

# Bantz, Gosch & Cremer, L.L.C.

PROF. L.L.C.

◆ Attorneys at Law ◆

Douglas W. Bantz (1909-1983)  
Kennith L. Gosch  
James M. Cremer  
Rory King  
Greg L. Peterson\*  
Richard A. Sommers  
Ronald A. Wager  
Melissa E. Neville  
Stacy M. Johnson\*\*  
Justin M. Scott

\*Also Licensed in North Dakota  
\*\*Also Licensed in Minnesota



305 SIXTH AVENUE, S.E.  
P.O. BOX 970  
ABERDEEN, SD 57402-0970

Telephone (605) 225-2232  
Fax (605) 225-2497

www.bantzlaw.com  
Writer's E-mail: rking@bantzlaw.com

April 20, 2010

*Sent via electronic mail*

01477

Mr. Roger Novotny  
Director of Banking  
217½ W. Missouri Ave.  
Pierre, SD 57501-4590

Re: Epoch Star Limited

Dear Mr. Novotny:

This letter is to set forth the discussion of Northern Beef Packers LP c/o Maverick Spade LLC with Richard Benda on Wednesday, March 31, 2010, concerning requirements for a Money Lending License under SDCL 54-4 and the taxation exemption for the lending facility.

The discussions centered on an isolated transaction undertaken in administration of the EB-5 immigration program.

As you know, the State of South Dakota has been actively promoting economic development through use of the EB-5 program, which is more specifically known as the Immigration and Nationality Act (INA), Section 203(B) 5 et seq. This program promotes economic development through job creation in certain qualifying areas of the United States. Most of South Dakota meets that requirement. South Dakota obtained a Regional Center to administer this program, and is one of the promoting entities involved in the program. The Regional Center is actually part of the South Dakota Department of Tourism and State Development.

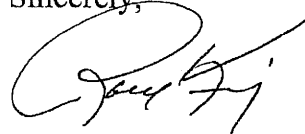
One of the numerous projects overseen by the State of South Dakota, known as Northern Beef Packers Limited Partnership, participated in the EB-5 program to build and complete the first beef processing and packing facility located in Aberdeen, South Dakota. Due to unforeseen financial difficulties in the banking industry and the loss of previously committed financing, the project was halted thereby jeopardizing the current EB-5 investor's (69) immigration status.

Epoch Star Limited, a British Virgin Island Company, was created solely for the purposes of providing a one-time lending facility of foreign investors to Northern Beef Packers Limited Partnership for the purposes of bailing out the current EB-5 investors (69) of Northern Beef Packers, LP and to establish an operational beef packing facility working in conjunction with South Dakota Certified Beef Program.

It is our position that Epoch Star Limited is not in the business of lending money, but has been created for the sole purpose of bringing Northern Beef Packers, LP to operational status. As such, we do not believe this isolated transaction would require Epoch Star Limited to obtain a money-lending license nor does Epoch Star Limited fall into "the business of lending money" as stated by SDCL 54-4 for taxation purposes.

If there is any additional information that you need, please feel free to contact me.

Sincerely,



RORY KING

RPK:wjm

\\01477\Novotny 2010-04-20

cc: Northern Beef Packers Limited Partnership via electronic mail  
Mr. Richard Benda via electronic mail  
Mr. Jim Seol, Maverick Spade LLC via electronic mail

# Bantz, Gosch & Cremer, L.L.C.

PROF. L.L.C.

◆ Attorneys at Law ◆

Douglas W. Bantz (1909-1983)

Kennith L. Gosch

James M. Cremer

Rory King

Greg L. Peterson\*

Richard A. Sommers

Ronald A. Wager

Melissa E. Neville

Stacy M. Johnson\*\*

Justin M. Scott

\*Also Licensed in North Dakota

\*\*Also Licensed in Minnesota



305 SIXTH AVENUE, S.E.  
P.O. BOX 970  
ABERDEEN, SD 57402-0970

Telephone (605) 225-2232  
Fax (605) 225-2497

www.bantzlaw.com  
Writer's E-mail: rking@bantzlaw.com

May 10, 2010

*Sent via electronic mail*

01477

Mr. Richard Benda, Secretary  
Governor's Office of Economic Development  
711 East Wells Ave.  
Pierre, SD 57501  
*Richard.benda@state.sd.us*

Re: Northern Beef Packers

Dear Mr. Benda:

I had written letters to both the South Dakota Department of Revenue and the South Dakota Division of Banking seeking a determination that the loan from Epoch Star, Ltd. to Northern Beef Packers LP is exempt from state banking licensure requirements and exempt from state bank taxes. We need to have that exemption in order to proceed to obtain our interim construction financing.

The interim construction Lender has required us to provide a letter from the Department of Revenue, as well as the Division of Banking, determining that Northern Beef Packers LP is exempt from both licensure and taxation.

I put in a call to Michael Kenyon from the Department of Revenue, to whom I had visited previously, to discuss this matter. I made my arguments, and I am hopeful that I convinced him that our interpretation of the statute is correct.

As you know, time is of the essence in this transaction. Thank you, Richard.

Sincerely,

*/s/ Rory King*

RORY KING

RPK:wjm

01477/Benda 2010-05-10

cc: Mr. David Palmer via electronic mail



217 1/2 West Missouri Avenue  
Pierre, South Dakota 57501-4590  
Phone: 605-773-3421  
Fax: 866-326-7504

May 12, 2010

Rory King  
Bantz, Gosch & Cremer, L.L.C.  
305 Sixth Avenue, S.E.  
PO Box 970  
Aberdeen, SD 57402-0970

Dear Mr. King:

This letter is in reference to your request for verification on the application of the money (SDCL 54-4) and mortgage (54-14) lending statutes in relationship to investment or isolated transactions.

As explained in your letter, foreign investors will form a South Dakota limited liability company for the sole purpose of providing money to a business. In this particular circumstance, Epoch Star Limited, a British Virgin Island Company, was created as a one-time lending facility comprised of foreign investors which would provide financing to Northern Beef Packers Limited Partnership. As I understand the transaction, the limited partnership invests the money in the business through a one-time loan that is simply used as a conduit for the investment. Some small service charges may be assessed to cover the costs of administering the program.

From the facts presented, it is my position that Epoch Star Limited is not in the business of lending money nor does it hold itself out to the public as a lender. The partnership completes one transaction and no others. The program is controlled by the State of South Dakota with the partnership only acting as a conduit for the investment, which is required by the Department of Immigration.

Based on the facts presented I do not disagree with your conclusion that no lending licenses are needed.

If you should have any questions please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger P. Novotny".

Roger P. Novotny  
Director  
South Dakota Division of Banking

cc: Paul Kinsman