

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 78042 / June 13, 2016**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17285**

**In the Matter of**

**AMERICAN LIFE, INC. AND**  
**HENRY G. LIEBMAN**

**Respondents.**

**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against American Life, Inc., (“American Life”) and Henry G. Liebman (“Liebman”) (collectively “Respondents”).

**II.**

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings, Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondents’ Offers, the Commission finds<sup>1</sup> that:

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<sup>1</sup> The findings herein are made pursuant to Respondents’ Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

## **Summary**

1. Respondents paid transaction-based compensation to unregistered broker-dealers, causing the broker-dealers to violate Section 15(a)(1) of the Exchange Act. Those unregistered broker-dealers, who were mostly immigration attorneys, represented individuals seeking U.S. residency through the Immigrant Investor Program and recommended and helped effect the purchases of securities offered by American Life. For a period of time, Respondents paid transaction-based compensation to these unregistered broker-dealers for each investment that they facilitated.

## **Respondents**

2. American Life is a private real estate development and management company located in Seattle, Washington. American Life manages federally-approved regional centers in connection with the Immigrant Investor Program.

3. Henry G. Liebman, age 64, is a resident of Seattle, Washington. During the relevant time period, he was President of American Life.

## **Background**

4. The United States Congress created the Immigrant Investor Program, also known as “EB-5,” in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors. The Program offers EB-5 visas to individuals who invest \$1 million in a new commercial enterprise that creates or preserves at least 10 full-time jobs for qualifying U.S. workers (or \$500,000 in an enterprise located in a rural area or an area of high unemployment). A certain number of EB-5 visas are set aside for investors in approved regional centers. A regional center is defined as “any economic unit, public or private, which is involved with the promotion of economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.” 8 C.F.R. § 204.6(e) (2015).

5. American Life manages federally-approved regional centers. American Life’s regional center investment vehicles are offered as limited partnership interests and American Life acts as a general partner of the limited partnerships. The partnership interests are securities, offered pursuant to one or more exemptions from the registration requirements of the Securities Act of 1933.

6. At various times, certain U.S. immigration attorneys and others (collectively “EB-5 Agents”) performed activities necessary to effectuate transactions in American Life’s EB-5 securities, including recommending American Life investments to their clients; acting as a liaison between American Life and the investors; and facilitating the transfer and/or documentation of investment funds to American Life regional centers. While some of the EB-5 Agents’ activities overlapped with legal services, for which they received separate legal fees, for a period of time,

certain EB-5 Agents were paid transaction-based compensation for the activities which effectuated the investor's transactions in EB-5 securities.

7. As a result of the conduct described above, certain EB-5 Agents violated Section 15(a)(1) of the Exchange Act.

#### **Respondents Paid Transaction-Based Compensation to EB-5 Agents**

8. From at least May 2011 through May 2014, Respondents paid or caused to be paid transaction-based compensation to certain domestic EB-5 Agents in connection with EB-5 securities, which caused those EB-5 Agents' violations of Section 15(a)(1) of the Exchange Act. Section 15(a)(1) makes it unlawful for any broker or dealer which is either a person other than a natural person or a natural person not associated with a broker or dealer to make use of the mails or any means or instrumentality of interstate commerce "to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security" unless such broker or dealer is registered in accordance with Section 15(b) of the Exchange Act.

#### **IV.**

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in the Offers of Respondents American Life, Inc. and Henry G. Liebman.

Accordingly, pursuant to Section 21C of the Exchange Act it is hereby ORDERED that:

A. Respondents shall cease and desist from committing or causing any violations and any future violations of Section 15(a)(1) of the Exchange Act.

B. Respondent American Life shall pay a civil money penalty in the amount of \$1,000,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment by American Life shall be made in the following installments: (1) 40% of the total amount within ten (10) days of the entry of this Order, (2) 20% of the total amount within ninety (90) days of the entry of this Order, (3) 20% of the total amount within one hundred eighty (180) days of the entry of this Order, and (4) 20% of the total amount within two hundred seventy (270) days of the entry of this Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of the civil penalty, plus any additional interest accrued pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application.

Respondent Liebman shall, within ten (10) days of the entry of this Order, pay a civil money penalty in the amount of \$240,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying American Life or Liebman, as applicable, as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Stephen L. Cohen, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5553.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

## V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by

Respondents, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondents under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondents of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Brent J. Fields  
Secretary