

U.S. Department of Homeland Security  
U.S. Citizenship and Immigration Services  
*Immigrant Investor Program*  
131 M Street, NE, MS 2235  
Washington, DC 20529



**U.S. Citizenship  
and Immigration  
Services**

**TO:**  
Green Card Gateway Regional Center  
Ganesan Visvabharathy  
100 Tower Dr, Suite 131  
Burr Ridge, IL 60527

**DATE:** March 30, 2017  
**Application: Form I-924**  
**A-Number:**  
**File: RCW1136450473 /**  
**ID1136450473**

### **NOTICE OF TERMINATION**

This letter shall serve as notification that U.S. Citizenship and Immigration Services ("USCIS") has terminated the designation of Green Card Gateway Regional Center (the "Regional Center") as a regional center under the Immigrant Investor Program (the "Program") pursuant to Title 8 of the Code of Federal Regulations ("8 C.F.R.") section 204.6(m)(6). The reasons for the termination are explained, below:

**(SEE ATTACHED)**

If the Regional Center disagrees with this decision, or if the Regional Center has additional evidence that shows this decision is incorrect, the Regional Center may file a motion or an appeal to this decision by filing a completed Form I-290B, Notice of Appeal or Motion, along with the appropriate filing fee. A copy is enclosed. The Regional Center may also include a brief or other written statement and additional evidence in support of the motion or appeal. The Form I-290B must be filed within 33 days from the date of this notice. If a motion or appeal is not filed within 33 days, this decision is final.

The Regional Center must send the completed Form I-290B and supporting documentation with the appropriate filing fee to the address indicated below.

If using the U.S. Postal Service:

USCIS  
P.O. Box 660168  
Dallas, TX 75266

If using USPS Express Main/Courier:

USCIS  
Attn: I-290B  
2501 S. State Highway 121 Business  
Suite 400  
Lewisville, TX 75067

For an appeal, the Regional Center may request additional time to submit a brief within 30 calendar days of filing the appeal. Any brief, written statement, or evidence in support of an appeal that is not filed with Form I-290B must be directly sent within 30 days of filing the appeal to:

Green Card Gateway Regional Center – **Designation Terminated**

ID (formerly #) ID1136450473

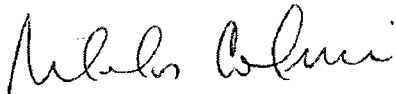
RCW1136450473

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USCIS Administrative Appeals Office  
U.S. Citizenship and Immigration Services  
20 Massachusetts Avenue, NW, MS 2090  
Washington, DC 20529-2090

For more information about the filing requirements for appeals and motions, please see 8 C.F.R. § 103.3 or 103.5, or visit the USCIS website at [www.uscis.gov](http://www.uscis.gov).

Sincerely,



Nicholas Colucci  
Chief, Immigrant Investor Program

Enclosure: (1) Form I-290B with instructions  
(2) Notice of Intent to Terminate issued on June 1, 2016

cc: H. Ronald Klasko  
Klasko Immigration Law Partners, LLP  
1601 Market St. Suite 2600  
Philadelphia, PA 19103

**NOTICE OF TERMINATION**  
**Termination of Regional Center Designation Under the Immigrant Investor Program**  
**Green Card Gateway Regional Center**

The regulation at 8 C.F.R. § 204.6(m)(6) (*Continued participation requirements for regional centers*) provides:

(i) Regional centers approved for participation in the program must:

(A) Continue to meet the requirements of section 610(a) of the Appropriations Act.

(B) Provide USCIS with updated information annually, and/or as otherwise requested by USCIS, to demonstrate that the regional center is continuing to promote economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area, using a form designated for this purpose; and

(C) Pay the fee provided by 8 CFR 103.7(b)(1)(i)(XX).

(ii) USCIS will issue a notice of intent to terminate the designation of a regional center in the program if:

(A) A regional center fails to submit the information required in paragraph (m)(6)(i)(B) of this section, or pay the associated fee; or

(B) USCIS determines that the regional center no longer serves the purpose of promoting economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.

(iii) A notice of intent to terminate the designation of a regional center will be sent to the regional center and set forth the reasons for termination.

(iv) The regional center will be provided 30 days from receipt of the notice of intent to terminate to rebut the ground or grounds stated in the notice of intent to terminate.

(v) USCIS will notify the regional center of the final decision. If USCIS determines that the regional center's participation in the program should be terminated, USCIS will state the reasons for termination. The regional center may appeal the final termination decision in accordance with 8 CFR 103.3.

(vi) A regional center may elect to withdraw from the program and request a termination of the regional center designation. The regional center must notify USCIS of such

election in the form of a letter or as otherwise requested by USCIS. USCIS will notify the regional center of its decision regarding the withdrawal request in writing.

### **I. Procedural History**

On July 30, 2013, USCIS designated and authorized the Regional Center’s participation in the Program. On June 1, 2016, USCIS issued a Notice of Intent to Terminate (“NOIT”) to the Regional Center which afforded the Regional Center 30 days from receipt of the NOIT to offer evidence in opposition to the grounds alleged in the NOIT. On July 5, 2016, USCIS received a response to the NOIT (the “NOIT Response”), which did not sufficiently address the grounds alleged in the NOIT. Accordingly, USCIS has determined that the Regional Center’s participation in the Program should be terminated. Pursuant to 8 C.F.R. § 204.6(m)(6)(v) and through this Notice of Termination, USCIS hereby terminates the Regional Center’s participation in the Program.

### **II. Reasons for Termination**

USCIS has determined that the Regional Center no longer serves the purpose of promoting economic growth, including increased export sales, improved regional productivity, job creation, or increased domestic capital investment as required by 8 C.F.R. § 204.6(m)(6).

#### **A. Failure to Continue to Serve the Purpose of Promoting Economic Growth**

Regional centers are designated for the promotion of economic growth and must continue to meet the requirements of section 610(a) of the Appropriations Act as amended, and promote economic growth in a manner that does not conflict with requirements for classification under section 203(b)(5) of the Immigration and Nationality Act (“INA”), removal of conditions on lawful permanent residence under section 216A of the INA, and implementing regulations following their designation. According to section 610(a) of the Appropriations Act, economic growth includes increased export sales, improved regional productivity, job creation, or increased domestic capital investment. *See also* 8 C.F.R. § 204.6(m)(6)(ii) (“USCIS will issue a notice of intent to terminate the designation of a regional center in the program if . . . USCIS determines that the regional center no longer serves the purpose of promoting economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.”).

The reasons why a regional center may no longer serve the purpose of promoting economic growth are varied and “extend beyond inactivity on the part of a regional center.” 75 FR 58962. For example, depending on the facts, a regional center that takes actions that undermine investors’ ability to comply with EB-5 statutory and regulatory requirements such that investors cannot obtain EB-5 classification through investment in the regional center may no longer serve the purpose of promoting economic growth. *See* Section 610(a)-(b) of the Appropriations Act (stating that one purpose of a regional center is to concentrate pooled investment in defined economic zones and accomplishing such pooled investment by setting aside visas for aliens classified under INA 203(b)(5)). Likewise, a regional center that fails to

engage in proper monitoring and oversight of the capital investment activities and jobs created or maintained under the sponsorship of the regional center may no longer serve the purpose of promoting economic growth in compliance with the Program and its authorities.

When derogatory information arises (such as evidence of inaction, mismanagement, theft, or fraud by the regional center or related entities), USCIS weighs all relevant factors in the totality of the circumstances to determine whether the regional center is continuing to serve the purpose of promoting economic growth. Such factors may include the seriousness of the derogatory information, the degree of regional center involvement in the activities described in the derogatory information, any resulting damage or risk imposed on investors and the economy, as well as any mitigating, corrective, or restorative actions taken or forthcoming to redress the situation.

USCIS has considered all evidence in the record including evidence provided in response to the NOIT “for relevance, probative value, and credibility, both individually and within the context of the totality of the evidence,” in determining whether the Regional Center’s continued participation is justified under the regulations by a preponderance of the evidence. *See Matter of Chawathe*, 25 I&N Dec. 369, 376 (AAO 2010). For the reasons set forth below, USCIS has determined by a preponderance of the evidence that the Regional Center no longer serves the purpose of promoting economic growth in compliance with the Program.

***1. Lack of Regional Center Activity***

As noted in the NOIT, the Regional Center’s Form I-924A filings for fiscal years 2013, 2014, and 2015<sup>1</sup> do not report any EB-5 capital investment or job creation. In addition, although USCIS designated the Regional Center on June 30, 2013, the Form I-924A filings do not report any pending or approved Forms I-526 filed by petitioners who have made or are actively in the process of making investments associated with the Regional Center.

In the NOIT response, the Regional Center provided the following evidence:

- Statement of Ganesan Visvabharathy, dated June 30, 2016;
- Business Plan for Hawthorne Center Facilities, LLLP, dated December 2015;
- Economic Analysis for the Hawthorne Center Project, prepared by Wright Johnson, LLC, dated December 1, 2015;
- Private Offering Memorandum for Hawthorne Center Funds, with supplements, dated April 28, 2016;

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<sup>1</sup> Although not included in the NOIT from June 1, 2016, USCIS notes that as of the date of this Notice of Termination, the Regional Center did not file a Form I-924A for fiscal year 2016.

- Subscription Agreement for Hawthorne Center Funds I, LP, undated;
- Partnership Agreement for Hawthorne Center Funds I, LP, undated;
- Building Plans for Frankfort Assisted Living Facility;
- Consulting Agreement between Gerald W. Shea and Hawthorne Development Corporation, dated September 22, 2015;
- Sponsorship Agreement between the Regional Center and Tramont Manufacturing, LLC, dated June 20, 2016; and
- Sponsorship Agreement between the Regional Center and UCA Group, dated June 20, 2016.

Despite the evidence submitted by the Regional Center in response to the NOIT, the Regional Center has not established that it has promoted economic growth, including evidence of increased export sales, improved regional productivity, job creation, or increased domestic capital investment. The response was deficient in both the credibility of the proposed project and the geographic area in which the Regional Center anticipated promoting future projects.

### **The Proposed Project**

The bulk of the evidence relates to a project titled “Hawthorne Center Project” (the “Project”), including a business plan, economic analysis, private offering memorandum, subscription agreement, and partnership agreement. According to the business plan for Hawthorne Center Facilities, LLLP, a new commercial enterprise (the “NCE”), will pool [REDACTED] immigrant investors to fund the development and operation of a mixed-use real estate project in Mount Vernon, IL, comprising a senior living facility, a hotel, and twenty-two townhome buildings, titled “Hawthorne Center.” Based on the economic analysis by Wright Johnson, LLC, the Project and would create approximately [REDACTED] new jobs. (b)(4)

(b)(4)

The business plan explains that the NCE would be made up of Hawthorne Fund Management Corporation as general partner and the Foreign Investors (EB-5 Visa Program) as limited partners. The NCE would then loan all of the EB-5 capital investment from the limited partners to Hawthorne Center Funds, LLC, the job-creating entity (the “JCE”). The JCE would construct, own, and operate the Project. [REDACTED]

(b)(4)

In support of the business plan, the Regional Center submitted a Subscription Agreement and a Partnership Agreement for Hawthorne Center Funds I, LP. It is unclear whether this entity relates to the NCE identified in the business plan or a separate entity. Additionally, the Regional Center submitted a Private Offering Memorandum for Hawthorne Center Funds. Again, it is unclear whether this entity relates to the NCE identified in the business plan.

The Regional Center did not provide any evidence that the NCE, JCE, or any of the entities listed in the business plan, the Subscription Agreement, the Partnership Agreement, or Private Offering Memorandum actually exist as legal, registered business entities in the State of Illinois or in any other jurisdiction. The Regional Center did not provide any evidence showing that it had taken any steps toward securing financing or owner's equity for the Project. There is no evidence in the record showing that the Regional Center has taken any other actual, concrete steps toward obtaining land, securing contracts, obtaining licenses and permits, or any other activity that would show that the Project is anything more than a mere proposal. Therefore, the evidence related to the Hawthorne Center Project does not tend to show that the Regional Center is engaged or will be engaged in promoting economic growth.

Additionally, the Regional Center submitted a Consulting Agreement between Gerald W. Shea and Hawthorne Development Corporation, dated September 22, 2015. The Consulting Agreement with Mr. Shea indicates that, for a period of one year, the Regional Center would assist Mr. Shea in renting the Regional Center's designation to promote his own projects and establishing his own regional center under the EB-5 program. At the time the Regional Center submitted the response to the NOIT, over nine months had passed since the beginning of the agreement, but the Regional Center did not provide any evidence to show that it had provided any of the listed consulting services. As of the date of this Notice, USCIS has no record of any projects sponsored in relation to the Consulting Agreement. Therefore, the Consulting Agreement does not tend to show that the Regional Center is engaged or will be engaged in promoting economic growth.

### **Proposed Future Projects**

According to the letter approving the Regional Center's designation as a regional center in the EB-5 program, the Regional Center's geographic scope included only Hamilton and Jefferson Counties in Illinois, and its industry categories included only Real Estate (NAICS 2361), Residential Building Construction (NAICS 2362), Nonresidential Building Construction (NAICS 531), and Nursing and Residential Care Facilities (NAICS 631).

Under the business plan for Hawthorne Center, the Regional Center intended to expand<sup>2</sup> to include Franklin, Marion, Washington, Wayne, and Williamson counties in Illinois and would add several industry categories to its industries of focus<sup>3</sup>.

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<sup>2</sup> The business plan relies on language included in the USCIS Policy Memorandum dated May 30, 2013, pages 22, 23, which indicated that changes to a regional center's geographic scope or industries of focus do not require formal amendments. This policy was superseded with the publication of the updated Form I-924, Application for Regional Center Designation, dated December 23, 2016. Under the new policy, regional centers are now required to file a formal amendment for changes to the regional center's name, ownership, organizational structure, principals, administrative oversight, and geographic scope. See <https://www.uscis.gov/i-924>.

Section 610(a) of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, as amended, provides in part: “A regional center shall have jurisdiction over *a limited geographic area*, which shall be described in the proposal and consistent with the purpose of concentrating pooled investment in *defined economic zones*.” (Emphasis Added)

The Regional Center provided copies of building plans for a senior living facility in Frankfort, IL, a project that it intends to sponsor in the future. Other than the building plans, the Regional Center provided no information regarding the expected timeline, funding, or any other details regarding the senior living facility. USCIS notes that Frankfort, IL, is located in Will County, IL, and is not included in the Regional Center’s approved geographic scope or the proposed expanded scope, listed above. Since the proposed senior living facility is outside the Regional Center’s approved geographic scope, and the record does not include sufficient evidence to determine whether the proposed project is viable, the evidence related to the proposed project does not tend to show that the Regional Center is engaged or will be engaged in promoting economic growth.

The Sponsorship Agreement with Tramont Manufacturing, dated June 20, 2016, was signed on June 29, 2016—just before the Regional Center submitted its response to the NOIT. The Sponsorship Agreement indicates that the Regional Center will provide sponsorship and support for Tramont Manufacturing’s development project located in Lockport, IL. Again, USCIS notes that Lockport, IL is located in Will County, IL, which is not in the Regional Center’s approved or proposed geographic scope. The Regional Center did not provide any information about the proposed project. As of the date of this Notice, USCIS has no record of any petitions or applications filed pursuant to the proposed project.

The Sponsorship Agreement with UCA Group, dated June 20, 2016, was not executed by either party. Again, the agreement indicates that the Regional Center will provide sponsorship and support for UCA Group’s project in Lockport, IL, which is not within the Regional Center’s approved or proposed geographic scope. The Regional Center did not provide any other information about the proposed project. As of the date of this Notice, USCIS has no record of any petitions or applications filed pursuant to the proposed project.

Since the record does not include sufficient detail related to either project described in the Sponsorship Agreements, the Sponsorship agreements do not tend to show that the Regional Center is engaged or will be engaged in promoting economic growth.

The evidence in the record fails to show that the Regional Center has engaged in the promotion of economic growth including evidence of increased export sales, improved regional productivity, job creation, or increased domestic capital investment. Additionally, the Regional Center has not provided credible evidence showing that it is more likely than not to promote such economic growth.

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<sup>3</sup> The new industries of focus would include Household Appliances, Electrical, and Electrical Goods Merchant Wholesaler (NAICS 4236), Lessors of Real Estate (NAICS 5311), Continuing Care Retirement Communities, and Assisted Living Facilities for the Elderly (NAICS 6233), and Traveler Accommodations (NAICS 7211).



In the absence of evidence of increased export sales, improved regional productivity, job creation, or increased domestic capital investment, USCIS concludes that the Regional Center no longer serves the purpose of promoting economic growth.

### **III. Conclusion**

For the reasons described above and set forth in the NOIT and pursuant to 8 C.F.R. 204.6(m)(6), USCIS has determined that the Regional Center no longer serves the purpose of promoting economic growth and hereby terminates the Regional Center's participation in the Program.

If the Regional Center disagrees with this decision, or if the Regional Center has additional evidence that shows this decision is incorrect, the Regional Center may file a motion or an appeal to this decision by filing a completed Form I-290B, Notice of Appeal or Motion, along with the appropriate filing fee. A copy is enclosed. The Regional Center may also include a brief or other written statement and additional evidence in support of the motion or appeal. The Form I-290B must be filed within 33 days from the date of this notice. If a motion or appeal is not filed within 33 days, this decision is final.

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