocacy Conference in May 2014, Director Colucci said:

“One of the reasons the program was relocated to Washington, DC is to facilitate greater interaction among the interagency community. Just as the EB-5 program cannot be successful without [IIUSA’s] support, we need to build strong partnerships with other federal agencies who are likewise stakeholders in the program.”

This is particularly evident in new cooperation with the Department of Commerce as well as with enforcement and intelligence agencies including the Securities & Exchange Commission (SEC), Federal Bureau of Investigation (FBI), and the Fraud Detection and National Security Directorate (FDNS).

It is also important to recognize that EB-5 investors follow the same two-step immigration process – and are subject to the same series of background checks and national security screenings -- as participants in any other visa category.

1. Individuals first file a petition with USCIS to determine their eligibility to participate in a visa category. For EB-5, this petition must include information on the lawful source and path of funds to be invested through the Program along with other information documenting how the funds will be invested to create jobs required as required by the Program. The USCIS adjudication process for eligibility petitions includes a series of background checks and

screenings, including verification of the source and path of funds, that goes beyond what is required for petitioners in most other visas categories.

2. Upon approval of the eligibility petition, immigrant investors must then file either a visa application with the Department of State, if they reside outside the U.S., or an adjustment of status application with USCIS, if they are already inside the U.S. on another visa. The National Visa Center, the State Department’s clearinghouse for applications in all visa categories, requests supporting documentation from the visa applicants before sending the completed file to the appropriate U.S. Embassy or Consulate.

Consular affairs officers at the appropriate Embassy or Consulate then determine if the individual is admissible to the United States and whether or not a visa will be granted. The determinations is based on in-person interviews, a review of the entire application and petition file, and additional background checks and national security screenings that may include independent and/or in-country investigations conducted in coordination with other federal intelligence and national security agencies before or after the interview.

Both of these steps must be successfully completed for an EB-5 investor to receive a conditional visa that allows the applicant to reside in the United States for two years. Before the end of that two-year period, the immigrant investor must file a new petition documenting that their investment through the EB-5 program has satisfied Program requirements and created a minimum of 10 U.S. jobs. If USCIS approves the petition, the conditions on the visa will be lifted. However, removal proceedings can be initiated even at this stage if USCIS finds that the applicant should be have inadmissible originally. Once they become green card holders, EB-5 investors are subject to the same rules for main-

CONTINUED ON NEXT PAGE >>

taining residence and becoming eligible to apply for citizenship that apply to other permanent residents – and are taxed on their worldwide income.

From start to finish, this is a long process – not a “fast track.” Average processing times for EB-5 eligibility petitions (I-526) are currently 14 months, and visa application processing can take months or years depending on investigations conducted by the Department of State. The industry would like to see processing times lower and is willing to pay higher filing fees to achieve that objective, but we support the federal government doing what it takes to fully vet each EB-5 investor petition. In addition, while there may be longer wait times for other visa categories, each category has its own limits on the number of visas issued annually and the wait times for one category do not impact other categories. With the EB-5 program reaching maximum capacity for the first time in 2014, and the popularity of the program growing, it is likely that wait times will increase unless the visa cap is lifted.

Those are the facts. EB-5 is highly regulated and there are processes and procedures in place to screen immigrant investors the same way that all immigrants seeking visas are screened.

IIUSA and its members welcome working with Congress and federal agencies to continue strengthening the integrity of the EB-5 program. That is why we supported a number of integrity measures included in legislation that passed the U.S. Senate last Congress. Proper oversight, transparency, compliance with – and enforcement of – all applicable laws and regulations are essential to maintain the confidence of all stakeholders and ensure that the program continues bring capital and job creation to American communities. ■

STEP 1: ELIGIBILITY REVIEW		»	STEP 2: ADMISSIBILITY REVIEW
PROCESS	After making an at-risk qualifying investment, EB-5 applicants file an I-526 petition with USCIS.	»	Approved petitioners file a visa application with the Department of State (DOS) (if residing outside the U.S.) or an adjustment of status application with USCIS (if residing in the U.S).
REQUIREMENTS	Each visa category has specific requirements. EB-5 requirements as defined by law and policy apply equally to direct and Regional Center investors.	»	The same requirements apply to applicants in all visa categories, including EB-5.
DECISION	I-526 petitions are adjudicated by the USCIS Investor Program Office in Washington D.C. (which is staffed by adjudicators, economists, business experts, and specialists from the DHS Fraud Detection and National Security Directorate).	»	Admissibility is determined by DOS consular affairs officers at the appropriate U.S. embassy or the consulate in the applicant's country of origin. Applicants residing in the U.S. file an application that is first reviewed by USCIS and the DOS's National Visa Center before being sent to the embassy or consulate. An applicant approved for eligibility by USCIS may be denied admission by DOS.
BACKGROUND AND NATIONAL SECURITY CHECKS	USCIS requires EB-5 petitioners to document the path of funds from investor to investment and to demonstrate that the funds were lawfully obtained. Source of funds review may involve the Fraud Detection and National Security Directorate (to screen for fraud and national security issues), the Financial Crimes Enforcement Network (to screen for money laundering), and the Office of Foreign Assets Control (to screen for breach of sanctions and terrorist links). EB-5 regulations list suggested evidence for source of funds. Adjudicators have discretion to request additional evidence.	»	DOS background checks and national security screenings may include in-person interviews, database screening, and independent and/or in-country investigations conducted in coordination with other federal intelligence and national security agencies. The DOS's Consular Consolidated Database (CCD) is a biometric and biographic database for visa applications that links to DHS's Automated Biometric Identification System, DHS's Traveler Enforcement System, and the FBI's Automated Fingerprint Identification. Facial recognition technology screens visa applicants against a terrorist watchlist from the Terrorist Screening Center as well as the full gallery of applicant photos in CCD.
PROCESSING TIME	The processing time currently averages 14 months. Criteria for expedited processing are the same for all visa categories and do not reduce the review standard.	»	Processing may take months or years, depending on investigations conducted at DOS's discretion.



IIUSA is proud to host its 2015 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. Visit www.IIUSA.org and click on the IIUSA Event Calendar.

Next Event is April 30, 2015!

LIVE: \$100 | ON-DEMAND: \$198
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- 4/30** – EB-5 Visa Retrogression: What Does It Mean for Your Business?
- 5/7** – EB-5 Industry Advocacy: Post-Conference Review*
- 5/28** – Going Global: The Importance of Diversifying the EB-5 Investor Marketplace
- 6/25** – Best Practices: Working with Sales Intermediaries in an EB-5 Transaction
- 7/30** – Banking & EB-5: Understanding the Roles of a Bank in EB-5 Transactions
- 8/20** – USCIS EB-5 Adjudication Trends: I-526/I-829 Petitions & I-924 Applications
- 9/10** – IIUSA EB-5 Advocacy Webinar: Pushing for Permanent Authorization of the EB-5 Regional Center Program*
- 9/24** – EB-5 Litigation: Strategies & Trends
- 10/29** – Form I-924A: Strategies for Fulfilling the Annual EB-5 Regional Center Reporting Requirement
- 11/19** – EB-5 Regional Center Project Case Studies: The Good, Bad, & Ugly
- 12/17** – EB-5 Industry Year in Review & Look ahead to 2016

**Member-Only Webinars*

SUCCESS DEFINED

The true measurement of success is clearly defined in the mind of nearly every prospective EB-5 investor and their family. Achieving permanent residency and a return of their investment is the benchmark by which an EB-5 investor judges a regional center and its EB-5 investment opportunities. CMB is among a very select group of regional centers that have achieved I-829 approvals and return of capital to investors in multiple partnerships.



- \$1.66 Billion in EB-5 Capital Raised and Funded
- Over 3200 Families From 74 Countries Trust CMB Regional Centers In Their U.S. Immigration Pursuit
- \$105 Million In Returned Capital By Borrowers
- Repayment Within Multiple EB-5 Partnerships
- Over 1,700 I-526 Approvals
- Over 350 I-829 Approvals



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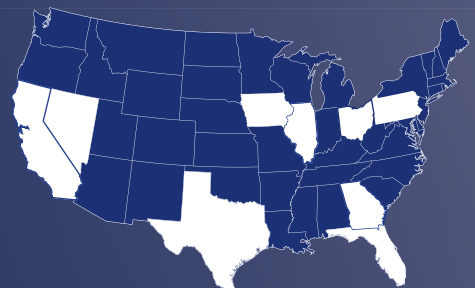
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Association Building Committee Pushes Support Through Public Letter to Congress:

Urges Industry Partners to Join Growing List of Signatories



BY BOB HONTs
TEXAS LONE STAR
ENTERPRISES

The EB-5 Regional Center industry is counting on a successful Congressional enactment to extend the EB-5 Immigrant Investment Program. Otherwise, the existing law, which reauthorized the Program in 2012, will “sunset” on September 30, 2015. The last reauthorization was passed unanimously in the Senate and by a 412-3 vote in the House of Representatives.

As an integral part of its reauthorization advocacy strategy, IIUSA launched a public letter of support campaign at the end of 2014. The letter, addressed to Congress, has attracted over 500 signatories from a broad range of organizations and businesses who see and experience value in the EB-5 Program. This diverse and growing list of supporters empirically demonstrates far-reaching impacts in industries beyond its own and on American communities, both big and small, all around the country.

Examples of those who benefit from the Program are:

1. U.S. taxpayers who from FY 2005-2013

benefited from more than \$6.5 billion in capital investment from the Program, at no cost to the taxpayer.

2. U.S. workers who have benefited with the creation of more than 131,000 jobs from FY 2005-2013.
3. U.S. entrepreneurs and project developers who, without EB-5, may not be able to get projects off the ground.

Every effort of the Association Building Committee, IIUSA leadership and Board of Directors this year is focused towards a singular goal: reauthorization of the Program. The organization as a whole will not “spare the horses” in their aggressive efforts to obtain reauthorization in this difficult time, and its government and public affairs consultants are prepared to fight to the 11th hour to achieve this purpose.

In 2012, IIUSA was successful in approaching a broad range of private and public entities in soliciting signatories for a public letter of support that was sent to members of Congress. In 2014, IIUSA President David Andersson appointed the Association Building Committee (ABC) and this committee, chaired by IIUSA Secretary-Treasurer Bob Honts has been working to surpass the 375 signatories achieved in 2012. The committee

has set an ambitious goal to reach 700 signatures by IIUSA's 8th Annual EB-5 Regional Economic Development Advocacy Conference in Washington, DC in April. The current total is over 500 and more are accumulating each day.

The committee efforts have been greatly bolstered by IIUSA Advocacy & Research Coordinator Ashley Sanislo Casey, who is working tirelessly for this worthy cause. ABC Chairman Bob Honts commended the entire Committee and Ms. Casey for their persistent work in obtaining this record number of signatures which combine to provide support for federal legislation to permanently authorize the EB-5 Regional Center Program and maximize its capacity for regional economic development and job creation.

As part of this effort, ABC encourages IIUSA members to reach out to their project and community partners and ask them to sign onto the public letter of support too. Demonstrating the broad support of the Program with signatures from across sectors and industries is an important and powerful way to make sure our voices are heard in Congress. Supporters can quickly sign on to the letter and view a full list of all the signatories by going to <http://iiusa.org/en/letters-of-support/>

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NASAA SIMPLIFIES BLUE SKY FORM D FILING PROCESS



ROBERT AHRENHOLZ

ESQ., PARTNER, KUTAK ROCK, LLP, DENVER



MARIZA MCKEE

ESQ., PARTNER, KUTAK ROCK, LLP, CHICAGO

Late last year, the North American Securities Administrators Association (“NASAA”) introduced the Electronic Filing Depository (“EFD”), a new electronic filing system that facilitates Form D blue sky filings with states participating in the program. The EFD program provides a one-stop mechanism for EB-5 issuers to submit electronically blue sky Form D notice filings and filing fees to participating states rather than continuing to file hard copies with each individual state along with the corresponding filing fees.

EB-5 issuers must comply with both federal and states securities laws in their offerings. An EB-5 issuer will be exempt from potentially burdensome state review of its offering if it makes the offering under the exemption from federal registration available under Rule 506 of Regulation D, and files copies of the Form D that it filed with the Securities and Exchange Commission (“SEC”) in states where securities are being sold. In the past, this procedure required the filing of a hard copy Form D and filing fees. In addition to these existing Form D requirements, the SEC has proposed amendments to Regulation D and Form D which, if adopted, would substantially increase the number of Form D filings required to be made in connection with Regulation D offerings. With the recent introduction of the EFD program, EB-5 issuers, except in certain states as described below, now can make one online Form D filing with NASAA under the EFD program to satisfy state filing require-

ments under both the existing and, if adopted, the proposed amendments to Regulation D.

The EFD program makes the filing process easier and more efficient not only because of the establishment of a central repository where only one electronic filing need be made, but also because the many participating states have now standardized their filing requirements, which were previously inconsistent. For states participating in the EFD program, this issue has been eliminated. Currently, the states participating in the program include Alabama, Alaska, Arkansas, Colorado, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, as well as the District of Columbia, Puerto Rico and the U.S. Virgin Islands.

The EFD program is only a first step by NASAA to make blue sky and other filings easier; however, there are also drawbacks that issuers must consider.

- **INCREASED COST** – To participate in the EFD program, issuers are required to pay to

NASAA a one-time \$150 filing fee for each offering. The fee, which covers the initial Form D filing and any amendments thereto, is in addition to the filing fees charged by the relevant states and it is paid to the NASAA depository.

- **STATE PARTICIPATION** – At last count, as indicated above, only 37 states have opted to participate in the program. For offerings in those states not participating, traditional hard copy filings will continue to be required. In addition, certain states will allow issuers to continue to file Form Ds in hard copy at their option, while also allowing EFD electronic filings.
- **FORM D FILINGS ONLY** – The EFD program currently allows only Form Ds to be filed in connection with Rule 506 offerings. If a state agency requests additional documents to be filed, those documents would continue to be filed in hard copy with the requesting state. In addition, some states also require the filing of information outside of the information provided on Form D, such as supplemental information or consents to the service of process and, for now, such information will continue to be filed in hard copy with such states.

NASAA anticipates that the program eventually will be expanded to accommodate other state registration and notice requirements for other SEC exemptions. ■



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To encourage immigration through the EB-5 category, Congress created the EB-5 Regional center (Pilot) Program in 1990. Regional Centers are considered to be any government approved entity, organization or agency which focuses on a specific geographical area of the United States and that seeks to promote economic growth, increased regional productivity, job creation and domestic capital investment. This advertisement is intended for general information purposes only. This does not represent an offer or solicitation to buy or sell any security. Investments are available only to qualified investors via a confidential offering memorandum.



RULE 2040

AND THE LAWFUL PAYMENT OF FOREIGN BROKER FEES



**BY MICHAEL G.
HOMEIER, ESQ.**

HOMEIER & LAW, P.C.

As the EB-5 industry becomes better educated about the applicability of (and essential need to comply with) the various U.S. securities laws to industry players and activities, concern has grown about the role of brokers (“broker-dealers” or “BDs”). BDs are essentially salespersons for securities issuers (including, but of course not limited to, EB-5 issuers), and questions abound about the permissible activities, and lawful compensation, of these salespersons. Though not unique to EB-5, these questions are particularly acute for the industry because EB-5 usually includes the involvement of foreign persons who bring foreign investors to U.S. issuers and their investment projects, while an increasing number of the latter are engaging US BDs as intermediaries.

Broadly, the Securities Exchange Act of 1934 (the “Exchange Act”) governs the activities of BDs in securities transactions. Under Section 15(a)(1), the only persons permitted to receive transaction-based compensation (the standard compensation received by BDs in return for referring customers to issuers or other BDs) must generally be registered as BDs, or licensed as associated persons of a registered BD, nowadays usually with the Financial Industry Regulatory Authority (“FINRA”). Registered BDs are prohibited from sharing their compensation with unlicensed persons, such as the foreign persons mentioned above in an EB-5 transaction.

To further address some of these points, including “fee-sharing” with foreign persons,

on December 30, 2014, the U.S. Securities and Exchange Commission (“SEC”) approved FINRA Rule 2040. Prior to Rule 2040’s adoption, FINRA, its predecessor agency the National Association of Securities Dealers (the “NASD”), and the New York Stock Exchange (the NYSE) had all adopted multiple rules and interpretations addressing such payments, and specifically limiting them; these rules and interpretations were in many cases overlapping and duplicative and also differing. The newly-adopted Rule 2040 is intended to consolidate these prior rules and interpretations into one, and “clarify and streamline” the applicable requirements on the topic, rather than to establish new rules.

Rule 2040 generally prohibits any member BD or associated person from, directly or indirectly, paying any compensation to an unregistered firm or unlicensed person, if such compensation would cause the recipient to be required to register under the Exchange Act. See Rule 2040(a). Because the SEC holds the position that the receipt of transaction-based compensation triggers the BD registration obligation, receiving referral fees calculated as a percentage of the BD’s compensation, as well as commission sharing, usually means that the recipient must be registered. Under the Rule, FINRA “members [are expected] to determine [whether the proposed activities of the unlicensed person] would not require the recipients of the payments to register.” Such a determination is required to be reasonably supported.

Following publication of the proposed Rule 2040 in 2014, commentators raised concerns about the difficulty of making this determination, in particular where the consequences of making an erroneous determination are punitive. To address these concerns, FINRA add-

ed guidance to help BDs determine whether a person seeking transaction-based compensation should be registered. Rule 2040 is accompanied by “Supplementary Material .01” providing interpretive guidance on the provisions of the Rule itself. FINRA advises BDs to document the basis for determining that a payment may be made to an unlicensed person. Where BDs are uncertain as to whether an unregistered person may be required to be registered by reason of receiving payments from the member, BDs are advised to secure “reasonable support” for their determination by various means, including among other things: reasonably relying on previously published releases, interpretations, and “no-action letters” (in which the SEC states it will take no action on account of a proposed situation) that apply to their facts and circumstances; (2) seeking their own no-action letter from the SEC staff; or (3) obtaining a legal opinion from independent, reputable U.S. licensed counsel knowledgeable in the area.

Two exceptions to the Rule 2040 prohibition against payments to unregistered persons have been included, essentially carried over from the previously-existing rule structure. The first exception, Rule 2040(b), allows payment of commissions to retired representatives and will not be further addressed here.

The second exception, the Rule 2040(c) “foreign finders exception,” is highly relevant to the EB-5 industry, because it expressly permits BDs to pay referral fees to non-registered foreign finders for the referral of customers who are foreign nationals. It is essentially a “carry-over” of prior NASD Rule 1060(b). For this exception to apply, the U.S. BD must determine that:

- The foreign finder is not required to register in the U.S. as a BD, is not subject to a

statutory disqualification from participation in the securities business, and payment would not violate the laws of the recipient's home country

- The foreign finder must be a foreign national or entity domiciled abroad
- The customers brought to the firm by the foreign finder must be foreign nationals domiciled abroad
- Those customers must receive specific written disclosure in "a descriptive document," similar to that required by Rule 206(4)-3(b) of the Investment Advisers Act of 1940, of the fact and amount of compensation for the foreign finder
- The customers must provide written acknowledgment of receipt of the disclosure in writing, which acknowledgments are retained and available for FINRA inspection
- Records of the payment of all finder fees must be maintained in the books of the member firm
- The confirmation of each transaction indicates that a referral or finder fee is being paid pursuant to an agreement.

If all the conditions set forth in the rule are satisfied, BDs can pay transaction-related compensation to non-registered foreign finders based on the business of non-U.S. customers that those finders refer to member BDs.

Importantly, like legacy NASD Rule 1060(b), FINRA Rule 2040(c) only sanctions a foreign finder whose activities are limited to providing an initial introduction, without any further activity. Any activities beyond the initial referral, and payment of transaction-based compensation for any such activities, would not be within the permissible scope of the foreign finders exception of Rule 2040(c). Concerned commentators have pointed out that if further activities are engaged in by the foreign finder beyond the initial referral (and beyond the coverage of 2040(c)), the finder may need to be registered.

In reply, the SEC has stated that Rule 2040(c) does not address all circumstances under which payments may lawfully be made by U.S. BDs to foreign finders. The Rule carries over a narrow safe harbor that permits a BD to pay on-going compensation to a foreign finder under the conditions set forth in the Rule. The Agency pointed out that Rule

2040(c) is not intended to be the only means by which a member may pay compensation to a foreign finder. Therefore, BDs may rely on other applicable federal securities laws and regulations where the activities of the foreign finder go beyond the scope permitted by the Rule (e.g., the initial referral of a customer to the member). Examples of alternatives could include (a) restricting all foreign finder activities to being conducted exclusively outside the U.S. (however, this would need to be strictly correct, and is subject to factual challenge), or (b) simply, not having a U.S. registered BD participating, in which case since the FINRA rules govern member conduct, they would be impacted. (This latter alternative should be weighed very carefully, however, as there can be real safeguards provided and important assistance rendered by U.S. BDs even if their participation is not technically required.) As always, to identify and properly rely upon such laws, regulations, and alternatives, EB-5 issuers and FINRA member BDs are well advised that the assistance of "independent, reputable U.S. licensed counsel knowledgeable in the area" of broker-dealer registration and practice be obtained prior to any decision being made. ■



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Experience Matters

A large, vertical image of the Statue of Liberty on the left side of the page, set against a sunset sky. The statue is shown from the waist up, holding the torch in its right hand and a tablet in its left. The background is a mix of orange, yellow, and blue hues from the setting sun.

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Regional Center Terminations



BY ROBERT C. DIVINE

BAKER DONELSON BEARMAN,
CALDWELL & BERKOWITZ, PC

Regional Centers are designated by USCIS to promote economic growth by fostering use of the EB-5 program in creation of direct and indirect jobs. USCIS has the authority to remove that designation, typically faulting the regional center for a wide range of sins that it categorizes under the broad heading of failing to promote economic growth. It has used that authority in waves over the years and is

actively using it now. The consequences to sponsored investors could be unfairly severe.

PROCESS

USCIS first issues a Notice of Intent to Terminate (NOIT), giving the regional center 30 days to respond (well, 33 days from date of the notice if mailed, as they usually are). It is important to have kept USCIS up to date on the contact information for the principal and the current counsel for the regional center, because USCIS normally sends notices to both people. In the typical NOIT for lack of activity, 30 days can be plenty of time to respond. In a complex situation, it can be a very short time.

If the NOIT generates no response, USCIS typically issues a Notice of Termination quickly. If the regional center files a response, USCIS can take more time, and sometimes much more time. If USCIS is persuaded not to terminate, it issues a notice of "Reaffirmation of Designation." If USCIS terminates, it gives notice of the right to appeal to the Administrative Appeals Office. Because of the absence of a regulation requiring exhaustion of administrative remedies, a terminated regional center could choose to go straight to court with claims of "arbitrary and capricious" decision or other reasons, but administrative appeal and supplementation of the record in the process might be wise.

CONTINUED ON NEXT PAGE >>

REASONS FOR TERMINATION

Most terminations have been for lack of activity. I know from experience that several regional centers have responded successfully to NOITs about inactivity. Even when no I-526 petitions have been filed or sponsored by the regional center, USCIS has been reasonable in accepting evidence of good faith activity seeking to develop viable projects.

Some NOITs have been for failure to file form I-924A (sometimes combined with inactivity). Again, USCIS has accepted some reasonable excuses for failure to file, especially if the failures have been cured with interim filings.

Some terminations have been based on USCIS rejection of the model used for project development, particularly Victorville and Lake Buena Vista. Other terminations have followed revelations of blatant securities violations associated with symbiotic developments, including Intercontinental Regional Center Trust of Chicago (Sethi), El Monte (California), Mamtek (Missouri), and USA Now (Texas). For a review of terminations, see R. Loughran, History of Risk in the EB-5 Regional Center Context, *Regional Center Business Journal*, Issue #4, Dec. 2013. A very recent termination against Midwest EB-5 Re-

gional Center has reflected a more aggressive approach when USCIS cited accusations of mis-reporting and mis-management of the regional center and its related projects, and if not successfully appealed this termination could have effects on pending or approved petitions.

CONSEQUENCES OF TERMINATION

The consequences of termination of a regional center could be brutal for an investor who was sponsored by that regional center. The regulations do not say what happens to investors who have not yet immigrated, but it appears that USCIS would deny or revoke an I-526 petition that depended on the regional center's sponsorship. A USCIS representative stated in a recent stakeholder meeting that USCIS would find a change of regional center to be a material change requiring denial and re-filing to use a new regional center's sponsorship.

8 CFR 204.6(m)(9) states that where there has been termination of a regional center, USCIS will send notice of termination of status to a conditional resident "within the regional center" (sponsored by the terminated center) who has not obtained I-829 petition approval

unless the alien "can establish continued eligibility" under INA 203(b)(5). It is not clear whether USCIS would find an investor capable of eligibility to use indirect arrangements (i.e., investment in a single purpose financing entity rather than into the job creating enterprise) or to count indirect jobs without the original regional center's sponsorship. USCIS' relaxed approach to material change for investors filing I-829s could be argued to apply also to change of a regional center sponsorship. So far, USCIS terminations have been for inactivity or for problems integrally related to the sponsored projects, but if a regional center were terminated for wrongdoing or reporting failures unrelated to a viable project, it would seem quite unfair for the investors to lose status on that account alone.

Legislative proposals to change the EB-5 program have included giving USCIS broader authority to terminate regional centers for reasons not limited to failure to promote the regional economy. USCIS already interprets that concept broadly when it wants to terminate. But regulations should be revised to provide an opportunity for investors in good projects to cure the termination of a regional center that happened to be the sponsor of the project, and any legislation should do the same. ■

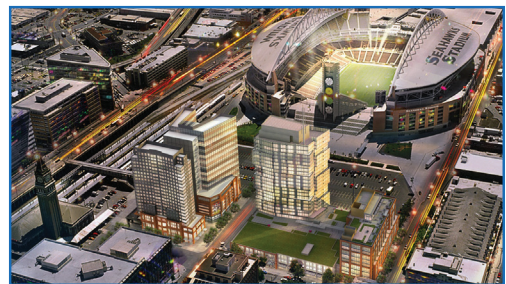


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FORM I-924A AS A NATIONAL SECURITY AND FRAUD DETECTION TOOL



K. DAVID ANDERSSON

IIUSA PRESIDENT

WHATCOM OPPORTUNITIES REGIONAL CENTER



DIANE BUTLER

SHAREHOLDER, LANE POWELL

The results of the December 2014 FOIA inquiry into Form I-924A filings provide a fascinating glimpse into the anti-fraud and national security toolbox of the Department of Homeland Security (DHS) as specifically applied to the EB 5 Regional Center Program (the “Program”). The annual rigorous screening of designated Regional Centers is in addition to the comprehensive USCIS, Department of State, CIA and FBI security and risk analysis of individual investors seeking immigration benefits through the Program and SEC oversight of investment offerings.

Contrary to the often unsubstantiated media speculation, an honest observer of the Program and its management cannot help but be impressed with the significant ability and commitment of USCIS to ensure that the Program is free of fraud and national security threats. Of course, there is always room for improvement, and therefore IIUSA is com-

mitted to legislative reform and continued productive cooperation with regulatory agencies and authorities to protect and maintain the integrity and effectiveness of the Program.

DHS uses the I-924A data to screen all participants in the Program, focusing primarily on Regional Center principals and the new commercial entities used for pooling funds. Inter-departmental cooperation, resources, and technology all work to carry out this mission. Based on information gathered through IIUSA FOIA requests and DHS published reports this article aims to take the reader through the annual background checks on Program participants.

Each Regional Center must file an annual I-924A form. Failure to timely file will result in the issuance of a Notice of Intent to Terminate and possibly cause the revocation of the Regional Center designation. No immigration benefits can flow to petitioners filing affiliated I-526 or I-829 petitions through

a terminated Regional Center. The I-924A form, as explained in pre-implementation industry stakeholder meetings and rulemaking publications, was developed to gather data to enable USCIS to manage three important Program functions:

1. Provide regular screening of principals and investment programs to detect and deter fraud;
2. Record and report job creation resulting from the Program; and
3. Ensure that the regional center is operated in furtherance of the economic development and job creation objectives of the Immigration and Naturalization Act, regulations and current Program policies.

USCIS use of Form I-924A as a tool for weighing fraud and national security concerns in the Program begins with the screening of program principals and investment entities through TECS.

WHAT IS TECS?

“The TECS system (not an acronym) is the updated and modified version of the former Treasury Enforcement Communications System. TECS is owned and managed by DHS component US Customs and Border Protec-

tion (CBP). TECS is both an information-sharing platform, which allows users to access different databases that may be maintained on the platform or assessed through the platform, and the name of a system of records that indicate the temporary and permanent enforcement, inspection and operational re-

cords relevant to the anti-terrorism and law enforcement mission of CBP and numerous other federal agencies that it supports.”

The table below illustrates some of the databases that reside on the TECS platform or are otherwise available for subject screening.

DATABASE	DESCRIPTION
APIS	Advanced Passenger Information System – Information on all passengers boarding flights to or from the U.S.
PIERS	Passport Information Electronic Records System – Interface with the U.S. Department of State
DHS Watchlist Service	List of any person identified by DHS for national security reasons
NCIC	National Crime Information Center – U.S. Department of Justice/FBI
NLETS	National Law Enforcement Telecommunications System – Owned by states of the U.S.
CLETS	California Law Enforcement Telecommunications System
CPIC	Canadian Police Information Center – Operated by the Royal Canadian Mounted Police
CIS	Central Index System – Interface with USCIS information services
NIIS	Non Immigrant Information System – I-94 and I-94W data/query
NEDS	Non Federal Entity Data System – Interface with states with enhanced drivers licenses
BCI	Border Crossing Information – Self-explanatory
GES	Global Enrollment System – Principal system for collecting and storing information on individuals who have enrolled in a CBP Trusted Traveler program

Any information or “hits” detected on any of the TECS databases, based on the investment entity name and/or name and date of birth of a principal supplied on the I-924A, is recorded on a Record Of Inquiry TECS (ROIT) worksheet. These worksheets are classified Law Enforcement Sensitive and distributed internally on a “need-to-know” basis.

Any hit requires a “resolution memo” in order to be cleared. Resolution memos are prepared by USCS Fraud Detection and National Security (FDNS) officers for each hit generated by an I-924A filing. The FDNS officer reviews the databases and related records and must determine that the “case has no nexus to terrorism or national security”.

When the TECS screening is complete the Form I-924A Review Worksheet then mandates the following inquiries:

1. Does the RC website promise repayment of EB-5 investment?
2. Does the RC website display the USCIS logo or suggest that USCIS has endorsed the RC or any of its investments?

USCIS also uses its internal iCLAIMS database to ensure consideration of the following questions:

1. If there is a website, is it promoting the RC?
2. Any derogatory information found on internet search?
3. Financial Documents Review?
4. Operational Structure Change?
5. FDNS Search Fraud concerns found?
6. Foreign ownership information or evidence?

The annual analysis of data obtained from I-924A form is but one of the many tools DHS has at its disposal to help protect the integrity of the Program. In addition, the Immigrant Investor Program Office has skilled adjudicators and subject matter experts in economics, financial crimes, and corporate law who closely scrutinize investment offerings for compliance with Program objectives. Instances of fraud or misrepresentation are referred to the SEC for prosecution. Once a petitioner is clas-

sified as an EB5 Alien Entrepreneur he/she is then subject to security clearances, criminal and military background checks and medical examinations plus interviews by Department of State consular officers with knowledge of local country conditions. In short, the U.S. government’s capability to detect fraud and national security concerns is both significant and robust. Last but not least, all IIUSA members are encouraged to comply with industry best practices and to immediately report any instances of fraud or abuse. ■

K. David Andersson is the President of IIUSA and Diane Butler is the former Chair of AILA National Customs and Border Protection Committee. The USCIS information was obtained in December 2014 via Freedom of Information Requests by IIUSA. IIUSA is the national membership-based industry trade association for the EB-5 Regional Center Program and currently has 260 Regional Center members, 23 interim associate members, and 228 associate members.

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Self-Regulation and IIUSA's Enforcement Procedure



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EB-5 IN THE NEWS

The EB-5 industry has recently come under heavy scrutiny from both the Securities and Exchange Commission (SEC) and the media, and there is no doubt that scrutiny will continue. Our members, as a result, may find themselves in the line of fire and their actions and failure to act may be publicly scrutinized. Our members could come into contact with questionable actors, actions, and activities, both within the United States and outside of the country, similar to those actions that the media has recently exposed. As an organization, we believe that we should strive to curb negative exposure through education and self-regulation of the industry.

THE COMPLAINT PROCESS

Recognizing our association's opportunity to play a more active and, indeed, proactive role in the EB-5 industry's self-governance, IIUSA is committed to identifying, elevating, and enforcing standards of professional conduct among its members. As evidence of this commitment, at the 2014 Annual Meeting, the 2013-2014 Best Practices Committee presented three documents that were created to provide a standard, forum, and procedure for our members to utilize to promote self-regulation: (1) the IIUSA Code of Ethics and Standards of Professional Conduct (Code and Standards); (2) the Code and Standards Enforcement Procedure (Enforcement Procedure); and (3) the Complaint Form. The Enforcement Procedure (see the attached flowchart) was designed to help identify those instances when IIUSA's ethical standards are being subverted. We believe that this procedure can help association members better un-

derstand and recognize potentially problematic actions and the association's position with regard to these actions.

IIUSA's newly-formed Compliance Committee was created last year to help breathe life into IIUSA's self-regulation process and has been proactively seeking out market intelligence to inform IIUSA of current trends, while contributing to market transparency by educating market participants on IIUSA's compliance documents and procedures. The Compliance Committee is dedicated to providing context to IIUSA's Code and Standards by educating the membership as to their purpose, applicability, and IIUSA's self-regulatory process for addressing violations of the Code and Standards. During its inaugural year, the Compliance Committee focused on its primary goals of exploring, educating, communicating, and contributing to the professional dialogue regarding approaches to address ethics and compliance issues in the EB-5 industry in an effort to enable regional centers and other EB-5 market stakeholders to operate more efficiently and effectively. The Compliance Committee believes that the complexity of the EB-5 Program coupled with conflicting information in the marketplace makes IIUSA's self-regulatory focus of the utmost importance for improving business practices in the EB-5 community.

IIUSA's Compliance Committee believes that the Enforcement Procedure can become an effective outlet for members to voice concerns about questionable practices in our industry, as well as an important avenue for better framing and understanding the questionable actions that are currently taking place in the EB-5 market. We recognize

that some actions are subject of considerable debate by industry participants and its critics, but we believe that the ongoing debates should not detract us from establishing and encouraging a free flow of information about questionable actions in our industry.

THE COMPLAINT FORM AND COMPLAINANT ANONYMITY

If an IIUSA member is aware of or concerned about the questionable actions of an EB-5 market participant, IIUSA's Enforcement Procedure, which calls for the use of its Complaint Form, is the tool that our members (or anyone with concerns) can use to effect positive change and promote self-regulation in our organization and industry. We recognize that to ensure the integrity of the Enforcement Procedure, complaints cannot be submitted anonymously. We also acknowledge the importance of assuring our members that a complainant's identity will be kept in strictest confidence, even within IIUSA offices, and that only the Executive Director of IIUSA will know the identity of a complainant.

We are pleased to report that complaints have been filed and that the Enforcement Procedure is being used as it was intended. It is our hope, however, that complaints will be routinely submitted to IIUSA and to that end we encourage members to use the Complaint Form to submit any questionable activities. One of the objectives of the Enforcement Process is to identify the issues that our members observe and for our association to assist in providing the proper support, or as the occasion warrants, penalization to reduce unlawful or unethical actions.

WHAT ARE THE ALTERNATIVES?

Without a legitimate Enforcement Procedure as an avenue for self-regulation, we are concerned that our members may be left without many options and that they may be inclined to ignore questionable actions or else personally confront the individuals responsible. Either alternative is potentially more damaging. First, depending on the severity of the issue, the SEC or the media may penalize the offending party, which would negatively reflect on the entire EB-5 industry. Second, the offending party may gain an unfair market advantage that might then be repeated and thought to be an acceptable practice. Third, the offending party may merely lack proper guidance or counsel, which could be addressed if the issue is identified at an early stage.

Another alternative would be for our trade organization to just step aside and wait for the SEC and other government agencies to continue to regulate the EB-5 industry through

enforcement. Government oversight is an important aspect of the regulatory landscape of our industry for which our members should be well-educated, appropriately counseled, and proactive. However, once an issue escalates to the point of government investigation and enforcement proceedings it may be too late for our members to salvage their reputations and relationships, which could greatly impact their ability to do business. IIUSA's Complaint Form and Enforcement Procedure empower our members with the ability to be preemptive in the regulatory environment.

THE OPPORTUNITY FOR SELF-REGULATION

The current regulatory landscape of our industry leaves us at a crossroad and there are two possible outcomes. The first is that we take control of the EB-5 industry and provide clear guidelines to support our members, thus improving the ability of our members to do business by elevating our own standards and continuing to improve the public's perception

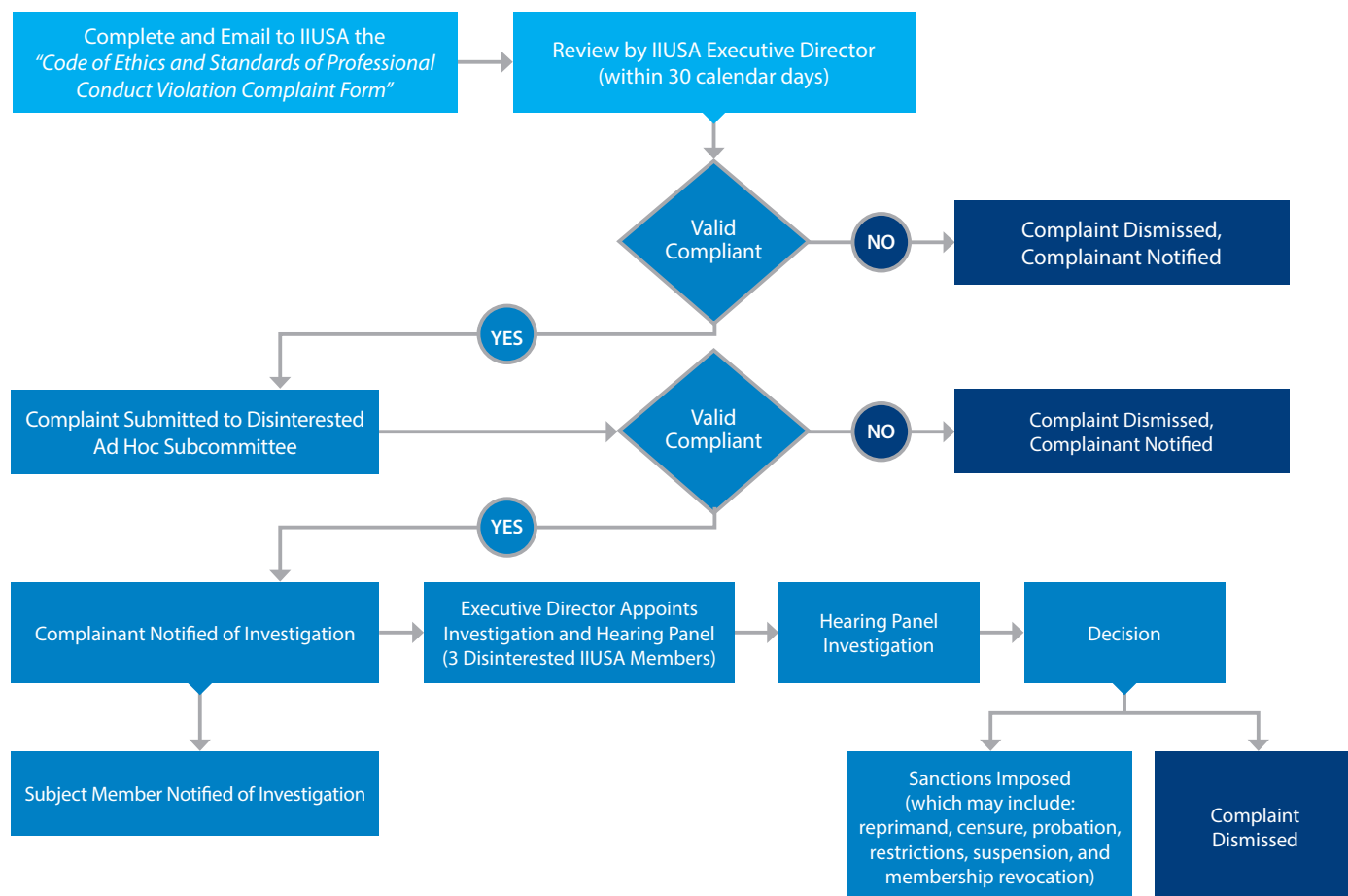
of our industry through a known commitment to self-regulation. The alternative is for government to be the only regulators investigating our industry to identify concerns, likely resulting in a stifled industry, destruction to our members and negative press.

THE FUTURE OF EB-5

The EB-5 industry is at a turning point. As an organization, we will continue to empower our members by providing opportunities to elevate standards in the EB-5 industry by making available resources like the Enforcement Procedure and Complaint Form. By accumulating and

addressing the various issues of concern to our members we can help ensure that the future of the EB-5 industry remains in our hands. Our industry has made tremendous progress, but is still in a tenuous phase and our ability to self-regulate may be our best opportunity to shape our industry, get ahead of those questionable issues that we currently face, and those we have yet to face. ■

IIUSA Code of Ethics and Standards of Professional Conduct VIOLATIONS COMPLAINT PROCEDURE



COMPLIANCE

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- Fulfill your obligations under the EB-5 Program
- Track investor investment activity
- Help your investors get their unconditional green cards
- Prepare your I-829 documents and template
- Prepare your I-924A annual reporting forms
- Track and document job creation
- “Best practices” advice



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For more information, contact EB5compliance@klaskolaw.com

\$826 MILLION FOREIGN DIRECT INVESTMENTS: ANOTHER RECORD-BREAKING QUARTER FOR THE EB-5 PROGRAM CONTRIBUTING TO THE U.S. ECONOMY



BY LEE LI

IIUSA POLICY ANALYST

After experiencing unprecedented growth in fiscal year (FY) 2014, how will the EB-5 Program (“the Program”) perform in the new fiscal year as its “sunset date” approaches in just a few short months? The latest data published by U.S. Citizenship and Immigration Services (USCIS) have provided us a clear answer: the EB-5 Program is continuously growing and has contributed more than \$820 million in pure foreign direct investment (FDI) to the U.S. economy within just one quarter. This is more than \$9 million in capital investments injected into various projects that promote regional economic development every single day.

According to USCIS, more than 2,900

I-526 petitions were received during the first quarter (Q1) of FY2015, 1,652 I-526 petitions were approved, and more than 13,000 I-526 petitions are still pending in USCIS’ Immigrant Investor Program Office. Compared to Q4 in FY2014, the number of I-526 recipients decreased by 9%, while the number of I-526 approvals increased by 50%. Unfortunately, the number of I-526 pending grew by 9% from the last quarter.

To illustrate the demand trends for the Program in a different perspective, Figure 2 compares the I-526 statistics in the first quarter of FY2013, FY2014, and FY2015. It shows the first quarter in FY2015 had the highest amount of both I-526 recipients and I-526 approvals with the least number of I-526 denials among the first quarters in the past three fiscal years.

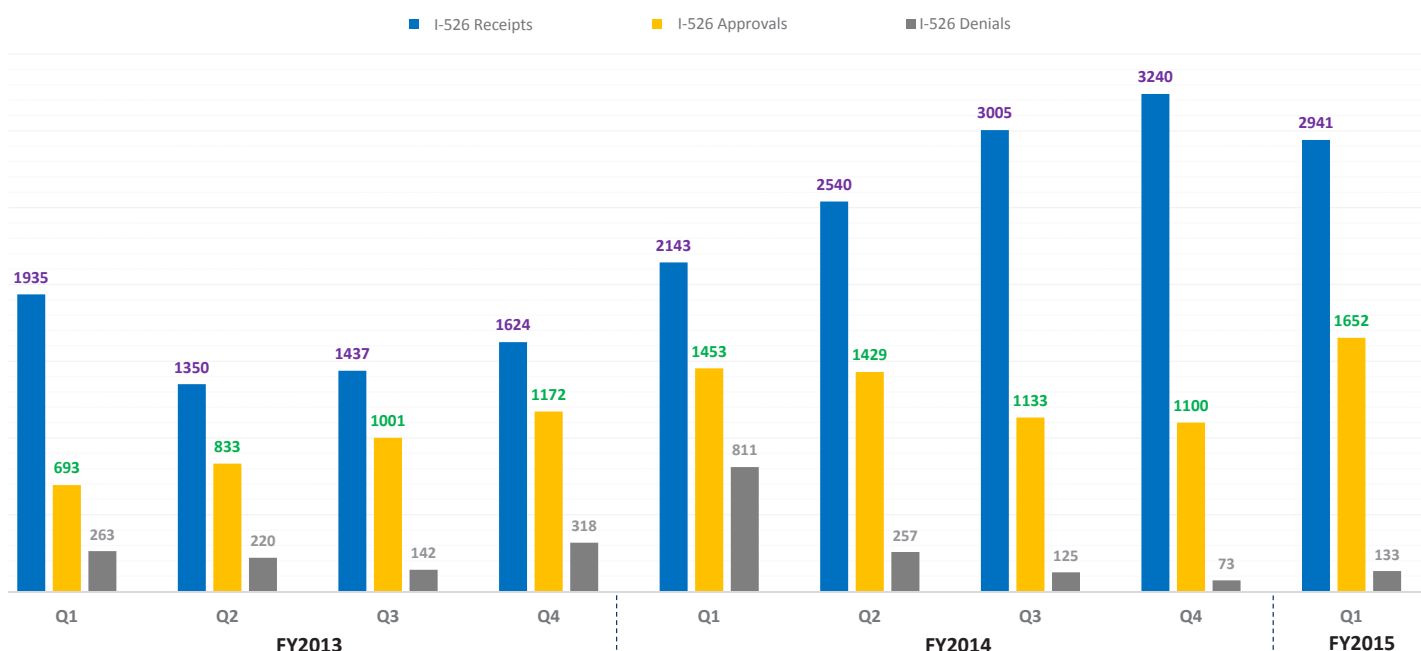
Moreover, the I-526 data demonstrates another trend that the Program is fulfilling its

commitment to promote economic growth in U.S. communities. Figure 3 shows that \$826 million in FDI was generated by the Program in the first quarter of FY2015, which was a significant increase by \$326 million from last quarter in FY2014. In addition, it is the greatest amount of capital that the Program has brought to U.S. economy within one single quarter since the Program started in 1990.

Additionally, based on USCIS’ latest I-829 petitions data set, the number of I-829 recipients was 810 in the first quarter of FY2015, which decreased by 17% from the fourth quarter in FY2014. The number of I-829 approvals dropped by 89% from last quarter to just 69 in Q1, 2015. In contrast, there are more than 3,000 I-829 petitions pending in USCIS, which increased by nearly 50% from Q4, FY2014. One additional data point that is worth mentioning is that not a single I-829

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FIGURE 1: I-526 PETITION QUARTERLY STATISTICS



IIUSA Quarterly Data Report
Data Source: U.S. Citizenship and Immigration Services (USCIS) Data Set

FOREIGN DIRECT INVESTMENTS

petition was reported as denied in Q1, 2015.

In the year to year comparison for the first quarter I-829 data from FY2013 to FY2015, Figure 5 indicates a substantial growth of the number of I-829 receipts, which indicates an increasing amount of EB-5 projects have not only successfully created sufficient American jobs year to year but also opened the door for foreign entrepreneurs to accomplish their immigration dreams.

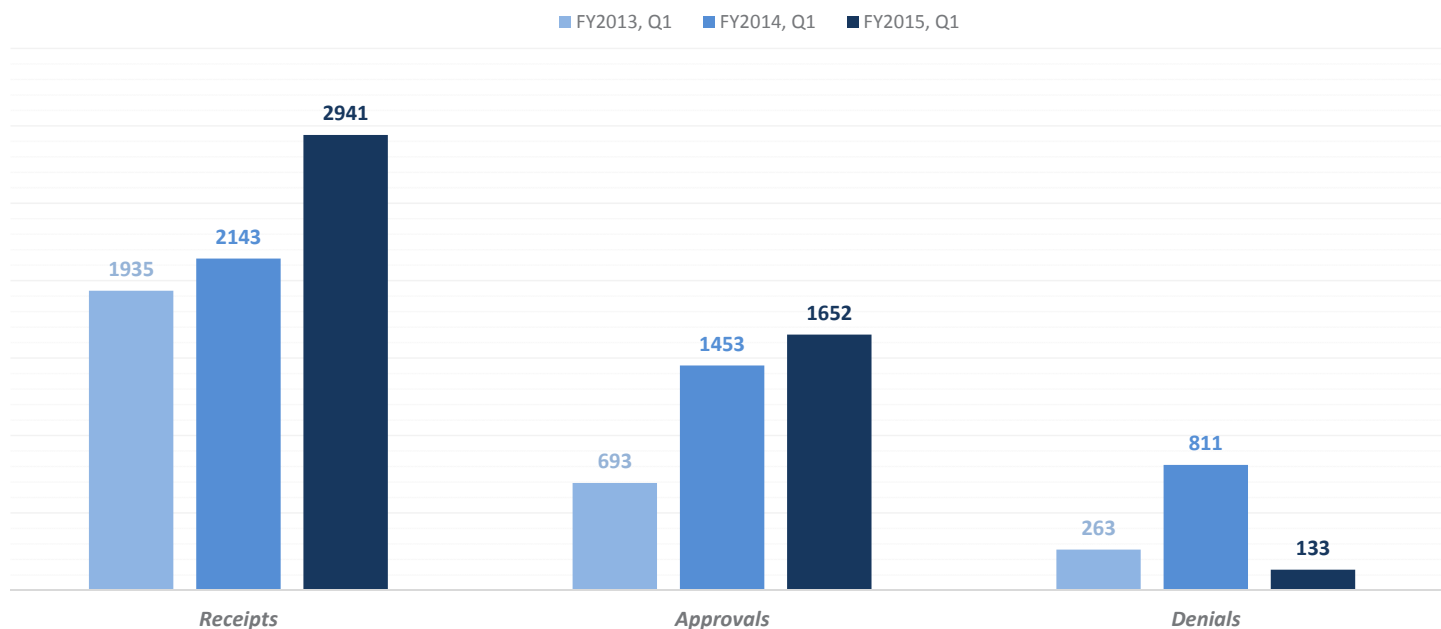
In addition, quarterly approval rates for I-526 and I-829 petitions are also valuable statistics that shed light on the latest trends of EB-5 adjudication. Figure 6 demonstrates the approval rate for I-526 petitions was 93% in Q1, 2015, which was higher than the overall average approval rate for I-526 petitions of 81.7% since FY2013. As for I-829 peti-

tions, the approval rate in the first quarter of FY2015 was 100% due to no I-829 petition being denied from USCIS.

Although USCIS does not release any data sets for I-924 petitions about approved Regional Centers, IIUSA diligently collects this data via the Freedom of Information Act (FOIA) and has been tracking the trends of the EB-5 Regional Center industry. Recently, IIUSA upgraded the benefits for the All-Access Pass (AAP) to provide three new comprehensive data reports for the AAP holders, which includes the designation data for all approved Regional Centers, market share data in the EB-5 Regional Center industry (coming soon), and the Final Termination Letters and Notices of Intent to Terminate of all terminated Regional Centers.

Particularly, the Regional Center Designation Data Report has provided valuable data points that EB-5 Regional Center stakeholders should be aware of. Figure 8 illustrates that the average processing time of a Regional Center application has been decreasing from the peak of nearly 600 days in FY2011 to about 170 days in FY2014. Also, Figure 9 shows state of California ranks first in terms of Regional Center approved geography, to which 19% of all Regional Centers get approved to conduct business, while the second place is Florida. In addition, as Figure 10 indicates, 18% of all approved Regional Centers utilize the RIMS II economic model for their business. The complete report along with a substantial amount of well-organized data sets are available through IIUSA's AAP. ■

FIGURE 2: I-526 PETITION STATISTICS: FIRST QUARTER DATA COMPARISON

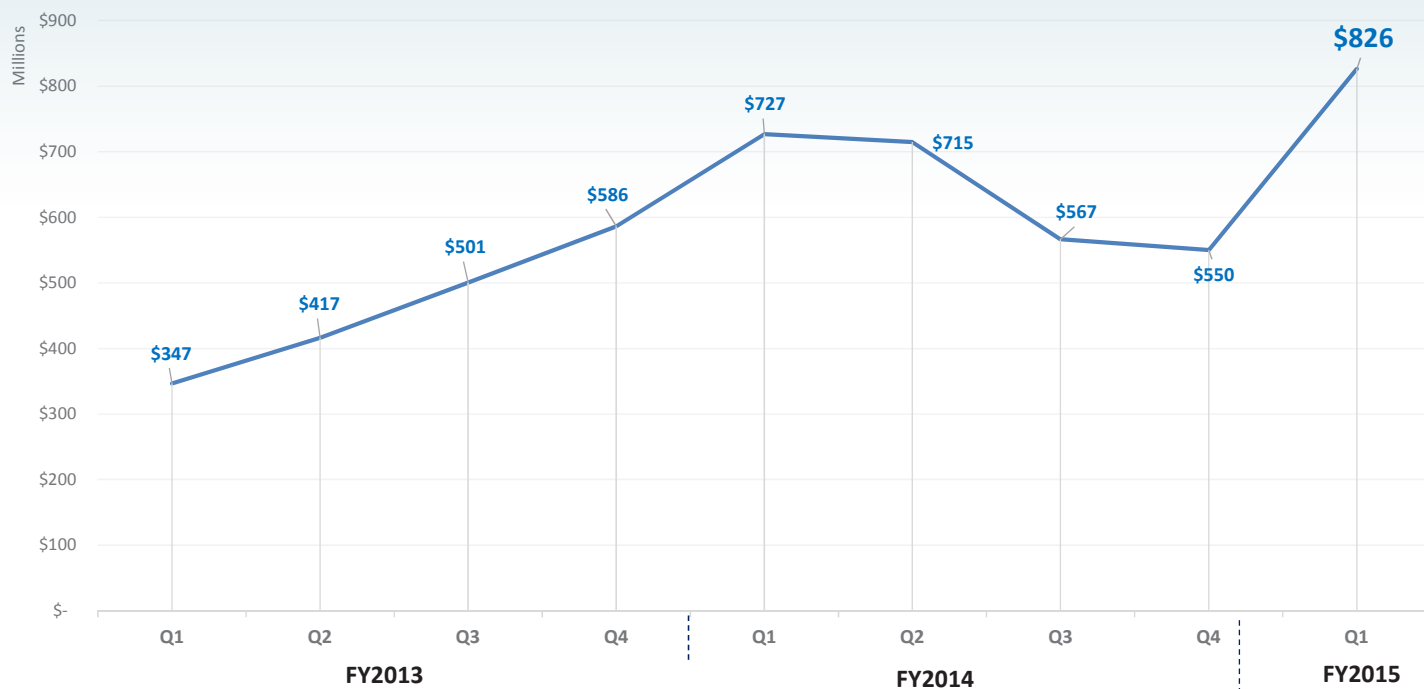


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Data Source: U.S. Citizenship and Immigration Services (USCIS) Data Set

FOREIGN DIRECT INVESTMENTS

FIGURE 3: FOREIGN DIRECT INVESTMENTS (\$MILLIONS) CONTRIBUTED BY EB-5 PROGRAM BY QUARTER (FY2013-FY2015, Q1)



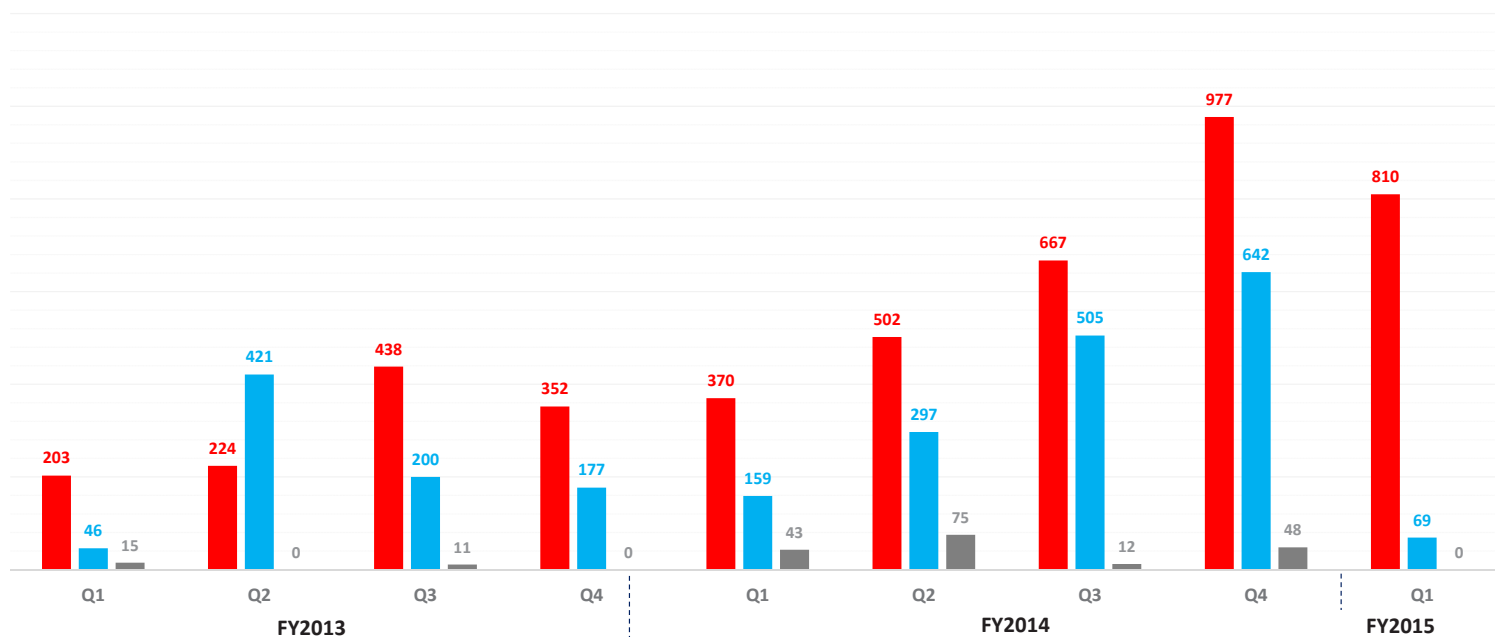
Note: EB-5 FDI = Number of I-526 Approvals * \$0.5 Million

Data Source: U.S. Citizenship and Immigration Services (USCIS) Data Set

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FIGURE 4: I-829 PETITION QUARTERLY STATISTICS

■ Number of I-829 Receipts ■ Number of I-829 Approvals ■ Number of I-829 Denials



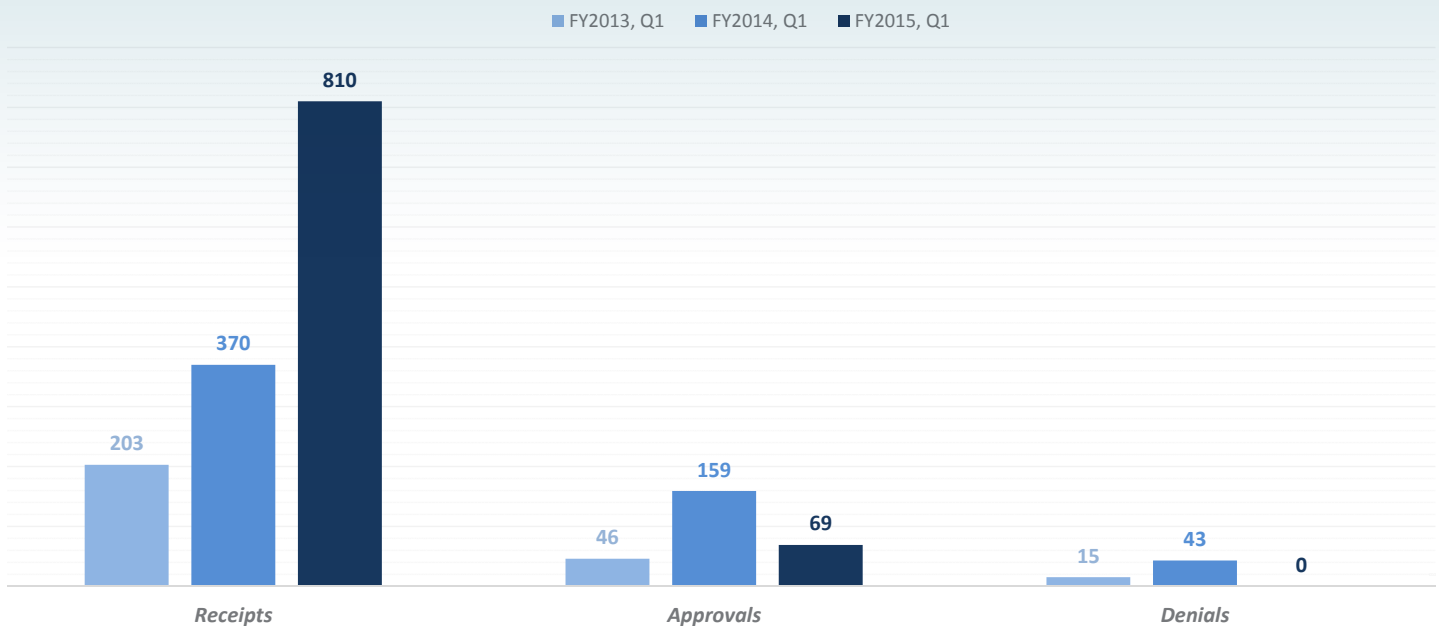
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Data Source: U.S. Citizenship and Immigration Services (USCIS) Data Set

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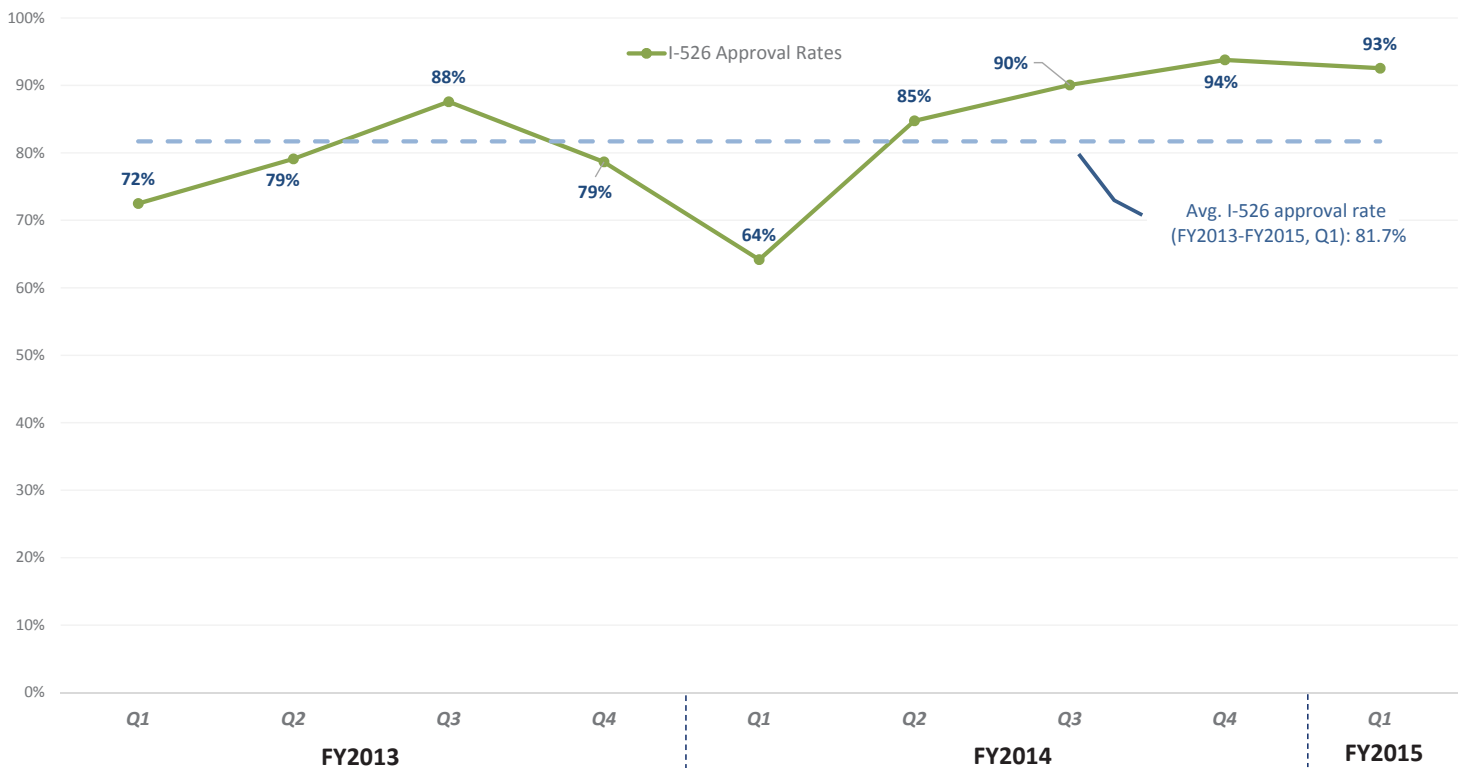
FIGURE 5: 1-829 PETITION STATISTICS: FIRST QUARTER DATA COMPARISON



IIUSA Quarterly Data Report

Data Source: U.S. Citizenship and Immigration Services (USCIS) Data Set

FIGURE 6: 1-526 APPROVAL RATES BY QUARTER COMPARED TO THE AVERAGE (FY2013-FY2015, Q1)



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Data Source: U.S. Citizenship and Immigration Services (USCIS) Data Set

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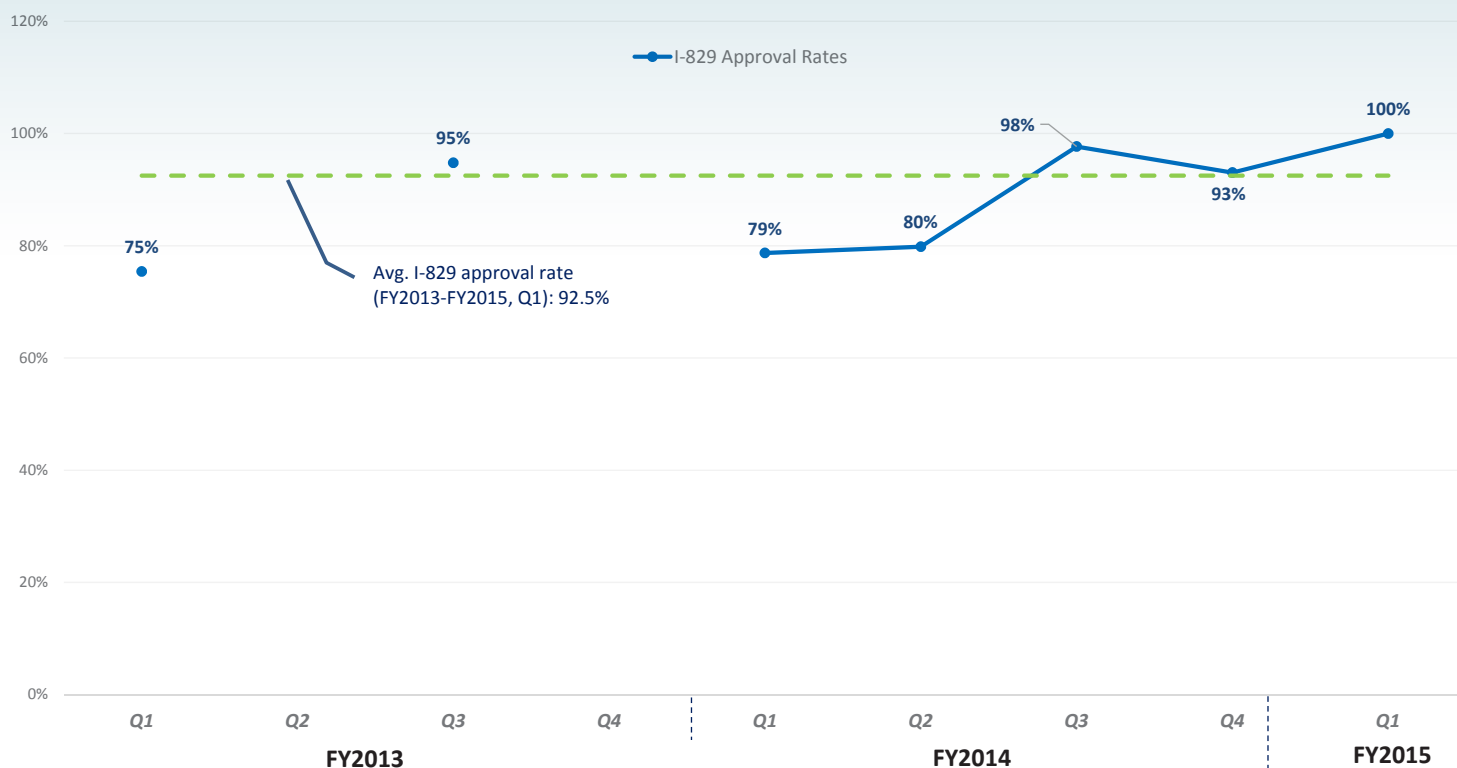
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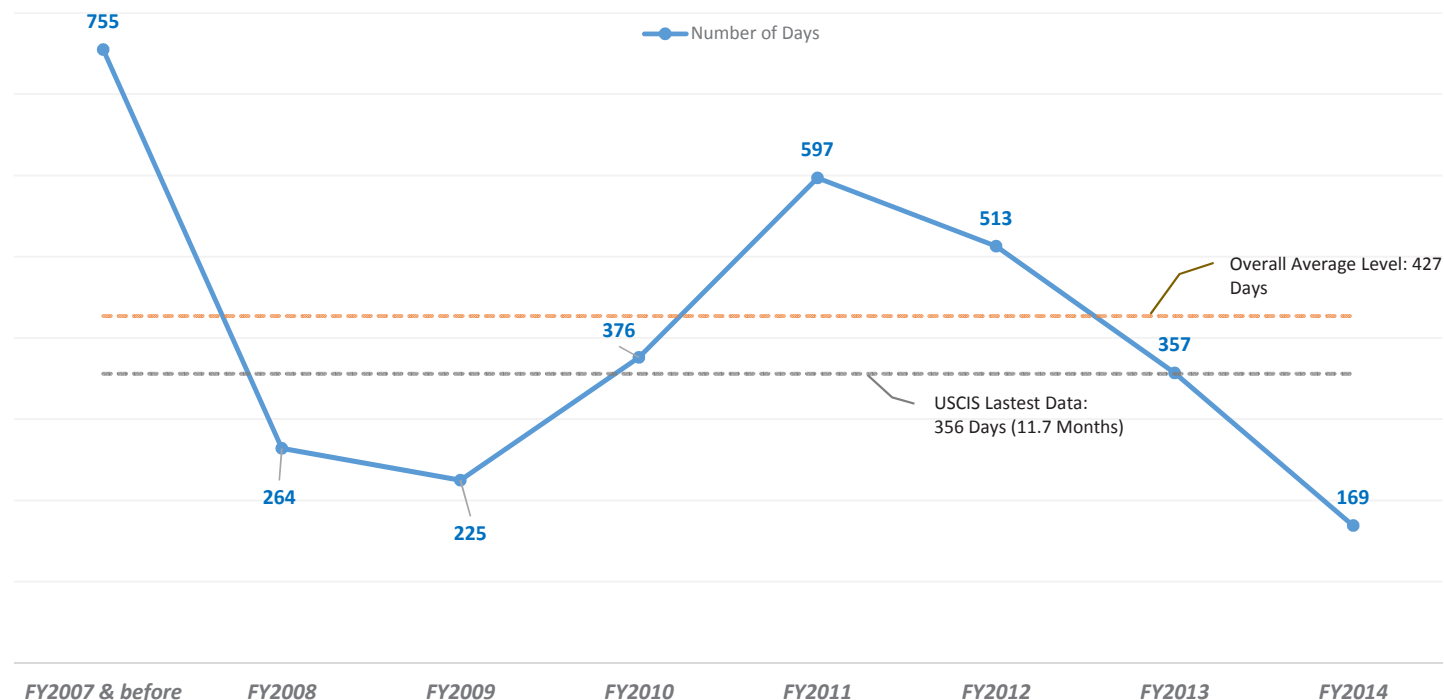
FIGURE 7: I-829 QUARTERLY APPROVAL RATES COMPARED TO THE AVERAGE LEVEL



IIUSA Quarterly Data Report

Data Source: U.S. Citizenship and Immigration Services (USCIS) Data Set

FIGURE 8: REGIONAL CENTER APPLICATION PROCESSING TIME (DAYS) BY FISCAL YEAR



Note: The data is based on the fiscal year when the I-924 Petition was submitted to USCIS
USCIS Data As of 2015-01-31

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FIGURE 9: TOP TEN STATES SERVED BY APPROVED REGIONAL CENTERS

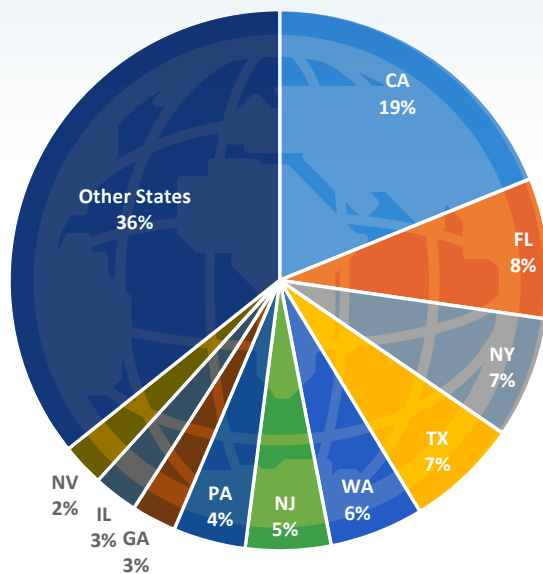
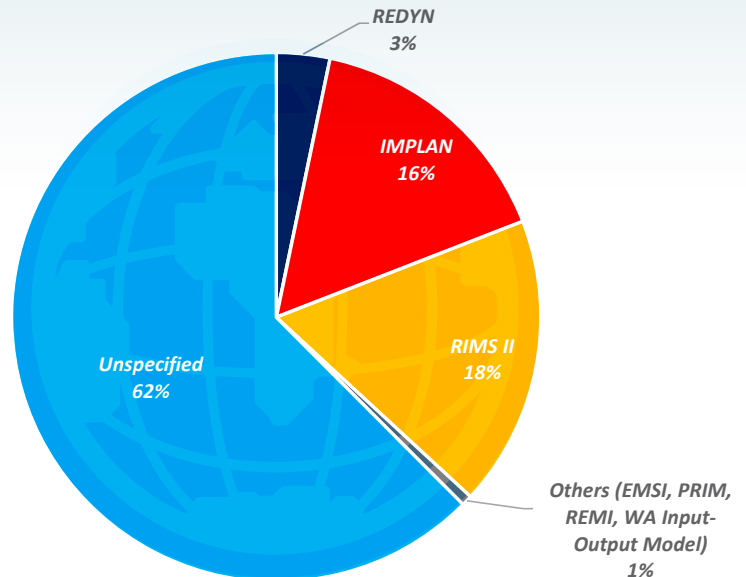


FIGURE 10: PERCENTAGE OF REGIONAL CENTERS BY APPROVED ECONOMIC MODEL



Data scale: As of 2015-01-11

Data scale: As of 2015-01-11

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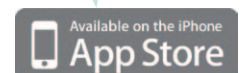
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Regional Center Designation: REFINING THE BASIC APPROVAL



BY LINCOLN STONE

STONE GRZEGOREK & GONZALEZ
LLP, IIUSA EDITORIAL COMMITTEE
CHAIR

The Obama Administration has sought fresh ideas from stakeholders

on how to reduce existing burdens and uncertainties on the part of participants in the Immigrant Investor Program and ensure the Program is achieving the greatest impact in terms of job creation, economic growth, and investment in national priority projects that the capital markets would not otherwise competitively finance. Here's one. In the interests of promoting economic growth, job creation, predictability and efficiency, and without compromising program integrity, USCIS should revise its template regional center (RC) approval letter for general proposals to promote economic development.

USCIS issues a letter of approval, the Charter letter, advising the nature and scope of the new RC authority. Over time these Charter letters had veered this way and that as Program policy evolved, see L. Stone, *Trends in Approvals of Regional Centers in the EB-5 Investor Visa Program* (RCBJ, May 2013), and S. Lazicki, *2013 Regional Center Approval Letters* (RCBJ, June 2014), but nowadays USCIS has settled on two templates. Charter letters are of two kinds – a basic RC designation (Basic Approval), or a RC designation coupled with a specific approved project (Project Approval). This dichotomy follows the “hypothetical project” and “actual project” terminology that first surfaced with the USCIS adjudications memorandum of December 11, 2009 (note, not statutory), and has continued in practice and policy to the EB-5 Adjudications Policy Memorandum of May 30, 2013 (Policy Memo) and ever since. If the RC proposal merits approval but the proposed plans for EB-5 investment lack the specificity of the EB-5 precedent decision Matter of Ho, then USCIS frames the proposal as “hypothetical” and meriting no more than Basic Approval. But if the proposed EB-5 investment meets

the high level of particularity in documentation required by Matter of Ho then the Project Approval will be given deference in later adjudications. The overall USCIS effort is laudable; it fosters predictability in adjudications by providing a pathway for the RC to get Project Approval for a specific project that is ready to go, and it allows a different pathway for the RC that is not so far along in its transactions or regional economic development efforts. Importantly, the Basic Approval pathway adheres to the 2002 statutory directive to facilitate RC designation based on a general proposal and general predictions about the kinds of jobs that will occur.

As reflected in Training Materials used by USCIS to train new EB-5 adjudicators, the Charter letter should outline all RC elements approved in the RC's initial designation. The Training Materials (obtained by IIUSA via FOIA) further instruct that the Charter letter should indicate that the following are approved (*italics supplied*):

- Geographic area
- Industry sectors
- Job creation forecasting tools
- Amount and source of capital committed to the RC
- Promotional efforts

By comparison, here's the essential content of the Basic Approval -- acknowledging the underlying economic impact analysis, and having approved of that analysis, USCIS makes the following statements:

- The applicant entity is approved as a qualifying participant in the Program
- A specific geographic area has been approved, in which area the approved RC would focus, promote economic growth, and offer capital investment opportunities
- A specific set of industry sectors (also identified by NAICS) has been approved, in which sectors the approved RC would focus, promote economic growth, and offer capital investment opportunities

- Given that the proposed EB-5 capital investments are deemed hypothetical, “USCIS's approval of the hypothetical job creation estimates presented in the Form I-924” will not be given deference in later adjudications

Focusing on the final item – “approval of the hypothetical job creation estimates” – it's clear a more robust statement by USCIS would better comply with the instruction in the Training Materials to indicate the job creation forecasting tools have been approved. It's not clear why the Basic Approval neglects this duty. Also, a clearer statement should advance the cause of predictability for stakeholders and thereby advance the mission of economic development and job creation. Rather than emphasize the negative (i.e., no deference in later adjudications) USCIS should unequivocally state in the Basic Approval that it has approved the job creation methodology proposed in the I-924 filing. In short, USCIS should revise its template language for the Basic Approval to state the following:

“USCIS approves the job creation methodology presented in the Form I-924 and the economic analysis dated ____, and the approval should be accorded deference in later adjudications. However, in view of the determination that the business plan for EB-5 investment presented in the Form I-924 lacks the specificity required by Matter of Ho, it is hypothetical. Therefore USCIS has not approved the application of the approved job creation methodology to a specific business plan for EB-5 investment, and in future adjudications of Form I-526 the business plan and related job creation estimates will receive a de novo review by USCIS.”

There is no doubt that approval of the job creation methodology is an essential part of the I-924 review process, even in the case of Basic Approval. For more than 20 years regional centers have received Charter letters advising that the job creation methodology has been approved. The current Policy Memo acknowledges the applicable regulations: 8 CFR 204.6(m)(3) requires the RC proposal, now the I-924 filing, to include a proposal

that “provides in verifiable detail how jobs will be created indirectly... [and that] is supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and/or multiplier tables.” This regulatory language mirrors the regulation at 8 CFR 204.6(m)(7)(ii) relating to the EB-5 investor’s obligation to demonstrate that ten or more jobs are created indirectly by the business using “reasonable methodologies” including “multiplier tables, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and other economically or statistically valid forecasting devices which indicate the likelihood that the business will result in increased employment.” The I-924 Instructions also note that a regional center application “must contain sufficient detail to provide valid and reasoned inputs into the economic forecasting tools.” In practice, therefore, in order to ensure that the proposed regional center will be using a job creation methodology that would satisfy the regulation for “verifiable detail” and is an economically or statistically valid forecast-

ing device for estimating future job creation, USCIS requires all I-924 filings to include reference to a specific commercial enterprise or project that will receive EB-5 capital. The proposed EB-5 investment into a specific commercial enterprise or project – whether it leads to a Basic Approval or a Project Approval – provides an illustration of how the job creation will be estimated using the job creation methodology that is advanced in the I-924 filing. If USCIS disagrees with the proposed job creation methodology it will not approve the I-924 application. Consequently, in view of the fact that a central aspect of the I-924 review is USCIS consideration of the job creation methodology, the Training Materials require the RC approval letter to state that a particular job creation-forecasting tool has been approved. It would be utter waste of government resources to do anything less.

Considerable confusion persists in identifying exactly what is a job creation methodology. Given that all, or nearly all, EB-5 petitions for RC investors are grounded in input-output (I-O) models as a forecasting tool, limiting the following statement to cases

involving I-O models is hardly a limitation. A job creation methodology for purposes of EB-5 practice is (i) a clear description of a specific process or method for arriving at the specific inputs that are to be used in connection with an I-O model, and (ii) identification of a specific I-O model that would be used to transform the input data into forecasts of job creation. For item (ii) above, RIMS II multiplier tables and IMPLAN are the most common forms of I-O devices used in EB-5 practice. They are based on data from the Bureau of Economic Analysis of the US Department of Commerce, and they are routinely if not always accepted by USCIS. But RIMS II and IMPLAN are not job creation methodologies. A complete job creation methodology also requires item (i) above, an explanation of the specific inputs that will be used in the I-O process. For a further explanation of I-O models, see P. Sommers & L. Stone, *Regional Economics and Job Creation in EB-5 Practice*, Inside Immigration (AILA 2012).

On the straightforward side of things, specific inputs might include – estimated and validated construction expenditures as input

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for estimating total job creation in the construction phase of a commercial enterprise; on-site workers as input for estimating total job creation in the operations phase of a commercial enterprise; or estimated and validated annual revenues as input for estimating total job creation in the operations phase of a commercial enterprise. These forms of input data, if the inputs are validated as commercially reasonable for the particular industry in the particular region, are routinely accepted by USCIS. There also can be variations or a few more steps in deriving the inputs for the I-O model. The construction expenditures input could be derived by an estimate grounded in industry data for a particular type and size of construction project, without reference to a specific or actual project. The number of estimated on-site workers could be derived by reference to studies indicating the number of workers-per-square foot for particular worker classifications. Or, the estimated future revenues of a particular kind of operating business could be derived by use of a capital-output ratio that effectively translates the amount of investment in hard capital assets into an estimated revenue figure. All of the above examples for deriving a set of inputs

for use with the I-O model are legitimate and have been accepted as reasonable by USCIS in specific cases. When the process for deriving the input data is combined with a particular I-O model we then have a job creation methodology.

A comprehensive discussion of “what if” scenarios that USCIS might encounter is beyond the scope of this brief plea. Suffice to say, to clarify that the Basic Approval includes approval of the job creation methodology is not to green light even a single I-526 petition. It's only the methodology that has been approved; the application of the methodology to a particular actual EB-5 investment is a different matter. Moreover, as in the case of Project Approval, USCIS has retained authority to change course in instances of fraud, mistake, and material change. For instance where due to passage of time a foundational research source is outdated and is no longer a reliable data set for a particular job creation methodology, there's no continuing need to defer to the earlier approval of the methodology in the case of the particular commercial enterprise. If USCIS thinking about a particular methodology has evolved to a point that it has estab-

lished certain pre-conditions for its use (e.g., as with Tenant Occupancy), it can pronounce its standards to stakeholders and apply those standards proactively in new cases.

By the time the Charter letter arrives, the newly-minted RC has been at it for about two years, half in preparation with very expensive consultants, advisors, economists, and lawyers of different stripes and half in anxious anticipation for USCIS review. The Charter letter should state that the job creation methodology has been approved. Without such clarity, the new RC is incapable of reasonably measuring its immigration risks with future EB-5 offerings. Inability to calculate immigration risks is a deterrent to RC activity and contributes to stifling inbound EB-5 investment. A revision to the Basic Approval is an easy step for USCIS to take, it could prove very beneficial for the Program, and it has no downside. ■

Lincoln Stone leads the Investor & Entrepreneur Practice Group at Stone Grzegorek & Gonzalez LLP, www.sggimmigration.com

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- **5/5- 5/6:** Henley & Partners Forum 2015 (Zurich, Switzerland)
- **5/7:** EB-5 Advocacy: Post-Conference Review (IIUSA Webinar, Members-Only)
- **5/12-5/14:** SelectUSA - Road Show (Mexico)
- **5/12-5/15:** National Development Council Academy 2015 (Washington, DC)
- **5/18-5/29:** SelectUSA - Road Show (Greater China)
- **5/28:** Going Global: The Importance of Diversifying the EB-5 Investor Marketplace (IIUSA Webinar)
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SelectUSA Summit Showcases Diversity of U.S. Investment Opportunities for Foreign Investors



BY ALLEN WOLFF

IIUSA ASSOCIATE DIRECTOR
OF MARKETING &
COMMUNICATIONS

At the first ever SelectUSA Investment Summit in October 2013, President Barack Obama proclaimed in his keynote address that the United States is "open for business" and announced the first ever comprehensive plan led by the federal government to bring international jobs and investment into the U.S.

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The success of the plan was on full display at the Second Annual SelectUSA Investment Summit (March 23-24) at the Gaylord National Resort and Convention Center in Washington, DC. Boasting over 2,500 attendees (nearly twice the size of the 2013 event) including investors from more than 77 countries as well as high-profile business and government leaders and economic development officials from around the country, the Select

USA Investment Summit proved once again to be a showcase for the incredible diversity of investment opportunities available here in the U.S.

The 2015 edition of the SelectUSA Summit featured panels on accessing research & development (R&D) assets, supply chain strategies, U.S. tax policy and implications for foreign investors, small and medium-sized enterprises workshop (SMEs), America's energy economy, resources for startups and entrepreneurs and opportunities in manufacturing, infrastructure and agriculture.

As a sponsor, exhibitor and representative of the EB-5 Regional Center Program at the Summit, IIUSA had the opportunity to engage with hundreds of participants, including potential foreign investors, state and local Economic Development Organizations (EDOs) as well as government agency representatives and top-level industry experts from around the world.



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- Strategic Alliances with National and International Professional Firms
- Internationally Recognized EB-5 Practice and Team

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As a precursor to the Summit, IIUSA participated in a new program called the SelectUSA Investment Summit Academy. Serving as a practical orientation focusing on trends and resources to help EDOs achieve their FDI attraction goals, the Academy featured a special panel titled “EB-5: How Does it Fit with FDI Development” to educate attendees on best practices in EB-5 funding. Moderated by IIUSA Executive Director Peter D. Joseph and consisting of IIUSA members Angelique Brunner of EB5 Capital (also Chair of the Public Policy Committee and Director of IIUSA) and Brent Raymond of the State of Vermont EB-5 Regional Center, the panel covered EB-5 basics, interdisciplinary roles within the EB-5 process as well as recent macro-data and investment trends. It was noted the minimum

amount of FDI contributed by the EB-5 Program in 2014 was over \$2.5 billion, the highest ever for the 20 year old Program.

IIUSA'S COOPERATION WITH THE SELECTUSA INITIATIVE

Housed within the U.S. Department of Commerce, SelectUSA was established in 2011 to attract and retain investment in the United States in order to create jobs, spur economic growth, and advance U.S. competitiveness.

IIUSA's collaboration with SelectUSA pre-dates its creation by Executive Order in 2011, when the office of “Invest In America” was in charge of promoting FDI into the US (the office was absorbed by the more robust Se-

lectUSA upon its creation). Over the years, SelectUSA has been a staple speaker at IIUSA conferences, and has an ombudsman function for working with other federal agencies when FDI is being frustrated by bureaucratic hurdles – a portfolio that sometimes includes EB-5 processing issues. IIUSA has also participated in SelectUSA events abroad to promote inbound FDI and is proud to educate economic development professionals and foreign investors about the benefits of investing in the U.S. through the EB-5 Program.

IIUSA looks forward to working with SelectUSA to further promote the EB-5 Regional Center Program as an important component of foreign investment into the U.S. for years to come. ■



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Alice H. Sun

ATTORNEY AT LAW, AILA MEMBER, IIUSA MEMBER



Alice H. Sun, member of AILA (1996 to present) and IIUSA (2013 to present), has been doing research and practice of EB-5 Investment Visa laws since 1994. Together with highly experienced staff of the law firm, she strives to provide outstanding legal advice and highly successful representation to all EB5 clients. Having a Master's Degree of Law from the Chinese Academy of Social Sciences in Mainland China and a J.D. degree in the United States, she has exceptional ability to communicate sophisticated legal terms with EB5 investors in both Chinese and English language to enhance effective and successful legal representation of EB-5 Investors. Alice H. Sun also hosts periodic EB5 seminars for potential investors and foreign emigration agencies to promote understanding of EB-5 laws and EB-5 regional center projects.



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COMMITTEE CORNER

ASSOCIATION BUILDING (ABC)

Lead IIUSA's outreach to interest groups whose members are benefiting from the EB-5 Regional Center Program and are natural strategic partners in advocacy, education, and/or otherwise.

BANKING

Develop educational materials for banks on the EB-5 Regional Center Program and best practices in popular financial services (escrow, bridge or other) loans, fund administration, etc.) that provides leadership in the ongoing institutionalization of the Program.

BEST PRACTICES

Develop recommended industry best practices that contribute to a transparent and informed marketplace with the highest degree of professional behavior that aligns the interests between investor, project, and Regional Center to the greatest extent possible.

BUDGET AND FINANCE

Recommends IIUSA annual budget to membership, oversee budget reporting, and ensure compliance with all applicable laws and regulations.

BYLAWS

Ad hoc committee that recommends amendments to IIUSA's corporate bylaws on an as needed basis.

COMPLIANCE

Proactively seek out market intelligence to inform IIUSA of current trend drivers, while contributing to market transparency by making potentially aggrieved parties aware of IIUSA's industry code of ethics policies and enforcement processes to address unethical behavior in the marketplace.

EDITORIAL

Curate IIUSA's industry-leading quarterly magazine, the *Regional Center Business Journal* (and other select publications) by providing essential input into IIUSA industry data collection/analysis process and carefully considering submissions for publication on various IIUSA communication platforms.

INVESTOR MARKETS

Track how world events are driving EB-5 investor market demand around the world and report through IIUSA's various communication platforms, while also providing essential input into IIUSA's market research efforts that empower member marketing decisions.

MEMBERSHIP

Improve IIUSA's value proposition to members through consistent benefits analysis, recommending new programming, and leading outreach efforts to desirable new members.

INTERNATIONAL SUBCOMMITTEE: Recruit desirable new members based outside of the United States, while leading efforts to develop partnerships with international governmental entities and interest groups.

PUBLIC POLICY

Consider public policy issues, both proactively and reactively, while developing and recommending industry positions for all elements of IIUSA's advocacy and government affairs activities.

PUBLIC RELATIONS

Provide ongoing input to IIUSA public affairs strategy and its implementation, and assisting with outreach efforts to members and media alike.

TECHNOLOGY

Lead IIUSA efforts in understanding members technology needs, delivering empowering, cutting-edge industry technology tools to members, and optimizing all facets of IIUSA's existing web presence

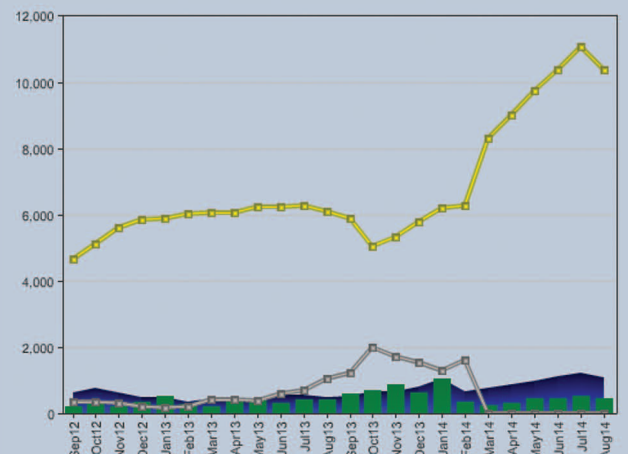
I-526 & I-829 Trends

AS OF DECEMBER 2014

I-526 National Trend

- All Other Pending
- Awaiting customer action
- Completions
- Receipts

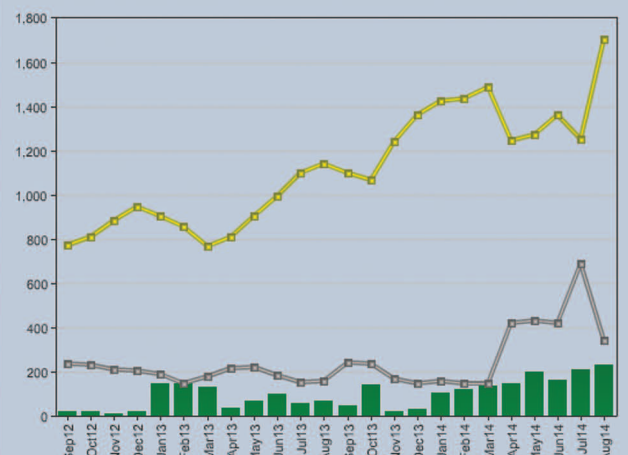
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I-829 National Trend

- All Other Pending
- Awaiting customer action
- Completions
- Receipts

CSV
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Source: www.USCIS.gov



Visit the updated IIUSA Marketplace by going to iiusa.org, select Visit Our Shop, and chat with an IIUSA representative if you have any questions.

- Register for the 5th Annual IIUSA EB-5 Market Exchange in Dallas, TX, October 21-23, 2015
- Sign Up for upcoming EB-5 webinars
- Purchase the All Access Pass
- Advertise in the *Regional Center Business Journal*
- Advocacy Brochures, Conference Handbooks and industry reports
- Exclusive Video Content, including webinars and conference presentations, available for OnDemand Purchase.
- Leadership Fund Contributions



IIUSA members can purchase an **All Access Pass** for 2015 which will grant you attendance to all 12 IIUSA monthly webinars, unlimited access to past webinar recordings on demand and other digital content including past presentations. Additionally, All Access Pass holders get exclusive IIUSA EB-5 reports and raw data on EB-5 statistics and trends.

The All Access Pass is getting even better in 2015!

- Regional Center "data tracker" reports featuring aggregated reporting on all Regional Centers' annual I-924A filings and designations/amendments
- I-829 request for evidence (RFE)/denial raw data and report (2011-2013)
- Notice of Intent to Terminate (NOITs) and final termination notices for terminated Regional Centers
- Notices/reports of Securities & Exchange Commission (SEC) enforcement actions on against Regional Centers

iiusa.org/marketplace

By the Numbers

826,000,000 - In the first quarter of Fiscal Year 2015 (Oct. 1 - Dec. 31), the EB-5 Program contributed \$826 million in Foreign Direct Investment (FDI) to the U.S. economy, the most of any quarter in the Program's history. Minimum FDI is calculated by the number of I-526 approvals multiplied by the minimum EB-5 investment amount (\$500,000).

77 - More than 2,500 people from 77 countries attended the SelectUSA Investment Summit in Washington, DC from March 23-24. The conference brought together investors from all over the world, as well as economic development organizations from every corner of the United States, high-level government officials, and others working to facilitate investment in the United States.

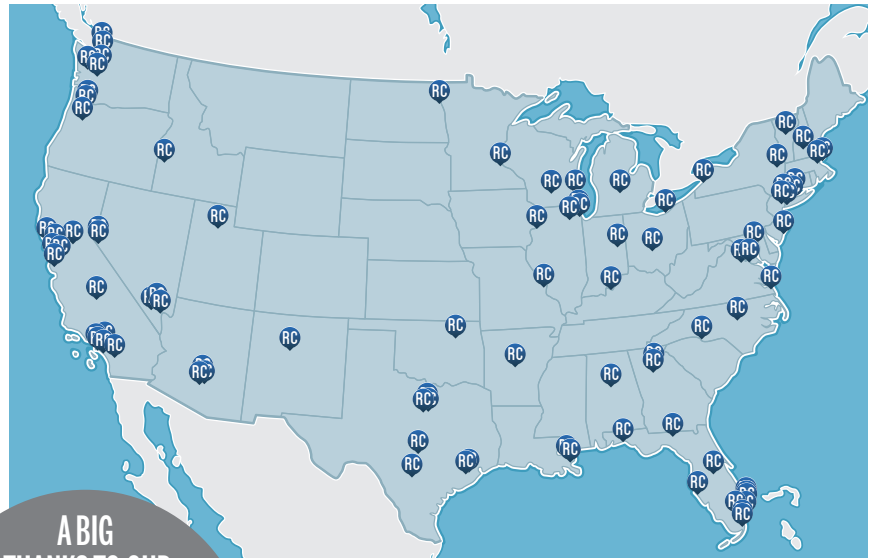
900+ - IIUSA sponsored and presented at the Public Private Partnership (P3) Conference in Dallas, TX from February 23-25 which was attended by over 900 economic development and finance professionals from around the country. IIUSA had a chance to engage with professional from both the public and private sectors to discuss how they might be able to EB-5 capital in the construction, renovation and replacement of public facilities.

6.5 - Over the last 9 years, the Program has contributed \$6.5 billion of capital investment to the American economy and supported over 131,000 jobs through investment in successful businesses and economic development projects across the country.

79 - The International Monetary Fund estimates that between 2013 and 2018, 79% of global economic growth will occur outside the US. Other estimates show that by 2030, Asia's share of the global middle class will increase to 66% while the US share will only be 7%.

450+ - IIUSA's 2014 IIUSA EB-5 Advocacy Conference included over 450+ economic development and investment professionals from 12+ countries and featured three keynote addresses from Congressional leaders, speakers representing five federal agencies, and eight comprehensive panels on trending EB-5 topics. Registration numbers for the 2015 EB-5 Advocacy Conference are set to shatter records!

IIUSA SURPASSES 260 REGIONAL CENTER MEMBERS!



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

Regional Center Member Map

Our Interactive Regional Center Members Map on www.iiusa.org includes 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.

IIIUSA is proud to announce that we recently surpassed **260 Regional Center members!** Thank you to everyone for your continued and dedicated support as we enter the one year mark until the Program needs reauthorization. Our organization, and the industry as a whole, is stronger thanks to your hard work and commitment.

Visit IIUSA's Legislative Action Center (advocacy.iiusa.org) to share your story with your members of Congress to ensure the Program's future. Additionally, stay tuned for IIUSA's new online member portal, a powerful tool that will equip our industry with the necessary information to engage the public with data-driven industry analysis and powerful anecdotes that drive the narrative of the 21st century economic development through the Program. ■



IIUSA MEMBER PORTAL DATABASE UPDATE

Members should take note of the recent additions to the IIUSA's New Member Portal (NMP) database located at member.iiusa.org. The following materials, and more, are available for full viewing:

- **Webinar Presentation Documents:** Securities Laws & EB-5: Broker Dealer Business Model (03/04), Review of IIUSA EB-5 Regional Center Industry Best Practices (02/05/15), EB-5 Industry Advocacy Webinar: Strategies for a New Congress (02/12/15)
- **EB-5 Interactive: Requests for Evidence on Lawful Source of Funds for Investment Teleconference Recording** (02/26/15)
- **Dialogue with USCIS Director León Rodríguez Recording** 02/25/15)
- **"A Roadmap to the Use of EB-5 Capital: An Alternative Financing Tool for Commercial Real Estate Projects"** By Gary Friedland, Esq. and Professor Jeanne Calderon, Center for Real Estate Finance Research, Stern Business School, New York University (02/20/15)
- **Data Report: I-526/I-829 Adjudication Data Q1 FY2015** (02/12/15)



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

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