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<p>JENNIFER HERMANSKY 2159887800 GREENBERG TRAUIG - PHILADELPH TWO COMMERCE SQUARE PHILADELPHIA PA 19103</p> <p>5 LBS</p> <p>DWT: 18,13,3</p> <p>SHIP TO: ATTN: EB-5 PROCESSING UNIT USCIS - CALIFIORNIA SERVICE CENTER 2ND FLOOR 24000 AVILA ROAD LAGUNA NIGUEL CA 92677-3422</p>	<p>CA 926 9-11</p> 	<p>UPS NEXT DAY AIR</p> <p>TRACKING #: 1Z F12 631 01 9274 4651</p> <p>1</p>		<p>BILLING: P/P</p> <p>Client / Matter # (xxxxxx.xxxxxx): 151492.010200 Reference #2: 1-924 SMASH EB-5 INVESTORS CS 17.1.04 WNTNVS60 60.0A 01/2015</p> 
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March 3, 2015

VIA UPS

USCIS
California Service Center
Attn: EB-5 Processing Unit
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

**Re: Request for Amendment and Exemplar Project Pre-Approval
Immigrant Investor Pilot Program, 8 CFR 204.6(m)
Applicant: **Midwest Metropolitan Regional Center, Inc.**
RCW/RCID: 1336051451/1336051451**

**With Exemplar Project
New Commercial Enterprise: **SMASHotels EB-5 Investors LLC (47-1265546)****

Dear Officer:

Midwest Metropolitan Regional Center, Inc. whose most recent Form I-924 approval notice was issued by United States Citizenship and Immigration Services (“USCIS”) on June 4, 2014, wishes to amend its regional center designation and receive Exemplar I-526 Petition pre-approval of the development and construction of a 192-room, 22-story hotel designated as a member hotel of the Autograph Collection by Marriott®. Pursuant to 8 C.F.R. §204.6(j), each investor (hereinafter “Investor”) will make a qualifying investment as a limited liability company member in a new commercial enterprise under the auspices of the Midwest Metropolitan Regional Center (“MMRC”), which will result in the indirect creation of ten or more jobs.

According to 8 C.F.R. §204.6(j), in order to be eligible for an EB-5 immigrant investor visa, the alien investor must:

- (i) Invest the requisite capital amount in a new commercial enterprise;
- (ii) Demonstrate that the investment comes from a lawful source of funds;
- (iii) Create at least ten (10) jobs either directly or indirectly as demonstrated by reasonable economic methodologies;
- (iv) Demonstrate the investor’s active participation in the business; and
- (v) Demonstrate the investment was made within a targeted employment area.

Each investor will invest \$500,000 in a new commercial enterprise, SMASHotels EB-5 Investors LLC, under the auspices of the MMRC. SMASHotels EB-5 Investors LLC will help finance an upscale boutique hotel located in Chicago, Illinois (the “Project”). The Project is expected to consist of a 192-room, 22-story hotel designated as a member hotel of the Autograph Collection by Marriott®.

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+ OPERATES AS GREENBERG TRAUIG, S.C.
* A BRANCH OF GREENBERG TRAUIG, P.A. FLORIDA, USA
- OPERATES AS GREENBERG TRAUIG GRZESIAK, S.C.
** OPERATES AS GREENBERG TRAUIG LLP FOREIGN LEGAL CONSULTANT OFFICE
* STRATEGIC ALLIANCE

Each investor purchases a limited liability company interest in SMASHotels EB-5 Investors LLC, which was created on July 2, 2014 in the State of Illinois. SMASHotels EB-5 Investors LLC allows each limited liability company member to have control over the investment opportunity through membership rights. Indirect and induced employment results in new jobs being created through elevation of a previously underutilized property to a more productive use, resulting in the creation of more than ten jobs and thereby satisfying the statutory job creation requirements. Thus, the investment by Investor in SMASHotels EB-5 Investors LLC meets the requirement for an EB-5 visa.

I. Regional Center Approval
Project Location and Scope

The MMRC was designated by USCIS as a regional center on June 4, 2014. **See Exhibit 1: MMRC Regional Center Approval; See also Exhibit 2: Memorandum of Understanding.** Its geographic scope includes the Illinois counties of Cook, Kane, Grundy, Kendall, DuPage, McHenry, Will, DeKalb, and Lake; the Indiana counties of Lake, Jasper, Newton and Porter; and the Wisconsin county of Kenosha. The Project is situated at 224-228 East Ontario Street in downtown Chicago, Illinois, which is located in Cook County. **See Exhibit 4: Comprehensive Business Plan; see also Exhibit 7: Recorded Deed and Purchase Agreement.** SMASHotels Chicago, LLC (“Developer”) owns the land upon which the Project is being constructed. *Id.* Thus, the Project will occur within the MMRC’s designated geographic area.

The NAICS codes encompassed by the Project include:

Industry Code	NAICS Description
NAICS 2362	Nonresidential Construction
NAICS 2389	Other Specialty Trade Contractors
NAICS 4232	Furniture and Home Furnishing Merchant Wholesalers
NAICS 4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers

See Exhibit 5: Economic Impact Report.

The NAICS categories of 236, Construction of Buildings, and 423, Merchant Wholesalers, Durable Goods are within the USCIS-approved NAICS categories of the MMRC. *See Exhibit 1.* MMRC does not require an amendment to its designation for the remaining NAICS category of the Project, NAICS 2389, before the MMRC may sponsor the Project. The binding May 30, 2013 USCIS Policy Memorandum (the “Policy Memo”) stated “...*formal amendments to the regional center designation, however, are not required when a regional center changes its industries of focus, its geographic boundaries, its business plans, or its economic methodologies*” [emphasis added]. Therefore, the use of NAICS category 2389, Other Specialty Trade Contractors, can be added as new category of focus for the MMRC. The MMRC also has agreed to oversee the Project by monitoring job creation for Investor and reporting on the Project’s progress to USCIS using the Form I-924A, Supplement to Form I-924, among others. **See Exhibit 2: Memorandum of Understanding¹.**

¹ Pursuant to the Memorandum of Understanding with MMRC, MMRC has agreed to adopt SMASHotels EB-5 Investors LLC’s investors as part of its regional center, act as necessary to administer the Project, provide ongoing monitoring and processing for the new commercial enterprise with respect to USCIS and related filings, including any periodic filings required to maintain MMRC’s regional center status or any other Project-related USCIS filings, and reporting any information requested by USCIS. After 15 investors are adopted by MMRC, it is intended that any additional investors will be adopted by GO USA EB-5 Regional Center, LLC, an Illinois limited liability

II. New Commercial Enterprise

INA § 203(b)(5)(A)(i) requires an investment to be made into a “new commercial enterprise.” Any for-profit entity formed after November 29, 1990, for the ongoing conduct of lawful business may serve as a new commercial enterprise. This includes sole proprietorships, partnerships (whether limited or general), holding companies, joint ventures, corporations, business trusts, or other entities publicly or privately owned. This definition includes a holding company and its wholly owned subsidiaries, if each subsidiary is engaged in a for-profit activity formed for the ongoing conduct of a lawful business. 8 C.F.R. § 204.6(e).

SMASHotels EB-5 Investors LLC, the new commercial enterprise, was created on July 2, 2014, in the State of Illinois. **See Exhibit 3A: SMASHotels EB-5 Investors LLC Formation Documents and IRS Designation of EIN.** The EIN number assigned by the Internal Revenue Service to the new commercial enterprise is 47-1265546. *Id.* SMASHotels EB-5 Investors LLC will include a maximum of 40 foreign investor members. **See Exhibit 15: Private Placement Memorandum.** These investors will have access to a number of benefits as provided by Illinois Limited Liability Company Act and the enumerated membership and voting rights of SMASHotels EB-5 Investors LLC. **See Exhibit 17: Executed Limited Liability Company Agreement.**

Investor’s equity investment will make Investor a member in the EB-5 new commercial enterprise, SMASHotels EB-5 Investors LLC. *Id.* at Exhibit 17. Investor and SMASHotels EB-5 Investors LLC will execute signature pages to the SMASHotels EB-5 Investors LLC subscription agreement, which will result in Investor’s admittance as a member of SMASHotels EB-5 Investors LLC. **See Exhibit 16: Executed Subscription Agreement.** SMASHotels EB-5 Investors LLC is an original business that is for-profit. SMASHotels EB-5 Investors LLC will make a profit by providing a portion of the financing for the development and construction of the Project, thereby satisfying 8 C.F.R. §204.6(h)(1).

III. The Qualifying Investment

A. The Project

The new commercial enterprise, SMASHotels EB-5 Investors LLC, will partially finance the development and construction of the Project, a 192-room, 22-story, upscale boutique hotel in downtown Chicago, Illinois that will be associated with the Autograph Collection by Marriott® brand. *See Exhibit 4 at 2.* The Project will be located in the North Michigan Avenue area of downtown Chicago, also known as “The Magnificent Mile.” Marriott International, Inc. (“Marriott”) has executed a franchise agreement with SMASHotels Chicago, LLC pursuant to which Marriott has granted SMASHotels Chicago, LLC a franchise to operate the Project as a full-service “Autograph Collection” hotel. **See Exhibit 11: Executed Franchise Agreement².**

The Project is expected to offer amenities including a first floor entry lounge, 1,250 square feet of meeting space, an exercise room, a business center, and valet parking. The Project plans provide that the

company (“GO USA”), that has agreed to affiliate with, and provide certain administrative services to, SMASHotels EB-5 Investors LLC with respect to the EB-5 Program (as defined below). GO USA was formed on June 30, 2014. GO USA filed Form I-924, Application for Regional Center Designation, on August 19, 2014 with USCIS. At present, GO USA’s application on Form I-924 remains pending. GO USA will only sponsor additional investors under its Regional Center designation after I-924 approval if such approval is received.

² The Franchise Agreement at Exhibit 11 has been redacted due to confidentiality provisions contained therein as required by the Franchisor.

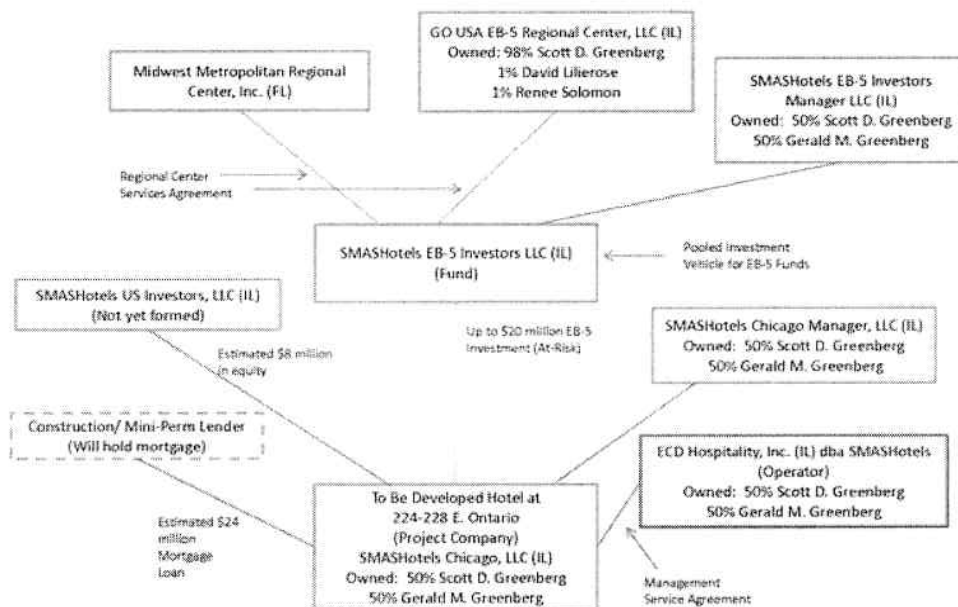
first floor will be comprised of a 1,177 square foot entry/lobby, a 2,770 square foot restaurant and a 1,187 square foot back of house area and kitchen space. The lobby will be connected to a 2,568 square foot second floor area that will contain a business center, lounge, conference room and a 900 square foot outdoor terrace located in the front of the Project. The third floor will have additional conference space, exercise space and back of house facilities. The 192 guest rooms will be located on floors 4 through 22. *See Exhibit 4 at 7.*

B. Market Need for the Project

HVS Consulting and Valuation Services (“HVS”) conducted a market analysis of the Project (“HVS Study”). *See Exhibit 9: HVS Study.* The HVS Study found that comparable hotels currently experience high occupancy levels with sold out nights, which results in a high level of unaccommodated demand. *Id.* The significant amount of unaccommodated demand, combined with the demand that will be induced by the expansion of Northwestern University campus, the Northwestern Memorial Hospital Outpatient Care Pavilion, and the Rehabilitation Institute of Chicago Hospital, is expected to increase demand for area hotels and indicates a need for new hotel supply in the market area of the Project. *Id.* Furthermore, the HVS Study believed that the planned amenities, site location, hotel design, and average daily rate will make the Project an attractive destination and competitive with the other comparable hotels. Thus, sufficient verifiable detail has been included to demonstrate additional demand for the Project in furtherance of net new job creation from construction, as it is more likely than not that the construction will be completed based on prevailing market demand. *Id.* Further, the HVS Study contained in Exhibit 9 contains transparent, objective and verifiable data illustrating that there is a market need which will be filled by the Project. *Id.*

C. Project Organizational Structure

In order to accomplish the Project, the Developer organized multiple direct and indirect affiliates. However, the Developer exercises ultimate control over each of these entities, which in turn, control the direction of the Project. Additionally, the Project will be managed by ECD Hospitality, Inc. d/b/a SMASHotels (the “Operator”), an affiliate of the Developer. *See Exhibit 3C: ECD Hospitality, Inc. Corporate Formation Documents.* An organization chart of these entities is set forth below:



D. Project Budget and Capital Stack

The proposed total development costs for the Project are \$52 million. *See* Exhibit 4 at 9-10. This includes \$6.8 million in land costs, \$1.52 million in demolition and substructure costs, \$29.45 million in hard construction costs, \$5.1 million in fit-up costs, and \$9.13 million in soft construction costs. *Id.* The Project will be financed by approximately \$20 million from SMASHotels EB-5 Investors LLC (the “EB-5 Loan”), \$24 million in commercial loans (the “Senior Loans”) and \$8 million in equity from the Developer (“Developer Equity”) to complete the Project capital stack. *Id.* The Project has commenced construction; therefore, a portion of the capital for this Project (the “Bridge Financing”) has been obtained with the intention of bridging the \$20 million gap created by the timing of the receipt of EB-5 funds. The EB-5 funds, upon receipt, are intended to be used by the Borrower (as defined below) to reduce a portion, or all, of the Bridge Financing, or to pay direct construction company costs if necessary. *Id.*

a. Bridge Financing

The Developer may procure the Bridge Financing depending upon the adjudication timelines of I-526 Petitions with respect to the Project. The total amount of the Bridge Financing may be approximately \$20 million. *See* Exhibit 4 at 35; *See Exhibit 15.* Therefore, Developer anticipates that it may repay approximately \$20 million of the Bridge Financing with EB-5 capital through the EB-5 Loan. *Id.* According to the Policy Memo, “*the developer or the principal of the new commercial enterprise, either directly or through a separate job-creating entity,*” such as SMASHotels Chicago, LLC, “*...may utilize interim, temporary or bridge financing – in the form of either debt or equity – prior to the receipt of EB-5 capital....even if the EB-5 financing was not contemplated prior to acquiring the temporary financing, as long as the financing to be replaced was contemplated as short-term temporary financing which would be subsequently replaced...*” *See* Policy Memo at 15-16. Should the Developer, according to the Policy Memo, repay a portion, or all, of the Bridge Financing with the EB-5 Loan, such repayment would still result in the creation of, and credit for, new jobs. *Id.* Please note, if this should occur, the full amount of Investor’s investment will be made available first to the new commercial enterprise, SMASHotels EB-5 Investors LLC, and then to the Borrower, which has the authority to apply the proceeds of the EB-5 Loan to repay the Bridge Financing. *Id;* *see also* Exhibit 4 at 35 *and* Exhibits 12 and 13.

b. The EB-5 Loan

SMASHotels EB-5 Investors LLC intends to raise and utilize approximately \$20 million in EB-5 immigrant investor capital for the construction and development of the Project. SMASHotels EB-5 Investors LLC then will loan (the "EB-5 Loan") these funds to SMASHotels Chicago, LLC ("Borrower") pursuant to the EB-5 Loan to be used for the development and construction of the Project or to repay the Bridge Financing. *Id.* See **Exhibit 12: EB-5 Loan Agreement**; *see also* **Exhibit 13: Promissory Note**.

E. Project Timeline

A detailed construction timeline for the Project is found in Exhibit 4. Construction will take over 24 months. *See* Exhibit 4 at 26. Demolition work on the property upon which the Project is located commenced in the fourth quarter of 2014 and is complete. *Id.*; *see also* **Exhibit 10: Permits**. Building permits for the construction of the Project are anticipated to be received by July 2015. *See* Exhibit 4 at 9. Vertical construction will thereafter begin, and is scheduled to be completed by January 2017. *Id.*

IV. Targeted Employment Area

A targeted employment area ("TEA") has been defined as a rural area or an area of high unemployment of at least 150% of the national average. 8 C.F.R. §204.6(j)(5)(iii). The Project is located in Chicago, in Illinois (Cook County), within census tract 814.01. **See Exhibit 6: TEA Designation**. The census tract 814.01 has an unemployment rate of 18.2%. *Id.* This figure is over 150% of the national U.S. unemployment rate during the same period, indicating the substantial and positive impact the Project will have on Cook County and the surrounding area. As the Project is located in a TEA, the threshold investment amount is \$500,000 instead of \$1,000,000.

V. Investment of the Requisite Capital Amount

Pursuant to 8 C.F.R. § 204.6(f), "the amount of capital necessary to make a qualifying investment in a targeted employment area within the United States is five hundred thousand United States dollars (\$500,000)." To "invest" is to contribute equity capital to a new commercial enterprise. Loans of capital by an investor to a new commercial enterprise do not qualify as an appropriate investment. An investor cannot receive any bond, note, or other debt arrangement from a new commercial enterprise in exchange for the contribution of capital.

Pursuant to the terms of the escrow agreement, if Investor's I-526 Petition is the first I-526 Petition with respect to the Project to be approved, Investor's total investment will be released immediately upon such approval. **See Exhibit 18: Executed Escrow Agreement**; *See also* Exhibit 17 at §6.3. If Investor's I-526 Petition is not the first I-526 Petition with respect to the Project approved, \$400,000 of Investor's \$500,000 investment will be released to SMASHotels EB-5 Investors LLC upon the filing of this I-526 Petition and the remaining \$100,000 of Investor's \$500,000 investment will be released upon approval of his or her I-526 Petition; provided, however, that one of the following has occurred: (A) one (1) I-526 Petition with respect to the Project has been approved or (B) a regional center exemplar I-924 application has been approved with respect to the Project. Thus, upon I-526 Petition approval, Investor will be fully committed to the new commercial enterprise as the requisite funds will have been released to SMASHotels EB-5 Investors LLC and accepted by SMASHotels EB-5 Investors LLC in exchange for limited liability company membership. *See* Exhibit 16-17. Thus, Investor is fully funded by the time the I-526 Petition is approved and the funds are irrevocably committed to the new commercial enterprise. *Id.*

VI. Capital at Risk of Loss

All funds that will be made available to SMASHotels EB-5 Investors LLC are at risk for loss. Investor will subscribe as a limited liability company member of SMASHotels EB-5 Investors LLC. *See* Exhibit 16. Once capital is made available to SMASHotels EB-5 Investors LLC from investors, it will be provided to the Borrower under the EB-5 Loan Agreement (the “EB-5 Loan Agreement”). *See* Exhibit 12. The Borrower will use proceeds from the EB-5 Loan to finance the construction and development of the Project, which may include the repayment of all, or a portion of, the Bridge Financing. Accordingly, the funds are fully at risk with the entity most closely responsible for job creation.

An investment in SMASHotels EB-5 Investors LLC is subject to a number of risks that could affect the Project’s profitability and success. These risks include the effect of general economic conditions, the Illinois economy, construction delays and risks inherent to the industries in which the business operates, and in particular, the construction and infrastructure industries. *See* Exhibit 15. The Project will be subject to a number of risks, including:

- changes to plans and specifications;
- engineering problems, including defective plans and specifications;
- shortages of, and price increases in, energy, materials, and skilled and unskilled labor, and inflation in key supply markets;
- delays in obtaining or inability to obtain necessary permits, licenses, and approvals;
- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to construction projects;
- labor disputes or work stoppages;
- disputes with and defaults by contractors and subcontractors;
- personal injuries to workers and other persons;
- environmental, health, and safety issues, including site accidents and the spread of viruses;
- weather interferences or delays;
- fires, flooding and other natural disasters;
- geological, construction, excavation, regulatory, and equipment problems; and
- other unanticipated circumstances or cost increases.

The occurrence of any of these development or construction risks could increase the total costs, or delay or prevent the construction of the Project. *Id.* Thus, Investor’s funds are at risk.

VII. Job Creation

Pursuant to 8 C.F.R. §204.6(j)(4), the new commercial enterprise must create full-time employment for at least ten U.S. workers per EB-5 investor. However, to encourage immigration through investment, and to concentrate investment in specific regions, the Immigrant Investor Program (the “EB-5 Program”) directs USCIS to set aside visas for aliens who invest in a designated “Regional Center.” The EB-5 Program does not require that the new commercial enterprise employ ten U.S. workers as long as an investor can reasonably demonstrate that the investment in the new commercial enterprise will indirectly create ten or more jobs per investor and will result in improved regional productivity. *See* 8 C.F.R. §204.6(m)(7).

A. Job Creation Report

The enclosed economic impact report (the “Economic Report”) from Economic & Policy Resources, Inc. (the “EPR”) finds that the Project will have a substantial economic impact on jobs, household earnings, and increased output. *See Exhibit 5.* In order to complete the Economic Report, EPR modeled a two-region model: i) the immediate geographic area economically impacted by the Project; and ii) the remainder of the United States. *Id.*

The following inputs were used by EPR in the economic model for job creation:

- \$26.69 million in hard construction costs;
- \$1.52 million in demolition and sitework costs;
- \$4.53 million in hotel furnishing costs; and
- \$1.04 million in hotel equipment costs.

See Exhibit 5 at 11.

B. Independent Verification of the Reasonableness of Model Inputs

To further verify the reasonableness of the revenue inputs to the Economic Report, Project Control Inc. (the “Budget Reviewer”), a construction management firm which has been providing construction management and cost consulting services since 1974, evaluated the reasonableness of the construction timeline and budget. ***See Exhibit 8: Letter from Project Control Inc. Confirming Budget and Timeline.*** The Budget Reviewer found that based on its experience the projected costs of the Project are reasonable. Thus, the inputs to the economic model for job creation found in the Economic Report are transparent, verifiable and objective. *Id.* Accordingly, it is more likely than not that these expenditures will be expended and the requisite jobs will be created under a preponderance of the evidence standard.

C. Job Creation Results

Using the assumptions contained in the business plan and independently verified by the Budget Reviewer, EPR determined that the Project will create 665 indirect and induced jobs from its construction activities. *See Exhibit 5 at 16.* Only 400 new permanent jobs must be created by the Project to satisfy the job creation requirements under 8 C.F.R. §204.6(j)(4) for each investor in SMASHotels EB-5 Investors LLC. According to the Economic Report, 608 new permanent jobs will be created solely through the hard costs of construction. *See Exhibit 5 at 16.* Therefore, the necessary number of new permanent jobs to be created by the Project can be attributable solely to the hard costs of construction of the Project.

D. Jobs Created in the United States Economy

As discussed in the Economic Report, a number of net new jobs will be created outside of the immediate geographic area of the Project as a result of its construction activity. The construction of the Project will add a total of 505 new jobs to the national economy. These net new jobs created in the U.S. economy as a whole should be counted as qualifying jobs in the instant Project. Neither the statute nor the regulations mandate that all indirect job creation occur within the bounds of the regional center or the immediate geographic area surrounding the Project. Quite the contrary, the statute states that visas shall be made available to qualified immigrants seeking to enter the U.S. for the purpose of engaging in a new commercial enterprise “which will benefit the *United States economy* and create full-time employment for not fewer than 10 U.S. citizens or aliens lawfully admitted permanent residents...” [Emphasis added]. 8 USC §1153(b)(5)(A)(ii). Moreover, 8 CFR §204.6(j)(4)(iii) states that a new commercial enterprise located within a regional center can show that it meets the statutory employment creation requirement by including evidence that the “investment will create full-time positions for not fewer than 10 persons either

directly or indirectly through revenues generated from increased exports resulting from the pilot program.” Nothing in this regulation limits the job creation to the bounds of the regional center or the immediate geographic area of the Project.

Additionally, the December 2010 correspondence from USCIS Director Alejandro Mayorkas to U.S. Senator Patrick J. Leahy, Chair of the Senate Judiciary Committee confirmed a long-standing policy that indirect jobs created by a project outside of the geographic boundaries of a regional center are eligible to support the project’s job creation requirements under the EB-5 Program. In that correspondence on page 1, paragraph #3, Director Mayorkas states:

“...USCIS interprets the law to require that a regional center focus its EB-5 capital investment on a single, contiguous area within a defined geographic jurisdiction requested by the regional center. Nevertheless, we agree that the law does not further mandate that all indirect job creation attributable to the regional center take place within the jurisdiction (emphasis added), I will, therefore, ensure that USCIS policy reflects this understanding of the law.”

This policy was reflected in the May 30, 2013 EB-5 Adjudications Policy Memorandum issued by USCIS, which states as follows: *“Indirect jobs can qualify and be counted as jobs attributable to a regional center, based on reasonable economic methodologies, even if they are located outside of the geographical boundaries of a regional center.”* It should be noted that all reported job creation that occurs in the national economy is indirect job creation for EB-5 Program purposes.

Another factor justifying the request for national job creation is based on the nature of the Construction (NAICS 23) sector as a goods-producing sector. *See* Exhibit 5 at 20. It should be noted that most of the new activity modeled for the Project occurs within the Construction (NAICS 23) sector. As the Economic Report states, some examples of activities that tend to have broad geographic disbursement of impacts are those in the Construction (NAICS 23) sector and the Manufacturing (NAICS 31-33) sector. Industries in sectors such as these are typically referred to as goods-producing industries.

As the economic report explains, goods-producing industries tend to have broader impacts in terms of geographic disbursement for several reasons. One such reason is that areas tend to specialize in the production of materials used in these industries, such as Pittsburgh with steel or Detroit with motor vehicles. Therefore, projects needing these inputs throughout the country will source the materials from these regions despite the geographic location of the Project. This specialization in the production of materials suggests that backward linkages will extend job creation to other regions of the United States. Therefore, as the Construction (NAICS 23) sector falls under the categorization of goods-producing; this in turn means that it is likely to have more geographically diverse economic and job impacts. Accordingly, there is justification for the applicant requesting the impacts on the national level based upon economic theory. *Id.* at 16-19. NAICS 23 is categorized as a goods-producing industry by the United States Bureau of Labor Statistics. *Id.*

Accordingly, all 665 jobs created in the national economy should be counted in the instant application.

VIII. Active Involvement

The regulations at 8 C.F.R. §204.6(j)(5)(iii) require the investor to show that he or she is engaged in the management of the new commercial enterprise. The regulations note that if the investor is a corporate officer or board member or, in the case of a limited partnership, a limited partner, then the investor

satisfies the management criteria if the agreement provides him or her with certain rights, powers, and duties akin to those normally granted to limited partners under the Uniform Limited Partnership Act. 8 CFR §204.6(j)(5)(iii).

Consistent with the requirements of 8 C.F.R. §204.6(j)(5)(iii), Investor will be one of up to 40 limited liability company members in SMASHotels EB-5 Investors LLC. The limited liability company agreement of SMASHotels EB-5 Investors LLC (the “LLC Agreement”) is in compliance with the State of Illinois’ limited liability company laws. Article IV of the LLC Agreement prescribes that the limited liability company members may vote on amending the LLC Agreement, dissolving and winding up SMASHotels EB-5 Investors LLC, admitting a Manager where there is no remaining Manager, disposing of all or substantially all of SMASHotels EB-5 Investors LLC’s property outside the ordinary course of business, and removal of the Manager, among other things. *See* Exhibit 17 at §4.1. Thus, Investor will be involved in the management of SMASHotels EB-5 Investors LLC through policy formulation and voting rights. *Id.*

IX. Conclusion

The USCIS Field Manual, which outlines the burden of proof and standards of proof for all USCIS officers, states that Investor has the initial burden of proving eligibility by presenting facts and evidence that exhibit “*at a bare minimum, and without further inquiry*” that Investor has initial eligibility for the benefit sought. After Investor has made a prima facie case, USCIS must examine the evidence presented to determine whether Investor has shown that it is entitled to the benefit sought by a preponderance of the evidence. *See Field Manual 11.1(c); see also U.S. v. Cardozo-Fonseca, 480 U.S. 421 (1987) (defining “more likely than not” as a probability of greater than 50 percent of something occurring).* The preponderance of the evidence standard means that if Investor submits relevant, probative, and credible evidence that leads the director to believe that the claim is probably true or more likely than not, Investor has satisfied the standard of proof. As stated in the Policy Memo:

“As a preliminary matter, it is critical that our adjudication of EB-5 petitions and applications adhere to the correct standard of proof. In the EB-5 program, the petitioner or applicant must establish each element by a preponderance of the evidence. That means that the petitioner or applicant must show that what he or she claims is more likely so than not so. This is a lower standard of proof than both the standard of “clear and convincing,” and the standard “beyond a reasonable doubt” that typically applies to criminal cases. The petitioner or applicant does not need to remove all doubt from our adjudication. Even if an adjudicator has some doubt as to the truth, if the petitioner or applicant submits relevant, probative, and credible evidence that leads to the conclusion that the claim is ‘more likely than not’ or ‘probably true,’ the petitioner or applicant has satisfied the standard of proof.”

Pursuant to the Policy Memo, the enclosed I-526 Petition by Investor contains sufficient, verifiable detail in the *Matter of Ho* compliant business plan and is supported by economically and/or statistically accurate forecasting tools in the Economic Report. Moreover, the inputs to the Economic Report have been verified by an independent third party as reasonable given the scope of the Project and its location. The attached documentation is relevant, probative, and credible evidence to demonstrate that Investor’s investment in SMASHotels EB-5 Investors LLC meets the requirement for an EB-5 visa.

In connection with this matter, enclosed are the following:

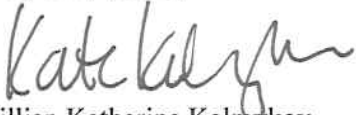
March 3, 2015

11

1. **Form G-28, Notice of Entry of Appearance**, original;
2. **Form I-924, Application for Regional Center Under the Immigrant Investor Pilot Program**, with Filing Fee in the amount of \$6,230.00;
3. **Exemplar Form I-526, Immigration Petition by Alien Entrepreneur**; original; and
4. **Exemplar Petition Supporting Exhibits.**

As all required documentation has been provided, we respectfully request that you approve the enclosed I-924 Application with Exemplar I-526 Petition. Should you need any further information regarding this matter, please contact me directly.

Very truly yours,



Lillian Katherine Kalmykov

Enclosures

Exemplar I-924 Application
Exhibit List

- Exhibit 1:** USCIS Regional Center Approval for *Midwest Metropolitan Regional Center, Inc.*
- Exhibit 2:** Memorandum of Understanding
- Exhibit 3:** Formation Documents for the Project Entities
- Exhibit 3A:** *SMASHotels EB-5 Investors LLC* Formation Documents and IRS Designation of EIN
- Exhibit 3B:** *SMASHotels Chicago, LLC* Formation Documents
- Exhibit 4:** Comprehensive Business Plan, *Project*
- Exhibit 5:** Economic Impact Report
- Exhibit 6:** TEA Designation
- Exhibit 7:** Recorded Deed and Purchase Agreement
- Exhibit 8:** Letter from Project Control Inc. Confirming Budget and Timeline
- Exhibit 9:** HVS Study
- Exhibit 10:** Permits
- Exhibit 11:** Redacted Franchise Agreement
- Exhibit 12:** EB-5 Loan Agreement
- Exhibit 13:** Promissory Note
- Exhibit 14:** Evidence of the Capital Stack for the *Project*
- Exhibit 15:** Private Placement Memorandum, *SMASHotels EB-5 Investors LLC*
- Exhibit 16:** Executed Subscription Agreement, *SMASHotels EB-5 Investors LLC*
- Exhibit 17:** Executed Limited Liability Company Agreement, *SMASHotels EB-5 Investors LLC*
- Exhibit 18:** Executed Escrow Agreement

SMASHOTELS CHICAGO LLC

250 PARKWAY DR STE 120
LINCOLNSHIRE, IL 60069-4340

79-57-759

1020

date 2/18/2015

Pay to the order of Department of Homeland Security \$ 6,230.00
six thousand two hundred thirty & 00/100 dollars

 **Associated Bank**

for 1-924 filing fee

[Signature]

⑆075900575⑆ 2153 203 027⑈ 1020



**Notice of Entry of Appearance
as Attorney or Accredited Representative**

Department of Homeland Security

**DHS
Form G-28**
OMB No. 1615-0105
Expires 02/29/2016

Part 1. Information About Attorney or Accredited Representative

Name and Address of Attorney or Accredited Representative

1.a. Family Name (Last Name)

1.b. Given Name (First Name)

1.c. Middle Name

2. Name of Law Firm or Recognized Organization

3. Name of Law Student or Law Graduate

4. State Bar Number

5.a. Street Number

5.b. Street Name

5.c. Apt. Ste. Flr.

5.d. City or Town

5.e. State 5.f. Zip Code

5.g. Postal Code

5.h. Province

5.i. Country

6. Daytime Phone Number () -

7. E-Mail Address of Attorney or Accredited Representative

Part 2. Eligibility Information For Attorney or Accredited Representative

(Check applicable items(s) below)

1. I am an attorney eligible to practice law in, and a member in good standing of, the bar of the highest court(s) of the following State(s), possession(s), territory(ies), commonwealth(s), or the District of Columbia.

1.a.

1.b. I (choose one) am not am subject to any order of any court or administrative agency disbarring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law. (If you are subject to any order(s), explain fully in the space below.)

1.b.1.

2. I am an accredited representative of the following qualified nonprofit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals pursuant to 8 CFR 292.2. Provide the name of the organization and the expiration date of accreditation.

2.a. Name of Recognized Organization

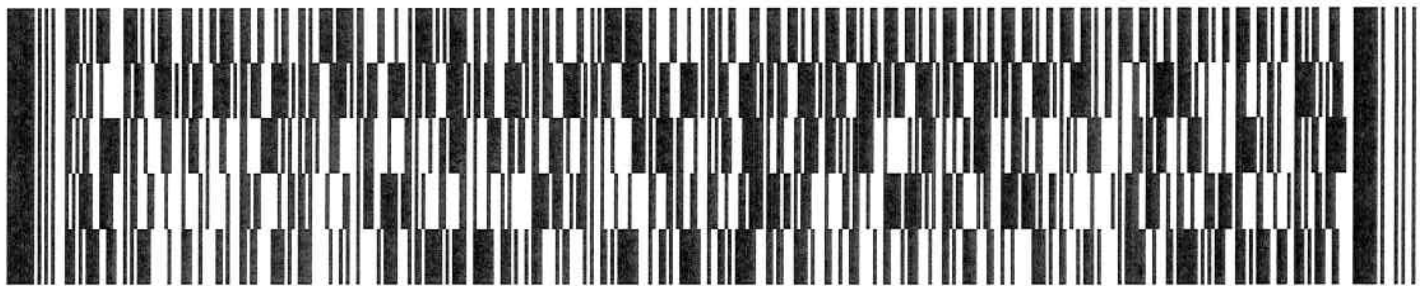
2.b. Date Accreditation expires
(mm/dd/yyyy) ►

3. I am associated with

3.a.

the attorney or accredited representative of record who previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request. If you check this item, also complete **number 1 (1.a. - 1.b.1.) or number 2 (2.a. - 2.b.) in Part 2 (whichever is appropriate).**

4. I am a law student or law graduate working under the direct supervision of the attorney or accredited representative of record on this form in accordance with the requirements in 8 CFR 292.1(a)(2)(iv).



Part 3. Notice of Appearance as Attorney or Accredited Representative

This appearance relates to immigration matters before (select one):

- 1. USCIS - List the form number(s)
1.a.
- 2. ICE - List the specific matter in which appearance is entered
2.a.
- 3. CBP - List the specific matter in which appearance is entered
3.a.

I hereby enter my appearance as attorney or accredited representative at the request of:

4. Select only one: Applicant Petitioner
 Respondent (ICE, CBP)

Name of Applicant, Petitioner, or Respondent

- 5.a. Family Name (Last Name)
- 5.b. Given Name (First Name)
- 5.c. Middle Name
- 5.d. Name of Company or Organization, if applicable

NOTE: Provide the mailing address of Petitioner, Applicant, or Respondent and not the address of the attorney or accredited representative, **except when a safe mailing address is permitted** on an application or petition filed with Form G-28.

- 6.a. Street Number and Name
- 6.b. Apt. Ste. Flr.
- 6.c. City or Town
- 6.d. State 6.e. Zip Code

7. Provide A-Number and/or Receipt Number

Pursuant to the Privacy Act of 1974 and DHS policy, I hereby consent to the disclosure to the named Attorney or Accredited Representative of any record pertaining to me that appears in any system of records of USCIS, ICE, or CBP.

8.a. Signature of Applicant, Petitioner, or Respondent

8.b. Date (mm/dd/yyyy)

Part 4. Signature of Attorney or Accredited Representative

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

1. Signature of Attorney or Accredited Representative

2. Signature of Law Student or Law Graduate

3. Date (mm/dd/yyyy)

Part 5. Additional Information

- 1. _____



Department of Homeland Security
U.S. Citizenship and Immigration Services

**Form I-924, Application for Regional Center
Under the Immigrant Investor Pilot Program**

Do Not Write in This Block - for USCIS Use Only (except G-28 block below)

Action Block	Fee Receipt <input checked="" type="checkbox"/> G-28 attached Attorney's State License No. 034222005
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Part 1. Information About Principal of the Regional Center

Name: Last	First	Middle
Campion	Jeffrey	E.
C/O: Midwest Metropolitan Regional Center		
Street Address/P.O. Box: 1675 Market St., 203		
City: Weston	State: FL	Zip Code: 33326
Date of Birth (mm/dd/yyyy): 11/25/1971	Fax Number (include area code): 855-325-3388	Telephone Number (include area code): 855-325-3388
Web site address: http://www.midwestmetroeb5.com/		

Part 2. Application Type (Check one)

- a. Initial Application for Designation as a Regional Center
- b. Amendment to an approved Regional Center application. Note the previous application receipt number, if any (also attach the Regional Center's previous approval notice): RCW1336051451/1336051451

Part 3. Information About the Regional Center

(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, Regional Center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)

A. Name of Regional Center: Midwest Metropolitan Regional Center Inc.

Street Address/P.O. Box: 1675 Market St., 203		
City: Weston	State: FL	Zip Code: 33326
Web site address: http://www.midwestmetroeb5.com/	Fax Number (include area code): 855-325-3388	Telephone Number (include area code): 855-325-3388

Part 3. Information About the Regional Center *(Continued)*

B. Name of Managing Company/Agency:

Street Address/P.O. Box:		
City:	State:	Zip Code:
Web site address:	Fax Number (include area code):	Telephone Number (include area code):

C. Name of Other Agent:

Street Address/P.O. Box:		
City:	State:	Zip Code:
Web site address:	Fax Number (include area code):	Telephone Number (include area code):

D. Continuation, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals or entities who are or will be involved in the management, oversight, and administration of the regional center.)

No change from original I-924 application.
--

Part 3. Information About the Regional Center *(Continued)*

Note: If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

1a. Describe the structure, ownership and control of the regional center entity.

No change from original I-924 application.

b. Date the Regional Center was established (mm/dd/yyyy): 06/04/2014

c. Organization Structure for the Regional Center:

- 1. Agency of a U.S. State or Territory (identify) _____
- 2. Corporation
- 3. Partnership (including Limited Partnership)
- 4. Limited Liability Company (LLC)
- 5. Other (Explain) _____

2. Has this regional center's designation ever been formally terminated by USCIS, or has the regional center ever filed a Form I-924 or regional center proposal or amendment that was denied?

- No Yes - Attach a copy of the adverse decision, with an explanation, the date of decision, and case number, if any.

3. Describe the geographic area of the regional center. **Note:** This area must be contiguous. Provide a map of the geographic area.

The Illinois counties of Cook, Kane, Grundy, Kendall, Dupage, McHenry, Will, DeKalb, and Lake; the Indiana counties of Lake, Jasper, Newton and Porter; and the Wisconsin county of Kenosha.

4. Describe the regional center's administration, oversight, and management functions that are or will be in place to monitor all EB-5 capital investment activities and the allocation of the resulting jobs created or maintained under the sponsorship of the regional center.

No change from original I-924 application.

Part 3. Information About the Regional Center *(Continued)*

5. Describe the past, current, and future promotional activities for the regional center. Include a description of the budget for this activity, along with evidence of the funds committed to the regional center for promotional activities. Submit a plan of operation for the regional center that addresses how EB-5 investors will be recruited, the method(s) by which the capital investment opportunities will be offered to the investors, and how they will subscribe or commit to the investment interest.

No change from original I-924 application.

6. Describe whether and how the regional center is engaged in supporting a due diligence screening of its alien investor's lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital. Also, describe the regional center's prospective plans in this regard if they differ from past practice.

No change from original I-924 application.

7. Identify each industry that has or will be the focus of EB-5 capital investments sponsored through the regional center.

<p>Industry Category Title: <input type="text" value="Construction of Buildings"/></p> <p>NAICS Code for the Industry Category: <u>2</u> <u>3</u> <u>6</u> <u>2</u> <u>0</u> <u>0</u></p>	<p>Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category?</p> <p><input type="checkbox"/> No - Attach an explanation <input checked="" type="checkbox"/> Yes</p>
<p>Industry Category Title: <input type="text" value="Other Specialty Trade Contractors"/></p> <p>NAICS Code for the Industry Category: <u>2</u> <u>3</u> <u>8</u> <u>9</u> <u>0</u> <u>0</u></p>	<p>Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category?</p> <p><input type="checkbox"/> No - Attach an explanation <input checked="" type="checkbox"/> Yes</p>
<p>Industry Category Title: <input type="text" value="Furniture and Home Furnishing Merchant Wholesalers"/></p> <p>NAICS Code for the Industry Category: <u>4</u> <u>2</u> <u>3</u> <u>2</u> <u>0</u> <u>0</u> **See addendum for more information</p>	<p>Is the Form I-924 application supported by an economic analysis and underlying business plan for the determination of prospective EB-5 job creation through EB-5 investments in this industry category?</p> <p><input type="checkbox"/> No - Attach an explanation <input checked="" type="checkbox"/> Yes</p>

Part 3. Information About the Regional Center (Continued)

8a. Describe and document the current and/or prospective structure of ownership and control of the commercial entity(s) in which the EB-5 alien investors have or will make their capital investments.

Each EB-5 investor purchases a limited liability company interest in SMASHotels EB-5 Investors, LLC, which will then make a \$20 million loan to SMASHotels Chicago, LLC, for the purposes of developing and constructing an upscale boutique hotel located in Chicago, IL. See brief in support of Form I-924 for more information.

b. Date commercial enterprise established, if any (mm/dd/yyyy): 7/2/2014

c. Organization Structure for commercial enterprise:

- 1. Corporation
- 2. Partnership (including Limited Partnership)
- 3. Limited Liability Company (LLC)
- 4. Other (Explain) _____

d. Has or will the Regional Center or any of its principals or agents have an equity stake in the commercial enterprise?

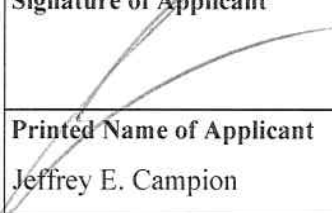
- No Yes - Attach an explanation and documentation that outlines when and under what circumstances these remittances will be paid.

e. Has or will the Regional Center or any of its principals or agents receive fees, profits, surcharges, or other like remittances through EB-5 capital investment activities from this commercial enterprise, beyond the minimum capital investment threshold required of the EB-5 alien entrepreneurs?

- No Yes - Attach an explanation and documentation that outlines when and under what circumstances these remittances will be paid. ****The regional center will accept administrative fees and other fees pursuant to the Memorandum of Understanding at Exhibit 2.**

Part 4. Applicant Signature *Read the information on penalties in the instructions before completing this section. If someone helped you prepare this petition, he or she must compete Part 5.*

I certify, under penalty of perjury under the laws of the United States of America, that this form and the evidence submitted with it are all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit being sought. I also certify that I have authority to act on behalf of the Regional Center.

Signature of Applicant 	Daytime Phone Number <i>(Area/Country Codes)</i> 855-325-3388	Date (mm/dd/yyyy) 2/19/15
Printed Name of Applicant Jeffrey E. Campion	E-Mail Address jcampion@pathwayseb5.com	
Relationship to the Regional Center Entity (Managing Member, President, CEO, etc.) President		

Part 5. Signature of Person Preparing This Form, If Other Than Above (Sign Below)

I declare that I prepared this application using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information provided by the Regional Center.

Attorney or Representative: In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail?

No Yes

Signature of Preparer 	Printed Name of Preparer Lillian Katherine Kalmykov	Date (mm/dd/yyyy) 3/2/15
Firm Name and Address Greenberg Traurig LLP - New Jersey 200 Park Avenue, P.O. Box 677 Florham Park, NJ 07932-0677		
Daytime Phone Number <i>(Area/Country Codes)</i> (973)443-3276	Fax Number (Area/Country Codes)	E-Mail Address kalmykovk@gtlaw.com