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6 Attorneys for Petitioner  
DARLEY INTERNATIONAL, LLC

RECEIVED

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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 FOR THE COUNTY OF LOS ANGELES  
FILING WINDOW

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DARLEY INTERNATIONAL, LLC, a  
Delaware corporation,

Petitioner,

vs.

SOUTH DAKOTA REGIONAL CENTER,  
INC., a South Dakota corporation,

Respondent.

) CASE NO. BS 121441  
)  
) **DECLARATION OF MAXWELL M.**  
) **BLECHER IN SUPPORT OF PETITIONER**  
) **DARLEY INTERNATIONAL, LLC'S**  
) **PETITION FOR ORDER COMPELLING**  
) **ARBITRATION PURSUANT TO**  
) **WRITTEN AGREEMENT**  
)  
) Code Civ. Proc. § 1290]  
)  
) Hearing Date: November 8, 2011.  
) Time: 9:30 a.m.  
) Courtroom: 38

BLECHER & COLLINS  
A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW



# BLECHER & COLLINS

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April 13, 2011

Mr. Joop Bollen  
South Dakota Regional Center  
1201 North Main Street  
Aberdeen, South Dakota 57401

Re: Darley International, LLC v. Hanul Professional  
Law Corporation, et al. (JAMS Case No.  
1100054680

Dear Mr. Bollen:

In March 2008, Darley International, LLC ("Darley") initiated arbitration against Hanul Professional Law Corporation ("Hanul") and the South Dakota International Business Institute ("SDIBI") pursuant to the terms of the Overseas Recruitment and Service Agreement ("Agreement") executed by Darley and Hanul on or about October 18, 2007. Darley, Hanul and SDIBI are involved in arbitration proceedings before JAMS with the Hon. Robert A. Baines (Ret.) as Arbitrator. Darley now seeks to add the South Dakota Regional Center, Inc. ("SDRC") to the pending arbitration.

As you are aware, SDIBI was approved and designated as a "regional center" by the U.S. Citizenship and Immigration Services ("USCIS) for the purpose of attracting immigrant investor capital to specific industry operations in designated South Dakota counties in June 2004.

In November 2007, SDIBI submitted its third proposal to amend its business plan to USCIS. Among the proposed amendments, SDIBI requested that its name be changed to the "South Dakota Regional

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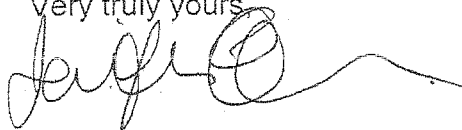
Mr. Joop Bollen  
April 13, 2011  
Page 2

Center."<sup>1</sup> In June 2008, USCIS approved these changes. For all intents and purposes, SDRC is the successor entity to SDIBI.

As you know, SDIBI's efforts to avoid the pending arbitration were unsuccessful. Both the U.S. District Court and the Los Angeles Superior Court concluded that the Agreement was made for the express benefit of the SDIBI and, despite not signing the Agreement, is bound by the arbitration clause.

As the successor entity, SDRC is also subject to the Agreement and bound by its arbitration provision. We urge therefore, that to avoid court proceedings, SDRC agrees to submit to the pending JAMS proceeding. If SDRC fails to do so, Darley will be forced to file a petition to compel arbitration with the court.

Very truly yours,

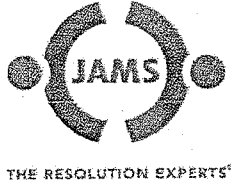


Jennifer S. Elkayam

JSE:cmg  
cc: Robert Stratmore  
James Lynch  
Alex Cha

---

<sup>1</sup> At the time SDIBI submitted its proposal to change the name of its regional center to SDRC, SDRC was not yet incorporated as a separate entity in the state of South Dakota.



## Demand for Arbitration Before JAMS

### Instructions for Submittal of Arbitration to JAMS

#### Demand for Arbitration Based on Pre-Dispute Provision

If you wish to proceed with an arbitration by executing and serving a Demand for Arbitration on the appropriate party, please submit the following items to JAMS:

- A. Two (2) copies of the **Demand for Arbitration**
- B. **Proof of service** of the Demand on the appropriate party  
E.g., copy of certified mail receipt signed by recipient or sworn statement of service by a non-party over 18 years of age.
- C. Two (2) copies of the **entire contract containing the arbitration clause**
- D. **Initial non-refundable \$400 Case Management Fee (CMF) per party**  
Each party may submit its own CMF, or to expedite the commencement of the proceedings one party may elect to submit both or all CMFs. In lengthier, more complex cases additional CMF may be billed. For cases involving consumers, see JAMS Policy on Consumer Arbitrations Pursuant to Pre-Dispute Clauses.

OR

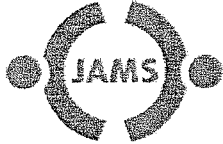
#### Arbitration Based on Post-Dispute Fully Executed Arbitration Agreement, Oral Stipulation or Court Order Compelling Arbitration

Whether or not a certain arbitrator has been designated, if the parties have agreed to arbitrate at JAMS or the court has ordered that the parties arbitrate at JAMS, kindly forward the following items:

- A. Two (2) copies of **Executed Arbitration Agreement OR Court Order appointing arbitrator/JAMS**  
Please contact JAMS to obtain the appropriate form (e.g., Arbitration Agreement)
- B. Two (2) copies of the **entire contract, if any, containing an applicable arbitration clause**
- C. **Initial non-refundable \$400 Case Management Fee (CMF) per party**  
Each party may submit its own CMF, or to expedite the commencement of the proceedings one party may elect to submit both or all CMFs. In lengthier, more complex cases additional CMF may be billed. For cases involving consumers, see JAMS Policy on Consumer Arbitrations Pursuant to Pre-Dispute Clauses.

**Please submit to your local JAMS Resolution Center.**

Once the above items are received, JAMS will contact all parties to commence the arbitration process, including the appointment of an arbitrator and scheduling of a hearing date.



THE RESOLUTION EXPERTS<sup>SM</sup>

## Demand for Arbitration Before JAMS

TO RESPONDENT: SOUTH DAKOTA REGIONAL CENTER, INC.

(Name of the Party on whom Demand for Arbitration is made)

(Address) 416 Production Street North

(City) Aberdeen (State) South Dakota (Zip) 57401

(Telephone) (605) 725-3251 (Fax) (605) 725-3255 (E-Mail) bollenj@sdr-c-eb5.com

Representative/Attorney (if known): Joop Bollen -- Registered Agent

(Name of the Representative/Attorney of the Party on whom Demand for Arbitration is made)

(Address) 416 Production Street North

(City) Aberdeen (State) South Dakota (Zip) 57401

(Telephone) (605) 725-3251 (Fax) (605) 725-3255 (E-Mail) bollenj@sdr-c-eb5.com

FROM CLAIMANT (Name): DARLEY INTERNATIONAL, LLC

(Address) 277 La Espiral Road

(City) Orinda (State) California (Zip) 94563

(Telephone) (925) 258-0600 (Fax) (E-Mail) sovtrade@pacbell.net

Representative/Attorney of Claimant (if known): Maxwell M. Blecher/Jennifer S. Elkayam

(Name of the Representative/Attorney for the Party Demanding Arbitration)

(Address) Blecher & Collins, P.C., 515 So. Figueroa St., Suite 1750

(City) Los Angeles (State) California (Zip) 90071

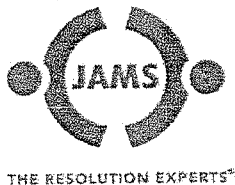
(Telephone) (213) 622-4222 (Fax) (213) 622-1656 (E-Mail) jelkayam@blechercollins.com  
mblecher@blechercollins.com

### NATURE OF DISPUTE

Claimant hereby demands that you submit the following dispute to final and binding arbitration (a more detailed statement of the claim(s) may be attached): For breach of the Overseas Recruitment Agreement executed on or about October 18, 2007.

### ARBITRATION AGREEMENT

This demand is made pursuant to the arbitration agreement which the parties made as follows (cite location of arbitration provision & attach two (2) copies of entire agreement). See Paragraphs 12 and 13 of the Overseas Recruitment Agreement attached hereto.



## Demand for Arbitration Before JAMS

### CLAIM & RELIEF SOUGHT BY CLAIMANT

Claimant asserts the following claim and seeks the following relief (include amount in controversy, if applicable):

Breach of contract  
Intentional interference with contract  
Fraud  
Darley will seek money damages and injunctive relief

### RESPONSE

Respondent may file a response and counter-claim to the above-stated claim according to the applicable arbitration rules. Send the original response and counter-claim to the claimant at the address stated above with two (2) copies to JAMS.

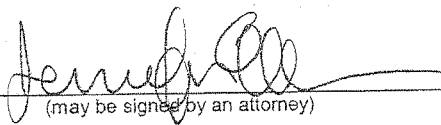
### REQUEST FOR HEARING

JAMS is requested to set this matter for hearing at: Los Angeles, California  
(Preferred Hearing Location)

### ELECTION FOR EXPEDITED PROCEDURES (COMPREHENSIVE RULE 16.1)

By checking this box  Claimant requests that the Expedited Procedures described in JAMS Comprehensive Rules 16.1 and 16.2 be applied in this matter. Respondent shall indicate not later than 7 days from the date this Demand is served whether it agrees to the Expedited Procedure.

Signed (Claimant):

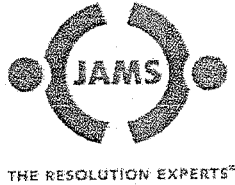
  
(may be signed by an attorney)

Date: 4/13/2011

Print Name:

Jennifer S. Elkayam

Please include a check payable to JAMS for the required initial, non-refundable \$400 per party deposit to be applied toward your Case Management Fee and submit to your local JAMS Resolution Center.



## Demand for Arbitration Before JAMS

### COMPLETION OF THIS SECTION IS REQUIRED FOR CLAIMS INITIATED IN CALIFORNIA

- A. Please check here if this  IS or  IS NOT a CONSUMER ARBITRATION as defined by California Rules of Court Ethics Standards for Neutral Arbitrators, Standard 2(d) and (e):

"Consumer arbitration" means an arbitration conducted under a pre-dispute arbitration provision contained in a contract that meets the criteria listed in paragraphs (1) through (3) below. "Consumer arbitration" excludes arbitration proceedings conducted under or arising out of public or private sector labor-relations laws, regulations, charter provisions, ordinances, statutes, or agreements.

- 1) The contract is with a consumer party, as defined in these standards;
- 2) The contract was drafted by or on behalf of the non-consumer party; and
- 3) The consumer party was required to accept the arbitration provision in the contract.

"Consumer party" is a party to an arbitration agreement who, in the context of that arbitration agreement, is any of the following:

- 1) An individual who seeks or acquires, including by lease, any goods or services primarily for personal, family, or household purposes including, but not limited to, financial services, insurance, and other goods and services as defined in section 1761 of the Civil Code;
- 2) An individual who is an enrollee, a subscriber, or insured in a health-care service plan within the meaning of section 1345 of the Health and Safety Code or health-care insurance plan within the meaning of section 106 of the Insurance Code;
- 3) An individual with a medical malpractice claim that is subject to the arbitration agreement; or
- 4) An employee or an applicant for employment in a dispute arising out of or relating to the employee's employment or the applicant's prospective employment that is subject to the arbitration agreement.

If Respondent disagrees with the assertion of Claimant regarding whether this IS or IS NOT a CONSUMER ARBITRATION, Respondent should communicate this objection in writing to the JAMS Case Manager and Claimant within seven (7) calendar days of service of the Demand for Arbitration.

- B. If this is an EMPLOYMENT matter, Claimant must complete the following information:

Effective January 1, 2003, private arbitration companies are required to collect and publish certain information at least quarterly, and make it available to the public in a computer-searchable format. In employment cases, this includes the amount of the employee's annual wage. The employee's name will not appear in the database, but the employer's name will be published. Please check the applicable box below:

Annual Salary:

- |   |  |
|---|--|
| <input type="checkbox"/> Less than \$100,000    | <input type="checkbox"/> More than \$250,000 |
| <input type="checkbox"/> \$100,000 to \$250,000 | <input type="checkbox"/> Decline to State    |

- C. In California, consumers (as defined above) with a gross monthly income of less than 300% of the federal poverty guidelines are entitled to a waiver of the arbitration fees. In those cases, the respondent must pay 100% of the fees. Consumers must submit a declaration under oath stating the consumer's monthly income and the number of persons living in his or her household. Please contact JAMS at 1-800-352-5267 for further information.





RAYMOND M. SCHUTZ  
HARVEY C. JEWETT  
JEFFREY T. SVEEN  
JOSEPH P. BARNETT  
REED RASMUSSEN  
GREGG C. MAGERRA  
KATHRYN J. HOSKINS  
JULIE DVORAK\*\*  
RODRICK L. TOBIN  
JEFF L. BRATKIEWICZ ▶ \*\*  
CHRISTOPHER JUNG ■  
RYAN S. VOGEL ■



SIEGEL BARNETT & SCHUTZ LLP  
ATTORNEYS AT LAW

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JOSEPH H. BARNETT (1931-1985)  
TERENCE A. O'KEEFE (1938-1999)

SIoux FALLS OFFICE  
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TELEPHONE (605) 335-6250  
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[E-mail: siegellawsf@sbslaw.net]

\*Also Licensed in North Dakota  
•Also licensed in Montana  
▶ Also licensed in Nebraska  
\*\*Also licensed in Iowa  
■Also licensed in Minnesota  
+Also licensed in Alaska

May 11, 2011

VIA E-MAIL and FIRST CLASS MAIL  
jelkayam@blechercollins.com

Ms. Jennifer S. Elkayam  
Blecher & Collins, P.C.  
Attorneys at Law  
Seventeenth Floor, 515 South Figueroa Street  
Los Angeles, CA 90071-3334

Re: Darley International, L.L.C. v. Hanul Professional Law Corporation, et al. (JAMS Case No. 1100054680)

Dear Ms. Elkayam:

Our firm represents South Dakota Regional Center, Inc. (SDRC, Inc.). We are responding to your letter of April 13, 2011 addressed to Mr. Joop Bollen. In that letter you indicate that SDRC, Inc. is the "successor entity" to South Dakota International Business Institute (SDIBI) and that SDRC, Inc. is subject to an October 2007 agreement entered into between Darley International, L.L.C. and Hanul Professional Law Corporation. Thus, you want SDRC, Inc. to submit to the pending arbitration proceedings in California.

SDRC, Inc. declines to submit to such arbitration. SDRC, Inc. is *not* a successor entity to SDIBI. These two entities have preserved their separate identities. SDIBI remains "in business" and after Mr. Bollen left his employment, it continued to work on EB-5 equity programs.

- SDIBI is a public entity, an arm of the State of South Dakota. It supports the South Dakota Department of Tourism and State Development and the Governor's Office of Economic Development through Northern State University. In contrast, SDRC, Inc. is a private corporation.
- SDIBI is primarily involved in export promotions and facilitating direct investment for the State of South Dakota. It involves many components, including seminars and workshops, export finance, international trade resources, assisting companies with the South Dakota Foreign Trade Zone, Trade Lead Generators, and South Dakota Exporter's Directory. See [www.sd-exports.org/aboutsdibi.htm](http://www.sd-exports.org/aboutsdibi.htm). It promotes economic development in South Dakota. EB-5 is just one component of the foreign direct investment activities offered by SDIBI. Under that EB-5 component, only equity projects are promoted. In

Ms. Jennifer S. Elkayam

May 11, 2011

Page 2 of 3

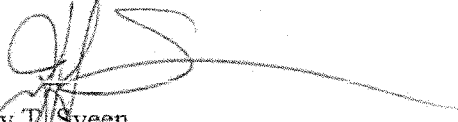
contrast, SDRC, Inc. is completely different in its functions. It is not a facilitator in any equity programs. SDRC, Inc. does not promote economic development, but simply obtains funding through EB-5 and functions similar to a bank by lending those same funds to projects in South Dakota.

SDRC, Inc. was not involved in the October 2007 contract. SDRC, Inc. never expressly or impliedly agreed to assume SDIBI's liabilities. Those liabilities remain with SDIBI, which is a continuing and operating entity. There was nothing in the way of a consolidation or merger of SDIBI and SDRC, Inc. SDRC, Inc. is not a "mere continuation" of SDIBI nor was there a transfer of SDIBI's assets to SDRC, Inc. SDIBI is a nonprofit entity. SDRC, Inc. is a private for profit entity.

As set forth repeatedly throughout this letter, SDIBI remains a continuing and on-going entity. SDRC, Inc. did not absorb SDIBI or retain its name. SDRC, Inc. did not take SDIBI's assets without consideration. There is nothing to suggest that SDIBI is not sufficiently funded to meet the claims of any creditors. SDRC, Inc. did not continue the same enterprise as SDIBI.

Under the law, the relevant inquiry is whether the two entities have preserved their separate identities and whether recourse to SDIBI is available. Since they have preserved their separate identities and recourse to SDIBI is available, it cannot be found that SDRC, Inc. is a successor entity. As such, it is not subject to jurisdiction or the arbitration proceedings pending in California.

Very truly yours,



Jeffrey T. Sveen  
of SIEGEL, BARNETT & SCHUTZ, L.L.P.  
[jsveen@sbslaw.net](mailto:jsveen@sbslaw.net)

JTS:cls

**EXHIBIT 3**

# BLECHER & COLLINS

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E-MAIL: JELKAYAM@BLECHERCOLLINS.COM

WWW.BLECHERCOLLINS.COM

May 19, 2011

## Via E-Mail and U.S. Mail

Jeffery T. Sveen  
Siegel, Barnett & Schultz, L.L.P.  
415 S. Main Street - 400 Capitol Building  
P.O. Box 490  
Aberdeen, South Dakota 57402-0490

Re: Darley International, LLC. v. Hanul Professional Law Corporation,  
et al. (JAMS Case No. 1100054680)

Dear Mr. Sveen:

I am writing in response to your May 11, 2011 letter in which you inform me of South Dakota Regional Center, Inc.'s ("SDRC, Inc.") refusal to submit to the pending arbitration between the South Dakota International Business Institute ("SDIBI"), Hanul Professional Law Corporation ("Hanul") and Darley International, LLC ("Darley").

SDIBI was approved and designated as a "Regional Center" by the U.S. Immigration and Naturalization Service ("USCIS") in April 2004. On November 8, 2007, SDIBI submitted a proposal for an amendment seeking to change the name of its Regional Center to South Dakota Regional Center ("SDRC"), which USCIS approved in 2008. The name change, distorted the distinction between SDRC (formerly SDIBI) and SDRC, Inc., implying that the two were the same entity when, in fact, they are not, which appears to have been for that specific purpose.

Your letter asserts that the EB-5 Investor Visa program is just one component of SDIBI's efforts to promote and attract foreign direct investment to South Dakota, whereas SDRC, Inc., "does not promote economic development, but obtains funding through EB-5 and functions like a bank by lending those same funds to projects in South Dakota." You further assert that "SDRC, Inc. was not involved in the October 2007 contract" and that it "never expressly or impliedly agreed to assume SDIBI's liabilities." These representations are directly contradicted by the Memorandum of Understanding ("MOU") between SDIBI and SDRC, Inc., entered into on January 15, 2008. (A copy of the MOU is enclosed for your review).

**BLECHER & COLLINS**  
A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

Jeffery T. Sveen  
May 19, 2011  
Page 2

The MOU explains that SDRC, Inc. is organized for the purpose of assisting SDIBI with the planning management, administration and compliance with its obligations as a Regional Center. Specifically, the MOU provides that "SDRC, INC. will support the purpose and goals of SDIBI/DEDR by encouraging investment and employment creation within the Regional Center...." There is no mention of SDRC, Inc. operating like a bank and lending EB-5 funds to projects in South Dakota. To the extent the MOU is inaccurate, SDIBI and SDRC, Inc. fraudulently misrepresented the nature of their relationship to the federal government.

More significantly, the MOU provides that "SDRC, Inc. shall indemnify, defend and hold harmless SDIBI, SDIBI/SDRC, the State of South Dakota and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of SDRC INC acts and/or omissions performed under this Agreement."

In light of the foregoing, we request that SDRC, Inc. reconsider its refusal to submit to the pending arbitration. Should Darley file a petition for an order compelling SDRC, Inc. to arbitrate, it will seek its reasonable attorney fees, costs and move for sanctions.

Please feel free to contact me if you would like to discuss the matter further.

Very truly yours,



JENNIFER S. ELKAYAM

JSE:cmg  
Enclosure  
cc: Max Blecher  
James Lynch  
Alex Cha  
Judge Baines c/o Cynthia Victory

**BLECHER & COLLINS**  
A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

Jeffery T. Sveen  
May 19, 2011  
Page 3

bcc: Robert Stratmore

# MEMORANDUM OF UNDERSTANDING

BETWEEN

SOUTH DAKOTA INTERNATIONAL BUSINESS INSTITUTE

AND

SOUTH DAKOTA REGIONAL CENTER, INC.

This Memorandum of Understanding (the "Agreement") made and entered into as of the 15<sup>th</sup> day of January, 2008 by and between:

South Dakota International Business Institute/ Dairy Economic Development Region, a South Dakota state agency, and its successors and assigns ("SDIBI/DEDR"); and,

South Dakota Regional Center, Inc., an incorporated company organized under the laws of the State of South Dakota, and its successors and assigns ("SDRC INC").

WHEREAS, SDIBI is a state agency offering assistance to South Dakota exporters through a variety of programs designed to increase international commerce, and is charged with enhancing the South Dakota business climate, marketing South Dakota to businesses and investors, facilitating, promoting and creating commercial and business opportunities within South Dakota to contribute to the economic viability of and benefit the growth of the state;

WHEREAS, SDIBI is an approved and designated Regional Center recognized by the U.S. Department of Homeland Security, U.S. Citizenship and Immigration Service ("USCIS") in accordance with the Immigrant Investor Pilot Program pursuant to section 203(b) (5) of the Immigration and Nationality Act, as amended, and the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610 as amended, and all applicable regulations promulgated there under, including 8 CFR section 204.6 (collectively referred to as the "Pilot Program Law"). Initial designation as a Regional Center was made in a letter dated April 8, 2004 and amendments thereof, to Joop Bollen, the director of SDIBI, from the legacy U.S. Immigration and Naturalization Service and USCIS, informing him of the SDIBI/DEDR appointment as a Regional Center the name which is later amended to SDRC;



WHEREAS, SDIBI is in collaboration with Hanul Professional Law Corporation, for legal processing regarding compliance with U.S. immigration and nationality law as it relates to EB-5, Alien Entrepreneur investment project and to Regional Center Pilot Programs, and for the purpose of advising upon all transactional matters in connection with such a project;

WHEREAS, SDRC INC is organized for the purposes of creating an EB-5, Alien Entrepreneur investment project within SDIBI/DEDR and managing and operating it in connection with the Immigrant Investor Pilot Program Law; and,

WHEREAS, SDIBI's director will have amongst his/her principal duties and responsibilities the ongoing coordination, oversight and liaison with respect to those activities of the SDIBI/DEDR commercial enterprise in the recruitment, assistance, and involvement of immigrant investors through the EB-5 program. Pursuant to its responsibilities and obligations as a USCIS approved and designated Regional Center within the Immigrant Investor Pilot Program, SDIBI/DEDR desires to obtain assistance in the planning and management of the SDRC EB-5, Alien Entrepreneur investment project within SDIBI/DEDR and to assure the project's compliance with U.S. immigration law and regulations concerning investments within a regional center in the EB-5 visa preference category and, thereby, to have greater assurance of its compliance with regional center requirements.

NOW THEREFORE, in consideration of the mutual agreements, representations, and covenants contained herein, the parties agree as follows:

1. SDIBI/DEDR will promptly request that USCIS acknowledge SDIBI/DEDR designation of SDRC INC to assist in management, administration and overall compliance of the Alien Entrepreneur project organized by SDRC INC within SDIBI/DEDR with U.S. immigration laws and regulations controlling the investment process and participation in a regional center, and to report upon the activities of the project to SDIBI/DEDR and respond to SDIBI/DEDR inquiries about the project and assist SDIBI/DEDR to comply with its obligations as a regional center with respect to this project.

2. SDRC INC will provide support to SDIBI/DEDR including, but not limited to, providing investment-related and supporting documentation to prospective investors, supplying economic analysis and modeling reports on direct and indirect job creation (including the RIMS II multiplier tables that apply to the territory of the SDIBI/SDRC), defining investment opportunities within the SDIBI/DEDR projects, and assisting SDIBI/DEDR to comply with relevant regulatory or administrative requirements in support of individual petitions filed with USCIS by immigrant investors affiliated with the SDIBI/DEDR projects, such as providing area maps, valid unemployment data.

general economic data and demographics concerning the geographic area covered by the SDIBI/DEDR projects.

3. SDRC INC will further support SDIBI/DEDR compliance with regional center requirements by providing on a quarterly basis formal written progress reports on its activities, overseas meetings and other relevant efforts within and outside the United States to promote investment in the SDIBI/DEDR projects through the EB-5 Alien Entrepreneur Regional Center Pilot Program. The Quarterly reports will set forth for the preceding quarter and year-to-date the number of investors; the status of alien investor capital (in escrow, transfers from escrow to the company) and activity of the company in furtherance of the project. The reports will also contain information distinguishing Investor Petitions "in preparation", "filed with USCIS", "approved by USCIS", "denied by USCIS", or "filed with USCIS office of Administrative Appeals".

4. SDRC INC will support the purpose and goals of SDIBI/DEDR by encouraging investment and employment creation within the Regional Center through marketing at emigration fairs and conferences with individual investors inside and outside the United States; maintaining a homepage to promote and describe the project; preparing a desirable business plan to encourage individual investments in the project within the Regional Center; establishing escrow accounts to assist orderly investment in the project; facilitating, on a fee basis, the preparation and submission of the I-526, Alien Entrepreneur petition and petitions for other immigration benefits to USCIS or the Department of State for individual investors; providing the primary entity and related entities to carry out the activities of the project; structuring the enterprise so that it creates requisite employment prior to the investors seeking removal of conditions; seeing to the timely completion and opening of the project; providing operating expertise and personnel to operate the project efficiently; and, if requested by individual investors, making referrals to advisors who may assist with issues arising from relocation by the investor and the investor's spouse and children to the United States.

5. SDRC INC agrees to promote investment in SDIBI/DEDR projects and to perform its obligations under this Agreement honestly, consistently and fairly in furtherance of its efforts to assist SDIBI/DEDR with the oversight and management of the Regional Center in connection with the SDIBI/DEDR projects.

6. SDRC INC will act in an independent capacity and not as officers or employees of SDIBI/DEDR or the State of South Dakota. SDRC INC shall indemnify, defend, and hold harmless SDIBI, SDIBI/SDRC, the State of South Dakota and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of SDRC INC acts and/or omissions performed under this Agreement.

7. This Agreement shall be governed by the laws of State of South Dakota.

8. The parties agree that this Agreement shall remain in full force and effect for a term of five (5) years.

9. This Agreement may be modified by written consent of the parties. This Agreement may not be cancelled except upon a material breach of its terms or material misrepresentation by a party which remains uncured for more than Fourteen (14) days after receipt of a Notice of Intent to Cancel that provides specific information justifying the cancellation.

10. SDIBI/DEDR will notify USCIS in writing within Thirty (30) days of any change in the designation of the principal representative of SDIBI/DEDR or the principal administrator to SDIBI or any significant change in or the termination of this Agreement with SDRC INC.

11. In the event of cancellation of this Agreement, SDIBI will provide USCIS a clear explanation as to how services and responsibilities of SDRC INC hereunder will be performed, and by whom, without interruption to the functioning of the Regional Center in connection with the SDIBI/DEDR projects or any affected alien investor in the SDIBI/DEDR projects.

12. Any Notice to be given by any party to the others shall be in writing and personally delivered or sent by U.S. registered mail, certified or overnight, as follows (or in such manner and to such address as designated in writing by any party):

For SDIBI:  
South Dakota International Business Institute  
Joop Bollen  
Director  
1200 S. Jay St.  
Aberdeen, SD 57401-7198 USA

For SDRC INC:  
South Dakota Regional Center, Inc.  
James Park  
Director  
405 8th AVE., NW, Suite 330  
Aberdeen, SD 57401  
Phone#: 605-228-7043

13. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

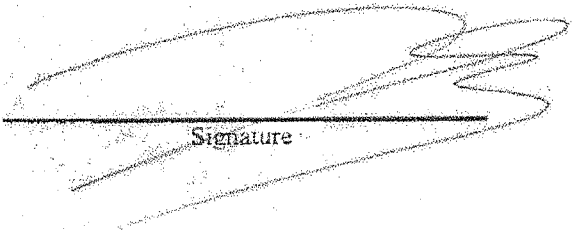
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the date first written.

(Signature)

Signed by Authorized Signatory  
on behalf of

**SOUTH DAKOTA INTERNATIONAL  
BUSINESS INSTITUTE:**


Name: *Fred Bellon*  
Title: *Director*

  
Signature

Signed by Authorized Signatory  
on behalf of

**SOUTH DAKOTA REGIONAL  
CENTER, INC.:**

Name: *James J. Park*  
Title: *Director*

  
Signature



RAYMOND M. SCHUTZ  
HARVEY C. JEWETT  
JEFFREY T. SVEEN  
JOSEPH P. BARNETT  
REED RASMUSSEN  
GREGG C. MAGERA  
KATHRYN J. HOSKINS  
JULIE DVORAK\*+  
RODRICK L. TOBIN  
JEFF L. BRATKIEWICZ ▶\*\*  
CHRISTOPHER JUNG■  
RYAN S. VOGEL\*■



SIEGEL BARNETT & SCHUTZ LLP

ATTORNEYS AT LAW

415 S. MAIN STREET - 400 CAPITOL BUILDING  
P.O. BOX 490  
ABERDEEN, SOUTH DAKOTA 57402-0490  
TELEPHONE (605) 225-5420  
FAX (605) 226-1911  
Web Site: www.sbslaw.net

STAN SIEGEL (1928-1996)  
JOSEPH H. BARNETT (1931-1985)  
TERENCE A. O'KREEFE (1938-1999)

SIoux FALLS OFFICE  
515 SOUTH CLIFF AVENUE, SUITE 104  
P.O. BOX 1286  
SIoux FALLS, SOUTH DAKOTA 57101  
TELEPHONE (605) 335-6250  
FAX (605) 335-6749  
[E-mail: siegellawf@sbslaw.net]

\*Also Licensed in North Dakota  
■Also licensed in Montana  
▶Also licensed in Nebraska  
\*\*Also licensed in Iowa  
■Also licensed in Minnesota  
+ Also licensed in Alaska

June 8, 2011

VIA E-MAIL and FIRST CLASS MAIL  
[jelkayam@blechercollins.com](mailto:jelkayam@blechercollins.com)

Ms. Jennifer S. Elkayam  
Blecher & Collins, P.C.  
Attorneys at Law  
Seventeenth Floor, 515 South Figueroa Street  
Los Angeles, CA 90071-3334

Re: Darley International, L.L.C. v. Hanul Professional Law Corporation, et al. (JAMS  
Case No. 1100054680)

Dear Ms. Elkayam:

Please be advised that I am responding to your May 19, 2011 letter. Your letter is a mischaracterization of the Memorandum of Understanding. Your letter also is misleading, inaccurate, and either you are confused about the entities or are trying to mislead the Court.

The original Regional Center in South Dakota was entitled SDIBI/DEDR Regional Center. The Regional Center was designated by the US Government and owned by the State of South Dakota.

SDIBI/DEDR was involved in not only the EB-5 Program, but other activities as outlined in my previous letter. As you stated in your most recent correspondence, SDIBI/DEDR submitted a proposal for an amendment changing its name on November 8, 2007 to South Dakota Regional Center (SDRC). This was approved by USCIS on June 25, 2008.

SDRC, Inc. is a private entity formed in January 2008. SDRC, Inc. is not formally SDIBI/DEDR nor is it the same as the South Dakota Regional Center. South Dakota Regional Center is sometimes referred to as SDRC; however, that is again a public entity owned by the State of South Dakota.

Ms. Jennifer S. Elkayam  
June 8, 2011  
Page 2 of 2

I am enclosing a copy of the Certificate of Business Incorporation of SDRC, Inc.

As set forth in the Memorandum of Understanding, SDRC, Inc. was formed to assist the South Dakota Regional Center, then called SDIBI/DEDR, which is a state entity in the management, administration and overall compliance of the Alien Entrepreneur Program. The obligations of SDRC, Inc., in its relationship with SDIBI/DEDR, the South Dakota Regional Center, are set forth in the Memorandum of Understanding and are clearly different and more limited than SDIBI/DEDR's overall function.

Secondly, as Paragraph 6 states, SDRC, Inc. will act in an independent capacity and not as officers and employees of SDIBI/DEDR or the State of South Dakota.

So it is clear and there is no confusion, SDIBI/DEDR was the South Dakota Regional Center. The name was later changed to South Dakota Regional Center (SDRC). This entity still operates the South Dakota Regional Center and is owned by the State of South Dakota.

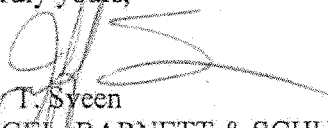
SDRC, Inc. is a separate, private entity formed to assist and support the South Dakota Regional Center. It, however, is not the South Dakota Regional Center and it is not a successor to SDIBI/DEDR, but a wholly separate entity.

Your inaccurate statement that SDIBI/DEDR and SDRC, Inc. are one and the same is incorrect. Furthermore, your statements indicating that SDRC, Inc. or SDIBI/DEDR acted fraudulently in misrepresenting the nature of the relationship are clearly unfounded and are attempts to mislead the Court.

SDRC, Inc. is not involved in Darley International's dispute. SDRC, Inc. is not subject to jurisdiction in California and SDRC, Inc. declines to accept your offer of becoming involved in arbitration in a matter that it is not a part of.

As indicated in your letter, SDRC, Inc. likewise will seek recovery of any attorney fees, costs, expenses and sanctions against Darley International if Darley International continues this course of action against SDRC, Inc.

Very truly yours,

  
Jeffrey T. Syeen  
of SIEGEL, BARNETT & SCHUTZ, L.L.P.  
[jsveen@sbslaw.net](mailto:jsveen@sbslaw.net)

JTS:kls

Enclosure

pc w/encl. via e-mail: Mr. James Lynch ([jlynch@gcrlegal.com](mailto:jlynch@gcrlegal.com))  
Mr. Alex Cha ([alexmyungcha@yahoo.com](mailto:alexmyungcha@yahoo.com))

355 5704 01/11/2008

# State of South Dakota



OFFICE OF THE SECRETARY OF STATE

## Certificate of Incorporation

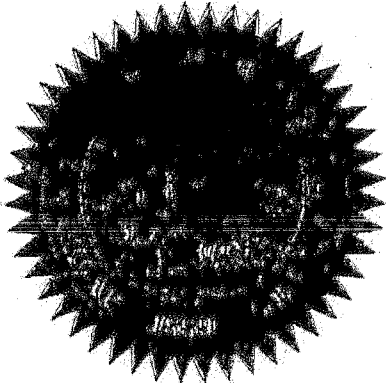
### Business Corporation

ORGANIZATIONAL ID #: DB053166

I, **Chris Nelson**, Secretary of State of the State of South Dakota, hereby certify that the Articles of Incorporation of **SDRC INC.** duly signed and verified, pursuant to the provisions of the South Dakota Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY, and by virtue of the authority vested in me by law, I hereby issue this Certificate of Incorporation and attach hereto a duplicate of the Articles of Incorporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this January 10, 2008.

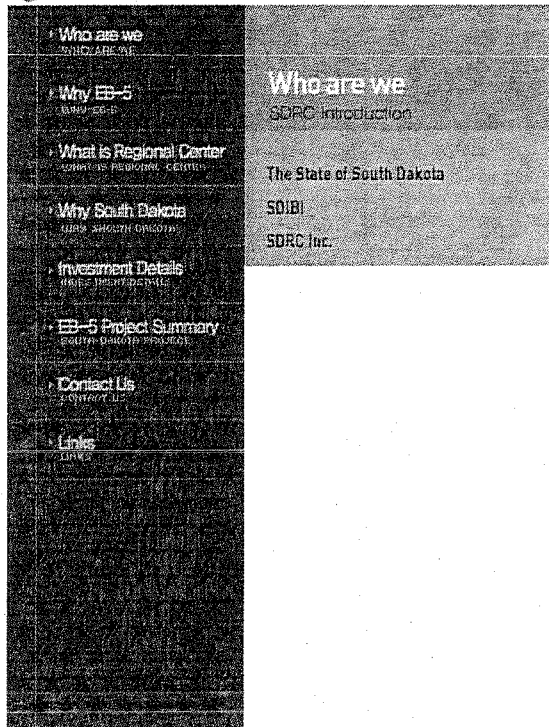


*Chris Nelson*

**Chris Nelson**  
Secretary of State







The State of South Dakota

The State of South Dakota occupies an area of 77,047 square miles, enjoys a continental climate and is bordered by Minnesota and Iowa (east), Nebraska (south), North Dakota (north), and Wyoming and Montana (west). South Dakota currently has a population of 755,010 with Sioux Falls (140,000), Rapid City (65,000), Aberdeen (30,000) and Watertown (25,000) being the largest population centers. In 1889 South Dakota became the 40th state with Pierre as its capital.

The region west of the Missouri River is occupied by large ranches; there cattle and sheep ranching provide the major source of income, with soybean and wheat farming second in the production of revenue. In the more productive region east of the Missouri, livestock and livestock products are the primary sources of income. Corn, soybeans, oats, and wheat are South Dakota's chief cash crops; sunflowers, sorghum, flaxseed, and barley are also grown.

Agriculture is a cultural and economic mainstay, but it no longer leads South Dakota in employment or share of gross state product. The diversified industries such as electronics manufacturing, in Sioux Falls and Rapid City, private services, meatpacking and food processing have evolved as the drivers of the economy. Tourism focusing especially on Mt. Rushmore and other Black Hills sites is also a booming industry in South Dakota, generating over a billion dollars' worth of economic activity each year.

Back to Top

South Dakota International Business Institute (SDIBI)

SDIBI was established in 1994 as a state government entity to assist the Governor's Office of Economic Development (GOED) in facilitating and enhancing international trade. SDIBI accomplishes this mission by offering international business services including export promotion and foreign direct investment services.

Foreign Direct Investment (USCIS Regional Center under EB-5)

SDIBI developed and implemented a foreign direct investment initiative for the State of South Dakota which attracted many new projects in several industry sectors. SDIBI's Regional Center designation from USCIS in 2004, which provides immigrant visas to qualified foreign investors, greatly accelerated the pace of foreign investment dollars benefiting the economy of South Dakota. SDIBI recently requested an amendment from the USCIS to expand the regional center to include nearly all of South Dakota and expand the number of eligible industries.

Export Promotion Services

In addition, SDIBI offers consultations to companies interested in learning more about international trade or companies who need assistance with specific international business challenges. SDIBI also conducts exciting and timely educational programs to help businesses acquire the skills, knowledge, and attitudes necessary to successfully compete in the international marketplace. Furthermore, SDIBI provides trade leads to South Dakota companies, offers international credit reports and maintains an exporters directory which, also in electronic format and on-line, promotes South Dakota made products worldwide. Finally, SDIBI provides South Dakota exporters access to trade finance assistance in collaboration with the Trade Acceptance Group, Ltd., and the Export-Import Bank of the United States.

Back to Top

South Dakota Regional Center Inc. (SDRC Inc.)

SDRC Inc., established in late 2007, is the overarching management company that operates as the main resource for the South Dakota Investment Fund Limited Partnerships (EB-5 entities) to monitor and affect the performance of the loan/fund extended to the subject project companies that will create ever-important employment to be credited to the Limited Partnerships for the EB-5 investor purposes as well as to secure the repayment of the loan/fund by the project entities.

SDRC Inc's two important functions is to take on the tasks which are cumbersome for a public entity such as SDIBI to be engaged in but are important for the State of South Dakota to optimize the benefits of its regional center.

The first such function is related to quality control in terms of credit analysis and loan monitoring. The second function of SDRC Inc. is to manage the relationships with overseas agencies to assure that EB-5 investors are recruited efficiently and ethically. This will be accomplished through frequent communications and contractual agreements with these agencies.

Early regional center projects required substantial conventional financing and involvement of commercial banks which would conduct thorough credit analysis before loans were provided. The bank's involvement provided SDIBI the assurance that the selected project was economically sound as loan committees would not provide funding unless the bank's in house industry specialists blessed the project. With the USCIS amendment in late 2006, new projects in the meat packing industry became a reality. These projects traditionally create more direct jobs in comparison to the earlier regional center projects and therefore provide an opportunity to replace commercial funds with lower cost investor funds. The lower cost of monies added to the profitability of the project but eliminated the quality control role function the commercial bank played in the earlier regional center projects. SDRC Inc. was created to fill this new void.

SDRC Inc. will work closely with SDIBI in selecting regional center projects that benefit the State of South Dakota and the EB-5 investors. This will be accomplished through contractual agreements with local financial institutions and industry specialists who will conduct credit analysis to be incorporated in SDIBI's project selection process.

SDRC Inc., for SDIBI, will enter into an agreement with a local commercial institution to handle all the loan closing and monitoring functions related to each project. Additionally, SDRC Inc. will engage public accountants and other professionals to protect the integrity of all projects. Finally, SDRC Inc. will communicate with the EB-5 investors to assure that they obtain timely performance, tax and other data related to the investments.

[Back to Top](#)

1001 S. D. Ave., Ste. 100, Pierre, SD 57501  
Tel: 605-224-7841 Fax: 605-224-7842  
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PROOF OF SERVICE

1  
2 STATE OF CALIFORNIA )  
3 COUNTY OF LOS ANGELES )  
4

5 I am employed in the County of Los Angeles, State of California. I am over the  
6 age of 18 and not a party to the within action; my business address is 515 South Figueroa  
7 Street, Suite 1750, Los Angeles, California 90071-3334. On **September 9, 2009**, I  
8 served the within: **DECLARATION OF JENNIFER S. ELKAYAM IN SUPPORT OF**  
9 **PETITIONER'S OPPOSITION TO RESPONDENT'S MOTION TO QUASH SERVICE**  
10 **OF PROCESS** on all interested parties in this action as follows:

11 **BY MAIL:** by placing a true copy thereof in envelopes addressed to each of the persons  
12 named below at the addresses shown below:

13 Jim Lynch, Esq.  
14 Garcia Calderon Ruiz, LLP  
15 500 S. Grand Ave., Suite 1100  
16 Los Angeles, CA 90071

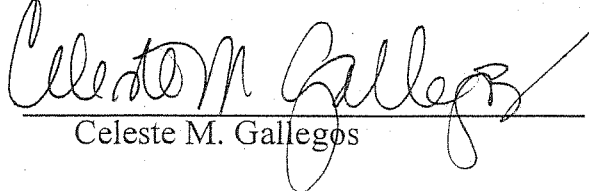
17 and by then sealing and placing said envelopes for collection at a designated location at  
18 Blecher & Collins's offices at 515 South Figueroa Street, Suite 1750, Los Angeles,  
19 California 90071-3334 during designated hours, for mailing on the above date, following  
20 ordinary business practices.

21 I am readily familiar with the firm's practice for the collection and processing of  
22 correspondence for mailing with the United States Postal Service; pursuant to that  
23 practice, envelopes placed for collection at designated locations during designated hours  
24 are deposited with the United States Postal Service with first class postage thereon fully  
25 prepaid on that same day in the ordinary course of business. I am aware that on motion  
26 of party served, service is presumed invalid if postal cancellation date or postage meter  
27 date is more than 1 day after date of deposit for mailing in affidavit.

28  (Federal) I declare under penalty of perjury that the foregoing is true and correct, and  
that I am employed in the office of a member of the bar of this Court at  
whose direction the service was made.

(State) I declare under penalty of perjury under the laws of the State of California  
and the United States of America that the foregoing is true and correct.

Executed on **September 9, 2009**, at Los Angeles, California.

24  
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26  
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28  
  
Celeste M. Gallegos



Receipt Number: 1 750596

File Number **DB053166**



**ARTICLES\_OF\_INCORPORATION**

For

**SDRC INC.**

Filed at the request of:

ATTORNEYS CORPORATION SERVICE  
3021 WEST MAGNOLIA BLVD  
BURBANK CA 91505

*State of South Dakota  
Office of the Secretary of State*

Filed in the office of the Secretary of State on: **Thursday, January 10, 2008**

Secretary of State

Fee Received: \$125

355 5704 01/11/2008

# State of South Dakota



OFFICE OF THE SECRETARY OF STATE

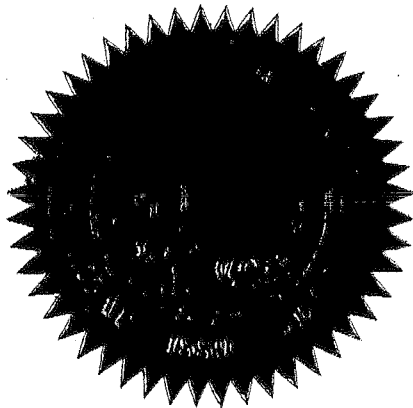
## Certificate of Incorporation Business Corporation

ORGANIZATIONAL ID #: DB053166

I, **Chris Nelson**, Secretary of State of the State of South Dakota, hereby certify that the Articles of Incorporation of **SDRC INC.** duly signed and verified, pursuant to the provisions of the South Dakota Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY, and by virtue of the authority vested in me by law, I hereby issue this Certificate of Incorporation and attach hereto a duplicate of the Articles of Incorporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this January 10, 2008.



*Chris Nelson*

Chris Nelson  
Secretary of State

355 5705 01/11/2008

Secretary of State  
State Capitol  
500 E. Capitol Ave.  
Pierre SD 57501  
Phone 605-773-4845  
Fax 605-773-4550

# Articles of Incorporation

RECEIVED

JAN 10 2008

S.D. SEC. OF STATE

FILING FEE: \$125

Filed this 10<sup>th</sup> day of  
Jan 2008  
*Ch. Nelson*  
SECRETARY OF STATE

**Required Articles:**

**Article I**

The name of the corporation is SDRC INC.

**Article II**

The number of shares the corporation is authorized to issue 1,000,000

**Article III**

The complete address, or a statement that there is no street address, of its principal office  
405 8th Ave. NW, Suite 330, Aberdeen, SD 57401

**Article IV**

The complete address, or a statement that there is no street address, of the corporation's initial registered office, and the name of its initial registered agent at that office Joop Bollen,  
405 8th Ave. NW, Suite 330, Aberdeen, SD 57401

**Article V**

The name and address of each incorporator (one or more persons - persons includes an individual and an entity)

NAME

ADDRESS

Joop Bollen,

405 8th Ave. NW, Suite 330, Aberdeen, SD 57401

**Optional Articles:** (These may be attached followed by the final page with the signature and agent authorization.)

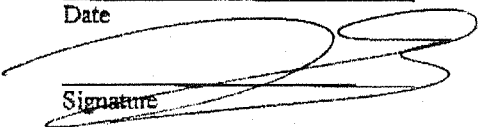
- (1) The names and addresses of the individuals who are to serve as the initial directors;
- (2) Provisions not inconsistent with law regarding:
  - (a) The purpose or purposes for which the corporation is organized;
  - (b) Managing the business and regulating the affairs of the corporation;
  - (c) Defining, limiting, and regulating the powers of the corporation, its board of directors, and shareholders;
  - (d) A par value for authorized shares or classes of shares; and
  - (e) The imposition of personal liability on shareholders for the debts of the corporation to a specified extent and upon specified conditions;
- (3) Any provision that under this Act is required or permitted to be set forth in the bylaws;
- (4) A provision eliminating or limiting the liability of a director to the corporation or its shareholders for money damages for any action taken, or any failure to take any action, as a director, except liability for the amount of a financial benefit received by a director to which the director is not entitled; an intentional infliction of harm on the corporation or the shareholders; a violation of section 162 of this Act; or an intentional violation of criminal law;
- (5) A provision permitting or making obligatory indemnification of a director for liability, as defined in subdivision (5) of section 171 of this Act, to any person for any action taken, or any failure to take any action, as a director, except liability for receipt of a financial benefit to which the director is not entitled; an intentional infliction of harm on the corporation or its shareholders; a violation of section 163 of this Act; or an intentional violation of criminal law; and
- (6) Any provision limiting or denying preemptive rights to acquire additional or treasury shares of the corporation.

D B053166



This document must be executed by the chair of the board of directors, by its president, or by another of its officers. If directors have not been selected or the corporation has not been formed, an incorporator may execute this document. If the corporation is in the hands of a receiver, trustee, or other court-appointed fiduciary, that receiver, trustee, or court-appointed fiduciary may execute this document.

11/3/08  
Date

  
Signature

President  
Title /Official Capacity

**Filing Instructions:**

Filing Fee: \$125

The proper filing fee must accompany the application. Make checks payable to the Secretary of State.

One originally signed and one photocopy of the articles of incorporation must be submitted.


The Consent of Appointment below must be signed by the registered agent.

**Consent of Appointment by the Registered Agent**

I, Joop Bollen, hereby give my consent to serve as the  
Name of Registered Agent

registered agent for SDRC INC.  
Corporate Name

Dated 11/3/08

  
Signature of Registered Agent



1 Joop Bollen, Director  
2 SOUTH DAKOTA INTERNATIONAL BUSINESS INSTITUTE.  
3 1200 South Jay Street  
4 Aberdeen, South Dakota 57401-7198  
Telephone (605) 626-3149  
Facsimile (605) 626-3004

5 SOUTH DAKOTA INTERNATIONAL  
6 BUSINESS INSTITUTE  
7 In Pro Per

8  
9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

11 Darley International, LLC, a Delaware  
12 corporation,

13 Petitioner,

14 vs.

15 South Dakota International Business Institute, a  
16 non-profit organization;

17 Respondent.

18 CASE NO.: CV08-05034 DDP PLAx

19 DECLARATION OF JOOP BOLLEN IN  
20 RESPONSE TO PETITION FOR ORDER  
21 COMPELLING ARBITRATION

22 Hearing Date: September 8, 2008

23 Time: 10:00 a.m.

24 Court Room:

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**DECLARATION OF JOOP BOLLEN**

I, JOOP BOLLEN, hereby declare and state as follows:

1. I am the Director of the South Dakota International Business Institute (hereinafter "SDIBI"). I have personal knowledge of each of the facts stated herein and can testify competently thereto, except as to matters stated under information and belief, and to such matters as I believe them to be true.

2. SDIBI, on an annual renewable cost recovery contract with the South Dakota Governor's Office of Economic Development (GOED), has conducted export promotion and foreign direct investment activities for GOED since 1995.

3. SDIBI is part of the School of Business at the Northern State University, a public state university, located in Aberdeen, South Dakota.

4. In 2001, SDIBI initiated recruitment of European dairy farmers to South Dakota to construct and manage large state-of-the-art dairy farms in the eastern portion of the state. SDIBI was successful in recruiting 15 such projects whose owners all legally entered the United States of America to settle in South Dakota on E-2 non-immigrant visas.

5. The Regional Center Program is an investment visa program designated as EB-5 which grants legal permanent residency to foreign nationals who create 10 direct or indirect full-time jobs by investing at least \$500,000.00 in an area with a low population or a high unemployment rate. Such areas are designated as "regional centers."

6. In 2003 SDIBI applied for regional center status, which was approved by United States Citizens and Immigration Services (USCIS) in April of 2004.

7. SDIBI obtained regional center status in order to provide more security to the European investors that had settled in South Dakota and to provide South Dakota with a competitive advantage

1 over other states which were also recruiting European dairy investors, but were not able to offer  
2 permanent residency as they did not have regional center status.

3 8. Regional center status resulted in many inquiries from Asian countries, including South  
4 Korea. Interested parties wanted to invest in dairy projects in order to obtain permanent residency.  
5 This interest meant that additional Asian capital could now be available to South Dakota dairy farmers  
6 wishing to construct larger dairy farms and thus benefit the economy of South Dakota.

7 9. SDIBI does not charge nor receive any financial rewards for utilization of the regional  
8 center nor does it claim that the projects offered are economically sustainable.

9 10. The due diligence associated with the projects is the responsibility of the investors with  
10 the help of their service providers. SDIBI merely provides access to a regional center for the benefit of  
11 South Dakota's economy.

12 11. At this time, Hanul Professional Law Corporation (hereinafter "Hanul") contacted  
13 SDIBI with Korean investors willing to invest in the State of South Dakota's dairy farms under the  
14 EB-5 investor visa program to receive permanent residency.

15 12. SDIBI's Regional Center with Hanul recruiting resulted in 12 successful dairy projects  
16 with pooled South Dakota/South Korean investors.

17 13. SDIBI's role was to locate and forward prospective projects to Hanul and Hanul would  
18 locate South Korean and Asian investors and complete all paper work related to recruitment and green  
19 card petitions.

20 14. Because of trust gained by Hanul with their successful recruiting efforts of the South  
21 Korean investors, all inquiries SDIBI received related to recruiting South Korean and Asian investors  
22 subsequently were forwarded to Hanul including the one from Robert Stratmore, President of Darley  
23 International LLC (hereinafter "Darley").  
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1 15. In 2007, it became clear that the increasingly competitive EB-5 market required SDIBI  
2 to source larger projects with a loan structure as opposed to the equity structure. An USCIS approved  
3 amendment allowed SDIBI to expand to include loan structure based meat packing & processing  
4 projects.

5  
6 16. One meat processing center, Tilapia, was selected as a first project to test the market  
7 with this new loan structure.

8  
9 17. In or about the middle of 2007, Robert Stratmore contacted SDIBI requesting a  
10 relationship to recruit Chinese investors and was referred to Hanul. (See Declaration of Robert D.  
11 Stratmore, ¶ 3, filed by the Petitioner)

12 18. On or about October 18, 2007, Hanul and Darley agreed upon a recruitment contract  
13 between the two parties and the said fact was made available to SDIBI.

14 19. SDIBI did answer questions related to the Tilapia project and any questions associated  
15 with the regional center when asked by either of the parties to the contract. However, both parties were  
16 made aware that SDIBI would not be in a position to formulate nor advise as to the contents of the  
17 contract between Hanul and Darley. (Exhibit "1", ¶ 2)

18  
19 20. SDIBI, with both Hanul and Darley clearly understanding that no formal agreement  
20 was in place with SDIBI, merely was providing information to the two parties with the hope that they  
21 would quickly start recruiting investors for South Dakota's benefit. (Exhibit "1", ¶ 1)

22  
23 21. In or about December of 2007, two seminars were held in the People's Republic of  
24 China (PRC) to promote the Tilapia project to potential investors. However, during the seminar, it  
25 became very clear that the Tilapia project was very risky based on new information revealed by the  
26 representative of the Tilapia project. Due to Tilapia's weak management and lack of equity, SDIBI  
27 was forced to pull the project in order to protect the foreign investors and the integrity of the regional  
28

1 center. (Exhibit "1", ¶ 6)

2 22. Given the failure of the Tilapia project, it became increasingly clear that Hanul, Darley,  
3 or any other service providers were not able to perform the due diligence needed to protect the  
4 investors. A separate entity was needed to screen, qualify, and select all future projects in order to  
5 protect the integrity of the regional center. SDRC was created to meet these roles. SDRC, Inc. was  
6 established to select projects and enter into agreements with overseas recruiters. To date, SDRC, INC.  
7 has only entered into agreements with overseas agencies but is not active from a financial perspective  
8 as no fees are charged.  
9

10  
11 23. At or about this time, Darley initiated false accusations as well as unfounded blame  
12 towards SDIBI and Hanul stating that SDIBI had knowingly and willfully interfered with the  
13 recruitment process of Darley in PRC.

14 24. Hanul and Darley had been advised previously that their unproductive quarrels in  
15 regards to disputes arising out of their failed contract is holding the State of South Dakota hostage  
16 with respect to China's investors while other regional centers were taking full advantage of the EB-5  
17 opportunities.  
18

19 25. Darley's claim that the China seminars resulted in 30 interested parties and that  
20 SDIBI/Hanul's failure to cooperate properly resulted in loss of Darley's credibility with its Chinese  
21 sub-agents, interfere with its business relationship, and drastically affect its ability to recruit investors  
22 for SDIBI's Tilapia project is unfounded as shown by the Declaration signed by Frank Lin, whom  
23 Robert Startmore described as colleague, not sub-agent, and who claims to be solely responsible for  
24 Darley's activities in China. (Exhibit "2")  
25

26 26. As is shown by Mr. Lin's Declaration, Darley did not have "definite and concrete"  
27 interest from 30 investors to invest in the Tilapia project nor did it have "sub-agents" in China to  
28

1 recruit these potential investors.

2 27. In the interest of protecting potential investors purported to be recruited by Darley,  
3 Tilapia's information could not be provided to Darley because the feasibility of the project came into  
4 serious doubt and the investors would not have a sufficient justification to invest in the Tilapia project.  
5 Therefore, Darley's accusation that SDIBI did not provide the information to hinder Darley's  
6 recruitment process is unfounded. (Exhibit "1", ¶ 6)

8 28. On or about March of 2008, Darley, through its attorney of record, Maxwell Blecher,  
9 Esq., initiated the arbitration proceedings with JAMS ADR service in San Francisco, California  
10 against Hanul for alleged Breach of Contract.

12 29. Thereafter, Mr. Blecher demanded that SDIBI be joined in the arbitration process  
13 between Hanul and Darley to which SDIBI has responded stating that SDIBI should not and cannot be  
14 joined in an arbitration proceeding where SDIBI is not a signatory nor a willing participant in the  
15 formation of the contract.

17 30. Thereafter, on or about August 5, 2008, SDIBI was served with the subject Petition for  
18 Order Compel Arbitration.

21 I declare under penalty of perjury under the laws of the United States of America that the  
22 foregoing is true and correct.

24 Executed this 22nd day of August, 2008, at Aberdeen, South Dakota

26  
27  
28  
  
Joop Bollen







July 31, 2008

Barbara Q. Velarde  
Chief, Office of Service Center Operations  
HQ Foreign Trader, Investor & Regional Center Program  
USCIS Service Operations, Business & Trade Services  
20 Massachusetts Avenue, NW (Attn: Maxine Thomas, Room 2123)  
Washington, DC 20529

Dear Barbara Velarde:

In response to your request dated June 23, 2008, the South Dakota International Business Institute (SDIBI) is providing you with the following answers to your question I-11 in order for the USCIS to determine if our regional center is in compliance with the regulations at 8 CFR 204.6(m)(6):

- 1) The principal authorized point of contact of the regional center is Mr. Joop Bollen. As the director of SDIBI, Mr. Joop Bollen is responsible for the normal operation, management and administration of the regional center. SDIBI, a State of South Dakota entity, is responsible for all international business for South Dakota including export promotion and foreign direct investment.
- 2) The program is administered by SDIBI which works with the Governor's Office of Economic Development to select projects for consideration. Recent and all future projects will be reviewed by the State of South Dakota and only be selected if the State itself is willing to commit funding. SDIBI will then forward the selected business plan to Hanul Professional Law Corporation, an immigration law firm with offices in Seoul Korea and Los Angeles, for further review and preparation of the offering memorandum. Upon completion, promotional and other legal documents are then forwarded to our established network of agencies for investor recruitment purposes. Hanul Professional Law Corporation is responsible for all South Dakota I-526 petitions and educates the agencies of all legal, document and due diligence screening requirements. Hanul also educates the South Dakota general partners on program requirements including the direct and indirect job creation requirements. Agencies will forward recruited investor document and information to Hanul for additional due diligence and I-526 petition preparation. Hanul enters into an agreement with each qualified investor to handle the I-526 and I-829 aspects related to South Dakota's regional center.
- 3) a&b SDIBI works with the South Dakota Governor's Office of Economic Development to select projects. Only projects that are eligible for the State's economic development programs are considered. SDRC Inc hired First Bank and Trust, a commercial bank located in Brookings, South Dakota, to perform credit analysis, ongoing monitoring, evaluation, oversight, reporting and follow up. SDIBI recently entered into an MOU with SDRC Inc. to handle this aspect of the project. A copy of the MOU has been forwarded to the USCIS as part of an amendment request which was approved June 25, 2008.
- 4) Shortly after the USCIS approved the South Dakota regional center in April 2004, I-526 petitions from European investors who managed and invested in their own enterprise were submitted. After obtaining an amendment from the USCIS that allowed "pooling of funds" in June 2005, SDIBI and Hanul jointly began promoting projects in Korea.

Attached you will find enclosed Table 1 which answers all questions outlined in 4.

a. Thus far 146 investors have submitted their I-526 petition to USCIS while the remaining investors are currently preparing for the petition. Among those 146 investors who already petitioned, 140 petitioners received approval notice from USCIS, and among 6 remaining petitioners, 5 petitioners are in pending

SD001463

No.	Name of Commercial Enterprise (Industry)	Address	Number of Investors	Domestic Investment	Foreign EB-5 Investment	Pooled Investment	Bank Financing	Total Investment	Number of Direct Jobs Created (Expected Job Creation)
1	Van Winkle Dairy LP (dairy)	26137 448th Ave. Canistota SD57012	4	\$500,000	\$2,400,000	\$2,900,000	\$4,350,000	\$7,250,000	16
2	Global Dairy LP (dairy)	5025-18th Street, Brookings, SD57006	4	\$500,000	\$2,400,000	\$2,900,000	\$4,350,000	\$7,250,000	16
3	Winter Dairy LP (dairy)	59 Grant Avenue Willow Lake, SD57289	4	\$500,000	\$2,000,000	\$2,500,000	\$3,750,000	\$6,250,000	16
4	K&K Dairy LP (dairy)	45733 293rd Street, Viborg, SD57070	1	\$500,000	\$500,000	\$1,000,000	\$1,500,000	\$2,500,000	4
5	Swier Dairy LP (dairy)	45250 226th Street, Ramona, SD57054	2	\$500,000	\$1,000,000	\$1,500,000	\$2,250,000	\$3,750,000	8
6	Drumgoon Dairy LP (dairy)	126 North West Lake Drive Lake Norden SD57248	4	\$500,000	\$2,000,000	\$2,500,000	\$3,750,000	\$6,250,000	16
7	Moody County Dairy LP (dairy)	48693 243rd Street Jasper, SD 56144	6	\$500,000	\$3,000,000	\$3,500,000	\$5,250,000	\$8,750,000	24
8	Veblen East Dairy LP (dairy)	PO Box 157 Veblen, SD 57270	27	\$500,000	\$13,500,000	\$14,000,000	\$21,000,000	\$35,000,000	120
9	Badger Dairy LP (dairy)	18315 466th Ave. Clear Lake, SD 57226	8	\$500,000	\$4,000,000	\$4,500,000	\$6,750,000	\$11,250,000	32
10	Northern Beef Packers LP (meat processing)	38749 135th Ave. Aberdeen, SD 57401	70	\$11,000,000	\$32,000,000	\$43,000,000	0	\$43,000,000	681
11	Sunrise Dairy (dairy)	18313 466th Ave. Castlewood, SD 57223	1		\$1,400,000	No pooling \$1,400,000	\$2,100,000	\$3,500,000	4
12	Hammink Dairy (dairy)	19890 470th Ave. Bruce, SD 57220	1		\$2,000,000	No pooling \$2,000,000	\$3,000,000	\$5,000,000	4
13	Linde Dairy (dairy)	47988 207th Street White, SD 57276	1		\$1,600,000	No pooling \$1,600,000	\$2,400,000	\$4,000,000	4
14	Cedarberg Dairy (dairy)	45181 224th Street Ramona, SD 57054	1		\$1,200,000	No pooling \$1,200,000	\$1,800,000	\$3,000,000	4
15	Old Tree Farms LLP (dairy)	46318 214th Street Volga, SD 57071	1		\$1,500,000	No pooling \$1,500,000	\$2,250,000	\$3,750,000	4
16	Hill Top Dairy (dairy)	48422 213th Street Elkton, SD 57026	1		\$4,800,000	No pooling \$4,800,000	\$7,200,000	\$12,000,000	4
17	Newark Veal Inc. (meat processing)	PO Box 282 Corsica, SD 57328	1		\$500,000	No pooling \$500,000	\$750,000	\$1,250,000	4
18	Mossings Dairy LLC (dairy)	47386 233rd St. Egan, SD 57024	1		\$2,000,000	No pooling \$2,000,000	\$3,000,000	\$5,000,000	4
Total			138	\$15,500,000	\$77,800,000	\$93,300,000	\$75,450,000	\$168,750,000	965

- b. Please refer to the table above.
- c. Please refer to the table above.

As approved by the USCIS, the regional center uses the fool approval of SDIBI, USCIS granted RIMS II indirect job creation multiplier to SDIBI as below. (Appendix: Table 2. Approval of USCIS Regional Center)

**Dairy Industry:**

*Such operations would utilize a weighted average RIMS-II indirect job creation multiplier of 2.66 for the areas within the geographic boundaries of the SDIB/DEDR Regional Center.*

**Meat Processing Industry:**

*These operations would utilize a weighted average RIMS-II indirect job creation multiplier of 3.49 for the areas within the geographic boundaries of the SDIBI/DEDR Regional Center.*

Applying the RIMS II multiplier as provided above, each investor in Dairy Industry can satisfy requirement of creating 10 jobs by actually creating 4 direct jobs. As such, investors in Meat Processing Industry can satisfy the job requirement by creating 3 direct jobs. Thus, all investors from SDIBI satisfied or expected to satisfy job creation requirement as shown in table above.

6)

- a. 2005 Federal Fiscal Year: 12 cases  
2006 Federal Fiscal Year: 17 cases  
2007 Federal Fiscal Year: 61 cases  
2008 Federal Fiscal Year: 48 cases

---

Total: 138 cases

- b. None. (14 investors have submitted I-829 to remove conditional status since February 2008, and still waiting for its process)

7) The total aggregate sum of EB-5 alien capital invested

2005 Federal Fiscal Year: 4 case	(USD \$6,250,000)
2006 Federal Fiscal Year: 23 cases	(USD \$19,550,000)
2007 Federal Fiscal Year: 23 cases	(USD \$11,500,000)
2008 Federal Fiscal Year: 81 cases	(USD \$40,500,000)

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**Total : 123 cases (USD \$77,800,000)**

8) We do not have an updated tally for the "new" direct jobs created but it is understood that each dairy investor will create at least 4 direct jobs and each meat packing investor will create at least 3 direct jobs.

9,10,11) Not Applicable

We hope to have answered all questions to the USCIS' satisfaction. Please do not hesitate to contact me if additional information is needed.

Sincerely,

Joop Bollen  
Director, SDIBI



# MEMORANDUM OF UNDERSTANDING

BETWEEN

SOUTH DAKOTA INTERNATIONAL BUSINESS INSTITUTE

AND

SOUTH DAKOTA REGIONAL CENTER, INC.

This Memorandum of Understanding (the "Agreement") made and entered into as of the 15<sup>th</sup> day of January, 2008 by and between:

South Dakota International Business Institute/ Dairy Economic Development Region, a South Dakota state agency, and its successors and assigns ("SDIBI/DEDR"); and,

South Dakota Regional Center, Inc., an incorporated company organized under the laws of the State of South Dakota, and its successors and assigns ("SDRC INC").

WHEREAS, SDIBI is a state agency offering assistance to South Dakota exporters through a variety of programs designed to increase international commerce, and is charged with enhancing the South Dakota business climate, marketing South Dakota to businesses and investors, facilitating, promoting and creating commercial and business opportunities within South Dakota to contribute to the economic viability of and benefit the growth of the state;

WHEREAS, SDIBI is an approved and designated Regional Center recognized by the U.S. Department of Homeland Security, U.S. Citizenship and Immigration Service ("USCIS") in accordance with the Immigrant Investor Pilot Program pursuant to section 203(b) (5) of the Immigration and Nationality Act, as amended, and the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610 as amended, and all applicable regulations promulgated there under, including 8 CFR section 204.6 (collectively referred to as the "Pilot Program Law"). Initial designation as a Regional Center was made in a letter dated April 8, 2004 and amendments thereof, to Joop Bollen, the director of SDIBI from the legacy U.S. Immigration and Naturalization Service and USCIS, informing him of the SDIBI/DEDR appointment as a Regional Center the name which is later amended to SDRC;

**WHEREAS**, SDIBI is in collaboration with Hanul Professional Law Corporation, for legal processing regarding compliance with U.S. immigration and nationality law as it relates to EB-5, Alien Entrepreneur investment project and to Regional Center Pilot Programs, and for the purpose of advising upon all transactional matters in connection with such a project;

**WHEREAS**, SDRC INC is organized for the purposes of creating an EB-5, Alien Entrepreneur investment project within SDIBI/DEDR and managing and operating it in connection with the Immigrant Investor Pilot Program Law; and,

**WHEREAS**, SDIBI's director will have amongst his/her principal duties and responsibilities the ongoing coordination, oversight and liaison with respect to those activities of the SDIBI/DEDR commercial enterprise in the recruitment, assistance, and involvement of immigrant investors through the EB-5 program. Pursuant to its responsibilities and obligations as a USCIS approved and designated Regional Center within the Immigrant Investor Pilot Program, SDIBI/DEDR desires to obtain assistance in the planning and management of the SDRC EB-5, Alien Entrepreneur investment project within SDIBI/DEDR and to assure the project's compliance with U.S. immigration law and regulations concerning investments within a regional center in the EB-5 visa preference category and, thereby, to have greater assurance of its compliance with regional center requirements.

**NOW THEREFORE**, in consideration of the mutual agreements, representations, and covenants contained herein, the parties agree as follows:

1. SDIBI/DEDR will promptly request that USCIS acknowledge SDIBI/DEDR designation of SDRC INC to assist in management, administration and overall compliance of the Alien Entrepreneur project organized by SDRC INC within SDIBI/DEDR with U.S. immigration laws and regulations controlling the investment process and participation in a regional center, and to report upon the activities of the project to SDIBI/DEDR and respond to SDIBI/DEDR inquiries about the project and assist SDIBI/DEDR to comply with its obligations as a regional center with respect to this project.

2. SDRC INC will provide support to SDIBI/DEDR including, but not limited to, providing investment-related and supporting documentation to prospective investors, supplying economic analysis and modeling reports on direct and indirect job creation (including the RIMS II multiplier tables that apply to the territory of the SDIBI/SDRC), defining investment opportunities within the SDIBI/DEDR projects, and assisting SDIBI/DEDR to comply with relevant regulatory or administrative requirements in support of individual petitions filed with USCIS by immigrant investors affiliated with the SDIBI/DEDR projects, such as providing area maps, valid unemployment data,



general economic data and demographics concerning the geographic area covered by the SDIBI/DEDR projects.

3. SDRC INC will further support SDIBI/DEDR compliance with regional center requirements by providing on a quarterly basis formal/written progress reports on its activities, overseas meetings and other relevant efforts within and outside the United States to promote investment in the SDIBI/DEDR projects through the EB-5 Alien Entrepreneur Regional Center Pilot Program. The Quarterly reports will set forth for the preceding quarter and year-to-date the number of investors, the status of alien investor capital (in escrow, transfers from escrow to the company) and activity of the company in furtherance of the project. The reports will also contain information distinguishing investor Petitions "in preparation", "filed with USCIS", "approved by USCIS", "denied by USCIS", or "field with USCIS office of Administrative Appeals".

4. SDRC INC will support the purpose and goals of SDIBI/DEDR by encouraging investment and employment creation within the Regional Center through marketing at emigration fairs and conferences with individual investors inside and outside the United States; maintaining a homepage to promote and describe the project; preparing a desirable business plan to encourage individual investments in the project within the Regional Center; establishing escrow accounts to assist orderly investment in the project; facilitating, on a fee basis, the preparation and submission of the I-526, Alien Entrepreneur petition and petitions for other immigration benefits to USCIS or the Department of State for individual investors; providing the primary entity and related entities to carry out the activities of the project; structuring the enterprise so that it creates requisite employment prior to the investors seeking removal of conditions; seeing to the timely completion and opening of the project; providing operating expertise and personnel to operate the project efficiently; and, if requested by individual investors, making referrals to advisors who may assist with issues arising from relocation by the investor and the investor's spouse and children to the United States.

5. SDRC INC agrees to promote investment in SDIBI/DEDR projects and to perform its obligations under this Agreement honestly, consistently and fairly in furtherance of its efforts to assist SDIBI/DEDR with the oversight and management of the Regional Center in connection with the SDIBI/DEDR projects.

6. SDRC INC will act in an independent capacity and not as officers or employees of SDIBI/DEDR or the State of South Dakota. SDRC INC shall indemnify, defend, and hold harmless SDIBI, SDIBI/SDRC, the State of South Dakota and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of SDRC INC acts and/or omissions performed under this Agreement.

7. This Agreement shall be governed by the laws of State of South Dakota.

8. The parties agree that this Agreement shall remain in full force and effect for a term of five (5) years.

9. This Agreement may be modified by written consent of the parties. This Agreement may not be cancelled except upon a material breach of its terms or material misrepresentation by a party which remains uncured for more than Fourteen (14) days after receipt of a Notice of Intent to Cancel that provides specific information justifying the cancellation.

10. SDIBI/DEDR will notify USCIS in writing within Thirty (30) days of any change in the designation of the principal representative of SDIBI/DEDR or the principal administrator to SDIBI or any significant change in or the termination of this Agreement with SDRC INC.

11. In the event of cancellation of this Agreement, SDIBI will provide USCIS a clear explanation as to how services and responsibilities of SDRC INC hereunder will be performed, and by whom, without interruption to the functioning of the Regional Center in connection with the SDIBI/DEDR projects or any affected alien investor in the SDIBI/DEDR projects.

12. Any Notice to be given by any party to the others shall be in writing and personally delivered or sent by U.S. registered mail, certified or overnight, as follows (or in such manner and to such address as designated in writing by any party):

For SDIBI:

South Dakota International Business Institute  
Joop Bollen  
Director  
1200 S Jay St.  
Aberdeen, SD 57401-7198 USA

For SDRC INC:

South Dakota Regional Center, Inc.  
James Park  
Director  
405 8th AVE., NW, Suite 330  
Aberdeen, SD 57401  
Phone#: 605-228-7043

13. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

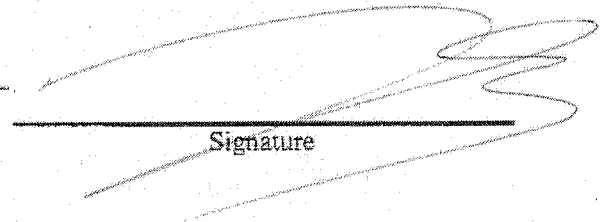
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the date first written.

(Signature)

Signed by Authorized Signatory  
on behalf of

**SOUTH DAKOTA INTERNATIONAL  
BUSINESS INSTITUTE:**

Name: *Joeg Bollen*  
Title: *Director*



Signature

Signed by Authorized Signatory  
on behalf of

**SOUTH DAKOTA REGIONAL  
CENTER, INC:**

Name: James J. Park  
Title: Director



Signature



## **Request for Amendment to the Dairy Economic Development Region**

This petition to the United States Citizenship and Immigration Services (USCIS) requests an amendment to the Dairy Economic Development Region (DEDR) which was granted to the South Dakota International Business Institute (SDIBI) by the USCIS on April 8, 2004 (Appendix E). Earlier requests for amendments were approved on June 13, 2005, and December 12, 2006 (Appendix E). This current request for an amendment entails the following:

- I) An expansion of the DEDR geographical area to include the remaining 18 counties of Western South Dakota, except for the metropolitan statistical area of Rapid City (Pennington County & Meade County), to the current geographical area of the DEDR
- II) An expansion to the currently allowed activities of the DEDR to include the following industries and services: Utilities (RIMS Code 6); Machine Manufacturing (RIMS Code 12); Food, Beverage, and Tobacco Manufacturing (RIMS Code 19); Petroleum and Coal Products Manufacturing (RIMS Code 24); Chemical Manufacturing (RIMS Code 25); Professional, Scientific, and Technical Services (RIMS Code 47); Amusement, Gambling, and Recreation (RIMS Code 56).
- III) Allow the DEDR to utilize the RIMS II Final Demand Employment Multipliers for the industries listed above to proof that the job creation requirements are met as required by the 1990 Immigration Act.
- IV) Change the name from the current Dairy Economic Development Region (DEDR) to South Dakota Regional Center (SDRC).

These amendments to the DEDR will allow SDIBI to continue to grow and built on its successful track record. The amendment request was prepared by the South Dakota International Business Institute (SDIBI). Support from the South Dakota Department of Tourism and Trade Development (SDDT&TD), South Dakota Department of Agriculture (SDDOA) and the South Dakota Department of Labor (SDDOL) is gratefully acknowledged.

### **Reason for Amendment Request**

The DEDR to date produced over \$100,000,000 in new dairy projects and \$52,000,000 in a new beef packing plant that is currently being constructed. Applying the RIMS II economic multipliers to this dollar amount, it is evident that South Dakota's economy is already benefitting to the tune of a half a billion dollars with over 1000 new jobs created. This success resulted in requests and political pressures to expand the regional center activities to include additional industries and to expand the economic opportunities to Western South Dakota.

More intense competition from other new regional centers also force SDIBI to offer more competitive, attractive investment projects to entice the foreign investor who now has many more EB-5 options through to chose from as a result of other regional centers coming online.

### **Explanation of the Amendment Requests**

This petition to the U.S. Bureau of Citizenship and Immigration Services (USCIS) requests four amendments to the existing geographical area and the allowed activities of the DEDR. A discussion of each of the four amendment requests follows:

## **Amendment 1**

*An expansion of the DEDR to include the remaining 18 counties of Western South Dakota, except for the metropolitan statistical areas of Rapid City (Pennington County & Meade County), to the current established geographical area of the DEDR*

Regional Center status under the Investor Pilot Program is currently granted to the counties east of the Missouri River excluding Minnehaha County where the City of Sioux Falls is located and excluding the cities of Aberdeen and Watertown, but including the counties of Tripp and Gregory west of the Missouri River (Appendix C). Because of the reasons already outlined in the prior section titled "Reasons for the Amendment Request", SDIBI believes that the regional center and the economy of South Dakota would greatly benefit if the geographical area is to include the remaining 18 counties of Western South Dakota, except for the metropolitan statistical areas of Rapid City (Pennington County & Meade County). A listing of these counties follows: Bennett, Butte, Corson, Custer, Dewey, Falls River, Haakon, Harding, Jackson, Jones, Lawrence, Lyman, Mellette, Perkins, Shannon, Stanley, Todd and Ziebach.

Maps of the current regional center's geographical area and new proposed geographical areas are included in Appendix C. A copy of the Governor's letter certifying that the new proposed counties meet the definition of rural under the Immigration Act of 1990 is included in Appendix A. Finally economic data for the 18 new counties is included in Appendix D. It is evident that for these 18 selected counties in South Dakota, 13 of them have poverty rates greater than the national rate of 12.7 percent. Eight of these counties actually have rates that are more than double the national rate, with poverty rates greater than 25 percent. Six of these counties lie within American Indian Reservation areas, which traditionally have higher rates of poverty than other areas in South Dakota.

## **Amendment 2**

*An expansion to the currently allowed activities of the DEDR to include the following industries and services: Utilities (RIMS Code 6); Machine Manufacturing (RIMS Code 12); Food, Beverage, and Tobacco Manufacturing (RIMS Code 19); Petroleum and Coal Products Manufacturing (RIMS Code 24); Chemical Manufacturing (RIMS Code 25); Professional, Scientific, and Technical Services (RIMS Code 47); Amusement, Gambling, and Recreation (RIMS Code 56).*

A complete listing of the RIMS Industry titles is included in Appendix B. RIMS Code 6 includes electric power generation such as windmill energy generation which currently is expanding rapidly in South Dakota. RIMS Code 12 includes general manufacturing of machinery and equipment. RIMS Code 24 includes oil refinery as South Dakota is courting the first oil refinery project to be built in the USA during the last 30 years. RIMS Code 25 includes pharmaceutical, medicine, ethanol, bio-diesel and biomass manufacturing. RIMS Code 47 includes computer related services and research and development in biotechnology and RIMS Code 56 includes casinos which are expanding in Western South Dakota and on the Native American reservations where high unemployment still lingers. The new proposed industries have tremendous opportunities for South Dakota if EB-5 capital can be made available.

## **Amendment 3**

*Allow the DEDR to utilize the RIMS II Final Demand Employment Multipliers for the industries listed under Amendment 2 as proof that the job creation requirements are met as required by the 1990 Immigration Act.*



A complete listing the RIMS Industry titles and final demand employment multipliers is included in Appendix B. A summarization of the RIMS Code and Final Demand

Employment Multipliers per Million dollars invested follows:

Utilities	RIMS 6	5.4309
Machinery Manufacturing	RIMS 12	11.7661
Food, Beverage, and Tobacco Manufacturing	RIMS 19	15.3910
Petroleum and Coal Products Manufacturing	RIMS 24	8.0073
Chemical Manufacturing	RIMS 25	9.4151
Professional, Scientific, and Technical Services	RIMS 47	12.8610
Amusement, Gambling, and Recreation	RIMS 56	29.7830

Total aggregate capital invested by the EB-5 aliens and non-EB-5 domestic investor (s) would determine total jobs created to proof that the job creation requirements are met as required by the 1990 Immigration Act. This method would be applied only to the 6 newly requested RIMS Industry Titles and not replace the direct and indirect job creation method currently in use by the DEDR for the dairy and meat packing operations. SDIBI will provide an example for each of the six additional target industry clusters that: A) clearly describe the type of commercial activity; B) provide a representative illustration of the total aggregate capital for an individual example enterprise within each industry cluster; C) provide a clear description of what mix of EB-5 aliens' capital with Non-EB-5 domestic capital will be targeted to generate the requisite ten indirect jobs per EB-5 alien based on the appropriate RIMS II Final Demand Job Creation Multiplier and an estimation over what time the capital and jobs are likely to be accrued or realized.

Utilities (RIMS Code 6)

SDIBI has been in contact with FPL Energy ([www.FPLEnergy.com](http://www.FPLEnergy.com)), the largest generator of wind energy in the nation, to explore duplicating its current operation in Highmore, South Dakota, where 27, 1.5 megawatt wind turbines produce 40 megawatts of electricity. South Dakota, ranking fourth in the nation for its wind resources and

recently making growth in this industry sector a priority, is set to duplicate the Highmore project throughout the state. A 1.5 megawatt wind turbine, standing 213 feet with each of the three blades over 110 feet long, costs approximately 1.5 million dollars a piece and 6 month to construct. SDIBI will attempt to duplicate projects consisting of 50 windmills and costing approximately 75 million dollars throughout the state. Lease payments to owners who still will utilize the land for crop production makes this venture an attractive one for producers.

A \$75,000,000 windmill project consisting of 50 large turbine wind mills would generate 407 jobs ( $5.4309$  per million  $\times 75$ ) allowing 40 EB-5 aliens (40 aliens  $\times 10$  indirect jobs per EB-5 alien) to contribute \$20,000,000 (\$500,000 per investor  $\times 40$  investors). FPL Energy would need to source \$55,000,000 to arrive at a total project cost of \$75,000,000. It is typical for the capital to be committed 6 months after the start of the construction at which time the jobs, as per definition of the RIMS-II Final Demand Multiplier, are created.

#### Machinery Manufacturing (RIMS Code 12)

Molded Fiber Glass Companies ([www.moldedfiberglass.com](http://www.moldedfiberglass.com)) has announced (Appendix F) it is building a wind turbine manufacturing plant close to Aberdeen, South Dakota, to manufacture blades for GE's 1.5MW wind mill. The facility represents an investment of 40 million including a 20 million dollar real estate facility. Molded Fiber Glass estimates 600 new jobs for the Aberdeen region which exceed the estimates of the RIMS-II Final Demand Multiplier. Construction is estimated to start in April 2008 with a completion date of March 2009 at which time production starts and all capital has been invested. SDIBI has approached Molded Fiber Glass with the scenario that follows:

A \$40,000,000 wind blade manufacturer would generate 470 jobs (11.7661 per million X 40 million) allowing 47 EB-5 aliens (47 aliens X 10 indirect jobs per EB-5 alien) to contribute \$23,500,000 (\$500,000 per investor X 47 investors). Molded Fiber Glass would need to source \$16,500,000 to arrive at a total project cost of \$40,000,000. It is expected for the capital to be committed 12 months after the start of the construction at which time the jobs, per definition of the RIMS-II Final Demand Multiplier, are created.

Food, Beverage and Tobacco Manufacturing (RIMS Code 19)

SDIBI is currently considering a proposal from Valiant Vineyards, South Dakota's first winery established in 1996 which produces over twenty different wines. Valiant vineyard ([www.buffalorunwinery.com](http://www.buffalorunwinery.com)) is proposing to build a new winery in south east South Dakota near the intersection of I-90 and I-29. The new winery would consist of a modern building including a small convention center, gift shop, tasting room and 30 acres of vineyards for which land will be purchased. Wine initially, until the new vineyards becomes productive, will be sourced from Valiant's existing winery which's wine often is blended with imported varieties from California and other states. Valiant would be hiring educated winemakers and marketers to produce a South Dakota wine in a professional package that will be distributed nationally. Valiant estimates new job creation to exceed 155 jobs which is in line with the RIMS II Multiplier numbers. Twenty percent of the jobs will consist of skilled labor and 80 percent of unskilled labor. This \$10,000,000 winery would generate 153 jobs (15.3910 per million X 10 million) allowing 15 EB-5 aliens (15 aliens X 10 indirect jobs per EB-5 alien) to contribute \$7,500,000 (\$500,000 per investor X 11 investors). Valiant is committed to provide \$2,500,000 to arrive at a total project cost of \$10,000,000. The entire project will be

constructed in 18 months when the entire \$10,000,000 is invested and at which time the jobs, as per definition of the RIMS-II Final Demand Multiplier, are created.

Petroleum Refinery (RIMS CODE 24)

Hyperion Resources, a Dallas investment firm, currently has an option to purchase 10,000 acres in South Dakota (Appendix F) for a refinery with a production capacity of 400,000 barrels per day. This project would constitute the first newly build refinery in the USA in 30 years and would cost 10 billion dollars. Permitting processes are expected to take 2-3 years with construction to take an additional 4 years at an estimate of 2.5 billion per year. SDIBI hopes to offer packages of 50 million dollars each, or 100 investors, which would easily be consumed within the first couple of months of construction. EB-5 funds would be replaced with permanent capitalization when the foreign investors are divested. SDIBI hopes use the proposed EB-5 capital to have Hyperion select South Dakota for its final site as 2 other states also are under consideration. At this stage it is not known how many packages of 50 million dollars each SDIBI would be able to source.

A \$10,000,000,000 oil refinery plant would generate 80,073 jobs (8.0073 per million X 10,000 million) allowing approximately 8,000 EB-5 aliens (8,000 aliens X 10 indirect jobs per EB-5 alien) to contribute \$4,000,000,000 (\$500,000 per investor X 8,000 investors). Hyperion would need to source \$6,000,000,000 to arrive at a total project cost of \$10,000,000,000. It is expected that the EB-5 capital would be invested within the first 2 months of construction at which time the jobs, as per definition of the RIMS-II Final Demand Multiplier, are created. SDIBI does not expect to recruit more than 1000 investors for 500 million dollars indicating that Hyperion will need to fund 9.5 billion.

Chemical Manufacturing (RIMS Code 25)

SDIBI is considering a proposal submitted by Beef Tech LLC (a subsidiary of IKOR: www.ikorlife.com) which will manufacture a bovine medical product called thrombin made from cow blood for a global wound healing market. Thrombin, a FDA approved surgical sealant, is a bovine medical product made from bovine blood and bovine plasma which is utilized to seal wounds and is used as a coagulant that is sponged onto patients to slow bleeding. Beef Tech will source its blood from Northern Beef Packers processing plant which is currently being constructed with EB-5 funds in the Aberdeen area. Beef Tech will develop and market the following products: Trombin-Vials, Thrombin-Spray Kits, Trombin Syringe Spray Kits and Trombin-Large OEM Supply.

Beef Tech already has identified a building site and has obtained permits near the Northern Beef Packers processing facility to construct a 20,000 square foot production facility requiring a financial investment of \$25,000,000 and expected to be completed within 12 months

A \$25,000,000 pharmaceutical production plant like the one Beef Tech is proposing would generate 235 jobs (9.4151 per million X 25 million) allowing 23 EB-5 aliens (23 aliens X 10 indirect jobs per EB-5 alien) to contribute \$11,500,000 (\$500,000 per investor X 23 investors). Beef Tech's non-EB-5 investors would need to source \$13,500,000 to arrive at a total project cost of \$25,000,000. It is typical for the capital to be committed 12 months after the start of the construction at which time the jobs, as per definition of the RIMS-II Final Demand Multiplier, are created.

Casinos (RIMS 56)

SDIBI is communicating with an investment group, Shiba Investments Inc., from Rapid City that is interested in purchasing 3 outdated casinos, with licenses in place, in

Deadwood that would be converted into a state-of-the-art \$20,000,000 casino with restaurant, meeting and sleeping rooms. The new renovated casino would feature 120 Sodak Gaming slot machines, poker and black jack tables. The purchase of the real estate requires an investment of 8 million with the remaining funds needed for renovation, decoration and purchase of updated modern gaming machines.

A \$20,000,000 casino would generate 595 jobs (29,7830 per million X 20 million) allowing 59 EB-5 aliens (59 aliens X 10 indirect jobs per EB-5 alien) to contribute \$24,500,000 (\$500,000 per investor X 29 investors). Domestic non-EB-5 investors would theoretically not need to contribute any capital but reality it is required that the domestic non EB-5 investors will contribute at least 20 percent or \$5,000,000. It therefore is evident that only 30 EB-5 investors would contribute \$15,000,000. It is typical for the capital to be committed 12 months after the start of the major renovation at which time the jobs, as per definition of the RIMS-II Final Demand Multiplier, are created.

The examples outlined are based on inquiries received by SDIBI to date and are for illustration purposes only. It is not yet known which projects SDIBI will select and how many EB-5 investors SDIBI is capable of recruiting. It is clear, however, that the newly proposed industry clusters would greatly enhance the attractiveness of the projects that the regional center is able to offer to the foreign investors.

#### **Amendment 4**

*Change the name from the current Dairy Economic Development Region (DEDR) to South Dakota Regional Center (SDRC).*

The DEDR regional center has accumulated a successful track record and has experienced growth beyond the dairy industry. As a result, the DEDR currently includes

activities that are unrelated to the dairy industry and therefore a request to change the name from DEDR to South Dakota Regional Center (SDRC) appears appropriate.

The business structure (Flow chart: Appendix G) for the implementation of the new EB-5 projects utilizing the RIMS II Final Demand Multipliers are limited partnerships each consisting of a general partner and multiple limited partners, the foreign investors. The foreign investors will provide capital funding to the Limited partnership which in turn will make the funds available to EB-5 projects sourced and recommended by SDIBI and forwarded to SDRC Inc, a separate corporation, that is currently being created to screen SDIBI recommended projects for final selection before investors are sourced and to monitor funded projects for compliance purposes. SDRC Inc will also function as the general partner in each of the project specific limited partnerships for which it receives a token ownership of 1 percent. SDRC Inc will be controlled by Hanul Professional Law Corporation, a law firm, which has been directly involved in all DEDR projects to date. A Memorandum of Understanding between SDIBI and SDRC Inc is included in Appendix H. A model very similar to this one already has been approved by the USCIS and is currently being implemented by other regional centers such as PIDC.

SDIBI hopes to have provided the USCIS with sufficient information to approve the amendment request. Approval of this amendment request will greatly benefit the economy of South Dakota.





366 0575 04/07/2009

Receipt Number: 1896252

File Number DB053166



STATEMENT\_OF\_CHANGE

For

SDRC INC.

Filed at the request of:

HANUL PROFESSIONAL LAW CORP  
3699 WILSHIRE BLVD STE 1150  
LOS ANGELES CA 900102773

*State of South Dakota  
Office of the Secretary of State*

Filed in the office of the Secretary of State on: **Tuesday, April 07, 2009**



Secretary of State

Fee Received: \$ 10

366 03/6 04/01/2009

Secretary of State Office  
500 E Capitol Ave  
Pierre, SD 57501  
(605)773-4845

### STATEMENT OF CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OR BOTH

Please Type or Print Clearly in ink

Please submit one Original and one Photocopy

**FILING FEE: \$10** Make check payable to SECRETARY OF STATE

FILE DATE	<u>4-7-09</u>
RECEIPT NO	<u>189 6252</u>
<b>RECEIVED</b>	
<b>APR 07 2009</b>	
<b>S.D. SEC. OF STATE</b>	

Telephone #	<u>(605) 225-1578</u>
FAX #	<u>(605) 225-7246</u>

1. Corporate ID and Name:

DB053166 SDRC INC.

405 8th Ave. NW, Suite 330  
Aberdeen, SD 57401-2700

*Filed this 14th day of April 2009  
Chris Nelson  
SECRETARY OF STATE*

2. The name of the registered agent on file Joop Bollen

The name of the successor registered agent James J. Park

3. If listing a Commercial Registered Agent, please state their identification number \_\_\_\_\_

4. The address of the agent currently on file for this entity

405 8th Ave., NW, Suite 330	Aberdeen	SD	57401
Street Address (Required)	City	State	ZIP+4
405 8th Ave., NW, Suite 330	Aberdeen	SD	57401
Mailing Address (Optional)	City	State	ZIP+4

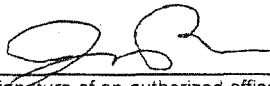
5. If the address has changed, its new address

Street Address (Required to be a South Dakota Address)	City	State	ZIP+4
Mailing Address (Optional - Required to be a South Dakota Address)	City	State	ZIP+4

6. The address of its registered office and the address of the business office of its registered agent, as changed, must be identical.

The undersigned entity submits the following statement for purpose of changing its registered office and/or its registered agent in the State of South Dakota.

Dated 4/3/2009

  
(Signature of an authorized officer)

James J. Park  
(Printed Name)

President  
(Title)



368 1180 06/03/2009

Receipt Number: 1915274

File Number DB053166



ARTICLES\_OF\_AMENDMENT

For

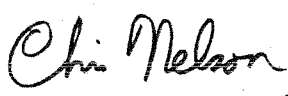
SDRC, INC.

Filed at the request of:

JEFFREY T SVEEN  
SIEGEL BARNETT & SCHUTZ LLP  
415 S MAIN ST 400 CAPITOL BUILDING  
PO BOX 490  
ABERDEEN SD 57402

*State of South Dakota  
Office of the Secretary of State*

Filed in the office of the Secretary of State on: **Monday, June 01, 2009**



Secretary of State

Fee Received: \$50.00



368 1182 06/03/2009

Filed this 1st day of June, 2009  
Chris Nelson  
SECRETARY OF STATE

AMENDED ARTICLES OF INCORPORATION  
OF  
SDRC, INC.

RECEIVED  
JUN 01 2009  
S.D. SEC. OF STATE

KNOWN ALL MEN BY THESE PRESENTS that I the undersigned, Joop Bollen, for myself and my successor, for the purpose of forming a corporation under and by virtue of the laws of the State of South Dakota, do hereby adopt the following Amended Articles of Incorporation.

I.

The name of the corporation shall be SDRC, Inc.

II.

The purpose for which this organization is to primarily engage in assisting foreign investment in South Dakota and any other purpose not prohibited by State law.

III.

The principal place of business of this Corporation shall be 1201 North Main Street, Aberdeen, South Dakota 57401.

IV.

The Corporation shall commence on the day that the Certificate of Incorporation is granted by the Secretary of State of the State of South Dakota, and shall continue thereafter perpetually or until such time as it shall be dissolved, as provided by the Bylaws of the Corporation or the laws of the State of South Dakota. The Corporation will not commence business until consideration of the value of at least \$1,000 has been received for the issuance of shares of stock in such Corporation.

V.

The address of the registered office of the Corporation shall be 1201 North Main Street, Aberdeen, South Dakota 57401, and the name of its registered agent at such address shall be Joop Bollen. The street address is 1201 North Main Street, Aberdeen, South Dakota 57401.

VI.

The number of directors of this Corporation shall be not less than one (1) nor more than five (5), as shall be determined from time to time by the Bylaws of the Corporation, and the names and residences of the incorporator is listed below, which incorporator or incorporators shall serve as the initial director or directors of the Corporation until the election of his successor:

DB052166







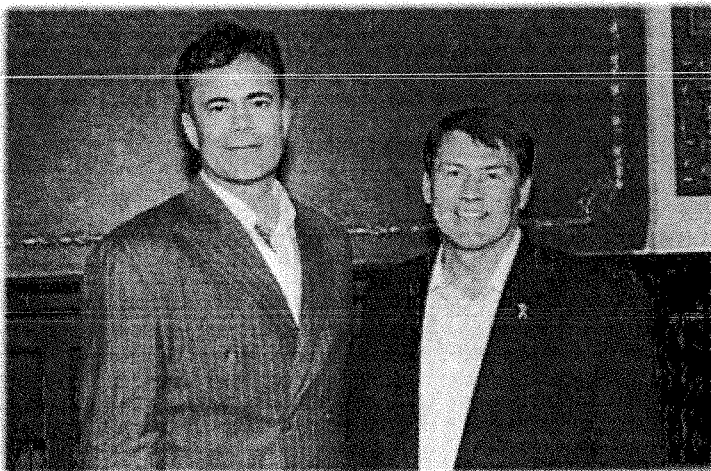
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**Welcome to SDRC Inc**

SDRC Inc., established in late 2008, is the overarching management company that operates and manages the regional center on behalf of the SDTSD (South Dakota Department of Tourism and State Development). Additionally, SDRC Inc. operates as the general partner for the South Dakota Investment Fund Limited Partnerships (EB-5 entities) to assure that the interest of the limited partners are met, including the creation of necessary job credits needed for the I-829 process and the repayment the loans.

[Read More](#) [Contact Us](#)

**Important News**

+Deer Creek June 3, 2011 Progress Article posted.

+NBP Report posted for 2010.

+Reports have been posted for 2010.

## Deadwood Casino

+Deadwood Mountain Grand's event center & casino opened Friday July 1st. The hotel is scheduled to open in November.

## Secure Access Online

- [Secure Access Online](#)

**Over 750 successful I-526 petitions with no denials!!!**

## Useful Links

- [Hanul Professional Law Corporation](#)
- [South Dakota Department of Tourism and State Development](#)
- [USCIS Approval Letters](#)
- [USCIS\(U.S. Citizenship and Immigration Services\)](#)

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## About Us

**SDRC Inc.**, established in late 2008, is the overarching management company that operates and manages the regional center on behalf of the SDTSD(South Dakota Department of Tourism and State Development). Additionally, SDRC Inc. operates as the general partner for the South Dakota Investment Fund Limited Partnerships (EB-5 entities) to assure that the interest of the limited partners are met, including the creation of necessary job credits needed for the I-829 process and the repayment of the loans.

SDRC Inc., typically enters into an agreement with a local commercial institution to handle all the loan closing and monitoring functions related to each project. Additionally, SDRC Inc. will engage public accountants and other professionals to protect the integrity of all projects. Finally, SDRC Inc. communicates with the EB-5 investors to assure that they obtain timely performance, tax and other data related to the investments.

SDRC Inc. also manages the Regional Center's overseas promotional activities including the relationships with overseas agencies to assure that EB-5 investors are recruited efficiently and ethically. This is accomplished through effective communications and contractual agreements.

SDRC Inc. will work closely with SDTSD in selecting regional center projects that benefit the State of South Dakota and the EB-5 investors. This is accomplished with the assistance of local financial institutions, lawyers, accountants and other professional service providers.

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## EB-5

### Overview of EB-5 Program

Obtaining permanent resident status (“Green Card”) in the United States is generally restricted to three paths: Employment-based, Family-based and Entrepreneur-based programs.

Because the Family and Employment-based options are subject to long visa backlogs and other major obstacles, the EB-5 “Immigrant Entrepreneur” program has become one of the fastest and most reliable visa options offered by the United States.

With relaxed eligibility qualifications and a special reserve of 10,000 visas, the EB-5 program opens the door to permanent resident status to retirees, entrepreneurs, students, business owners, professionals and more.

The EB-5 immigrant visa classification has many street names: such as the “Entrepreneur” visa, “Investor” visa and the “Jobs Creation” visa. Regardless of the name, however, Congress created this program with one goal to encourage infusion of foreign capital to benefit the U.S. economy and exchange U.S. residency for job creation benefiting American workers.

In simplest terms, the EB-5 program works like this:

*The U.S. Citizenship and Immigration Service (USCIS) will issue permanent residency to an immigrant (plus spouse and unmarried children under 21) if he contributes a minimum required amount of capital into an America business (“new commercial enterprise”) that will benefit the U.S. economy and create at least 10 full-time, direct jobs for American workers.*

Historically, the biggest criticism of the EB5 program was the requirement that every entrepreneur must create 10 new, full-time and permanent jobs during a 24 month period. That means the immigrant will be required to provide to the USCIS payroll, tax and accounting records proving that he directly employs 10 workers. And by “directly” employs the USCIS means these must be W-2

employees of the entrepreneur or his company. That also means that independent contractors (1099 employees) do not qualify for EB5 program purposes.

If the Immigrant fails to prove that he has created all 10 of these new, full-time and permanent jobs then the USCIS will cancel the immigrant visa and start deportation procedures to remove him and his family from the country.

But this strict job creation rule was significantly softened when the Congress created the new “EB5 Regional Center” program.

## The Regional Center

A special designation issued by the USCIS called “EB-5 Regional Center” (“RC”) provides several major benefits to immigrants seeking residency through the traditional EB-5 program.

One of the most important advantages of working with a designated RC is relaxed job creation requirements — this is critical to obtaining and sustaining permanent residency. Normally, an immigrant must prove he created and sustained 10 new, direct employees over a 24 month period. Under the RC program, however, the immigrant can satisfy residency testing by showing indirect job creation. In other words, the immigrant does not need to show he directly employs any workers.

Another RC advantage is that immigrants may pool capital thereby reducing management responsibilities while increasing job creation results.

On October 2009 President Obama signed into law a three year extension of the EB-5 Regional Center program. This means that immigrants can safely obtain Green Card status through the South Dakota Regional Center program through 2012.

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# USCIS Approval Letters

## An Original Letter

### 1st Amend Notification

### 2nd Amend Notification

### 3rd Amend Notification

### 3rd Amend Notification Revised

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Fax : +82-2-522-1270  
Contact : James Park  
E-Mail : [james@hanullaw.com](mailto:james@hanullaw.com)

If you have more questions, please complete our online form and submit to us.

Name \*

### China

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Korea Tel : +82-10-4210-1030  
Contact : Joe Jin  
E-Mail : [joekim40@gmail.com](mailto:joekim40@gmail.com)



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Form fields for Email, Website, and Message, with a Submit button below.

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## Leadership Team



**Joop Bollen, President of SDRC Inc.**

Joop Bollen is a native of Eindhoven, Netherlands. He came to the United States as a high school exchange student. Bollen then went on to earn a bachelor's degree in economics and business with a specialization in computer science from the University of California, Los Angeles. He earned his master's degree, with honors, in international management from American Graduate School of International Management (Thunderbird) in Glendale, Arizona.

As the managing director of SDRC Inc. Bollen has developed a loan portfolio of over \$150 million dollars funded through different EB-5 related partnerships. Additionally Bollen manages The South Dakota Regional Center, under contract, for the South Dakota Department of Tourism & State Development.

Prior to his current function, Bollen served as the director of the South Dakota International Business Institute Bollen which developed an export assistance center that promoted exports from the State of

South Dakota. Bollen also has developed and implemented a foreign direct investment initiative that attracts international investments to the State of South Dakota. As part of this later initiative Bollen established the South Dakota Regional Center in 2004.

Bollen has served on the board of the Red River Trade Corridor, board of National Association of Small Business International trade Educators and served as vice chair for the South Dakota District Export Council.

Bollen is owner of a real estate business in Aberdeen, South Dakota, and Atlanta, Georgia. Prior to joining SDIBI, Bollen worked for JP Morgan, New York, and Continental Grain Co., Chicago.



### **Maurice (Morrie) Berez, Senior Consultant on the USCIS EB-5 Immigrant Investor Program**

Prior to his retiring from U.S. Citizenship and Immigration Services (USCIS) and joining the South Dakota Regional Center (SDRC) Inc., as Senior Consultant on the USCIS EB-5 Immigrant Investor Program, Mr. Berez had a distinguished career and record of accomplishment in a 38-year U.S. Federal Government career at 4 major Federal Agencies—the U.S. Government Accountability Office (GAO), the U.S. Department of Energy (DOE); the U.S. Immigration and Naturalization Service (INS), and U.S. Citizenship and Immigration Services (USCIS).

When he retired from USCIS in August 2009, Mr. Berez was a Senior Officer in USCIS' Office of International Operations. For 7-years from 2001 through the end of 2008, Mr. Berez was the USCIS Program Manager for the EB-5 Immigrant Investor Program, during which time he was instrumental in restoring the EB-5 immigrant investor program from near death in 2001 to where today it generates up to one-billion dollars per year of direct immigrant investment capital into U.S. job creating activities, operating as an engine for foreign capital flow into the U.S. economy and creating thousands of jobs for U.S. workers.

At USCIS, in addition to the USCIS EB-5 Immigrant Investor Program, Mr. Berez also was responsible for the policies and rules governing the USCIS EB-1, 2 and 3 employment-based immigrant worker program; the E-1/2 nonimmigrant Treaty Trader and Nonimmigrant Treaty Investor programs; and during which Mr. Berez was responsible for U.S. immigration issues and rules

impacting U.S. international commerce and trade activities as part of the United States Delegation for Asian Pacific Economic Cooperation (APEC).

Mr. Berez earned his Baccalaureate Degree in Business and Economics from Portland State University and he completed his Masters Degree from joint studies at Ohio University and Duquesne University, principally in the field of Government and Public Administration, with a minor concentration in the area of African Studies and linguistics.

Telephone: +1-605-725-3251 · Fax: +1-605-725-3255 · E-Mail: [bollenj@sdrc-eb5.com](mailto:bollenj@sdrc-eb5.com)

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6/2/10

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

#34

DATE: 06/02/10

DEPT. 38

HONORABLE MAUREEN DUFFY-LEWIS

JUDGE

R. ALVA

DEPUTY CLERK

HONORABLE  
008.

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

R. LOMELI, CA

Deputy Sheriff

GERI VIRAY, CSR # 7267

Reporter

9:30 am

BS121441

Plaintiff  
Counsel

MAXWELL M. BLECHER (X)  
JENNIFER S. ELKAYAM (X)

DARLEY INTERNATIONAL LLC  
VS  
SOUTH DAKOTA INTERNATIONAL  
BUSINESS INSTITUTE

Defendant  
Counsel

JAMES R. LYNCH (X)

NATURE OF PROCEEDINGS:

PETITION FOR ORDER COMPELLING ARBITRATION

Matter is called for hearing.

Petition is argued and submitted.

LATER:

In the matter heretofore submitted earlier this date,  
the court announces its ruling as follows:

This court has already determined that respondent is  
an appropriate legal entity in that it has ruled on a  
motion to quash.

Judge Pregerson of the United States District Court  
concluded it would be inequitable to allow respondent  
to avoid arbitration.

This court finds that arbitration is proper under  
simple principles of contract and agency.

Joop Bollen - in his position as director - was  
authorized to act on behalf of respondent. By  
arranging and facilitating the Darley-Hanul agreement,  
Bollen did not act ultra vires, but acted within the  
scope of his role as director.

It was reasonable for petitioner to believe that an  
agency relationship existed between respondent and

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### SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

ATE: 06/02/10

DEPT. 38

HONORABLE MAUREEN DUFFY-LEWIS

JUDGE

R. ALVA

DEPUTY CLERK

HONORABLE  
08.

JUDGE PRO TEM

ELECTRONIC RECORDING MONITOR

R. LOMELI, CA

Deputy Sheriff

GERI VIRAY, CSR # 7267

Reporter

9:30 am

BS121441

Plaintiff MAXWELL M. BLECHER (X)  
Counsel JENNIFER S. ELKAYAM (X)

DARLEY INTERNATIONAL LLC  
VS  
SOUTH DAKOTA INTERNATIONAL  
BUSINESS INSTITUTE

Defendant  
Counsel JAMES R. LYNCH (X)

#### NATURE OF PROCEEDINGS:

Hanul. The facts support that Hanul had ostensible authority to bind respondent and that the Board of Regents ratified the agreement. A pre-existing agency relationship can bind a nonsignatory. County of Contra Costa v. Kaiser Foundation Health Plan, Inc. (1995) 47 Cal. App. 4th 237, 242.

There is insufficient showing for estoppel. There is no showing that the acts were outside authority. Under Federal law, petitioner claims direct benefits estoppel, preventing a nonsignatory from avoiding arbitration when it has already received a benefit from that contract. American Bureau of Shipping v. Tencara Shipyard (2nd Cir 1999) 170 F3d 349, 353. The evidence shows that respondent has received a benefit from the contract. Respondent's actions show an affirmation of the agreement.

Petition to compel arbitration GRANTED.

#### CLERK'S CERTIFICATE OF MAILING/ NOTICE OF ENTRY OF ORDER

I, the below named Executive Officer/Clerk of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that this date I served Notice of Entry of the above minute order of 06/02/10 upon each party or counsel named below by depositing in the United States mail at the courthouse in Los Angeles, California, one copy of the original entered herein in a separate sealed envelope

MINUTES ENTERED  
06/02/10  
COUNTY CLERK

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DATE: 06/02/10

DEPT. 38

HONORABLE MAUREEN DUFFY-LEWIS

JUDGE

R. ALVA

DEPUTY CLERK

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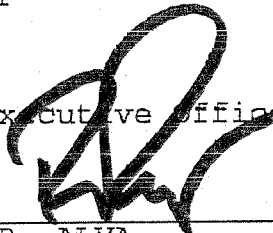
NATURE OF PROCEEDINGS:

for each, addressed as shown below with the postage  
thereon fully prepaid.

Date: 06/02/10

John A. Clarke, Executive Officer/Clerk

By:

  
ROBERT R. ALVA

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