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NEWSLETTER | MARCH 2011

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IIUSA President Publishes Open Letter to EB-5 Regional Center Program Stakeholders

The following letter to [IIUSA](#) members was written by K. David Andersson, President of IIUSA and Principal at [Whatcom Opportunities Regional Center](#) in Washington State. In it, he invites all members to the upcoming [EB-5 Regional Center Advocacy Conference](#) that IIUSA will host in Washington D.C. on May 10.

Dear IIUSA Members,

The September 30, 2012 “Sunset” date for the EB-5 Regional Center Pilot Program (the “Program”) continues to march towards us at an alarming speed. The continued existence and viability of each of your Regional Center projects now depends our collective ability to join forces to obtain permanent authorization for the Program.

If you are content in the notion that some form of extension, albeit temporary, is inevitable – you might want to think again. A single negative event could easily critically undermine even a temporary extension.

With that in mind, I invite you to join me and many other proactive IIUSA Members, in Washington, DC in May for our Annual Meeting and EB-5 Regional Center Advocacy Conference.



K. David Andersson,
IIUSA President

Advocate our Cause

We will begin by hosting a Congressional Reception to showcase our success stories to lawmakers. Individually, we each have an important story to tell – but together our collective narrative is impressive and compelling. The Program may be the only economic development initiative in America focusing close to a billion dollars in capital into projects creating tens of thousands of jobs. Regional Center Members are encouraged to set-up their displays and exhibits to provide clear examples of U.S. job creation to invited Congressional Office and agency staff.

The Honorable Senator Patrick Leahy (D-VT) has introduced the Creating American Jobs with Foreign Capital Act (S. 642) which, if passed, will make the Program permanent. We now need this act championed and passed in the House. IIUSA will assist you focus your important lobbying efforts with resources and coordination. Congress needs to understand that in order for the Program to fulfill its annual promise of \$2B in newly invested capital and 40,000 jobs, it must be permanently authorized!

Champion Best Practices

In addition to our critical lobbying efforts, our Conference will promote best practices for Regional Centers with expert panels on Job Creation and compliance with U.S. Securities laws. Through this process, we continue to raise the bar of professionalism and integrity in the Program.

Please remember to [VISIT THE EVENT REGISTRATION PAGE](#) and the [HOTEL GROUP RATE PAGE](#) to make your “EARLY BIRD” registration by Monday April 18, 2011. Please also consider distinguishing yourself as an industry leader by being a “Program Champion” (i.e. event sponsor).

Together, we can make the EB-5 Regional Center Program permanent. The time is now.

See you in DC.

*Sincerely,
K. David Andersson
IIUSA President*



Outstanding Cast of EB-5 Visa Experts to Present in Webinar

The Alliance of Business Immigration Lawyers ([ABIL](#)) and [IIUSA](#) are sponsoring what should be an excellent webinar series on current issues in the EB-5 visa sphere.

On April 13, the first installment of a three-part series will look at various visa options for foreign national immigrant investors, including E and L nonimmigrant visas and the EB-5 green card. Both individual EB-5 investments and regional center investments will be considered by the presenters.

These webinars really are for everyone. Attorneys, advisors, regional center operators, and anyone who either does work in the EB-5 niche or has considered doing so is sure to benefit.

That's because ABIL has assembled an all-star cast of EB-5 visa experts. Here's who will be speaking in the April installment:

- [Bernard Wolfsdorf](#) (moderator), former president of AILA, Wolfsdorf Immigration Law Group
- [Kehrela Hodkinson](#), Hodkinson Law Group
- [Mark Ivener](#) of Ivener & Fullmer, LLP
- [Stephen Yale-Loehr](#) of Miller Mayer, LLP and founder of IIUSA

These attorneys really are some of the most experienced EB-5 practitioners in the country, so there is little doubt that the content of the seminar will be beneficial to the EB-5 community.

On the ABIL website, you will find [a complete list of speakers for all sessions](#). Here is an excerpt from the organization's boilerplate:

Many of the nation's top investment immigration lawyers are in ABIL, and ABIL members can represent clients on all levels of a transaction – from corporate development, to working with venture capitalists and dealer/brokers, to preparing regional center applications, to assisting individual investors.

If you want to learn more about the EB-5 investor green card program from practitioners in this sphere, the April 13 webinar presents an excellent opportunity to do just that.



Clockwise from top: Bernard Wolfsdorf, Kehrela Hodkinson, Stephen Yale-Loehr, Mark Ivener

Thanks to Lauren Anderson at ABIL for providing information about this series.



Momentum Building for a Permanent EB-5 Immigrant Investor Program



Senator Patrick Leahy (D-VT)

Many in the EB-5 community are already counting the days.

On September 30, 2012, the EB-5 Regional Center Pilot Program is set to "sunset" unless Congress and the President approve legislation that extends its lifespan -- or makes it permanent.

Less than a month ago, Senator Patrick Leahy (D-VT) introduced the Creating American Jobs Through Foreign Capital Investment Act. The bill, which the senator [discussed in a brief press conference](#), would make the [regional center foreign investment program](#) a permanent institution.

"EB-5 has generated over a billion dollars in capital investment in American communities and created 1,000 jobs domestically," Senator Leahy told the press.

Standing beside the senator at the press conference were principals from a [Vermont EB-5 regional center](#) whose efforts helped fund construction projects at two ski resorts.

It's no secret that the real estate industry has been one of the biggest champions of the investor green card program in recent years. Given an economic climate in which banks aren't lending, raising capital from foreign national immigrant investors has been one of the best (if not only) ways to fund projects at resorts, build hotels, and expand hospitality infrastructure.

More regional centers and EB-5 practitioners also joining the push

In light of the Leahy legislation and impending sunset date for the program, the [Association to Invest in the USA](#) (IIUSA) has [already hosted one reception](#) in support of a permanent regional center program.

And on May 10, the group will host another event advocating for the Leahy bill.

At its [EB-5 Regional Center Advocacy Conference and Annual Membership Meeting](#), IIUSA will feature many prominent voices in the EB-5 visa sphere, and all attendees will receive an "EB-5 Advocacy Toolkit" to help them champion the program before elected officials.

Because time is running out

As IIUSA notes in its announcement for the conference, the EB-5 Regional Center Program is set to end just "509 days from the date" of the upcoming event.

With new regional centers springing up just about every week and interest in the program continuing to grow, it's good to see that many in this market are "keeping the faith," so to speak.

Still, without advocacy for the program and a strong push by EB-5 supporters over the next year and a half, it really is in danger of shutting down.

As Senator Leahy explained to the Senate upon introducing the bill, "A regional center program is an economic engine for the state or region in which it is located." When handled by responsible operators who have a keen grasp of such issues as material change, the EB-5 visa program certainly does bring jobs to this country that would not otherwise be here.

And it's hard to be against job creation. Especially when you're a member of Congress.

photo: [Wikicommons](#)



First 2011 EB-5 Stakeholders Meeting Offers Few Surprises, Lots of Useful Data

If anything, USCIS' notes from the March 2011 Stakeholders Meeting suggest that the EB-5 Visa Program will continue to grow -- quickly.

With 156 initial EB-5 regional center proposals and 34 proposals to amend [already existent regional centers](#) still pending USCIS review, potential immigrant investors certainly aren't lacking for choice. The number of initial regional center proposal filings for Quarter 1 of Fiscal Year



2011 was 116. That's more than the total number of filings for all of Fiscal Year 2010 -- an increase of 105%, to be exact.

Currently, there are 125 approved regional centers.

Other than the numbers, which those in the EB-5 community can expect to be big given the current environment, there were few real bombshells to report. As [Suzanne Lazicki explains](#), the bottom line for stakeholder meeting attendees was this: Follow Instructions.

According to [the meeting's powerpoint presentation](#), the most common reasons for I-526 and I-829 denials were these (anecdotally, at least):

I-526:

- *Amount and lawful source of capital investment funds*
- *Job creation (demonstrating that the investment will create the requisite jobs)*
- *Targeted Employment Area (TEA) determinations*

I-829:

- *Sustaining the capital investment*
- *Job creation (demonstrating that the investment has or will create the requisite jobs within a reasonable period of time)*
- *These explanations for the denials, while very general, show that there is still a disconnect between what some regional centers say they will do in their filings and what actually happens.*

Apart from statistical data, USCIS also endeavored to answer several questions during the meeting. Of particular interest to EB-5 immigrant investors and their attorneys should be the issue of regional center-specific I-526/I-829 statistics, which USCIS had said would be available in June of this year.

As it currently stands, USCIS believes such data for I-526 petitions will be available this summer. However, a "delay beyond June" is likely for I-829 data linked to particular EB-5 regional centers.

Knowing which regional centers are consistently having their I-526 and I-829 forms approved or denied could go a long way toward helping investors find a regional center project likely to fulfill the requirements necessary to obtain an EB-5 investor visa (The [project database](#) on this website offers I-526/I-829 approval information).

EB-5 investors have a lot at stake. For anyone about to put \$500,000 or more into a business venture, any opportunity to perform more due diligence is welcome.



USAdvisors.org Interacts With EB-5 Visa Attorneys at AILA Conference

"Inform your client. Protect your practice."

That's the new slogan last month's attendees saw when they visited the USAdvisors.org/EB5info booth at the 2011 AILA EB-5 conference.

At what was arguably one of the biggest EB-5 events of the year, USAdvisors.org provided booth visitors with an interactive display of its EB-5 investor due diligence services.

Thanks to everyone who stopped by the booth! Here are a few photos we managed to snap in between conversations.



Michael Gibson with John and Kristen Braddock of [Broad Oak Management](#)



From left: John & Kristen Braddock of Broad Oak Management;
Jeff Carr & Larry Copp of [Economic & Policy Resources](#)



John & Kristen Braddock with [Michael Gibson](#) and Regina Thomas



American Life Incorporated Pursues EB-5 Visa Projects on Both Coasts

Things are busy at Seattle-based American Life Incorporated.

With three [EB-5 visa projects](#) in progress -- two of which feature national hotel chains -- the real estate company is finding continued support from immigrant investors.

"Our Riverside County project is probably the closest to completion," said [American Life](#) President Henry Liebman, referring to a warehouse conversion the company is handling in Southern California. "But that's a small deal," he said. "We're also building a combined Marriott Courtyard and Residence Inn in Los Angeles."

In addition to its California projects, American Life is securing funds for a Hilton-Homewood Suites hotel near the Atlanta airport. With that project underway, the Washington-based regional center's reach has extended not just to other states, but also to other regions.

A history with the EB-5 program

Lots of ventures have jumped on board the EB-5 bandwagon as of late. According to USCIS, roughly 100 applicants submitted the paperwork required for regional center approval prior to the implementation of Form I-924 last fall.

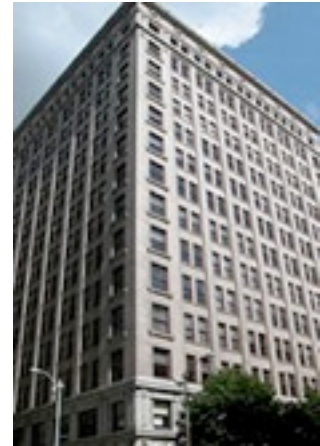
American Life, however, has been a fixture of the [EB-5 regional center](#) landscape for years. Its first regional center, located in Seattle, was approved in 1996.

"The Marriott Courtyard in Downtown Seattle has probably been our most significant project," said Liebman. "The hotel has been open for about a year."

Reconstructed from a bank built in the early 20th century, the Marriott Courtyard is a 14-story hotel with 262 guest rooms and 9 large meeting rooms. A quick look at American Life's online portfolio shows still more properties in Seattle, including retail, industrial, and office properties.

A take on recent EB-5 events

Much has been made of the recent [Chinese court decision](#) that limits EB-5 marketing activity. Many experts say regional centers will have to alter how they pitch projects to



Courtyard Marriott
Hotel in Downtown
Seattle

foreign investors -- possibly focusing on the green card side and keeping mum about the investments themselves.

As far as Liebman is concerned, American Life is willing to follow any laws China wants to pass. But with regard to this particular decision, it is "hard to understand the context," he said.

Indeed, many EB-5 regional center principals and marketers are struggling to grasp just how the decision will affect the way they approach Chinese investors. And the quality of EB-5 investments has been the subject of several recent stories in major media publications.

Liebman, in fact, was one of the few regional center operators interviewed by Reuters for [its lengthy, mostly critical, December story](#) on the EB-5 visa program.

"He was factual. He didn't say anything unusual," said Liebman, pointing out how the author of the Reuters story offered boilerplate EB-5 criticisms -- namely that the quality of many investments is low.

Whether press is generally positive or negative, Liebman seems focused on what American Life currently has to offer investors.

"The general proposition is that we'll be offering multiple projects in multiple locations. Investors can choose large or small projects. They can choose debt or equity. We offer all these projects in different spots, and that's the platform we're getting to this year," he said.



Are you an EB-5 practitioner who would like to contribute an article?
Email Adam Green, Editor: adam@usadvisors.org
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