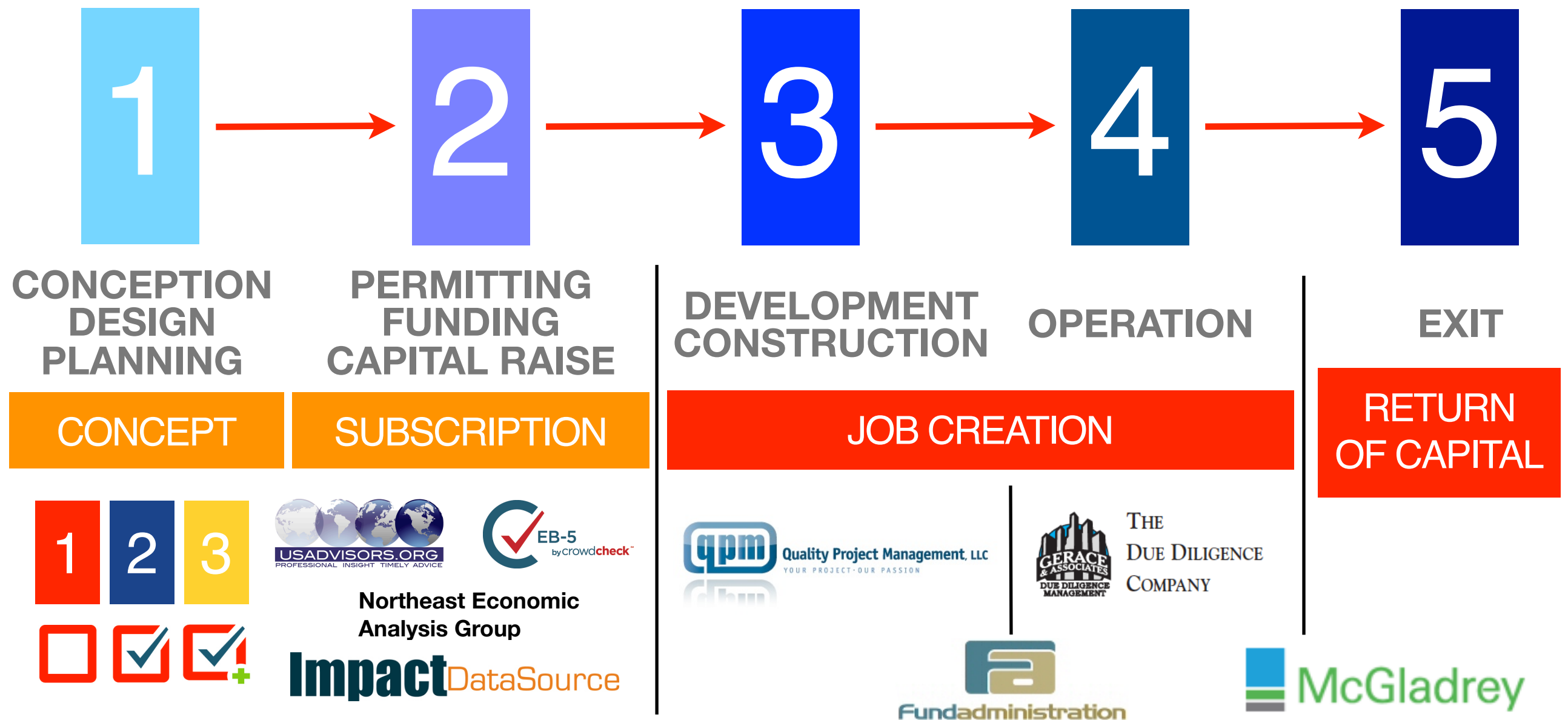


FIVE STAGES OF PROJECT INVOLVEMENT FOR EB-5 DEVELOPERS & INVESTORS



EB-5 PROJECT RISK ANALYSIS & DUE DILIGENCE

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FIVE STAGES OF PROJECT INVOLVEMENT FOR EB-5 DEVELOPERS & INVESTORS

1



2

CONCEPTION
DESIGN
PLANNING

PERMITTING
FUNDING
CAPITAL RAISE

CONCEPT

SUBSCRIPTION



Northeast Economic
Analysis Group



ImpactDataSource

DURING THESE STAGES IT IS VITAL
FOR THE DEVELOPERS TO
IDENTIFY AND ADDRESS ALL
ISSUES RELATED TO USCIS &
SECURITIES LAWS
REQUIREMENTS TO PREPARE THE
I-526 PACKAGE

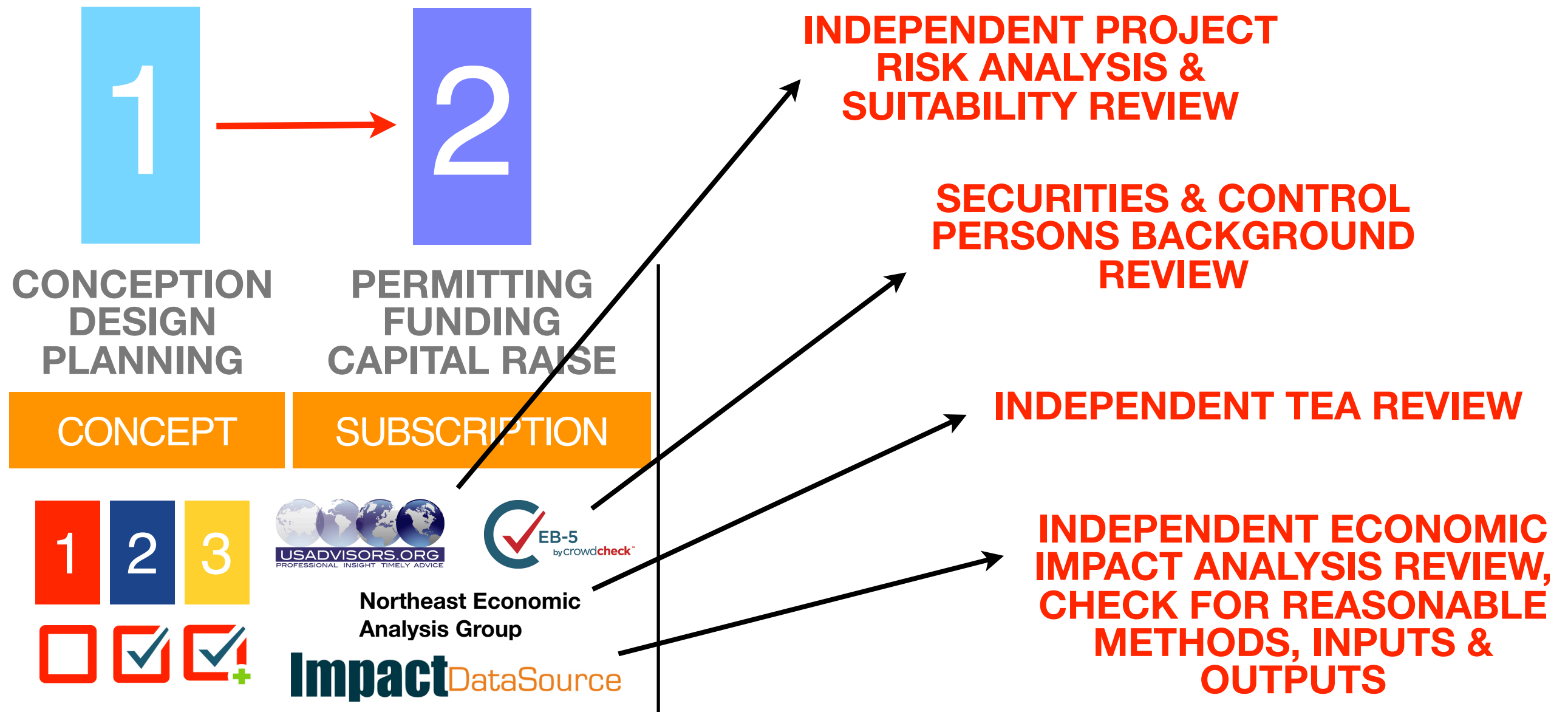
OUR GROUP CAN DETERMINE THE
COMPLIANCE AND SUITABILITY OF
THE OFFERING FOR INVESTORS,
ATTORNEYS, FINANCIAL
INSTITUTIONS AND OVERSEAS
AGENTS

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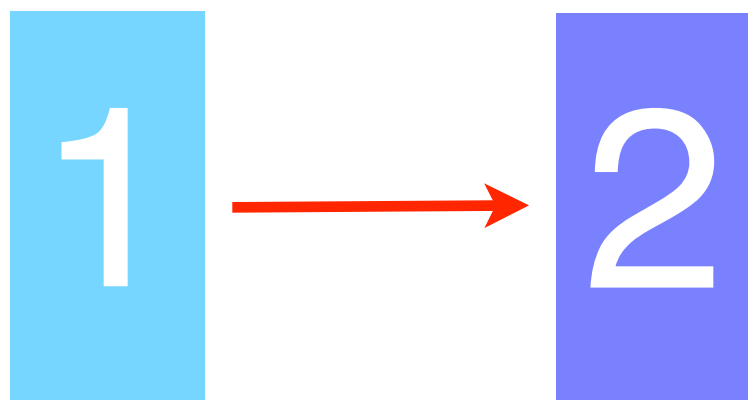


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CONCEPTION
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SUBSCRIPTION



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INDEPENDENT REVIEWS
& VERIFICATION OF THE
CLAIMS BEING MADE BY
THE DEVELOPERS &
PROMOTERS TO
DETERMINE THE
LIKELIHOOD OF THE
PROJECT ACHIEVING ITS
IMMIGRATION AND
INVESTMENT GOALS

EB-5 PROJECT RISK ANALYSIS & DUE DILIGENCE

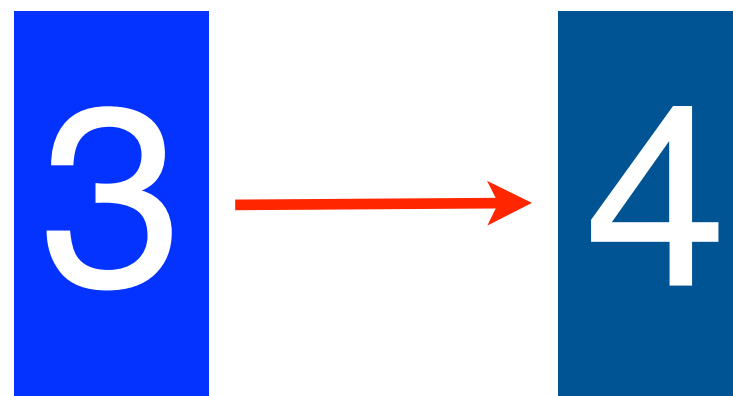
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FIVE STAGES OF PROJECT INVOLVEMENT FOR EB-5 DEVELOPERS & INVESTORS

DURING THESE STAGES
IT IS CRUCIAL THAT
DEVELOPERS AND CENTERS
TRACK THE PROGRESS BEING
MADE ON CAPITAL
DEPLOYMENT AND
DEVELOPMENT OF THE ASSET
TO ENSURE THAT JOB
CREATION IS HAPPENING ON
TIME AND THE PROJECT
REMAINS ON BUDGET

**OUR GROUP CAN
INDEPENDENTLY DETERMINE
PROJECT COMPLETION,
REVENUE & EXPENDITURES
FOR INVESTORS, ATTORNEYS,
FINANCIAL INSTITUTIONS AND
OVERSEAS AGENTS**



DEVELOPMENT
CONSTRUCTION

OPERATION

JOB CREATION



EB-5 PROJECT RISK ANALYSIS & DUE DILIGENCE

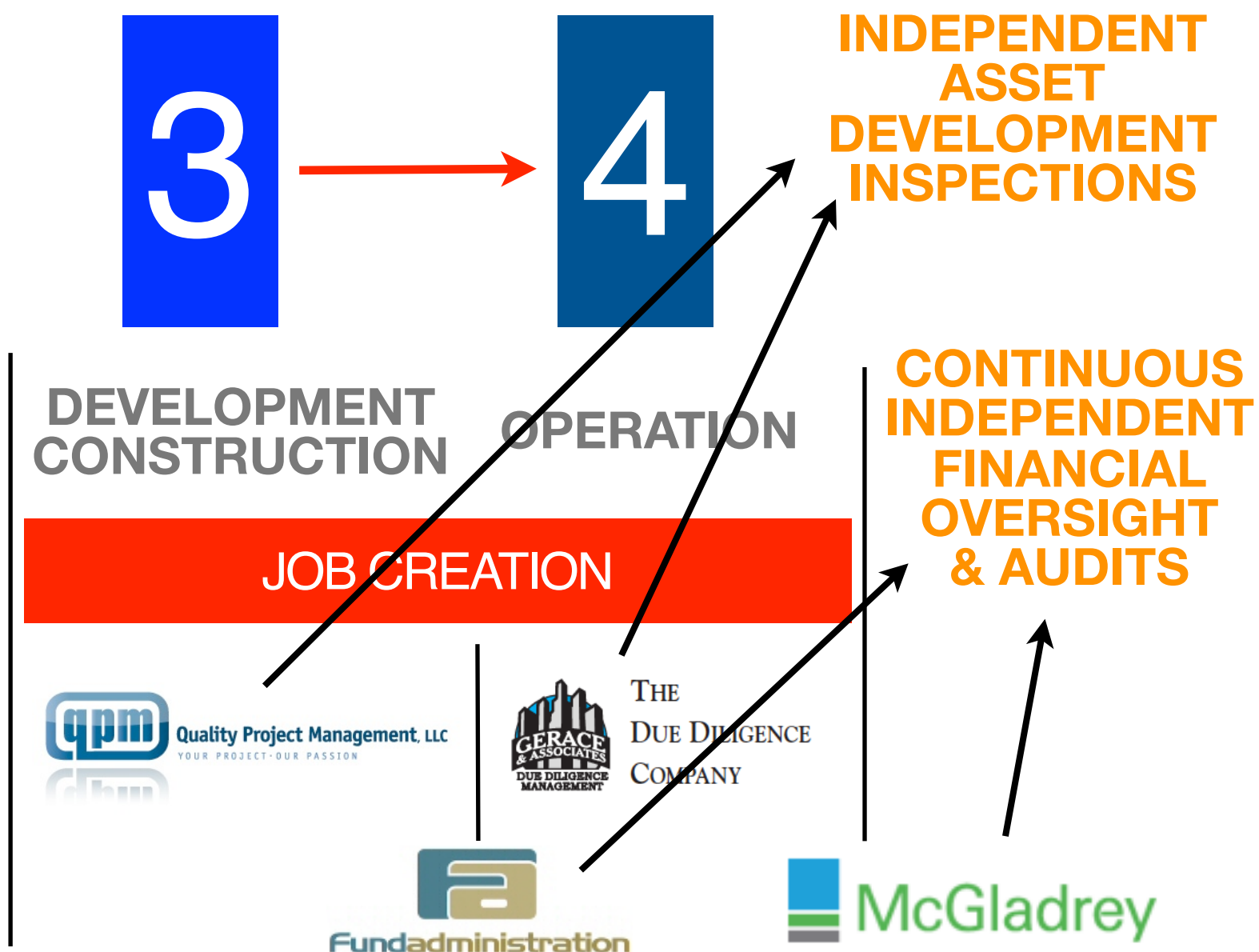
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FIVE STAGES OF PROJECT INVOLVEMENT FOR EB-5 DEVELOPERS & INVESTORS

**CONTINUOUS
INDEPENDENT
FINANCIAL
OVERSIGHT
& AUDITS**

5

EXIT

**RETURN
OF CAPITAL**



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FIVE STAGES OF PROJECT INVOLVEMENT FOR EB-5 DEVELOPERS & INVESTORS

INDEPENDENT FUND
ADMINISTRATION AND AUDITS OF
DISTRIBUTIONS FROM THE ASSET
TO THE GP'S & LP'S GIVES THE
INVESTORS, DEVELOPERS AND
CENTERS PEACE OF MIND, HELPS
AVOID FRAUD AND INCREASES
THE PROBABILITY OF A
SUCCESSFUL EXIT

**INSTITUTING INDEPENDENT
AUDITS AND OVERSIGHT OF THE
ECONOMIC ACTIVITY IS
CONSIDERED A BEST PRACTICE**

**CONTINUOUS
INDEPENDENT
FINANCIAL
OVERSIGHT
& AUDITS**

5

EXIT

RETURN
OF CAPITAL

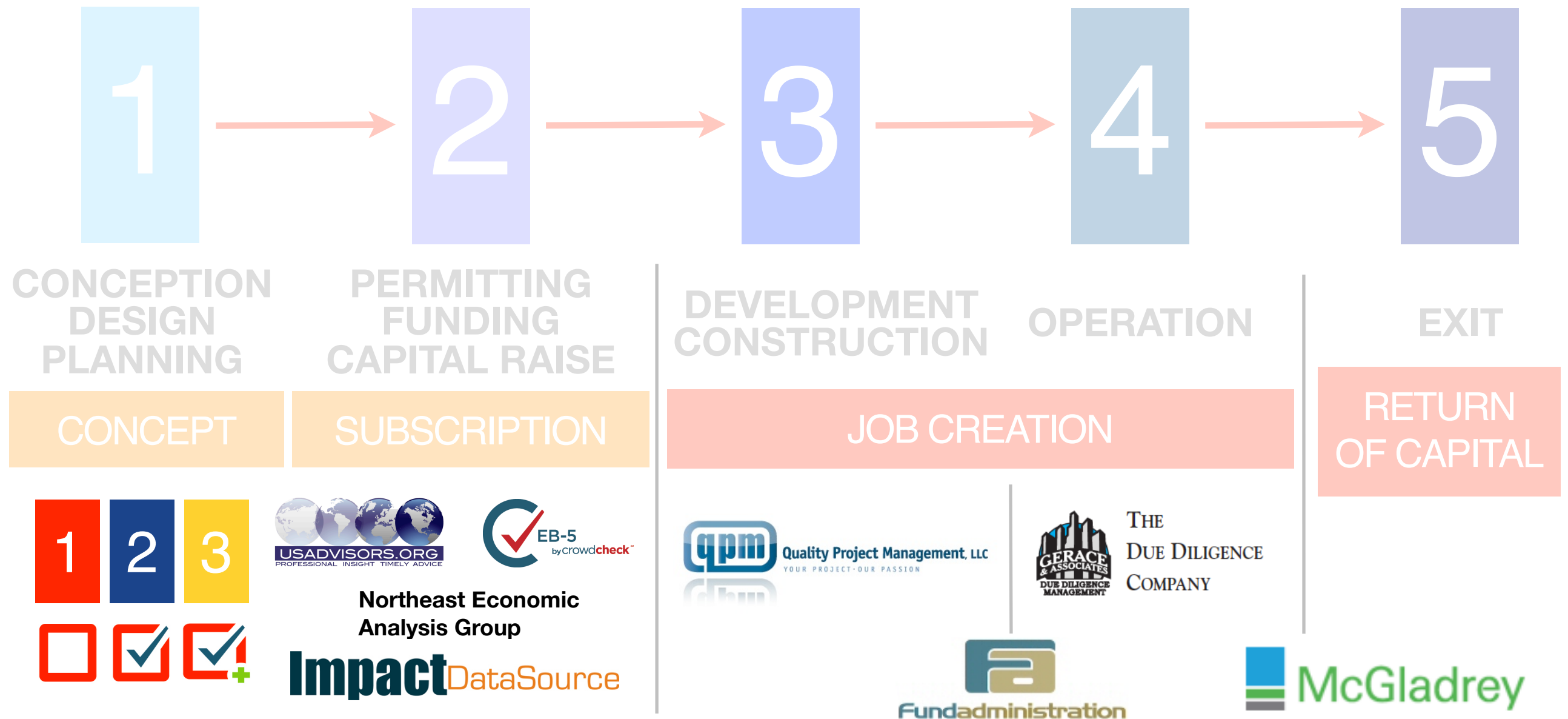


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INDEPENDENT AUDITS & REVIEWS FOR DEVELOPERS, CENTERS & INVESTORS



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USADVISORS EB-5 PROJECT DUE DILIGENCE, RISK ANALYSIS & VERIFICATION PROCESS



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DOCUMENTS REQUIRED QUESTIONS ASKED ACTIONS & DELIVERABLES



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USADVISORS EB-5 DUE DILIGENCE, RISK ANALYSIS VERIFICATION PROCESS

ENGAGE



1

SUBMIT DOCUMENTS
QUESTIONS & ANSWERS
RISK ANALYSIS & DUE DILIGENCE



LEVEL 1 RED FLAG REVIEW ISSUED

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2

SUBMIT DOCUMENTS
QUESTIONS & ANSWERS
RISK ANALYSIS & DUE DILIGENCE



LEVEL 2 VERIFICATION **STANDARD** REPORT

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3

SUBMIT DOCUMENTS
QUESTIONS & ANSWERS
RISK ANALYSIS & DUE DILIGENCE



LEVEL 3 VERIFICATION **PREMIUM** REPORT

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USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE PROCESS

LEVEL 1 : RED FLAG REVIEW
DOCUMENTS REQUIRED:



Offering Documents

Attached Pending

- Private Placement / Offering Memorandum (PPM)
- Limited Partnership Agreement (LPA)
- Subscription & Escrow Agreements

Economic Impact / Job Creation Documents

- Econometric Impact Analysis (Jobs Report)
- Targeted Employment Area (TEA) Designation Letter

Sponsoring Company and LLC Documents

- Background check releases from the company's control persons



USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE
PROCESS

LEVEL 1 : RED FLAG REVIEW
QUESTIONS ASKED:

<input type="checkbox"/> I. COMPANY INFORMATION	
<input type="checkbox"/> Name of company sponsoring the project (legal name, trade name, and any other name the company has gone by)	
<input type="checkbox"/> Sponsoring company Federal EIN	
<input type="checkbox"/> II. BUSINESS AND OPERATIONS	
<input type="checkbox"/> Does the sponsoring company have any subsidiaries? If so, please list them.	
<input type="checkbox"/> Is the sponsoring company under common control with another entity?	
<input type="checkbox"/> III. PEOPLE BEHIND THE COMPANY	
<input type="checkbox"/> Who are the sponsoring company's "Control Persons"? This means : <ul style="list-style-type: none">• Anyone who owns more than 10% of the Company;• The founders of the Company;• Your CEO, Chief Operations Officer, Chief Financial Officer, and any other officer responsible for executing company business;• Directors.	Each Control Person will be asked to provide personal information and sign a background check release. The requested information includes: Name, Address, Date of Birth, Home Phone, and Cell Phone.

1

USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE PROCESS

LEVEL 1 : **RED FLAG REVIEW** ACTIONS & DELIVERABLES:



SECURITIES COMPLIANCE REVIEW:

1. Review the offer for potential securities law violations
2. Briefly identify any major issues with respect to the offering material in terms of inconsistencies and inadequate disclosure
3. Confirm the deal structure satisfies the USCIS guidelines for at-risk capital and management role
4. Conduct background checks meeting Dodd-Frank "bad actor" standards on the project sponsors/developers

USCIS COMPLIANCE REVIEW:

We will examine the proposed deal, it's structure, and various agreements and transactional documents against EB-5 statutory and regulatory provisions; administrative and judicial precedents (and certain non-precedents), as well as policy.

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1

USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE PROCESS

LEVEL 1 : RED FLAG REVIEW ACTIONS & DELIVERABLES:



ECONOMIC IMPACT / JOB CREATION, USCIS COMPLIANCE REVIEW:

General

- Job creating NAICS industries identified to a 4-digit level.
- Regional center approved for all job creating industries included.
- Regional center approved for geographic area of impact area.
- Impact area defended and justified.
- Impact area size is reasonable and appropriate for the project.
- Total job creation meets or exceeds the minimum number of jobs based on the size of EB-5 investment contemplated.

Targeted Employment Area

- Targeted employment area is discussed.
- Targeted employment area (TEA) qualification is identified. (Rural or High Unemployment Area)
- Targeted employment area certification letter is included and current, if applicable.
- Targeted employment area is reasonable, if applicable.

Economic Impact Analysis

- Economic impact analysis, business plan and other supporting documents do not conflict and present consistent job creation numbers, revenues and other figures.
- Economic impact analysis clearly identifies initial changes modeled.
- Economic analysis vets initial change data and confirms reasonableness.
- Economic analysis and/or business plan discuss the timeline of the project and estimate job creation concurrent with projected I-829 approval.
- Economic analysis applies proper discounting.
- Economic impact modeling conforms to EB-5 convention. For example, construction is handled properly and avoids obvious tenant occupancy issues.
- Economic impact modeling presents impacts required by USCIS.
- Impact model and multipliers are discussed.
- Total job creation and other impacts seem reasonable.

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2

USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE
PROCESS

LEVEL 2 : STANDARD VERIFICATION
DOCUMENTS REQUIRED:



Sponsoring Company and LLC Documents

AttachedPending

- List and Biographies & Experience of Control Persons, General Partners
- List of Firms Involved in Structuring the Transaction
- Any Operating or Material Agreements with Partners & Contractors
- Complaint Filing for any Lawsuit the Sponsoring Company is Party to
- Sponsoring Company’s Certificate of Incorporation/Articles
- Sponsoring Company’s Bylaws
- Sponsoring Company Documents Reflecting Ownership Levels
- Terms of all Other Classes of Outstanding Stock
- State Registration to do Business
- County or Municipality Registration to do Business
- LLC’s Incorporation Documents

2

USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE PROCESS

LEVEL 2 : STANDARD VERIFICATION DOCUMENTS REQUIRED:



Project Documents

Attached Pending

Third Party Appraisal / Highest & Best Use Report

Copies of All Permits & Licenses

List of Bank & Non-Bank Lenders, Equity Participants & Agreements

Renderings, Architectural Plans, Drawings Showing Utilization of Space

Land Purchase Contract, Lease Contracts

Operating Agreements with Third Party Service Providers

5 Year Pro-forma Projections, Cash Flow Assumptions

Marketing Materials Provided to Investors and Agents

Regional Center Documents

List and Biographies of Regional Center Directors & Personnel

List of Firms Involved in Preparing the Regional Center Designation

Regional Center Designation Letter

Regional Center Experience in Funding & Developing Past Projects

Number of I-526 & I-829 Approvals (per project)

Copies of all Reports Made to Governmental Agencies (including I-924)

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2

USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE
PROCESS
LEVEL 2 : STANDARD VERIFICATION
QUESTIONS ASKED:



3. BUSINESS AND OPERATIONS	
Does the sponsoring company have any subsidiaries? If so, please list them.	
Is the sponsoring company under common control with another entity?	
Are any of the Control Persons affiliated with another entity that does business with the company?	
Have any of the Control Persons made loans to the sponsoring company or made a personal guarantee on a company loan? Have any of the Control Persons borrowed money from the company or had their loans guaranteed by the company?	
How long does the sponsoring company anticipate the funds it is seeking in this offering will last for? Will these funds be sufficient to complete the project? Has the company planned its next steps if it needs more money in the future?	
Please specify use of proceeds in detail, including any payments made to agents, advisers, Regional Centers, and all administrative expenses.	

2

USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE PROCESS

LEVEL 2 : STANDARD VERIFICATION ACTIONS & DELIVERABLES:



SECURITIES COMPLIANCE REVIEW:

1. Identify related party transactions
2. Review operator agreements
3. Identify payments to be made from proceeds of offering that do not relate to project operations
4. Conduct background checks that include the employment and educational history of the sponsors/developers, check on the corporate entities, check on the Regional Center principals

ECONOMIC IMPACT / JOB CREATION, USCIS COMPLIANCE REVIEW:

After a review of the economic analysis, business plan, TEA certification letter and regional center designation letter, we will provide a detailed summary of items:

- (1) we believe will prevent USCIS approval or
- (2) issues that may potentially prevent approval

We will present in detail the issues we have identified, citing specific page numbers in the documents and, when possible, citing specific USCIS regulations, memoranda or other communications.

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3

USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE
PROCESS

LEVEL 3 : PREMIUM VERIFICATION
DOCUMENTS REQUIRED:

<div><div><div></div><div></div></div><div></div></div>	<div><div><div>Offering Documents</div><div>Terms of all Other Classes of Outstanding Securities</div><div>Sponsoring Company's Documents Reflecting Ownership Levels</div><div>Subscription & Escrow Agreements</div></div><div><div><div>Sponsoring Company and LLC Documents</div><div>Contact Information for all Project Partners & Contractors</div><div>Bank & Non-Bank Lenders</div><div>Accountant/CPA Who Prepared the Financials</div><div>Third Party Service Providers</div></div></div></div>	<div><div>Attached</div><div>Pending</div></div>
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3

USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE
PROCESS

LEVEL 3 : PREMIUM VERIFICATION
QUESTIONS ASKED:



<div><input type="checkbox"/> IV. COMPANY OWNERSHIP AND OFFERING</div>	
<div><input type="checkbox"/> Does the sponsoring company have any other class of securities outstanding, such as preferred stock, unsecured notes? If so, please send us the document that describes the terms. (For preferred stock this might be called a Certificate of Designations).</div>	
<div><input type="checkbox"/> What are the principal risks faced by the sponsoring company?</div>	

3

USADVISORS VERIFICATION, RISK ANALYSIS AND DUE DILIGENCE PROCESS

LEVEL 3 : PREMIUM VERIFICATION ACTIONS & DELIVERABLES:



SECURITIES COMPLIANCE REVIEW:

1. Identify and verify all material facts contained in the offering materials;
2. Verify all operating documents (contracts in place and confirmed by other party, confirm binding nature of LOIs and summarize conditions);
3. Analyze related securities and financings done by the sponsor/developer and describe how they relate to the current offer;
4. Fix any securities law issues through our affiliated law firm, KHLK.

ECONOMIC IMPACT / JOB CREATION, USCIS COMPLIANCE REVIEW:

Our premium services would be dictated by the deficiencies found in the analysis or specific questions raised by the issuer. Our charge for services at this level would vary depending on hard data costs. Below are two possible options of our services at this level.

- (1) Prepare a sensitivity analysis to demonstrate how differing levels of revenues, occupancy rates or overall construction expenditures may impact the total job creation. It may be useful to describe how dependent the analysis is on various assumptions.
- (2) Prepare a companion economic impact analysis using a different model to determine how the project compares using an alternate economic impact model. For example, if job creation is estimated using RIMS II, we could prepare an IMPLAN analysis of the project.

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