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NEWSLETTER | MAY 2011

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Investment Reimbursement Insurance: A Safe Option for EB-5 Investors?

The EB-5 playing field gets more crowded every day. With so many regional centers competing for so few investors, it almost goes without saying that new players in the market will snag every opportunity to distinguish themselves from their peers.

But regional center operators know that all EB-5 investors are subject to the same requirements: \$500,000 to \$1 million from a single investor must be put at risk and create ten new jobs within two years. While healthy competition among regional centers is a good thing, is providing "creative" incentives to invest really in the best interest of the investor?

That depends on the incentives – and on who you ask.

On several occasions this past month, sources in the industry have approached EB5info.com with concerns about an insurance product being offered to a select group of EB-5 investors by a small, Missouri-based company called [Sidecars Insurance](#).



For a \$35,000 premium payment, Sidecars insurance will reimburse EB-5 investors for a loss of principal on their investment in the Idaho State Regional Center.

1. Insuring Agreement

We will pay up to the Limit of Insurance listed on the Declaration of Coverage for the deficiency of return of investment into projects with the "Blackhawk Gold, LLC" project in which the named insured has invested in.

It is fully intended that revenue from the "Blackhawk Gold, LLC" project shall be used to pay all of the insured's original investment. This policy is to pay only the deficiency amount difference between insured's original investment and amount paid to insured by "Blackhawk Gold, LLC" project's revenues or assets. No loss of original investment amount shall be paid.

Valid requests for payment of a claim against this policy are eligible for payment until the end of the 84th month from the date of policy issue.

No policy will be issued and no coverage will be in effect until the approval of their EB-5 I-526 application.

According to [the company's policy description](#) for its "Project Performance Investment Reimbursement" insurance, it will pay up to \$500,000 toward "the deficiency amount difference between insured's original investment and amount paid to insured" by Blackhawk Gold, LLC – the company handling [the gold mine project](#) promoted by the [Idaho State Regional Center](#). Investors simply provide a premium payment of \$35,000 and the insurance is theirs.

Excerpt from the Project Performance Investment Reimbursement policy.

A [sales presentation](#) presumably being shown to prospective

Chinese EB-5 investors – the presentation is in both English and Chinese – makes clear that those who invest in Idaho's Blackhawk Gold project are the only EB-5 investors eligible to purchase this insurance policy.

In other words, if an EB-5 investor in the gold mine project – and only the gold mine project – purchases this policy from Sidecars Insurance, he or she is guaranteed a return of principal. Given that the law requires all EB-5 investments to remain "at risk," is a reimbursement insurance scheme even legal?

The legal question

Jason Blatt, an attorney representing the Idaho State Regional Center, believes that it is. Responding to questions from EB5info.com, he offered the following:

"When an insurance company, a third party not related to the EB-5 regional center or its investment projects, sells an insurance policy to an EB-5 investor, and the EB-5 investor uses funds completely unrelated to his or her \$500,000 EB-5 investment funds to buy that insurance, the \$500,000 in EB-5 investment funds invested by an investor in a regional center's project remain 'at risk.'"

Blatt cites [USCIS' response to a question](#) posed during a 2009 EB-5 stakeholder session, which maintains the legality of such insurance schemes in cases when the policy is provided by an "unrelated" third party and "does not constitute a redemption agreement or a guaranteed buy-back arrangement for the alien investor's investment in the commercial enterprise."

investments through the commercial enterprise. Such a business plan may help to form the basis for the approval of the Form I-526 petition. In such an instance, an amended petition would not be required as long as the capital investment activities conducted by the EB-5 alien are in keeping with the approved business plan.

Q: Can an EB-5 investor use funds unrelated to the EB-5 investment to purchase insurance from a third party (e.g., Lloyd's of London) in which insurance proceeds would be paid to the investor if the commercial enterprise fails to repay the investor? Assume the third party is unrelated to the commercial enterprise or a regional center.

A: Yes, as long as the alien investor's capital is "at risk", and the indemnity policy does not constitute a redemption agreement or a guaranteed buy-back arrangement for the alien investor's investment in the commercial enterprise. A determination as to whether a specific indemnity policy is contrary to the statutory and regulatory requirements has to be made on a case-by-case basis.

Q: If an EB-5 investor/petitioner uses a professional employer organization (PEO) to administer payroll for his employees, does this meet EB-5 job creation requirements? As a general matter, a PEO exists only to administer payroll, benefits, communications policies and other administrative employer functions. The petitioner-established commercial enterprise

Source: USCIS.gov

But the explanation goes on to state that a "determination" of whether a specific indemnity policy does or does not violate the law "has to be made on a case-by-case basis."

Language like this leaves other attorneys unsure whether such an insurance guarantee really is permissible.

"These arrangements have a significant possibility of being found to undermine the 'at risk' nature of an investment," said [immigration attorney Robert Divine](#) in comments submitted to EB5info.com.

Divine, a former Chief Counsel and Acting Director of USCIS, acknowledged that arguments in favor of such insurance products could sometimes be valid. After all, if investors purchase the insurance with their own money in a transaction unrelated to the EB-5 investment, one could make a case for the policy's permissibility.

But given USCIS' response during the stakeholder session, Divine admits it's not so simple:



What is EB-5?

EB-5 is a visa for Immigrant Investors created by the Immigration Act of 1990. In accordance to a Congressional mandate aimed at stimulating economic activity and job growth, The Immigrant Investor Pilot Program was created to allow eligible aliens the opportunity to become lawful permanent residents.

Qualified investments must meet certain requirements and include regional centers with high unemployment rates, with a required investment amount of \$500,000.

SideCars Insurance Company enables investors to purchase an insurance policy to protect the performance of an individuals' investment in qualified investments or regional centers.

For more information, please contact [Gary Tharp](#), EB-5 Liaison at [505-385-4279](tel:505-385-4279) or fill out the form to the right to email Gary and he will contact you.

Screenshot from the Sidecars Website



Robert Divine

"This USCIS evasive answer is classically unhelpful to people trying to plan their affairs. As a practical matter, since USCIS does not ask about insurance arrangements in Form I-526, someone who bought [the policy] would not tend to disclose it. Given USCIS' murky position, one could argue, if later challenged for nondisclosure, that it was not a material omission. USCIS should clear this up."

Blatt, on the other hand, insists that an investor's choice to purchase the insurance is unquestionably within the bounds of the law. Purchasing the policy from a third party "does not change the fact that the investor's funds are at risk," he said. "Purchase of such insurance is legal."

To provide a frame of reference, there are EB-5 specialty insurance products about which nobody raises any concern. [David Souders](#), a broker at [Todd Associates, Inc.](#), offers errors and omissions (E&O) and directors and officers (D&O) insurance policies that specifically address the potential liabilities of regional centers and their principals.

"Suits can be brought against regional centers and their affiliates for a variety of reasons," Souders explained. "The policies we craft for our insureds are tailored to protect and defend them against potential litigation stemming from investors, competitors, regulatory bodies, etc."

But that is a far cry from guaranteeing the investment. "I don't offer a policy that promises a repayment of principal to the investor," Souders said.



David Souders

Paying investor claims

A particularly troubling feature of the Sidecars policy is the method by which it guarantees a return of the deficiency between one's total EB-5 investment and any repayment of principal by the regional center.

According to the same English and Chinese-language sales presentation confirming that the Blackhawk Gold project is the only one eligible for the Project Performance Investment Reimbursement insurance, the \$35,000 premium paid to Sidecars by an EB-5 investor is ceded to USSafe Reinsurance Company, which then purchases fractional ownership in life settlement policies from Life Partners, Inc.

Life Partners Holdings (LPHI) is one of the only publicly-traded companies specializing in the sale of life settlements – life insurance policies that are sold when the insured no longer

needs them. Investors purchase fractional ownership in the policies and collect when the policy matures (i.e. the policyholder dies).

Unfortunately, Life Partners does not have what one would call a stellar reputation in the industry. A [Wall Street Journal investigation](#) last year determined that the company frequently underestimates the life expectancies of individuals in whom its customers invest. "In 2003, of 299 policies the firm brokered, the insured as of a year ago had lived past the Life Partners life expectancy in 279 instances," according to the Journal.

That investigation came after a Securities & Exchange Commission task force asked Congress to make life settlement transactions subject to federal securities law. The SEC recommendation came in light of "a number of successful actions alleging fraud in connection with life-settlement securities," many of which had to do with misrepresentation of life expectancy data to investors.



The Life Partners Holdings (LPHI) stock price has fallen steadily since the company became the subject of an SEC investigation earlier this year. On May 13, the SEC issued Life Partners a notice indicating impending civil charges against two of its executives. It is through the Life Partners life settlement program that Sidecars Insurance told EB-5 investors it could pay claims to its insureds. Screenshot Source: [Bloomberg](#)

Just this month, Life Partners [received a Wells notice](#) from the SEC indicating impending civil charges to be filed against the company and two of its executives in relation to life expectancy estimates.

On June 6, the company [received an updated Wells notice](#) indicating that its CFO would also be among those charged.

Any potential Idaho gold mine investors who were exposed to the Sidecars sales presentation were informed that the investor insurance policy "provides a 1-to-1 equity ratio" of premiums to claims. That assertion rests on the assumption that any life settlement policies purchased from Life Partners will "mature" by the time an investor files a claim.

And any projected maturity dates for the life settlement policies must be based on Life Partners life expectancy estimates, which the SEC finds questionable.

Given that Gary Tharp, the ["EB-5 Liaison" at Sidecars Insurance](#), participated in a seminar promoting the gold mine project [alongside Idaho Governor Butch Otter](#), it would be hard to deny any connection between the Sidecars policy and the Idaho State Regional Center. After all, "the Blackhawk Gold EB-5 projects" are the only ones USSafe Reinsurance company is willing to insure.

EB5info.com contacted Sima Muroff at the Idaho State Regional Center with regard to the Sidecars policy offered to his project's investors. He declined to comment on the sales presentation, noting that it was not authored by the regional center or its legal counsel. Muroff also stated that the regional center and its projects "have no relationship with insurance."

In similar fashion, Gary Tharp of Sidecars Insurance told EB5info.com that the "Idaho State Regional Center has no direct relationship with Sidecars Insurance Company or the Sidecars Insurance program for EB-5 investors."

Officers

Biographies



Brian D. Pardo
Chief Executive Officer

Mr. Pardo has served in various capacities in the life settlement industry since its incorporation in 1964. He is a certified expert witness and has testified as an expert witness in numerous life settlement industry cases. He was the founding Life Partners Corporation from 1964 through 1966 and has logged more than

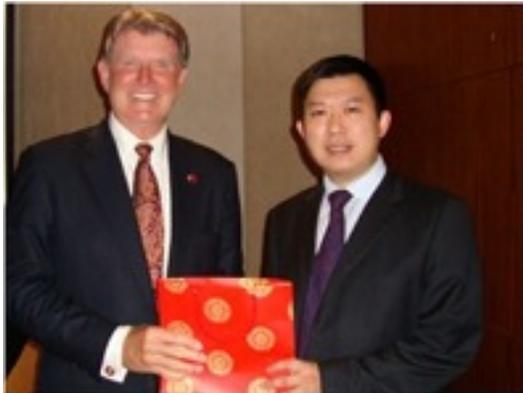


R. Scott Peden
General Counsel

Mr. Peden serves as General Counsel for Life Partners. He served as Vice President of the company since its incorporation in 1964. He is an expert in the field of life settlements and has testified before legislators regarding the legal structure of life settlements throughout the industry. He received his law degree from Baylor University.

Life Partners Holdings Executives Brian Pardo and Scott Peden will be soon be subject to civil charges alleging securities law violations. Screenshot Source: [LPHI.com](#)

Acknowledging that the company led presentations in China that leaned heavily toward the life settlement policies' ability to pay claims, Tharp also stated that for those EB-5 investors who prefer, Sidecars "will not use life settlement investments for any of the assets associated with their policies." Instead, any money used to pay claims would come from outside investors unrelated to the EB-5 program.



徐建英先生向州长赠送礼物

Idaho Governor C.L. "Butch" Otter at a seminar in China where he promoted the gold mine project with Gary Tharp of Sidecars Insurance

These investors put their money in what Tharp calls an "excess risk program." Assuming all investors buy insurance, the total risk exposure for the EB-5 investment is \$60 million. While Tharp realizes that not all investors in Idaho's gold mine project will buy the insurance, he maintains that Sidecars would have the assets to pay claims even if every investor did purchase a policy.

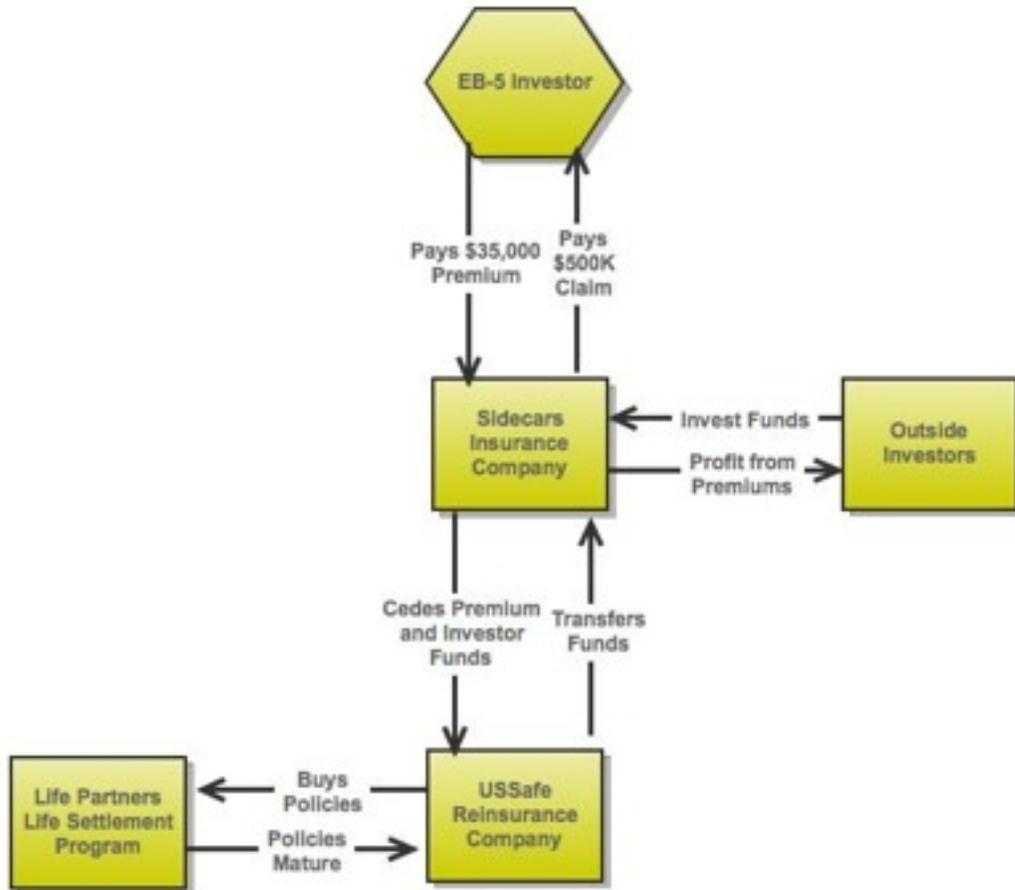
In other words, if an investor does not trust a Life Partners life settlement to pay claims on his or her purchase of a Sidecars insurance policy, he or she can opt for a version of the policy that taps claims reserves funded by outside investors who have no connection to the EB-5 program.

Tharp also told EB5info.com that he still believes the life settlement policies are a reliable source of funds for the investor counting on the Sidecars promise of 1-to-1 premium to claims reserves. The option to have claims paid via an alternative funding source comes "in light of the negative publicity" received by the Life Partners life settlement program, he said.

A difficult policy to recommend

The insurance arrangement Tharp describes – the one involving outside investors – is an uncommon one, but not unheard of in the industry. Companies will sometimes set up a vehicle into which they place funds from investors with no underwriting experience. In exchange, investors receive a percentage of the insurance premiums. Enough funds must be put up to ensure the payment of claims. The fewer claims that are actually paid, the more money investors stand to make.

The entity into which investors put up funds is known as a "reinsurance sidecar." Hence, Sidecars Insurance Company.



But the use of life settlement policies to pay claims is somewhat unconventional for a reinsurance sidecar. Whether investors opt for the life settlement "option" or not, the Idaho State Regional Center makes a point of disassociating itself from the Sidecars Insurance policy – publicly, at least. Legally, the purchase of such a policy must come from a completely "unrelated" commercial enterprise.

"The regional center merely informs investors that such a policy may be available," explained Jason Blatt, maintaining that the regional center has no connection to the insurer. "Whether [investors] buy the insurance is up to them, and is a matter between each individual investor and an insurer," he said.

So even the Idaho State Regional Center cannot actually recommend the Project Performance Investment Reimbursement policy – even though it's the only regional center whose investors Sidecars is willing to insure.

Like many issues in EB-5 visa law, reimbursement insurance for investors is a thorny one. With little precedent for the permissibility of a Sidecars-like policy, it is hard to acknowledge purchasing one as being in the best interest of the investor.

And it is hard to acknowledge any policy backed by life settlements from Life Partners as being in the best interest of anybody.



IIUSA Thanks EB-5 Regional Center Advocacy Conference Attendees, Provides Information on Upcoming Events

by [Michael Gibson](#), USAadvisors.org

Today, we pass a milestone: There are only 499 days remaining until the [EB-5 Regional Center Program](#) "sunset" (i.e. ceases to exist). We at IIUSA refuse to let that happen. Last month, we hosted our [Annual Meeting and EB-5 Regional Center Advocacy Conference](#) in Washington, D.C. Conference attendees visited various offices on the Hill, Executive Branch, and other federal agencies to drum up support for [S. 642 \(Creating American Jobs with Foreign Capital Act\)](#), which would permanently authorize the Program and giving it the certainty it needs to fulfill its annual promise of \$2B in capital formation and 40,000 U.S. jobs.



Ron Klasko (right), Chair of the AILA EB-5 Committee, discusses the recent FOIA release of the USCIS EB-5 Visa Adjudicator's manual with immigration attorneys Stephen W. Yale-Loehr and Robert Divine

In the time since we hosted our conference in Washington, DC, [USCIS](#) Director, Alejandro N. Mayorkas has released [a proposal to streamline the EB-5 administrative process](#), recognizing the need to ensure certainty every step of the way in order to "win the future." These actions are in large part a result of USCIS interaction with IIUSA. We have long advocated for the many of the changes offered in the proposal through formal commenting (such as [Executive Order 13563](#)) and direct meetings with the USCIS Director.

What does all of this mean?

Momentum is building for a permanent EB-5 Regional Center Program. We have the ears of the right people. Our message that the Program as a quintessential piece of 21st

century economic policy is being well received. Now is the time for us, as an industry, to come together and capitalize on this momentum to ensure that this Program is made permanent. We can then focus on building communities through economic development and job creation all over the country.

A special thanks to the following:

- Our Panelists, who provided a wealth of the latest information and perspective to all attendees on such important topics within the EB-5 Regional Center Program, such as: U.S. securities law, EB-5 economic methodologies, and updates on USCIS policy.
- Matt Virkstis, Sen. Leahy's staffer from the Senate Judiciary Committee, our keynote speaker.

Lobbying Report

On May 9, a number of Congressional offices sent staffers/representatives to the IIUSA-hosted Regional Center Economic Development Reception. Thank you to all the Regional Centers who came to educate our public officials by telling their stories of community and economic development.

After the conference on Tuesday May 10, a group of IIUSA representatives, including our new government affairs firm GrayLoeffler, LLC, met with the Chief Majority Counsel in the House Immigration Subcommittee. The economic development aspects of the Program were the focus of the discussion. All at the meeting left pleased, and initial follow-up indicates our representation of the Program was very well received.

Later that evening, K. David Andersson, IIUSA President, and I, went on a private tour of the West Wing of the White House. After the tour, we met with a staffer from the Vice President's office. We left the meeting with some follow-up "homework" that will further our ability to get our message in front of the right people in the executive branch.

Lastly, on Wednesday, IIUSA representatives had an excellent meeting with the [Invest In America Office, International Trade Administration, U.S. Department of Commerce](#). We have since arranged for Aaron Brickman, the Office Director, to speak at our next conference in D.C.

Don't forget to check out the next upcoming IIUSA events:

- August 11-12: [IIUSA International Investment Forum](#) - Seattle, WA "Welcoming the World as Partners in Regional Center Development!"
- September 14-16: [IIUSA Regional Center Advocacy Conference & USCIS Quarterly EB-5 Engagement](#) - Washington, DC "Together, we can make the EB-5 Regional Center Program permanent!"

USCIS Proposal Could Put EB-5 Regional Center Applications on the Fast Track

USCIS wants to prioritize some I-924 applications so that they are processed in as little as 15 days.

And that's just one suggestion included in [a 3-page proposal the agency released](#) this month, which seeks to streamline the process by which EB-5 investor and regional center applications are either approved or denied. The proposed changes [were announced on The Beacon](#), the official blog of USCIS.

According to agency Director Alejandro Mayorkas, USCIS has identified issues within the complex application process, which involves scrutiny of what are often very sophisticated business projects. The overarching purpose of the proposed changes, of course, is to attract more investors and entrepreneurs to the EB-5 immigrant investor program.



photo: [Tom Ventura](#)

Long story short: USCIS acknowledges that inefficient processing of regional center and investor documentation makes the EB-5 visa program less accessible to immigrant investors and more frustrating for practitioners and regional center operators. This proposal might even be seen as an olive branch of sorts – a sign that the agency is willing to fix problems it knows are holding the program back.

Possible changes

In explaining some of the steps it wants to take, USCIS differentiates between "actual" and "exemplar" I-924 applications. The former refers to "shovel-ready" projects that are, as the agency defines it, "sufficiently developed to support the immediate filing of actual I-526 petitions." "Exemplar" I-924 applications, on the other hand, are those that outline feasible projects that are not yet "ready for takeoff," so to speak.

The first proposed step seeks to prioritize "actual" I-924 applications to meet a target processing time of two months. The current target processing time is four months, with actual processing times for the I-924 hovering around five months.

For an additional fee, the filing regional center can make its application eligible for the USCIS Premium Processing Service (PPS), which would ensure a target 15-day

processing time. I-526 petitions associated with "actual" I-924 applications will also be eligible for processing through PPS.

Making this documentation subject to faster processing could mean big changes for old and new regional centers alike. In the actual proposal document, USCIS provides a chart outlining just how quickly it would process new applications and petitions. While processing times for "actual" project documents should improve, it looks like little will change for "exemplar" projects. The proposed processing time for those applications stands at five months, which is no different from the current target processing schedule.

Although not mentioned in the proposal itself, the I-829 also appears on the chart. Under the proposed guidelines, it could be processed in as little as three months.

How would USCIS implement such a speedy new process? The proposal's second step calls for the creation of "Specialized Intake Teams" – economists, business analysts, and adjudicators who would handle all processing of I-924 applications. Each team, supported by legal counsel, would decide if the submitted application meets the filing guidelines for "actual" applications.

By the same token, the agency proposes that an expert "Decision Board" composed of an economist and adjudicators make the final call on all I-924 applications. Defined in the third and final proposed step, this board could approve the I-924, deny it, or send it back to the intake team with a Request for Evidence (RFE).

Invitation to comment

In announcing the proposal, Mayorkas invited the EB-5 community to comment on the noted changes, noting the agency's "commitment to soliciting [community] ideas and input." Presumably, this invitation reflects a willingness to consider possible modifications to the proposal by those affected.

After [last month's release of EB-5 adjudicator training materials](#), it would appear that USCIS has become more aware of concerns related to its processing of EB-5 documentation. Among immigration attorneys, reaction to the release of those materials has been largely positive. Perhaps this recent proposal is a step in the same direction.

Mayorkas's invitation to comment on the proposal expires on June 17.



Dairy-Focused EB-5 Regional Center to Offer Investment Opportunity in California Gold Mine

In a May 17 broadcast, Stephen Weststeyn [showcased his family's dairy farm](#) for an Oakland, California television network doing a report on the EB-5 visa program.

Images of Weststeyn driving a tractor and working with livestock helped drive home the point that foreign investment dollars could help him expand operations in the dairy business—precisely the type of project he has promoted in China since [his regional center's approval last year](#). "We want to help other people experience the American Dream," he explained.



Downieville, CA – Mountains near the site of the gold mine project; photo: [Eric Guinther](#)

But that's not the only project Weststeyn's EB-5 operation—the [Northern California Regional Center](#) (NCRC)—might help fund in the near future. A [recent press release](#) now circulating online indicates that NCRC could also help finance the excavation of a fully-permitted gold mine.

Currently owned by Ruby Gold, Inc., the mine is scheduled to be purchased by North Bay Resources, Inc. on June 1st. NCRC will be working with the new owners in an effort to finance operations at the mine.

Digging for gold

According to the North Bay Resources press release, the mine, aka the "Ruby Gold Project," is situated on 1,755 acres in an area of Sierra County, California known to have produced "over 250,000 ounces of gold since the 1850's."

A [section of the company's website](#) dedicated to the Ruby Gold Project states the following:

This mining plan is built on exploiting the Ruby Mine's well-known placer gold potential. The Ruby also hosts known quartz veins which have produced gold, such as the Wolf Vein (1,625 ounces), and which offer the possibility for production of quartz gold. The Ruby Property contains many untested quartz veins exposed in old workings that are excellent targets for exploration and development.

If USCIS approves funding for the project, Weststeyn thinks it could be a good addition to NCRC's EB-5 repertoire. Much of his confidence in the project is driven by the current price of gold, which seems to keep going up.

"I believe getting involved with North Bay Resources was a good move for several reasons – two of those being the market outlook for gold and the success of regional centers handling similar projects," Weststeyn said in a conversation with EB5info.com.

Allowing NCRC to solicit EB-5 investments in the Ruby Gold Project calls for an expansion of the regional center's approved industries. North Bay Resources says the mine is within a TEA—a determination that is ultimately in the hands of USCIS as it evaluates the regional center's business plan.

Incidentally, it was North Bay Resources that first approached Weststeyn with the idea of funding the mine through foreign investment. "If there is good opportunity out there, you should go for it," Weststeyn explained. "Of course, you have to evaluate opportunities as they come along."

Dairy still priority one

While the Ruby Gold Project sits perched on the horizon, NCRC remains focused on its dairy initiative. Weststeyn believes he will have investors lined up within the next month.

"It has taken awhile to establish relationships with agents, but we're doing seminars in China now," he said. "It shouldn't be long."

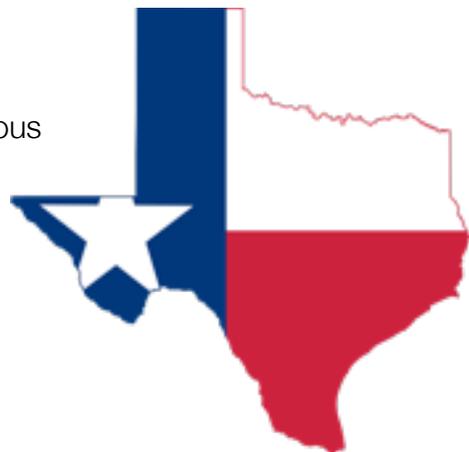
And Weststeyn wants to make sure the dairy project is successful before the regional center directs its efforts elsewhere. Dairy is where his expertise lies – and he has been working to secure EB-5 investments in his dairy operation for over a year.

"We're always open to new opportunities, but we don't want to work on a lot of other projects until we're comfortable with the direction of this one," he said.



Houston Chronicle Warns EB-5 Investors of Risky Ventures

The increasingly popular EB-5 program faced some serious scrutiny earlier this week, [in an article published by the Houston Chronicle](#), mainly for the program's risky investment opportunities offered through some [Texas regional centers](#). The Chronicle claims that many of the centers have "dubious track records or are engaged in questionable practice."



Questionable track records?

One example of such practices includes a Dallas company whose funding was provided through the [North Texas Regional Center](#). The company is accused of "advertising multi-million dollar development projects on land in Farmers Branch tied up in a civil lawsuit and bankruptcy filing," reports the Chronicle. A \$70 million dollar lawsuit is currently pending against one company executive and officers.

In Houston, another company allegedly broke EB-5 rules by offering deeds to waterfront property as a way to present investors with something to fall back on if their investment didn't prove profitable. It's a well-known fact that all EB-5 investments must legally offer no guarantee of investment return. Foreign investors who are found to be in violation of EB-5 program rules risk losing their EB-5 investment visa and being denied an EB-5 green card in the future.

More regional centers

Such questionable ethics may have something to do with the recent increase in the number of regional centers emerging nationwide. The playing field for EB-5 regional centers is exploding with competition, a situation which may encourage some centers to use "creative" tactics in their marketing to prospective investors.

According to EB-5 due diligence experts, Texas has yet to prove its regional centers are viable opportunities for the EB-5 immigrant investor. Only time will tell if Texas regional centers can turn things around.

[Michael Gibson, Managing Director at USAdvisors.org](#), insists that there are many EB-5 regional centers across the country that do present immigrant investors with feasible investment opportunities.

"There are quite a few projects with great fundraising and good managers, using best practices and doing it correctly," Gibson said. "It's just hard to find them through all the noise from the other competing centers."



Private EB-5 Risk & Project Funding Meetings at AILA Conference



At this year's AILA Conference in San Diego, USAdvisors.org, LCG Capital, PinnInt and Strategic Elements will be holding one-on-one private meetings with leading EB-5 attorneys, law firms, and Regional Centers to discuss our process for evaluating EB-5 Regional Center projects and how to successfully raise funds while staying within Federal and State securities guidelines.

We will be discussing our process for evaluating risks and process for mitigating those as well as marketing and soliciting projects overseas and payment of fees to agents that conforms to securities regulations.

On hand to discuss issues the development of business plans, securities documents, concerning risk evaluations, project assessment, private placement of securities through a broker dealer and the distribution of offerings overseas through registered agents will be Phil Cohen of Strategic Elements, Michael Gibson with USAdvisors.org, Mike Xenick Principal with LCG Capital Group and Kevin Jeffers of PinnInt LTD.



EB-5 Event: ILW.com EB-5 For Experts Phone Seminar



The May 19 session was the second in ILW.com's EB-5 for Experts phone seminar series. Click here for information on [the third installation](#) in this series, which will occur on June 9.

The second session was focused on EB-5 investor due diligence with an emphasis on the following:

- The role of the immigration attorney and care for client
- The relevance of due diligence checklists
- What due diligence factors should be considered
- Scope of representation
- Liability, disclaimers and waivers
- The role of the immigration attorney as advisor, professional insurance
- The roles of other professionals to assist the EB-5 immigrant investor

Speakers included session moderator [Michael Gibson](#) of USAadvisors.org and several experienced immigration attorneys whose practice specialities include the EB-5 program. Joseph Bartlett, [Ignacio A. Donoso](#), [Michael Homeier](#), and [Ronald Klasko](#) all joined Gibson in the discussion.



EB-5 Event: ABA Lunch and Learn Series to Discuss EB-5

On May 18, the Section of Litigation's Immigration Litigation Committee (American Bar Association) hosted [a successful Lunch and Learn Series](#), the focus of which was the EB-5 program.



Entitled "Avoiding Securities Pitfalls When Advising EB-5 Clients," prominent immigration attorneys Peter S. Erly, [Michael Homeier](#), and Joseph W. Bartlett joined [Michael Gibson](#), Managing Director of USAadvisors.org, in a discussion of securities issues related to EB-5.

These ABA teleconferences are free and open to the public.



Headed to the 2011 AILA Conference in San Diego? Don't forget to stop by our booth:

We do EB-5 Project due diligence and risk analysis.

Stop by for a demonstration of how our service can help you & your client.



Michael Gibson | michael@usadvisors.org | 239-465-4160 | EB5info.com

Are you an EB-5 practitioner who would like to contribute an article?
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