



DEVELOP PROJECTS

WITHOUT THE BANK

Many developers are financially weak, helpless to take advantage of good opportunities, and totally dependent on the banks. It's time for a change.

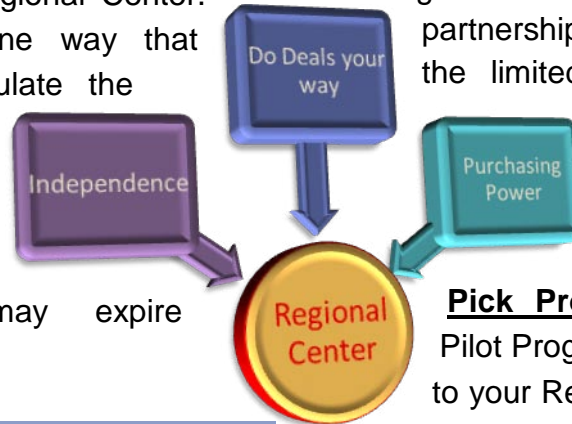
If you want the purchasing power and freedom to develop projects that you want to, the Regional Center Pilot Program is for you.

Abundant Foreign Capital

The Pilot Program allows foreign investors to get a green card in exchange for investing at least US\$500,000 in a Regional Center.

The Pilot Program is one way that Congress hopes to stimulate the economy and create jobs through foreign investment. **Set up your Regional Center now -**

The Pilot Program may expire 9/30/2012.



Developers Benefit

For developers, the Regional Center Pilot Program has **three benefits**: (1) You get the money you need without being dependent on banks; (2) A Regional Center provides you with a way back to doing deals the way you used to; (3) You select and fund the projects that you like.

Independence From Banks. The Pilot Program allows you to directly source funds from foreign investors who want to get a green card without all of the hassles. It works like this, first, you set up your Regional Center. Next, you market your Regional Center to

foreign investors. Let's say you need \$5 million to develop your project. If each foreign investor gives your Regional Center \$500,000, you would need 10 foreign investors. As long as the project will create ten U.S. jobs* per foreign investor, you are free to develop whatever project you like.

Do Deals the Way you Used To. With a Regional Center, you are free to go back to developing successful projects the way you used to. When foreign investors invest in your Regional Center, they will purchase limited partnership interests. You select and control the limited partnership's general partner (GP), and the GP decides the best use for the investor's investment of a minimum of \$500,000.

Pick Projects You Like. Through the Pilot Program, you attract foreign investors to your Regional Center, and freely choose your own projects. Your Regional Center relieves you from total dependence on the banks.

Change Things Now

In 2005, a Regional Center attracted 60 foreign investors who invested \$30 million in a dairy farm project. The Regional Center was able to get an additional \$90 million in bank financing which added to the developer's success. *Continue reading to learn how to get some of the \$2.1 Billion being invested in Regional Centers. Call if you have questions.*

Copyright ©2010 by AbdulJaami, PLLC. All Rights Reserved. This publication is intended as a general guide only. It does not contain a general legal analysis or constitute an opinion of AbdulJaami, PLLC or any member of the Firm on the legal issues described. It is recommended that readers not rely on this general guide in structuring individual transactions but that professional advice be sought in connection with individual transactions. Attorney Advertising. Prior results do not guarantee a similar outcome.

Saboor H. AbdulJaami

Attorney and Counselor at Law

410 Park Avenue, Suite 1530
New York, NY 10022-4407

Tel: 1.646.435.0668
Fax: 1.646.435.0664
email: sabuljaami@shajlaw.com
web address: www.shajlaw.com

What is a “Regional Center?”

A Regional Center is a U.S. geographic area of defined scope that has been targeted for planned economic growth through investment. The Regional Center can be sponsored by either local or regional government, or private investors/developers. Whether the sponsor is public or private, the goal is always the same: to develop an economic unit, engaged in the promotion of economic growth, improved regional productivity, job creation and increased domestic capital investment. Each Regional Center tends to focus on one or more related areas of investment that represent the area of focus of the organizers of that Regional Center.

For example, the SDIBI South Dakota Dairy Regional Center’s geographic scope is defined as “Eastern South Dakota.” Investments in this Regional Center are focused on dairy farm operations, heifer ranch operations, animal feedlot operations, meat processing and packing operations.

A geographic area can be covered by more than one Regional Center. When this happens, the Regional Centers are likely to have different areas of focus. For example, one Regional Center may focus on investing in and developing nursing homes and health services, while the other Regional Center may focus on mixed-use real estate development including hotels, restaurants, and shopping centers.

What is the required Investment?

Generally, foreign investors must invest or be in the process of investing at least US\$ 1,000,000. If the investment is in a targeted employment area (TEA), then the required minimum investment is US\$ 500,000. A TEA is a rural area or an area that has been designated by the State Governor as having experienced high unemployment of at least 150% of the U.S. average. Historically, most Regional Center investors have invested in TEAs at the US\$ 500,000 level. However, more investors are investing at the US\$ 1,000,000 level in Regional Centers located in areas that are not rural or economically depressed. Investors may invest more than the minimum amount.

Investments are made as contributions of capital in the form of cash, equipment, inventory, other tangible property, cash equivalents, or indebtedness secured by assets which the foreign investor owns. The investor must be able to document that the capital was acquired by lawful means.

Each foreign investor’s capital contribution must face reasonable risk or the investor’s visa petition will be denied. For this reason, a loan, promissory note, mortgage, or other debt arrangement secured by assets of the Regional Center will not qualify as an investment. Similarly, a loan or debt arrangement between the investor and the Regional Center also does not qualify. Because the investor’s investment must be at risk, a contribution of capital in exchange for a note, bond, convertible debt, obligation, or any other debt arrangement will also not qualify.

The foreign investor may protect your investment using third party products such as insurance, but a redemption agreement or guaranteed buyback agreement will cause your visa petition to be denied.

Saboor H. AbdulJaami

Attorney and Counselor at Law

410 Park Avenue, Suite 1530
New York, NY 10022-4407

Tel: 1.646.435.0668
Fax: 1.646.435.0664
email: sabduljaami@shajlaw.com
web address: www.shajlaw.com

Demand for the Regional Center Pilot Program – Sharp Increase

The original Regional Center Pilot Program became active in 1990 and by 1997 had experienced an initial peak in popularity. 1,361 foreign investors received visas through the Pilot Program in 1997. However, the Pilot Program was poorly administered and developed a negative reputation that caused a sharp decrease in demand. For example, in the year 2003, only 65 foreign investors used the Pilot Program.

Beginning in 2005, a new focus on the Pilot Program, and many positive changes, sparked global interest. Many foreign investors began to confidently pursue permanent U.S. residency through the Pilot Program. Changes such as standardized review of visa petitions, centralized processing through a single California office, and more highly-trained adjudicators who focus solely on immigrant investor visas, have had great results. The numbers speak for themselves:

Type of Immigrant Investor Visa (Numbers include spouse and children, if any) min. invest. = minimum investment; TEA = high unemployment/rural area	Year				
	2005	2006	2007	2008	2009
• Regional Center – US\$ 500,000 min. invest. (TEA)	1	96	173	1055	3,519
• Regional Center – US\$ 1,000,000 min. invest.	0	0	1	0	7
• Non-Regional Center – US\$ 500,000 min. invest. (TEA)	128	512	470	239	410
• Non-Regional Center – US\$ 1,000,000 min. invest.	29	194	149	149	282
Totals:	158	802	793	1443	4,218

Marketing efforts in a handful of countries have resulted in South Korean, mainland Chinese, British, and other investors enthusiastically embracing the Pilot Program as a way to permanent residence.

Origin of Immigrant Investor by Nation – Top Ten									
Year									
2005		2006		2007		2008		2009	
<i>South Korea</i>	64	<i>South Korea</i>	376	<i>South Korea</i>	385	<i>South Korea</i>	693	<i>China</i>	1,979
<i>Taiwan</i>	47	<i>China</i>	96	<i>China</i>	110	<i>China</i>	360	<i>South Korea</i>	903
<i>China</i>	23	<i>Taiwan</i>	68	<i>Taiwan</i>	80	<i>Great Britain + Northern Ireland</i>	115	<i>Great Britain + Northern Ireland</i>	324
<i>Great Britain + Northern Ireland</i>	15	<i>Netherlands</i>	45	<i>Great Britain + Northern Ireland</i>	43	<i>Taiwan</i>	47	<i>Taiwan</i>	170
<i>New Zealand</i>	5	<i>Great Britain + Northern Ireland</i>	44	<i>Netherlands</i>	37	<i>Canada</i>	24	<i>Canada</i>	85
<i>Japan</i>	3	<i>Canada</i>	31	<i>Japan</i>	19	<i>Japan</i>	21	<i>Japan</i>	84
		<i>India</i>	20	<i>India</i>	19	<i>India</i>	19	<i>India</i>	72
		<i>Japan</i>	18	<i>Germany</i>	12	<i>Netherlands</i>	19	<i>Russia</i>	60
		<i>Mexico</i>	11	<i>Iran</i>	9	<i>Iran</i>	16	<i>Netherlands</i>	38
		<i>Indonesia</i>	7	<i>Canada</i>	9	<i>Mexico</i>	15	<i>Mexico</i>	33

Saboor H. AbdulJaami

Attorney and Counselor at Law

410 Park Avenue, Suite 1530
New York, NY 10022-4407

Tel: 1.646.435.0668

Fax: 1.646.435.0664

email: sabduljaami@shajlaw.com

web address: www.shajlaw.com

Who can take advantage of the Regional Center Pilot Program?

Any private investor or developer can set-up and market a Regional Center to foreign investors. By investing, the foreign investors will get a U.S. permanent resident visa (“Green Card”) for themselves and also their spouse and unmarried children under 21 years of age.

The core requirements are:

1. *Invest or be in the process of investing a minimum of US\$ 1,000,000 or US\$ 500,000 if the investment is in a TEA – see above;
2. The investment must be In a Commercial Enterprise or a Troubled Business (a Regional Center satisfies the “commercial enterprise” requirement);

A “commercial enterprise” is either: (i) a newly created business; or (ii) an existing business that has been purchased and restructured into a new business; or (iii) an existing business that has been expanded to the extent that there is a 40% increase in the business’ net worth or in the number of employees.

A “troubled business” is a business that has: (i) been in existence for at least two years; and (ii) has incurred an accounting net loss during the 12 or 24 month period prior to the filing of the investor’s visa petition; and (iii) the loss is at least equal to 20% of the business's net worth prior to such loss.

3. The investor must Be actively involved in the Commercial Enterprise in a managerial or policy-making role (The limited partnership investment structure fulfills this requirement); and
4. Each investment must *Create full-time employment for at least 10 U.S. citizens, or legal permanent residents, or other legal employment-authorized immigrants. (A properly structured Regional Center will fulfill this requirement.)

How to Set-up Your Regional Center

There are roughly three stages to the set-up of a Regional Center. The *first stage* involves the identification of one or more projects that meet the job creation requirement. Most Regional Center sponsors hire an experienced economist to produce an economic analysis that confirms that each project will meet the job creation requirement. The *second stage* involves setting up the Regional Center corporate structure, structuring the limited partnership that the foreign investors will invest in, and preparing an application for Regional Center designation. The *final stage* involves selling limited partnership interests to the foreign investors through a private placement offering.

The below table outlines the three stages, approximate timing, and estimated Pilot Program fees.

Saboor H. AbdulJaami

Attorney and Counselor at Law

410 Park Avenue, Suite 1530
New York, NY 10022-4407

Tel: 1.646.435.0668
Fax: 1.646.435.0664
email: sabduljaami@shajlaw.com
web address: www.shajlaw.com

Step	When in the Process?	What should be done?	Fee? (\$)	Notes
1.	<u>Before</u> submitting your application for Regional Center status	<ol style="list-style-type: none"> 1. <i>Identify one or more projects</i> 2. <i>Consult with economist to determine how many jobs each project will create.</i> 3. <i>Calculate amount of foreign investment each project will support = [(Jobs created) ÷ (10)] x \$500,000</i> 	N/A	<p>Regional Centers can meet the job creation requirement with:</p> <ul style="list-style-type: none"> • <u>Direct jobs</u>: jobs that establish an employer-employee relationship between the commercial enterprise and the persons that they employ; • <u>Indirect jobs</u>: jobs held by persons who work for the producers of materials, equipment, and services that are used in a commercial enterprise's capital investment project, but who are not directly employed by the commercial enterprise, such as steel producers or outside firms that provide accounting services; <i>and</i> • <u>Induced jobs</u>: jobs created when direct and indirect employees go out and spend their increased incomes on consumer goods and services.
4.	<u>After</u> confirming your project(s)'s ability to meet the job creation requirement	<ol style="list-style-type: none"> 1. <i>Prepare Regional Center corporate documentation</i> 2. <i>Structure limited partnership to accept foreign investor capital contributions</i> 3. <i>Prepare and file application for Regional Center status</i> 	6,230	<ul style="list-style-type: none"> • The application must be accompanied by supporting documents, including copies of corporate and investment structure documentation • Beginning November 23, 2010, applications for Regional Center status must be submitted on Form I-924 along with a filing fee of \$6,230
4.	After your Regional Center is approved	<ol style="list-style-type: none"> 1. <i>Prepare finalized private placement offering materials</i> 2. <i>Market your Regional Center to foreign investors</i> 3. <i>Accept foreign investor subscriptions and capital contributions</i> 	N/A	<ul style="list-style-type: none"> • Under both federal and state laws, the limited partnership interests that you will offer and sell to foreign investors are "securities." For this reason, you will need to complete a private placement offering to accept foreign investor capital contributions (~\$500,000 per investor) • To avoid problems, before offering or selling LP interests, consult with experienced counsel

Develop Projects without the Bank

In 2009, Regional Centers took in \$2.1 Billion in foreign investor cash. If you want the purchasing power and freedom to develop the projects you like, the Regional Center Pilot Program is for you.

For more information, contact Mr. Saboor H. AbdulJaami using the information provided below.

Copyright ©2010 by AbdulJaami, PLLC. All Rights Reserved. This publication is intended as a general guide only. It does not contain a general legal analysis or constitute an opinion of AbdulJaami, PLLC or any member of the Firm on the legal issues described. It is recommended that readers not rely on this general guide in structuring individual transactions but that professional advice be sought in connection with individual transactions. Attorney Advertising. Prior results do not guarantee a similar outcome.

Saboor H. AbdulJaami

Attorney and Counselor at Law

410 Park Avenue, Suite 1530
New York, NY 10022-4407

Tel: 1.646.435.0668
Fax: 1.646.435.0664
email: sabduljaami@shajlaw.com
web address: www.shajlaw.com