

The background of the slide is a golden-yellow color with a dense, repeating pattern of various international currency symbols. These symbols, including the dollar sign (\$), euro (€), pound sterling (£), and yen (¥), are rendered in a three-dimensional, embossed style, creating a textured effect. The symbols are scattered across the entire background, with some appearing larger and more prominent than others.

International Investment In US Real Estate: Legal Issues

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A vertical decorative bar on the left side of the slide, featuring a golden-yellow background with various 3D-rendered financial symbols such as the dollar sign (\$), pound sign (£), yen sign (¥), and Euro sign (€).

Issuer And Investor Foreign Investor Legal Problems

- Intermediaries and Other Finance Sources Licensing And Verification
- Securities Raise Reporting And Agreements
- Visa Qualification By Investment And By Job Status For International Investors and their families

Intermediaries and Other Finance Sources

Licensing And Verification

Dealmaker Types:

- Realtors
- Lawyers
- Accountants
- Bankers
- Investment Advisers
- Other “Finders”

Intermediaries and Other Finance Sources Licensing And Verification

Realtor Licensing Problems

a. **Issues:** Affiliation and Local License Requirements for Deal Participation or Referral

b. **Options:** Consulting fees, or affiliation, or US local site realtor/international realtor division of labor



Intermediaries and Other Finance Sources Licensing And Verification

Securities Licensing Problems

Issue: US Broker-dealer status and licensing exams needed for percentage return on investment placement

Intermediaries and Other Finance Sources

Licensing And Verification

Broker-Dealer License Exceptions

- **Short-term loans:** Commercial loans may not be SEC regulated
- **“Issuer Officer”:** Developer entity office with more than just investment sales as basis for compensation, only one deal/yr.
- **“Fund Manager”:** Use investment advisers, lawyers, broker-dealers, etc... to promote and hold investments, fund invests in multiple deals

Securities Raise Reporting And Agreements

Reporting and Disclosure Laws

- **Private Placement:** US and local (e.g. European Union) disclosure documents and reporting rules may apply. Disclosure of all “material” facts needed, dollar amount to raise limits, official reports of placement and of completion of placements
- **SEC Regulation S:** International promotion and investors only, SEC still requires disclosure documents, other country exchange listings grandfathered

Securities Raise Reporting And Agreements

Agreements Example:

- **Resort Development:** Developer hires US realtor to find unit buyers and/or investment partners
- **Deal Agreements Needed:** Developer entity, fund formation or direct investment, subscription agreements for investors, purchase agreements for units, construction agreements, service providers, site promotion and management agreements

Visa Qualification By Investment And By Job Status For International Investors and their families

Visa Types For Investors

B-1 Temporary Business Visitor: Temporary business visitor to conduct activities of a commercial or professional nature. For example, consult with business associates, negotiate a contract, or attend a business conference

- **Advantages:** Easy qualification, travel agencies/consulates issue routinely, no quota, 6 month stay possible, renewable in some countries (e.g. China) for multiple years of re-entry
- **Disadvantage:** No compensation from US source for work in USA, no immigrant visa eligibility

Visa Qualification By Investment And By Job Status For International Investors and their families

Visa Types For Investors

Immigrant Entrepreneur Parole Rule: Noncitizen owner and family may be admitted for period of work on high potential startup business

- **Advantages:** \$264,147 investment, not over \$1 million or \$800,000, per EB-5, shorter wait times, renewable up to 5 years in US
- **Disadvantage:** No immigrant visa eligibility

Visa Qualification By Investment And By Job Status For International Investors and their families

Visa Types For Investors

EB-1 Executive Admission: Managers of non-US Business Admissible for US Affiliate management functions with families, can work in USA

- **Advantages:** No investment requirements, family admission
- **Disadvantage:** No immigrant visa eligibility, time in business periods for business existence and US entity where executive is to work

Visa Qualification By Investment And By Job Status For International Investors and their families

Visa Types For Investors

EB-5 Investor: Investor in startup or 40% increase in business/business rescue venture in US that will create 10 US jobs in 2 years

- **Advantages:** Admission with investment (\$1 million plus independent, \$800,000 regional center), family admission, Green card eligible after create 10 jobs in 2 years
- **Disadvantages:** Limited number of visas/country mean decade-long wait for China entrepreneurs, many years for India, less for other country investors, capital commitments may be needed before immigrant can be admitted to US residence

Visa Qualification By Investment And By Job Status For International Investors and their families

Visa Application Process

USCIS Fees: Low for business visitor, higher for immigrant entrepreneur parole, executive, or EB-5 investor – latter requires new fees for green card stage

Professional Costs: Business plan preparation, accountants, lawyers

Processing Times: Short for business, longer if contested entry countries (Ukraine, other refugee producing countries) even if short-term visa, longer for executive admission, longest for EB-5

Any Questions?

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