



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

DATE: 07/17/2014

Thomas Mende
Carolina Growth Regional Center, LLC
C/O Pangea Holdings, LLC
1297 Professional Drive, Suite 202
Myrtle Beach, SC 29577

Application: Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program

Applicant(s): Carolina Growth Regional Center, LLC

Re: Initial Regional Center Designation
Carolina Growth Regional Center, LLC
RCW1226550767/ ID1226550767

This notice is in reference to the Form I-924, Application for Regional Center under the Immigrant Investor Pilot Program that was filed by the applicant with the U.S. Citizenship and Immigration Services ("USCIS") on 09/21/2012. The Form I-924 application was filed to request approval of initial regional center designation under the Immigrant Investor Program. The Immigrant Investor Program was established under § 610 of the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993 (Pub. L. 102-395, Oct. 6, 1992, 106 Stat. 1874).

In addition to the Form I-924, the applicant submitted a completed exemplar Form I-526, Immigrant Petition by Alien Entrepreneur, seeking USCIS review and approval of an actual project supported by a comprehensive business plan as contemplated in Matter of Ho, 22 I. & N. Dec. 206 (Assoc. Comm'r 1998).

I. Executive Summary of Adjudication

Effective the date of this notice, USCIS approves the Form I-924 request to designate Carolina Growth Regional Center, LLC as a qualifying participant in the Immigrant Investor Program.

1. Effective the date of this notice, USCIS approves the Carolina Sawmills, LP project based on the evidence submitted with the exemplar Form I-526.

II. Regional Center Designation

USCIS approves the applicant's request to focus, promote economic growth, and offer capital investment opportunities in the following geographic area and industry categories:

A. Geographic Area

State	Counties
North Carolina	Bladen, Duplin, Granville, Halifax, Harnett, Moore, Northampton, Richmond, Sampson, Scotland, Vance and Warren.

B. Industry Categories¹

NAICS	Industry Name
1130	Forestry and Logging
1150	Support Activities for Agriculture and Forestry
2300	Construction
3100-3300	Manufacturing
4200	Wholesale Trade
4400-4500	Retail Trade
4800-4900	Transportation and Warehousing
5200	Finance and Insurance
5410	Professional, Scientific, and Technical Services
5610	Administrative and Support Services
5620	Waste Management and Remediation Services
6100	Educational Services
6200	Health Care and Social Assistance
7100	Arts, Entertainment, and Recreation
7200	Accommodation and Food Services

III. The Project

Effective the date of this notice, USCIS approves the applicant's request to include the following actual capital investment project supported by an exemplar Form I-526.

¹ USCIS issued a Policy Memorandum (PM-602-0083) on the subject of "EB-5 Adjudication Policy," dated May 30, 2013, stating that formal amendments to the regional center designation are no longer required when a regional center changes its industries of focus or geographic boundaries. A regional center may still elect to pursue a formal amendment by filing Form I-924 if it seeks certainty in advance that changes in the industries or the geographic area will be permissible prior to filing Form I-526 petitions.

Project	Type of Project	Organization Documents	Date of Document
Carolina Sawmills, LP Geographic Location: Halifax County, NC. Focus of Investment: Loan & equity.	Exemplar Form I-526 Petition Project	Business Plan	Submission date as of 09/21/2012, Supplement information 04/14/2014 ² and 07/14/2014 ³
		Economic Analysis	April, 2014
		Confidential Private Placement Memorandum	03/14/2014
		Subscription Agreement	01/09/2014
		Carolina Saw Mills, LP Limited Partnership Agreement	03/20/2014
		Subscriber Escrow Agreement	01/09/2014
		Loan Agreement	03/14/2014

Note: If changes to this project and its supporting documents are found in subsequent Form I-526 or Form I-829 petitions, USCIS will review the supporting documents once more to ensure compliance with EB-5 program requirements.

The proposal identifies the new commercial enterprise ("NCE") of the project as Carolina Sawmills, LP, which was formed in the State of North Carolina on 06/21/2012. The project is located in Halifax County, North Carolina. Approximately [redacted] immigrant investors will subscribe to the NCE as limited partners in exchange for capital contributions of \$500,000 each and an aggregate of [redacted] (b)(4)

The NCE will loan the [redacted] of EB-5 capital to a third-party entity, Klausner Lumber Two, LLC. The EB-5 capital loan proceeds will be used to partially finance the development, construction, and operation of a Southern Yellow Pine Sawmill in Halifax County, North Carolina. The projected total cost of the project is approximately [redacted] million. The project will take more than two (2) years to complete and will generate approximately [redacted] total jobs. This information is supported by the job creation section. (b)(4)

A. Job Creation

USCIS approves the geographic area and industry categories noted above based on the economic impact analysis presented and reviewed in conjunction with the adjudication of this capital investment project. The job creation methodology presented in the economic

² Please reference the Construction Cost Analysis (Appendix A) and Financial Statement (Appendix E) within the Request for Evidence response dated 04/14/2014.

³ Please reference page 2 of the Request for Clarification response dated 07/14/2014 for business supplemental information regarding the total cost of the project.

⁴ The Confidential Private Placement Memorandum (PPM) dated 03/04/2014 supports a minimum equity investment [redacted] with a provision as outlined on page 1 & 2 to raise an additional [redacted]. This PPM potentially has the capacity to support up to [redacted] EB-5 investors.

(b)(4)

(b)(4)

impact analysis and underlying business plan is found to be reasonable based on the following inputs, when applying the RIMS II economic model:

NAICS	Industry Name	Input (\$, Millions) ⁵	Multiplier	Total Jobs
2300	Construction and site preparation	(b)(4)	(b)(4)	(b)(4)
5419A	Other Professional, Scientific, and Technical Services			
33329A	Other Industrial Machinery Manufacturing/ US Equipment CapEx			
3211	Sawmills and Wood Preservation/ Annualized Revenues @Month 24			
	Total			

The approval of this Form I-924 application supported by an exemplar Form I-526 petition is based upon the assumptions and estimates used as inputs in the business plan for job creation. Please refer to the input and multiplier analysis table above.

When an actual project is specifically named in this notice and the critical inputs remain materially unchanged, USCIS will give deference to the job creation methodology when adjudicating Forms I-526 associated with the named project. The same business plan and the same reasonable job creation methodology and projected inputs must be submitted when the individual investor's Form I-526 is filed in order to receive deference.

It will be the responsibility of the individual investor to demonstrate that the assumptions and estimates presented as inputs to the job creation methodology remain materially unchanged when he or she files a Form I-526. When filing Form I-829 for removal of conditional status, the individual investor has the burden of demonstrating that the assumptions and estimates presented as inputs to the job creation methodology have not materially changed and have been realized (or can be expected to be realized within a reasonable time).

If the job creation estimated in the business plan materially changes or will not be realized, then it will be the responsibility of the EB-5 investor to notify USCIS of an agreed upon methodology to allocate job creation among eligible investors.

IV. Guidelines for Filing Form I-526 Petitions Based on Carolina Sawmills, LP project

⁵ Construction, professional services, machinery costs and revenue assumptions are supported by the Construction Cost Analysis and Financial Statement provided by the Request for Evidence response dated 04/14/2014 (Appendix A and E) and Request for Clarification response dated 07/14/2014.

Each individual petition, in order to demonstrate that it is affiliated with the Carolina Growth Regional Center, LLC, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain the following:

1. A copy of this regional center approval notice and designation letter including all subsequent amendment approval letters (if applicable).
2. An economic impact analysis which reflects a job creation methodology required at 8 CFR § 204.6 (j)(4)(iii) and shows how the capital investment by an individual immigrant investor will create not fewer than ten (10) indirect jobs for each immigrant investor.
3. A comprehensive, detailed and credible business plan for an actual project that contains the factual details necessary to be in compliance with the requirements described in Matter of Ho, 22 I&N Dec. 206 (Assoc. Comm'r 1998).
4. Legally executed organizational documents of the commercial enterprise. The documents may be the same documents noted in Section III of this approval notice.

Note: If the project timeline has changed significantly from the original business plan, a narrative that explains the changes in the project timeline, along with a timeline that realistically reflects the status of the project should be submitted.

V. Designee's Responsibilities in the Operations of the Regional Center

As provided in 8 CFR § 204.6 (m)(6), to ensure that the regional center continues to meet the requirements of section 610(a) of the Appropriations Act, a regional center must provide USCIS with updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information must be submitted to USCIS on an annual basis or as otherwise requested by USCIS. The applicant must monitor all investment activities under the sponsorship of the regional center and to maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A, Supplement to Form I-924 Application is available in the "Forms" section on the USCIS website at www.uscis.gov.

Regional centers that remain designated for participation in the Immigrant Investor Program as of September 30th of a calendar year are required to file Form I-924A Supplement in that year. The Form I-924A Supplement with the required supporting documentation must be filed on or before December 29th of the same calendar year.

The failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Program will result in the issuance of an intent to terminate the participation of the regional center in the Immigrant Investor Program, which may ultimately result in the termination of the designation of the regional center.

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The regional center designation is non-transferable.

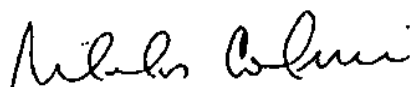
VI. Legal Notice

This approval and designation of a Regional Center under the Immigrant Investor Program does not constitute or imply an endorsement or recommendation by USCIS, the United States Government or any instrumentality thereof, of the investment opportunities, projects or other business activities related to or undertaken by such Regional Center. Except as expressly set forth in this approval and designation, USCIS has not reviewed any information provided in connection with or otherwise related to the Regional Center for compliance with relevant securities laws or any other laws unrelated to eligibility for designation as a Regional Center. Accordingly USCIS makes no determination or representation whatsoever regarding the compliance of either the Regional Center or associated New Commercial Enterprises with such laws.

Each Regional Center designated by USCIS must monitor and oversee all investment offerings and activities associated with, through or under the sponsorship of the Regional Center. The failure of an associated New Commercial Enterprise to comply with all laws and regulations related to such investment offerings and activities may result in the issuance by USCIS of a notice of intent to terminate the Regional Center designation.

If the applicant has any questions concerning the regional center designation under the Immigrant Investor Program, please contact the USCIS by email at USCIS.ImmigrantInvestorProgram@uscis.dhs.gov.

Sincerely,



Nicholas Colucci
Chief, Immigrant Investor Program

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