

[EB-5 Visa](#) | [The rules](#) | [Regional center](#) | [FAQ](#) | [Tax considerations](#)

Investor Green Card (Detail)

US Green Card – The Fast and Easy Way

An EB-5 Visa with American Life Inc.

EB-5 Visa

The EB-5 Visa provides the most flexible path to a green card based on a US investment. The EB-5 visa does not require the applicant to manage the day-to-day affairs of a business. One may invest in an existing business, or a new business. More than one person may invest in the same business. The EB-5 investor may be a minority owner of the business.

EB-5 Visa – The rules

One may qualify for an EB-5 as follows:

1. Invest \$1 million and hire ten employees anywhere in the USA
2. Invest \$500,000 and hire ten employees in an area where the unemployment rate exceeds the national average unemployment rate by 150%
3. Invest in a regional center.

INS designated specific areas, called Regional Centers, as eligible to receive immigrant investor capital. INS approved over 20 Regional Centers. Regional Center investors may rely on indirect job creation rather than directly hiring ten employees. A competent professional, such as an economist, must quantify the indirect employment. If the regional center is in a high unemployment area the required capital is reduced to \$500,000.

Of the 10,000 investor visas (i.e., EB-5 visas) available annually, 5,000 are set aside for those who apply under a pilot program involving an INS-designated "Regional Center." To date, the quota has not been exceeded.

[American Life Inc.'s Regional Centers](#)

American Life Inc. is the general partner of the Gateway Freedom Fund, whose regional center was founded in 1996. This regional center is also called the Golden Rainbow Freedom Fund. It comprises the industrial district immediately south of downtown Seattle, commonly known as SODO. In 1996, USCIS approved a proposal to use immigrant investor capital to purchase, renovate and manage aging industrial properties and new developments in the SODO area. The State of Washington and the Federal government had previously designated the same area as an economic zone qualified for various tax incentives designed to attract investment.

American Life Inc. is the Managing Member of American Life Ventures LLC who established regional centers in Tacoma, Washington and Everett, Washington in 2008. These Regional Centers encompass much of the central areas of Tacoma and Everett and may pool immigrant capital into new real estate developments as well as rehabilitation of existing buildings.

Each Regional Center investor purchases a partnership interest in a specific investment partnership, managed by *American Life Inc.*, that owns, renovates and manages a property in the Regional Center. Indirect employment results from jobs created by elevating a previously underutilized property to a more productive use. Thus, the investment in the *American Life Inc.* partnership meets the requirement for the EB-5 visa.

Frequently asked questions

- Q: Who should invest?

EB-5 investors include people from all walks of life; professionals, business people, persons wanting to facilitate a child's education, and retirees. Because the EB-5 visa permits employment in the US, many EB-5 investors become involved in charity or part time work. Simply put, the EB-5 visa gives you the flexibility to do what you want in the USA.

- If you don't want to actively manage your business, you should consider EB-5.
- If you have a US citizen parent or child over 21 years of age, you should consider family class visa categories.

- If you have exceptional skills or are famous you may qualify for a green card based on your skills or fame.
- If you want to manage your own business, consider L-1, E-2, international manager visa categories.

If your goal is to have a green card and not to actively manage a business, it is most often cheaper to utilize the EB-5 category rather than to start and maintain a business.

- Q: Is EB-5 a truly passive investment?

The EB-5 regulations require involvement in management or policy making. The regulations deem a limited partner in a limited partnership that conforms to the Uniform Limited Partnership Act as sufficiently engaged in the EB-5 enterprise. However, the Uniform Limited Partnership, adopted by most states of the United States, prohibits the limited partner from actively participating in management.

On one hand you must be involved in management or policy making, while on the other hand you can't. We resolve this contradiction by granting the limited partners the right, as a group, to oust the general partner for "cause" and to suggest or recommend issues of overall policy. Furthermore, our limited partnerships comply with the Uniform Limited Partnership Act.

- Q: How is your investment structured?

Each Limited Partnership owns one building. Your investment purchases an interest in the Limited Partnership. You become a Limited Partner. Your percentage share of the Limited Partnership depends on the percentage your investment bears to the value of the project. The prospectus for each project describes the valuation methodology.

The Limited Partnership, managed by *American Life Inc.*, is the general partner of the Limited Partnership. The general partner, renovates the property, leases the property, and manages the property. The Limited Partners receive their share of the income from the properties. All investors

receive 70% of the profits. In fact, most of *American Life Inc.*'s investors, invest for profit only without an immigration benefit.

- Q: What is a limited partnership?

This is best explained through an overview of the various entities available to investors.

A **Corporation**, formed by filing a charter with a state government, is owned by shareholders. The corporation is taxed on its income. The shareholders are only taxed on dividends paid to them by the corporation. Shareholders do not pay tax on the corporation's income. The shareholders only risk the cost of their investment in the corporation, they bear no responsibility for the general affairs of the corporation.

A **partnership** is comprised of two or more people or entities coming together for an enterprise, without any particular state charter. The partnership does not pay tax, but passes through all items of income and loss to the partners. The partners pay tax on partnership earnings. Each partner, unlike a corporate shareholder, undertakes responsibility for the entire operations of the partnership. If the partnership were to be sued and judged liable, each partner bears full responsibility for the damages. A corporate shareholder has no such direct liability.

A **limited partnership** combines corporate limited liability with partnership taxation. The limited partnership, formed by filing a charter with a state government, consists of a general partner and one or more limited partners. The charter details the rights and powers of the limited and general partners, percentages of ownership, and distributions of profits. The general partner manages the business. As in a corporation, the limited partners are passive investors liable only for the value of their investment. As in a general partnership, limited partnership income is taxed at the partner level, not at the entity level.

A **limited liability company** is a corporation that passes through income and loss to the shareholders but offers shareholders the same limited

liability as a limited partner or corporate shareholder. You could say a limited liability company is a corporate version of a limited partnership.

American Life Inc. could use a limited partnership or limited liability company with equal effect. *American Life Inc.* uses a limited partnership because the INS regulations specifically refer to limited partners, exempting them from the requirement to actively participate in the business. The regulations make no mention of limited liability companies.

- Q: How is my limited partner interest protected?

The Certificate of Limited Partnership must be recorded with the State of Washington as a public record. The Certificate refers to a Schedule A of the limited partnership agreement, which lists the names and percentage interests of the limited partners. The deed for the investment property is held in the name of the limited partnership. The deed is also of public record. This means the property cannot be sold, mortgaged or altered without complying with the terms of the limited partnership agreement.

- Q: Is my investment guaranteed?

No. The law requires an "at risk" investment without guarantees or redemption rights.

- Q: What are my risks?

As in any investment there is a risk of total loss. We invest in real estate without mortgage or bank financing. This lack of debt eliminates much of the risk of total loss. Like everybody we risk the deleterious effects of acts of god, war, and market fluctuations in rental income or real estate prices. We urge all investors to visit us, check our references and to independently verify the information contained in our prospectus.

- Q: Why must I invest before you will apply for my green card?

We understand that other investment companies accepting EB-5 investors place funds in a trust or escrow account pending visa approval. In this case the funds may only be released upon visa approval.

Our primary business is real estate development. Most of our capital comes from investors who do not seek an immigration benefit. These investors invest on financial consideration only, without preconditions. EB-5 investors, however, have two considerations, the soundness of the investment, and obtaining their green card.

The investment must be analyzed upon its merits. Our policy is to require that you commit your capital as any other investor. If for some reason, you do not receive your green card, our contract with you requires us to refund your investment. We maintain credit lines with several banks for this purpose. We also have a constant stream of new investors, providing an alternative source of funds to refund your investment, should you fail to obtain your green card.

Escrow or trust agreements present immigration difficulties. We offer investment opportunities on a first first-come first first-served basis. While your investment capital sits in escrow or trust pending the results of a visa application, which may take six to eight months to complete, the target investment, which formed the basis of your visa petition may have been sold out to other investors. You would be in the unfortunate position of basing your green card on an investment that didn't exist, and run the risk of having your application denied. Finally, although the regulations permit escrow arrangements we find that INS looks more favorably on petitions based on a completed investment rather than a pending one.

Hopefully, you will be satisfied with your investment and wish to keep all or part of the investment regardless of the outcome of your green card application. The need for a green card is situational. You may decide you don't like life in America, or your family or economic situation may change. The need for sound investments never changes. While you would not have come to us unless you were seeking a green card, now that we've met, we hope you will be more than satisfied by our investment results and service.

- Q: How does the partnership distribute income?

Each partnership distributes profits to its investors monthly. The distributions are based on the prior month's gross rental income net of

expenses. Investors receive a profit and loss statement with each month's distribution. At the end of the year the partnership issues a summary report along with Internal Revenue Service form K-1. Form K-1 details your yearly income and expenses. Your accountant will require form K-1 to prepare your US annual tax return.

- Q: I understand that EB-5 has been the subject of litigation. Will this history effect my green card applications?

It should help, since CIS removed conditions from all pre-1998, American Life investors in June, 2006. This sets a precedent for programs such as *American Life Inc.*, which are full \$500,000 investments that create employment in the US.

The history is outlined as follows:

The EB-5 visa category started in 1991. Regional Centers started in 1993. *American Life Inc.* formed its regional center in 1996 and raised capital from some 40 investors between 1996 and 1998. Several companies competed for investment capital during this period. Most of the companies didn't offer sound investments and were really in business to collect fees rather than to fund an ongoing business. Many investment opportunities didn't raise the full \$500,000 investment capital or hire the required number of employees.

CIS (formerly INS) rightly wanted to stop these abuses of the program. In 1998, CIS wrongly applied their revised rules retroactively to people who already had approved petitions. CIS attempted to revoke these visa petitions. This started the litigation.

In 2002, Congress passed a new law to protect the pre-1998 investors. Also, in 2002, in a case commonly known as "Chang" the 9th Circuit Court of Appeals ruled that CIS may not apply their new rules retroactively. In August of 2003, CIS began approving regional center petitions for the first time since 1998.

In September 2005 and May 2006, BCIS approved all American Life pre-1998 removal-of-condition (I-829) petitions. As a result *American Life Inc.* dropped its lawsuit against the Justice Department. We were able to settle with CIS because all of our investors invested \$500,000 in job creating investments. It took 8 years to work through the system and prove the point. During the interim all of the investors were allowed to live in the US as if they had permanent green cards. Other than the delay and the legal expenses, which were paid out of investment income, there was no serious inconvenience to the investors.

We believe that EB-5 immigration petitions based on sound investments, for the full \$500,000 as prescribed by the rules, with proper supporting documentation, will continue to be approved.

- Q: What documents must I prepare to process my visa petition?

You must prepare complete biographical information for each applicant and the principal applicant must prove the source of the investment funds. To prove the source of investment funds, INS requires five years of tax returns, five years of bank records, proof of ownership in any businesses, financial statements for each business and business licenses. The idea is present a track record of an honest course of dealing. If your capital came from a specific transaction, such as sale of a house, inheritance or gift, you must prove the transaction occurred, by providing an official document, such as a closing statement or contract or other official documents. This is not an exhaustive list. Other documents may be required and vary on a case-by-case basis.

- Q: What issues have been problematic in EB-5 cases?

We use the same investment model for each case. INS has reviewed our investment model and has approved visa petitions based on our model. The most common problem area has been insufficient documentation of the source of funds. Many people try to disclose the least possible information only to have the file returned with a request for further information. It is better to provide too much information rather than too little information. In

this era of terror alerts, and suspicions about money laundering, INS case examiners require a well-documented source of funds.

- Q: Many EB-5 programs include immigration processing as part of the investment package. Why doesn't American Life Inc. do the same?

We believe that it is important for you to have independent legal counsel representing your interests without conflict *American Life Inc.*'s skill is in real estate investment. We believe it is better to focus on what we do best, providing the best returns on investment.

Mr. Liebman practiced immigration law for over 20 years. As a result we have some idea of which lawyers competently handle EB-5 cases and will be happy to suggest an attorney. You will make your own arrangements with the attorney. *American Life Inc.* will endeavor to make the attorney's job as easy as possible.

- Q: Where can I find a copy of the relevant law and regulations to study?

Please go to the Bureau of Citizenship and Immigrations Services web site. A direct link to investment visa information is:

<http://uscis.gov/graphics/services/residency/investment.htm>

- Q: How can I verify that you are an honest and competent company?

We offer the references listed below. We also can make arrangements for you to contact existing investors.

Real Estate Professionals

Vince DeLuca — vince_deluca@colliers.com

Rick Osterhous — ricker@gvakm.com

- Q: How long does INS take to process my visa petition?

Processing times vary from as little as a few weeks to as much as six months. We can't predict or promise a particular processing time. You should plan for the entire process to take approximately one year.

- Q: What are the processing procedures?

A general outline of the application process follows. Your attorney will be able to give you a more complete description.

Step 1) File form I-526 Petition for Alien Entrepreneur with the California Service Center. This petition requests INS to certify the applicant and the investment as eligible for EB-5 visa status.

Step 2) Upon approval of the I-526 petition, (a) if you are in the United States you may apply for Adjustment of Status to Permanent Residence by sending form I-485 and supporting documents to the INS regional processing center nearest your US residence. (b) If you are abroad you must wait for notification from the Embassy in your home country to prepare documents for the visa interview.

The purpose of the Adjustment of Status or consular visa interview is to make sure you are not subject to a grounds of exclusion, e.g. a criminal past, infectious diseases, etc.

Step 3) Upon approval you receive a form evidencing the approval and as well as a travel document. You will also receive the temporary green card in the mail. If you are abroad you must enter the US within six months of the date of the Embassy approval.

Step 4) After two years, you may file for removal of conditions or your permanent green card using Form I-829. This procedure permits INS to verify that you have maintained your approved investment for the required two-year period.

- Q: What are American Life Inc.'s fees?

American Life Inc. charges 30% of project income and 30% of sale profits, the same as for any investor.

- Q: How do I apply?

For further information please
contact: jo@americanlifeinc.com or henry@americanlifeinc.com

For inquiries in Asia, please contact ray@americanlifeinc.com

AILA inquiries: Please call Mark Ivener, 1-888-241-8188.

American Life Inc. works with immigration consultants in the following regions:

North America

US, Seattle and Los Angeles

Canada, Vancouver

Europe

England, London

Germany, Freiburg

Asia

Japan, Tokyo

Korea, Seoul

India, Ahmedabad and Mumbai

Please contact us for a referral to the one nearest you.

Important Tax considerations

The United States charges income tax on all US citizens and permanent residents based on worldwide income. Treaties and various exemptions eliminate some but not all of the risk of double taxation. Each state of the United States has its own tax system. All but four states raise revenue through state income tax. Investors should consider the tax effects of becoming a US resident before investing. As a general rule, if you are moving

all of your assets to the US you will not have a problem with double taxation. If you will continue working or investing in your home country after moving to the US, a trip to your tax advisor is in order.