



U.S. Citizenship
and Immigration
Services

Date: APR 19 2011

UND Center for Innovation Foundation
C/O Bruce Gjovig, CEO
4200 James Ray Drive
Grand Forks, North Dakota 58203

Application: Request for Designation as a Regional Center
Applicant(s): Bruce Gjovig

Re: UND Center for Innovation Foundation Regional Center
RCW1031910017/(formerly W09001760)

Pursuant to Section 610 of the Appropriations Act of 1993, on April 22, 2010, Bruce Gjovig submitted a proposal seeking approval and designation by U.S. Citizenship and Immigration Services (USCIS) of the UND Center for Innovation Foundation Regional Center.

USCIS hereby designates UND Center for Innovation Foundation Regional Center as a Regional Center within the Immigrant Investor Pilot Program and approves the request as described below:

FOCUS OF INVESTMENT ACTIVITY:

As depicted in the economic model, the general proposal, business plan and associated economic analysis, the Regional Center will engage in the following economic activities: to purchase capital equipment for industry clusters in the Regional Center.

The Regional Center shall focus on offering EB-5 compliant capital investment opportunities into new commercial enterprises or a mix of commercial enterprises in the following target industry economic clusters:

1. NAICS 11 Agriculture, Forestry, Fishing & Hunting
2. NAICS 31 Manufacturing
3. NAICS 33312 Construction Machinery Manufacturing
4. NAICS 333131 Mining Machinery Manufacturing
5. NAICS 3364 Aerospace Product & Parts Manufacturing
6. NAICS 51 Information
7. NAICS 541711 Research and Development in Biotechnology
8. NAICS 22112 Electric Power Transmission, Control, and Distribution
9. NAICS 53 Real Estate

If any investment opportunities arise that are beyond the scope of the approved industry clusters, then an amendment would be required to add that cluster.

GEOGRAPHIC AREA:

The UND Center for Innovation Foundation Regional Center shall have a geographic scope to include the entire state of North Dakota and 20 counties in Northwestern Minnesota, which includes Kittson, Roseau, Marshall, Pennington, Beltrami, Red Lake, Polk, Norman, Clay, Otter Tail, Douglas, Pope, Traverse, Stevens, Wilkin, Becker, Mahnommen, Clearwater, Grant, and Lake of the Woods.

The geographic focus of this area may contain some High Unemployment Targeted Employment Areas (TEAs) as designated by the States of North Dakota and Minnesota and rural TEAs, as defined in 8 CFR 204.6(e). Therefore, the minimum capital investment threshold for any individual immigrant investment into an approved commercial enterprise throughout the Regional Center shall be not less than \$500,000, if the investment target is located within a TEA or \$1,000,000 if it is located outside of a TEA. No debt arrangement will be acceptable unless it is secured by assets owned by the alien entrepreneur. A full capital investment must be made and placed at risk.

For any alien requesting the reduced threshold of \$500,000 based upon an investment in a Targeted Employment area, the alien must establish at the time of filing of the I-526 petition that either the investment will be made in a TEA designated area or was in a TEA designated area at the time of the alien's initial investment into the enterprise.

EMPLOYMENT CREATION

The econometric model is IMPLAN. Immigrant investors who file petitions for capital investments in new commercial enterprises located within and affiliated with the Regional Center area must fulfill all of the requirements set forth in INA 203(b)(5), 8 CFR 204.6, and 8 CFR 216.6, except that the petition need not show that the new commercial enterprises created ten new jobs directly as a result of the immigrant investor's investment. The determination whether the alien investor has met the job creation requirements will be established by a review of the required initial evidence at 8 CFR 204.6(j) and 8 CFR 216.6(a)(4) for the Form I-526 and Form I-829 petitions, respectively. The capital investment and job creation activities outlined in the individual petitions must fall within the bounds of the final economic analysis that is contained as part of the approved Regional Center proposal and its indirect job creation model and multipliers contained within the final approved Regional Center application package. The immigrant investor must show at the time of removal of conditions that they performed the activities described in Form I-526 petition, and the activities must be based on the approved regional center methodology for demonstrating job creation.

In addition, where job creation or preservation of existing jobs is claimed based on a multiplier rooted in underlying new "direct jobs", the immigrant investor's individual I-526 petition affiliated with your Regional Center, should include as supporting evidence:

- A comprehensive detailed business plan with supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of any new direct jobs for "qualifying employees" to be achieved/realized within two years pursuant to 8 CFR 204.6(j)(4)(B).

An alien investor's I-829 petition to remove the conditions which was based on an I-526 petition approval that involved the creation of new direct jobs or the creation of new indirect jobs based on a multiplier tied to underlying new direct jobs needs to be properly supported by evidence of job creation. To support the full number of direct and indirect new jobs being claimed in connection with removal of conditions, the petition will need to be supported by probative evidence of the number of new direct full time (35 hours per week) jobs for qualified employees whose positions have been created as a result of the alien's investment. Such evidence may include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of qualified employees whose jobs were created directly.

Additional Guidelines for individual Immigrant Investors Visa Petition (I-526)

Each individual petition, in order to demonstrate that it is associated with the Regional Center, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain as supporting evidence relating to this Regional Center designation, the following:

1. A copy of this letter, the Regional Center approval and designation.
2. A copy of the USCIS approved Regional Center narrative proposal and business plan.
3. A copy of the job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the final Regional Center economic analysis which has been approved by USCIS, which reflects that investment by an individual immigrant investor will create not fewer than ten (10) full-time employment positions, either directly or indirectly, per immigrant investor.
4. A legally executed copy of the following documents if issued to the EB-5 Immigrant Investor:

a. Private Placement Memorandum	Not Reviewed
b. Subscription Agreement	Not Reviewed
c. Operating Agreement	Not Reviewed
d. Escrow Agreement	Not Reviewed
e. Limited Partnership Agreement	Not Reviewed

Note that these documents must be submitted with any I-526 petition filed for any alien whose investment funds will be used for investment projects in the UND Center for Innovation Regional Center.

DESIGNEE'S RESPONSIBILITIES INHERENT IN CONDUCT OF THE REGIONAL CENTER:

The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether your Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information in order to provide the information required on the Form I-924A supplement. Form I-924A, Supplement to Form I-924 is available in the "Forms" section on the USCIS website at www.uscis.gov.

Effective November 23, 2010, the failure to timely file a Form I-924A Supplement for each fiscal years in which the regional center has been designated for participation in the Immigrant Investor Pilot Program will result in the issuance of an intent to terminate the participation of the regional center in the Pilot Program, which may ultimately result in the termination of the approval and designation of the regional center.

Note: The requirement for the filing of Form I-924A Supplement commences in fiscal year 2011. Each regional center that remains designated for participation in the pilot program as of September 30, 2011 must submit the Form I-924A Supplement with the required supporting documentation on or before December 29, 2011.

If you have any questions concerning the Regional Center approval and designation under the Immigrant Investor Pilot Program, please contact the USCIS by Email at USCIS.ImmigrantInvestorProgram@dhs.gov.

Sincerely,



Rosemary Langley Melville
Director
California Service Center

cc: Lincoln Stone, Esq.

G-28, Notice of Entry of Appearance as Attorney or Accredited Representative

Department of Homeland Security

Part 1. Notice of Appearance as Attorney or Accredited Representative

A. This appearance is in regard to immigration matters before:

 USCIS - List the form number(s): RC Proposal CBP - List the specific matter in which appearance is entered: ICE - List the specific matter in which appearance is entered: _____

B. I hereby enter my appearance as attorney or accredited representative at the request of:

List Petitioner, Applicant, or Respondent. **NOTE:** Provide the mailing address of Petitioner, Applicant, or Respondent being represented, and not the address of the attorney or accredited representative, except when filed under VAWA.

Principal Petitioner, Applicant, or Respondent				A Number or Receipt Number, if any	<input type="checkbox"/> Petitioner
Name: Last	First	Middle			<input checked="" type="checkbox"/> Applicant
UND Center for Innovation Foundation Regional Center					<input type="checkbox"/> Respondent
Address: Street Number and Street Name		Apt. No.	City	State	Zip Code
4200 James Ray Drive			Grand Forks	ND	58203

Pursuant to the Privacy Act of 1974 and DHS policy, I hereby consent to the disclosure to the named Attorney or Accredited Representative of any record pertaining to me that appears in any system of records of USCIS, USCBP, or USICE.

Signature of Petitioner, Applicant, or Respondent

Date

Andrew C. Hoye, CEO4/2/10

Part 2. Information about Attorney or Accredited Representative (Check applicable item(s) below)

- A. I am an attorney and a member in good standing of the bar of the highest court(s) of the following State(s), possession(s), territory(ies), commonwealth(s), or the District of Columbia: California
- I am not or am subject to any order of any court or administrative agency disbaring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law (If you are subject to any order(s), explain fully on reverse side).
- B. I am an accredited representative of the following qualified non-profit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals pursuant to 8 CFR 1292.2. Provide name of organization and expiration date of accreditation:
- C. I am associated with _____
The attorney or accredited representative of record previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request (If you check this item, also complete item A or B above in Part 2, whichever is appropriate).

Part 3. Name and Signature of Attorney or Accredited Representative

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

Name of Attorney or Accredited Representative		Attorney Bar Number(s), if any
Lincoln Stone / Andrew C. Hoye		CA 146597 / 126785
Signature of Attorney or Accredited Representative		Date
<u>Andrew C. Hoye</u>		<u>4/20/10</u>
Complete Address of Attorney or Organization of Accredited Representative (Street Number and Street Name, Suite No., City, State, Zip Code)		
STONE & GRZEGOREK LLP, 800 Wilshire Boulevard, Suite 900, Los Angeles, CA 90017		
Phone Number (Include area code)	Fax Number, if any (Include area code)	E-Mail Address, if any
213.627.8997	213.627.8998	LINCOLN@LSKGLAW.COM

Form I-290B, Notice of Appeal or Motion

Department of Homeland Security
U.S. Citizenship and Immigration Services

In the Matter of: UND Center for Innovation Foundation Regional Center Proposal	File Number: RCW103190017/ W09001760
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For USCIS Use Only

Part 1. Information About Petitioner/Applicant *(Individual/Business/Organization/Attorney/Representative filing appeal or motion)*

Family Name	Given Name	Middle Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Name of Business/Organization <i>(if applicable)</i>		
UND Center for Innovation Foundation		
Mailing Address - Street Number and Name		Apt. #
Stone & Grzegorek LLP, 800 Wilshire Blvd.		900
C/O <i>(in care of)</i> :		
Lincoln Stone, Esq.		
City	State or Province	Zip/Postal Code
Los Angeles	CA	90017
Country	Daytime Phone # <i>(Area/Country Code)</i>	
USA	(213) 627-8997	
Fax # <i>(Area/Country Code)</i>	E-Mail Address <i>(if any)</i>	
(213) 627-8998	Lincoln@lskglaw.com	

I am an attorney or representative. If you check this box, you must provide the following information about the person or organization for whom you are appearing. (NOTE: You must attach a Form G-28, Notice of Entry of Appearance as Attorney or Representative.)

Family Name	Given Name	Middle Name
<input type="text"/>	<input type="text"/>	<input type="text"/>
Complete Name of Business/Organization/School <i>(if applicable)</i>		
UND Center for Innovation Foundation		
A # <i>(if any)</i>	Daytime Phone # <i>(Area/Country Code)</i>	
<input type="text"/>	(213) 627-8997	
Fax # <i>(Area/Country Code)</i>	E-mail Address <i>(if any)</i>	
(213) 627-8998	Lincoln@lskglaw.com	

Returned	Receipt
Date	
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Date	
Date	
Reloc Rec'd	
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Remarks:

U.S. Department of Homeland Security

APPROVED

MAR 11 2011

George J. Whaley

603700

U.S. Citizenship and Immigration Services

Part 2. Information About the Appeal or Motion *(Check one box below that best describes your request)*

NOTE: If you indicate that you are filing an appeal, it may be considered by USCIS as a motion before it is forwarded to the AAO.

- A. I am filing an appeal. My brief and/or additional evidence is attached.
- B. I am filing an appeal. My brief and/or additional evidence will be submitted to the AAO within 30 days.
- C. I am filing an appeal. No supplemental brief and/or additional evidence will be submitted.
- D. I am filing a motion to reopen a decision. My brief and/or additional evidence is attached.
- E. I am filing a motion to reconsider a decision. My brief is attached.
- F. I am filing a motion to reopen and a motion to reconsider a decision. My brief and/or additional evidence is attached.

REC'D 03/03/11 2:05 PM



In the Matter of: **UND Center for Innovation Foundation Regional Center Proposal**

File Number: **RCW103190017/W09001760**

Part 2. Information About the Appeal or Motion (Continued)

Information on the relating application/petition.

Application/Petition Form #	Receipt #	Date of Denial (mm/dd/yyyy)	USCIS Office Where Decision Issued
RC Proposal	W09001760	01/19/2011	CA Service Center

Part 3. Basis for the Appeal or Motion

Motion to Reopen: The motion must state new facts and must be supported by affidavits and/or documentary evidence.

Motion to Reconsider: The motion must be supported by citations to appropriate statutes, regulations, or precedent decisions.

Appeal: Provide a statement explaining any erroneous conclusion of law or fact in the decision being appealed.

UND Center for Innovation Foundation ("Foundation") offers the following summary statement of the basis for this appeal:

1. The preponderance of the evidence submitted initially and in response to a Request for Evidence established the positive regional economic impact of the proposed Regional Center activities, and that the Foundation will manage the operations of the Foundation in accordance with USCIS regulations at 8 CFR 204.6(m).
2. Additional evidence consisting of a report entitled "Economic Analysis of the North Dakota/Northwest Minnesota EB-5 Regional Center" by Cullen F. Goenner, Ph.D., Associate Professor of Economics at the University of North Dakota, dated February 14, 2011, further establishes the positive regional economic impact that the proposed Regional Center will have.
3. The additional evidence, namely the Memorandum in Support of appeal prepared by the Foundation and Dr. Goenner's Economic Analysis, demonstrates how jobs will be created in companies doing business in the 7 proposed industry sectors.
4. The Foundation, as reflected in the accompanying Commitment to Administrative Oversight, is committed to strong administrative oversight of the proposed Regional Center and will work closely with participating companies to monitor compliance with EB-5 regulations, including USCIS reporting requirements.

Part 4. Signature of Person Filing the Appeal/Motion or His or Her Authorized Representative

Signature	Printed Name	Date (mm/dd/yyyy)
	LINCOLN STONE	02/22/2011

Make sure your appeal or motion is complete before filing.



UND CENTER FOR INNOVATION FOUNDATION
NORTH DAKOTA/NORTHWEST MINNESOTA EB-5 REGIONAL CENTER
MEMORANDUM IN SUPPORT OF APPEAL

INTRODUCTION

The UND Center for Innovation Foundation proposed to be designated as a regional center under the Immigrant Investor Pilot Program (“Proposal”). The Proposal seeks designation of the state of North Dakota and 20 counties of Northwestern Minnesota in 7 industry sectors. USCIS denied the application for a regional center designation by notice dated January 19, 2011 (“Denial Notice”). The UND Center for Innovation Foundation appeals the decision, and submits additional information to support its application for a regional center designation. We understand that the USCIS California Service Center will review our additional information, prior to sending our appeal to the Administrative Appeals Office, for purposes of considering whether in light of such information, the UND Center for Innovation Foundation is eligible for designation as a regional center.

REGIONAL OR NATIONAL IMPACT OF THE REGIONAL CENTER

The Denial Notice faults the Proposal for lacking sufficient analysis of the regional or national impact of regional center activities, as reflected in such factors as increased household earnings, demand for business services, utilities, maintenance and repair, and construction. (Denial Notice, p. 2).

Accompanying our appeal is further information to demonstrate regional or national impact of regional center activities, namely the pertinent sections of the “Economic Analysis of the North Dakota/Northwest Minnesota EB-5 Regional Center” by Cullen F. Goenner, Ph.D., Associate Professor of Economics at the University of North Dakota, dated February 14, 2011 (“Economic Analysis”). In Dr. Goenner’s Economic Analysis, at pages 18 to 21, he estimates positive regional center impacts for each of the 7 sectors as reflected in the following factors:

- Regional & National Impact Results by Sector (including Output, Household Earnings, Indirect Business Taxes, and Total Jobs)
- Demand for Business Services
- Demand for Utilities
- Demand for Maintenance and Repair
- Demand for Construction

These sections of the Economic Analysis address directly the insufficiencies noted by USCIS in the Denial Notice.

Note that the Economic Analysis supplements and confirms the information on regional impacts that was previously submitted in support of the response to the Request for Evidence -- the "Revised IMPLAN Proposal" co-authored by Dr. Goenner and Ralph Kingsbury, the Consulting Economist, dated December 21, 2010. The Revised IMPLAN Proposal estimated regional impacts in terms of Output, Employment and Household Earnings for each of the 7 proposed sectors. Furthermore, the Revised IMPLAN Proposal estimated regional impacts, (b) (4)

(Revised IMPLAN Proposal, p. 11). The Denial Notice observes:

"Although a *business plan* was submitted for the regional center, the proposal did not include a prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings ..." (Denial Notice, p. 2, added italics)

But it is the Revised IMPLAN Proposal, not the *business plan*, that addressed these factors -- albeit not in the detail that Dr. Goenner's current Economic Analysis covers the subject matter.

Given the new material in the form of Dr. Goenner's Economic Analysis, USCIS should conclude that this factor has been satisfied.

JOB CREATION

The Denial Notice faults the Proposal for lacking sufficient analysis of job creation (Denial Notice, p. 3-4). Of primary emphasis, the Denial Notice states:

"The proposal identified seven industry clusters for job creation but did not identify the projects and investments for which EB-5 investor funds will be used."

To rectify this deficiency, below we identify sample investments for each of the 7 industry sectors. In each case, we identify the name of the company, its industry sector, the amount of capital to be raised, the uses of the capital, and the estimated job creation. Although none of these sample investments is under contract due to the lengthy delay involved between now and the time EB-5 capital actually could be available to a target company, we have engaged in serious discussions with these target companies about their specific capital needs, uses of the EB-5 capital, and the requirement to prove job creation.

In a similar vein, the Denial Notice states:

“The Economic Analysis that was submitted with the proposal (i.e., the Revised IMPLAN Proposal) appears to be generic in nature and focuses simply on the job creation impacts for the industry clusters rather than the job creation impacts for the industry clusters in a project or investment based on a \$1,000,000 capital investment.”

This particular deficiency is addressed in the new Economic Analysis by Dr. Goenner. In the new Economic Analysis Dr. Goenner estimates the job creation for each of the sample investments in each of the 7 industry sectors, based on the company targets and terms of investment that we outline herein.

(b) (4)



As a final note to this part of the Denial Notice, there should be little doubt that “the capital investments proposed are compatible with community plans and goals for economic development in the area.” (Denial Notice, p. 4) Given the materials that have been submitted in support of the Proposal, it is difficult to understand how the USCIS does not recognize that the 7 proposed industry sectors are selected precisely for the reason that they are vital to the future of the North Dakota-Northwest Minnesota economy, and that the UND Center for Innovation has a track record and long history of vetting business proposals, matching opportunities with capital investment, and promoting innovation and job creation in our region of the country. What the UND Center for Innovation Foundation is proposing to do with its regional center, if designated by USCIS, is not significantly different from what it is chartered to do – create jobs and foster regional economic development consistent with regional goals.

Proposed Investments in Industry Sectors

We have identified multiple enterprises interested in pursuing EB-5 investment during the application process to become a designated EB-5 Regional Center for North Dakota and Northwest Minnesota. At least one business was identified in each one of the industry sectors presented (**Agri-business, Bioscience, Manufacturing, IT/Telecommunications, Aviation/Aerospace, Real Estate Development, and Utilities**). In addition, according to our IMPLAN analysis, the minimum amount of EB-5 investment made in these potential projects, i.e. \$1,000,000, or \$ \$500,000 if located in a TEA, would generate the necessary 10 direct or indirect jobs per investment. These target businesses are also located within our designated region, the state of North Dakota and 20 counties of Northwest Minnesota.

Preliminary conversations with these local enterprises have taken place in order to explain the EB-5 Pilot Program, gather information regarding their operations, determine their potential for EB-5 investment, and discuss the amount of funds being sought out by the local enterprise and the intended use of the funds. The listing below gives examples of local enterprises interested in EB-5 investment in each of the industries.

AGRI- BUSINESS

Local Enterprise Name: GIANT SUNFLOWERS – www.giantsnacks.com

Local Enterprise Description: Giant Sunflowers was founded by Bob Schuler in 1958. The company demonstrated a high dedication to the quality of its products, giant sunflowers. Through the selection of superior sunflower seed hybrids throughout decades, this company today offers one of the best sunflower seeds on the market. Giant Sunflower seeds are roasted to perfection and seasoned with the company's special blends. Bob's son, Jay Schuler, who is the company's current CEO, began working with his father at a young age trying to find better ways for farmers to grow better sunflower seeds for their customers. Jay has dedicated over 30 years towards making sunflower seeds bigger and better. Giants Sunflowers continues to be a family owned company. Jay's sons are now also part of the company, involved with the strategic development of the organization as well as sales representation.

Today Giants Sunflower Seeds boasts 60% of the retail confection sunflower seed snack market share in Minnesota convenience stores according to independent IRI data and appears in 96% of the stores. Giant Seeds sells in 38 states and on the internet. Giant Sunflowers is the No. 1 sunflower seed in Minnesota, Wisconsin, North Dakota, South Dakota, and Iowa. They are the official sunflower seed of the Minnesota Twins and Colorado Rockies baseball teams, and are now the number one sunflower seed in all of Twins viewing territory. Giant contracts with seed growers in a 200-mile radius of Wahpeton in an identity-preserved system. In April 2010, Giant Seeds inaugurated their new 30,000-square-foot production and warehouse facility in Wahpeton ND. The facility has three new packaging lines. Giant has 26 full time employees on two 10-hour shifts in a 20-hour day, five days a week. Jason and Robert are constantly on the go working in markets from Ohio to California, Canada to Mexico.

Investment Size: Giant Sunflowers is currently seeking an additional (b) (4) in investment.

Investment Purpose: Construct a new production facility, potentially in Wahpeton ND, to further expand its production. This investment will attract new jobs to the region, generating positive economic development to the Wahpeton region. The estimated cost for an additional 30,000 square feet building and equipment is (b) (4) new staff members.

BIOSCIENCE

Local Enterprise Name: ALTRAVAX- www.altravax.com

Local Enterprise Description: AltraVax, Inc. is a privately held company focused on the development of superior prophylactic and therapeutic vaccines. AltraVax utilizes a sophisticated technology package that has been acquired from Maxygen, Inc. (NASDAQ: MAXY). This proprietary MolecularBreeding™

technology is being used to dramatically improve existing vaccines and create new ones by utilizing a powerful process known as directed molecular evolution. The MolecularBreeding™ technology is well established and will allow AltraVax to immediately focus on products rather than technology development. The commercial opportunities for vaccines are substantial, having doubled in the last three years with forecasts of a similar rate of increase in the next several years. Vaccines play a major role in public health policies and will remain a centerpiece in the field of preventative medicine. AltraVax's goal is to penetrate this market by becoming a leader in the development of a new generation of vaccines. The MolecularBreeding™ directed molecular evolution technology is based on "DNA Shuffling," which can create large libraries of novel vaccine candidates. These libraries are then screened with high-throughput methods to rapidly obtain vaccine antigens with the potential to provide enhanced protection against disease. This patented technology is exclusive to AltraVax in the field of infectious diseases.

Investment Size: Altravax is actively seeking for (b) (4) in equity financing.

Investment Purpose: The Company contemplates using the proceeds to:

- Final payments for acquisition of certain assets and license rights from Maxygen, Inc.;
- Research and development, new application development expenditures and general working capital expenditures; and
- Identify additional product opportunities for the Company

AltraVax plans to secure a strategic partnership with a large biopharmaceutical company in the next 18 months. The company expects such partnerships to generate revenue through licensing agreements. In addition, these partnerships may deliver an opportunity to exit through merger or acquisition. Furthermore, once the initial product candidates move forward into clinical trials, AltraVax anticipates that numerous prospects will emerge for investors to realize a significant return on investment. PPM and executive summary of the opportunity are readily available. The number of job creation, both direct and indirect, related to this opportunity is in the (b) (4).

Local Enterprise Name: AVIANNAX – website pending

Local Enterprise Description: Avianax, LLC in Grand Forks, ND is a private company categorized under Pharmaceutical Preparations. This local enterprise was established in and incorporated in the state of North Dakota in 2006. This company focuses primarily on the development of therapeutic antibodies designed to prevent and treat subjects infected with West Nile Virus. At this moment the company is going through the process of acquiring FDA approval. Aviannax has passed two out of the 5 phases required to gain FDA approval. All of their current research and operations are done out of the UND Research Enterprise and Commercialization (REAC) Biolab building located at the University of North Dakota Technology Park.

Investment Size: This Company is seeking (b) (4).

Investment Purpose: The funds will be used primarily to purchase specialized equipment which will be used to continue its research development. This enterprise needs to better equip its facilities in order to

move on to the next phases of FDA approval. The company is also planning to hire new employees, at (b) (4) full time positions in its research development department, (b) (4) more in its business operations department. Additionally, it is expected that (b) (4) direct and indirect jobs will be generated during this investment. Avianax expects to acquire FDA approval in the next fiscal year, assuming the company is able to raise the necessary funds. Further rounds of investment will be necessary to allow this company to reach the market. Conversations are ongoing.

MANUFACTURING

Local Enterprise Name: AMITY TECHNOLOGIES – www.amitytech.com

Local Enterprise Description: Amity Technologies is specialized in the manufacturing of Agricultural equipment. This family owned company has been involved in the manufacturing business in North Dakota for more than 50 years. Howard and Brian Dahl, the founders of Amity, are grandsons of E. G. Melroe, the founder of the Melroe Company which developed the Bobcat front end Loader. Amity Technology is, in a sense, a fourth generation company.

Howard and Brian Dahl incorporated Concord, Inc., which became the leading manufacturer in the United States of Air Drills, used primarily for the planting of small grains and oil seed crops on large acreage. Concord had a particularly strong market in the CIS (former Soviet Union) and sold over 500 Concord Air Drills into that marketplace. The Concord company was sold to Case Corporation in 1996. Case did not purchase all the assets of Concord and those assets were used to launch Amity Technology. The heart of Amity Technology has been the WIC Sugar Beet Equipment line, the leader in North America in harvesting equipment for sugar beets. WIC equipment is found in a number of Eastern European countries as well. Amity Technology has had a particularly strong presence in Russia. Concord also produced the world's leading Soil Sampling Equipment, and in 1996 Concord Environmental Equipment (CEE) was spun off into a separate company owned by the same shareholders as Amity Technology. CEE equipment has been sold in more than 25 different countries of the world. Amity Technology purchased CEE in January 2005 and moved the company to its Fargo location. Howard and Brian Dahl are also partners in Wil-Rich LLC, a manufacturer of tillage and spraying equipment in Wahpeton, N.D. Amity Technologies currently employs 90 full time workers.

Investment Size: Amity technologies LLC is seeking between (b) (4) in investment. This is an attractive EB-5 investment project as this local enterprise has all of the necessary documentation in place. e.g., Operations Agreement, Business Plan, Escrow Agreement, International Legal and Tax support, etc.

Investment Purpose: Amity is seeking investment to expand its operations, purchase raw materials, build inventory, and construct a new manufacturing facility in Fargo, ND. This is a well-capitalized organization that would represent a strong EB-5 investment opportunity, as risks related to this project are low. The total employment creation in this project, including direct and indirect jobs, could reach up to (b) (4) positions in the state of North Dakota.

IT/TELECOMMUNICATIONS

Local Enterprise Name: NTRACTIVE – www.ntractive.com

Local Enterprise Description: Ntractive® is the company developing Elements CRM™, the first and only Mac Customer Relationship Management (CRM) Solution. The company's Elements Platform™, which is part desktop and part cloud, is powered by Webkit. Webkit is the open source browser engine that is used by Safari, the iPhone and many other applications.

Ntractive was incorporated in January 2006; however the development of the Elements platform actually began earlier in 2003. Justin Bartak, Ntractive's current CEO, is also the designer of the Elements CRM interface, functionality and core architecture. This product was created to assist companies in boosting their productivity. Ntractive currently employs 5 full time employees and is located in Grand Forks, ND.

Investment Size: Ntractive raised (b) (4) in Angel investment in the past 3 years. In order to expand its operations, the company is actively seeking for up to (b) (4) of equity investment. Multiple rounds of financing will be provided. (b) (4) of Series B Preferred Membership Units have been issued and are currently being offered.

Investment Purpose: As Ntractive expands its operations, the funds requested will be utilized to purchase equipment, more specifically enterprise servers, so that the company can support more clients. Ntractive will also use the funds to refine their current software product, Elements, and develop new products, allowing the company to tap into other markets. Moreover, the company is actively searching for new talent. It is estimated that the company will be able to hire (b) (4) more employees if they are able to raise the amount of funding requested. The overall employment impact, both direct and indirect jobs, in our region could reach (b) (4) new positions.

AVIATION /AEROSPACE

Local Enterprise Name: TRI STATE AVIATION INC. -- website pending

Local Enterprise Description: Tri State Aviation Inc. , is a company located in Wahpeton, ND. This company is specialized in restoring vintage airplanes. Recently, the company has finished restoring eight P-51 mustangs, which are individually valued at approximately \$5 million dollars. Tri- State is the only company in the upper Midwest that owns form blocks, molds, and other specialized parts necessary to provide this type of services.

Investment Size: The company currently runs its operations on a 7,000 square feet building located in Wahpeton ND. They are currently at capacity and planning to expand its operations. In addition, they lease an additional 4,000 square feet. Tri- State is planning to buy those additional 4,000 square feet, plus other specialized equipment in order to expand its operations. Total size of investment ranges (b) (4) .

Investment Purpose: Purchase additional 4,000 square feet building, plus specialized equipment to expand Tri- State Aviation operations. The company is planning to open (b) (4) full time positions in order to deal with an expected increase in sales volume. This investment would generate (b) (4) induced job positions in the region.

REAL ESTATE DEVELOPMENT (Mixed Uses)

Local Enterprise Name: KILBOURNE GROUP (Real Estate Development) - ww.kilbournegroup.com

Local Enterprise Description: Kilbourne Group is a real estate development firm formed by software entrepreneur Doug Burgum. This organization is committed to inspiring and supporting the redevelopment of downtown Fargo. The Kilbourne Group team shares the vision of retaining and carrying forward the history of Fargo through the restoration of historic buildings and the creation of new buildings that honor the past and inspire the future.

The Kilbourne Group's first endeavor into downtown preservation and redevelopment occurred in 2000, when the company purchased the Northern School Supply building and rescued it from the wrecking ball. The 100-year old structure, originally built as a farm implement warehouse and dealership, is now an ultra-modern, green facility – aptly named Renaissance Hall. It houses North Dakota State University's visual arts department, major components of the architecture and landscape architecture department, and the Tri-College University office.

Kilbourne Design Group evolved into Kilbourne Group in 2006. The company delivers on its vision by both revitalizing existing buildings and creating new ones that reflect respect for the past, gratitude for the present and innovation for the future. Exceptional properties currently offered by Kilbourne Group include:

- Mixed use residential/retail properties including 300 Broadway, Fargo ND and The Lofts on Roberts that feature condos and apartments
- Commercial properties including 102 Broadway, Fargo ND, and the historic Pence Automobile Company Warehouse (built in 1919 and formerly the location of Richtman's Printing)
- Getaway lake properties

Investment Size: Kilbourne Group is currently proposing new real estate developments, more specifically retail space to be used as restaurants, at a total estimated cost (b) (4) .

Investment Purpose: The funding requested will be used to develop three 2,700 s.f. buildings to be used as retail space for restaurants in Fargo, ND. Kilbourne Group is currently seeking for potential local investors. It is believed that approximately (b) (4) , of the total project would be raised using EB-5 investment. Conversations are ongoing. A total of (b) (4) job positions, including direct and indirect jobs, could be created during this development.

UTILITIES (Power Generation)

Local Enterprise Name: RENEWABLE CHEMICAL SOLUTIONS, LLC - website pending

Local Enterprise Description: Renewable Chemical Solutions (RCS) will commercialize proprietary technology used to produce bio fuels, chemicals, and bio polymers from renewable feedstock sources. RCS was established to serve as the commercialization vehicle for technologies produced by the SUNRISE research group through the University of North Dakota (UND). RCS has entered into an

agreement to acquire exclusive licensing rights for a suite of technologies invented and developed at UND. RCS is housed at the UND Center for Innovation's Technology Incubator and has built a pilot plant center at the UND Research Foundation's Advanced Technologies and Life Sciences Laboratory. This pilot plant center will be used to define the final design of the demonstration facility and economic data associated with RCS-licensed technologies. A seven million gallon per year demonstration scale crop oil refinery facility will be constructed in collaboration with industrial partners scheduled for commission by year end 2012. The demonstration scale facility will be used to showcase the technology for worldwide licensing opportunities as well as to optimize the process design. EB-5 would be used to partially fund this project, and possible its expansion phases in the near future.

RCS first-to-market products are based on UND proprietary technologies. These technologies are based on utilizing crop oils such as soybean, canola and/or jatropha to create its products. RCS have multiple categories of products, the first category being fuel related products such as 1) a cold flow improvement additive for biodiesel users, 2) a boutique biodiesel fuel for off-road vehicles, specifically targeting the farm tractor market, 3) a certified biodiesel fuel equivalent to diesel No. 1, 4) a syngas fuel used to generate electricity, and 5) a certified aviation turbine fuel equivalent to commercial fuel Jet A and military fuel JP-8. This fifth product, JB100, is currently considered the most attractive ultimate initial product market. JB100 is a jet turbine fuel made from crop oils such as soybean and canola that matches the cold-flow and combustion quality standards of petroleum-based jet fuel and can achieve burn stability at -50°C (-58°F).

RCS largest market is jet fuel and according to the market research reported by several oil companies and the United States Department of Energy, the yearly jet fuel market in the USA is approximately 26 billion gallons. DESC, the agency that procures fuel for all branches of the military, has a mandate to procure 20% of its fuel supply from domestic renewable sources by 2020. In FY02 the military used over 5.5 billion gallons of jet fuel. DESC has indicated that it will accept fuel from multiple suppliers as long as it meets the specification and RCS can demonstrate that the process creates compliant products. RCS's other products have smaller, more fragmented markets, so RCS will strategically launch products that provide higher margins in less competitive spaces.

Investment Size: Total estimate cost of the pilot bio-fuel facility is (b) (4)

Investment Purpose: Funds will be used to build a bio-fuels refinery in the state of North Dakota. This will be initially a test pilot project, able to produce up to 7 million gallons of jet bio-fuels. The company has plans to expand this facility, being able to double or triple its production capacity in the near future. Northwood, ND is the site chosen to develop this project. The company has shown strong interest in funding parts of this project using EB-5 investment. Total investment could generate (b) (4) positions, including direct and indirect jobs. Conversations are on hold until the ND/NW-MN EB-5 RC application is approved.

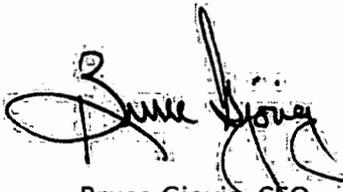
ADMINISTRATIVE OVERSIGHT

The Denial Notice faults the Proposal for lacking sufficient details and explanation of the administrative oversight of regional center activities (Denial Notice, p. 5). While the Proposal has included certain concrete information relating to administrative oversight – for example, how it identifies investment opportunities (in the response to the RFE, Revised Business Plan, p. 18-20) – and has explained that investments in businesses will not be limited to EB-5 investors

but would include co-investment from domestic sources (Revised Business Plan, p. 22, 24-5), a comprehensive treatment of this subject is presented in the Commitment to Administrative Oversight document accompanying this appeal. There, we clarify how UND Center for Innovation Foundation will carry out monitoring of regional center activities and maintain records for USCIS reporting.

CONCLUSION

Considering all the documentation submitted with the Proposal, including in response to the RFE and in support of this appeal, the request of the UND Center for Innovation Foundation for regional center designation should be approved.

A handwritten signature in black ink, appearing to read "Bruce Gjovig". The signature is stylized and somewhat cursive.

Bruce Gjovig, CEO
UND CENTER FOR INNOVATION FOUNDATION



STONE & GRZEGOREK LLP

800 Wilshire Boulevard, Suite 900
Los Angeles CA 90017
tel 213 627 89971 fax 213 627 8998
www.lskglaw.com

Our File: 3393.01

February 22, 2011

Delivered via Courier

U.S. Citizenship and Immigration Services
California Service Center
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92607-1052

Re: **Appeal of Regional Center Proposal Denial**

Petitioner: UND Center for Innovation Foundation

File: RCW1031910017 / W09001760

Form I-290B – Notice of Appeal or Motion

Dear Examiner:

Please find enclosed our filing fee check of \$630 and our Appeal from your Notice of Decision dated January 19, 2011:

- Notice of Decision
- Notice of Entry of Appearance as Attorney or Representative, Form G-28
- Notice of Appeal or Motion, Form I-290B
- “Memorandum In Support of Appeal” by UND Center for Innovation Foundation
- “Economic Analysis of the North Dakota/Northwest Minnesota EB-5 Regional Center” by Cullen F. Goenner, Ph.D.
- “Commitment to Administrative Oversight” by UND Center for Innovation Foundation
- February 18, 2011 Letter of Support from Sen. Kent Conrad and Sen. John Hoeven

We respectfully submit that based upon the additional evidence submitted herewith, and for the reasons discussed in the accompanying Memorandum in Support of Appeal, the Regional Center proposal of the UND Center for Innovation Foundation should be approved. Alternatively, in the event that the Regional Center proposal is not approved, please forward our appeal to the Administrative Appeals Office as promptly as possible.

Thank you for your prompt consideration of the enclosed.

Sincerely,

STONE & GRZEGOREK LLP

LINCOLN STONE
LS/ACH:cdr
Enclosures



U.S. Citizenship
and Immigration
Services

JAN 19 2011

TO:

UND Center for Innovation Foundation
C/O Bruce Gjovig, CEO
4200 James Ray Drive
Grand Forks, North Dakota 58203

DATE:

Petition: Regional Center Proposal

File: RCW1031910017/W09001760

DECISION

Your Regional Center Proposal, filed in behalf of UND Center for Innovation Foundation Regional Center has been denied for the following reason(s):

See Attachment

If you desire to appeal this decision, you may do so. Your notice of appeal must be filed with this office at the address at the top of this page within 30 days of the date of this notice. Your appeal must be filed on Form I-290B. A fee of \$630.00 is required, payable to U. S. Citizenship and Immigration Services with a check or money order from a bank or other institution located in the United States. If no appeal is filed within the time allowed, this decision will be the final decision in this matter.

In support of your appeal, you may submit a brief or other written statement for consideration by the reviewing authority. You may, if necessary, request additional time to submit a brief. Any brief, written statement, or other evidence not filed with Form I-290B, or any request for additional time for the submission of a brief or other material must be sent directly to:

U. S. Citizenship and Immigration Services
Administrative Appeals Office MS 2090
Washington, D.C. 20529-2090.

Any request for additional time for the submission of a brief or other statement must be made directly to the Administrative Appeals Office (AAO), and must be accompanied by a written explanation for the need for additional time. An extension of time to file the appeal may not be granted. **The appeal may not be filed directly with the AAO. The appeal must be filed at the address at the top of this page.**

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Melville".

Rosemary Langley Melville
Director, California Service Center

cc: Lincoln Stone, Esq.

Enclosure: Form I-290B

This Notice is in reference to the Regional Center Proposal that was filed with the Director, California Service Center, on April 22, 2010, seeking designation as a Regional Center pursuant to Pilot Immigration Program under Section 610 of P.L. 102-395 and as amended by P.L. 107-273.

On September 29, 2010, 2010 the USCIS issued Form I-797 Notice of Action requesting evidence in support of the Regional Center Proposal filed on April 22, 2010. The USCIS noted the request did not contain sufficient evidence showing that the proposed regional center would meet the regulatory requirements as a Regional Center. Multiple issues were addressed in the request for evidence and the evidentiary requirements for each of these issues were explained in detail. However, the evidence provided in response to the USCIS request did not establish eligibility under the Pilot Immigrant Investor Program.

The University of North Dakota Center for Innovation Foundation Regional Center has requested designation as a Regional Center to be located within the entire state of North Dakota and 20 counties in Northwestern Minnesota, which includes Kittson, Roseau, Marshall, Pennington, Beltrami, Red Lake, Polk, Norman, Clay, Otter Tail, Douglas, Pope, Traverse, Stevens, Wilkin, Becker, Mahnomen, Clearwater, Grant, and Lake of the Woods. Capital investment will be used to invest in several target industries: agribusiness, advanced manufacturing, aviation/aerospace, information technologies/communications, construction and real estate development (rural/urban renewal/multi-mixed use), biotech/bioscience, and utilities (electric power generation).

The Regional or National Impact of the Regional Center

Under 8 CFR § 204.6(m)(3)(iv), a regional center proposal must contain a prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and outside of the regional center. This requirement means that the proposal must analyze the impact of regional center activities.

Although a business plan was submitted for the regional center, the proposal did not include a prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and outside of the regional center. The business plan did not address specific factors like increased household earnings, greater demand for business services, utilities, maintenance and repair and construction both within and outside of the regional center but rather overall impact of output, employment and household earnings by each sector such as agribusiness, advanced manufacturing, aviation/aerospace, information technologies/communications, biotech/bioscience,, construction and real estate development (rural/urban renewal/multi-mixed use), and utilities (electric power generation).

Therefore, the regional or national impact of the regional center has not been demonstrated.

Job Creation

Section 610(a) of P.L. 102-395 as amended by P.L. 107-273 describes the statutory basis for eligibility as a Regional Center

- a) Of the visas otherwise available under section 203(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(5)), the Secretary of State, together with the Attorney General, shall set aside visas for a pilot program to implement the provisions of such section...The establishment of a regional center may be based on general predictions, contained in the proposal, concerning the kinds of commercial enterprises that will receive capital from aliens, the jobs that will be created directly or indirectly as a result of such capital investments and the other positive economic effects such capital investments will have...

Moreover, 8 C.F.R. 204.6(e) states in pertinent part:

Commercial enterprise means any for-profit activity formed for the ongoing conduct of lawful business including, but not limited to, a sole proprietorship, partnership (whether limited or general), holding company, joint venture, corporation, business trust, or other entity which may be publicly or privately owned. This definition includes a commercial enterprise consisting of a holding company and its wholly-owned subsidiaries, provided that each such subsidiary is engaged in a for-profit activity formed for the ongoing conduct of a lawful business. This definition shall not include a non-commercial activity such as owning and operating a personal residence.

A regional center proposal must be supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and job creation multipliers related both geographically and by job type. This requirement that a proposal include the valid multipliers applicable to an identified economic activity and job type is in accordance with the regulatory requirements, in particular, 8 C.F.R. § 204.6(m)(3)(ii).

Whether a proposed regional center will foster sufficient job-creation and economic benefits to justify the regional center designation is an issue to be determined by USCIS during the course of evaluating regional center proposals. Regional center proposals should include evidence of the proposed regional center's evaluative economic models, feasibility studies regarding projects and investments that are to take place within the geographic area of the proposed regional center, as well as statements and attestations from interested and supportive public agencies and private organizations located within the area of the regional center.

In the instant proposal, University of North Dakota Center for Innovation Renovation Foundation Regional Center will use capital investment to invest in several target industries: agribusiness, advanced manufacturing, aviation/aerospace, information technologies/communications, biotech/bioscience,, construction and real estate development (rural/urban renewal/multi-mixed use), and utilities (electric power generation).

Although the proposal included a Business Plan and a revised Economic Analysis (see Revised IMPLAN Proposal), the proposal did not show how EB-5 investor funds will be capitalized in a manner that will create at least 10 full-time jobs per EB-5 investor.

The proposal identified seven industry clusters for job creation but did not identify the projects and investments for which EB-5 investor funds will be used. Without knowing the projects and investments in the regional center, USCIS cannot make a determination as to whether investment capital will be utilized in a manner that will create the requisite jobs.

In tandem with the identification of the investments and projects, the proposal does not contain any evaluative economic models and feasibility studies regarding the projects and investments that are to take place within the designated geographic area of the proposed regional center. The Economic Analysis that was submitted with the proposal appears to be generic in nature and focuses simply on the job creation impacts for the industry clusters rather than the job creation impacts for the industry clusters in a project or investment based on a \$1,000,000 capital investment.

Such evidence would not only meet a basic requirement for a regional center, but also would be useful in establishing that the capital investments proposed are compatible with community plans and goals for economic development in the area.

Further, the proposal does not show how the capital funds will flow from the investor (both EB-5 and non EB-5) to the job-creating entity. (b) (4) USCIS cannot determine whether investment capital will actually flow from the investor to the job-creating enterprise.

Moreover, the proposal does not show how the jobs will be created even though the Economic Analysis projects that at least ten (10) (direct and/or indirect) full-time jobs will be created in each industry cluster based on the expenditure of a \$1,000,000 capital investment (see Pages 2 3, 5, 6, 7 and 10 of the Revised IMPLAN Proposal). The proposal further states that capital funds will be used for manufacturing but the proposal is not clear as to what this means (see Pages 2 3, 5, 6, 7 and 10 of the Revised IMPLAN Proposal). Without knowing the job-creating activities that the regional center will be engaged in, USCIS cannot determine whether investment capital will be utilized in a manner that will create the requisite jobs.

Therefore, without knowing the kinds of investment projects, the flow of capital, or how the jobs will be created, USCIS cannot determine whether the investment capital will be utilized in a manner that will create the requisite jobs.

In light of these facts, the proposal fails to show that the investment vehicles to be undertaken by University of North Dakota Center for Innovation Renovation Foundation Regional Center can reasonably be expected to provide the requisite permanent, full-time job-creation and create positive economic impact from EB-5 alien investors.

**Economic Analysis of the North Dakota/ Northwest Minnesota EB-5
Regional Center**

Prepared by

Cullen F. Goenner, PhD

Associate Professor of Economics
Graduate Director Applied Economics

University of North Dakota

Gamble Hall Room 290

293 Centennial Drive Stop 8369

Grand Forks, ND 58202-8369

Tel: (701) 777-3353

Fax: (701) 777-3365

Web: <http://www.business.und.edu/goenner>

February 14, 2011

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1-1 BACKGROUND

The proposed North Dakota/ Northwest Minnesota EB-5 Regional Center (ND/NW-MN EB-5 RC) is designated to target foreign investment in seven industry clusters, which include: 1. Agribusiness, 2. Manufacturing, 3. Aviation/Aerospace, 4. Information Technology, 5. Biotechnology, 6. Energy generation, and 7. Real Estate Development.

The business plan of the proposed center calls for the funds of foreign investors to be used to purchase capital equipment in a particular industry. Using the capital intensity of the industry, based on Bureau of Economic Analysis data, one is able to determine the direct contribution to output for a given investment.

Implan is then used to determine the economic impact on output, employment, and household earnings within the region and the United States.

1-2 INDUSTRY DESCRIPTIONS

Agribusiness -- NAICS sector 11 (Ag, Forestry, Fishing & hunting) comprises establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats.

The establishments in this sector are often described as farms, ranches, dairies, greenhouses, nurseries, orchards, or hatcheries. A farm may consist of a single tract of land or a number of separate tracts which may be held under different tenures. For example, one tract may be owned by the farm operator and another rented. It may be operated by the operator alone or with the assistance of members of the household or hired employees, or it may be operated by a partnership, corporation, or other type of organization. When a landowner has one or more tenants, renters, croppers, or managers, the land operated by each is considered a farm.

Sample analysis was completed for an investment in capital goods (machinery & equipment) used to produce sunflowers, NAICS sector 1111.

Manufacturing -- NAICS sectors 31-33 (Agriculture, Construction, and Mining Machinery Manufacturing) comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is considered manufacturing, except in cases where the activity is appropriately classified in Sector 23, Construction.

Establishments in the Manufacturing sector are often described as plants, factories, or mills and characteristically use power-driven machines and materials-handling equipment. However, establishments that transform materials or substances into new products by hand or in the workers home and those engaged in selling to the general public products made on the same premises from which they are sold, such as bakeries, candy stores, and custom tailors, may also be included in this sector. Manufacturing establishments may process materials or may contract with other establishments to process their materials for them. Both types of establishments are included in manufacturing.

Sample analysis was completed for an investment in capital goods (machinery & equipment) used to manufacture farm machinery and equipment, NAICS sector 3331.

Aviation/Aerospace -- NAICS sector 3364 (Aerospace Product and Parts Manufacturing) comprises establishments primarily engaged in one or more of the following: (1) manufacturing complete aircraft, missiles, or space vehicles; (2) manufacturing aerospace engines, propulsion units, auxiliary equipment or parts; (3) developing and making prototypes of aerospace products; (4) aircraft conversion (i.e., major modifications to systems); and (5) complete aircraft or propulsion systems overhaul and rebuilding (i.e., periodic restoration of aircraft to original design specifications).

Sample analysis was completed for an investment in capital goods (machinery & equipment) used for the manufacture and repair of aircraft, NAICS sector 3364.

Information Technology -- NAICS sector 51 (Information) comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

The main components of this sector are the publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the Internet; the motion picture and sound recording industries; the broadcasting industries, including traditional broadcasting and those broadcasting exclusively over the Internet; the telecommunications industries; Web search portals, data processing industries, and the information services industries.

Sample analysis was completed for an investment in capital goods (machinery & equipment) used by a firm for management, scientific, and technical consulting services to design software.

Biotechnology -- NAICS sector 5417 (Scientific Research and Development Services) comprises establishments primarily engaged in conducting biotechnology research and experimental development. Biotechnology research and experimental development involves the study of the use of microorganisms and cellular and biomolecular processes to develop or alter living or non-living materials. This research and development in biotechnology may result in development of new biotechnology processes or in prototypes of new or genetically-altered products that may be reproduced, utilized, or implemented by various industries.

Sample analysis was completed for an investment in capital goods (machinery & equipment) used for scientific research and development.

Energy generation -- NAICS sector 22 (Electric Power Generation, Transmission and Distribution) comprises establishments primarily engaged in operating electric power generation facilities. These facilities convert other forms of energy, such as water power (i.e., hydroelectric), fossil fuels, nuclear power, and solar power, into electrical energy. The establishments in this industry produce electric energy and provide electricity to transmission systems or to electric power distribution systems.

Sample analysis was completed for an investment in capital goods (machinery & equipment) used for electric power generation transmission and distribution, NAICS sector 221.

Real Estate Development -- NAICS sector 53 comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case with patents and trademarks.

Sample analysis was completed for an investment in capital goods (machinery & equipment) used for retail operation of restaurants.

1-3 REGIONAL PROFILE

(b) (4)



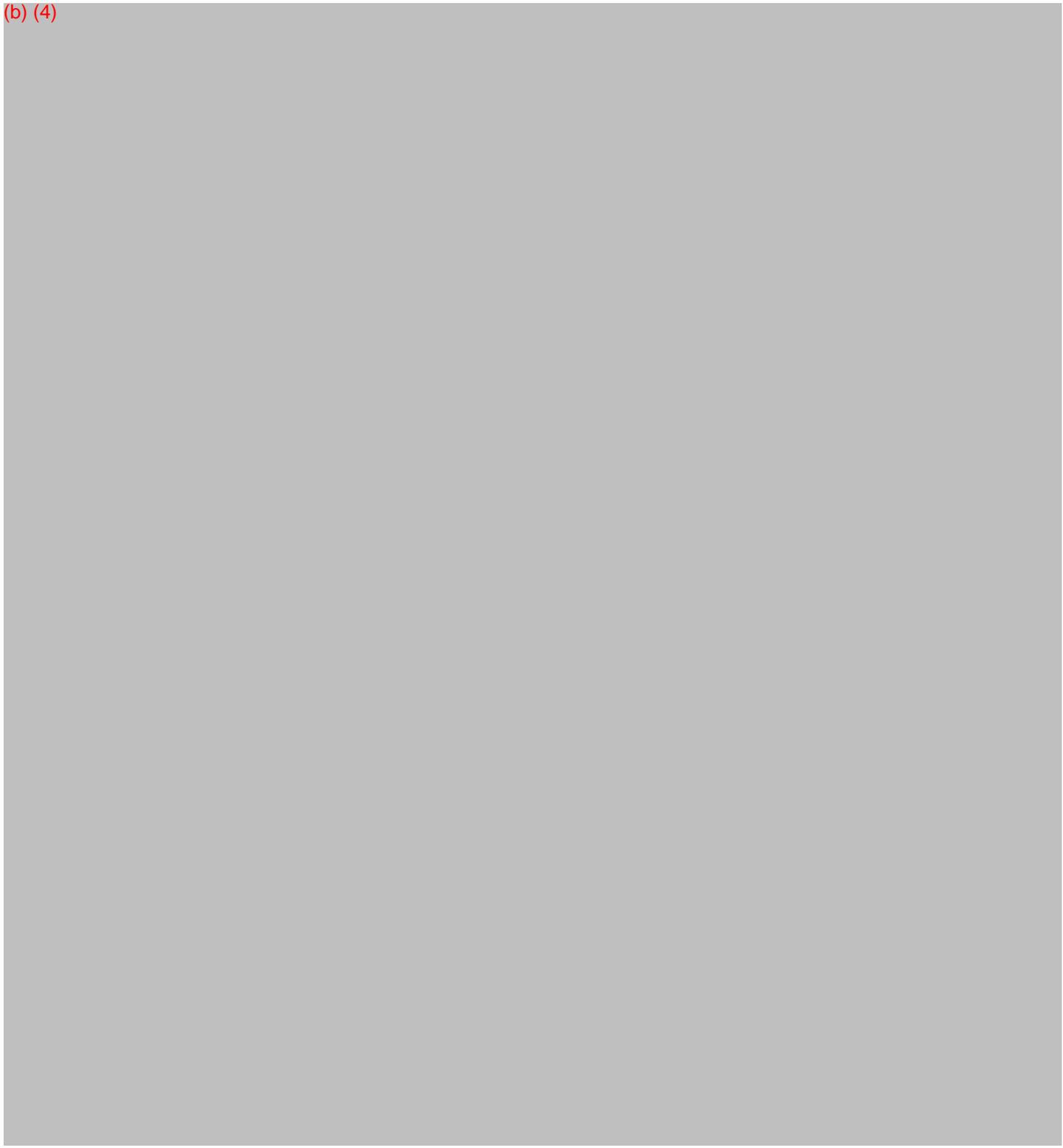
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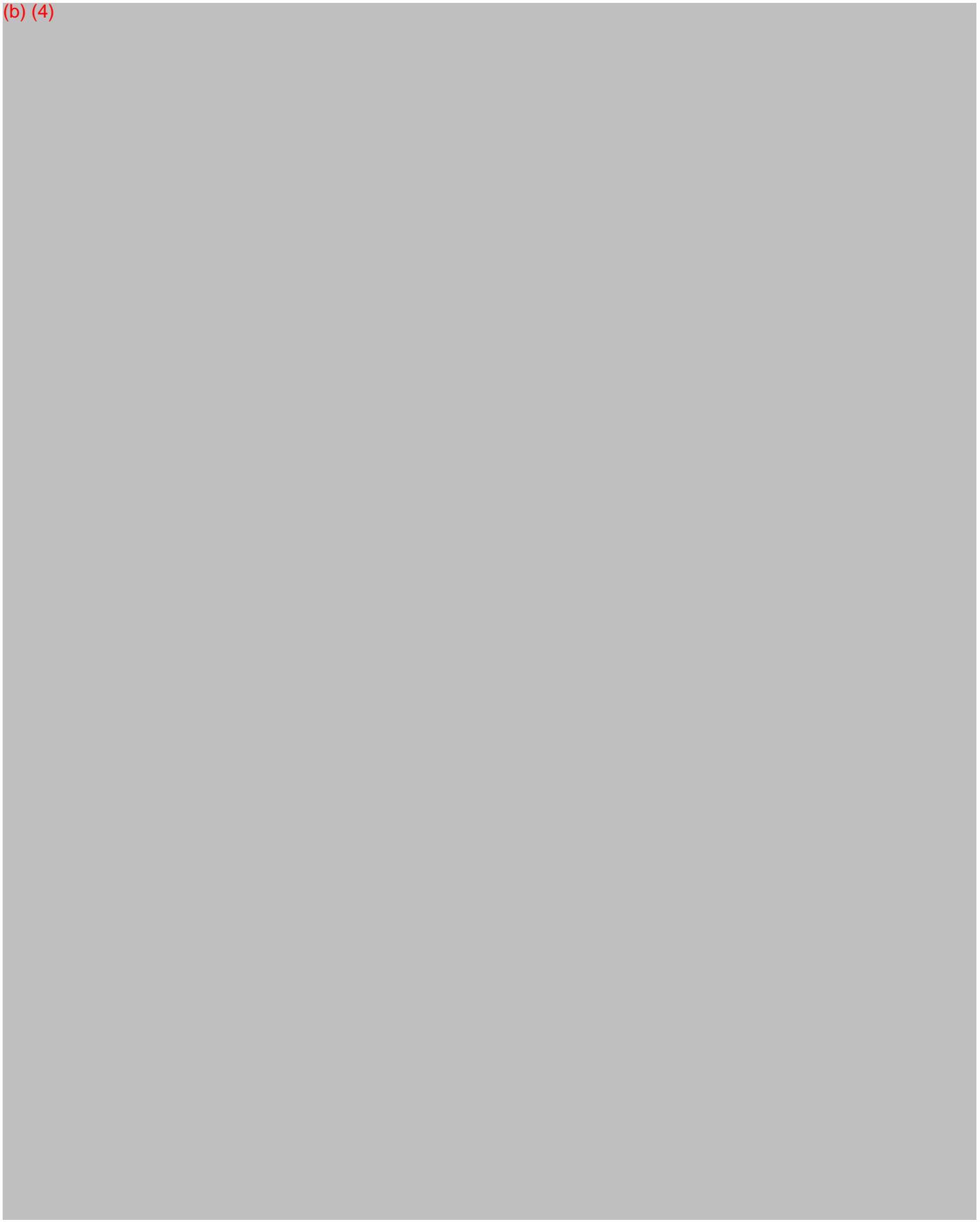
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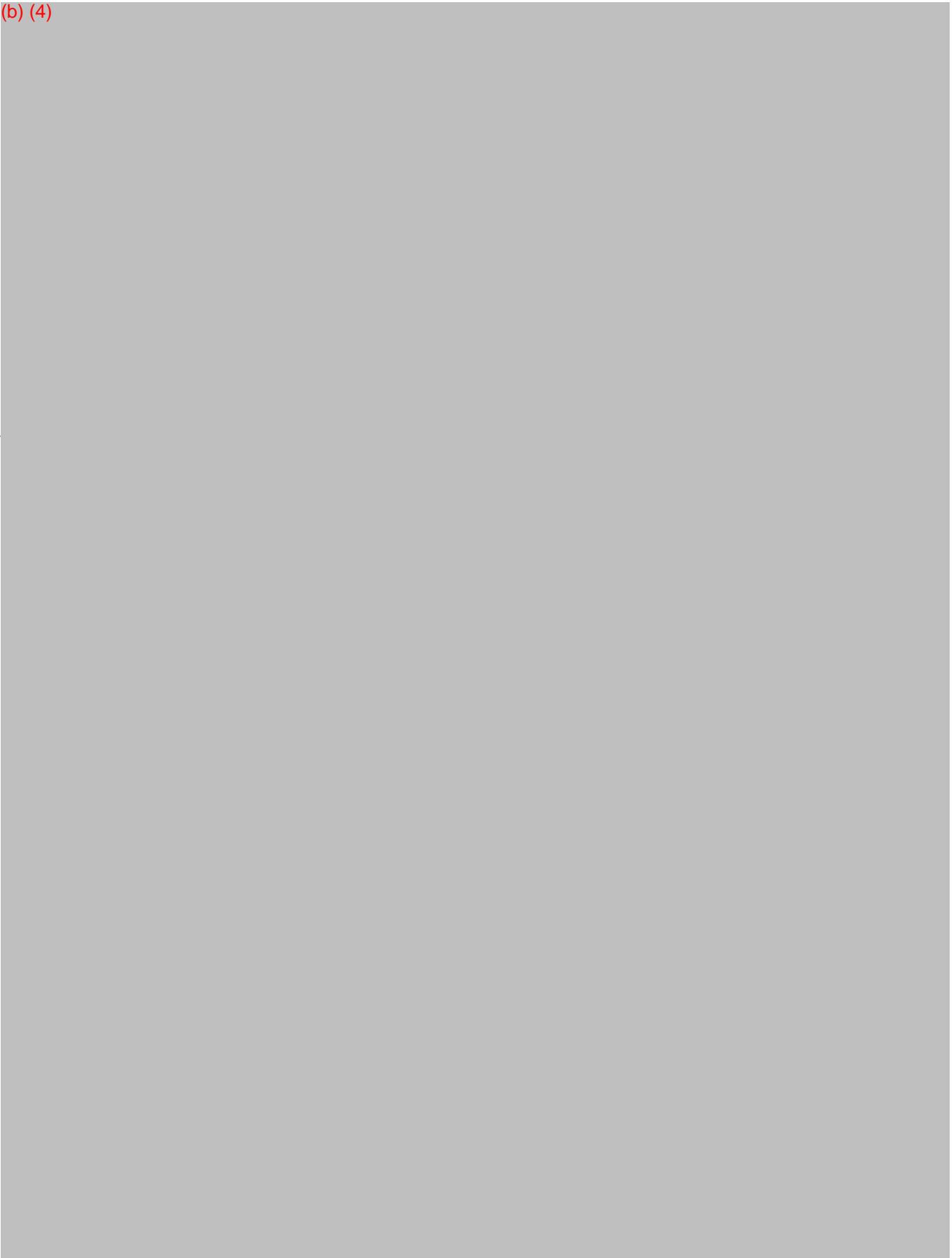
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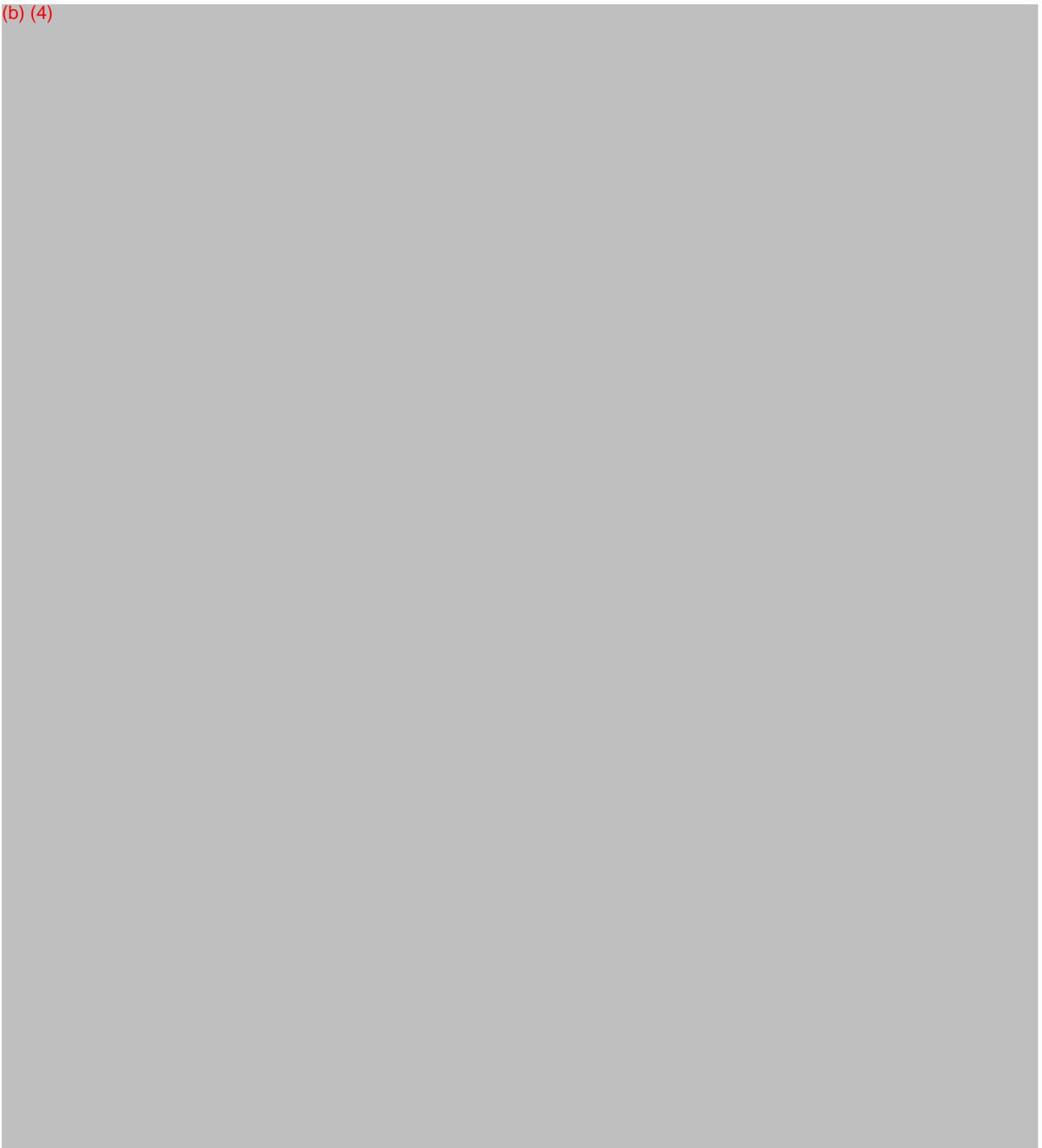
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(b) (4)



(b) (4)



(b) (4)



(b) (4)



(b) (4)

Attached you will find my Curriculum Vita and biography.

Sincerely yours,



Date: 2/17/2011

Cullen F. Goenner, PhD
Associate Professor of Economics
Graduate Director Applied Economics
University of North Dakota
Gamble Hall Room 290
293 Centennial Drive Stop 8369
Grand Forks, ND 58202-8369
Tel: (701) 777-3353
Fax: (701) 777-3365

COMMITMENT TO ADMINISTRATIVE OVERSIGHT

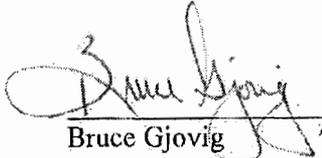
I, Bruce Gjovig, declare as follows:

1. I am the Chief Executive Officer of the UND Center for Innovation Foundation ("Foundation"). This declaration is written in further support of the Foundation's request for designation as a regional center.
2. In terms of due diligence on investor source of funds, in addition to the safeguards and checks referenced in the Foundation's Amended Business Plan (at pages 13 – 17) submitted in response to the Service's Request for Evidence, the Foundation pledges that it will work with only reputable financial institutions that are held to the highest standards of fiduciary responsibility and regulatory compliance, including the Anti-Money Laundering ("AML") program requirements of the Patriot Act. Further, we attempt to confirm that a prospective investor is not (a) a person listed on the Annex to Executive Order No. 13224 (2001) issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) (the "Executive Order"), (b) named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control (OFAC) (the "SDN List"), or (c) otherwise prohibited from investing in the United States pursuant to applicable U.S. AML, anti-terrorist and asset control laws, regulations, rules or orders. See the Pro Forma Money Laundering Suspicious Client/Matter Report Form attached hereto as Exhibit A.
3. Assuming EB-5 funds are received by participating companies, for purposes of individual investor EB-5 petitions, we are informed and believe that the respective attorneys who prepare and file I-526 petitions on behalf of the investor partners will fully document and support the I-526 petitions with ample evidence of the source of the petitioner's funds.
4. The administration of the Foundation as a Regional Center and compliance with any and all reporting requirements with USCIS by the Foundation will be carried out under my supervision. I am familiar with the requirements of Form I-924A and intend to fully comply with the filing of annual reports with USCIS, and ensure that participating companies provide the information to the Foundation necessary for such reporting. Attached hereto as Exhibit B is a contract which the Foundation will require of participating companies intending to seek EB-5 funds from investors, which will further assist with compliance of USCIS regional center reporting requirements by the Foundation.
5. In addition to my knowledge and familiarity with the Form I-924A, I am also familiar with the memorandum attached hereto as Exhibit C from USCIS regarding Regional Center Responsibilities. It is my intention that the Foundation will fully comply with all

required oversight and reporting requirements should Regional Center status be conferred by USCIS.

All of the foregoing is true and correct as of the date indicated below.

Date: Feb 17 2011


Bruce Gjovig CEO

EXAMPLE OF PRO FORMA MONEY LAUNDERING SUSPICIOUS
CLIENT/MATTER REPORT FORM

FOR INTERNAL USE ONLY

1. NAME OF CLIENT/S:

.....

.....

Aliases/Trading Names

.....

.....

2. ADDRESS (including postcode, telephone, fax and contact name):

.....

.....

.....

3. DATE OF BIRTH (or date of incorporation)

4. SUMMARY OF AND DATE OF INSTRUCTIONS FOR INVESTMENT TRANSACTION:

.....

5. IF NOT ACTING AS PRINCIPAL

a) Name of Principal:

.....

b) Address of Principal:

(including postcode, fax and contact name)

.....

.....

.....

6. EVIDENCE OF IDENTITY OF CLIENT

Attached YES/NO:

7. VALUE OF INVESTMENT AND DESCRIPTION

.....

8. NAME AND ADDRESS OF INTRODUCER:

.....

.....

.....

(letter of introduction attached) YES/NO:

9. SOURCE OF FUNDS

Cash/Bank/Securities/Other:

.....

Amount, type, source and destination:

.....

Independent verifications obtained?

.....

10. ANY REASON FOR SUSPICION OF ILLICIT OR UNLAWFUL ACTIVITY:

.....

11. SCREENING CONDUCTED AGAINST OFAC SDN LIST AND RESULTS

YES/NO:

(a) Were any positive hits investigated and resolved; if so, description and date of resolutions

YES/NO:

**12. IF RESTRICTED COUNTRY, PERSON OR ENTITY WAS OFAC LICENSE OBTAINED, OR
AUTHORIZATION CONFIRMED; DESCRIBE**

YES/NO:

(a) If yes, ensure that an OFAC authorization is received for payments, a record keeping system established, and all records are maintained for 5 years after conducting the representation.

13. IS ANY INFORMATION RECEIVED SUBJECT TO PROFESSIONAL PRIVILEGE?

Applicable YES/NO:

**NORTH DAKOTA / NORTHWEST MINNESOTA EB-5 REGIONAL CENTER
CONTRACT FOR SERVICES**

This agreement is made between the UND Center for Innovation Foundation, herein after referred to as "Foundation", a North Dakota Nonprofit Corporation, operator of the North Dakota / Northwest Minnesota EB-5 Regional Center, and _____ (Company), hereinafter referred to as "Company", a (State Formed in) _____ (Corporation/LLC) with headquarters in _____ (city), XX(State).

BACKGROUND

1. In 1990, The United States Congress enacted an Immigration Act (the "Act"), which created an employment-creation immigrant investor visa program to be administered by U.S. Citizenship and Immigration Services ("USCIS") through its legacy agencies, the Bureau and Immigration Services and the Immigration and Naturalization Service.
2. The EB-5 permits foreign nationals to receive conditional resident status in the United States in exchange for making a capital investment in the United States that will benefit the United States economy. Each investment needs to create or save at least ten direct full-time jobs for U.S. workers. The minimum amount of investment is \$1,000,000, but that minimum amount is reduced to \$500,000 if the investment is made in a high unemployment area or qualifying rural region.
3. In 1992, the United States Congress enacted the EB-5 regional center pilot program. This Immigrant Investor Pilot Program ("Program") allows both public and private entities to apply for regional center status. The Program allows an investor to create or save at least ten direct and indirect full-time jobs for the U.S. workers.
4. The Foundation is a designated regional center pursuant to the Program, and was founded as a North Dakota nonprofit corporation. The Foundation seeks to improve the regional workforce, work to advance job creation, to provide consultation services for foreign investors, and interact with entities assisting foreign investors to invest in Program eligible capital investments in the State of North Dakota and Northwest Minnesota and serve as North Dakota and Northwest Minnesota's designated Regional Center as that term is defined in the Program and pursuant to U.S. laws and regulations.
5. The Company is seeking equity investment ("Investment") and is offering up to _____ (amount of total money) of (units or stock) in the Company for _____ (Given Amount) per (unit or share) pursuant to the Private Placement Memorandum and in compliance with U.S. law and regulations, to foreign investors who (a) plan to file for an EB-5 Visa under the Immigrant Investor Pilot Program (the "Program") through the U.S. Citizenship and Immigration Services ("USCIS") and (b) are "accredited investors" as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended, and where the "accredited investor" status does not violate U.S. laws and regulations.
6. The Investment by the EB5 investor will be equity capital at a minimum of US \$1,000,000 unless the company is principally doing business in a targeted employment area in which case it may be as low as US \$500,000. The investment capital provide by the EB5 investor is not a loan; the investor will not be entitled to any guaranteed returns but may share in distributions of profits; the investor will not have a redemption right or any right to force the buy-out of his share at a particular price; the investor will be engaged in management of the company in some capacity; and the company will provide evidence of job creation using the IMPLAN-based methodology that is provided by the Foundation.

WHEREFORE, in consideration of the mutual promises contained in this Agreement, and intending to be legally bound by this Agreement, the Foundation and the Company mutually contract and agree as follows:

1. Company hereby engages Foundation for the purpose of

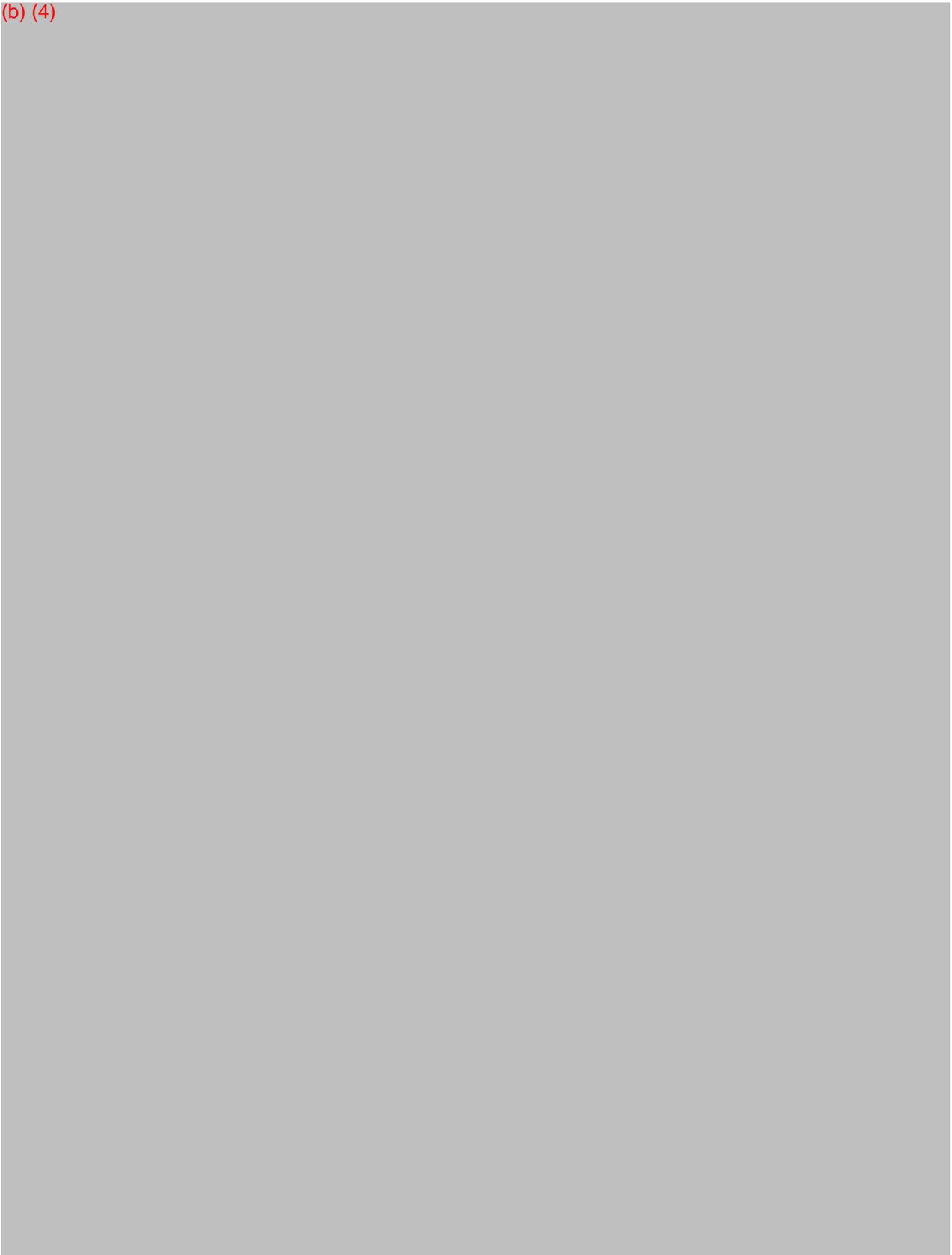
(b) (4)



(b) (4)



(b) (4)



(b) (4)



IN WITNESS WHEREOF, the parties have executed this License Agreement.

UND Center for Innovation Foundation

Company

/s/ _____
Bruce Gjovig, CEO

/s/ _____
XXXXXXXXX, XXX

Date: _____

Date: _____

Regional Center Responsibilities Per USCIS Instructions

DESIGNEE'S RESPONSIBILITIES INHERENT IN CONDUCT OF THE REGIONAL CENTER:

The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether your Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year¹, commencing with the initial year as follows:

1. Provide the principal authorized official and point of contact of the Regional Center responsible for the normal operation, management and administration of the Regional Center.
2. Be prepared to explain how you are administering the Regional Center and how you will be actively engaged in supporting a due diligence screening of its alien investors' lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital.

¹ A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

3. Be prepared to explain the following:
 - a. How the Regional Center is actively engaged in the evaluation, oversight and follow up on any proposed commercial activities that will be utilized by alien investors.
 - b. How the Regional Center is actively engaged in the ongoing monitoring, evaluation, oversight and follow up on any investor commercial activity affiliated through the Regional Center that will be utilized by alien investors in order to create direct and/or indirect jobs through qualifying EB-5 capital investments into commercial enterprises within the Regional Center.
4. Be prepared to provide:
 - a. the name, date of birth, petition receipt number, and alien registration number (if one has been assigned by USCIS) of each principal alien investor who has made an investment and has filed an EB-5/I-526 Petition with USCIS, specifying whether:
 - i. the petition was filed,
 - ii. was approved,
 - iii. denied, or
 - iv. withdrawn by the petitioner, together with the date(s) of such event.
 - b. The total number of visas represented in each case for the principal alien investor identified in 4.a. above, plus his/her dependents (spouse and children) for whom immigrant status is sought or has been granted.
 - c. The country of nationality of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.
 - d. The U.S. city and state of residence (or intended residence) of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.
 - e. For each alien investor listed in item 4.a., above, identify the following:
 - i. the date(s) of investment in the commercial enterprise;
 - ii. the amount(s) of investment in the commercial enterprise; and
 - iii. the date(s), nature, and amount(s) of any payment/remuneration/profit/return on investment made to the alien investor by the commercial enterprise and/or Regional Center from when the investment was initiated to the present.
5. Be prepared to identify/list each of the target industry categories of business activity within the geographic boundaries of your Regional Center that have:
 - a. received alien investors' capital, and in what aggregate amounts;
 - b. received non-EB-5 domestic capital that has been combined and invested together, specifying the separate aggregate amounts of the domestic investment capital;
 - c. of the total investor capital (alien and domestic) identified above in 5.a and 5.b, identify and list the following:
 - i. The name and address of each "direct" job creating commercial enterprise.
 - ii. The industry category for each indirect job creating investment activity.

6. Be prepared to provide:
 - a. The total aggregate number of approved EB-5 alien investor I-526 petitions per each Federal Fiscal Year to date made through your Regional Center.
 - b. The total aggregate number of approved EB-5 alien investor I-829 petitions per each Federal Fiscal Year to date through your Regional Center.
7. The total aggregate sum of EB-5 alien capital invested through your Regional Center for each Federal Fiscal Year to date since your approval and designation.
8. The combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through your Regional Center for each Federal Fiscal Year to date since your approval and designation.
9. If applicable, the total aggregate of "preserved" or saved jobs by EB-5 alien investors into troubled businesses through your Regional Center for each Federal Fiscal Year to date since your approval and designation.
10. If for any given Federal Fiscal Year your Regional Center did or does not have investors to report, then provide:
 - a. a detailed written explanation for the inactivity,
 - b. a specific plan which specifies the budget, timelines, milestones and critical steps to:
 - i. actively promote your Regional Center program,
 - ii. identify and recruit legitimate and viable alien investors, and
 - iii. a strategy to invest into job creating enterprises and/or investment activities within the Regional Center.
11. Regarding your website, if any, please be prepared to provide a hard copy which represents fully what your Regional Center has posted on its website, as well as providing your web address. Additionally, please provide a packet containing all of your Regional Center's hard copy promotional materials such as brochures, flyers, press articles, advertisements, etc.
12. Finally, please be aware that it is incumbent on each USCIS approved and designated Regional Center, in order to remain in good standing, to notify the USCIS within 15 business days at USCIS.ImmigrantInvestorProgram@dhs.gov of any change of address or occurrence of any material change in:
 - the name and contact information of the responsible official and/or Point of Contact (POC) for the RC
 - the management and administration of the RC,
 - the RC structure,
 - the RC mailing address, web site address, email address, phone and fax number,
 - the scope of the RC operations and focus,
 - the RC business plan,
 - any new, reduced or expanded delegation of authority, MOU, agreement, contract, etc. with another party to represent or act on behalf of the RC,
 - the economic focus of the RC, or

- any material change relating to your Regional Center's basis for its most recent designation and/or reaffirmation by USCIS.

United States Senate

WASHINGTON, DC 20510

February 18, 2011

Rosemary Langley Melville
Director, California Service Center
U.S. Citizenship and Immigration Services
PO Box 10526
Laguna Niguel, CA 92607-0526

Dear Director Melville:

We write to offer our strong support to the UND Center for Innovation Foundation's efforts to secure an EB-5 Regional Center designation for the State of North Dakota and 20 counties in Northwest Minnesota under the Immigrant Investor Pilot Program of the U.S. Immigration & Citizenship Services (USCIS).

The primarily rural areas of North Dakota and Northwest Minnesota would greatly benefit from foreign direct investment and the creation of new jobs. While we may have fared better than some over the past two years, our rural economy still faces unique economic challenges. Designating North Dakota and Northwest Minnesota as an "EB-5 Regional Center" under the immigration Investor Pilot Program is a great opportunity to foster growth and job creation in the seven industry sectors outlined in their application.

It is imperative that our federal government and the private sector work together toward to foster job growth and capital investment to bring jobs to the unemployed and underemployed in regions like North Dakota and Northwest Minnesota. The EB-5 Regional Center program is ideally suited and designed for rural regions like ours, and Foreign Direct Investment under the EB-5 program and the resulting increase in jobs would greatly benefit this region. The proposal submitted with their approach for a sustained effort is worthy of favorable consideration.

Moreover, the UND Center for Innovation Foundation is uniquely qualified to be designated as a EB-5 Regional Center as one of the leading entrepreneur centers in the nation, recognized with eight national awards for excellence. It is just one of 19 incubator programs in the world that have been certified as a "Soft Landings Incubator," meaning the Center has the expertise to work internationally. The UND Center for Innovation Foundation has been working with innovators, entrepreneurs and angel investors in North Dakota and Northwest Minnesota for 26 years, so they understand equity investment well and are well suited for this program.

We fully support UND Center for Innovation Foundation's efforts to establish an EB-5 Regional Center, and look forward to providing whatever assistance we can to make these efforts a reality. Please keep us informed.

Sincerely,



KENT CONRAD
United States Senate



JOHN HOEVEN
United States Senate

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Stone & Grzegorek, LLP
800 Wilshire Blvd
Suite 900
Los Angeles, CA 90017

Matter

USCIS-California Service Cen
Attention: EB-5 Processing U

Department of Homeland Security
U.S. Citizenship and Immigration Services

Cover Sheet

Record of Proceeding

NOTE: This is a permanent record of the U. S. Citizenship and Immigration Services. Any part of this record that is removed **must be returned** after it has served its purpose.

Instructions

1. Place a separate cover sheet on the top of each Record of Proceeding.
2. Each Record of Proceeding must be fastened on the inner left side of the file jacket in chronological order.
3. Any person temporarily removing any part of this record must make, date and sign a notation to this effect that must be retained in this record, below the cover sheet. The signer is responsible for replacing the removed material as soon as it has served its purpose.
4. See AM 2710 for detailed instructions



U.S. Citizenship
and Immigration
Services

JAN 19 2011

TO:

UND Center for Innovation Foundation
C/O Bruce Gjovig, CEO
4200 James Ray Drive
Grand Forks, North Dakota 58203

DATE:

Petition: Regional Center Proposal

File: RCW1031910017/W09001760

DECISION

Your Regional Center Proposal, filed in behalf of UND Center for Innovation Foundation Regional Center has been denied for the following reason(s):

See Attachment

If you desire to appeal this decision, you may do so. Your notice of appeal must be filed with this office at the address at the top of this page within 30 days of the date of this notice. Your appeal must be filed on Form I-290B. A fee of \$630.00 is required, payable to U. S. Citizenship and Immigration Services with a check or money order from a bank or other institution located in the United States. If no appeal is filed within the time allowed, this decision will be the final decision in this matter.

In support of your appeal, you may submit a brief or other written statement for consideration by the reviewing authority. You may, if necessary, request additional time to submit a brief. Any brief, written statement, or other evidence not filed with Form I-290B, or any request for additional time for the submission of a brief or other material must be sent directly to:

U. S. Citizenship and Immigration Services
Administrative Appeals Office MS 2090
Washington, D.C. 20529-2090.

Any request for additional time for the submission of a brief or other statement must be made directly to the Administrative Appeals Office (AAO), and must be accompanied by a written explanation for the need for additional time. An extension of time to file the appeal may not be granted. **The appeal may not be filed directly with the AAO. The appeal must be filed at the address at the top of this page.**

Sincerely,

Rosemary Langley Melville
Director, California Service Center

cc: Lincoln Stone, Esq.

Enclosure: Form I-290B

This Notice is in reference to the Regional Center Proposal that was filed with the Director, California Service Center, on April 22, 2010, seeking designation as a Regional Center pursuant to Pilot Immigration Program under Section 610 of P.L. 102-395 and as amended by P.L. 107-273.

On September 29, 2010, 2010 the USCIS issued Form I-797 Notice of Action requesting evidence in support of the Regional Center Proposal filed on April 22, 2010. The USCIS noted the request did not contain sufficient evidence showing that the proposed regional center would meet the regulatory requirements as a Regional Center. Multiple issues were addressed in the request for evidence and the evidentiary requirements for each of these issues were explained in detail. However, the evidence provided in response to the USCIS request did not establish eligibility under the Pilot Immigrant Investor Program.

The University of North Dakota Center for Innovation Foundation Regional Center has requested designation as a Regional Center to be located within the entire state of North Dakota and 20 counties in Northwestern Minnesota, which includes Kittson, Roseau, Marshall, Pennington, Beltrami, Red Lake, Polk, Norman, Clay, Otter Tail, Douglas, Pope, Traverse, Stevens, Wilkin, Becker, Mahanomen, Clearwater, Grand and Lake of the Woods. Capital investment will be used to invest in several target industries: agribusiness, advanced manufacturing, aviation/aerospace, information technologies/communications, construction and real estate development (rural/urban renewal/multi-mixed use), biotech/bioscience, and utilities (electric power generation).

The Regional or National Impact of the Regional Center

Under 8 CFR § 204.6(m)(3)(iv), a regional center proposal must contain a prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and outside of the regional center. This requirement means that the proposal must analyze the impact of regional center activities.

Although a business plan was submitted for the regional center, the proposal did not include a prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and outside of the regional center. The business plan did not address specific factors like increased household earnings, greater demand for business services, utilities, maintenance and repair and construction both within and outside of the regional center but rather overall impact of output, employment and household earnings by each sector such as agribusiness, advanced manufacturing, aviation/aerospace, information technologies/communications, biotech/bioscience, construction and real estate development (rural/urban renewal/multi-mixed use), and utilities (electric power generation).

Therefore, the regional or national impact of the regional center has not been demonstrated.

Job Creation

Section 610(a) of P.L. 102-395 as amended by P.L. 107-273 describes the statutory basis for eligibility as a Regional Center

- a) Of the visas otherwise available under section 203(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1153(b)(5)), the Secretary of State, together with the Attorney General, shall set aside visas for a pilot program to implement the provisions of such section. . . . The establishment of a regional center may be based on general predictions, contained in the proposal, concerning the kinds of commercial enterprises that will receive capital from aliens, the jobs that will be created directly or indirectly as a result of such capital investments and the other positive economic effects such capital investments will have. . . .

Moreover, 8 C.F.R. 204.6(e) states in pertinent part:

Commercial enterprise means any for-profit activity formed for the ongoing conduct of lawful business including, but not limited to, a sole proprietorship, partnership (whether limited or general), holding company, joint venture, corporation, business trust, or other entity which may be publicly or privately owned. This definition includes a commercial enterprise consisting of a holding company and its wholly-owned subsidiaries, provided that each such subsidiary is engaged in a for-profit activity formed for the ongoing conduct of a lawful business. This definition shall not include a non-commercial activity such as owning and operating a personal residence.

A regional center proposal must be supported by economically or statistically valid forecasting tools, including, but not limited to, feasibility studies, analyses of foreign and domestic markets for the goods or services to be exported, and job creation multipliers related both geographically and by job type. This requirement that a proposal include the valid multipliers applicable to an identified economic activity and job type is in accordance with the regulatory requirements, in particular, 8 C.F.R. § 204.6(m)(3)(ii).

Whether a proposed regional center will foster sufficient job-creation and economic benefits to justify the regional center designation is an issue to be determined by USCIS during the course of evaluating regional center proposals. Regional center proposals should include evidence of the proposed regional center's evaluative economic models, feasibility studies regarding projects and investments that are to take place within the geographic area of the proposed regional center, as well as statements and attestations from interested and supportive public agencies and private organizations located within the area of the regional center.

In the instant proposal, University of North Dakota Center for Innovation Renovation Foundation Regional Center will use capital investment to invest in several target industries: agribusiness, advanced manufacturing, aviation/aerospace, information technologies/communications, biotech/bioscience,, construction and real estate development (rural/urban renewal/multi-mixed use), and utilities (electric power generation).

Although the proposal included a Business Plan and a revised Economic Analysis (see Revised IMPLAN Proposal), the proposal did not show how EB-5 investor funds will be capitalized in a manner that will create at least 10 full-time jobs per EB-5 investor.

The proposal identified seven industry clusters for job creation but did not identify the projects and investments for which EB-5 investor funds will be used. Without knowing the projects and investments in the regional center, USCIS cannot make a determination as to whether investment capital will be utilized in a manner that will create the requisite jobs.

In tandem with the identification of the investments and projects, the proposal does not contain any evaluative economic models and feasibility studies regarding the projects and investments that are to take place within the designated geographic area of the proposed regional center. The Economic Analysis that was submitted with the proposal appears to be generic in nature and focuses simply on the job creation impacts for the industry clusters rather than the job creation impacts for the industry clusters in a project or investment based on a \$1,000,000 capital investment.

Such evidence would not only meet a basic requirement for a regional center, but also would be useful in establishing that the capital investments proposed are compatible with community plans and goals for economic development in the area.

Further, the proposal does not show how the capital funds will flow from the investor (both EB-5 and non EB-5) to the job-creating entity. (b) (4) [REDACTED]. USCIS cannot determine whether investment capital will actually flow from the investor to the job-creating enterprise.

Moreover, the proposal does not show how the jobs will be created even though the Economic Analysis projects that at least ten (10) (direct and/or indirect) full-time jobs will be created in each industry cluster based on the expenditure of a \$1,000,000 capital investment (see Pages 2 3, 5, 6, 7 and 10 of the Revised IMPLAN Proposal). The proposal further states that capital funds will be used for manufacturing but the proposal is not clear as to what this means (see Pages 2 3, 5, 6, 7 and 10 of the Revised IMPLAN Proposal). Without knowing the job-creating activities that the regional center will be engaged in, USCIS cannot determine whether investment capital will be utilized in a manner that will create the requisite jobs.

Therefore, without knowing the kinds of investment projects, the flow of capital, or how the jobs will be created, USCIS cannot determine whether the investment capital will be utilized in a manner that will create the requisite jobs.

In light of these facts, the proposal fails to show that the investment vehicles to be undertaken by University of North Dakota Center for Innovation Renovation Foundation Regional Center can reasonably be expected to provide the requisite permanent, full-time job-creation and create positive economic impact from EB-5 alien investors.

Administrative Oversight

The law and regulations at 8 CFR 204.6(m)(6), require that an approved Regional Center must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment in order to maintain the validity of its approval and designation.

To maintain its validity of its approval and designation, the region center must oversee its administration, oversight, and management by monitoring all investment activities under its sponsorship, and maintaining records, data and information on a quarterly basis in order to report to USCIS upon request so that USCIS can determine whether an approved and designated Regional Center is in compliance with 8 CFR 204.6(m)(6), and continues to operate as a USCIS approved and designated Regional Center.

The proposal does not contain any documentation that permits the USCIS to conclude that proposed regional center, if approved and designated, will be in compliance with 8 CFR 204.6(m)(6), and will continue to operate as a USCIS approved and designated Regional Center.

Thus, in terms administrative oversight, the proposal is deficient because it did not include the following: a description of how the regional center plans to administer, oversee, and manage itself, including but not limited to such things as identifying, assessing and evaluating proposed immigrant investor projects and enterprises; whether the investment capital to be sought will consist solely of alien investor capital or a combination of alien investor capital and domestic capital; how all affiliated investment activities will be monitored, through or under the sponsorship of the proposed Regional Center, and how the regional center will maintain records, data and information on projects, investors, business activities, etc., in order to report to USCIS for each Federal Fiscal Year.

Overall, it has not demonstrated that the regional center will conduct adequate and sufficient administrative oversight for the USCIS to conclude that proposed regional center, if approved and designated, will be in compliance with 8 CFR 204.6(m)(6), and will continue to operate as a USCIS approved and designated Regional Center.

In summary, it has not been shown that permanent full-time jobs will be created using a statistically valid econometric model; that regional or national impact of regional center will be realized and that regional center will be able to conduct adequate and sufficient administrative oversight in order to maintain the validity of its approval and designation.

For these reasons, this Regional Center Proposal is denied.

CALIFORNIA SERVICE CENTER ROUTING SLIP

Receipt #

A #

Rev. 11/12/10

USCIS Director (AA003) Deputy Director (AA002) Special Assistant (AA007) Duty Officer

DIVISION IX	DIVISION I	DIVISION II	DIVISION III
<input type="checkbox"/> AST Incoming: XB800	<input type="checkbox"/> Incoming: AD477	<input type="checkbox"/> Incoming: XA925	<input type="checkbox"/> Incoming: AD477
<input type="checkbox"/> MR Returns:	<input type="checkbox"/> W/S:	<input type="checkbox"/> W/S:	<input type="checkbox"/> QA Corrections: ET116
<input type="checkbox"/> W/S:	ATTN:	ATTN:	<input checked="" type="checkbox"/> W/S: 24064
ATTN:			ATTN:

DIVISION IV	DIVISION VII	DIVISION VIII/COUNSEL	DIVISION X-Background Check Unit
<input type="checkbox"/> Incoming: XB641	<input type="checkbox"/> CPAU Incoming: RS601	<input type="checkbox"/> Incoming: WR000	<input type="checkbox"/> Rap Sheets/ EPS Incoming: SZ132
<input type="checkbox"/> W/S:	<input type="checkbox"/> CFF Incoming: RS902		<input type="checkbox"/> Incoming: SZ131
ATTN:	<input type="checkbox"/> RRU BIA RS339	<input type="checkbox"/> CSC Counsel	<input type="checkbox"/> BCU/Top 4: SZ714
	<input type="checkbox"/> Incoming: RS554	ATTN:	
	<input type="checkbox"/> RRU Incoming: Outside	<input type="checkbox"/> WS:	
	<input type="checkbox"/> RRU Ponds: W/S 24201		
	<input type="checkbox"/> CIS Review: RC464		
	<input type="checkbox"/> Incoming:		
	<input type="checkbox"/> W/S:		
ATTN:	ATTN:	ATTN:	ATTN:

DIVISION V	DIVISION VI	DIVISION VII	DIVISION VIII/CFDO	SCOSS
<input type="checkbox"/> Incoming: XB641	<input type="checkbox"/> Incoming: X0036	<input type="checkbox"/> Incoming: XB919	<input type="checkbox"/> CFDO: DU000	<input type="checkbox"/> NTA Shelf (TPS / I-485 / I-751 / I-539 B1/B2 / I-360- / Misc.): RC445
<input type="checkbox"/> W/S:	<input type="checkbox"/> W/S:	<input type="checkbox"/> W/S:	<input type="checkbox"/> HIB ASVVP Incoming: AD701	<input type="checkbox"/> Non-EPS Incoming (I-485 / I-130 / Misc.): RC448
ATTN:	ATTN:	ATTN:	<input type="checkbox"/> Religious Worker Incoming: AD700	
			<input type="checkbox"/> W/S:	
			ATTN:	

DIVISION VI	DIVISION VII	DIVISION VIII/CFDO	SCOSS
<input type="checkbox"/> Incoming: X0036	<input type="checkbox"/> Incoming: XB919	<input type="checkbox"/> CFDO: DU000	<input type="checkbox"/> NTA Shelf (TPS / I-485 / I-751 / I-539 B1/B2 / I-360- / Misc.): RC445
<input type="checkbox"/> W/S:	<input type="checkbox"/> W/S:	<input type="checkbox"/> HIB ASVVP Incoming: AD701	<input type="checkbox"/> Non-EPS Incoming (I-485 / I-130 / Misc.): RC448
ATTN:	ATTN:	<input type="checkbox"/> Religious Worker Incoming: AD700	
		<input type="checkbox"/> W/S:	
		ATTN:	

SCOSS ATTN: _____ W/S: _____ RPC: _____

<input type="checkbox"/> NRC Hold Approved:	<input type="checkbox"/> Return to JIT * RC419	<input type="checkbox"/> Routing Hub: RC422	<input type="checkbox"/> EDMS PRINTS: RC321
<input type="checkbox"/> NRC Hold Denied: RC417	* Specify application / petition type in Comments field below	ATTN:	
<input type="checkbox"/> HBG Hold Approved:	SCAN CR	<input type="checkbox"/> CIS FTR Review Complete * RC442	<input type="checkbox"/> I-612 DOS COPY: RC472
<input type="checkbox"/> HBG Hold Denied: RC418	I-89 / 698 / 829: RC318	* Attach sheet and / or file	
	<input type="checkbox"/> FR Backend Appeal Pod: RC410		

<input type="checkbox"/> Interfiling: WS23222	<input type="checkbox"/> Backend Scan: RC307	<input type="checkbox"/> Transfer to FCO: RC421	<input type="checkbox"/> F/R A-File Create: RC413
<input type="checkbox"/> Front End Request: RC427	<input type="checkbox"/> SNAP Incoming: RC302	<input type="checkbox"/> TPS Haitian (RDF): RC465	<input type="checkbox"/> File Consolidate: RC423
	<input type="checkbox"/> 103 Hold (RFE / ITD): RC420	<input type="checkbox"/> Transfer to NVC: RC438	<input type="checkbox"/> I-485 File Consolidate: RC439
	<input type="checkbox"/> I-512 Incoming: RC313	<input type="checkbox"/> FTC Incoming: RC437	<input type="checkbox"/> Approved Awaiting I-89: RC428
		<input type="checkbox"/> I-130 Upgrades: RC055	

EBS (RFE)

Comments Below:

REV. 11/12/10

Note: The current printable format can be found @ O:Common/Forms/CSC Routing Slip. Incomplete or outdated routing slip

From: SCOSS CORR UNIT Date: 12/28/10 Ext: 3030 RPC: 256 DIV: AL3100621

		Application/Petition REGIONAL CENTER PROPOSAL
Receipt # W09001760		
Notice Date September 29, 2010	Page 1 of 6	Regional Center UND Center for Innovation Foundation Regional Center

Lincoln Stone, Esq.
Stone & Grzegorek LLP
800 Wilshire Blvd., Suite 900
Los Angeles, CA 90017

Request for Evidence

IMPORTANT: WHEN YOU HAVE COMPLIED WITH THE INSTRUCTIONS ON THIS FORM, RESUBMIT THIS NOTICE ON TOP OF ALL REQUESTED DOCUMENTS AND /OR INFORMATION TO THE ADDRESS BELOW. THIS OFFICE HAS RETAINED YOUR PETITION/APPLICATION WITH SUPPORTING DOCUMENTS.

THE INFORMATION REQUESTED BELOW MUST BE RECEIVED BY THIS OFFICE NO LATER THAN EIGHTY-FOUR (84) DAYS FROM THE DATE OF THIS NOTICE. IF YOU DO NOT PROVIDE THE REQUESTED DOCUMENTATION WITHIN THE TIME ALLOTTED, YOUR APPLICATION WILL BE CONSIDERED ABANDONED PURSUANT TO 8 C.F.R. 103.2(B)(13) AND, AS SUCH, WILL BE DENIED.

WS 24064/CSC3700 DIV III

RETURN THIS NOTICE ON TOP OF THE REQUESTED INFORMATION LISTED ON THE ATTACHED SHEET.

Note: You are given until DEC 22 2010 in which to submit the information requested.

Pursuant to 8 C.F.R. 103.2(b)(11) failure to submit ALL evidence requested at one time may result in the denial of your application.

For non-US Postal Service
Attn: EB 5 RC Proposal
24000 Avilla Road, 2nd Floor
Laguna Niguel, CA 92677

You will be notified separately about any other applications or petitions you filed. Save a photocopy of this notice. Please enclose a copy of it if you write to us about this case, or if you file another application based on this decision. Our address is:

U.S. CITIZENSHIP AND IMMIGRATION SERVICES
CALIFORNIA SERVICE CENTER
Attn: EB 5 RC Proposal
P.O. BOX 10590
LAGUNA NIGUEL, CA 92607-0526



AL3100621
REC'D CSCY10DEC22 8:16

Additional Information for Applicants and Petitioners.

General.

The filing of an application or petition does not in itself allow a person to enter or remain in the United States and does not confer any other right or benefit.

Inquiries.

If you do not hear from us within the processing time given on this notice and you want to know the status of this case, use InfoPass at www.uscis.gov to contact your local USCIS office or call our National Customer Service Center at 1-800-375-5283.

You should follow the same procedures before contacting your local USCIS office if you have questions about this notice.

Please have this form with you whenever you contact a local office about this case.

Requests for Evidence.

If this notice asks for more evidence, you can submit it or you can ask for a decision based on what you have already filed. When you reply, please include a copy of the other side of this notice and also include any papers attached to this notice.

Reply Period.

If this notice indicates that you must reply by a certain date and you do not reply by that date, we will issue a decision based on the evidence on file. No extension of time will be granted. After we issue a decision, any new evidence must be submitted with a new application or petition, motion or appeal, as discussed under "Denials".

Approval for a Petition.

Approval of an immigrant or nonimmigrant petition means that the beneficiary, the person for whom it was filed, has been found eligible for the requested classification. However, approval of a petition does not give any status or right. Actual status is given when the beneficiary is given the proper visa and uses it to enter the United States. Please contact the appropriate U.S. consulate directly if you have any questions about visa issuance.

For nonimmigrant petitions, the beneficiary should contact the consulate after receiving our approval notice. For approved immigrant petitions, the beneficiary should wait to be contacted by consulate.

If the beneficiary is now in the United States and believes he or she may be eligible for the new status without going abroad for a visa, he or she should use InfoPass to contact a local USCIS office about applying here.

Denials.

A denial means that after every consideration, USCIS concluded that the evidence submitted did not establish eligibility for the requested benefit.

If you believe there is more evidence that will establish eligibility, you can file a new application or petition, or you can file a motion to reopen this case. If you believe the denial is inconsistent with precedent decisions or regulations, you can file a motion for reconsideration.

If the front of this notice states that this denial can be appealed and you believe the decision is in error, you can file an appeal.

You can obtain more information about these processes by either using InfoPass to contact your local USCIS office, or by calling the National Customer Service Center.

INTRODUCTION

The ND/NW- MN EB-5 RC will be located at the Ina Mae Rude Entrepreneur Center, owned and managed by the UND Center for Innovation Foundation. The Foundation is a 501(c) (3) nonprofit that supports the UND Center for Innovation. The Center for Innovation is a department of the University of North Dakota with mission and goals of fostering innovation, entrepreneurship, and investment. The specific geographic area for this Regional Center includes the entire state of North Dakota and 20 counties in Northwest Minnesota, more specifically Kittson, Roseau, Marshall, Pennington, Beltrami, Red Lake, Polk, Norman, Clay, Otter Tail, Douglas, Pope, Traverse, Stevens, Wilkin, Becker, Mahnommen, Clearwater, Grant, and Lake of the Woods counties. Those specific counties in Minnesota are included because they share similar demographics, industries and economies with the state of North Dakota. Those areas in North Dakota and the northwest part of Minnesota are, for the most part, considered targeted employment areas (TEA) by the Federal Government. This designation lowers the minimum amount that must be invested by foreign investors. Normally the minimum amount of investment is US\$1,000,000, but if investments are in a TEA the minimum investment is US\$ 500,000. North Dakota and Northwest Minnesota have a multitude of areas that classify as TEAs. With that in mind, the ND/NW-MN EB-5 RC plans to attract a larger volume of investments in the half million dollar bracket but it is also prepared to receive \$1,000,000 investments.

The principal identities in this project have worked together closely on entrepreneurial, international, and financial projects. They are Bruce Gjovig – CEO of CIF and Director of the Center for Innovation, Rodrigo Cintra -- International Marketing Director/ Entrepreneur Consultant, and Tom Kenville - Rainmaker and V.P. of Development. Additional information about the principals is found in the "Principals of Regional Center" section of this application as well as in **Appendix A**. Moreover, these contacts will be responsible for promoting, processing and managing EB-5 international investments attracted by the ND/NW-MN EB-5 RC. In addition, the ND/NW-MN EB-5 RC will coordinate with multiple private and public entities in the states of North Dakota and Minnesota such as the government of North Dakota, the North Dakota Trade Office (NDTO), North Dakota Department of Commerce (NDDOC), Minnesota Economic Improvement Commission, and others.

The ND/NW-MN EB-5 RC plans to focus on the following specific seven industries:

- Agribusiness
- Advanced Manufacturing
- Aviation/ Aerospace
- Information Technologies/ Communications
- Biotech / Bioscience
- Construction and Real Estate Development: Rural/Urban Renewal/ Multi- Mixed Use.
- Utilities (Electric Power Generation)

These industries were chosen to complement the available resources and growth in the region. The region's resources include abundant agricultural land, a highly productive labor force, and an expanding infrastructure. While the US economy has suffered during the recent recession, North Dakota's Gross Domestic Product grew at 7.3% in 2008, which was the highest among all states according to the Bureau of Economic Analysis. Adding to this economic strength is an unemployment rate of 3.7% in August of 2010, which is the lowest in the nation, and a state budget surplus projected to be nearly a billion dollars. North Dakota and Northwest Minnesota are leaders in the nation in agribusiness production as top producers of 14 major crops and are primary innovators in the development of agribusiness related renewable energies, including wind, value added identity preserved foods, and agribusiness related biotech vaccines/medical remedies.

Additionally, these industries were chosen because of their: 1. Consistency with strategic economic development goals in both states; 2. University graduate program strengths/incubator possibilities to develop new businesses with ties to our research and technology parks and center(s) for innovation relating to electrical engineering, polymers and coatings, and renewable energy development from crops. 3. Construction and real estate development is primarily focused on renewing rural downtown areas and developing other projects situated in rural oil producing areas. Highly successful programs have been developed turning downtowns into professional services, entertainment, and chic boutique areas along with urban apartments. Of these, we believe there are many potential projects that could be generated per year in communities in the region. Some will be at post-angel stage, some in mature industries looking to expand into new international markets requiring angel or loan funding. The plan is to augment EB-5 funding with other equity funds through side-by-side investments with each project evaluated accordingly.

UND CENTER FOR INNOVATION FOUNDATION GOALS

The purpose of establishing the UND Center for Innovation Foundation as a USCIS EB-5 Regional Center is strictly related to:

- Attract foreign direct investment into the state of North Dakota and into Northwest Minnesota in order to generate economic development, create new jobs and increase domestic capital investment. Currently we are working with Brazilian, South Korean, Chinese, Canadian and other investment groups to establish a model to bring investment, create jobs, and employ students to North Dakota and Northwest Minnesota.
- Create partnerships between American private investors and international investors (side-by-side investments) in order to give credibility to all investment deals proposed by the North Dakota/ Northwest Minnesota EB-5 Regional Center as well as to attract new potential investors. Interested parties include: HK Investors group, RAIN Funds, Bison Ventures, and North Dakota Development Fund. Other funding entities are being identified and will be included in the project in the future.
- The ND/NW-MN EB-5 RC will work as a source of creation for direct and indirect jobs for EB-5 immigrant investment projects. The IMPLAN model will be utilized in order to evaluate Regional Center direct and indirect job creation. This part of the project will be administered with the assistance of the University of North Dakota talent, more specifically, the UND economics department.
- Prospective domestic venture participants will be identified through access to ND Trade Office client base, RAIN investor base, Center for Innovation client base, and economic development groups across state.
- Provide a vehicle for investing in expanding companies with export potential to allow immigrant investors eligibility under the USCIS Regional Center Pilot Program. Companies will be selected for the Regional Center Program based on (i) job creation potential and (ii) the signing of a contract by the company ensuring compliance with the EB-5 program; and;
- Secure administration fees by working with international investors and local businesses interested in the EB-5 Immigration Visa Program. Administration fees will cover services provided by the ND/NW-MN EB-5 RC related to deal overview, deal referrals, tracking documentation, and compiling and providing any necessary reporting documentation to USCIS.

Moreover, investments will be organized on a side-by-side basis where both foreign investors and American investors will be able to jointly invest in determined projects. This side-by-side element will be in place to give foreign investors a sense of security and legitimacy related to investment projects promoted by the North Dakota/ Northwest Minnesota EB-5 Regional Center. This also provides leverage to American investors. In addition, expanding companies can highly

benefit from new funding alternatives. This new regional center will aim at generating economic development activity, creating new direct and indirect jobs, and increasing domestic capital for investment. The center will take advantage of its connections with the Rain Source Capital Funds in order to identify and screen potential companies and generate deal flow. Currently there are 10 angel investment funds in North Dakota and Minnesota which have been formed and are administered with the assistance of the UND Center for Innovation. The center has close ties to the others. They are located in Fargo, Grand Forks, Bismarck, and Wahpeton, ND and Fosston, MN. They will serve as a checkpoint to pre-screen deals and perform due diligence. The ND/NW-MN EB-5 RC plans to generate deal flow through these Angel Funds. We expect that up to 10 potential side-by-side investment deals will be generated each year.

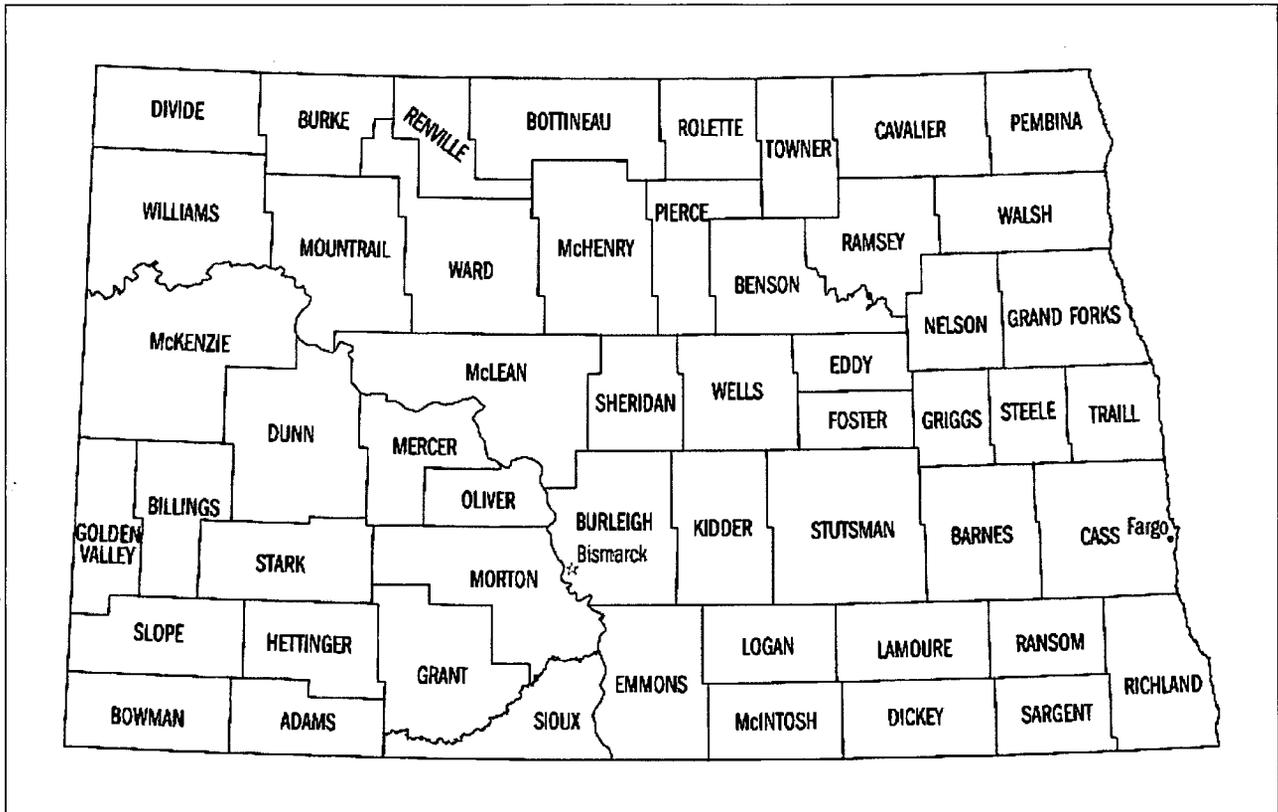
GEOGRAPHIC REGION

The North Dakota/Northwest Minnesota Regional Center geographic area will include the entire state of North Dakota and 20 counties in northwest Minnesota. The state of North Dakota and 20 northwest Minnesota counties are very similar in terms of industry and demographics. Although it is a large geographic area to cover, both areas combined have a population of only 1,005,000 people. (North Dakota with a total population of 641,481 and Northwest Minnesota with 363,594). It is important for the ND/NW-MN EB-5 RC to incorporate this entire region as it will facilitate the process of identifying and developing potential leads. Below are three maps that illustrate the region that this Regional Center will serve:

North Dakota – Northwest Minnesota Region: The region select is mainly rural and most of the area is TEA. Below is a map showing all 53 counties in the state of North Dakota that are included in our application:

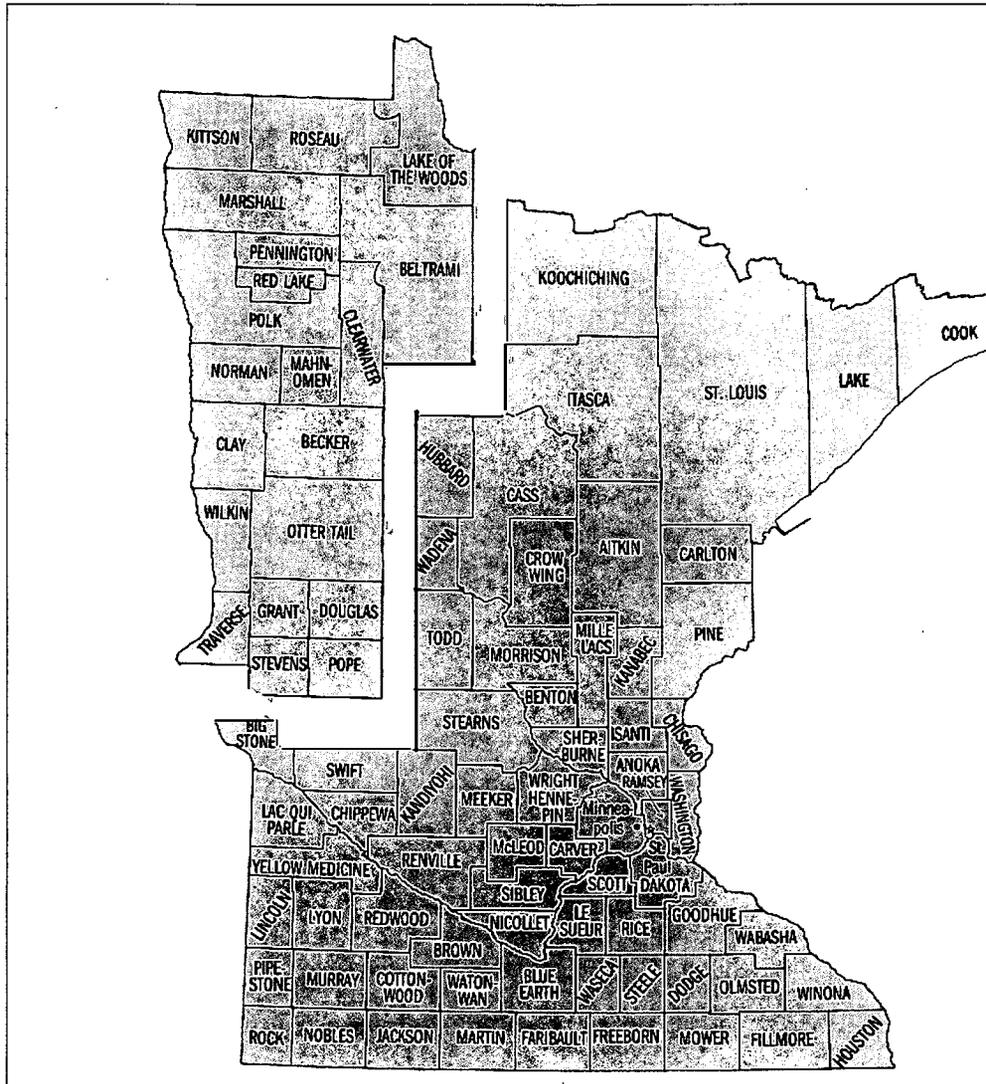
Source: U.S. Census Bureau, 2010

The entire state of North Dakota plus Northwest Minnesota was selected as the Regional Center's area after determining the number of investment opportunities that are found within this geographic location. Companies and the states can highly benefit from foreign direct investment. This initiative can potentially strengthen the regional economic environment and generate a



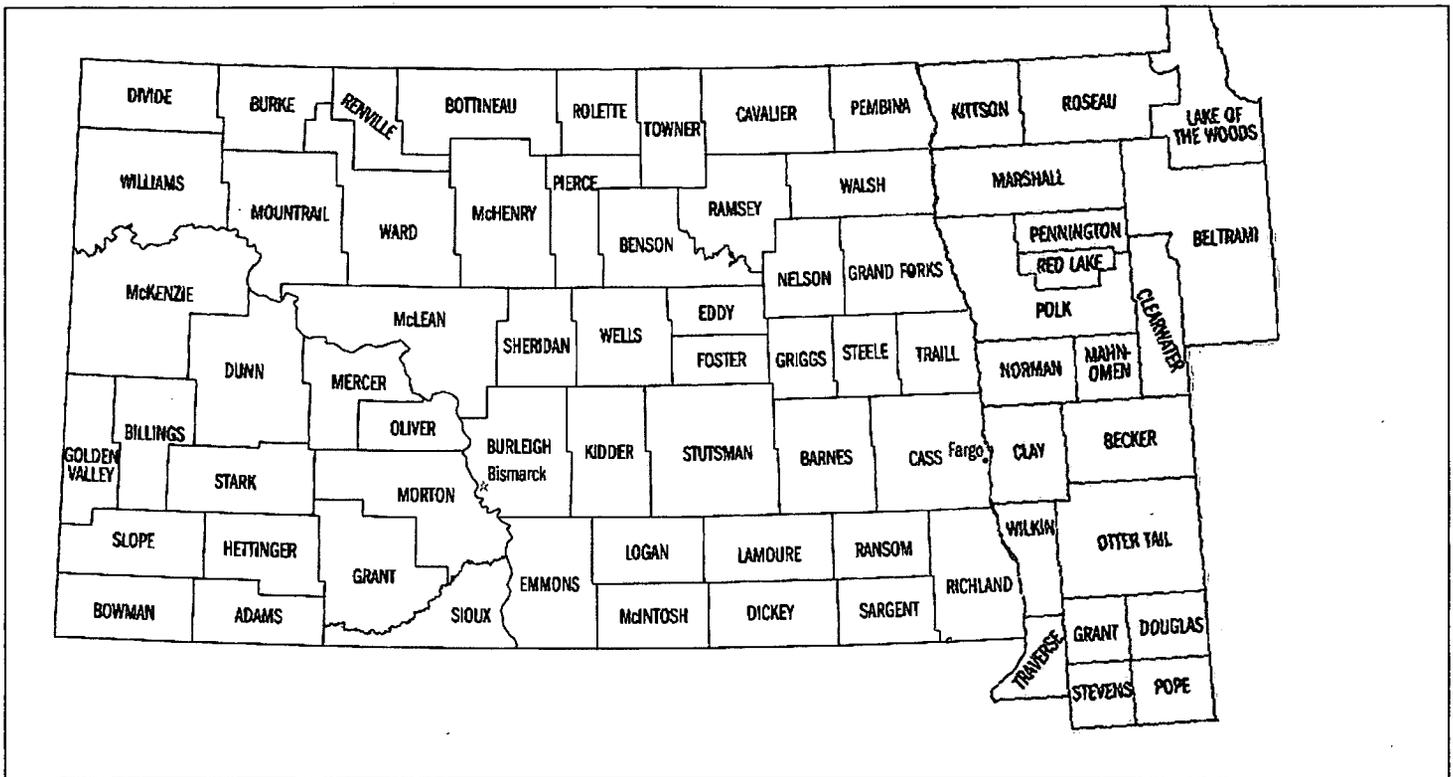
substantial number of new direct and indirect jobs. More information about the North Dakota geographic region and economy is found in the "Industry Focus" section.

Moreover, the ND/NW-MN EB-5 RC includes 20 counties in Northwest Minnesota. The reason behind this decision is because both regions are tied economically, have similar industries, and economies sharing the same trade area. The map below gives a broad view of the area where Kittson, Roseau, Marshall, Pennington, Beltrami, Red Lake, Polk, Norman, Clay, Otter Tail, Douglas, Pope, Traverse, Stevens, Wilkin, Becker, Mahnomen, Clearwater, Grant, and Lake of the Woods counties are located. The map found below depicts the 20 counties that will be included in our regional center geographic area. More information about these counties in terms of population, square miles, county seat, and inception is included in **Appendix J**.



Source: U.S. Census Bureau, 2010

The map below provides an overview of both areas combined. This is the complete region that the ND-NW MN EB-5 RC will cover.



UND CENTER FOR INNOVATION FOUNDATION – UND CENTER FOR INNOVATION

The ND/NW- MN EB-5 RC will be located at the Ina Mae Rude Entrepreneur Center which is owned and managed by the UND Center for Innovation Foundation (UND CIF). The Foundation is a 501(c) (3) nonprofit that supports the UND Center for Innovation which is a department of the University of North Dakota with mission and goals of innovation, entrepreneurship, and investment. UND Center for Innovation Foundation articles of organization and bylaws, are included in **Appendix A**, providing further evidence that the UND CIF qualifies as an economic entity. The UND Center for Innovation at the University of North Dakota mentors, advises, and consults with innovators, entrepreneurs, students and researchers to launch new ventures, commercialize new technologies and secure access to capital from private and public sources. It was among the first entrepreneur outreach centers in the nation when formed in 1984. 26 years later, the UND Center for Innovation operates two incubator facilities in the UND Tech Park: the Norm Skalicky Tech Incubator and the Ina Mae Rude Entrepreneur Center. These incubators are seedbeds that help emerging entrepreneurs grow new ventures and viable businesses. UND Center for Innovation staff is under contract with the UND CIF to perform services related to the operations of the ND/NW-MN EB-5 RC.

Moreover, the UND Center for Innovation has been working with international clients since 1992, working to bring foreign-based technology ventures into the U.S. market by developing export entry plans, conducting market research, locating distribution, manufacturing, development partners and providing a reputable foreign base of operations. All these services are still being provided by the center. In 2006 the center was designated a Soft Landing International Incubator, one of only 19 in the world by the National Business Incubator Association (NBIA). The center received this recognition because it has proven itself as a business incubator that helps companies expand

internationally. The UND Center for Innovation has recently expand its Soft Landing International Incubator designation until 2012.

The UND Center for Innovation has assisted with the launch of more than 460 products and businesses since 1984 and has won national, regional and state awards including: The national Tibbetts Award in 1996 and 1998 in recognition of contributions to the SBIR program and technology innovation; the national Small Business Administration's (SBA) Vision 2000 Award in 1999 for tech entrepreneurship; The Region VII (a six-state region) SBA Small Business Research Advocate Award in 2003; the state chamber of commerce's Entrepreneurial Spirit award in 2003; and the state Governor's Choice Innovator of the Year Award in 2009. The center was a finalist for two national awards in 2009 as well, named 1st runner-up for the Incubator Innovation Award by the National Business Incubation Association and named a finalist for the Excellence in Rural Economic Development award by the US Economic Development Administration. In addition, the center's programs have been instrumental in UND's ranking in the top 1% of collegiate entrepreneurship programs nationwide four years in a row by Princeton Review and Entrepreneur Magazine. The Center's Brochures and other marketing material are included in **Appendix F**.

SOURCE/ AMOUNT OF CAPITAL REGIONAL CENTER

The UND Center for Innovation Foundation has initially allocated (b) (4) for the regional center application development phase. Most of the funds will be utilized to cover any legal fees plus analysis related to the application process. Also, one supporter of the regional center, the North Dakota Department of Commerce, has invested (b) (4) which will be used for marketing and startup purposes. The Foundation will provide additional funds for startup, operations, and will cover staff costs. The Center for Innovation Foundation resolution authorizing application for an EB-5 Regional Center for North Dakota and Northwest Minnesota is found in **Appendix E**. The Center believes that this initial investment will be sufficient throughout the application process as most of this application has been compiled by Center for Innovation Foundation staff. Over 300 hours of staff time and multiple Center for Innovation resources have been utilized in order to complete this application. Additionally the center has received a (b) (4) Technology Based Entrepreneur Grant (TBEG) from the North Dakota Department of Commerce to help support international operations.

After designation is received, the ND/NW-MN EB-5 RC plans to sustain its operation by collecting administration fees in order to have cash flow and to augment the Regional Center's budget structure. This operational structure will secure the ND/NW-MN EB-5 RC's financial sustainability. Moreover, the UND Center for Innovation Foundation will be responsible for identifying and raising any additional capital as required.

INDUSTRY FOCUS: AN ECONOMIC PICTURE OF NORTH DAKOTA AND PART OF NORTHWEST MINNESOTA

Over the past quarter of a century, North Dakota's population has reflected both the level of technology in agriculture and the demand for energy and energy technology. In 2008, the population was nearly 639,000. In 2000 it was move, just over 642,000. Even within that nine year period the level of population varied as significant decreases in population occurred when new, larger farm machinery appeared. However, within that same time the demand for energy increased rapidly and what may be the largest reserve of oil ever discovered in North America was found within the state (the Bakken Formation), making North Dakota the 4th largest oil producing state in America. These changes in oil recovery attracted an increase in population somewhat offsetting the decrease caused by new agricultural technologies.

Initially because of its coal reserves, energy has played an important economic role in North Dakota while it has been virtually non-existent in Minnesota. Now with increased interest in the development of alternative energy such as biofuels, geothermal, and wind energy; energy may become more significant to the twenty county region of northwest Minnesota. Those new technologies also apply to North Dakota, especially wind and geothermal energy. In 2006 North Dakota produced 724 trillion Btus of energy, or one percent of the total production in the U.S. Because of the large production of power in the state the price paid for electricity in North Dakota in 2006 was among the lowest in the nation. In fact, electricity is twice as expensive in New England, California.

North Dakota's future in energy will only become more important as time passes. As the result of favorable wind tests that have been completed by the government, North Dakota has been called the Saudi Arabia of wind. That is because the wind blows more consistently at a rapid enough speed to produce more electricity than any other place in the nation. The Bakken formation alone may be the largest quantity of oil ever discovered in North America and the Sanish formation lying underneath, while too early to be certain, may be even larger. Also, for more than a decade, the political leaders in North Dakota have made a very specific effort to make the state more like the rest of the nation in terms of expanding the manufacturing base and in a related effort in keeping and attracting young people to the state. The program has had mixed success. The state was successful in expanding manufacturing, particularly in agriculture and energy. The state also became the location of a major facility for the largest manufacturer of private airplanes and a manufacturer of blades for a major worldwide wind generation company. As with most manufacturers, the recent economic difficulties have had an adverse effect on manufacturing in the state. However, the most recent data appears to indicate that these firms are recovering rapidly from those economic setbacks.

North Dakota is a homogeneous area, both in the makeup of its economy and its population. Although significant changes have occurred in the past decade, it is accurate to describe North Dakota as dominated by Caucasians. Native Americans are the only minority population of any significance, and even they represent a relatively small percent of the total (5%). On the other hand, when it comes to factors such as education, and women-owned businesses, North Dakota is much like the balance of the United States. In fact, women especially have always played an important role in the states business community. Manufacturing tends to be dominated by agricultural firms with both Case IH and John Deere having major manufacturing plants in the state. However, North Dakota is also home to one of Microsoft's and Amazon's major campuses.

One additional modern and futuristic industry in which North Dakota is becoming a major player in is Unmanned Aerial Vehicles, or UAVs. In the last round of the Base Realignment and Closing (BRAC) the Grand Forks Air Force Base was downsized but designated one of the United States Air Force's UAV bases. Already stationed at the base are first generations UAVs and second generation UAVs are scheduled to arrive very soon. In addition, the plans call for the assignment of Air Force personnel in support of the UAV mission. It is expected that because of the UAV experimentation many private UAV manufacturing personnel will also be stationed at the Air Force Base. Related to, but independent from the base designation is the UAV Center of Excellence program at the University of North Dakota in Grand Forks. The University of North Dakota's aviation program has been listed one of the outstanding post secondary aviation programs in the US. The Center of Excellence designation by the office of the Governor of North Dakota makes the program responsible for a large role in America's UAV future. North Dakota has also played an important role in the emerging biotechnology discipline and its developing industries. This is particularly true in the area of agriculture and the health sciences. Its emerging role in agriculture biotechnology is based on its natural agricultural base. Not only is the Upper Midwest an important growing area for small grains, it also area where many high value specialty crops such as potatoes, sugar beets, pulse crops like peas, sunflowers and edible beans, and many other crops are grown.

Taken together, these specialty crops have allowed science to stave off worldwide food shortages. These scientific advances usually take place where the crops are grown, and in these cases that means North Dakota and northwestern Minnesota. The personal health advances in biotechnology can occur in many geographic areas as long as an area has demonstrated a desire to do so. That desire has existed here for a long time. Studies have shown that when European settlers first arrived on the Great Plains they knew that they had to make life work for them. That tradition has carried down through the four and more generations since the arrival of those pioneers. That attitude has attracted others here because they know that the population of this area is willing to "do what it takes" to make a project succeed. That attitude has manifested itself in the public sector as well in the amount and type of research being conducted both at the University of North Dakota School of Medicine and at North Dakota State University, particularly in the School of Pharmacy.

In the private sector the most significant research and commercialization that occurred within Pracs Institute which was headquartered in Fargo, North Dakota, and had a second research facility in East Grand Forks, Minnesota. They recently sold to Cetero Research, which headquarters are located in Cary, NC. Other biotechnology firms have also been established across North Dakota and northwestern Minnesota, especially over the past decade. As with the agricultural biotechnology, human health biotechnology, its research and successful commercialization is a stated goal of the university system. This has created a culture of research aimed at reaching that goal. As with other business ideas in the Great Plains, the biggest obstacle has been a lack of capital.

Located on the Canadian border, North Dakota also plays a major role in both Canadian agriculture and Canadian energy. North Dakota is the entry point for Canadian tar sands oil and commercial fertilizers, as well as hydroelectric power. Because of the large manufacturing base located in Winnipeg, Manitoba, and in other areas of the prairie provinces, and the two way transportation flow of finished goods, eastern North Dakota is called the Red River Trade Corridor. This is an historic trade route dating back initially to trade among the Native American tribes as well as the fur trade between Europeans and Native Americans from Winnipeg through St. Paul, Minnesota. The only significant change in the region's economics over the past decade occurred as in the same categories as in the rest of the nation, income levels and housing values. The income levels are a reflection mostly of inflation as income has increased to reflect the devaluing of the dollar. However, over this period North Dakota has had some real growth in income and that also has contributed to the increase in the average salaries earned. As for housing values, especially over the particular time period, North Dakota did not participate in the changes in mortgage standards as did most of the nation. Most mortgages were based on an ability to pay and as a result proportionately very few expensive homes were built. That means that while values did increase to reflect both inflation and increases in real income the increases were considerably less than what occurred across the nation.

Most data listed for North Dakota is not available for the twenty county region in Minnesota covered in this application for regional center status. It is accurate to state that this region is regarded as essentially being similar to North Dakota. In fact, any research that has been completed demonstrates that most data from that twenty county Minnesota region is more similar to North Dakota than it is to even the average of the rest of the state of Minnesota, and certainly to several of the other regions of Minnesota. In particular this is true of comparing this twenty county region to what is regarded as the seven county metropolitan region surrounding Minneapolis and St. Paul. Because of the significant difference in the major crops and livestock, the twenty county region is also very different than the agricultural areas in the southern one third to one half of Minnesota. It is only at the southern tip of the twenty county region that livestock has any real economic significance. The same is true for the higher valued corn and soybean row crops. There

are some areas that would be different because of differences in geography. For example, much of the Minnesota region is in the heart of the lake country. Therefore, we would expect to find tourism more important in that region than in all of North Dakota.

Finally, North Dakota currently has the lowest unemployment rate in the nation. That does not mean that the state is necessarily expanding on an economic basis. Rather, it is again the nature of the lessons learned by that homogeneous population that you must travel where the jobs are. Most of our high school and college graduates (two out of three) leave the state to find a job. Therefore, they are not unemployed. On the other hand, whenever the state has expanded its job base, regardless of the level of skills required, employers have always been able to fill the jobs, usually by native sons and daughters returning to the state. Native sons and daughters' preferences are to return home. The only thing keeping them from doing so is the lack of available jobs. When the jobs arrive so will they. Under-employment is pervasive as many are working below their educational and experience level, waiting for new jobs to be created that better fit their abilities.

Immediately below is a table providing certain relevant economic and other descriptive data:

<u>Description</u>	<u>North Dakota</u>	<u>Minnesota¹</u>	<u>USA</u>
Population	638,613	5,220,393	304,059,724
Percent of Population			
Under 18	22.4%	24.0%	24.3%
Foreign Born in 2000	2.3	5.3	11.1
Language other than English	5.5	8.5	17.9
High School Graduates	89.0	87.9	84.5
Bachelor's Degree or Higher	26.1	27.4	24.4
Mean Travel Time to Work	15.9	21.9	25.5
Homeownership rate	66.3	74.6	66.2
Median Value of owner-occupied			
Home	\$106,200	\$122,400	\$119,600
Total Number of firms, 2002	56,781	443,827	22,974,655
Black Owned Firms, percent, 2002	0.1%	1.8%	5.2%
American Indian and Alaska Native	1.5%	0.6%	0.9%
Women Owned	23.3%	27.9%	28.2%
Per Capita real GDP 2007	\$37,832	\$49,055	\$37,899
Median Family Income	\$60,387	\$71,794	\$63,211
Manufacturer Shipments, 2002 (\$1,000)	\$6,856,653	\$80,623,873	\$316,136,712
Wholesale Trade Sales, 2002 (\$1,000)	\$8,806,304	\$108,388,816	\$4,634,755,112
Retail Sales, per capita 2002	\$12,187	\$11,943	\$10,615
Federal Spending 2007 (\$1,000)	\$6,765,697	\$38,245,764(1)	\$2,536,629,405

IMPLAN RESULTS

Attached to this business plan is a separate IMPLAN proposal. This separate document was created to showcase the economic impact generated by foreign direct investment in North Dakota and 20 counties in Northwest Minnesota. It also emphasizes the job creation component of the EB-5 initiative which is crucial for the immigration process. IMPLAN was selected because it is approved by the USCIS.

¹ Information for the 20 northwestern Minnesota counties in this study is unavailable. Therefore, because Minnesota has little variation this information is provided using the whole state data.

Full economic impact assessments will be provided to each individual project promoted by ND/NW-MN EB-5 RC. These reports will be conducted by the University of North Dakota and supervised by Cullen Goenner, Associate Professor of Economics at University of North Dakota, and Ralph Kingsbury, a contracted professional economist. IMPLAN is a widely used input-output model and is commonly used in inter-agency analysis worldwide.

TARGET EMPLOYMENT AREAS (TEA) REPORTING

The UND Center for Innovation Foundation and the ND/NW-MN EB-5 RC will work in conjunction with the North Dakota and Minnesota Department of Commerce as well as the North Dakota and Minnesota Department of Employment and Economic Development in order to provide the necessary documentation to classify specific locations as Target Employment Areas (TEA's) within the Regional Center proposed geographic location. TEAs will be defined according to the USCIS definition. All projects promoted by the ND/NW-MN EB-5 RC that are located in a TEA will be supported by the necessary documentation supporting such designation. Sample reports of TEA's from both the North Dakota and Minnesota Government Offices are found in **Appendix G**.

ND/NW MN EB-5 RC OPERATIONAL PLAN AND ADMINSTRATIVE OVERSIGHT

The UND Center for Innovation will be responsible for the day to day operations of the ND/NW-MN EB-5 RC. The center will be responsible for selecting and screening commercial enterprises interested in participating in this program as well as attracting and screening accredited immigrant investors. The following sections of this business plan describe how the ND/NW-MN EB-5 RC through the UND Center for Innovation plans to accomplish such tasks.

PRINCIPALS OF REGIONAL CENTER

The ND/NW-MN EB-5 RC has defined the principal members who will be responsible for deal sourcing, operations, promotion, marketing, and reporting obligations. All principals have worked together closely on entrepreneurial, international, and financial projects. These members are:

Bruce Gjovig – *CIF CEO*- Bruce has been North Dakota's "go-to guy" for entrepreneurship, innovation, and capital investing since he launched the Center for Innovation in 1984. As a visionary, Bruce strategically directs the Center and is continually innovating. He coaches entrepreneurs on strategies and capital formation.

Rodrigo Cintra – *International Marketing Director/ Entrepreneur Consultant* - Prior to joining the Center for Innovation staff in July, 2007, Rodrigo worked with the Canadian Consulate and the North Dakota Trade Office on international trade opportunities. With a background in international business, Rodrigo focuses on assisting entrepreneurial companies that are interested in capturing domestic and international markets, as well as promoting and delivering the center's services.

Tom Kenville - *Rainmaker and V.P. of Development* - In September 2006 Tom joined the Center for Innovation Foundation to help leverage the support of UND Alumni, friends and successful entrepreneurs. In addition to his work at the center, Tom is himself a successful entrepreneur. He owns and operates manufacturing assembly, property development and consulting businesses. Tom is the managing member of the Hilton Garden Inn in the UND Tech Park and chairs the Valley Angel Fund, which is a supporter of this project.

Other individuals supporting this initiative:

- Lincoln Stone - Stone & Grzegorek LLP, Los Angeles, CA (www.lskglaw.com)
- Ralph Kingsbury - Kingsbury Applied Economics, Grand Forks, ND (Contracted Economist)
- Dr. Cullen Goenner- Associate Professor of Economics, UND
- Dr. Yong Hou - Center for Innovation Entrepreneur Consultant
- Harold Stanislawski - Fergus Falls Economic Improvement Commission- Executive Director
- Chris Teras - Teras Law Firm, Washington, DC
- Jordan Schuetzle - Schuetzle Law Firm, Grand Forks, ND

The UND Center for Innovation Foundation has selected the principals based on their experience with capital markets and international business. They will be responsible for connecting with the USCIS as well as compiling and submitting any required reports, memos, or information. Bios and CV's of principals of the program are attached in the **Appendix B** section of this business plan.

ND/NW-MN EB-5 RC PROMOTION /MARKETING STRATEGY

The UND Center for Innovation Foundation has developed a marketing strategy to promote and expose the new North Dakota/Northwest Minnesota EB-5 Regional Center. This marketing strategy plan will be used to attract foreign direct investors as well as deal flow:

PROMOTION STRATEGY- ATTRACTING AND SCREEING IMMIGRANT INVESTORS

- a. Design a ND/NW-MN EB-5 website affiliated with the Center for Innovation Foundation. The address for the website is www.ndeb5.com. This new website will introduce our region, industries and characteristics, and bridge regional center to investors and recruiting deal flow. The web-site will have multi-language capabilities in English, Chinese, Portuguese, Spanish, and South Korean. The website has been developed and will be deployed once the UND Center for Innovation Foundation receives the designation to operate the ND/NW-EB-5 RC. The website is similar to other EB-5 Regional Centers' websites and will provide information such as :
 - i. Organization structure and background
 - ii. Why EB-5 is attractive to foreign investors
 - iii. What is a regional center
 - iv. Why should investors invest in our region (North Dakota and Northwest Minnesota)
 - v. Investment review
 - vi. Proposed Projects and their summaries
 - vii. Contact information of all the parties involved
 - viii. Links to other organizations involved including USCIS, law firms, government entities, and regional organizations
 - ix. Provide access to all Immigration forms related to EB-5 investments

b. (b) (4)



c. (b) (4)

d.

e.

f.

g.

Foreign Agents:

(b) (4)

SCREENING FOREIGN DIRECT INVESTORS

Immigrant investors applying for US lawful permanent residence through the ND/NW-MN EB-5 RC will have to demonstrate that they are admissible to the U.S. Section 12 of the Immigration and Nationality Act sets forth various grounds of inadmissibility, which may prevent an otherwise eligible investor from receiving a lawful permanent residence or be admitted to the U. S. A complete list of immigrant investors who are ineligible to receive conditional lawful permanent residence or be admitted to the US is found on **Appendix I**. The ND/NW-MN EB-5 RC will not accept any immigrant investor who fails to comply with this initial screening process.

DOCUMENTING LAWFUL SOURCE OF INVESTMENT FUNDS

All immigrant investors interested in acquiring permanent residence through the ND/NW-MN EB-5 RC will have to prove that (1) the source of the invested capital is lawful and (2) that the immigrant investor has a "level of income" or has accumulated sufficient wealth that would enable the investor to invest, i.e. accredited investor.

The ND/NW-MN EB-5 RC will not accept self serving declarations to satisfy requirements for proof of either lawful source of funds or sufficient funds to invest. All claims to the source of funds will have to be properly and thoroughly supported with documentary evidence of how the money was earned. The following types of documentary evidence will be accepted by the ND/NW-MN EB-5 RC to prove the funding sources are lawful:

Financial Documents

- Complete tax returns (both individual and, if applicable, corporate or partnership tax returns) filed in the home jurisdiction for each of the last five years. If earlier year's tax returns show higher income, also submit tax returns reflecting the three years of highest income levels;
- Financial statements – submit any financial statements that have been prepared for the investor personally or for the investor's business. If available, audited financial statements are preferred.

Investments

- Copies of all investments or securities accounts for the last three years (If significant gains on investments or securities transactions occurred before the last three years provide documentation of such securities)
- Stock certificates
- Bank Statements- Include one bank statement for each of the last three years for many bank accounts in which the investor maintained a substantial balance

Business Documents

- Business registration records of all businesses either in the U.S. or outside the U.S.;
- Business promotional materials, including website addresses;
- Documentation proving investor's ownership, directorship or officership in each company, including stock records, corporate minutes or other official documents;
- Documentation relating to sale of any business (documents should indicate the amount of proceeds received from the sale);
- Accountant's evaluation or appraisal of business for all businesses in which the investor own a controlling or substantial interest.

Real Estate

- Deeds and mortgage documents for all properties in which the investor own an interest;
- Documentation of all real estate purchases and sales;
- Appraisals for all real estate owned by investor
- Lease documents for all real estate from which investor earn lease income;

Employment Documents

- Investor's resume
- Investor's educational documents
- Any employment confirmation or reference letters that the investor has
- Employment contracts
- Professional Licenses

Other sources of Income

- Inheritance- all documents relating to inheritances investor has received, including estate settlement of deceased
- Divorce – all documents relating to income received from divorce, including alimony, property settlements, etc;
- Lawsuits- all documents relating to dollars recovered in a civil lawsuit, including official judgment or decree of the court;
- Gifts – all documents relating to gifts, including registration of gift with tax authorities or other documents;
- Loans- all loan documents, including promissory notes or other documents

Court Proceedings

- All documents relating to court proceeding in which immigrant investor has been involved, whether civil or criminal, and whether as a plaintiff or defendant. (Include all official court records and legal judgments).

In addition to proof of the lawful source of the investor's fund, the ND/NW-MN EB-5 RC will require documentation that links the invested funds to the investors. We understand it is best to be able to provide every document necessary to trace the investment funds from their source overseas to the investment in the U.S. The following documents may be used to meet the necessary requirements:

1. Wire transfer receipts
2. Deposit receipts
3. Banks statements showing withdrawal of the funds from one account and deposit of the funds in another account
4. Letter from the bank confirming the funds transfer

ATTRACTING AND SCREENING COMMERCIAL ENTERPRISES

The UND Center for Innovation Foundation will work with private and public organizations in order to attract and screen potential commercial enterprises (projects) to be promoted by the ND/NW-MN EB-5 RC. The Center will work closely with such institutions in attracting and selecting potential projects that qualify for EB-5 investment. Projects that present a clear exit strategy and promote the necessary job creation will receive preference by the ND/NW-MN EB-5 RC. The UND Center for Innovation will be responsible for the due diligence process as well as advising companies through the investment process, follow up, and reporting. The following entities will assist the ND/NW-MN EB-5 RC in attracting deal flow, i.e. local commercial enterprises, and helping pre-screen them:

North Dakota Trade Office, Fargo ND (www.ndto.com)

The North Dakota Trade Office is dedicated to expanding North Dakota exports into high-demand foreign markets through advocacy, education and expertise. The Trade Office is the catalyst in a collaborative effort among the state's universities, state and federal government agencies and private export service professionals that collectively provide North Dakota companies with the support they need to succeed in the global marketplace.

The Trade Office's unique structure - a private-public partnership between the North Dakota Department of Commerce, the North Dakota District Export Council and the state's business community - enables it to move at the speed of international business.

Organized in 2004, the North Dakota Trade Office conducts international market research for North Dakota companies, helping them identify export markets best suited for their products and services. Assisting companies in identifying the most promising export markets is just the beginning. To help companies capitalize on the opportunity, the Trade Office and its network of export service providers offer assistance in every step of the export process. Members of the Trade Office staff are located in Bismarck, Fargo, Dickinson and Grand Forks (Center for Innovation).

North Dakota Department of Commerce, Bismarck ND (www.commerce.nd.gov)

The North Dakota Department of Commerce is the state's lead economic development agency and is charged with coordinating and focusing the state's economic development resources. These efforts are made possible through working closely with local and regional developers across North Dakota.

The ND Department of Commerce's mission is to lead North Dakota's efforts to attract, retain and expand wealth. It strives to improve the quality of life of the people of North Dakota and targets five industries to broaden the state's economic base, create new wealth and generate quality jobs for North Dakotans. The industries supported by this entity are similar to the ones proposed in this business plan: Value – added agriculture, advanced manufacturing, technology- based business, tourism, and energy.

The ND Department of Commerce also promotes and operates the \$26 million North Dakota Development Fund. This fund coordinates efforts between many sources of financing, the business and the community. Any project considered for this financing must be feasible and have a reasonable chance of succeeding. The fund provides "gap financing" through loans and equity investments not available from most conventional lenders and is available to any primary-sector business with the exception of production agriculture. The Development Fund also administers the Regional Rural Revolving Loan Fund, which provides funding for primary-sector projects located in a community of less than 8,000 in population or located more than five miles outside the city limits.

Fredrikson & Byron Law Firm, Minneapolis MN (www.fredlaw.com)

Fredrikson & Byron is a 170-attorney law firm based in Minneapolis. It has an office in London and affiliates in Mexico City, Warsaw, Montreal, Toronto, and Vancouver. The firm's primary areas of practice include immigration, banking, corporate, employment, healthcare, intellectual property, international, litigation, real estate, securities, and tax. They serve a broad range of clients, including multinational corporations, public companies, privately-held businesses, entrepreneurs, government agencies, and family businesses. Fredrikson & Byron's attorneys also work with individuals on estate planning, family law, and immigration matters.

Walter J. Wheeler founded the firm in 1948. He was joined by Harold Fredrikson in 1953 and

John Byron two years later. Fredrikson & Byron grew steadily, and merged with Wright, West & Diessner in 1984. Today it is one of the Upper Midwest's largest business and trial law firms.

Rain Source Capital Group (www.rainsourcecapital.com)

The ND/NW-MN EB-5 RC will work directly with 5 Rain angel investment funds in North Dakota and Minnesota in order to identify potential deals and promote side-by-side investments between American and foreign direct investors. The center has helped form these investment funds and is currently supporting their operations and promotion. They are located in Grand Forks, Fargo, Wahpeton, and Bismarck, ND, and Fosston, MN.

RAIN Source Capital is an eight state network of RAIN[®] funds that works with angel investors who are interested in supporting growing companies. RAIN Source[®] helps bring together like-minded angel investors to form individual RAIN funds and then provides these funds with a process for due diligence, legal templates, management support, access to deal flow syndication and other resources.

RAIN funds share expertise, deals and experience between and among RAIN Source Capital's multi-state network to support growing companies throughout the area. RAIN Source Capital works with angel investors in Minnesota, North Dakota, South Dakota, Montana, Iowa, Idaho, Washington, and Oregon.

10 Angel Investment Funds (9 in North Dakota, 1 in Minnesota)

Valley Angel Investment Fund, LLC is a new venture capital fund that was formed in 2006 by accredited investors in and around the Grand Forks, ND trade area affiliated with the UND Center for Innovation Foundation. The fund's objective is to provide both favorable investment returns to investors and to promote entrepreneurship and economic development in the region. There are currently 10 angel funds in the region. The other angel funds are located in Fargo, Bismarck, and Wahpeton, ND, and Fosston, MN.

All of the above entities will assist the ND/NW-MN EB-5 RC in screening, generating, and promoting deals found in our region. Combined, these organizations have access to multiple potential candidates in multiple industries supported by this regional center. In addition, they strongly support this initiative and have already started to spread the word to potential candidates. The ND/NW-MN EB-5 RC doesn't foresee any problems in generating deal flow in its designated area. As an example, the Center for Innovation alone sees more than 100 business plans a year, of which many could potentially qualify for this program. The applicant is confident in the proposed Center's ability to generate deal flow.

ND/NW-MN EB-5 RC PARTNERS AND SERVICE PROVIDERS

In order to support the ND/NW-MN EB-5 RC operations the UND Center for Innovation staff has begun developing relationships with potential service providers, more specifically Immigration law firms. Teras Immigration Law Firm, located in Washington DC became a supporter and potentially a partner of this initiative. This Immigration law firm has previous experience with EB-5 investments and process. Besides providing VISA and other legal services to foreign investors, such as walking them through the Green Card application process, they will also help the center to promote and market the ND/NW-MN EB-5 RC. This law firm will also assist in marketing this project overseas. With offices in Washington, DC and Seoul, Korea, Teras law firm has experience with EB-5 projects and will provide access to potential investors in Korea and China. In addition, they

will be responsible for advising and helping investors during the Green Card application process and other legal services related to Visa requirements.

Teras Law Firm Office Locations and Contact Information:

Teras Law Firm, Washington, District of Columbia

1901 Pennsylvania Avenue, NW Suite 600
Washington, District of Columbia 20006
Telephone: 202-328-1000
Fax: 202-842-0748
tw@TWLawUSA.com (Website currently being re-developed)

Seoul Office

159-1 Samsung-Dong
World Trade Center, 30th Floor
Kangman-Gu
Seoul 135-729
Republic of Korea
T:82-(0) 2-6007-2777
F:82-(0) 2-6007- 2778

DUE DILIGENCE PROCESS FOR COMMERCIAL ENTERPRISES

Commercial enterprises interested in benefiting from EB-5 investment will have to pass the ND/NW-MN EB-5 RC due diligence process. Projects that fail to provide a clear exit strategy and promote the necessary job creation during a specific project will not qualify as potential candidates for EB-5 investment. In addition, the center will require that all projects define a clear exit strategy for immigrant investors, even though the exit strategy will not be guaranteed by the Regional Center as well as the commercial enterprise. Funds will be completely at risk. The ND/NW-MN EB-5 RC will analyze projects on a case-by-case basis to determine their level of development, sophistication, and completeness. A sample of a due diligence checklist that will be used by the ND/NW-MN EB-5 RC to screen potential projects can be found on **Appendix H**.

PROPOSED INVESTMENT STRUCTURE

The UND Center for Innovation Foundation is prepared to apply for a Regional Center designation status. This program will have a significant economic and social impact in the region. The ND/NW-MN EB-5 RC plans to present a business structure that is slightly different than those presented by other Regional Centers currently in operation. The ND/NW-MN EB-5 RC plans to act as a consulting vehicle, working as a liaison between local organizations interested in accessing EB-5 capital and foreign investors. The UND Center for Innovation Foundation will have control over administration of the ND/NW-MN EB-5 RC and will require investee companies to execute a contract providing for EB-5 program compliance.

Once designated a Regional Center, the ND/NW-MN EB-5 RC will have no ownership on deals promoted for investment. However, the ND/NW-MN EB-5 RC will actively encourage communication and facilitation between the parties to ensure information is properly disseminated and all EB-5 investment requirements are fulfilled.

Administration fees will be charged to both foreign investors and regional business organizations (investees) to help offset operational costs incurred by staff and advisors during investment projects. These fees will cover items such as document preparation, legal expenses

associated with managing investments, marketing expenses, traveling, finder fees, operating expenses and the like. These administrative fees will not reduce the threshold minimum capital (\$500,000 or \$1 million) required for EB-5 eligibility.

Regular documentation and reports will also be professionally compiled and disseminated to all parties involved in specific projects in order to ensure all requirements of an investment, both legal and financial, are being covered. The ND/NW-MN EB-5 RC, as a consultancy entity, will strive to ensure all information provided to its clients is professional and of high quality and will be responsible for reporting annually to USCIS on Regional Center activities.

Fee Structure for Foreign Investors:

The ND/NW-MN EB-5 RC will provide consultancy services to immigrant investors interested and able to participate in EB-5 projects promoted by this Regional Center. Once approved through the screening due diligence process foreign direct investors will engage the ND/NW-MN EB-5 RC for the purpose of:

- providing consultancy services related to participation in the EB-5 investment based immigration program.
- identifying qualified EB-5 investment opportunities and making introductions for potential investment;
- identifying and recommending professional service providers necessary for completion of EB-5 investment.

Immigrant investors will be charged a project administration fee of \$25,000 independent of the size and location of a specific project (\$1,000,000 or \$500,000). This is a flat fee per investment share. This fee will be paid to the ND/NW-MN EB-5 RC once the investor engages in services with the ND/NW-MN EB-5 RC. A deal source non-refundable fee of 20% of the project administration fee will be retained in case the investors withdraw from a specific project without any reason or cause or the I-526 petition is denied. This fee will be collected to determine immigrant investors' seriousness. The total administration fee will be collected as soon as the immigrant investors engage in services with the ND/NW-EB-5 RC. A contract for services will be provided to immigrant investors delineating the obligations of the Regional Center as well as immigrant investors. Once immigrant investors sign this contract they are officially engaging in services with the ND/NW-MN EB-5 RC. A sample of the contract for services for immigrant investors can be found on **Appendix C**.

The case below gives a hypothetical example of what an investment promoted by the ND/NW-MN EB-5 RC would look like in terms of time frame, structure, and fees:

Example - Minimum investment required in this project is US\$ 1,000,000. With each Foreign Direct Investment (FDI), 10 new direct and indirect jobs will be created. Direct and indirect jobs will be measured by IMPLAN results. The total size of the project is (b) (4), plus American investors. This combination of EB-5 and domestic funds will help meet the job creation requirement. There are (b) (4) available for foreign direct investment. Fees involved in the project per investment:

(b) (4)

Investment per unit: US\$1,000,000

Project administration fees: U (b) (4) per investment, independent of size and location.

These fees will be used to partly cover operations costs incurred by the Regional Center as well as to cover "finder's fees" paid to individuals or groups bringing investors to the regional center. These

fees are paid in addition to the EB-5 minimum capital required. They will be collected at the beginning of a specific project by wire transfer.

Extra Attorney fees: Clients will also be advised and responsible for the extra legal/immigration fees that will be incurred in the investment process. These fees can vary from US\$ 10,000 to US\$15,000 depending on the immigration law firm used in specific cases. The ND/NW-MN EB-5 RC will refer its clients to immigration legal firms that have a positive track record. It will be up to the investor and the referred immigration law firm to determine the final legal costs involved with the immigration process. Other legal fees related to structuring the investment deal, international accounting, international taxing structure, and others may also apply. Immigrant investors may also utilize their own legal support in a specific project. They are fully responsible for the outcome on their application process. The ND/NW-MN EB-5 will not advice or provide services to immigrant investors related to the "Green Card" application process.

Deal Sourcing Non- Refundable Fee: (b) (4) of the project administration fees are non-refundable – This fee will be collected to determine if potential foreign investors are serious. As previously mentioned the total administration fees will be collected once immigrant investors engage in services with the ND/NW-MN EB-5 RC. e.g. contract for services is signed.

Total cost of Investment per Unit: (b) (4)

Below a hypothetical investor time line is provided. These guidelines will be provided to immigrant investors to give direction related to our specific projects. Variations may occur depending on specific circumstances of each individual project and size of the projects.

Investor Time Line (Hypothetical):

(b) (4)



(b) (4)

Fee Structure for Commercial Enterprises:

The ND/NW-MN EB-5 RC will also provide consultancy services to local commercial enterprises interested and able to participate in EB-5 projects promoted by this Regional Center. Local business organizations will engage the Regional Center for the purpose of:

- providing consultancy services related to securing private equity investment in the company;
- marketing the company to potential qualified international investors;
- identifying professional service providers necessary for attraction and completion of international investment.

Local business organizations will be charged a (b) (4) fixed consultancy fee per project in order to benefit from such services. This is a flat fee and has no relation to the total amount of foreign direct investment raised during specific projects. (b) (4) of this consultancy fee will be paid during the initial phase of a project and is non-refundable. (b) (4) will be paid once the investment has been completed, i.e., funds are released after I-526 is approved. Fees will be collected to cover the amount of work that will take for the ND/NW-MN EB-5 RC to attract potential foreigner investors. This consultancy fee cannot be covered using EB-5 investor funds raised during specific projects. Local business organizations will have to cover these expenses using a separate source of funds. Local business organizations will be informed of this fee structure before engaging the services of the ND/NW MN EB-5 RC.

The ND/NW MN EB-5 RC will provide client service agreements to both investors and local companies (**Appendix C**) involved in this process. These documents will set expectations and delineate all services being provided during specific projects. The investment by the EB5 investor will be equity capital at a minimum of US \$1,000,000 unless the company is principally doing business in a targeted employment area in which case it may be as low as US \$500,000. The investment capital provide by the EB5 investor is not a loan; the investor will not be entitled to any guaranteed returns but may share in distributions of profits; the investor will not have a redemption right or any right to force the buy-out of his share at a particular price; the investor will be engaged in management of the company in some capacity; and the company will provide evidence of job creation using the IMPLAN-based methodology that is provided by the Foundation.

Side by Side Investment Proposed Structure

The ND/NW-MN EB-5 RC will work directly with 10 angel investment funds in North Dakota and Minnesota in order to identify potential deals and promote side-by-side investments between

American and foreign direct investors. The UND Center for Innovation has helped form these pooled angel funds and is currently supporting their operations and promotion. They are located in Grand Forks, Fargo, Wahpeton, and Bismarck, ND, and Fosston, MN. Additionally there are other funds that we are in close contact with for syndication.

Return on Investment – The ROI for foreign investors is expected within 5 to 10 years after investment are made. Past investments through RAIN Source Capital Group have an average of 10X per investments, including only American investors. This ROI average will be used to attract potential investors; however the regional center will inform its clients that that information was used for marketing purposes, and that this is not a guarantee that investors will receive equal or similar ROI.

Transparency – Progress documents and reports will be periodically provided to potential investors. They will also have access to deal reports and other information through a website – Angel Soft (www.angelsoft.net). All deals performed in this region are uploaded into this secure website so investors can closely monitor their investment. Quarterly updates will also be provided. The Center for Innovation has substantial experience related to managing investments acquired by founding and operating 10 angel investment groups in North Dakota and Minnesota. Similar managing and operations structures will be used to give investors and entrepreneurs clarity and security during the investment process.

Summary:

The examples above delineate how the North Dakota/Northwest Minnesota EB-5 Regional Center will promote, market, and operate projects promoted by this Regional Center. It also demonstrates how administration fees and consultancy fees will be applied to both immigrant investors and commercial enterprises during an EB-5 project. The regional center plans to evaluate the creation of new direct and indirect jobs by using economic multiplier models. IMPLAN will be the methodology used to prove job creation. Individual reports will be provided both to USCIS and investors to ensure all requirements are met thus allowing foreign investors to acquire Green Cards. The ND/NW-MN EB-5 RC is excited to provide additional information for a regional center designation in order to administer foreign direct investment into the US. The regional center will strive to provide high quality and professional services, and ensure all the requirements related to foreign direct investments are met, allowing both local commercial organizations and foreign investors to benefit from this program.

APPENDICES:

APPENDIX A:

**UND Center for Innovation Foundation Articles of Organization
and Bylaws**

1994

**ARTICLES OF INCORPORATION
OF
CENTER FOR INNOVATION & BUSINESS DEVELOPMENT FOUNDATION**

We, the undersigned natural persons of the age of eighteen years or more, acting as incorporators of a corporation organized under Chapter 10-24, North Dakota Century Code, adopt the following Articles of Incorporation for such Corporation:

ARTICLE I

The name of the corporation shall be:

Center for Innovation & Business Development Foundation.

ARTICLE II

The period of duration of said Corporation shall be perpetual.

ARTICLE III

The purposes for which the Corporation is organized are:

To assist the University of North Dakota and the State of North Dakota and its political subdivisions to promote technology commercialization.

The Foundation is organized exclusively for charitable, educational, religion, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

ARTICLE IV

This Corporation is not organized for profit and shall have no capital stock.

ARTICLE V

Provisions for the regulation of the internal affairs of the Corporation, including provisions for distribution of assets on dissolution or final liquidation are:

Upon the dissolution of the Foundation, the Foundation shall, after paying or making provisions for the payment of all the liabilities of the Foundation, dispose of all the assets of the Foundation exclusively for the purposes of the Foundation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law), as the Board of Trustees shall determine. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VI

The address of the registered office of the Corporation is:

Center for Innovation & Business Development
University of North Dakota
Grand Forks, North Dakota

The name of the initial registered agent at such address is:

Bruce Gjovig

ARTICLE VII

The number of directors constituting the initial board of directors of the Corporation is:
three (3),

and the names and addresses of the persons who are to serve as initial directors are:

<u>NAME</u>	<u>ADDRESS</u>
Bruce Gjovig	1318 8th Ave. N. Grand Forks, ND
W. Fred Lawrence	2214 Highland Court Grand Forks, ND
James B. Melland	538 Terrace Drive Grand Forks, ND

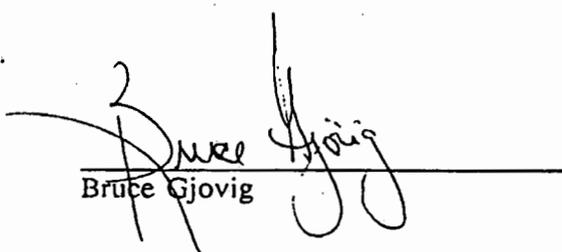
ARTICLE VIII

The name and address of the incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Bruce Gjovig	1318 8th Ave. N. Grand Forks, ND
W. Fred Lawrence	2214 Highland Court Grand Forks, ND
James B. Melland	538 Terrace Drive Grand Forks, ND

We, the above named incorporators, being first duly sworn, say that we each have read the foregoing Articles of Incorporation and know the contents thereof, and verily believe the statements made therein to be true.

Dated this 28th day of June, 1991.



Bruce Gjovig

8/29/01

**BYLAWS OF THE
UND CENTER FOR INNOVATION FOUNDATION**

ARTICLE I

Name, Seal and Offices

Section 1. The name of this non-profit corporation is the **UND Center for Innovation Foundation**.

Section 2. The seal of this non-profit corporation will be as designated by the Board of Directors.

Section 3. The principal office of the corporation will be at the Center for Innovation, Box 8372, Grand Forks, North Dakota, 58202. The corporation may also have offices at such other places as the Board of Directors may from time to time appoint or as the purposes of the corporation may require.

ARTICLE II

Purposes

Section 1. The purposes for which the non-profit corporation is organized are:

1.1 To engage in all types of activities relating directly or indirectly to supplying educational data and services to entrepreneurs, manufacturing and emerging industries. Typical areas of involvement include but are not limited to, education, research, venture development, management, technology commercialization as well as other associated business interests.

1.2 To encourage and develop the *Center for Innovation* as it relates to the overall objectives of the University of North Dakota.

Section 2. No part of the activities of the non-profit corporation will be directed toward attempting to influence legislation and the non-profit corporation will not participate in or intervene in any political campaign on behalf of any candidate for public office.

Section 3. The corporation is organized exclusively for charitable, educational, religious, or scientific purposes within the meaning of § 501 (c) (3) of the Internal Revenue Code.

Section 4. Notwithstanding any other provisions of these bylaws, the corporation shall not carry on any other activities not permitted to be carried on

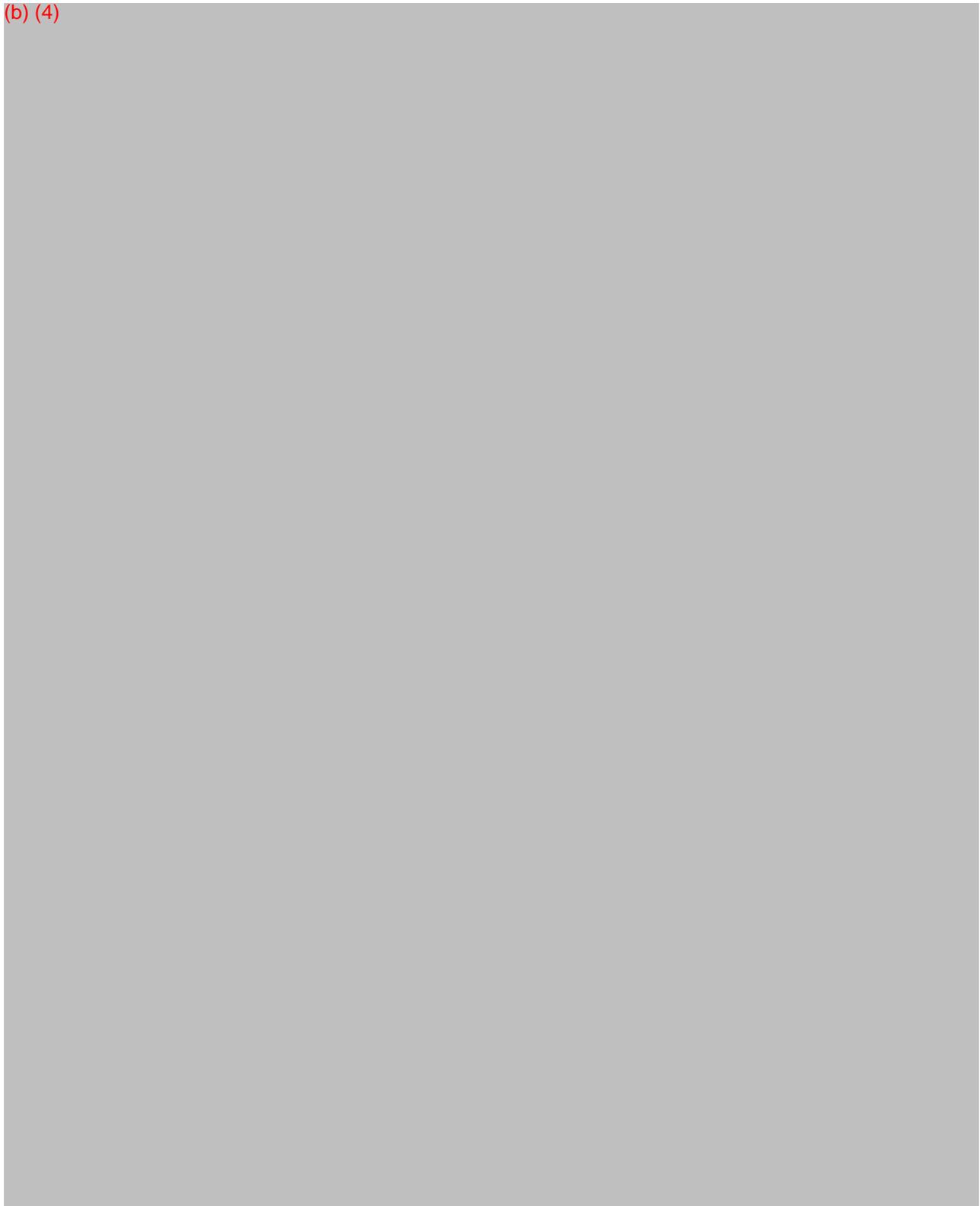
(a) by a corporation exempt from Federal income tax under § 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue law) or

(b) by a corporation, *contributions* to which are deductible under § 170 (c) (2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

(b) (4)



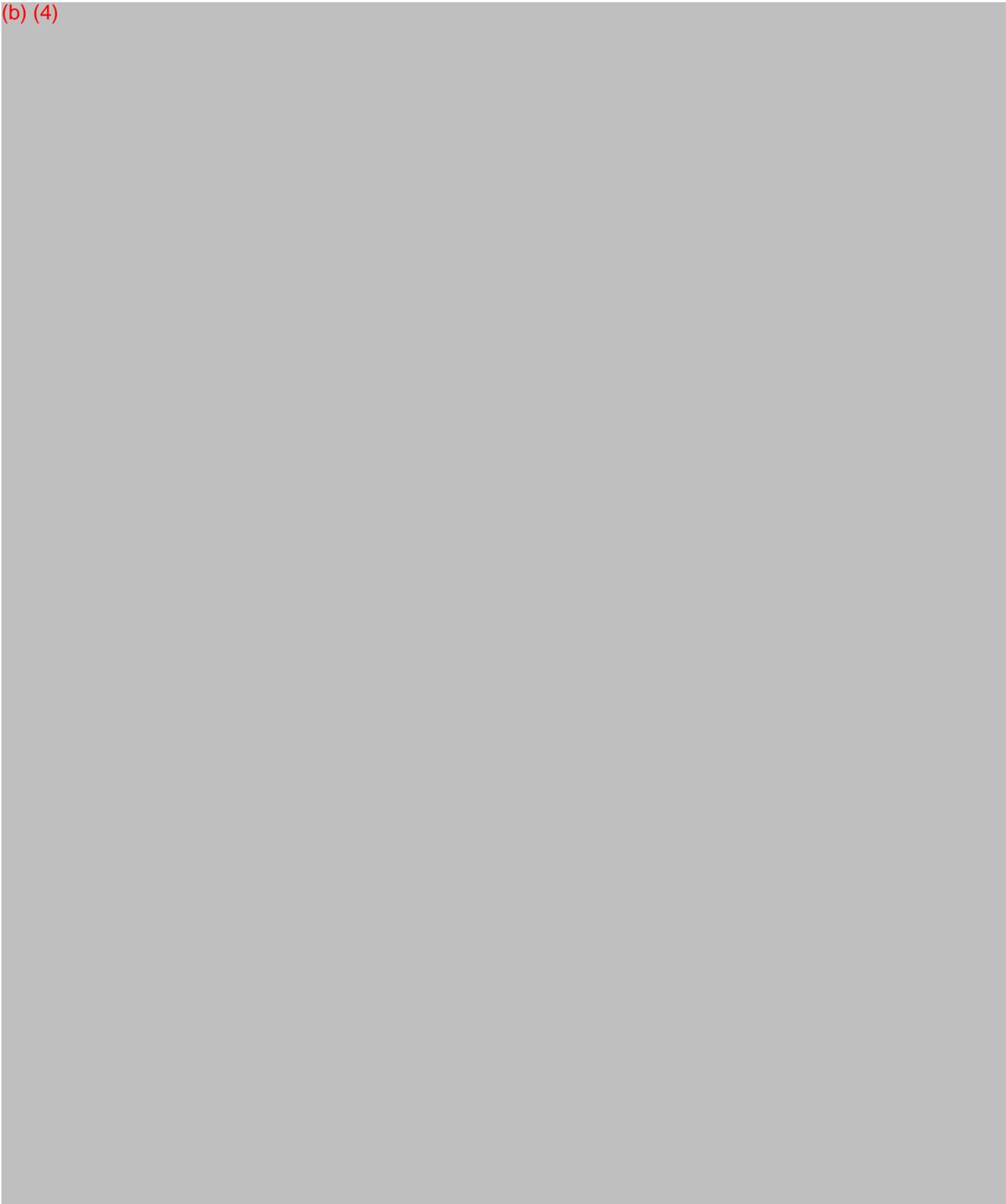
(b) (4)



(b) (4)



(b) (4)



(b) (4)



(b) (4)



(b) (4)



(b) (4)



ARTICLE X

Fiscal Year

Section 1. The **fiscal year** of the corporation will commence on January 1 and end on December 31 of each year.

ARTICLE XI



(b) (4)

(b) (4)



(b) (4)



ARTICLE XIV

Notices

Section 1. Whenever any **notice** is required to be given to any Director by statute or by these bylaws, whether of a meeting or some other purpose, it may be given personally or sent to such Director by mail, telegram or other form of communication, charges prepaid, addressed to him/her at his/her address as it is shown on the records of the corporation, or if it is not so shown on such records or is not readily ascertainable, at the place of the principal office of the corporation. In case such notice is mailed or telegraphed, it will be deemed given at the time when the same will be deposited in the United States mail or telefaxed or delivered to any telegraph company. Such mailing, telefaxing, telegraphing, or delivery as herein provided will be due, legal and personal notice to such Director.

Section 2. Whenever any **notice** is required to be given to any Director by statute or by these bylaws, whether of a meeting or for some other purpose, a Director may waive such notice in any manner; and a waiver of notice in writing, signed by the person or persons entitled to said notice, or by telefaxing or telegram or cablegram, whether given before or after the meeting or the time at which such notice is required to

be given, will be deemed equivalent to such notice. All such waivers will be filed with the records of the corporation.

ARTICLE XV

Exempt Activities

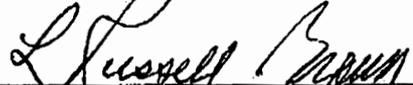
Section 1. Notwithstanding any other provision of these bylaws, no Director, officer, employee, committee member or representative of this corporation will take any action or carry on any activity by or on behalf of the corporation not permitted to be taken or carried on by an organization exempt under § 501 (c) (3) of the Internal Revenue Code and its regulations as they now exist or as they may hereafter be amended, not take any action that could threaten a deduction for contributions to the Foundation under § 170 (c) (2), IRC and regulations as they now exist or as they may hereafter be amended.

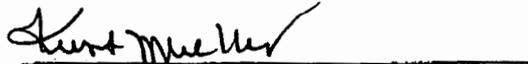
ARTICLE XVI

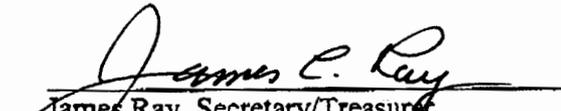
Amendments

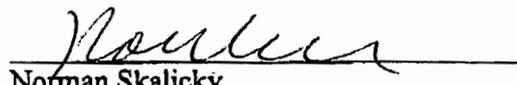
Section 1. Any of the bylaws may be altered, amended or repealed, and new bylaws may be adopted at any annual or special meeting of the Directors by the affirmative vote of two-thirds of all voting Directors. The authority to adopt, repeal, and amend bylaws is hereby expressly delegated to the Board of Directors and any of these bylaws may be altered, amended or repealed or any new bylaws may be adopted by the affirmative vote of two-thirds of the whole Board of Directors at any meeting thereof.

THESE BYLAWS ADOPTED this 29th day of August, 2001.


L. Russel Brown, Chair
Board of Directors


Kurt Mueller, Vice Chair
Board of Directors .


James Ray, Secretary/Treasurer
Board of Directors


Norman Skalicky
Board of Directors


Howard Dahl
Board of Directors

APPENDIX B:

Bios and Curriculum Vitae of Regional Center's Principals

PRINCIPAL BIOS:

Bruce Gjovig Entrepreneur Coach & CEO UND Center for Innovation

Bruce Gjovig is the entrepreneur coach and founding director of the Center for Innovation at the University of North Dakota, and program focused on innovation, entrepreneurship and private investment. Launched in 1984, the Center has been actively involved in over 440 entrepreneurial ventures and product introductions, raised over \$120 M in entrepreneur capital, and their entrepreneur clients have created more than 5,000 jobs in North Dakota.

Gjovig is a champion for entrepreneur causes including fostering innovation, tech incubators, university tech parks, tech entrepreneur programs and seed and angel capital initiatives across the Upper Great Plains. He was instrumental in founding the Center for Innovation, the Skalicky Tech Incubator, the Ina Mae Rude Entrepreneur Center, the UND Technology Park, InnovateND venture initiative, eight Angel Funds, the Beginning Entrepreneur Loan Program, the 45% seed capital tax credit, the UND Patent & Trademark Depository Library, the North Dakota Entrepreneur Hall of Fame, the North Dakota Business Innovator of the Year award, and the Small Business Innovation Research (SBIR) program in North Dakota – vital infrastructure for innovation, entrepreneurship and private investment to flourish.

The Center and Mr. Gjovig have received seven (7) national awards for excellence in entrepreneurship and innovation. Since 2004, UND has been ranked in the top 1% of entrepreneur programs out of 2300 nationwide by Princeton Review and Entrepreneur magazine. Since 2006, the incubators received the “Soft Landings International Incubator” designation from NBIA, one of just 12 incubators worldwide. Gjovig was awarded the Entrepreneur Spirit Award from the Greater North Dakota Association in 2004 and was named 2003 SBA Research Advocate of the Year for North Dakota as well as the six-state SBA region for excellence in facilitating research with tech entrepreneurs (includes CO, UT, MT, WY, SD, and ND).

Gjovig was editor and developer of *The Business Plan: Step-by-Step* and *The Marketing Plan: Step-by-Step* workbooks, national publications on how to research and write business plans and marketing plans. Developed in 1986, these were the first workbooks of their kind to target technology and manufacturing startup ventures. Over 110,000 copies have been sold, placing them in the top 5% of all business books sold. They remain ideal for new ventures with new technologies or improved product and services. He is the author of several books and articles on North Dakota entrepreneurs and “*Pardon Me, Your Manners are Showing!*,” a book for college students on professional etiquette, protocol and diplomacy.

Gjovig holds leadership positions in cultural, educational and business organizations, including being the co-founder of the national educational foundation movement for college fraternities/sororities started at UND in 1977. He served as President of the Delta Tau Delta Educational Foundation that raised \$2 M for scholarships, leadership development, and educational programming, and was chair of the North Dakota Museum of Art in Grand Forks for six years. He chairs the UND Nordic Initiative (educational, cultural and trade exchanges with Nordic countries), has done extensive work on educational and entrepreneurship exchanges in Norway. In October 2008 Gjovig was presented with the Knight of the First Class, Royal Norwegian Order of Merit by HM King Harald V of Norway. He is included in *Who's Who in Finance & Industry* and *Who's Who in America*. Gjovig has two degrees from the University of North Dakota and is a native of Crosby, ND.

**Rodrigo Cintra-
International Marketing Director/ Entrepreneur Consultant, Center for Innovation**

Rodrigo has joined the Center for Innovation's staff in 2007 as their International Marketing Director/ Entrepreneur Consultant. In this position, Rodrigo focuses on assisting entrepreneurial companies that are interested in capturing domestic and international markets, as well as promoting the Center's services. Rodrigo also works with the North Dakota Trade Office (NDTO) in promoting international trade and attracting foreign direct investment into the state of North Dakota. Prior to joining the Center for Innovation, Rodrigo worked with the Consulate General of Canada and the North Dakota Trade Office on international trade opportunities. Mr. Cintra obtained a B.A. from the University of North Dakota with a major in Entrepreneurship and a minor in International Business and is currently finished his masters (MBA) also at UND in December 2009. He is originally from Sao Paulo, Brazil.

**Tom K. Kenville
Rainmaker & V.P. of Development, Center for Innovation**

Tom Kenville graduated from the University of North Dakota in 1988 with a Bachelors Degree in Marketing. He then accepted a job at the UND Aerospace Foundation (UNDAF) as Director of Student Services. Tom remained at UNDAF for fifteen years, traveling to 32 major countries, and serving as the Vice President of Business Development and Marketing Director. He created working alliances between the University of North Dakota and Aerospace foundation, as well as secured major contracts and created great returns for acquired investments. In 1999 Tom established T-Kort LLC, which still operates today. This property development company renovates old apartments into luxury New York Style lofts. Tom manages construction, finances projects, and controls leasing of all units. He purchased VTS Inc. aviation simulators and aviation training software Company in 2002 and sold it in 2005. Kenville also serves as Managing Member for University Hotel Development LLC in each he raised \$4.8 million in equity and returned principle one year early. His entrepreneurial success is proven time and again. In 2002 Kenville founded T-Global Inc., a company focused on consulting and assembling green products for start up businesses. As president and owner, purchased a 14,000 sq ft warehouse in 2007. Kenville was able to raise equity capital of \$1.2 million for the Valley Angels investment fund which he currently chairs. The Valley Angel was the first fund of its type in ND. Kenville also assisted with the launching of funds in Fargo, Fosston, and Wahpeton.

Today Tom works as the Vice President of Business Development at the Center for Innovation in Grand Forks, North Dakota which he joined in 2007. Tom's ability to communicate and form business alliances are key elements to his wide success today. Tom is passionate about the University of North Dakota and helps to inspire students by serving as a mentor and business plan judge, Innovate ND, Idea Fest in Northwest Minnesota at school competitions. He enjoys spending time supporting Sioux athletics and fundraising for his alma mater. Tom is a strong team player with a desire to help others grow and maximize their potential. Tom has raised in philanthropy/ equity over \$ 12 million in the last 10 years.

CURRICULUM VITAE OF PRINCIPALS:

Bruce Gjovig
Director, Entrepreneur Coach
Center for Innovation

Professional Experience:

Founding Director & Entrepreneur Coach, Center for Innovation; involved in hundreds of entrepreneurial start-ups and product introductions since the Center's launch in August, 1984. North Dakota leader in involving higher education in entrepreneurship & economic development

CEO, UND Center for Innovation Foundation, the fund raising arm of the Center and link between emerging and successful entrepreneurs. Over \$26 million secured from foundation, corporate and entrepreneur sources for entrepreneur infrastructure and endowments

Principal Investigator, coaching hundreds of entrepreneurs with ideas evolving into 30 to 50 simultaneous projects in various stages of analysis or development, and resulting in launching over 460 new products/technologies and entrepreneurial ventures over 23 years

Chair, PI, Entrepreneur Forum of North Dakota, an initiative to create a community of emerging & successful entrepreneurs, investors and advisors. 2001 to present

Principal, two tech incubators, \$8 million of infrastructure to link entrepreneurs and UND talent to develop and launch new products, technologies, and ventures. Over 110 ventures have utilized the tech incubators. \$4.2 M Ina Mae Rude Entrepreneur Center opened Jan 2005 (1992 to present)

Consultant & Champion, access to capital initiatives including angel, seed and venture funds, angel capital tax credits, Beginning Entrepreneur Loan Program (first non-collateralized loan program for entrepreneur in nation), 3 Angel Funds 1987 to present

Principal Investigator, copyrighted commercial evaluation methodologies used to assess innovative and emerging energy technologies to identify those products most likely to be successfully commercialized (1985 to present)

Editor, Project Manager, & Sponsor of The Business Plan: Step-by-Step © 1988, 2001 and the Marketing Plan: Step-by-Step © 1991, 2001 workbook and software for new technology ventures - the first manuals of this kind in the nation for tech start-ups. Distributed nationally with over 110,000 copies sold

Sponsor, co-author of tort reform-by-contract legislation in North Dakota, an innovative approach to revitalizing the manufacture of general aircraft, Cirrus located to Grand Forks. (1992 to 1995)

Sponsor, Champion, 67th 3M Patents and Trademark Depository Library at UND (1991)

Founder, Champion, Small Business Innovation Research (SBIR) Outreach Program in North Dakota (1986 to present)

Founder, North Dakota Entrepreneur Hall of Fame (1985 to present) North Dakota Business Innovator of the Year Award (1988 to present.), 74 awardees to date

Career Experience:

Development Officer, University of North Dakota Alumni Association & Foundation, Grand Forks, North Dakota, 1982-84; led fund raising and special program for the centennial endowment campaign.

Professional and Civic Activities:

Chair, Vice Chair, University Technology Park, 1989-1994, \$34+ M in 8 facilities, 2000-2005

Chair, InnovateND statewide venture competition for entrepreneurs, 2005-present

Co-Chair, Midwest Association of Angel & Venture Capital, Minneapolis, 2005- present

Director, Prairie Gold Venture Capital, Sioux Falls, SD, 2005-2007

Vice Chair, Director, Greater Grand Forks Convention & Visitors Bureau, 2002- present

Vice Chair, Grand Forks Chamber of Commerce, 1997-1999, Director 1997-2002

Director, Grand Forks Development Foundation & Industrial Park, 1989-1998

North Dakota Designee, Western Governors' Technology Council, Denver, CO 1999-2002

Vice President, Regional Council for Project SBIR West, Phoenix, AZ, 1993-2000

Member, Advisory Board, Eide Bailly CPAs LLC, Fargo, 1994-1995

Reviewer, USDA SBIR proposals on innovations in rural economic development, 2000-present

Chair Emeritus, North Dakota Museum of Art, Chair, 1998-2003; Director 1984 - 2003

Chair, UND Nordic Initiative, International exchange program primarily with Norway, 1997-present

Trustee, Norwegian-American Foundation, 2006- present; Treasurer, 2007 - present

Chair, Grand Forks Subcommittee, the Nash Foundation, Minneapolis, 1998-2007

Chair, Cream of Wheat Centennial Celebration for Nabisco, 1993

Author, "Pardon Me, Your Manners Are Showing!" etiquette book for college students, © 1992

Author, "Boxcar of Peaches: The Nash Finch Story, Our Family," © 1990

Chairman, "Chautauqua," living history humanities program, 1983-1995

Founder and President, Delta Tau Delta Educational Foundation, 1978-2000; Chair, 2000 - present

Co-founder, National Education Foundation movement for college fraternities/sororities, 1977-2000

Chairman, Alumni Inter-Fraternity Council, 1982-1986, 1989-1994, 2002-2006

Member; Association of University Related Research Parks, North Dakota Economic Development Association, Greater North Dakota Chamber, Midwest Association of Angel and Venture Funds, NASVF, SSTI NBIA

Honors and Awards

2004 Princeton Review/Entrepreneur magazine, Best Schools for Entrepreneurs, top 1% since

NBIA "Soft Landings International Incubator" one of 10 worldwide, 2006-10
Forbes/Princeton Review America's Most Entrepreneurial Colleges, #14, 2004-06
Knight of the First Class, Royal Norwegian Order of Merit from King Harald V, 2008
Greater North Dakota Chamber, Entrepreneur Spirit Award, 2004
SBA Research Advocate of the Year, ND & 6 Western States (Region VIII), 2003
North Dakota Entrepreneur Hall of Fame, surprise induction by advisory board and staff,

2001

Vision 2000 Award, U.S. Department of Commerce for tech entrepreneur leadership, 2000
SBA Tibbetts Award, 1998, National U.S. SBA Award for SBIR Excellence and innovation
SBIR Program Support Person of the Year, Project SBIR West (14 western states), 1997
Who's Who in Finance and Industry, & Who's Who in America, 1992-present
Friend of Small Business Award, Fargo Chamber of Commerce, 1988
Distinguished Alumnus of Delta Tau Delta, 1978, 1991, 2000

Education:

B.A. and B.S., University of North Dakota, Grand Forks, North Dakota, 1974
11/08

Rodrigo Cintra

3720 Cherry Street Apt. M-52
Grand Forks, North Dakota 58201
Home Phone (612) 655-7993
Mobile (612) 655-7993
Email: rodrigo@innovators.net

WORK EXPERIENCE:**Center for Innovation/UND****June 2007 to Present**Position: International Marketing Director (*Full Time*)

Supervisor: Bruce Gjovig – Center for Innovation Entrepreneur Coach & Director

Phone: (701) 777-3132

- Responsible for recruiting and screening International Entrepreneur clients and performing initial evaluation of potential client ventures and market research through personal meetings, telephone, email and correspondence.
- Perform market research, analysis, and writhing of market plans, market feasibility analysis, strategic plans and business plans for clients. Often requires gathering information on industries, competitors, price, sale, and methods of marketing and distribution and ways to finance sales, distribution and trade.
- Research, develop and evaluate market plans and business plans for export/import entrepreneurs especially from North Dakota and Canada.
- Work with international firms desiring a presence in the tech incubators under the “Soft Landing International Incubator” program.
- Coordinate activities and entrepreneur development projects with international student entrepreneurs, interns and classes.
- Working closely with the Minnesota Trade Office, the Canadian, Norwegian and Mexican Consulates in Minneapolis in order to exchange information and facilitate trade initiatives.
- Responsible for the operating and managing Innovate ND, a state wide business plan competition.

Consulate General of Canada**February 2006 to May 2007**Position: Trade Commissioner (*Full time*)

Supervisor: Rick Savone – Deputy Consul General and Senior Trade Commissioner

Phone: (612) 333-4641

- Responsible for developing export markets and promoting trade between Canada and U.S. in the sectors of: Manufacturing and Renewable Energy.
- Developing and maintaining a current knowledge of the political and economic context of the market place in the Upper Midwest, as it pertains to the assigned sectors, taking into consideration the general enabling environment (e.g., economic and political aspects), general regulatory environment (e.g., tax laws, tariff structures, structures of the market), specific

requirements (e.g., general labeling or other requirements for goods), local buying and import patterns and trends

- Initiating and sustaining mutually relationships with Canadian entrepreneur clients interested in the U.S. market. Providing market intelligence and value-added advice to Canadian clients on the opportunities and challenges of doing business in the U.S, as well as on upcoming events (trade fairs, conferences, seminars, trade missions, etc.)
- Building and nurturing long term relationships with local contacts, and promoting Canada and its products in the assigned sectors, as well as opportunities for investment partnerships with Canada
- Planning and managing events in the U.S. and Canada
- Responsible for managing budgets for assigned projects within the International Business Develop program, and the monitoring and reporting on achievement against plan

North Dakota Trade Office (NDTO) /Center for Innovation

July 2005 to February 2006

Position: International Trade Assistant (*Full Time*)
Supervisor: Susan Geib- NDTO Executive Director
Phone: (701) 235-3638

- Conducted market opportunity research to determine best fit for ND products by utilizing export statistics available via research tools provided and making contacts with federal agencies such as the International Trade Administration, USDA, Foreign Commercial Service (FCS), and related associations
- Worked closely with the Center for Innovation's staff in order to complete international market research projects for regional entrepreneur clients
- Acquired practical experience on international trade by performing market research, industry analysis and writing international marketing plans for local entrepreneur clients interested in international trade.
- Developed overseas buyer contacts through Foreign Agricultural Service, FCS, in-country industry contact
- Provided assistance in trade mission success via research with foreign commercial service representatives,, in-country research needs, and work with foreign associations appropriate to mission to develop key buyer contacts
- Determined most efficient overseas markets for certain ND products in conjunction with Trade Office and Center for Innovation staff
- Obtained export certification by taking the on-line export certificate and undergoing research for a period of 4 weeks

EDUCATION:

Master of Business Administration, **MBA**
University of North Dakota, UND

December 2009

Bachelor of Science
Major in Entrepreneurship
Minor in International Business
University of North Dakota, UND

May 2005

Certificate in Export Management – *Export Institute of the U.S.*

May 2005

ATTRIBUTES:

- Strong ability to build and maintain positive relationships
- Able to work well as a team member
- Posses strong work ethic and time management skills
- Fluent in Portuguese, English, and Spanish (intermediate level)
- Proficient in all MS Office programs as well as internet applications

COMMUNITY INVOLVEMENT:

- UND Fundraising volunteer **2002 - 2004**
- UND International Center 'Cultural Days' volunteer **2002 - 2004**

AWARDS:

- UND Glenn "Red" Jarrett Male Athlete of the Year **2004-2005**
- Conference Swimmer of the Year **2004-2005**
- Captain of UND swim team (elected by teammates and coaches) **2003-2004**
- MVP (elected by teammates and coaches) **2002-2003**
- Twenty time swimming All-American **2002-2005**
- NCAA Division II record holder **2002-2009**

REFERENCES:

- Provided upon request

Tom K. Kenville
Tom@tglobalinc.com
218.779.9950

Education Bachelors of Science – Business Administration
Major: **Marketing**
University of North Dakota, 1988

Experience **Center for Innovation Foundation at UND** 2006-present
Vice President of Business Development & Rainmaker

- Work with successful entrepreneurs as angel investors in four regional funds in Grand Forks (Chair), Wahpeton, Fargo ND, and Fosston MN
- Raise funds for entrepreneur initiatives and endowments
- Mentor individual start-up entrepreneurs
- Consult to businesses, students, entrepreneurs
- Fundraise with friends and Alumni

T-Global, Inc., President & Owner 2002 – present

- Raised equity capital of \$1.2 million for Valley Angels investment fund
- Company focuses on consulting and assembly of products.
- M/A business transactions/investments in '05-08 in excess of \$10M
- Online sales network development, wholesale/retail
- Consultant to Center for Innovation for strategic planning, product development and strategic business/product alliances
- Green products owner/Independent Rep. gobugslug.com and inovussolar.com
- Acquired 14,000 sq. ft. warehouse/office complex '07
- www.tglobalinc.com

University Hotel Development LLC., Managing Member 2002-present

- Managing member of the Hilton Garden Inn, UND campus
- Instrumental in creating marketing alliances between Hotel and area Businesses
- Raised \$5M in equity for a \$10M development
- Current local liaison for Management Company, investors, and the public
- Worked extensively with local government, the University leadership, and private investors for the creation of the Hotel

T-Kort LLC., Property Development 1999-present

- Thomas Place Rehab of historic Hariman clinic into New York loft style rentals
- Reeves Place Duplex on historic Reeves Drive
- Luxury type apartments
- Managed construction, financial projections
- Leasing of units, general upgrades
- Rental rates that are competitive and allow return on investment

VTS, Inc., President & Co-Owner 2003-2005

- Purchased company from Small Business Administration in 2003

- Owner of commercial property, aviation simulators and aviation training software
- Developed extensive online software sales distribution network with major and minor supplies of aviation training materials
- Brokered sale of Company assets to a California-based aviation company in 2005

UND Aerospace Foundation (UNDAF) 501c3.

1988-2003

VP Business Development & Marketing Director

- Administrator in a \$6M private non-profit entity supporting \$24M collegiate aviation program
- Responsible for yearly budget (\$350 – 1.2M) and marketing plans
- Responsible for the global market and business strategies
- Worked directly with foreign government and businesses developing training alliances in the aerospace industry
- Created working alliances between the University of North Dakota and Aerospace Foundation
- UNDAF Tech Park contact, made the real estate sale to Bioplasma Co.
- Provided customer service/satisfaction for the contracts secured
- Traveled extensively throughout the U.S., Asia, Middle East and Europe representing the state, city, and Foundation
- Acquired major contracts, purchased major assets to fulfill contracts and create a return on investment for the Foundation
- Land acquisition and development

Strengths

- Ability to bring together many types of clients to create strong alliances
- Possess entrepreneurial attitude and spirit of business
- Gain happiness through putting the right people together for the right business opportunity
- Have a strong desire to help people develop into their highest potential
- Strong team player with an ability to close deals
- Extensive international business travel (32 countries)

Activities

- Valley Angel Investment Fund, LLC. - Chair. \$1.2 M with 29 investors
- Consultant to the North Dakota Trade Office – International Business
- District Export Council board of directors member (1995-2002)
- 2006 Grand Forks City Council Candidate, Ward 2
- (asked to run for election from a group of business people and UND officials)
- Co-Chair, North Dakota Aerospace Cluster (GNDA)
- Sioux Boosters – Board of Directors, President (1999-2000)
- Fighting Sioux Club, funding raising volunteer
- Innovate ND business plan Judge (06-current)
- Idea business plan Judge NW Minnesota 09
- Impact Foundation programs
- Golf, Traveling, and youth-related activities
- Played Division 1 college hockey on scholarship University of Massachusetts, Lowell, MA
- Rotary

APPENDIX C:
ND/NW MN EB-5 RC Client Service Agreements for
Foreign Direct Investors and Commercial Enterprises

**NORTH DAKOTA / NORTHWEST MINNESOTA EB-5 REGIONAL CENTER
CONTRACT FOR SERVICES**

This agreement is made between the UND Center for Innovation Foundation, hereinafter referred to as "Foundation", a North Dakota Nonprofit Corporation, operator of the North Dakota / Northwest Minnesota EB-5 Regional Center, and _____ (investor) hereinafter referred to as "Investor", a citizen of the country of _____ (country).

PREAMBLE AND BACKGROUND

1. In 1990, The United States Congress enacted an Immigration Act (the "Act"), which created an employment-creation immigrant investor visa program to be administered by U.S. Citizenship and Immigration Services ("USCIS") through its legacy agencies, the Bureau and Immigration Services and the Immigration and Naturalization Service.
2. The EB-5 permits foreign nationals to receive conditional resident status in the United States in exchange for making a capital investment in the United States that will benefit the United States economy. Each investment needs to create or save at least ten direct full-time jobs for U.S. workers. The minimum amount of investment is \$1,000,000, but that minimum amount is reduced to \$500,000 if the investment is made in a high unemployment area or qualifying rural region.
3. In 1992, the United States Congress enacted the EB-5 regional center pilot program. This Immigrant Investor Pilot Program ("Program") allows both public and private entities to apply for regional center status. The Program allows an investor to create or save at least ten direct and indirect full-time jobs for the U.S. workers.
4. The Foundation is a designated regional center pursuant to the Program, and was founded as a North Dakota nonprofit corporation. The Foundation seeks to improve the regional workforce, work to advance job creation, to provide consultation services for foreign investors, and interact with entities assisting foreign investors to invest in Program eligible capital investments in the State of North Dakota and Northwest Minnesota and serve as North Dakota and Northwest Minnesota's designated Regional Center as that term is defined in the Program and pursuant to U.S. laws and regulations.

WHEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED IN THIS Agreement, the Foundation and the Investor mutually covenant and agree as follows:

1. **Investor** hereby engages Foundation for the purpose of
 - a. providing consultancy services related to participation in the EB-5 investment based immigration program.
 - b. identifying qualified EB-5 investment opportunities and making introductions for potential investment;
 - c. identifying and recommending professional service providers necessary for completion of EB-5 investment.
2. **Foundation** hereby accepts the engagement described in paragraph 1 and, in that connection, agrees to:
 - a. provide consultancy services related to participation in the EB-5 investment based immigration program; including providing a careful overview of the EB-5 program, reviewing Investor's goals, explaining EB-5 requirements, providing access to necessary files, tracking paperwork,
 - b. identify qualified EB-5 investment opportunities and certifying Target Employment Area status; and introduce Investor to those investment opportunities.

- c. identifying and recommending professional service providers necessary for completion of EB-5 investment, including but not limited to attorneys whom the Foundation believes to be qualified and knowledgeable on EB-5 immigration matters, securities attorneys, tax attorneys, accountants, and others.

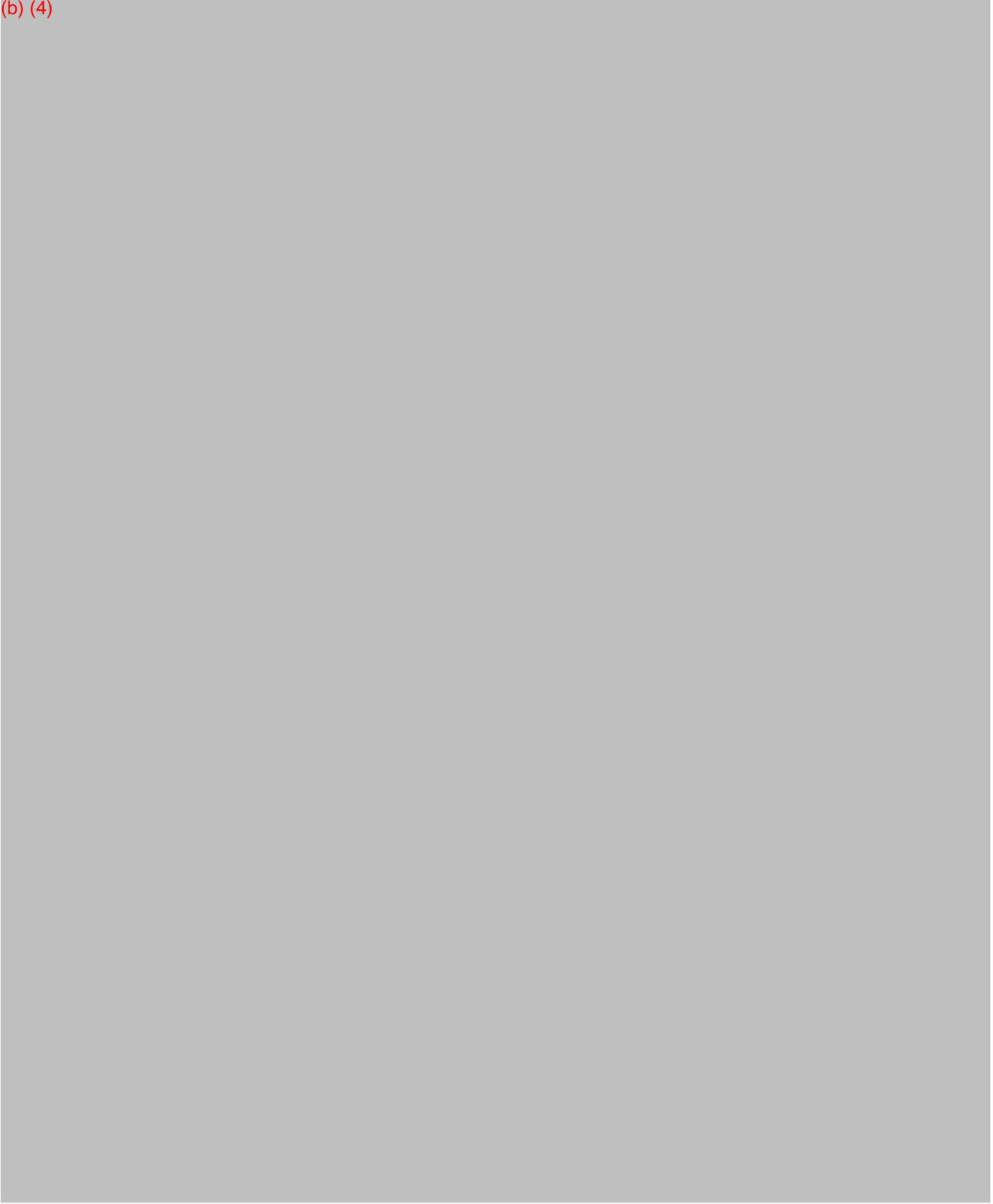
(b) (4)



(b) (4)



(b) (4)



(b) (4)



IN WITNESS WHEREOF, the parties have executed this License Agreement.

UND Center for Innovation Foundation

Investor

/s/ _____
Bruce Gjovig, CEO

/s/ _____
XXXXXXXXX, XXX

Date: _____

Date: _____

**NORTH DAKOTA / NORTHWEST MINNESOTA EB-5 REGIONAL CENTER
CONTRACT FOR SERVICES**

This agreement is made between the UND Center for Innovation Foundation, herein after referred to as "Foundation", a North Dakota Nonprofit Corporation, operator of the North Dakota / Northwest Minnesota EB-5 Regional Center, and _____ (Company) _____, hereinafter referred to as "Company", a (State Formed in) _____ (Corporation/LLC) _____ with headquarters in _____ (city) _____, XX(State).

BACKGROUND

1. In 1990, The United States Congress enacted an Immigration Act (the "Act"), which created an employment-creation immigrant investor visa program to be administered by U.S. Citizenship and Immigration Services ("USCIS") through its legacy agencies, the Bureau and Immigration Services and the Immigration and Naturalization Service.
2. The EB-5 permits foreign nationals to receive conditional resident status in the United States in exchange for making a capital investment in the United States that will benefit the United States economy. Each investment needs to create or save at least ten direct full-time jobs for U.S. workers. The minimum amount of investment is \$1,000,000, but that minimum amount is reduced to \$500,000 if the investment is made in a high unemployment area or qualifying rural region.
3. In 1992, the United States Congress enacted the EB-5 regional center pilot program. This Immigrant Investor Pilot Program ("Program") allows both public and private entities to apply for regional center status. The Program allows an investor to create or save at least ten direct and indirect full-time jobs for the U.S. workers.
4. The Foundation is a designated regional center pursuant to the Program, and was founded as a North Dakota nonprofit corporation. The Foundation seeks to improve the regional workforce, work to advance job creation, to provide consultation services for foreign investors, and interact with entities assisting foreign investors to invest in Program eligible capital investments in the State of North Dakota and Northwest Minnesota and serve as North Dakota and Northwest Minnesota's designated Regional Center as that term is defined in the Program and pursuant to U.S. laws and regulations.
5. The Company is seeking equity investment ("Investment") and is offering up to _____ (amount of total money) of _____ (units or stock) in the Company for _____ (Given Amount) per _____ (unit or share) pursuant to the Private Placement Memorandum and in compliance with U.S. law and regulations, to foreign investors who (a) plan to file for an EB-5 Visa under the Immigrant Investor Pilot Program (the "Program") through the U.S. Citizenship and Immigration Services ("USCIS") and (b) are "accredited investors" as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended, and where the "accredited investor" status does not violate U.S. laws and regulations.
6. The Investment by the EB5 investor will be equity capital at a minimum of US \$1,000,000 unless the company is principally doing business in a targeted employment area in which case it may be as low as US \$500,000. The investment capital provided by the EB5 investor is not a loan; the investor will not be entitled to any guaranteed returns but may share in distributions of profits; the investor will not have a redemption right or any right to force the buy-out of his share at a particular price; the investor will be engaged in management of the company in some capacity; and the company will provide evidence of job creation using the IMPLAN-based methodology that is provided by the Center for Innovation Foundation.

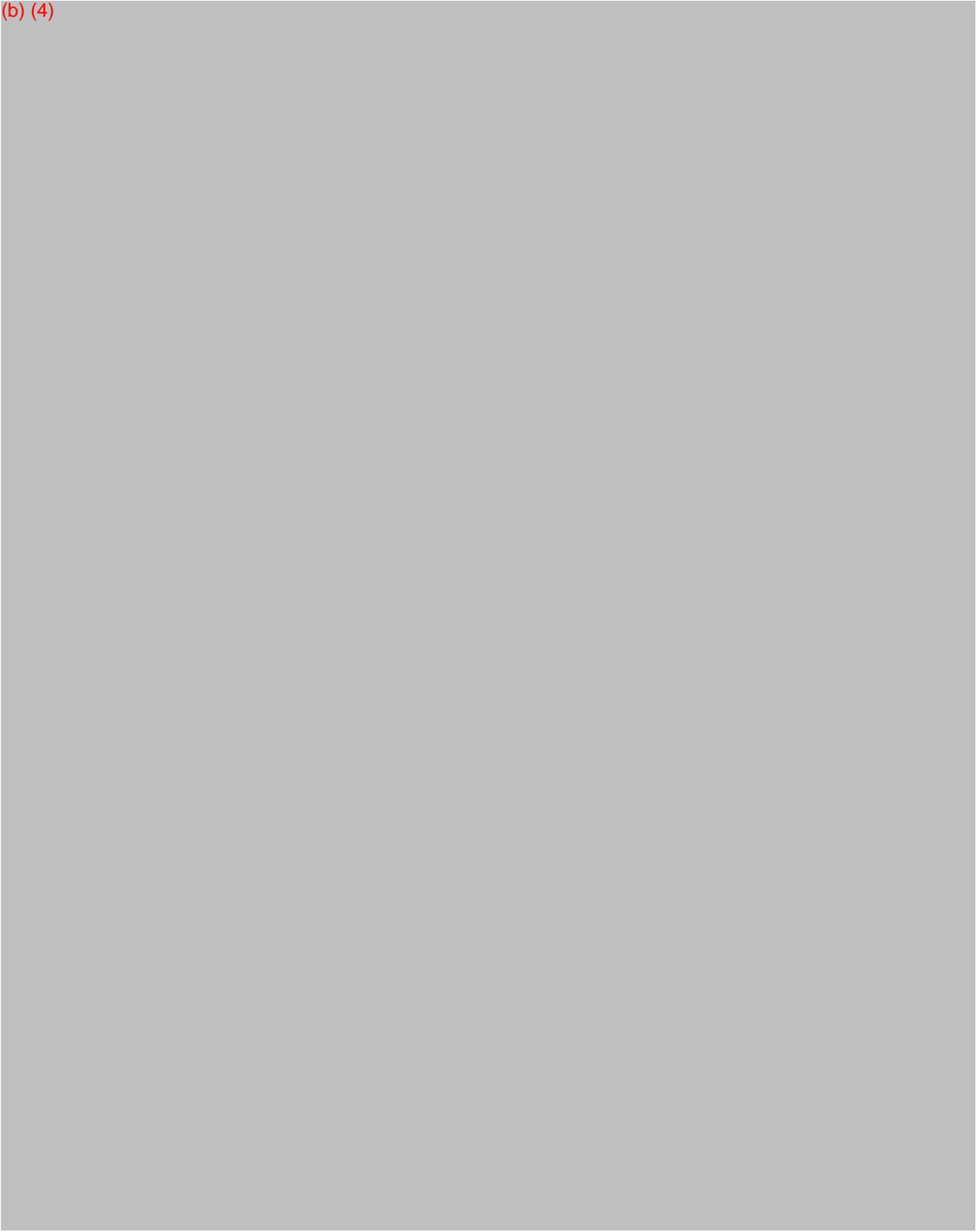
WHEREFORE, in consideration of the mutual promises contained in this Agreement, and intending to be legally bound by this Agreement, the Foundation and the Company mutually contract and agree as follows:

1. **Company** hereby engages Foundation for the purpose of

(b) (4)



(b) (4)



(b) (4)



(b) (4)



IN WITNESS WHEREOF, the parties have executed this License Agreement.

UND Center for Innovation Foundation

Company

/s/ _____
Bruce Gjovig, CEO

/s/ _____
XXXXXXXXXX, XXX

Date: _____

Date: _____

APPENDIX D:
Letters of Support- North Dakota and Northwest Minnesota

COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEES:
HEALTH
SOCIAL SECURITY
TRADE

COMMITTEE ON AGRICULTURE
SUBCOMMITTEES:
GENERAL FARM COMMODITIES AND
RISK MANAGEMENT
CONSERVATION, CREDIT, ENERGY,
AND RESEARCH

RURAL HEALTH CARE COALITION
Co-Chair



Earl Pomeroy
Congress of the United States
North Dakota

October 7, 2009

WASHINGTON OFFICE:
1501 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2611
REP.EARL.POMEROY@MAIL.HOUSE.GOV

DISTRICT OFFICES:
ROOM 328, FEDERAL BUILDING
220 EAST ROSSETT AVENUE
BISMARCK, ND 58501
(701) 224-0355
3003 32ND AVENUE S
SUITE 6
FARGO, ND 58103
(701) 235-9760

Bruce Gjovig, CEO
UND Center for Innovation Foundation
4200 James Ray Drive
Grand Forks, ND 58203

RE: Support of EB-5 Regional Center for North Dakota and Northwest Minnesota

Dear Mr. Gjovig:

I am writing to you today in support of the University of North Dakota (UND) Center for Innovation Foundation's efforts to secure an EB-5 Regional Center designation for the entire state of North Dakota and 20 counties in Northwest Minnesota under the Immigrant Investor Pilot Program through the U.S. Immigration & Citizenship Services (USCIS).

North Dakota and Northwest Minnesota would greatly benefit from foreign investment and new jobs. Despite the recent modest economic growth in our two-state region, several cities throughout North Dakota and part of Northwest Minnesota have experienced levels of unemployment we have not seen in decades. Several manufacturing firms have downsized or shut their doors in our area and the Grand Forks Air Force Base was significantly downsized in the last round of the Defense Base Closure and Realignment Commission (BRAC). Our rural economy has been stressed by outmigration, and an infusion of new Foreign Direct Investment under the EB-5 program and the resulting increase in jobs would greatly benefit our region.

As the region faces economic hardships, it is imperative that the government and the private sector work together toward stimulating the local economy and bringing jobs to the unemployed and underemployed. Designating North Dakota and Northwest Minnesota as a "Regional Center" under the Immigration Investor Pilot Program is a great opportunity to stimulate our regional economy through investment in entrepreneurial ventures.

I fully support UND Center for Innovation Foundation's efforts to establish an EB-5 Regional Center, and I look forward to working with you to make these efforts a reality.

Sincerely,

EARL POMEROY
Member of Congress

KENT CONRAD
NORTH DAKOTA

website: <http://conrad.senate.gov>

COMMITTEES:
BUDGET, CHAIRMAN
AGRICULTURE, NUTRITION, AND FORESTRY
FINANCE
INDIAN AFFAIRS

United States Senate

October 15, 2009

Bruce Gjovig, CEO
UND Center for Innovation Foundation
4200 James Ray Drive
Grand Forks, ND 58203

RE: Support of EB-5 Regional Center for North Dakota and Northwest Minnesota

Dear Mr. Gjovig:

It is my pleasure to offer my strong support to the University of North Dakota (UND) Center for Innovation Foundation's efforts to secure an EB-5 Regional Center designation for the State of North Dakota and 20 counties in Northwest Minnesota. I understand the EB-5 Regional Center designation would be under the Immigrant Investor Pilot Program through the U.S. Immigration & Citizenship Services (USCIS).

In recent months, several cities throughout North Dakota and Northwest Minnesota have experienced levels of unemployment not seen in decades. North Dakota's largest manufacturer has closed one of its production facilities and the Grand Forks Air Force Base was significantly downsized in the last round of the Defense Base Closure and Realignment Commission (BRAC). Our rural economy has been stressed by outmigration, and an infusion of new Foreign Direct Investment under the EB-5 program and the resulting increase in jobs would greatly benefit our region. Designating North Dakota and Northwest Minnesota as a "Regional Center" under the Immigration Investor Pilot Program is a great opportunity to stimulate our regional economy through investment in entrepreneurial ventures.

Again, I am pleased to offer my strong support for the UND Center for Innovation Foundation's efforts to establish an EB-5 Regional Center. Please let me know if there is anything I can do to provide additional support to this effort.

Sincerely,


KENT CONRAD
United States Senate

1-800-223-4457

530 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-3403
(202) 224-2043

220 EAST ROSSER AVENUE, ROOM 228
BISMARCK, ND 58501-3866
(701) 258-4648

657 2ND AVENUE NORTH, ROOM 306
FARGO, ND 58102-4727
(701) 232-8030

102 NORTH 4TH STREET, SUITE 104
GRAND FORKS, ND 58203-3738
(701) 775-9601

100 1ST STREET, S.W., ROOM 105
MINOT, ND 58701-3848
(701) 852-0703



— State of —
North Dakota
Office of the Governor

John Hoeven
Governor

October 9, 2009

Immigrant Investor Pilot Program
US Dept of Homeland Security
US Citizenship & Immigration Services
Washington, DC 20528

As Governor of North Dakota, I support the UND Center for Innovation Foundation's efforts to secure an EB-5 Regional Center designation for the entire state of North Dakota and 20 counties in northwestern Minnesota under the Immigrant Investor Pilot Program through the U.S. Immigration & Citizenship Services (USICS).

Our state would greatly benefit from foreign investment and new jobs from the EB-5 program. While North Dakota has experienced economic growth in the past two years, the manufacturing sector of our economy is feeling the effects of the national recession. The Grand Forks area has also felt the effects of the recent the BRAC round as the Grand Forks Air Force Base lost its aerial refueling mission.

The EB-5 program will help our state's entrepreneurs and economic developers secure the vital investment for employment growth. The UND Center for Innovation Foundation is well positioned to lead this effort as they have been working with entrepreneurs and angel investors successfully for 25 years.

Through the "Regional Center" designation under the Immigrant Investor Pilot Program, an opportunity exists to allow the EB-5 Regional Center to foster investment in job-creating ventures in the state of North Dakota and northwestern Minnesota thus providing an economic stimulus to the entire region. This is a program ideal for rural states like North Dakota.

We fully support UND Center for Innovation Foundation's efforts to establish an EB-5 Regional Center for the state of North Dakota and northwestern Minnesota.

Sincerely,

A handwritten signature in black ink that reads "John Hoeven".

John Hoeven
Governor

38:53:56



Community Services Economic Development & Finance Tourism Workforce Development
October 27, 2009

Immigrant Investor Pilot Program
US Department of Homeland Security
US Citizenship & Immigration Services
Washington, DC 20528

Dear Sir/Madam:

As Commissioner of the North Dakota Department of Commerce, I support the University of North Dakota (UND) Center for Innovation Foundation's application to secure an EB-5 Regional Center designation under the Immigrant Investor Pilot Program through the U.S. Immigration & Citizenship Services.

Our state and region has historically grown its business base through investments from within while typically being overlooked as a location for injecting capital by outside private investors and investment groups. This is not due to a lack of quality investment opportunities, but rather, the result of an under-utilization of our natural and human resources and creativity that exists in the state of North Dakota.

With a resurgence of entrepreneurial activity, enhanced efforts to commercialize university research and the strategic delivery of aggressive business development programs within our region, we see tremendous opportunities to diversify and expand our economic base with resources that can be brought forth through an EB-5 Regional Center. An EB-5 Regional Center will provide us with the resources to generate new business development and growth through the attraction of investment dollars into North Dakota and Northwestern Minnesota.

The North Dakota Department of Commerce strongly supports the UND Center for Innovation Foundation's efforts to establish an EB-5 Regional Center. Your approval of this application will result in positive benefits for the State of North Dakota, Northwestern Minnesota and the United States as a whole.

Best Regards,

A handwritten signature in black ink, appearing to read "Shane Goettle", is written over a horizontal line.

Shane Goettle
Commissioner

"We lead North Dakota's efforts to attract, retain and expand wealth."

COLLIN C. PETERSON
7TH DISTRICT, MINNESOTA

COMMITTEE ON AGRICULTURE
CHAIRMAN

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

2211 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
TELEPHONE: (202) 225-2165
FAX: (202) 225-1593
INTERNET: www.house.gov/collinpeterson

October 9, 2009

Selection Committee
Immigrant Investor Pilot Program
US Department of Homeland Security
US Citizenship & Immigration Services
Washington, DC 20528

Dear Selection Committee:

It is my pleasure to provide a letter of support to the proposed project from the UND Center for Innovation Foundation to secure an EB-5 Center designation for 20 counties in Northwest Minnesota and the entire state of North Dakota under the Immigrant Investor Pilot Program through the US Citizenship & Immigration Services (USCIS).

Despite the recent growth in our region, several cities throughout Northwest Minnesota and North Dakota have experienced some levels of unemployment never seen before. This is a rural area of the country that has been stressed for decades by outmigration and loss of jobs. Foreign Direct Investment under the EB-5 program will help turn the tide of high and steady outmigration that has resulted in low population in rural areas.

As the region faces economic hardships, it is imperative that local municipalities, counties, government, and the private sector work together toward stimulating the local economy and bringing jobs to the unemployed and attracting new businesses to locate in our region.

It is my opinion that the USCIS objectives for the Immigrant Investor Pilot Program will be well met with the approval of this grant from the UND Center for Innovation Foundation.

Thank you for your consideration. Please inform me as to your decision.

Sincerely,

Collin C. Peterson, MN 07
Member of Congress

DISTRICT OFFICES

714 LAKE AVENUE
SUITE 107
DETROIT LAKES, MN 56501
(218) 847-5058
FAX: (218) 847-6109

1420 EAST COLLEGE DRIVE
SW/WC
MARSHALL, MN 56258
(507) 537-2299
FAX: (507) 637-2298

MN WHEAT GROWERS BUILDING
2603 WHEAT DRIVE
RED LAKE FALLS, MN 56750
(218) 253-4366
FAX: (218) 253-4373

CENTRE POINT MALL
320 4TH STREET SW
WILLMAR, MN 56201
(320) 235-1081
FAX: (320) 235-2651



COUNTY OF BECKER

Becker County

P.O. Box 787 • Detroit Lakes, MN 56502-0787

October 8, 2009

RE: Support of EB-5 Regional Center for North Dakota and Northwestern Minnesota

To Whom It May Concern:

Becker County supports the efforts of the UND's Center for Innovation Foundation to secure an EB-5 designation for the North Dakota and Northwestern Minnesota.

As a County located within this region, we are supportive of efforts that provide for local and regional economic development opportunities.

In establishing the Center for Innovation as a United States Citizenship and Immigration Service (USCIS) Regional Center we believe that our area can attract investor's and coordinate the essential communications required to translate investment opportunity into economic development activity. We are interested in creating jobs through entrepreneurship and believe that this Center for Innovation can contribute to that goal.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry L. Salminen". The signature is written in a cursive style with a large initial "H".

Harry L. Salminen
Chair, Becker County Board of Commissioners



October 6, 2009

RE: Support of EB-5 Regional Center for North Dakota and Northwest of Minnesota

To Whom It May Concern:

I write in support of UND Center for Innovation Foundation efforts to secure an EB-5 Regional Center designation for the entire state of North Dakota and 20 counties in Northwest Minnesota under the Immigrant Investor Pilot Program through the U.S. Immigration & Citizenship Services ("USCIS).

As the region faces economic challenges, it is imperative that local municipalities, counties, government, and the private sector work together toward stimulating the local economy and bringing jobs to the unemployed and attracting new businesses to locate in our region. The EB-5 regional center initiative can act as a catalyst to attract investment in identified growth sectors for the region defined and has the potential to be a key component of our economic development efforts in the future.

Through the "Regional Center" designation under the Immigrant Investor Pilot Program an opportunity exists to allow the EB-5 Regional Center to invest in job-creating projects in the state of North Dakota and Northwest of Minnesota thus providing an economic stimulus to the entire region.

I urge support of UND Center for Innovation Foundation efforts to establish an EB-5 Regional Center for the state of North Dakota and Northwest Minnesota.

Sincerely

A handwritten signature in cursive script, appearing to read "Harold A. Seland".

Mayor – City of Fergus Falls

APPENDIX E:
Center for Innovation Foundation Board Resolution

RESOLUTION AUTHORIZING APPLICATION FOR AN EB-5 REGIONAL CENTER FOR NORTH DAKOTA AND NORTHWEST MINNESOTA

WHEREAS the Board of Directors (trustees) of the UND Center for Innovation Foundation wish to enhance our ability to secure additional capital for entrepreneur ventures and appreciates the potential of attracting foreign direct investment through the EB-5 program for North Dakota and Northwest Minnesota, and

WHEREAS the EB-5 Employment Based Immigrant Visa provides for conditional legal permanent resident status for persons who invest \$1 million (or in some cases \$500,000) in a growing business that employ ten US citizens full-time and who engages in that business through day-to-day management or policy decisions, and

WHEREAS on Aug 15, 2008 the Foundation board of directors authorized the CEO to budget and commit up to (b) (4) to pursue application of a EB-5 Regional Center, and

WHEREAS on Nov. 10, 2008 the Foundation CEO reported to the board of directors that Congress did not reauthorize the EB-5 program for several years as anticipated, but passed a continuing resolution extending the program until March 31, 2009. Therefore the Foundation's EB-5 regional center application was put on temporary hold until legislation extends program further, and

WHEREAS on August 8, 2009 the Board of Directors authorized the CEO and staff to prepare the EB-5 Regional Center status in anticipation of extension of the EB-5 program and accept a (b) (4) grant from the North Dakota Department of Commerce to help establish the EB-5 Regional Center for North Dakota and 20 counties in Northwest Minnesota. The motion passed unanimously, and

WHEREAS several angel funds in the region as well as government and private entities in North Dakota and Minnesota are supporting the Foundation's application to launch a EB-5 Regional Center,

NOW, therefore, be it resolved by the board of directors of the UND Center for Innovation Foundation that he CEO of the Foundation is authorized to make the final application to launch a EB-5 Regional Center for North Dakota and the 20 counties of Northwest Minnesota after completing consultation with Center staff, attorney Lincoln Stone, economist advisors and other experts to submit a complete application for a EB-5 Regional Center.

Approved on November 10, 2009 by unanimous vote.



Bruce Gjovig, CEO

Center for Innovation Foundation

4200 James Ray Drive • P.O. Box 8372 • Grand Forks, ND 58202-8372
701.777.3132 • Fax 701.777.2339 • www.innovators.net

APPENDIX F:
UND Center for Innovation Marketing Material
Marketing Material Attached with Application Package

APPENDIX G:
Target Employment Areas (TEAs) – Sample Documents

Targeted Employment Area Designation

The Minnesota Department of Commerce is designated by the governor to certify the geographic areas or political subdivisions that conform to targeted employment areas as defined by 8 CFR 204.6 (e)(i),(e)(ii) and f(2), f(3).

Definitions

Targeted Employment Area: An area which, at the time of investment, is a rural area or an area which has experienced unemployment of at least 150 percent of the national average rate. The amount of capital necessary to make a qualifying investment in a targeted employment area within the United States is \$500,000.

Rural Area: Any area not within either a metropolitan statistical area as designated by the Office of Management and Budget or the outer boundary of any city or town having a population of 20,000 or more.

High Employment Area: A part of a metropolitan statistical area that at the time of investment (i) is not a targeted employment area and (ii) is an area with an employment rate significantly below the national average unemployment rates. The amount of capital necessary to make a qualifying investment within the United States as defined in section 203(b)(5)(C)(iii) of the Act, is \$1,000,000.

Methodology

Under the federal definition of targeted employment area the Minnesota Department of Commerce certifies any rural area within the state as a targeted employment area, excluding rural county cities with populations of 20,000 or more that have unemployment rates falling short of 150 percent of the national average unemployment rate. All official metropolitan statistical areas are also excluded unless a geographic area or political subdivision within the metropolitan area – such as counties, cities, census tracts, census blocks or a combination – have in the aggregate an unemployment rate at least 150 percent of the national unemployment rate. The department will calculate these combinations on a case by case basis as requested.

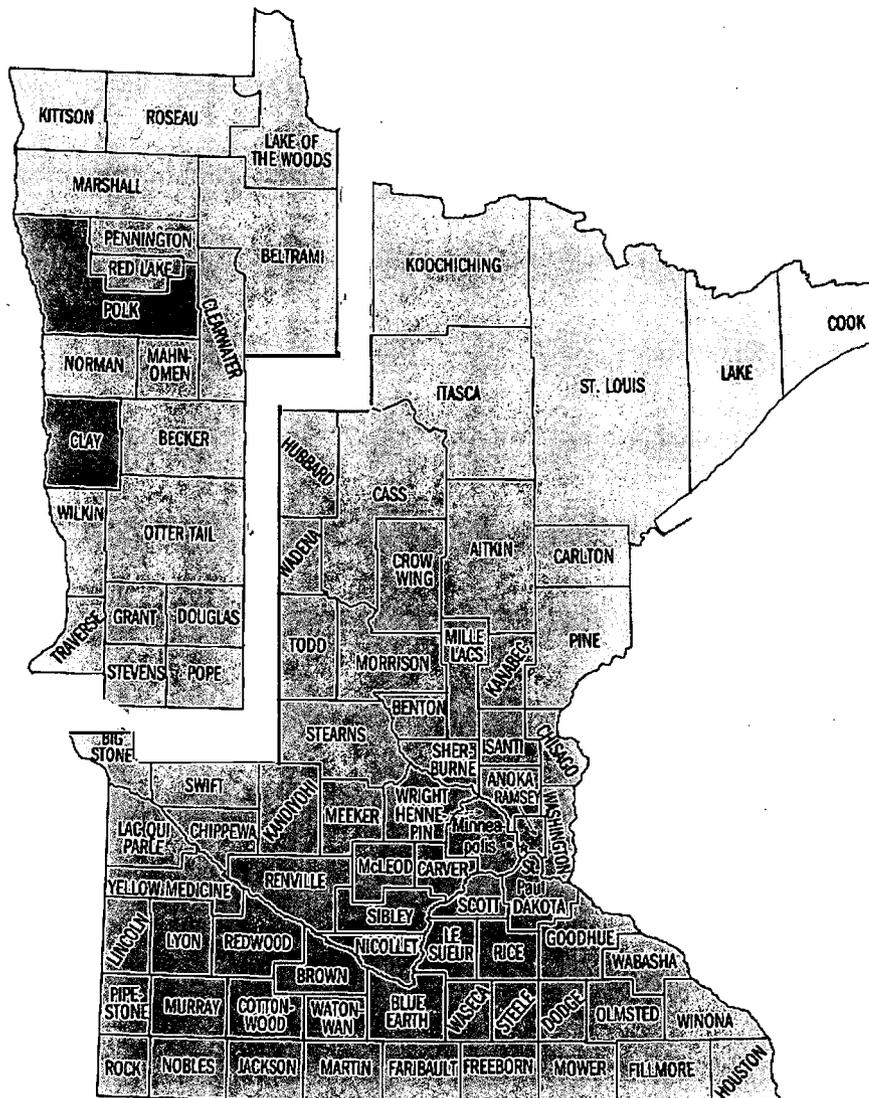
To be designated targeted employment areas at the county level, all counties except those counties included in metropolitan statistical areas qualify. Cities with populations in excess of 20,000 located in rural counties are excluded from the designation unless the 150 percent national average unemployment provision is met.

Cities, census tracts, blocks or townships with rates of at least 150 percent of the national average unemployment rate located inside metropolitan statistical areas are automatically designated as targeted employment areas. A census tract or a combination of contiguous geography may be designated a TEA for as long as the combination of the unemployed divided by labor force for such an area is at least 150 percent of the national average unemployment rate for the preceding 12 months of available labor force data. The 150 percent of the national average unemployment rate used for this year's determination is 11.35 percent. Upon request, the Minnesota Department of Commerce will calculate whether a combination of census tracts make up a qualifying contiguous geographic area with 150 percent of the national average unemployment rate. If a region qualifies, the department will provide a letter to the requesting

entity designating the region as high unemployment area for its submission for EB status to the Department of Homeland Security.

For high unemployment census tracts the labor force data sets used to determine the national average unemployment rate consist of benchmarked data from July to December and the available preliminary data from January to June. For computational purposes, TEA determinations are made in November of each year to be effective during the following full calendar year. (Latest- Census Bureau)

Targeted Employment Area Designation for year 2011



Areas in gold are Targeted Employment Area designations (\$500,000 EB-5). Colored areas represent metropolitan statistical areas or larger rural cities (\$1,000,000 EB-5).

Targeted Area: MN Rural Counties

<u>County</u>	<u>FIPS</u>
Becker	005
Beltrami	007
Clearwater	029
Douglas	041
Grant	051
Kittson	069
Lake of the Woods	077
Mahnomen	087
Marshall	089
Norman	107
Otter Tail	111
Pennington	113
Pope	121
Red Lake	125
Roseau	135
Stevens	149
Traverse	155
Wilkin	167

Minnesota MSA Counties

<u>County</u>	<u>FIPS</u>
Clay	027
Polk	119

Targeted Employment Area Designation

The North Dakota Department of Commerce is designated by the governor to certify the geographic areas or political subdivisions that conform to targeted employment areas as defined by 8 CFR 204.6 (e)(i),(e)(ii) and f(2), f(3).

Definitions

Targeted Employment Area: An area which, at the time of investment, is a rural area or an area which has experienced unemployment of at least 150 percent of the national average rate. The amount of capital necessary to make a qualifying investment in a targeted employment area within the United States is \$500,000.

Rural Area: Any area not within either a metropolitan statistical area as designated by the Office of Management and Budget or the outer boundary of any city or town having a population of 20,000 or more.

High Employment Area: A part of a metropolitan statistical area that at the time of investment (i) is not a targeted employment area and (ii) is an area with an employment rate significantly below the national average unemployment rates. The amount of capital necessary to make a qualifying investment within the United States as defined in section 203(b)(5)(C)(iii) of the Act, is \$1,000,000.

Methodology

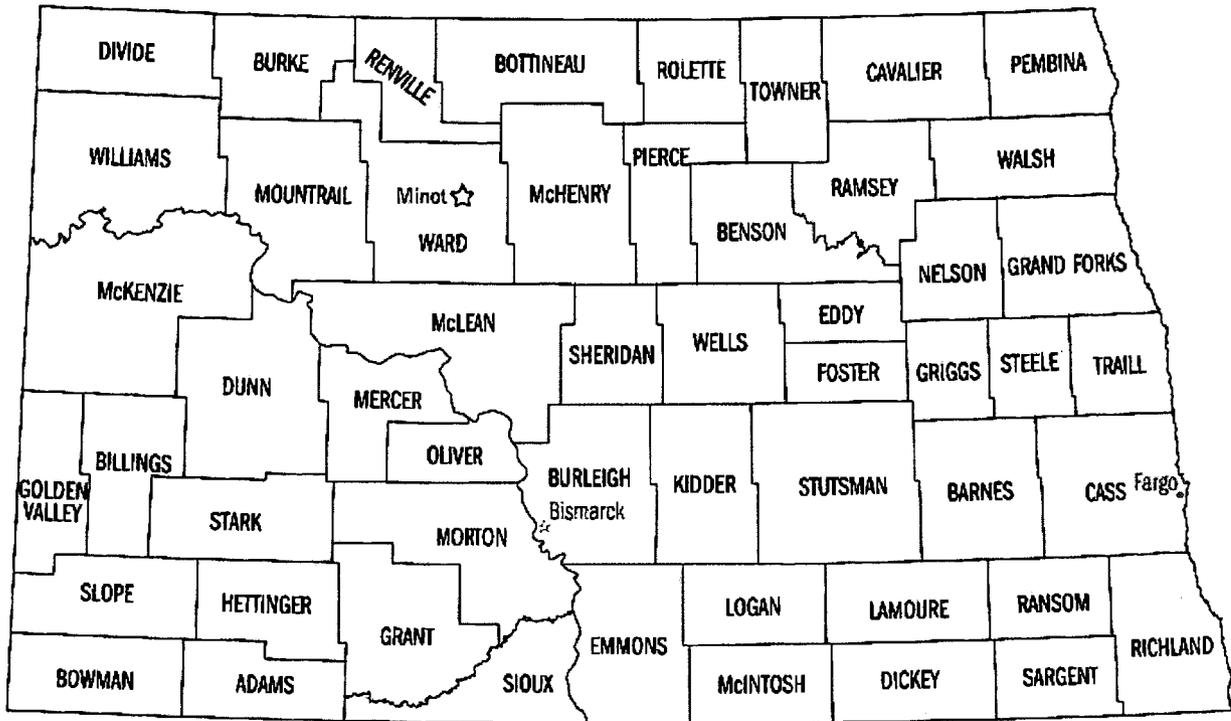
Under the federal definition of targeted employment area the North Dakota Department of Commerce certifies any rural area within the state as a targeted employment area, excluding rural county cities with populations of 20,000 or more that have unemployment rates falling short of 150 percent of the national average unemployment rate. All official metropolitan statistical areas are also excluded unless a geographic area or political subdivision within the metropolitan area – such as counties, cities, census tracts, census blocks or a combination – have in the aggregate an unemployment rate at least 150 percent of the national unemployment rate. The department will calculate these combinations on a case by case basis as requested. To be designated targeted employment areas at the county level, all counties except those counties included in metropolitan statistical areas qualify. Cities with populations in excess of 20,000 located in rural counties are excluded from the designation unless the 150 percent national average unemployment provision is met.

Cities, census tracts, blocks or townships with rates of at least 150 percent of the national average unemployment rate located inside metropolitan statistical areas are automatically designated as targeted employment areas. A census tract or a combination of contiguous geography may be designated a TEA for as long as the combination of the unemployed divided by labor force for such an area is at least 150 percent of the national average unemployment rate for the preceding 12 months of available labor force data. The 150 percent of the national average unemployment rate used for this year's determination is 11.35 percent. Upon request, the North Dakota Department of Commerce will calculate whether a combination of census tracts make up a qualifying contiguous geographic area with 150 percent of the national average unemployment rate. If a region qualifies, the department will provide a letter to the

requesting entity designating the region as high unemployment area for its submission for EB status to the Department of Homeland Security.

For high unemployment census tracts the labor force data sets used to determine the national average unemployment rate consist of benchmarked data from July to December and the available preliminary data from January to June. For computational purposes, TEA determinations are made in November of each year to be effective during the following full calendar year. (Latest- Census Bureau)

Targeted Employment Area Designation for year 2011



Areas in grey are Targeted Employment Area designations (\$500,000 EB-5). Colored areas in orange represent metropolitan statistical areas or larger rural cities (\$1,000,000 EB-5).

Targeted Area: ND Rural Counties

<u>County</u>	<u>FIPS</u>
Adams	001
Barnes	003
Benson	005
Billings	007
Bottinneau	009
Bowman	011
Burke	013
Cavalier	019
Dickey	021
Divide	023
Dunn	025
Eddy	027
Emmons	029
Foster	031
Golden Valley	033
Grant	037
Griggs	039
Hettinger	041
Kidder	043
La Moure	045
Logan	047
McHenry	049
McIntosh	051
McKenzie	053
McLean	055
Mercer	057
Mountrail	061
Nelson	063
Oliver	065
Pembina	067
Pierce	069
Ramsey	071
Ransom	073
Renville	075
Richland	077
Rolette	079
Sargent	081
Sheridan	083
Sioux	085
Slope	087
Stark	089
Steele	091
Stutsman	093
Towner	095
Traill	097
Walsh	099
Ward	101
Wells	103
Williams	105

Non- Targeted Area: North Dakota MSA Counties

<u>County</u>	<u>FIPS</u>
Burleigh	015
Morton	059
Cass	017
Grand Forks	035

Non-Targeted Area: Large Cities from Rural Counties

<u>County</u>	<u>FIPS</u>	<u>County</u>
Minot	038	Ward

APPENDIX H:
Sample of Due Diligence Check List – Commercial Enterprises

SAMPLE DUE DILIGENCE CHECKLIST FOR COMMERCIAL ENTERPRISES

1. Preliminary Due Diligence Request List

- 1.1. Executive Summary and Business Plan and Presentation Slides
- 1.2. Presentation Dates
- 1.3. DVG Excel spreadsheet
- 1.4. Financial Model and Current Balance Sheet
- 1.5. Management Resumes and Organization Chart
- 1.6. Contact for Management and Customer Reference Checks
- 1.7. Capitalization Table and Shareholder Roster
- 1.8. Stock Options Grants
- 1.9. Contact Information For:
 - Managers
 - Directors and Shareholders
 - Web Site Developers, if Outsourced
 - Attorneys
 - Accountants
 - Consultants

2. DVG Due Diligence Program

- 2.1. Contact Information
- 2.2. Third-Party Reference Checks
- 2.3. Competitive Matrix
- 2.4. Risk Factors
- 2.5. Reports From Independent Consultants
- 2.6. Site Visit

3. Show Stoppers

- 3.1. Doesn't meet DVG Investment Goals
- 3.2. Entrepreneur's Lack of Understanding of Equity Investments
- 3.3. Unsettled Management Team Issues
- 3.4. Disruptive or Complex Shareholders Issue
- 3.5. Inadequate IP Protection
- 3.6. Excessive Current Liabilities/Debt
- 3.7. Inappropriate Use of Proceeds
- 3.8. Inadequate Financial Projections
- 3.9. Missing Key Assumptions about Market/Financial Model
- 3.10. Unrealistic Valuation (or Revenue Model)
- 3.11. Complicated Investment Terms
- 3.12. One Trick Pony (One-Product/Service)
- 3.13. No Board per se
- 3.14. Inexperienced Management

4. Funding Needs and Proposed Terms

- 4.1. Funding Objectives
- 4.2. Use of Proceeds

- 4.3. Proposed Closing Date
- 4.4. Adequacy of Stock Option Plan
- 4.5. Board Composition
- 4.6. Re-Vesting For Founders and Key Employees
- 4.7. Valuation and Price Per Share
- 4.8. Comparables
 - Recent IPOs (10Ks, annual reports)
 - Recent companies funded in this space
 - Comparable financial models

5. Management Team Assessment

- 5.1. Review Resumes
- 5.2. Founders History with Company
- 5.3. Reference Checks
- 5.4. Qualities of Team:
 - What is their motivation? Financial Stake?
 - Functional Expertise
 - Professional and Personal Accomplishments
 - Track Record in Previous Positions
 - Prior Direct Selling Experience
 - Domain Expertise
 - Extent of Financial Commitment
 - Compatibility of Team Members
 - Prior P&L Experience
- 5.5. Qualities of CEO and Management:
 - Personal Qualities as an Entrepreneur, Manager, and Leadership
 - Integrity, Dedication, Passion, Commitment, Vision, Knowledge, Skill Level,
 - Experience Managing People
 - Willingness to Share Equity
 - Willingness to Work With DVG
 - Integrity, Trust and Leadership Qualities
 - Ability to Attract/Recruit Advisors and Experts
- 5.6. Who are the Advisors and Directors? What is their Financial Commitment?
- 5.7. Limitations in Management, and are they Seeking Candidates?
- 5.8. How are Management and all Employees Compensated?
- 5.9. Option plan: Have Options been Granted to Employees?
 - Percentage Options Founders have as Compared to Key Management?

6. Current Business Status

- 6.1. Cash on Hand and Monthly Burn Rate
- 6.2. Time Table for Funding
- 6.3. Short Term Objectives
- 6.4. Funding Options
- 6.5. Strategic Milestones

7. Business Plan Overview

- 7.1. Who is the Customer? Where is the Pain or Problem?
- 7.2. How does the Customer Make a Decision about this Product or Service?
- 7.3. How Compelling is the Decision to Purchase?
- 7.4. What is the Likelihood of Adoption?
- 7.5. How does the Transaction Work?
- 7.6. How is the Transaction Completed?
- 7.7. How will the Product or Service be Priced?
- 7.8. Are Margins in Line with industry Norms?
- 7.9. How will the Business Reach its Identified Customer Segments?
- 8.10 How much will it Cost in Time and Resources to Acquire the Customer?
- 8.11 What are the Costs to Produce and Deliver the Product or Service?
- 8.12 How Much Does it Cost to Support a Customer?
- 8.13 How Easy is it to Retain a Customer?

8. Market Opportunity

- 8.1. Total Available Market and Size
- 8.2. Market Segments and Projected Growth Rates
- 8.3. Does Product/Service Address New or Existing Market?
- 8.4. Market Development, Is This Right Market?
- 8.5. Define the Problem or Pain for the End User or Customer.
- 8.6. What is Prevailing industry business model? Switching Costs?
- 8.7. What is Selling cycle? How is Relationship Sustained?
- 8.8. Who are First Movers and Leaders?
- 8.9. Collect Industry Articles Relevant to Available Market
- 8.10. Is this a Stable Market and are COGS Stable?

9. Product and Services

- 9.1. How Well Does Product/Service Offering Solve Problem
- 9.2. How Well is Product/Service Differentiated from Alternatives
- 9.3. Is the product or service platform-based, with the opportunity for additional products or services? Or is this potentially a one-trick pony?
- 9.4. Does the product or service represent a market push or pull?
- 9.5. Determine Stage of Product Development (Concept, alpha, beta, or shipping)
- 9.6. Define Milestones to Launch
- 9.7. Review Product/ Service Offerings:
 - Value Proposition
 - Proprietary Features
 - Product Life Cycle
 - Perceived Barriers to Entry
 - Competitive Lead Times
 - Patent Protection

10. Competitive Analysis

- 10.1 Analyze Competitor Business Models for Comparative Strengths and Weaknesses
- 10.2 Review Management's Competitive Analysis Matrix
- 10.3 Consider Potential Entering and Exiting Entrants.

10.4 Determine Adequacy of Barriers to Entry and Degrees of Protection

10.5 Review and Rank Competitors

- First Mover Advantage
- Product Selection and Web site features
- Capitalization and Access to Capital
- Entrenched in the Market
- Financial Stability
- Market Share

10.6 Evaluate Competitive or Comparable Websites for Designs, Functionality and Traffic

11. Marketing and Sales Strategy

11.1 Define Target Customers

11.2 How clear is Marketing and Sales Strategy?

11.4 Contact Strategic Partners and/or Marketing Partners

- Joint Venture Relationships?

11.5 What is Branding Strategy vs. Competition?

11.6 Compare Offline and Online Campaigns vs. Industry Norms

11.7 How Affordable are Marketing and Promotional Programs?

11.8 Who are Distributors, Intermediaries or Agents in Various Market Channels?

11.9 Determine Customer Acquisition Costs

11.10 How Strategic is Customer Database Information?

11.11 Length of Sales Cycle?

11.12 Seasonality

12. Operations and Logistics Plan

12.1 Evaluate IT Infrastructure

12.2 Adequacy of Fulfillment Plan

12.3 Resources to Outsource

12.4 Customer Service and Support

12.5 Facilities

12.6 Operating Plan/Outline

- On Track
- Alternative Plan if Assumptions Change

12.8 Is a Realistic Level of Growth Manageable and Anticipated?

13. Financial Model and Business Economics

13.1 Evaluate Assumptions Supporting Revenue Sources

13.2 Gross Profit Margins vs. Competitive Norms

13.3 Margins

13.4 Timeliness of Revenues

13.5 Monthly Expense Budgets

13.6 Equipment Budgets

13.7 Financial Statements Projections- Years 1, 3, and 5

- Best Case
- Worst Case
- Time to Breakeven

13.8 Cash on Hand, Burn Rate

13.9 Debt Carry

13.10 Balance Sheet and Cash Flow Forecast

- 13.11 Detail for Current Liabilities
- 13.12 Future Funding Needs
 - Critical Milestones
 - Likely Sources and Timing for Next Funding

14. Web Site Review

- 14.1 What is Unique vs. Competitive sites?
- 14.2 Review Website Design, Look and Features
- 14.3 Is Site Customer Friendly?
- 14.4 Determine Adequacy of Website Development Partner
- 14.5 How is Content Updated?
- 14.6 Beta Site Launch Date and Related Promotion
- 14.7 What are Products /Services Offered?
- 14.8 E -Commerce Software and Infrastructure
- 14.9 Links with Other Sites
- 14.10 Logistics for Fulfillment

Assess Technology Components:

- 14.11 Role of Customer in R&D Process
- 14.12 Proprietary Technology
- 14.13 IP Protection
 - Systems to Protect IP
 - Documentation of IP
 - Licenses or Internal Development
 - Other Companies Claims to IP
- 14.14 Market Requirements and Functional Specifications?
- 14.15 Stage of Development? Concept, Alpha, Beta, Shipping?
- 14.16 Usability Studies?
- 14.17 Product Quality Assurance
- 14.18 Proprietary Architecture or Open-Source Code?
- 14.19 Who in company is responsible for these technology-related issues?

15 Resources to Outsource

- 15.1 Technical:
 - Website Development
 - Hosting
 - Software Support
- 15.2 Marketing:
 - Logo and Branding Strategy
 - Public Relations
 - Customer Support
- 15.3 Financial and Administrative
 - Human Resources Support / Recruiting
 - Payroll Services
 - Accounting Systems and Controls

Risk Factors

- 15.4 Customer Adoption Rate and Sales Cycle
- 15.5 Competitive Landscape
- 15.6 Worst Case Scenarios
- 15.7 Regulatory Issues
- 15.8 Milestones
- 15.9 Financial Projection Assumptions
- 15.10 Likelihood of Follow-on VC funding / Dilution
- 15.11 Exit Strategy

16 Legal Review and Governance

- 16.1 Legal Entity and Capital Structure
- 16.2 Unusual or Significant Unrecorded Liabilities
- 16.3 Stock Option Plan
- 16.4 Contracts with Advisors
- 16.5 Intellectual Property
- 16.6 Employment/ Union Agreements
- 16.7 Tax Matters
- 16.8 Past or Current Litigation or Threats
- 16.9 Does the Corporate Structure allow for a Liquidity Event/ ROI?
- 16.10 Is the Corporate Structure Complicated? If so, why, and Might it be Simplified?
- 16.11 Founder Share Allocation? Is the Founders' Stock Vested Over Time?
- 16.12 Board of Advisors and their Compensation
- 16.13 Citations or Notices of Violation

17 Conclusions

- 17.1 Meeting Schedule for Due Diligence Effort
- 17.2 Present Summary Findings to Elected Due Diligence Committee
- 17.3 Present Findings to DVG Full Board and Managing Board of Directors
- 17.4 Commence Closing Arguments

*Due Diligence Outline Adapted from Tech Coast Angess, San Diego. Accessed through the *Power of Angel Investing* Seminar held at the Center for Innovation and *Angel Investment Groups, Networks, and Funds: A Guidebook to Developing the Right Angel Organization for Your Community* written by Susan L. Preston in association with the Kauffman Foundation.

APPENDIX I:
Admissible to the United States

ADMISSIBLE TO THE UNITED STATES

Immigrant Investors applying for U.S. lawful permanent residence must demonstrate that they are admissible to the U.S. Section 212 of the Immigration and Nationality Act sets forth various grounds of inadmissibility, which may prevent an otherwise eligible Investor from receiving lawful permanent residence or entering the U.S. Immigrant Investors who are ineligible to receive conditional lawful permanent residence or be admitted to the U.S. include but are not limited to an individual who:

- (1) Is determined to have a communicable disease of public health significance, which shall include infection with the etiologic agent for acquired immune deficiency syndrome;
- (2) Is determined to have a physical or mental disorder and behavior associated with the disorder that may pose, or has posed, a threat to the property, safety, or welfare of the individual or others;
- (3) Is determined to have a physical or mental disorder and a history of behavior associated with the disorder, which behavior has posed a threat to the property, safety, or welfare of the individual or others and which behavior is likely to recur or to lead to other harmful behavior;
- (4) Is determined to be a drug abuser or addict;
- (5) Has been convicted of, or who admits having committed, or who admits committing acts which constitute the essential elements of a crime involving moral turpitude (other than a purely political offense), or a violation of (or a conspiracy or attempt to violate) any law or regulation of a State, the United States, or a foreign country relating to a controlled substance;
- (6) Has been convicted of 2 or more offenses (other than purely political offenses), regardless of whether the conviction was in a single trial or whether the offense involved moral turpitude, for which the aggregate sentences to confinement were 5 years or more;
- (7) Is or has been an illicit trafficker in any controlled substance or in any listed chemical (as defined in section 102 of the Controlled Substances Act (21 U.S.C. § 802)), or is or has been a knowing aider, abettor, assister, conspirator, or colluder with others in the illicit trafficking in any such controlled or listed substance or chemical, or endeavored to do so;
- (8) Is the spouse, son, or daughter of an alien inadmissible under clause (7) and has, within the previous 5 years, obtained any financial or other benefit from the illicit activity of that alien, and knew or reasonably should have known that the financial or other benefit was the product of such illicit activity;
- (9) Is coming to the U.S. solely, principally, or incidentally to engage in prostitution, or has engaged in prostitution within 10 years of the date of application for a visa, admission, or adjustment of status;
- (10) Directly or indirectly procure or attempts to procure, or (within 10 years of the date of application for a visa, admission, or adjustment of status) procured or attempted to procure or to import, prostitutes, or persons for the purpose of prostitution, or receives or (within such 10 year period) received, in whole or in part, the proceeds of prostitution;

(11) Is coming to the U.S. to engage in any other unlawful commercialized vice, whether or not to prostitution;

(12) Has committed in the U.S. a serious criminal offense, regardless of whether such offense was prosecuted as a result of diplomatic immunity;

(13) Is excludable from the U.S. on grounds relating to national security, related grounds or terrorist activities;

(14) Is excludable from the U.S. on grounds relating to foreign policy;

(15) Is or has been a member of or affiliated with the Communist or any other totalitarian party or who has participated in Nazi prosecutions or genocide;

(16) Is likely to become a public charge at any time after entry;

(17) By fraud or willfully misrepresenting a material fact, seeks to procure (or has sought to procure or has procured) a visa, other documentation, or admission to the U.S.;

(18) Illegally entered into the U.S.; or

(19) Has at any time knowingly encouraged, induced, assisted, abetted, or aided any other alien to enter or to try to enter the U.S. in violation of law.

APPENDIX J:
North Dakota and Minnesota Counties

53 ND Counties:

ND County	2008 Population	Square Miles	County Seat	Founded
Adams	2,244	988	Hettinger	1885
Barnes	10,682	1,492	Valley City	1875
Benson	6,953	1,389	Minnewaukan	1883
Billings	811	1,152	Medora	1879
Bottineau	6,338	1,669	Bottineau	1873
Bowman	3,019	1,162	Bowman	1883
Burke	1,820	1,104	Bowbells	1910
Burleigh	78,689	1,633	Bismarck	1873
Cass	139,918	1,766	Fargo	1873
Cavalier	3,841	1,489	Langdon	1873
Dickey	5,237	1,131	Ellendale	1881
Divide	1,986	1,259	Crosby	1910
Dunn	3,318	2,010	Manning	1883
Eddy	2,388	632	New Rockford	1885
Emmons	3,377	1,510	Linton	1879
Foster	3,447	635	Carrington	1873
Golden Valley	1,640	1,002	Beach	1912
Grand Forks	66,585	1,438	Grand Forks	1873
Grant	2,415	1,660	Carson	1916
Griggs	2,359	708	Cooperstown	1881
Hettinger	2,378	1,132	Mott	1883
Kidder	2,290	1,352	Steele	1873
LaMoure	3,986	1,147	La Moure	1873
Logan	1,943	993	Napoleon	1873
McHenry	5,168	1,874	Towner	1873
McIntosh	2,639	975	Ashley	1883
McKenzie	5,674	2,742	Watford City	1905
McLean	8,337	2,110	Washburn	1883

Mercer	7,854	1,045	Stanton	1875
Morton	26,255	1,926	Mandan	1873
Mountrail	6,511	1,824	Stanley	1873
Nelson	3,166	982	Lakota	1883
Oliver	1,695	724	Center	1885
Pembina	7,419	1,119	Cavalier	1867
Pierce	4,091	1,018	Rugby	1887
Ramsey	11,234	1,186	Devils Lake	1873
Ransom	5,628	863	Lisbon	1873
Renville	2,245	875	Mohall	1873
Richland	16,334	1,437	Wahpeton	1873
Rolette	13,657	902	Rolla	1873
Sargent	4,048	859	Forman	1883
Sheridan	1,266	972	McClusky	1873
Sioux	4,232	1,094	Fort Yates	1915
Slope	675	1,218	Amidon	1915
Stark	22,575	1,338	Dickinson	1879
Steele	1,795	712	Finley	1883
Stutsman	20,394	2,222	Jamestown	1873
Towner	2,202	1,025	Cando	1883
Traill	7,820	862	Hillsboro	1875
Walsh	10,880	1,282	Grafton	1881
Ward	55,986	2,013	Minot	1885
Wells	4,191	1,271	Fessenden	1873
Williams	19,846	2,071	Williston	1890
North Dakota Total	641,481			

20 Northwest Minnesota Counties:

County	2008 Population	Square Miles	County Seat	Founded
Becker	32,000	1440	Detroit Lakes	1858
Beltrami	43,835	3055	Bemidji	1849
Clay	55,767	1053	Moorhead	1858
Clearwater	8,249	1030	Bagley	1902
Douglas	36,258	634	Alexandria	1866
Grant	6,005	575	Elbow Lake	1868
Kittson	4,462	1104	Hallock	1879
Lake of the Woods	3,985	1775	Baudette	1923
Mahnomen	5,128	583	Mahnomen	1906
Marshall	9,502	1813	Warren	1879
Norman	6,605	877	Ada	1881
Otter Tail	56,786	2225	Fergus Falls	1858
Pennington	13,747	618	Thief River Falls	1910
Polk	30,694	1998	Crookston	1858
Pope	11,030	717	Glenwood	1862
Red Lake	4,069	433	Red Lake Falls	1896
Roseau	15,865	1678	Roseau	1894
Stevens	9,661	575	Morris	1862
Traverse	3,660	586	Wheaton	1862
Wilkin	6,286	752	Breckenridge	1868
Total Population	363,594			

NORTH DAKOTA/NORTHWEST MINNESOTA EB-5 REGIONAL CENTER

REVISED IMPLAN PROPOSAL

Overview

This report provides a detailed prediction regarding the manner in which the proposed North Dakota/ Northwest Minnesota EB-5 Regional Center (ND/NW-MN EB-5 RC) will impact the region's economy as it relates to increasing demand for output and increases in employment and household earnings.

The proposed ND/NW-MN EB-5 RC is applying for designation to target foreign investment in seven areas. These areas include: 1. Agribusiness, 2. Manufacturing, 3. Aviation/Aerospace, 4. Information Technology, 5. Biotechnology, 6. Energy generation, and 7. Real Estate Development. These areas were chosen to complement the available resources and growth in the region. The region's resources include abundant agricultural land, a highly productive labor force, and an expanding infrastructure. While the US economy has suffered during the recent recession, North Dakota's Gross Domestic Product grew at 7.3% in 2008, which was the highest among all states according to the Bureau of Economic Analysis. Adding to this economic strength is an unemployment rate of 3.7% in August of 2010, which is the lowest in the nation, and a state budget surplus projected to be nearly a billion dollars.

I-O Model

The annual economic impact is estimated here using IMPLAN, a statistical software program that builds the predictive model for input-output analysis.

The economic impact of direct investment in a firm is the sum of three components; the direct effect, the indirect effect and the induced effect. When a manufacturing firm increases production due to an increase in investment they also need employees and materials, which will depend on the capital intensity of the industry.¹ This increase in output due to the increase in capital and labor is known as the direct effect. The direct effect will be entirely captured in the industry/sector, which receives the investment. This is despite the fact that our manufacturing firm may increase the number of employees engaged in research and development or administrative operations, such as accounting, and financial forecasting, which are areas included in other classifications. The treatment here is consistent with NAICS, which classifies these activities as manufacturing.

¹ The capital intensity of an industry is defined as the portion of the value added to GDP from an industry that is not contributed by labor. Capital density is found here using 2007 National Income and Product Accounts data by NAICS sector from the Bureau of Economic Analysis.

$$\text{capital intensity} = \frac{\text{total value added} - \text{employee compensation}}{\text{total value added}}$$

Because of the interdependence of the economy, changes in the economic activity in one sector will ripple into other sectors as well. Increasing production at a manufacturing firm will require their suppliers and service providers to also increase production, which is the indirect effect. Finally, the increase in household spending caused by the increases in payroll from the additional hiring (direct and indirect) is referred to as the induced effect. Thus the direct effects can be thought of as the stone that is tossed into the pond and the ripples generated by the stone's impact are analogous to the indirect and induced effects. Consequently the economic impact resulting from increased employment spreads throughout the economy impacting virtually all sectors of the region's economy.

In our analysis we report, for each area of investment, the direct, indirect, induced, and total economic impact of an investment of one million dollars on the demand for output, employment and household earnings. Our analysis also reports the impacts of employment and output broken down by 2-digit NAICS sector, which includes business services, utilities, maintenance and repair/construction.

AGRIBUSINESS

Agribusiness, NAICS sector 11 (Ag, Forestry, Fish & Hunting), includes firms primarily engaged in growing crops and raising animals or firms associated with farm operations, such as soil preparation, planting and harvesting. Farming is North Dakota's largest economic sector. According to BEA data for 2007, farming contributed 3 billion dollars to the state's 28.5 billion dollars of Gross Domestic Product. North Dakota is the country's largest producer in spring wheat, durum, barley, sunflowers, and dry edible beans to name just a few. Agricultural products are North Dakota's largest export, totaling 1.9 billion dollars in 2006. Rising crop prices have played an important role in North Dakota's economic success by raising household earnings and state tax revenues.

(b) (4)



(b) (4)



MANUFACTURING

Manufacturing, NAICS sectors 31-33, includes manufacturing of durable and non-durable goods. Firms in this sector are described by NAICS as plants, factories, or mills and characteristically use power driven machines and materials handling equipment. In North Dakota manufacturing is one of the largest economic sectors. According to BEA data for 2007, manufacturing contributed 2.6 Billion dollars to the state's 28.5 Billion dollars of Gross Domestic Product. Export of machinery, comprised 46% of North Dakota's export shipments in 2007, with the export of tractors as the single most exported good.

(b) (4)



ECONOMIC IMPACT OF MANUFACTURING ON THE REGION

(b) (4)

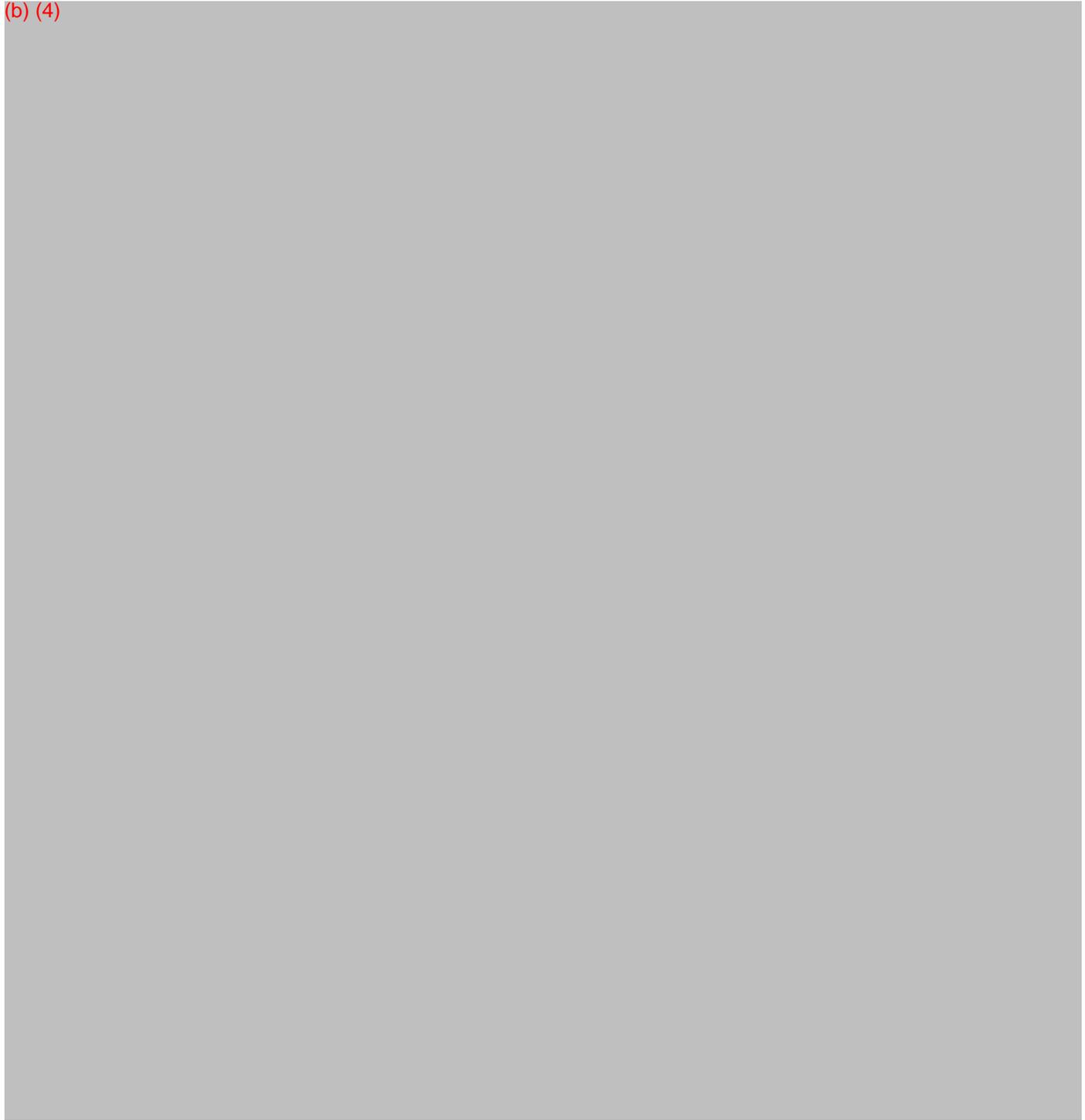


AVIATION/AEROSPACE

Aviation and Aerospace, NAICS sector 3364 (Other transportation equipment manufacturing), includes aerospace product and parts manufacturing. North Dakota has a rich aviation tradition as represented by the US Air Force bases located in Minot and Grand Forks, which opened in 1959 and 1957 respectively. At their peak, during the height of the Cold War, each base was home to nearly 14,000 personnel. Today, realignment in these two bases has led to significant force reduction. The base in Grand Forks is currently transitioning to a new mission, which involves the Air Force's deployment of unmanned aerial vehicles. Grand Forks, ND is also home to the University of North Dakota and its world recognized School of Aerospace Science. UND as an existing leader in the training of pilots was named by the

Governor in 2006 to be a Center of Excellence for the Economic Development of unmanned aerial vehicles. While aviation and aerospace only contributed 115 million dollars to the state's 28.5 Billion dollars of Gross Domestic Product, access to skilled workers in the field and increased demand by the military and Department of Homeland Security make this a natural area to promote in our region.

(b) (4)



INFORMATION TECHNOLOGY

Information technology, NAICS sector 51 (Information), includes the publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the Internet; the broadcasting industries, including traditional broadcasting and those broadcasting exclusively over the Internet; the telecommunications industries. In North Dakota information technology is a rather significant industry. According to BEA data for 2007, information technology contributed 977 million dollars to the state's 28.5 Billion dollars of Gross Domestic Product.

(b) (4)



(b) (4)



BIOTECHNOLOGY

Biotechnology, NAICS sector 5417 (Scientific research and development services) includes firms engaged in conducting original research to develop new knowledge and/or the application of research to improve products and processes. Agricultural biotechnology, which is the development of genetically modified foods, offers the potential to improve the health benefits of crops while increasing yields. Expansion of agricultural biotechnology in the region takes advantage of the important role that agriculture plays in North Dakota's economy and the rest of the country. This is evident by the recent expansion by Monsanto, a biotechnology firm based in St Louis, MO, which in 2010 expanded its production facility in West Fargo, ND.

(b) (4)



ECONOMIC IMPACT OF BIOTECHNOLOGY ON THE REGION

(b) (4)



POWER GENERATION

NAICS sector 22 (Utilities), includes firms primarily engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply and sewage. According to BEA data for 2007, utilities contributed 761 million dollars to the state's 28.5 billion dollars of Gross Domestic Product. Among coal producing states, North Dakota ranks ninth and produces 3 percent of the nation's output. Easy access to coal makes power generation a natural industry to promote

(b) (4)



(b) (4)



ECONOMIC IMPACT OF POWER GENERATION ON THE REGION

(b) (4)



REAL ESTATE DEVELOPMENT

Real Estate Development, NAICS sector 53, includes real estate development, rental and leasing. It is North Dakota's fourth largest sector after agriculture, manufacturing, and health care. According to BEA data for 2007, real estate development contributed 2.3 Billion dollars to the state's 28.5 Billion dollars of Gross Domestic Product. Low unemployment and rising household incomes have allowed North Dakota's property owners to avoid the substantial

declines in commercial and residential properties seen elsewhere. The National Association of Realtors reports that in 2010, total sales increased by 52%, which was the highest rate nationwide. This indicates there remains support for additional development to support the region's growth. For purposes of this analysis we consider the impact of an investment in a restaurant.

(b) (4)

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ECONOMIC IMPACT OF REAL ESTATE DEVELOPMENT ON THE REGION

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Summary:

The industries selected for the regional center are those for which North Dakota and Northwest Minnesota have the greatest competitive advantage. For example, although the area has some of the necessary resources such as water, iron mills were not chosen because hauling the ore to the area would not be cost-effective. On the other hand, agribusiness is included because the region leads the nation in production of 14 major crops and in innovative development of agribusiness-related renewable energies.

Given those factors, there is a high degree of probability that at the end of the Eb-5 Regional Center as many as (b) (4) would invest at least \$1,000,000 each. That could lead to an increase in total output of over (b) (4). Sales would increase about (b) (4) and Gross State Product for both North Dakota and Minnesota would increase about (b) (4). Total tax collections in both states would increase about (b) (4). Finally, we would expect job creation to total nearly (b) (4) positions, a huge increase for this area.

This report has been conjointly produced by Dr. Cullen Goenner and Mr. Ralph Kingsbury. Dr. Goenner is a faculty member at the economics department at the University of North Dakota and Mr. Kingsbury is an independent economist. Their respective Curriculum Vitae and Bios are included in **Appendix A** of this report.

Sincerely Yours,



Cullen F. Goenner, PhD



Ralph Kingsbury

Title: Associate Professor

Title: Consulting Economist

Date: December, 21 2010

Date: December 21, 2010

APPENDIX A:
Economists Bios and Curriculum Vitae

Bios:

**Dr. Cullen F. Goenner:
Department of Economics
University of North Dakota**

Cullen F. Goenner (Ph.D., Economics, University of Wisconsin), Associate Professor of Economics at the University of North Dakota, specializes in research on macroeconomics, statistics, economic impact and development, and education assessment. He has served as a consultant for the North Dakota Departments of Transportation and Commerce, and the University of North Dakota. Dr. Goenner's recent publications appear in the *Journal of Real Estate Finance and Economics*, *Journal of Economics*, *Journal of Macroeconomics*, and *Research in Higher Education*. He has presented his research to the US Bureau of Economic Analysis, FDIC, Freddie Mac, Fannie Mae, Chase, and at several universities and conferences. He is also a past Vice-President and Director of the Missouri Valley Economics Association.

**Ralph Kingsbury
Kingsbury Applied Economics
Grand Forks, ND**

Ralph Kingsbury is a Grand Forks, ND based economist. His firm, Kingsbury Applied Economics, does market research and provides financial services on a contract basis. He writes a monthly report and commentary for the Grand Forks Herald known as The Economic Data Bank. The report appears in the Herald on the last Monday of each month.

In addition to the Economic Data Bank Kingsbury writes a monthly column for the Herald that is based on what he considers important information for the upper Midwest, North Dakota, and the Grand Forks area. These columns have ranged on topics from the importance of this areas demography and how it applies to future growth plans to columns that provide his projections for the direction of the North Dakota and Grand Forks economies. As well, many other topics are also discussed.

Kingsbury was a Red River Valley farmer for 30 years until forced to retire from farming due to limitations caused by spinal stenosis. Prior to farming, Kingsbury was first an instructor in economics, and then the Director of Institutional Research, both at University of North Dakota. He also was an economics instructor for the University of Maryland's Far East Division. He is currently an adjunct faculty member of Embry Riddle Aeronautical University teaching at the GFAFB.

He has served on many local and state boards, including the State Board of Higher Education and the State Board for Public School Education and Vocational Education. While farming he was a founding director of a potato marketing brokerage. Kingsbury also served as the president of the Grafton Area Chamber of Commerce. The author, or co-author of two published reports, Kingsbury also researched and wrote a chapter for a third report on health in North Dakota. He has completed several studies for private clients

CURRICULUM VITAE:

Curriculum Vitae Cullen F. Goenner September 2009

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Home

3917 Shady Lane
Grand Forks, ND 58201

Citizenship: United States of America

Date of Birth: 28 September 1973

Education

University of Wisconsin - Madison

PhD, Economics, 2001.

Major: Macroeconomics

Minor: Econometrics, Finance

Thesis: "Empirical Approaches to the Study of Interstate Conflict"

Committee: Steven N. Durlauf (Chair), Yuichi Kitamura, M. Scott Taylor.

MS, Business: Quantitative Math of Finance, 1999.

MS, Economics, 1997.

University of Southern California

BA/MA, Economics, 1996.

BA, Political Science, 1996.

Employment

Associate Professor (Tenure), University of North Dakota, 2007 – Present.

Assistant Professor, University of North Dakota, 2001 – 2007.

Research Interests

Fields: Macroeconomics (Major), Econometrics, Finance.

Current Research Areas: Trade, democracy, and conflict; Model specification/Bayesian model averaging;
Education assessment; Predictive modeling.

Software

Matlab, C++, Stata, Splus, HLM

Courses Taught

Principles of Microeconomics

Money and Banking
Intermediate Macroeconomics
Financial Derivatives
Financial Economics
Applied Econometrics (Graduate)
Health Economics (Graduate)

Refereed Journal Articles

"From Toys to Warships: Interdependence and the Effects of Disaggregated Trade on Militarized Disputes." *Journal of Peace Research*, Forthcoming.

"Discrimination and Mortgage Lending in Boston: The Effects of Model Uncertainty", *Journal of Real Estate Finance and Economics*, Forthcoming.

"Investing in Fortune's 100 Best Companies to Work for in America," *Journal of Economics*, 34(1): 1-20, 2008.

"A Life-Cycle Approach to the Intertemporal Elasticity of Substitution" with Daniel K. Biederman, *Journal of Macroeconomics*, 30(1):481-498, 2008.

"Economic War and Democratic Peace," *Conflict Management and Peace Science*, 24(3): 171-182, 2007.

"A Predictive Model of Inquiry to Enrollment," with Kenton Pauls, *Research in Higher Education*, 47(8): 935-956, 2006.

"Accounting for Model Uncertainty in the Prediction of University Graduation Rates," with Sean M. Snaith, *Research in Higher Education*, 45(1): 25-41, 2004.

"Predicting graduation rates: An analysis of student and institutional factors at doctoral universities," with Sean M. Snaith. *Journal of College Student Retention*, 5(4): 409-420, 2004.

"Uncertainty of the Liberal Peace," *Journal of Peace Research*, 41(5): 589-605, 2004.

"Assessing the Impact of Increased Admission Standards," with Sean M. Snaith. *College and University*, 80(1): 29-34, 2004.

"Incorporating Writing into an Introductory Business and Economics Statistics Course: A Practical Approach," with Sean M. Snaith. *Journal of College Teaching and Learning*, 1(7): 53-60, 2004.

Working Papers

"The effect of asymmetries in relative factor endowments on international trade", with Peri da Silva.

"A Hierarchical Linear Model of Bilateral Trade: The Effect of Geography and Institutions"

Newspaper

Lawonn, B. (2008, Aug 6). Man Faces 78 Charges: Accused of bilking \$5M from investors in Ponzi scheme. *Fargo In-Forum*.

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- (2004, November 22). UND says funding and spending for research set records. *Bismarck Tribune*. p. 6.
- Dodds, D. (2004, November 20). Research impact soars. *Grand Forks Herald*. p. 1A.
- Dodds, D. (2003, November 11). An economic engine. *Grand Forks Herald*. p. 4B.

Conference Presentations:

- 2008 - 45th Annual Missouri Valley Economic Association Meeting: St. Louis, MO. Oct 23-25, "From Toys to Warships: Interdependence and the Effects of Disaggregated Trade on Militarized Disputes"
- 2007- 44th Annual Missouri Valley Economic Association Meeting: Kansas City, MO. Oct 25-27, "From Toys to Warships: Interdependence and the Effects of Disaggregated Trade on Militarized Disputes"
- 2006 – 43rd Annual Missouri Valley Economic Association Meeting: Minneapolis, MN. Oct 26-28, "Investing in Fortune's 100 Best Companies to Work for in America"
"A Demographic Analysis of Intertemporal Substitution in Consumption," with Daniel K. Biederman
- 2005 – 42nd Annual Missouri Valley Economic Association Meeting: Kansas City, MO. Oct 27-29, "Economic War and Democratic Peace"
- 2005 – Annual Association for Institutional Research Forum: San Diego, CA. May 29-June 1, (National)
"A Predictive Model of Inquiry to Enrollment," with Kenton Pauls
- 2004 – 41st Annual Missouri Valley Economic Association Meeting: Nashville, TN.
"Discrimination and Mortgage Lending in Boston: The Effects of Model Uncertainty"
"A Life-Cycle Approach to the Intertemporal Elasticity of Substitution" with Daniel K. Biederman
- 2004 – 40th Annual Missouri Valley Economic Association Meeting: Kansas City, MO.
"A Hierarchical Linear Model of Bilateral Trade: The Effect of Geography and Institutions"

Other Presentations

- 2008 – University of Manitoba
- 2007 – FDIC, BEA, Chase-JPMorgan, Fannie Mae, Freddie Mac, Bank of America, Holy Cross
"Discrimination and Mortgage Lending in Boston: The Effects of Model Uncertainty"
- 2004 – UND Memorial Union Mini Session
"Credit and the rest of your life"

2004 – UND Department of Economics Seminar Series
"Discrimination and Mortgage Lending in Boston: The Effects of Model Uncertainty"

2002 – UND Memorial Union Mini Session
"Credit and the rest of your life"

2002 – UND Department of Economics Seminar Series
"Uncertainty of the Liberal Peace"

Grants and Contracts Received

"Economic Impact of 'Experience North Dakota.'" North Dakota Department of Commerce Research Contract, 2008, (\$4,000)

"Customer Satisfaction Survey." North Dakota Department of Transportation Research Contract, 2008, (\$30,500)

"Strategic Trade Flows, Industry Concentration, and Interstate Conflict," UND CoBPA Summer Research Grant, 2007, (\$2,500)

"Customer Satisfaction Survey." North Dakota Department of Transportation Research Contract, 2006, (\$28,600)

- Created a survey to evaluate stakeholder satisfaction with ND DOT.
- Oversaw statewide survey of motorists, motor carriers, government, and businesses.
- Examined which factors contributed most to overall satisfaction, differences across groups, and differences over time to find areas in need of improvement.

"Investing In Fortune's Best Companies To Work For," UND CoBPA Summer Research Grant, 2006, (\$2,500)

"Target Marketing and the Use of Internet Shopping Agents," North Dakota Small Business Development Center Research Grant, 2005 (\$5,000)

- Demonstrate how small businesses can use their customers' zip codes to conduct targeted marketing
- Utilize tools of geodemography to determine the demographic characteristics of customers based on where they live.
- Cluster analysis used to segment customers and their buying patterns.
- Regression used to identify neighborhoods to target marketing efforts.

"Model Uncertainty and the Prediction of Money Demand," UND CoBPA Summer Research Grant, 2004, (\$2,500)

"A Hierarchical Linear Model of Trade," UND CoBPA Summer Research Grant, 2002, (\$2,500)

Other Sponsored Research

"Increasing Admissions Standards: The Impact on Student Outcomes", UND Vice President of Student and Outreach Services, 2009

- Analyzed impact of change in admissions standards on retention, credits completed, and first year GPA.
- Examined the impact of provisional admission status.

"A Predictive Model of Enrollment," UND Enrollment Services, 2004

- Built a logistic regression model that scores the likelihood students who inquire of our institution will enroll.

- Limited information provided by inquiries supplemented by demographic data inferred from where a student lives.
- Model accurately predicts out of sample 90% of outcomes.

"Assessing Engagement of Students at UND," UND Vice President of Student and Outreach Services, 2004

- Evaluated faculty and student perceptions of student engagement at UND using FSSE and NSSE data.
- Identified who was engaged as well as ways for faculty and the institution to improve student engagement.
- Compared engagement with peer institutions to evaluate relative performance.

"Economic Impact of Bio Research Lab," UND Vice President of Research, 2004

- Used IMPLAN to model the potential economic impact from building a Bio Defense research lab on output, employment, and tax revenues for the county, state, and upper Midwest.

"Economic Impact of UND's research," UND Vice President of Research, 2003, 2004

- Used IMPLAN to model the economic impact of UND's research expenditures on output, employment, and tax revenues for the county, state, and upper Midwest.

"Assessment of Raising ACT and GPA Requirements for UND Admissions," Associate Vice President Enrollment Management, 2003

- Evaluated the potential effects of raising admission standards on UND's ranking in US News and World Report.
- Evaluated the effects on student enrollment, retention, and graduation rates.

Professional Associations

Canadian Economics Association

Missouri Valley Economics Association; Vice President 2006-2007, Director 2008-2009, Webmaster 2008-Current.

Western Economics Association

Association for Institutional Research

Referee for Professional Journals

Journal of Economics

Journal of Peace Research

Conflict Management and Peace Science

Awards

UND CoBPA Clow Banking Fellowship 2009-2011

UND Founders Day Spirit of North Dakota Award, 2009.

UND CoBPA Meritorious Teaching, Research, and Service Award, 2008-2009

UND Memorial Union Leadership Award – Outstanding Student Organization Advisor, 2008 & 2009

UND Presidential Scholar Faculty Star, 2008 & 2009

UND Founders Day Teaching Award Finalist, 2007

UND Golden Key Honor Society – Honorary member, 2004

UND Summer Instructional Development Professorship, 2003

AIR/NSF/NCES Data Policy Institute Fellowship, 2003

UND CoBPA Meritorious Teaching, Research, and Service Award, 2003-2004

UND Senate Scholarly Activities award 2003-2004, 2004-2005, 2005-2006, 2008-2009.

UW-Madison Economics Department Fellowship, 2000

Phi Beta Kappa, USC

Magna Cum Laude, USC

Haynes Foundation Scholar, USC

RALPH KINGSBURY

14361 72ND St NE
Grafton, ND 58237
SSAN: 502-44-9670
Phone: (701) 352-1668 (home)
(701) 520-2432 (cell)
(701) 738-4810 (office)
(701) 777-2339 (fax)
Email: kae@invisimax.com
Office Address:
4200 James Ray Dr.
Grand Forks, ND 58201

QUALIFICATIONS:

- . Current Adjunct Faculty Embry-Riddle Aeronautical University.
- . Current Business Consultant and newspaper columnist.
- . 30 years as a Red River Valley farmer.
- . Founding director of cooperative potato brokerage business.
- . President of the Drayton Factory District, and the executive.
Committee of the Red River Valley Sugar Beet Growers Assn.
- . President and director of Nash Grain and Trading Co.
- . President and director of Walsh County Farm Bureau.
- . President and director of Grafton Area Chamber of Commerce
- . Numerous state and local boards and committees.
- . Member Grand Forks Chamber of Commerce Ag Committee.

EDUCATION:

- . 1968 M.S. University of North Dakota (Economics and Accounting)
- . 1965 B.S. Business Administration University of North Dakota

EMPLOYMENT:

- . Jan 2006- Adjunct Faculty, Embry-Riddle Aeronautical University.
- . Nov 2004- Owner-Kingsbury Applied Economics. A marketing/economic
Research and Services Firm.
- . Dec 2004- Independent Economic Columnist. Grand Forks Herald
(Weekly).
- . Jun-Aug 2004 Senior Development Specialist, North Dakota Museum of Art
- . 1975-03 Farmer.
- . 1971-75 Director of Institutional Research, University of North Dakota.
- . 1970-71 Instructor, Department of Economics, University of North
Dakota .
- . 1969 Instructor, Department of Economics, University of Maryland-
Far East Division.
- . 1968-70 U.S. Army, 7th Infantry Division (Korea).

- . 1967-68 Graduate Teaching Assistant, Department of Economics, University of North Dakota.
- . 1967-68 Graduate Research Assistant, Office of Vice President for Academic Affairs, University of North Dakota.
- . 1959-68 Bookkeeper and Sales Associate for small men's clothing store..

OTHER:

- . August 2007 Accepted by University of North Dakota as temporary faculty in various departments in the College of Business and Public Administration.

BOARD MEMBERSHIPS:

- . North Dakota State Board of Higher Education (2001-2005).
- . North Dakota Board of Public School Education and State Board for Vocational Education (1981-85).
- . North Valley Vocational School-Director.
- . Nash Public School-Director and President.

ORGANIZATIONS:

- . Rotary
- . Grand Forks Chamber of Commerce
- . American Legion
- . 2nd Korean War Veterans Organization
- . 7th Infantry Division Assn
- . Walsh County Farm Bureau

HONORS:

- . Omicron Delta Epsilon (Honorary in Economics)
- . Army Commendation Medal

PUBLICATIONS and Research Projects:

- . Economic Impact of 2008 Men's World Curling Championship.
- . Implication of Inflation on Local Government Budgets.
- . Various research projects for Grand Forks Region Economic Development Corporation.
- . Publications for various media on specific economic areas.
- . Economic Data Bank. Monthly series for the Grand Forks Herald. Includes various statistics and 1200-1400 word commentary.
- . The Economics of Reclaiming Strip Mined Coal Lands. Bureau Of Economic Research. University of North Dakota. Grand Forks, ND.
- . Environmental and Economic Impact of Flood Control for Grafton, North Dakota. Bureau of Environmental Studies. University of North Dakota. Grand Forks, ND (Economic Section).
- . North Dakota Health Assessment. Charles Libra (et al). Bureau of

Social Science Research. University of North Dakota. Grand Forks, ND
(chapter on mortality and morbidity trends in diseases in ND).

REFERENCES:

- . Desiree Cole, Associate Director, Embry Riddle Aeronautical University,
319 MSS/DPE, 344 Tuskegee Airmen Blvd., Grand Forks Air Force Base,
58205-6336.
- . Mike Jacobs, Publisher and Editor, Grand Forks Herald. Grand Forks, ND.
Phone 701-780-1100.
- . Bruce Gjovig, Director, Center for Innovation, University of North Dakota.
Phone 701-777-3132.
- . Earl Strinden, Retired Executive Vice-President, University of North Dakota
Alumni Association. Phone 701-775-9166.
- . Clayton Mohagen, CPA, 8 5th St. W, Grafton, ND 58237, 701-352-0494.

From: Origin ID: EMTA (213) 627-8997
Andrew Hoye
Stone & Grzegorek LLP
800 WILSHIRE BLVD STE 900
LOS ANGELES, CA 90017



Ship Date: 21DEC10
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Delivery Address Bar Code



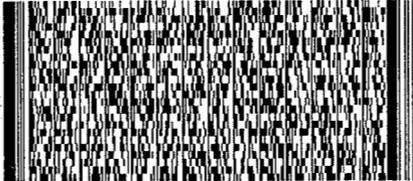
Ref # 3993.01 - UND/North Dakota St
Invoice #
PO #
Dept #

SHIP TO: (213) 627-8997 BILL SENDER
Attn: EB-5 RC Proposal
USCIS - California Service Center
24000 AVILA RD FL 2

LAGUNA NIGUEL, CA 92677

CSC
AM DEC 22 2010
STAMP #52

TRK# 7942 5114 8202 WED # 22 DEC A2
Q201 STANDARD OVERNIGHT



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		Application/Petition REGIONAL CENTER PROPOSAL
Receipt # W09001760		
Notice Date September 29, 2010	Page 1 of 6	Regional Center UND Center for Innovation Foundation Regional Center

Lincoln Stone, Esq.
Stone & Grzegorek LLP
800 Wilshire Blvd., Suite 900
Los Angeles, CA 90017

Request for Evidence

IMPORTANT: WHEN YOU HAVE COMPLIED WITH THE INSTRUCTIONS ON THIS FORM, RESUBMIT THIS NOTICE ON TOP OF ALL REQUESTED DOCUMENTS AND /OR INFORMATION TO THE ADDRESS BELOW. THIS OFFICE HAS RETAINED YOUR PETITION/APPLICATION WITH SUPPORTING DOCUMENTS.

THE INFORMATION REQUESTED BELOW MUST BE RECEIVED BY THIS OFFICE NO LATER THAN EIGHTY-FOUR (84) DAYS FROM THE DATE OF THIS NOTICE. IF YOU DO NOT PROVIDE THE REQUESTED DOCUMENTATION WITHIN THE TIME ALLOTTED, YOUR APPLICATION WILL BE CONSIDERED ABANDONED PURSUANT TO 8 C.F.R. 103.2(B)(13) AND, AS SUCH, WILL BE DENIED.

WS 24064/CSC3700 DIV III

RETURN THIS NOTICE ON TOP OF THE REQUESTED INFORMATION LISTED ON THE ATTACHED SHEET.

Note: You are given until DEC 22 2010 in which to submit the information requested.

Pursuant to 8 C.F.R. 103.2(b)(11) failure to submit ALL evidence requested at one time may result in the denial of your application.

For non-US Postal Service
Attn: EB 5 RC Proposal
24000 Avilla Road, 2nd Floor
Laguna Niguel, CA 92677

You will be notified separately about any other applications or petitions you filed. Save a photocopy of this notice. Please enclose a copy of it if you write to us about this case, or if you file another application based on this decision. Our address is:

U.S. CITIZENSHIP AND IMMIGRATION SERVICES
CALIFORNIA SERVICE CENTER
Attn: EB 5 RC Proposal
P.O. BOX 10590
LAGUNA NIGUEL, CA 92607-0526



W09001765

Additional Information for Applicants and Petitioners.

General.

The filing of an application or petition does not in itself allow a person to enter or remain in the United States and does not confer any other right or benefit.

Inquiries.

If you do not hear from us within the processing time given on this notice and you want to know the status of this case, use InfoPass at www.uscis.gov to contact your local USCIS office or call our National Customer Service Center at 1-800-375-5283.

You should follow the same procedures before contacting your local USCIS office if you have questions about this notice.

Please have this form with you whenever you contact a local office about this case.

Requests for Evidence.

If this notice asks for more evidence, you can submit it or you can ask for a decision based on what you have already filed. When you reply, please include a copy of the other side of this notice and also include any papers attached to this notice.

Reply Period.

If this notice indicates that you must reply by a certain date and you do not reply by that date, we will issue a decision based on the evidence on file. No extension of time will be granted. After we issue a decision, any new evidence must be submitted with a new application or petition, motion or appeal, as discussed under "Denials".

Approval for a Petition.

Approval of an immigrant or nonimmigrant petition means that the beneficiary, the person for whom it was filed, has been found eligible for the requested classification. However, approval of a petition does not give any status or right. Actual status is given when the beneficiary is given the proper visa and uses it to enter the United States. Please contact the appropriate U.S. consulate directly if you have any questions about visa issuance.

For nonimmigrant petitions, the beneficiary should contact the consulate after receiving our approval notice. For approved immigrant petitions, the beneficiary should wait to be contacted by consulate.

If the beneficiary is now in the United States and believes he or she may be eligible for the new status without going abroad for a visa, he or she should use InfoPass to contact a local USCIS office about applying here.

Denials.

A denial means that after every consideration, USCIS concluded that the evidence submitted did not establish eligibility for the requested benefit.

If you believe there is more evidence that will establish eligibility, you can file a new application or petition, or you can file a motion to reopen this case. If you believe the denial is inconsistent with precedent decisions or regulations, you can file a motion for reconsideration.

If the front of this notice states that this denial can be appealed and you believe the decision is in error, you can file an appeal.

You can obtain more information about these processes by either using InfoPass to contact your local USCIS office, or by calling the National Customer Service Center.

The Immigrant Investor Pilot Program (“Pilot Program”) was created by Section 610 of Public Law 102-395 (October 6, 1992). This is different in certain ways from the basic EB-5 investor program.

The Pilot Program began in accordance with a Congressional mandate aimed at stimulating economic activity and creating jobs for U.S. workers, while simultaneously affording eligible aliens the opportunity to become lawful permanent residents. Through this innovative program, foreign investors are encouraged to invest funds in an economic unit known as a “Regional Center.”

A Regional Center is defined as any economic unit, public or private, engaged in the promotion of economic growth, improved regional productivity, job creation and increased domestic capital investment.

8 CFR 204.6 (m)(3) describes specific evidence that must be submitted before consideration for eligibility for this benefit may proceed. After review of your proposal in the light of these requirements, the following information, evidence or clarification is needed to proceed.

It is always best to start with a cover letter that acts as an executive summary followed by a table of contents of the various tabbed sections to follow.

Mandatory Evidence for the Basic General Proposal

Regional or National impact of the Regional Center (8 CFR 204.6 (m) (3) (iv)):

Regulations at 8 CFR 204.6(m)(3)(iv) require that the proposal contain:

... a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center;

Even though the proposal contains an Economic Impact Study by Investment, Output, Employment, Sales, and Taxes, a review of the proposal indicates that a detailed prediction has not been provided regarding the manner in which the regional center will have a positive impact on the regional or national economy with respect to increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center.

Provide a detailed prediction, which includes the topics of regional or national impact on household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and outside the Regional Center. This can be combined with job creation and overall economic impact. Again, this impact statement relates to the Regional Center as a whole and it should address both the negative and positive impacts.

Economic Entity:

Evidence has not been provided to show that the regional center is an economic entity.

Provide evidence that the Regional Center qualifies as an economic entity. This evidence may include incorporation papers, partnership agreements or other documentation showing the regional center is an economic entity. Evidence or claim to future incorporation or other legal event is not sufficient. The regional center must currently be an economic unit and not a future economic unit.

Indirect Job Creation (8 CFR 204.6(m)(3)(ii)):

Under the provisions of the INA which apply to the Immigrant Investor Pilot Program and specific amendments to the statute, especially in the 2002 amendment Per Public Law 107-273, enacted November 2, 2002, which clearly states:

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. The establishment of a regional center may be based on general predictions, contained in the proposal, concerning the kinds of commercial enterprises that will receive capital from aliens, the jobs that will be created directly or indirectly as a result of such capital investments and the other positive economic effects such capital investments will have.

Also 8 CFR 204.6(m)(3)(ii) requires you to:

Provide in verifiable detail how jobs will be created indirectly;

It is imperative to fully explain indirect job creation, as well as the direct and induced jobs, if any. The requirement of creating at least 10 new full-time (35 hours per week) jobs per each individual alien investor may be satisfied by showing that, as a result of the investment and the activities of the new enterprise, at least 10 jobs per alien investor will be created directly or indirectly through an employment creation multiplier effect. The econometric model described in the case is the IMPLAN Model.

Although the proposal included an Economic Analysis for the seven industry clusters (Agribusiness, machinery manufacturing, aviation/aerospace, information technologies/communications, biotech/bioscience, construction and real estate development and utilities), a hypothetical investment plan for each industry project type **was not submitted** to show how an investment project will be capitalized and operated in a manner that will create 10 direct and indirect jobs or an actual investment plan for a specific proposed project.

For multiple industries a combination of hypothetical and actual plans may be submitted. The plan must clearly identify how the investor funds will flow to the job creating entity and how the jobs will be created. If your exemplar plans are based on an investment in a Targeted Employment Area (TEA), you must submit evidence that the proposed plan is located within a designated Targeted Employment Area. See below for details on documenting a TEA designation.

Because the regional center potentially includes real estate development, details should be provided with respect how to the completion timeframe (in years and months) for each project to include projected milestones and how direct job creation will be verified.

Provide a description with supporting data of how, by the point of the I-829 filing stage, the underlying new direct jobs will be verified. Clearly specify the timeframes (by month and year) when and how the direct and indirect jobs will materialize for each regional center project. Also, provide the timeframe for completing each project, including project milestones and timelines for which direct job creation is based on and correlate these project milestone and timelines to direct and indirect job creation.

When relying on econometric models for indirect job creation¹ it is imperative that “direct jobs” will be real identifiable jobs supported by wage reports or I-9 forms otherwise they must be explicitly identified as hypothetical in nature. Another method would be to predict jobs based on dollar amount invested in the overall project and this too must be made clear. This distinction will be critical at the I-829 removal of condition stage of the immigration process.

Regional Center’s Operational Plan (8 CFR 204.6(m) and 8 CFR 204.6):

A review of the proposal indicates that a description of the plans to administer, oversee, and manage the proposed Regional Center was not provided.

¹ USCIS does not accept or credit creation of direct temporary “construction jobs” within a business plan or economic job creation forecasts activities which involve a limited duration construction phase of less than 3 years unless the scope, complexity, and the ongoing construction phase must be fully sustained for all the construction phase jobs for 3 years or more with respect to the size, scope, nature, engineering/technology challenges and breadth of the project--for example a massive-scale nuclear power facility, or major Dam or a giant oil refinery, or similar type of massive and expansive and major engineering project. Shorter term construction jobs less than three years in duration have been determined to be of such a short term in nature as to not be sustained and to decrease and disappear as the initial construction activities wind down to completion. Such shorter term construction jobs in many locations are seasonal at best. Nevertheless, for all capital investment expenditures for the construction phase, all capital-induced “down-stream” support activities and “indirect” jobs impacted and associated with the construction activities such as suppliers, transportation, engineering and architectural services, maintenance and repair services, interior design services, manufacturing of components and materials, etc., may be factored into the calculations for creation of indirect jobs.

- **Administrative Oversight:**

The regulations at 8 CFR 204.6(m)(6), require that an approved Regional Center in order to maintain the validity of its approval and designation, must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether an approved and designated Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year², commencing with the initial year as follows:

- Submit a description of your plans to administer, oversee, and manage the proposed Regional Center, including but not limited to such things as to identify, assess and evaluate proposed immigrant investor projects and enterprises; how the proposed Regional Center would perform “due diligence” as to whether investment capital to be sought will consist solely of alien investor capital or a combination of alien investor capital and domestic capital; how to monitor all investment activities affiliated, through or under the sponsorship of the proposed Regional Center, and to maintain records, data and information on projects, investors, business activities, etc., in order to report to USCIS for each Federal Fiscal Year. This is known as “due diligence” and is coupled with “oversight reporting responsibilities” to be fully explained if approved and designated.

Optional Evidence --

To be used by the commercial enterprise under the auspices of the Regional Center

USCIS will review the documents listed below to determine if they are in compliance with EB-5 eligibility requirements. By providing these documents, the Regional Center may facilitate the adjudication of relating I-526 petitions by identifying, up front, any issues that could pose problems at the Immigrant Investor Petition level.

The business aspects of the commercial enterprise must be fully explained as to its structure. Provide the following documents as it relates to the regional center.

- Operating Agreement
- Partnership Agreement
- Subscription Agreement

² A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

- Escrow Agreements and Instructions (one for capital and one for any service fees).
- List of proposed reputable financial institutions to serve as the Escrow Agent(s).
- An Offering Letter, Memorandum, Confidential Private Placement Memorandum, or similar offering made in writing to an immigrant investor through the Regional Center.
- Memorandum of Understanding, Interagency Agreement, Contract, Letter of Intent, Advisory Agreement, or similar agreement to be entered into with any other party, agency or organization to engage in activities on behalf of or in the name of the Regional Center.
- Articles of Incorporation, state registration documents etc.

The documents should clearly show an edition date so that future changes and amendments can be clearly identified by all parties, the Regional Center, the entrepreneurs, the enterprises, their attorneys and USCIS.

General issues related to Regional Centers

Posting of Regional Center information on the USCIS Web site:

If the regional center proposal is approved, then public information relating to the regional center will be posted on the USCIS web site. In order to provide accurate and updated information provide the following, as it relates to the Regional Center

- Name of the Regional Center
- Public address
- Point of Contact
- Phone/Fax
- E-mail/Web Page

Translations:

Any document containing a foreign language submitted to USCIS shall be accompanied by a full English translation that the translator has certified as complete and accurate, and by the translator's certification that he or she is competent to translate from the foreign language into English.

Copies:

Unless specifically required that an original document be filed with an application or petition, an ordinary legible photocopy may be submitted. Original documents submitted when not required will remain part of the record, even if the submission was not required.



STONE & GRZEGOREK LLP

800 Wilshire Boulevard, Suite 900
Los Angeles CA 90017
tel 213 627 8997 | fax 213 627 8998
www.lskglaw.com

S&G File: 3993.01

April 20, 2010

Sent via U.S. Express Mail

U.S. Citizenship and Immigration Services
California Service Center
Attention: EB-5 RC Proposal
P. O. Box 10526
Laguna Niguel, CA 92607-0526

Re: **Application: Proposal for Regional Center
Immigrant Investor Pilot Program, 8 CFR 204.6(m)**
Applicant: UND Center for Innovation Foundation
Territory: North Dakota State and 20 Counties in Northwest Minnesota

Dear Officer:

Enclosed please find the following in connection with the Proposal for Regional Center pursuant to the Immigrant Investor Pilot Program, 8 CFR § 204.6(m):

- Form G-28
- Proposal, Business Plan and Appendices
 - Appendix A - Bios and Curriculum Vitae of Regional Center's Principals
 - Appendix B - ND/NW MN EB-5 Client Service Agreements
 - Appendix C - Letters of Support - North Dakota and Northwest Minnesota
 - Appendix D - Center for Innovation Foundation Board Resolution
 - Appendix E - Center for Innovation Marketing Material
 - Appendix F - North Dakota and Minnesota Counties Comprising the Proposed Regional Center (map of geographic region of the Regional Center can also be found on page 6 of the Business Plan)
- IMPLAN Results Report

Please advise us if you have any questions or require further information or documentation. At your earliest opportunity, please confirm receipt of this proposal.

Sincerely,

STONE & GRZEGOREK LLP

ANDREW C. HOYE
LINCOLN STONE

ACH/LS:cdr
Enclosures

52-5
7274001 CSC REC AL3100621

G-28, Notice of Entry of Appearance as Attorney or Accredited Representative

Department of Homeland Security

Part 1. Notice of Appearance as Attorney or Accredited Representative

A. This appearance is in regard to immigration matters before:

- USCIS - List the form number(s): RC Proposal CBP - List the specific matter in which appearance is entered:
 ICE - List the specific matter in which appearance is entered:

B. I hereby enter my appearance as attorney or accredited representative at the request of:

List Petitioner, Applicant, or Respondent. **NOTE:** Provide the mailing address of Petitioner, Applicant, or Respondent being represented, and not the address of the attorney or accredited representative, except when filed under VAWA.

Principal Petitioner, Applicant, or Respondent				A Number or Receipt Number, if any	<input type="checkbox"/> Petitioner
Name: Last	First	Middle			<input checked="" type="checkbox"/> Applicant
UND Center for Innovation Foundation Regional Center					
Address: Street Number and Street Name	Apt. No.	City	State	Zip Code	
4200 James Ray Drive		Grand Forks	ND	58203	

Pursuant to the Privacy Act of 1974 and DHS policy, I hereby consent to the disclosure to the named Attorney or Accredited Representative of any record pertaining to me that appears in any system of records of USCIS, USCBP, or USICE.

Signature of Petitioner, Applicant, or Respondent

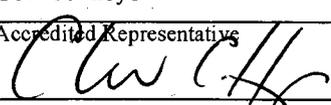
Date 4/2/10

Part 2. Information about Attorney or Accredited Representative (Check applicable item(s) below)

- A. I am an attorney and a member in good standing of the bar of the highest court(s) of the following State(s), possession(s), territory(ies), commonwealth(s), or the District of Columbia: California
 I am not or am subject to any order of any court or administrative agency disbaring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law (If you are subject to any order(s), explain fully on reverse side).
- B. I am an accredited representative of the following qualified non-profit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals pursuant to 8 CFR 1292.2. Provide name of organization and expiration date of accreditation:
- C. I am associated with _____
 The attorney or accredited representative of record previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request (If you check this item, also complete item A or B above in Part 2, whichever is appropriate).

Part 3. Name and Signature of Attorney or Accredited Representative

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

Name of Attorney or Accredited Representative	Attorney Bar Number(s), if any
Lincoln Stone / Andrew C. Hoyer	CA 146597// 126785
Signature of Attorney or Accredited Representative	Date
	<u>4/20/10</u>
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UND CENTER FOR INNOVATION FOUNDATION

A PROPOSED USCIS REGIONAL CENTER

For the

North Dakota State and Northwest Minnesota

(Includes the entire state of North Dakota and 20 Counties in Northwest Minnesota)

Submitted To:

**USCIS California Service Center
ATTN: EB-5 RC Proposal
P.O. Box 10526
Laguna Niguel, California 92607-0526**

By

UND Center for Innovation Foundation

**4200 James Ray Drive
Grand Forks, ND 58203
Phone: (701) 777-3132
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Bruce Gjovig, CEO

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INTRODUCTION

The University of North Dakota (UND) Center for Innovation Foundation (CIF) is pleased to apply to the U.S. Citizenship and Immigration Services for the status of a North Dakota/Northwest Minnesota EB-5 Regional Center (ND/NW-MN EB-5 RC). For the past year, the CIF has been studying the possibility of acquiring the status of a Regional Center in order to administrate and manage foreign direct investment through the EB-5 Immigrant Investor Regional Center Pilot Program. The CIF, in conjunction with other public and private entities, will help market and promote investment opportunities in the state of North Dakota and in Northwest Minnesota.

The principal identities in this project have worked together closely on entrepreneurial, international, and financial projects. They are Bruce Gjovig – CEO of CIF and Director of the Center for Innovation, Rodrigo Cintra – International Marketing Director/ Entrepreneur Consultant, and Tom Kenville - Rainmaker and V.P. of Development. Additional information about the principals is found in the “Principals of Regional Center” section of this application as well as in Appendix A. Moreover, these contacts will be responsible for promoting, processing and managing EB-5 international investments attracted by the ND/NW-MN EB-5 RC. In addition, the ND/NW-MN EB-5 RC will coordinate with multiple private and public entities in the states of North Dakota and Minnesota such as the government of North Dakota, the North Dakota Trade Office (NDTO), North Dakota Department of Commerce (NDDOC), Minnesota Economic Improvement Commission, and others.

The ND/NW- MN EB-5 RC will be located at the Ina Mae Rude Entrepreneur Center, owned and managed by the Center for Innovation Foundation. The Foundation is a 501(c) (3) nonprofit that supports the Center for Innovation. The Center for Innovation is a department of the University of North Dakota with mission and goals of innovation, entrepreneurship, and investment. The specific geographic area for this Regional Center includes the entire state of North Dakota and 20 counties in Northwest Minnesota, more specifically Kittson, Roseau, Marshall, Pennington, Beltrami, Red Lake, Polk, Norman, Clay, Otter Tail, Douglas, Pope, Traverse, Stevens, Wilkin, Becker, Mahnomon, Clearwater, Grant, and Lake of the Woods counties. Those specific counties in Minnesota are included because they share similar demographics, industries and economies with the state of North Dakota. Those areas in North Dakota and the northwest part of Minnesota are, for the most part, considered targeted employment areas (TEA) by the Federal Government. This designation lowers the minimum amount that must be invested by foreign investors. Normally the minimum amount of investment is US\$1,000,000, but if investments are in a TEA the minimum investment is US\$ 500,000. North Dakota and Northwest Minnesota have innumerable areas that classify as TEAs. With that in mind, the ND/NW-MN EB-5 RC plans to attract a larger volume of investments in the half million dollar bracket but it is also prepared to receive \$1,000,000 investments.

The ND/NW-MN EB-5 RC plans to focus on the following specific industries:

- Agribusiness
- Machinery Manufacturing
- Aviation/ Aerospace
- Information Technologies/ Communications
- Biotech / Bioscience
- Construction and Real Estate Development: Rural/Urban Renewal/ Multi- Mixed Use.
- Utilities (Electric Power Generation)

Those industries were chosen because of their: 1. Consistency with strategic economic development goals in both states. 2. North Dakota industry strengths: North Dakota leads the

nation in agribusiness as top producer of 14 major crops and is a primary innovator in the development of agribusiness related renewable energies, including wind, value added identity preserved foods, and agribusiness related biotech vaccines/medical remedies. 3. University graduate program strengths/incubator possibilities to develop new businesses with ties to our research and technology parks and center(s) for innovation relating to electrical engineering, polymers and coatings, and renewable energy development from crops. 4. Construction and real estate development is primarily focused on renewing rural downtown areas and developing other projects situated in urban areas. Highly successful programs have been developed turning downtowns into professional services, entertainment, and chic boutique areas along with urban apartments. Of these, we believe there are many potential projects that could be generated per year in the communities of Grand Forks and Fargo alone. Some will be at pre-angel stage, some in mature industries looking to expand into new international markets requiring angel or loan funding. The plan is to augment EB-5 funding with other equity funds through side-by-side investments with each project evaluated accordingly.

CENTER FOR INNOVATION FOUNDATION GOALS

The purpose of establishing the Center for Innovation Foundation as a USCIS EB-5 Regional Center is strictly related to:

- Attract foreign direct investment into the state of North Dakota and into Northwest Minnesota in order to generate economic development, create new jobs and increase domestic capital investment. Currently we are working with Brazilian, South Korean, Chinese, Canadian and other investment groups to establish a model to bring investment, jobs, and students to North Dakota and Northwest Minnesota.
- Create partnerships between American private investors and international investors (side-by-side investments) in order to give credibility to all investment deals proposed by the North Dakota/ Northwest Minnesota EB-5 Regional Center as well as to attract new potential investors. Interested parties include: HK Investors group, RAIN Funds, Bison Ventures, and North Dakota Development Fund. Other entities are being identified and will be included in the project in the future.
- The ND/NW-MN EB-5 RC will work as a source of creation for direct and indirect jobs for EB-5 immigrant investment projects. The IMPLAN model will be utilized in order to evaluate Regional Center direct and indirect job creation. This part of the project will be administered with the assistance of the University of North Dakota, more specifically, the UND economics department.
- Prospective domestic participants will be identified through access to ND Trade Office client base, RAIN investor base, Center for Innovation client base, and economic development groups across state.
- Provide a vehicle for investing in expanding companies with export potential to allow immigrant investors eligibility under the USCIS Regional Center Pilot Program. Companies will be selected for the Regional Center Program based on (i) job creation potential and (ii) the signing of a contract by the company ensuring compliance with the EB-5 program; and;
- Secure administration fees by working with international investors and local businesses interested in the EB-5 Immigration Visa Program. Administration fees will cover services provided by the ND/NW-MN EB-5 RC related to deal overview, deal referrals, tracking documentation, and compiling and providing any necessary reporting documentation to USCIS.

Moreover, investments will be organized on a side-by-side basis where both foreign investors and American investors will be able to jointly invest in determined projects. This side-by-side element will be in place to give foreign investors a sense of security and legitimacy related to

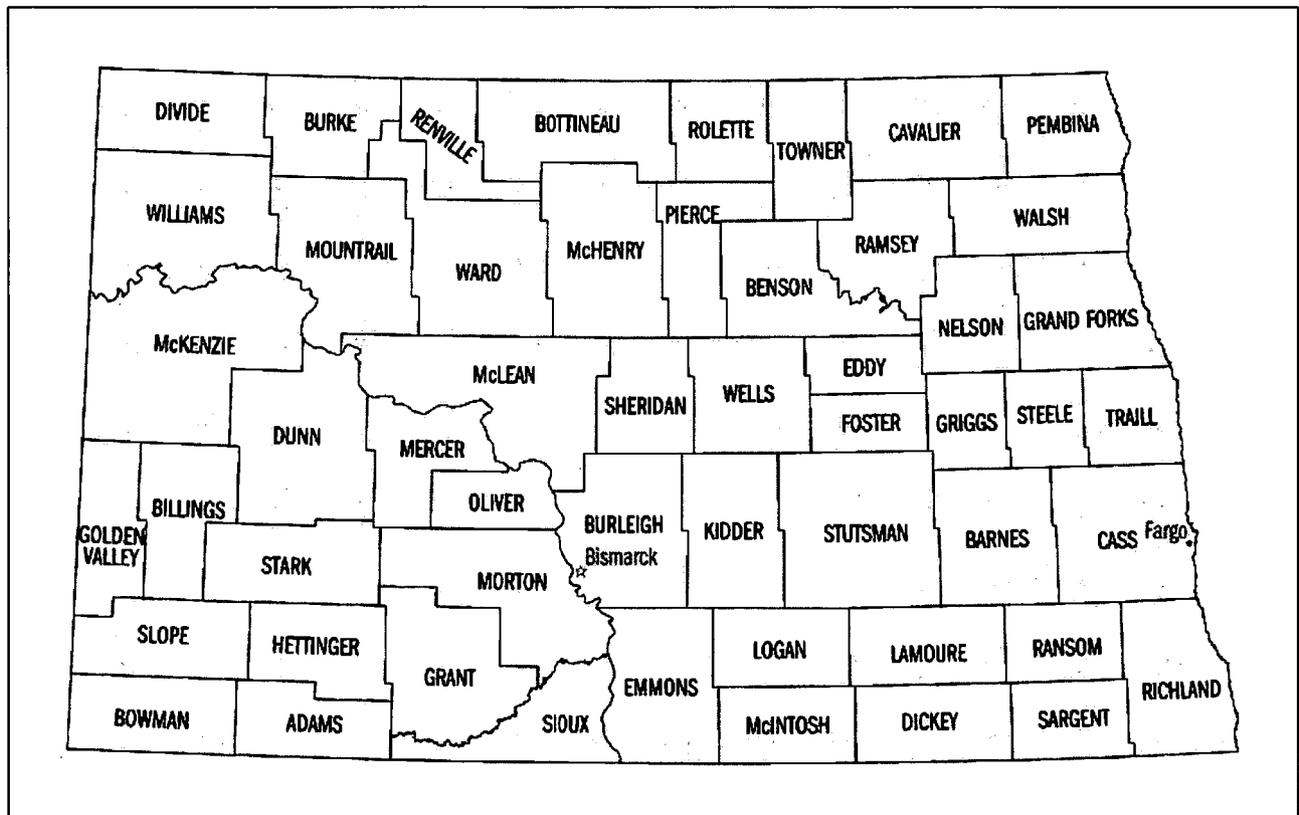
investment projects promoted by the North Dakota/ Northwest Minnesota EB-5 Regional Center. This also provides leverage to American investors. In addition, expanding companies can highly benefit from new funding alternatives. This new regional center will aim at generating economic development activity, creating new direct and indirect jobs, and increasing domestic capital for investment. The center will take advantage of its connections with the Rain Source Capital Funds in order to identify and screen potential companies and generate deal flow. Currently there are 5 angel investment funds in North Dakota and Minnesota which have been formed and are administered with the assistance of the Center for Innovation. They are located in Fargo, Grand Forks, Bismarck, and Wahpeton, ND and Fosston, MN. They will serve as a checkpoint to pre-screen deals and perform due diligence. The ND/NW-MN EB-5 RC plans to generate deal flow through these Angel Funds. We expect that up to 10 potential side-by-side investment deals will be generated each year.

GEOGRAPHIC REGION

The North Dakota/Northwest Regional Center geographic area will include the entire state of North Dakota and 20 counties in northwest Minnesota. The state of North Dakota and 20 northwest Minnesota counties are very similar in terms of industry and demographics. Although it is a large geographic area to cover, both areas combined have a population of only 1,005,000 people. (North Dakota with a total population of 641,481 and Northwest Minnesota with 363,594). It is important for the ND/NW-MN EB-5 RC to incorporate this entire region as it will facilitate the process of identifying and developing potential leads. Below are three maps that illustrate the region that this Regional Center will serve:

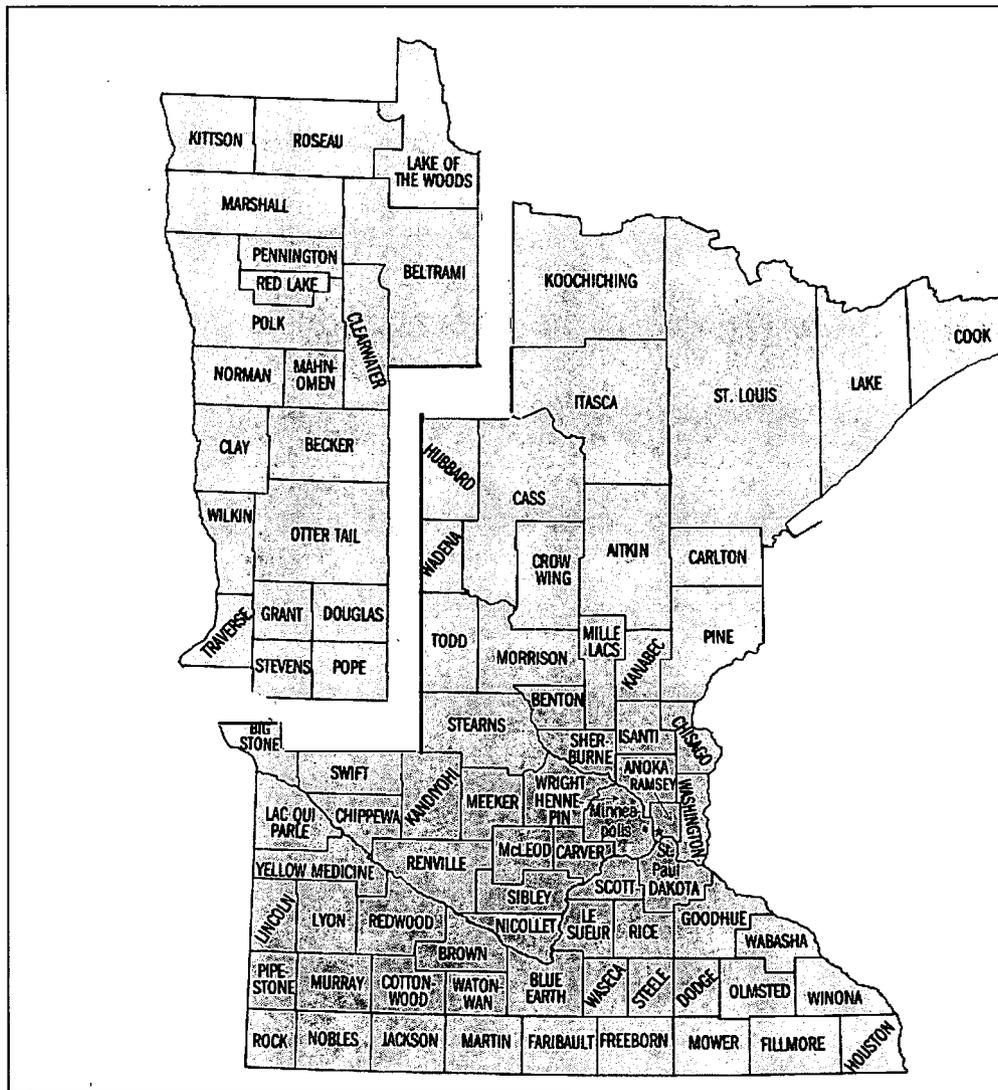
North Dakota – Minnesota Region: North Dakota statewide and Northwest of Minnesota. Below is a map showing all 53 counties in the state of North Dakota that are included in our application:

Source: U.S. Census Bureau, 2009



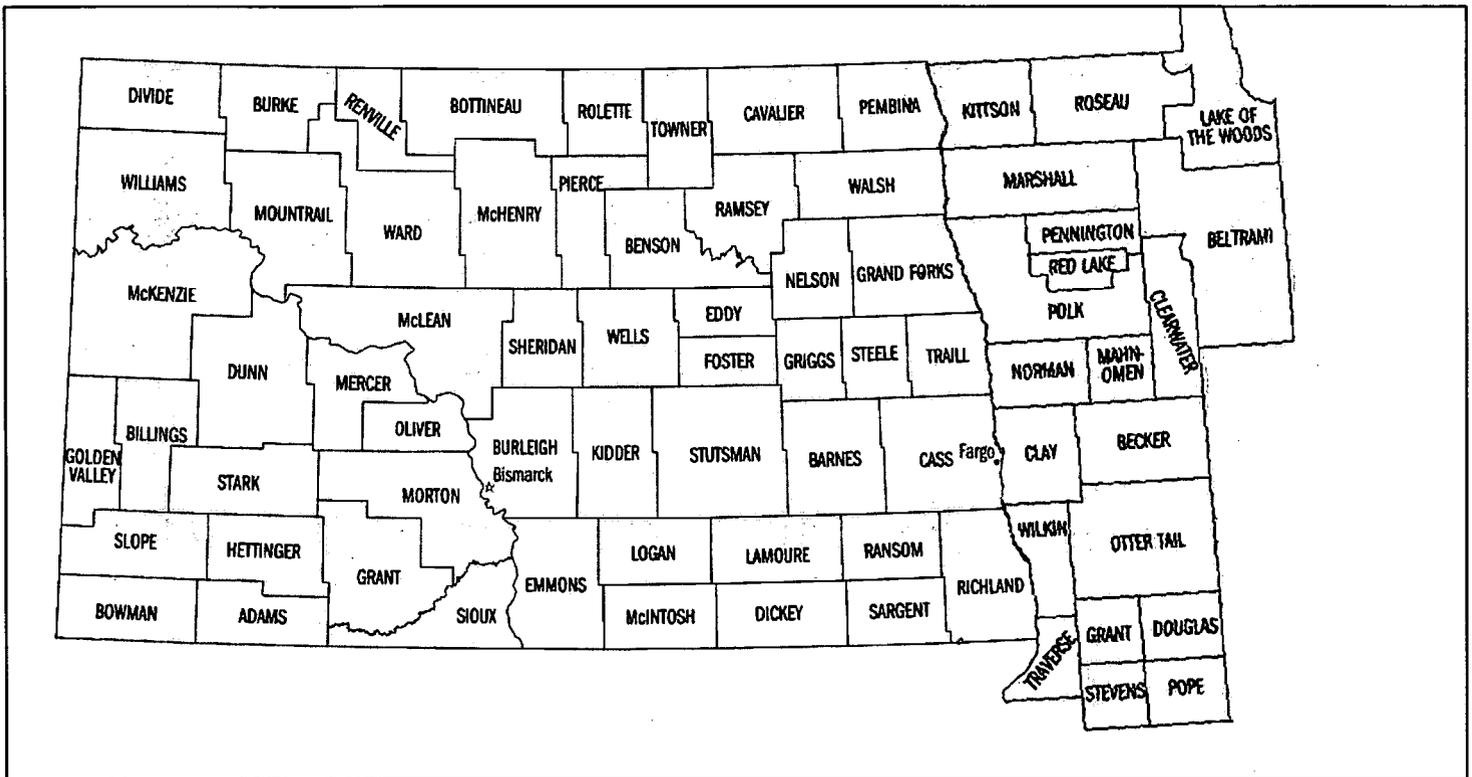
The entire state of North Dakota plus Northwest Minnesota was selected as the Regional Center's area after determining the number of investment opportunities that are found within this geographic location. Companies and the states can highly benefit from foreign direct investment. This initiative can potentially strengthen the regional economic environment and generate a substantial number of new direct and indirect jobs. More information about the North Dakota geographic region and economy is found in the "Industry Focus" section.

Moreover, the ND/NW-MN EB-5 RC includes 20 counties in Northwest Minnesota. The reason behind this decision is because both regions have similar industries and economies sharing the same trade area. The map below gives a broad view of the area where Kittson, Roseau, Marshall, Pennington, Beltrami, Red Lake, Polk, Norman, Clay, Otter Tail, Douglas, Pope, Traverse, Stevens, Wilkin, Becker, Mahnomen, Clearwater, Grant, and Lake of the Woods counties are located. The map found below depicts the 20 counties that will be included in our regional center geographic area. More information about these counties in terms of population, square miles, county seat, and inception is included in **Appendix F**.



Source: U.S. Census Bureau, 2009

The map below provides an overview of both areas combined. This is the complete region that the ND-NW MN EB-5 RC will cover.



Source: US Census Bureau, 2009

CENTER FOR INNOVATION FOUNDATION - CENTER FOR INNOVATION

The ND/NW- MN EB-5 RC will be located at the Ina Mae Rude Entrepreneur Center which is owned and managed by the Center for Innovation Foundation. The Foundation is a 501(c) (3) nonprofit that supports the Center for Innovation which is a department of the University of North Dakota with mission and goals of innovation, entrepreneurship, and investment. The UND Center for Innovation at the University of North Dakota mentors, advises, and consults with innovators, entrepreneurs, students and researchers to launch new ventures, commercialize new technologies and secure access to capital from private and public sources. It was among the first entrepreneur outreach centers in the nation when formed in 1984. 25 years later, the UND Center for Innovation operates two incubator facilities in the UND Tech Park: the Norm Skalicky Tech Incubator and the Ina Mae Rude Entrepreneur Center. These incubators are seedbeds that help emerging entrepreneurs grow new ventures and viable businesses. Moreover, the Center for Innovation has been working with international clients since 1992, working to bring foreign-based technology ventures into the U.S. market by developing export entry plans, conducting market research, locating distribution, manufacturing, development partners and providing a reputable foreign base of operations. All these services are still being provided by the center. In 2006 the center was designated a Soft Landing International Incubator, one of only 11 in the world by the National Business Incubator Association (NBIA). The center received this recognition because it has proven itself as a business incubator that helps companies expand internationally.

The UND Center for Innovation has assisted with the launch of more than 460 products and businesses since 1984 and has won national, regional and state awards including: The national

Tibbetts Award in 1996 and 1998 in recognition of contributions to the SBIR program and technology innovation; the national Small Business Administration's (SBA) Vision 2000 Award in 1999 for tech entrepreneurship; The Region VII (a six-state region) SBA Small Business Research Advocate Award in 2003; the state chamber of commerce's Entrepreneurial Spirit award in 2003; and the state Governor's Choice Innovator of the Year Award in 2009. The center was a finalist for two national awards in 2009 as well, named 1st runner-up for the Incubator Innovation Award by the National Business Incubation Association and named a finalist for the Excellence in Rural Economic Development award by the US Economic Development Administration. In addition, the center's programs have been instrumental in UND's ranking in the top 1% of collegiate entrepreneurship programs nationwide four years in a row by Princeton Review and Entrepreneur Magazine. The Center's Brochures and other marketing material are included in **Appendix E**.

INDUSTRY FOCUS: AN ECONOMIC PICTURE OF NORTH DAKOTA AND PART OF NORTHWEST MINNESOTA

Over the past quarter of a century, North Dakota's population has reflected both the level of technology in agriculture and the demand for energy and energy technology. In 2008, the population was nearly 639,000. In 2000 it was just over 642,000. Even within that nine year period the level of population varied as significant decreases in population occurred when new, larger farm machinery appeared. However, within that same time the demand for energy increased rapidly and what may be the largest reserve of oil ever discovered in North America was found within the state (the Bakken Formation), making North Dakota the 4th largest oil producing state in America. These changes in oil recovery attracted a significant increase in population somewhat offsetting the decrease caused by new agricultural technologies.

Initially because of its coal reserves, energy has played an important economic role in North Dakota while it has been virtually non-existent in Minnesota. Now with increased interest in the development of alternative energy such as biofuels, solar, and wind energy, energy may become more significant to the twenty county region of northwest Minnesota. Those new technologies also apply to North Dakota, especially wind energy. In 2006 North Dakota produced 724 trillion Btus of energy, or one percent of the total production in the U.S. Because of the large production of power in the state the price paid for electricity in North Dakota in 2006 was among the lowest in the nation. In fact, electricity is twice as expensive in New England.

North Dakota's future in energy will only become more important as time passes. As the result of wind tests that have been completed by the government, North Dakota has been called the Saudi Arabia of wind. That is because the wind blows more consistently at a rapid enough speed to produce electricity than any other place in the nation. The Bakken formation alone may be the largest quantity of oil ever discovered in North America and the Sanish formation, while too early to be certain, may be even larger. Also, for more than a decade, the political leaders in North Dakota have made a very specific effort to make the state more like the rest of the nation in terms of expanding the manufacturing base and in a related effort in keeping and attracting young people to the state. The program has had mixed success. The state was successful in expanding manufacturing, particularly in agriculture and energy. The state also became the location of a major facility for the largest manufacturer of private airplanes and a manufacturer of blades for a major worldwide wind generation company. As with most manufacturers, the recent economic difficulties have had an adverse effect on manufacturing in the state. However, the most recent data appears to indicate that these firms are recovering rapidly from those economic setbacks.

North Dakota is a homogeneous area, both in the makeup of its economy and its population. Although significant changes have occurred in the past decade, it is accurate to describe North

Dakota as dominated by Caucasians. Native Americans are the only minority population of any significance, and even they represent a relatively small percent of the total. On the other hand, when it comes to factors such as education, and women-owned businesses, North Dakota is much like the balance of the United States. In fact, women especially have always played an important role in the states business community. Manufacturing tends to be dominated by agricultural firms with both Case IH and John Deere having major manufacturing plants in the state. However, North Dakota is also home to one of Microsoft's and Amazon's major campuses.

One additional modern and futuristic industry in which North Dakota is becoming a major player in is Unmanned Aerial Vehicles, or UAVs. In the last round of the Base Realignment and Closing (BRAC) the Grand Forks Air Force Base was downsized but designated one of the United States Air Force's UAV bases. Already stationed at the base are first generations UAVs and second generation UAVs are scheduled to arrive very soon. In addition, the plans call for the assignment of Air Force personnel in support of the UAV mission. It is expected that because of the UAV experimentation many private UAV manufacturing personnel will also be stationed at the Air Force Base. Related to, but independent from the base designation is the UAV Center of Excellence program at the University of North Dakota in Grand Forks. The University of North Dakota's aviation program has been listed one of the outstanding post secondary aviation programs in the US. The Center of Excellence designation by the office of the Governor of North Dakota makes the program responsible for a large role in America's UAV future. North Dakota has also played an important role in the emerging biotechnology discipline and its developing industries. This is particularly true in the area of agriculture and the health sciences. Its emerging role in agriculture biotechnology is based on its natural agricultural base. Not only is the Upper Midwest an important growing area for small grains, it also area where many high value specialty crops such as potatoes, sugar beets, pulse crops like peas, sunflowers and edible beans, and many other crops are grown.

Taken together, these specialty crops have allowed science to stave off worldwide food shortages. These scientific advances usually take place where the crops are grown, and in these cases that means North Dakota and northwestern Minnesota. The personal health advances in biotechnology can occur in many geographic areas as long as an area has demonstrated a desire to do so. That desire has existed here for a long time. Studies have shown that when European settlers first arrived on the Great Plains they knew that they had to make life work for them. That tradition has carried down through the four and more generations since the arrival of those pioneers. That attitude has attracted others here because they know that the population of this area is willing to "do what it takes" to make a project succeed. That attitude has manifested itself in the public sector as well in the amount and type of research being conducted both at the University of North Dakota School of Medicine and at North Dakota State University, particularly in the School of Pharmacy.

In the private sector the most significant research and commercialization has occurred within Pracs Institute which is headquartered in Fargo, North Dakota, and has a second research facility in East Grand Forks, Minnesota. Other biotechnology firms have also been established across North Dakota and northwestern Minnesota, especially over the past decade. As with the agricultural biotechnology, human health biotechnology, its research and successful commercialization is a stated goal of the university system. This has created a culture of research aimed at reaching that goal. As with other business ideas in the Great Plains, the biggest obstacle has been a lack of capital. Like those business ideas, it has often been difficult to get those with the money to invest to understand the attitudes here.

Located on the Canadian border, North Dakota also plays a major role in both Canadian agriculture and Canadian energy. North Dakota is the entry point for Canadian tar sands oil and commercial fertilizers, as well as hydroelectric power. Because of the large manufacturing base located in Winnipeg, Manitoba, and in other areas of the prairie provinces, and the two way

transportation flow of finished goods, eastern North Dakota is called the Red River Trade Corridor. This is an historic trade route dating back initially to trade among the Native American tribes as well as the fur trade between Europeans and Native Americans from Winnipeg through St. Paul, Minnesota. The only significant change in the region's economics over the past decade occurred as in the same categories as in the rest of the nation, income levels and housing values. The income levels are a reflection mostly of inflation as income has increased to reflect the devaluing of the dollar. However, over this period North Dakota has had some real growth in income and that also has contributed to the increase in the average salaries earned. As for housing values, especially over the particular time period, North Dakota did not participate in the changes in mortgage standards as did most of the nation. Most mortgages were based on an ability to pay and as a result proportionately very few expensive homes were built. That means that while values did increase to reflect both inflation and increases in real income the increases were considerably less than what occurred across the nation.

Most data listed for North Dakota is not available for the twenty county region in Minnesota covered in this application for regional center status. It is accurate to state that this region is regarded as essentially being similar to North Dakota. In fact, any research that has been completed demonstrates that most data from that twenty county Minnesota region is more similar to North Dakota than it is to even the average of the rest of the state of Minnesota, and certainly to several of the other regions of Minnesota. In particular this is true of comparing this twenty county region to what is regarded as the seven county metropolitan region surrounding Minneapolis and St. Paul. Because of the significant difference in the major crops and livestock, the twenty county region is also very different than the agricultural areas in the southern one third to one half of Minnesota. It is only at the southern tip of the twenty county region that livestock has any real economic significance. The same is true for the higher valued corn and soybean row crops. There are some areas that would be different because of differences in geography. For example, much of the Minnesota region is in the heart of the lake country. Therefore, we would expect to find tourism more important in that region than in all of North Dakota.

Finally, North Dakota currently has the lowest unemployment rate in the nation. That does not mean that the state is necessarily expanding on an economic basis. Rather, it is again the nature of the lessons learned by that homogeneous population that you must go where the jobs are. Most of our high school and college graduates (two out of three) leave the state to find a job. Therefore, they are not unemployed. On the other hand, whenever the state has expanded its job base, regardless of the level of skills required, employers have always been able to fill the jobs, usually by native sons and daughters returning to the state. Native sons and daughters' preferences are to return home. The only thing keeping them from doing so is the lack of available jobs. When the jobs arrive so will they. Under-employment is pervasive as many are working below their educational and experience level, waiting for new jobs to be created that better fit their abilities.

Immediately below is a table providing certain relevant economic and other descriptive data¹.

<u>Description</u>	<u>North Dakota</u>	<u>Minnesota</u>	<u>USA</u>
Population	638,613	5,220,393	304,059,724
Percent of Population			
Under 18	22.4%	24.0%	24.3%
Foreign Born in 2000	2.3	5.3	11.1
Language other than English	5.5	8.5	17.9

¹ Information for the 20 northwestern Minnesota counties in this study is unavailable. Therefore, because Minnesota has little variation this information is provided using the whole state data.

High School Graduates	89.0	87.9	84.5
Bachelor's Degree or Higher	26.1	27.4	24.4
Mean Travel Time to Work	15.9	21.9	25.5
Homeownership rate	66.3	74.6	66.2
Median Value of owner-occupied Home	\$106,200	\$122,400	\$119,600
Total Number of firms, 2002	56,781	443,827	22,974,655
Black Owned Firms, percent, 2002	0.1%	1.8%	5.2%
American Indian and Alaska Native Women Owned	1.5%	0.6%	0.9%
Per Capita real GDP 2007	\$37,832	\$49,055	\$37,899
Median Family Income	\$60,387	\$71,794	\$63,211
Manufacturer Shipments, 2002 (\$1,000)	\$6,856,653	\$80,623,873	\$316,136,712
Wholesale Trade Sales, 2002 (\$1,000)	\$8,806,304	\$108,388,816	\$4,634,755,112
Retail Sales, per capita 2002	\$12,187	\$11,943	\$10,615
Federal Spending 2007 (\$1,000)	\$6,765,697	\$38,245,764(1)	\$2,536,629,405

IMPLAN RESULTS

Attached to this business plan is a separate IMPLAN proposal. This separate document was created to showcase the economic impact generated by foreign direct investment in North Dakota and 20 counties in Northwest Minnesota. It also emphasizes the job creation component of the EB-5 initiative which is crucial for the immigration process. IMPLAN was selected because it is approved by the USCIS.

Full economic impact assessments will be provided to each individual project promoted by ND/NW-MN EB-5 RC. These reports will be conducted by the University of North Dakota and supervised by Cullen Goenner, Associate Professor of Economics at University of North Dakota, and Ralph Kingsbury, a contracted professional economist. IMPLAN is a widely used input-output model and is commonly used in inter-agency analysis worldwide.

PRINCIPALS OF REGIONAL CENTER

The ND/NW-MN EB-5 RC has defined the principal members who will be responsible for deal sourcing, operations, promotion, marketing, and reporting obligations. All principals have worked together closely on entrepreneurial, international, and financial projects. These members are:

Bruce Gjovig – CIF CEO- Bruce has been North Dakota's "go-to guy" for entrepreneurship, innovation, and capital investing since he launched the Center for Innovation in 1984. As a visionary, Bruce strategically directs the Center and is continually innovating. He coaches entrepreneurs on strategies and capital formation.

Rodrigo Cintra – International Marketing Director/ Entrepreneur Consultant - Prior to joining the Center for Innovation staff in July, 2007, Rodrigo worked with the Canadian Consulate and the North Dakota Trade Office on international trade opportunities. With a background in international business, Rodrigo focuses on assisting entrepreneurial companies that are interested in capturing domestic and international markets, as well as promoting and delivering the center's services.

Tom Kenville - *Rainmaker and V.P. of Development* - In September 2006 Tom joined the Center for Innovation Foundation to help leverage the support of UND Alumni, friends and successful entrepreneurs from around the world. In addition to his work at the center, Tom is himself a successful entrepreneur. He owns and operates manufacturing, property development and consulting businesses. Tom is the managing member of the Hilton Garden Inn in the UND Tech Park and chairs the Valley Angel Fund, which is a supporter of this project.

Other individuals supporting this initiative:

- Lincoln Stone - Stone & Grzegorek LLP, Los Angeles, CA (www.lskglaw.com)
- Ralph Kingsbury - Kingsbury Applied Economics, Grand Forks, ND (Contracted Economist)
- Dr. Cullen Goenner- Associate Professor of Economics, UND
- Dr. Yong Hou - Center for Innovation Entrepreneur Consultant
- Harold Stanislawski - Fergus Falls Economic Improvement Commission- Executive Director
- Chris Teras - Teras Law Firm, Washington, DC
- Jordan Schuetzle - Schuetzle Law Firm, Grand Forks, ND

The Center for Innovation Foundation has selected the principals based on their experience with capital markets and international business. They will be responsible for connecting with the USCIS as well as compiling and submitting any required reports, memos, or information. Bios and CV's of principals of the program are attached in the **Appendix A** section of this business plan.

Moreover, the ND/NW-MN EB-5 RC will also collaborate with the following entities:

North Dakota Trade Office, Fargo ND (www.ndto.com)

The North Dakota Trade Office is dedicated to expanding North Dakota exports to high-demand foreign markets through advocacy, education and expertise. The Trade Office is the catalyst in a collaborative effort among the state's universities, state and federal government agencies and private export service professionals that collectively provide North Dakota companies with the support they need to succeed in the global marketplace.

The Trade Office's unique structure - a private-public partnership between the North Dakota Department of Commerce, the North Dakota District Export Council and the state's business community - enables it to move at the speed of international business.

Organized in 2004, the North Dakota Trade Office conducts international market research for North Dakota companies, helping them identify export markets best suited for their products and services. Assisting companies in identifying the most promising export markets is just the beginning. To help companies capitalize, the Trade Office and its network of export service providers offer assistance in every step of the export process. Members of the Trade Office staff are located in Bismarck, Fargo, Dickinson and Grand Forks (Center for Innovation).

North Dakota Department of Commerce, Bismarck ND (www.commerce.nd.gov)

The North Dakota Department of Commerce is the state's lead economic development agency and is charged with coordinating and focusing the state's economic development resources. These efforts are made possible through working closely with local and regional developers across North Dakota.

The ND Department of Commerce's mission is to lead North Dakota's efforts to attract, retain and expand wealth. It strives to improve the quality of life of the people of North Dakota and targets five industries to broaden the state's economic base, create new wealth and generate quality jobs for North Dakotans. The industries supported by this entity are similar to the ones proposed in this business plan: Value – added agriculture, advanced manufacturing, technology- based business, tourism, and energy.

The ND Department of Commerce also promotes The North Dakota Development Fund. This fund coordinates efforts between all sources of financing, the business and the community. Any project considered for this financing must be feasible and have a reasonable chance of succeeding. The fund provides "gap financing" through loans and equity investments not available from most conventional lenders and is available to any primary-sector business with the exception of production agriculture. The Development Fund also administers the Regional Rural Revolving Loan Fund, which provides funding for primary-sector projects located in a community of less than 8,000 in population or located more than five miles outside the city limits.

Fredrikson & Byron Law Firm, Minneapolis MN (www.fredlaw.com)

Fredrikson & Byron is a 170-attorney law firm based in Minneapolis. It has an office in London and affiliates in Mexico City, Warsaw, Montreal, Toronto, and Vancouver. The firm's primary areas of practice include banking, corporate, employment, healthcare, intellectual property, international, litigation, real estate, securities, and tax. They serve a broad range of clients, including multinational corporations, public companies, privately-held businesses, entrepreneurs, government agencies, and family businesses. Fredrikson & Byron's attorneys also work with individuals on estate planning, family law, and immigration matters.

Walter J. Wheeler founded the firm in 1948. He was joined by Harold Fredrikson in 1953 and John Byron two years later. Fredrikson & Byron grew steadily, and merged with Wright, West & Diessner in 1984. Today it is one of the Upper Midwest's largest business and trial law firms.

Rain Source Capital Group (www.rainsourcecapital.com)

RAIN Source Capital is a multi-state network of RAIN[®] funds that works with angel investors who are interested in supporting growing companies. RAIN Source[®] helps bring together like-minded angel investors to form individual RAIN funds and then provides these funds with a process for due diligence, legal templates, management support, access to deal flow syndication and other resources.

RAIN funds share expertise, deals and experience between and among RAIN Source Capital's multi-state network to support growing companies throughout the area. RAIN Source Capital works with angel investors in Minnesota, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, Oregon and other areas.

5 Angel Investment Funds (4 in North Dakota, 1 in Minnesota)

Valley Angel Investment Fund, LLC is a new venture capital fund that was formed in 2006 by accredited investors in and around the Grand Forks, ND trade area. The fund's objective is to provide both favorable investment returns to investors and to promote small business and economic development in the region. There are currently 5 angel funds in the region. The other four funds are located in Fargo, Bismarck, and Wahpeton, ND, and Fosston, MN.

All of the above entities will assist the ND/NW-MN EB-5 RC in screening, generating, and promoting deals found in our region. Combined, these organizations have access to multiple potential candidates in multiple industries supported by this regional center. In addition, they strongly support this initiative and have already started to spread the word to potential candidates. The ND/NW-MN EB-5 RC doesn't foresee any problems in generating deal flow in its designated area. As an example, the Center for Innovation alone sees more than 100 business plans a year, of which many could potentially qualify for this program. The applicant is confident in the proposed Center's ability to generate deal flow.

PROPOSED INVESTMENT STRUCTURE

The UND Center for Innovation Foundation is prepared to apply for a Regional Center designation status. This program will have a significant economic and social impact in the region. The ND/NW-MN EB-5 RC plans to present a business structure that is slightly different than those presented by other Regional Centers currently in operation. The ND/NW-MN EB-5 RC plans to act as a consulting vehicle, working as a liaison between local organizations interested in accessing EB-5 capital and foreign investors. The ND/NW-MN EB-5 RC will have absolute control over administration of the Regional Center and will require investee companies to execute a contract providing for EB-5 program compliance.

The ND/NW-MN EB-5 RC will have no ownership on deals promoted for investment. However, the ND/NW-MN EB-5 RC will actively encourage communication and facilitation between the parties to ensure information is properly disseminated and all EB-5 investment requirements are fulfilled.

Administration fees will be charged to both foreign investors and local business organizations (investees) to help offset operational costs incurred by staff and advisors during investment projects. These fees will cover items such as document preparation, legal expenses associated with managing investments, marketing expenses, traveling, finder fees, operating expenses and the like. These administrative fees will not reduce the threshold minimum capital (\$500,000 or \$1 million) required for EB-5 eligibility.

Regular documentation and reports will also be professionally compiled and disseminated to all parties involved in specific projects in order to ensure all requirements of an investment, both legal and financial, are being covered. The ND/NW-MN EB-5 RC, as a consultancy entity, will strive to ensure all information provided to its clients is professional and of high quality and will be responsible for reporting annually to USCIS on Regional Center activities.

Foreign Investor- Deal Structure:

The example below gives an example of what an investment promoted by the ND/NW-MN EB-5 RC would look like in terms of time frame, structure, and fees:

Example - Minimum investment required in this project is US\$ 1,000,000. With each Foreign Direct Investment (FDI), 10 new direct and indirect jobs will be created. Direct and indirect jobs will be measured by IMPLAN results. The total size of the project is (b) (4), plus American investors. This combination of EB-5 and domestic funds will help meet the job creation requirement. There are (b) (4) available for foreign direct investment. Fees involved in the project per investment:

(b) (4)

Investment per unit: US\$1,000,000

Project administration fees: (b) (4) per investment, independent of size and location. These fees will be used to partly cover operations costs incurred by the Regional Center as well as to cover "finder's fees" paid to individuals or groups bringing investors to the regional center. These fees are paid in addition to the EB-5 minimum capital required.

Extra Attorney fees: Clients will also be advised and responsible for the extra legal immigration fees that will be incurred in the investment process. These fees can vary from US\$ 10,000 to US\$15,000 depending on the immigration law firm used in specific cases. The ND/NW-MN EB-5 RC will refer its clients to immigration legal firms that have a positive track record. It will be up to the investor and the referred immigration law firm to determine the final legal costs involved with the immigration process. Other legal fees related to structuring the investment deal, international accounting, international taxing structure, and others may also apply.

Deal Sourcing Non- Refundable Fee: (b) (4) of the project administration fees are non-refundable – This fee will be collected to determine if potential foreign investors are serious. Administration fees will be collected once I-526 is approved.

Total cost of Investment per Unit: (b) (4)

Below an investor time line is provided. These guidelines will be provided to investors to give direction related to our specific projects. Variations may occur depending on specific circumstances of each individual project.

Investor Time Line:

(b) (4)



12. Specific case is filed and closed.

Local Business Organizations - Deal Structure:

The ND/NW-MN EB-5 RC will also provide consultancy services to local business organizations interested and able to participate in EB-5 projects promoted by this Regional Center. Local business organizations will engage the Regional Center for the purpose of:

- providing consultancy services related to securing private equity investment in the company;
- marketing the company to potential qualified international investors;
- identifying professional service providers necessary for attraction and completion of international investment.

Local business organizations will be charged a (b) (4) consultancy fee per project in order to benefit from such services. This is a flat fee and has no relation to the total amount of foreign direct investment raised during specific projects. (b) (4) of this consultancy fee will be paid during the initial phase of a project and is non-refundable. (b) (4) will be paid once the investment has been completed, i.e., funds are released after I-526 is approved. Fees will be collected to cover the amount of work that will take for the ND/NW-MN EB-5 RC to attract potential foreigner investors. This consultancy fee cannot be covered using EB-5 investor funds raised during specific projects. Local business organizations will have to cover these expenses using a separate source of funds. Local business organizations will be informed of this fee structure before engaging the services of the ND/NW MN EB-5 RC.

The ND/NW MN EB-5 RC will provide client service agreements to both investors and local companies (**Appendix B**) involved in this process. These documents will set expectations and delineate all services being provided during specific projects. The investment by the EB5 investor will be equity capital at a minimum of US \$1,000,000 unless the company is principally doing business in a targeted employment area in which case it may be as low as US \$500,000. The investment capital provide by the EB5 investor is not a loan; the investor will not be entitled to any guaranteed returns but may share in distributions of profits; the investor will not have a redemption right or any right to force the buy-out of his share at a particular price; the investor will be engaged in management of the company in some capacity; and the company will provide evidence of job creation using the IMPLAN-based methodology that is provided by the Foundation.

Side by Side Investment Proposed Structure

The ND/NW-MN EB-5 RC will work directly with 5 angel investment funds in North Dakota and Minnesota in order to identify potential deals and promote side-by-side investments between American and foreign direct investors. The Center for Innovation has helped form these investment funds and is currently supporting their operations and promotion. They are located in Grand Forks, Fargo, Wahpeton, and Bismarck, ND, and Fosston, MN. Additionally there are 5 other funds that we are in close contact with for syndication.

Return on Investment – The ROI for foreign investors is expected within 5 to 10 years after investment are made. Past investments through RAIN Source Capital Group have an average of 10X per investments, including only American investors. This ROI average will be used to attract

potential investors, however the regional center will inform its clients that that information was used for marketing purposes, and that this is not a guarantee that investors will receive equal or similar ROI.

Transparency – Progress documents and reports will be periodically provided to potential investors. They will also have access to deal reports and other information through a website – Angel Soft (www.angelsoft.net). All deals performed in this region are uploaded into this secure website so investors can closely monitor their investment. Quarterly updates will also be provided. The Center for Innovation has substantial experience related to managing investments acquired by founding and operating 5 angel investment groups in North Dakota and Minnesota. Similar managing and operations structures will be used to give investors and entrepreneurs clarity and security during the investment process.

Summary:

The example above is one of the many types of investments that the North Dakota/Northwest Minnesota EB-5 Regional Center will be promoting. It also demonstrates how administration fees and consultancy fees will be applied to both foreign investors and local organizations during an EB-5 project. The regional center plans to evaluate the creation of new direct and indirect jobs by using economic multiplier models. IMPLAN will be the methodology used to prove job creation. Individual reports will be provided both to USCIS and investors to ensure all requirements are met thus allowing foreign investors to acquire Green Cards. The ND/NW-MN EB-5 RC is excited to apply for a regional center designation in order to administer foreign direct investment into the US. The regional center will strive to provide high quality and professional services, and ensure all the requirements related to foreign direct investments are met, allowing both local organizations and foreign investors to benefit from this program.

SOURCE/ AMOUNT OF CAPITAL REGIONAL CENTER

The Center for Innovation Foundation has initially allocated (b) (4) for the regional center application development phase. Most of the funds will be utilized to cover any legal fees plus analysis related to the application process. Also, one supporter of the regional center, the North Dakota Department of Commerce, has invested (b) (4) which will be used for marketing and startup purposes. The Foundation will provide additional funds for startup, operations, and will cover staff costs. The Center for Innovation Foundation resolution authorizing application for an EB-5 Regional Center for North Dakota and Northwest Minnesota is found in **Appendix D**. The Center believes that this initial investment will be sufficient throughout the application process as most of this application has been compiled by Center for Innovation Foundation staff. Over 300 hours of staff time and multiple Center for Innovation resources have been utilized in order to complete this application.

After designation is received, the ND/NW-MN EB-5 RC plans to sustain its operation by collecting administration fees in order to have cash flow and to augment the Regional Center's budget structure. This operational structure will secure the ND/NW-MN EB-5 RC's financial sustainability. Moreover, the UND Center for Innovation Foundation will be responsible for identifying and raising any additional capital as required.

PROMOTION /MARKETING

The Center for Innovation Foundation in conjunction with the North Dakota Trade Office, North Dakota Department of Commerce, Rain Source Capital Group, and other public and private entities will identify and attract companies in the state of North Dakota and Northwest Minnesota interested in benefiting from EB-5 investments.

Partners and Service Providers:

The ND/NW-MN EB-5 RC has begun developing relationships with potential service providers including Teras Law Firm which became a supporter and potentially a partner of this initiative. This law firm is located in Washington, DC and has previous experience with EB-5 investments and process. Besides providing VISA and other legal services to foreign investors, such as walking them through the Green Card application process, they will also help promote and market the ND/NW-MN EB-5 RC. This law firm will assist in marketing this project overseas. With offices in Washington, DC and Seoul, Korea, Teras law firm has experience with EB-5 projects and will provide access to potential investors in Korea and China. In addition, they will be responsible for advising and helping investors during the Green Card application process and other legal services related to Visa requirements.

Teras Law Firm Office Locations and Contact Information:

Teras Law Firm, Washington, District of Columbia

1901 Pennsylvania Avenue, NW Suite 600

Washington, District of Columbia 20006

Telephone: 202-328-1000

Fax: 202-842-0748

tw@TWLawUSA.com (Website currently being re-developed)

Seoul Office

159-1 Samsung-Dong

World Trade Center, 30th Floor

Kangman-Gu

Seoul 135-729

Republic of Korea

T:82-(0) 2-6007-2777

F:82-(0) 2-6007- 2778

Marketing Strategy:

The North Dakota/Northwest Minnesota EB-5 Regional Center has developed a marketing strategy plan that will be used to attract foreign investors and promote the regional center:

1. Promotion Strategy

- a. Design a ND/NW-MN EB-5 website affiliated with the Center for Innovation Foundation. This new website will introduce our region, industries and characteristics, and bridge regional center to investors and recruiting firms. The web-site will have multi-language capabilities in English, Chinese, Portuguese, and Spanish. The website is already in the planning stage and similar to other EB-5 Regional Centers' websites it will provide information such as :
 - i. Organization structure and background
 - ii. Why EB-5 is attractive to foreign investors
 - iii. What is a regional center
 - iv. Why should investors invest in our region (North Dakota and Northwest Minnesota)
 - v. Investment details
 - vi. Proposed Projects and their summaries

- vii. Contact information of all the parties involved
- viii. Links to other organizations involved including USCIS, law firms, government entities, and regional organizations
- ix. Provide access to all Immigration forms related to EB-5 investments

(b) (4)



2. Investor Strategy Network

- a. RAIN Source Capital Group: The ND/NW-MN EB-5 RC will work directly with 5 angel investment funds in North Dakota and Minnesota in order to identify potential deals and promote side-by-side investments between American and foreign direct investors. The center has helped form these investment funds and is currently supporting their operations and promotion. They are located in Grand Forks, Fargo, Wahpeton, and Bismarck, ND, and Fosston, MN.

3. Foreign Agents:

(b) (4)



(b) (4)



APPENDICES:

**APPENDIX A:
Bios and Curriculum Vitae of Regional Center's Principals**

PRINCIPAL BIOS:

Bruce Gjovig Entrepreneur Coach & CEO UND Center for Innovation

Bruce Gjovig is the entrepreneur coach and founding director of the Center for Innovation at the University of North Dakota, and program focused on innovation, entrepreneurship and private investment. Launched in 1984, the Center has been actively involved in over 440 entrepreneurial ventures and product introductions, raised over \$120 M in entrepreneur capital, and their entrepreneur clients have created more than 5,000 jobs in North Dakota.

Gjovig is a champion for entrepreneur causes including fostering innovation, tech incubators, university tech parks, tech entrepreneur programs and seed and angel capital initiatives across the Upper Great Plains. He was instrumental in founding the Center for Innovation, the Skalicky Tech Incubator, the Ina Mae Rude Entrepreneur Center, the UND Technology Park, InnovateND venture initiative, eight Angel Funds, the Beginning Entrepreneur Loan Program, the 45% seed capital tax credit, the UND Patent & Trademark Depository Library, the North Dakota Entrepreneur Hall of Fame, the North Dakota Business Innovator of the Year award, and the Small Business Innovation Research (SBIR) program in North Dakota – vital infrastructure for innovation, entrepreneurship and private investment to flourish.

The Center and Mr. Gjovig have received seven (7) national awards for excellence in entrepreneurship and innovation. Since 2004, UND has been ranked in the top 1% of entrepreneur programs out of 2300 nationwide by Princeton Review and Entrepreneur magazine. Since 2006, the incubators received the “Soft Landings International Incubator” designation from NBIA, one of just 12 incubators worldwide. Gjovig was awarded the Entrepreneur Spirit Award from the Greater North Dakota Association in 2004 and was named 2003 SBA Research Advocate of the Year for North Dakota as well as the six-state SBA region for excellence in facilitating research with tech entrepreneurs (includes CO, UT, MT, WY, SD, and ND).

Gjovig was editor and developer of *The Business Plan: Step-by-Step* and *The Marketing Plan: Step-by-Step* workbooks, national publications on how to research and write business plans and marketing plans. Developed in 1986, these were the first workbooks of their kind to target technology and manufacturing startup ventures. Over 110,000 copies have been sold, placing them in the top 5% of all business books sold. They remain ideal for new ventures with new technologies or improved product and services. He is the author of several books and articles on North Dakota entrepreneurs and “*Pardon Me, Your Manners are Showing!*,” a book for college students on professional etiquette, protocol and diplomacy.

Gjovig holds leadership positions in cultural, educational and business organizations, including being the co-founder of the national educational foundation movement for college fraternities/sororities started at UND in 1977. He served as President of the Delta Tau Delta Educational Foundation that raised \$2 M for scholarships, leadership development, and educational programming, and was chair of the North Dakota Museum of Art in Grand Forks for six years. He chairs the UND Nordic Initiative (educational, cultural and trade exchanges with Nordic countries), has done extensive work on educational and entrepreneurship exchanges in Norway. In October 2008 Gjovig was presented with the Knight of the First Class, Royal Norwegian Order of Merit by HM King Harald V of Norway. He is included in *Who's Who in Finance & Industry* and *Who's Who in America*. Gjovig has two degrees from the University of North Dakota and is a native of Crosby, ND.

**Rodrigo Cintra-
International Marketing Director/ Entrepreneur Consultant, Center for Innovation**

Rodrigo has joined the Center for Innovation's staff in 2007 as their International Marketing Director/ Entrepreneur Consultant. In this position, Rodrigo focuses on assisting entrepreneurial companies that are interested in capturing domestic and international markets, as well as promoting the Center's services. Rodrigo also works with the North Dakota Trade Office (NDTO) in promoting international trade and attracting foreign direct investment into the state of North Dakota. Prior to joining the Center for Innovation, Rodrigo worked with the Consulate General of Canada and the North Dakota Trade Office on international trade opportunities. Mr. Cintra obtained a B.A. from the University of North Dakota with a major in Entrepreneurship and a minor in International Business and is currently finished his masters (MBA) also at UND in December 2009. He is originally from Sao Paulo, Brazil.

**Tom K. Kenville
Rainmaker & V.P. of Development, Center for Innovation**

Tom Kenville graduated from the University of North Dakota in 1988 with a Bachelors Degree in Marketing. He then accepted a job at the UND Aerospace Foundation (UNDAF) as Director of Student Services. Tom remained at UNDAF for fifteen years, traveling to 32 major countries, and serving as the Vice President of Business Development and Marketing Director. He created working alliances between the University of North Dakota and Aerospace foundation, as well as secured major contracts and created great returns for acquired investments. In 1999 Tom established T-Kort LLC, which still operates today. This property development company renovates old apartments into luxury New York Style lofts. Tom manages construction, finances projects, and controls leasing of all units. He purchased VTS Inc. aviation simulators and aviation training software Company in 2002 and sold it in 2005. Kenville also serves as Managing Member for University Hotel Development LLC in each he raised \$4.8 million in equity and returned principle one year early. His entrepreneurial success is proven time and again. In 2002 Kenville founded T-Global Inc., a company focused on consulting and assembling green products for start up businesses. As president and owner, purchased a 14,000 sq ft warehouse in 2007. Kenville was able to raise equity capital of \$1.2 million for the Valley Angels investment fund which he currently chairs. The Valley Angel was the first fund of its type in ND. Kenville also assisted with the launching of funds in Fargo, Fosston, and Wahpeton.

Today Tom works as the Vice President of Business Development at the Center for Innovation in Grand Forks, North Dakota which he joined in 2007. Tom's ability to communicate and form business alliances are key elements to his wide success today. Tom is passionate about the University of North Dakota and helps to inspire students by serving as a mentor and business plan judge, Innovate ND, Idea Fest in Northwest Minnesota at school competitions. He enjoys spending time supporting Sioux athletics and fundraising for his alma mater. Tom is a strong team player with a desire to help others grow and maximize their potential. Tom has raised in philanthropy/ equity over \$ 12 million in the last 10 years.

CURRICULUM VITAE OF PRINCIPALS:

Bruce Gjovig
Director, Entrepreneur Coach
Center for Innovation

Professional Experience:

Founding Director & Entrepreneur Coach, Center for Innovation; involved in hundreds of entrepreneurial start-ups and product introductions since the Center's launch in August, 1984. North Dakota leader in involving higher education in entrepreneurship & economic development

CEO, UND Center for Innovation Foundation, the fund raising arm of the Center and link between emerging and successful entrepreneurs. Over \$26 million secured from foundation, corporate and entrepreneur sources for entrepreneur infrastructure and endowments

Principal Investigator, coaching hundreds of entrepreneurs with ideas evolving into 30 to 50 simultaneous projects in various stages of analysis or development, and resulting in launching over 460 new products/technologies and entrepreneurial ventures over 23 years

Chair, PI, Entrepreneur Forum of North Dakota, an initiative to create a community of emerging & successful entrepreneurs, investors and advisors. 2001 to present

Principal, two tech incubators, \$8 million of infrastructure to link entrepreneurs and UND talent to develop and launch new products, technologies, and ventures. Over 110 ventures have utilized the tech incubators. \$4.2 M Ina Mae Rude Entrepreneur Center opened Jan 2005 (1992 to present)

Consultant & Champion, access to capital initiatives including angel, seed and venture funds, angel capital tax credits, Beginning Entrepreneur Loan Program (first non-collateralized loan program for entrepreneur in nation), 3 Angel Funds 1987 to present

Principal Investigator, copyrighted commercial evaluation methodologies used to assess innovative and emerging energy technologies to identify those products most likely to be successfully commercialized (1985 to present)

Editor, Project Manager, & Sponsor of The Business Plan: Step-by-Step © 1988, 2001 and the Marketing Plan: Step-by-Step © 1991, 2001 workbook and software for new technology ventures - the first manuals of this kind in the nation for tech start-ups. Distributed nationally with over 110,000 copies sold

Sponsor, co-author of tort reform-by-contract legislation in North Dakota, an innovative approach to revitalizing the manufacture of general aircraft, Cirrus located to Grand Forks. (1992 to 1995)

Sponsor, Champion, 67th 3M Patents and Trademark Depository Library at UND (1991)

Founder, Champion, Small Business Innovation Research (SBIR) Outreach Program in North Dakota (1986 to present)

Founder, North Dakota Entrepreneur Hall of Fame (1985 to present) North Dakota Business Innovator of the Year Award (1988 to present.), 74 awardees to date

Career Experience:

Development Officer, University of North Dakota Alumni Association & Foundation, Grand Forks, North Dakota, 1982-84; led fund raising and special program for the centennial endowment campaign.

Professional and Civic Activities:

Chair, Vice Chair, University Technology Park, 1989-1994, \$34+ M in 8 facilities, 2000-2005

Chair, InnovateND statewide venture competition for entrepreneurs, 2005-present

Co-Chair, Midwest Association of Angel & Venture Capital, Minneapolis, 2005- present

Director, Prairie Gold Venture Capital, Sioux Falls, SD, 2005-2007

Vice Chair, Director, Greater Grand Forks Convention & Visitors Bureau, 2002- present

Vice Chair, Grand Forks Chamber of Commerce, 1997-1999, Director 1997-2002

Director, Grand Forks Development Foundation & Industrial Park, 1989-1998

North Dakota Designee, Western Governors' Technology Council, Denver, CO 1999-2002

Vice President, Regional Council for Project SBIR West, Phoenix, AZ, 1993-2000

Member, Advisory Board, Eide Bailly CPAs LLC, Fargo, 1994-1995

Reviewer, USDA SBIR proposals on innovations in rural economic development, 2000-present

Chair Emeritus, North Dakota Museum of Art, Chair, 1998-2003; Director 1984 - 2003

Chair, UND Nordic Initiative, International exchange program primarily with Norway, 1997-present

Trustee, Norwegian-American Foundation, 2006- present; Treasurer, 2007 - present

Chair, Grand Forks Subcommittee, the Nash Foundation, Minneapolis, 1998-2007

Chair, Cream of Wheat Centennial Celebration for Nabisco, 1993

Author, "Pardon Me, Your Manners Are Showing!" etiquette book for college students, © 1992

Author, "Boxcar of Peaches: The Nash Finch Story, Our Family," © 1990

Chairman, "Chautauqua," living history humanities program, 1983-1995

Founder and President, Delta Tau Delta Educational Foundation, 1978-2000; Chair, 2000 - present

Co-founder, National Education Foundation movement for college fraternities/sororities, 1977-2000

Chairman, Alumni Inter-Fraternity Council, 1982-1986, 1989-1994, 2002-2006

Member; Association of University Related Research Parks, North Dakota Economic Development Association, Greater North Dakota Chamber, Midwest Association of Angel and Venture Funds, NASVF, SSTI NBIA

Honors and Awards

2004 Princeton Review/Entrepreneur magazine, Best Schools for Entrepreneurs, top 1% since

NBIA "Soft Landings International Incubator" one of 10 worldwide, 2006-10

Forbes/Princeton Review America's Most Entrepreneurial Colleges, #14, 2004-06

Knight of the First Class, Royal Norwegian Order of Merit from King Harald V, 2008

Greater North Dakota Chamber, Entrepreneur Spirit Award, 2004

SBA Research Advocate of the Year, ND & 6 Western States (Region VIII), 2003

North Dakota Entrepreneur Hall of Fame, surprise induction by advisory board and staff,

2001

Vision 2000 Award, U.S. Department of Commerce for tech entrepreneur leadership, 2000

SBA Tibbetts Award, 1998, National U.S. SBA Award for SBIR Excellence and innovation

SBIR Program Support Person of the Year, Project SBIR West (14 western states), 1997

Who's Who in Finance and Industry, & Who's Who in America, 1992-present

Friend of Small Business Award, Fargo Chamber of Commerce, 1988

Distinguished Alumnus of Delta Tau Delta, 1978, 1991, 2000

Education:

B.A. and B.S., University of North Dakota, Grand Forks, North Dakota, 1974
11/08

Rodrigo Cintra

3720 Cherry Street Apt. M-52
Grand Forks, North Dakota 58201
Home Phone (612) 655-7993
Mobile (612) 655-7993
Email: rodrigo@innovators.net

WORK EXPERIENCE:**Center for Innovation/UND****June 2007 to Present**Position: International Marketing Director (*Full Time*)

Supervisor: Bruce Gjovig – Center for Innovation Entrepreneur Coach & Director

Phone: (701) 777-3132

- Responsible for recruiting and screening International Entrepreneur clients and performing initial evaluation of potential client ventures and market research through personal meetings, telephone, email and correspondence.
- Perform market research, analysis, and writhing of market plans, market feasibility analysis, strategic plans and business plans for clients. Often requires gathering information on industries, competitors, price, sale, and methods of marketing and distribution and ways to finance sales, distribution and trade.
- Research, develop and evaluate market plans and business plans for export/import entrepreneurs especially from North Dakota and Canada.
- Work with international firms desiring a presence in the tech incubators under the “Soft Landing International Incubator” program.
- Coordinate activities and entrepreneur development projects with international student entrepreneurs, interns and classes.
- Working closely with the Minnesota Trade Office, the Canadian, Norwegian and Mexican Consulates in Minneapolis in order to exchange information and facilitate trade initiatives.
- Responsible for the operating and managing Innovate ND, a state wide business plan competition.

Consulate General of Canada**February 2006 to May 2007**Position: Trade Commissioner (*Full time*)

Supervisor: Rick Savone – Deputy Consul General and Senior Trade Commissioner

Phone: (612) 333-4641

- Responsible for developing export markets and promoting trade between Canada and U.S. in the sectors of: Manufacturing and Renewable Energy.
- Developing and maintaining a current knowledge of the political and economic context of the market place in the Upper Midwest, as it pertains to the assigned sectors, taking into consideration the general enabling environment (e.g., economic and political aspects), general regulatory environment (e.g., tax laws, tariff structures, structures of the market), specific

requirements (e.g., general labeling or other requirements for goods), local buying and import patterns and trends

- Initiating and sustaining mutually relationships with Canadian entrepreneur clients interested in the U.S. market. Providing market intelligence and value-added advice to Canadian clients on the opportunities and challenges of doing business in the U.S, as well as on upcoming events (trade fairs, conferences, seminars, trade missions, etc.)
- Building and nurturing long term relationships with local contacts, and promoting Canada and its products in the assigned sectors, as well as opportunities for investment partnerships with Canada
- Planning and managing events in the U.S. and Canada
- Responsible for managing budgets for assigned projects within the International Business Develop program, and the monitoring and reporting on achievement against plan

North Dakota Trade Office (NDTO) /Center for Innovation

July 2005 to February 2006

Position: International Trade Assistant (*Full Time*)

Supervisor: Susan Geib- NDTO Executive Director

Phone: (701) 235-3638

- Conducted market opportunity research to determine best fit for ND products by utilizing export statistics available via research tools provided and making contacts with federal agencies such as the International Trade Administration, USDA, Foreign Commercial Service (FCS), and related associations
- Worked closely with the Center for Innovation's staff in order to complete international market research projects for regional entrepreneur clients
- Acquired practical experience on international trade by performing market research, industry analysis and writing international marketing plans for local entrepreneur clients interested in international trade.
- Developed overseas buyer contacts through Foreign Agricultural Service, FCS, in-country industry contact
- Provided assistance in trade mission success via research with foreign commercial service representatives,, in-country research needs, and work with foreign associations appropriate to mission to develop key buyer contacts
- Determined most efficient overseas markets for certain ND products in conjunction with Trade Office and Center for Innovation staff
- Obtained export certification by taking the on-line export certificate and undergoing research for a period of 4 weeks

EDUCATION:

Master of Business Administration, **MBA**
University of North Dakota, *UND*

December 2009

Bachelor of Science
Major in Entrepreneurship
Minor in International Business
University of North Dakota, UND

May 2005

Certificate in Export Management – *Export Institute of the U.S.*

May 2005

ATTRIBUTES:

- Strong ability to build and maintain positive relationships
- Able to work well as a team member
- Posses strong work ethic and time management skills
- Fluent in Portuguese, English, and Spanish (intermediate level)
- Proficient in all MS Office programs as well as internet applications

COMMUNITY INVOLVEMENT:

- UND Fundraising volunteer **2002 - 2004**
- UND International Center 'Cultural Days' volunteer **2002 - 2004**

AWARDS:

- UND Glenn "Red" Jarrett Male Athlete of the Year **2004-2005**
- Conference Swimmer of the Year **2004-2005**
- Captain of UND swim team (elected by teammates and coaches) **2003-2004**
- MVP (elected by teammates and coaches) **2002-2003**
- Twenty time swimming All-American **2002-2005**
- NCAA Division II record holder **2002-2009**

REFERENCES:

- Provided upon request

Tom K. Kenville
Tom@tglobalinc.com
218.779.9950

Education Bachelors of Science – Business Administration
Major: **Marketing**
University of North Dakota, 1988

Experience **Center for Innovation Foundation at UND** 2006-present
Vice President of Business Development & Rainmaker

- Work with successful entrepreneurs as angel investors in four regional funds in Grand Forks (Chair), Wahpeton, Fargo ND, and Fosston MN
- Raise funds for entrepreneur initiatives and endowments
- Mentor individual start-up entrepreneurs
- Consult to businesses, students, entrepreneurs
- Fundraise with friends and Alumni

T-Global, Inc., President & Owner 2002 – present

- Raised equity capital of \$1.2 million for Valley Angels investment fund
- Company focuses on consulting and assembly of products.
- M/A business transactions/investments in '05-08 in excess of \$10M
- Online sales network development, wholesale/retail
- Consultant to Center for Innovation for strategic planning, product development and strategic business/product alliances
- Green products owner/Independent Rep. gobugslug.com and inovussolar.com
- Acquired 14,000 sq. ft. warehouse/office complex '07
- www.tglobalinc.com

University Hotel Development LLC., Managing Member 2002-present

- Managing member of the Hilton Garden Inn, UND campus
- Instrumental in creating marketing alliances between Hotel and area Businesses
- Raised \$5M in equity for a \$10M development
- Current local liaison for Management Company, investors, and the public
- Worked extensively with local government, the University leadership, and private investors for the creation of the Hotel

T-Kort LLC., Property Development 1999-present

- Thomas Place Rehab of historic Hariman clinic into New York loft style rentals
- Reeves Place Duplex on historic Reeves Drive
- Luxury type apartments
- Managed construction, financial projections
- Leasing of units, general upgrades
- Rental rates that are competitive and allow return on investment

VTS, Inc., President & Co-Owner 2003-2005

- Purchased company from Small Business Administration in 2003

- Owner of commercial property, aviation simulators and aviation training software
- Developed extensive online software sales distribution network with major and minor supplies of aviation training materials
- Brokered sale of Company assets to a California-based aviation company in 2005

UND Aerospace Foundation (UNDAF) 501c3.

1988-2003

VP Business Development & Marketing Director

- Administrator in a \$6M private non-profit entity supporting \$24M collegiate aviation program
- Responsible for yearly budget (\$350 – 1.2M) and marketing plans
- Responsible for the global market and business strategies
- Worked directly with foreign government and businesses developing training alliances in the aerospace industry
- Created working alliances between the University of North Dakota and Aerospace Foundation
- UNDAF Tech Park contact, made the real estate sale to Bioplasma Co.
- Provided customer service/satisfaction for the contracts secured
- Traveled extensively throughout the U.S., Asia, Middle East and Europe representing the state, city, and Foundation
- Acquired major contracts, purchased major assets to fulfill contracts and create a return on investment for the Foundation
- Land acquisition and development

Strengths

- Ability to bring together many types of clients to create strong alliances
- Possess entrepreneurial attitude and spirit of business
- Gain happiness through putting the right people together for the right business opportunity
- Have a strong desire to help people develop into their highest potential
- Strong team player with an ability to close deals
- Extensive international business travel (32 countries)

Activities

- Valley Angel Investment Fund, LLC. - Chair. \$1.2 M with 29 investors
- Consultant to the North Dakota Trade Office – International Business
- District Export Council board of directors member (1995-2002)
- 2006 Grand Forks City Council Candidate, Ward 2
- (asked to run for election from a group of business people and UND officials)
- Co-Chair, North Dakota Aerospace Cluster (GNDA)
- Sioux Boosters – Board of Directors, President (1999-2000)
- Fighting Sioux Club, funding raising volunteer
- Innovate ND business plan Judge (06-current)
- Idea business plan Judge NW Minnesota 09
- Impact Foundation programs
- Golf, Traveling, and youth-related activities
- Played Division 1 college hockey on scholarship University of Massachusetts, Lowell, MA
- Rotary

APPENDIX B:
ND/NW MN EB-5 RC Client Service Agreements
Foreign Direct Investors and Domestic Clients

**NORTH DAKOTA / NORTHWEST MINNESOTA EB-5 REGIONAL CENTER
CONTRACT FOR SERVICES**

This agreement is made between the UND Center for Innovation Foundation, hereinafter referred to as "Foundation", a North Dakota Nonprofit Corporation, operator of the North Dakota / Northwest Minnesota EB-5 Regional Center, and _____ (investor) hereinafter referred to as "Investor", a citizen of the country of _____ (country).

PREAMBLE AND BACKGROUND

1. In 1990, The United States Congress enacted an Immigration Act (the "Act"), which created an employment-creation immigrant investor visa program to be administered by U.S. Citizenship and Immigration Services ("USCIS") through its legacy agencies, the Bureau and Immigration Services and the Immigration and Naturalization Service.
2. The EB-5 permits foreign nationals to receive conditional resident status in the United States in exchange for making a capital investment in the United States that will benefit the United States economy. Each investment needs to create or save at least ten direct full-time jobs for U.S. workers. The minimum amount of investment is \$1,000,000, but that minimum amount is reduced to \$500,000 if the investment is made in a high unemployment area or qualifying rural region.
3. In 1992, the United States Congress enacted the EB-5 regional center pilot program. This Immigrant Investor Pilot Program ("Program") allows both public and private entities to apply for regional center status. The Program allows an investor to create or save at least ten direct and indirect full-time jobs for the U.S. workers.
4. The Foundation is a designated regional center pursuant to the Program, and was founded as a North Dakota nonprofit corporation. The Foundation seeks to improve the regional workforce, work to advance job creation, to provide consultation services for foreign investors, and interact with entities assisting foreign investors to invest in Program eligible capital investments in the State of North Dakota and Northwest Minnesota and serve as North Dakota and Northwest Minnesota's designated Regional Center as that term is defined in the Program and pursuant to U.S. laws and regulations.

WHEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED IN THIS Agreement, the Foundation and the Investor mutually covenant and agree as follows:

1. **Investor** hereby engages Foundation for the purpose of

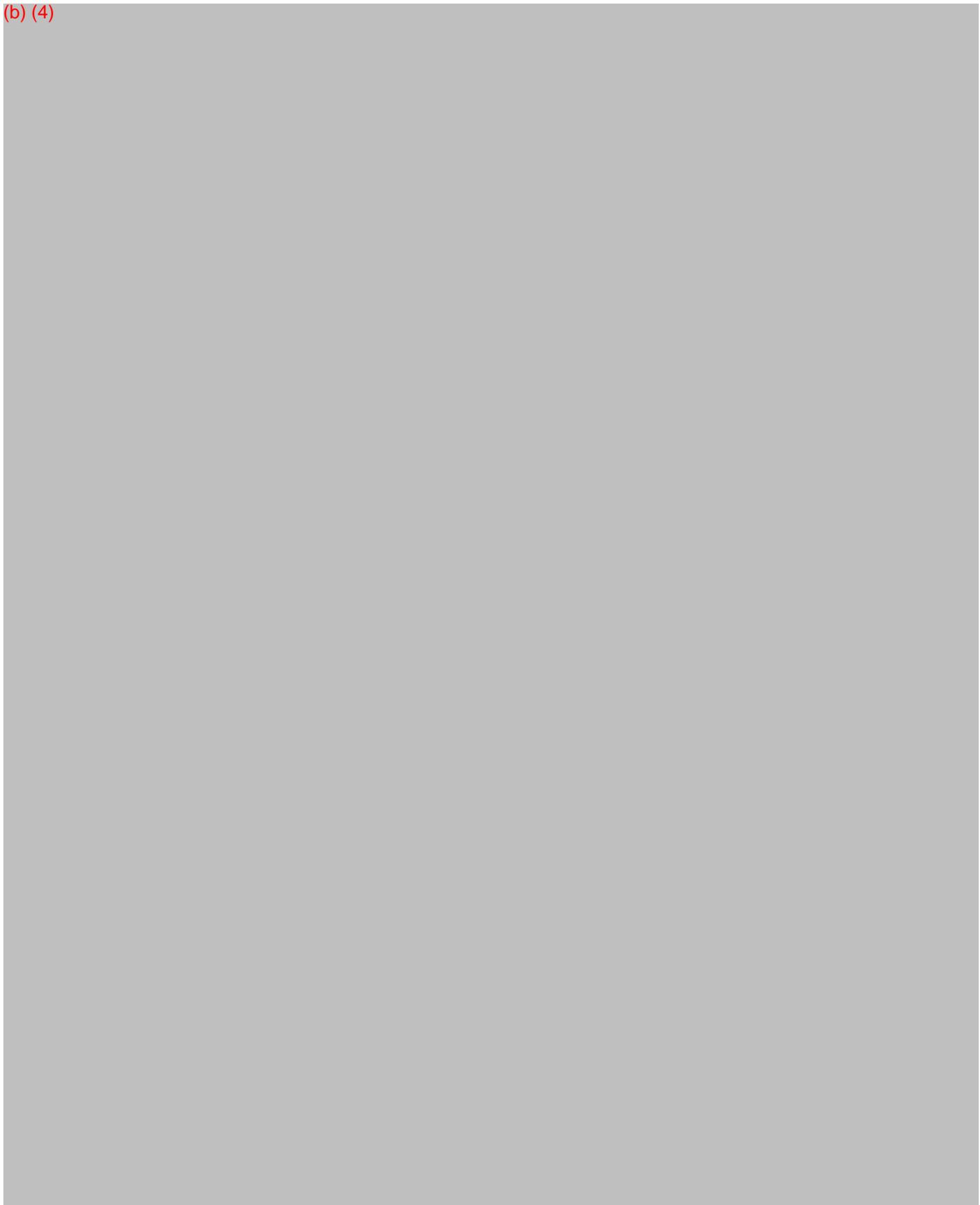
(b) (4)



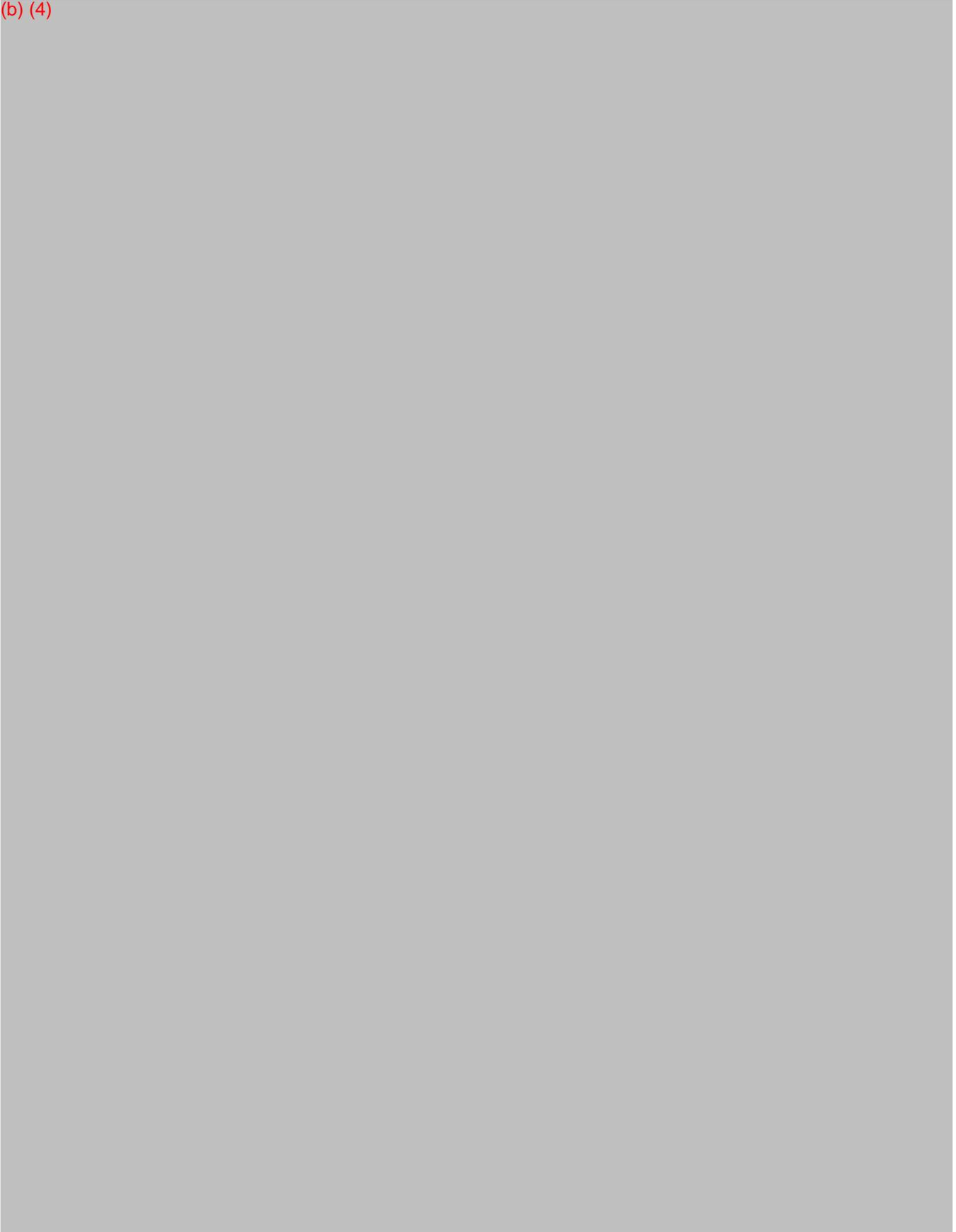
(b) (4)



(b) (4)



(b) (4)



(b) (4)



IN WITNESS WHEREOF, the parties have executed this License Agreement.

UND Center for Innovation Foundation

Investor

/s/ _____
Bruce Gjovig, CEO

/s/ _____
XXXXXXXX, XXX

Date: _____

Date: _____

**NORTH DAKOTA / NORTHWEST MINNESOTA EB-5 REGIONAL CENTER
CONTRACT FOR SERVICES**

This agreement is made between the UND Center for Innovation Foundation, herein after referred to as "Foundation", a North Dakota Nonprofit Corporation, operator of the North Dakota / Northwest Minnesota EB-5 Regional Center, and _____ (Company), hereinafter referred to as "Company", a (State Formed in) _____ (Corporation/LLC) with headquarters in _____ (city), XX(State).

BACKGROUND

1. In 1990, The United States Congress enacted an Immigration Act (the "Act"), which created an employment-creation immigrant investor visa program to be administered by U.S. Citizenship and Immigration Services ("USCIS") through its legacy agencies, the Bureau and Immigration Services and the Immigration and Naturalization Service.
2. The EB-5 permits foreign nationals to receive conditional resident status in the United States in exchange for making a capital investment in the United States that will benefit the United States economy. Each investment needs to create or save at least ten direct full-time jobs for U.S. workers. The minimum amount of investment is \$1,000,000, but that minimum amount is reduced to \$500,000 if the investment is made in a high unemployment area or qualifying rural region.
3. In 1992, the United States Congress enacted the EB-5 regional center pilot program. This Immigrant Investor Pilot Program ("Program") allows both public and private entities to apply for regional center status. The Program allows an investor to create or save at least ten direct and indirect full-time jobs for the U.S. workers.
4. The Foundation is a designated regional center pursuant to the Program, and was founded as a North Dakota nonprofit corporation. The Foundation seeks to improve the regional workforce, work to advance job creation, to provide consultation services for foreign investors, and interact with entities assisting foreign investors to invest in Program eligible capital investments in the State of North Dakota and Northwest Minnesota and serve as North Dakota and Northwest Minnesota's designated Regional Center as that term is defined in the Program and pursuant to U.S. laws and regulations.
5. The Company is seeking equity investment ("Investment") and is offering up to (amount of total money) of (units or stock) in the Company for (Given Amount) per (unit or share) pursuant to the Private Placement Memorandum and in compliance with U.S. law and regulations, to foreign investors who (a) plan to file for an EB-5 Visa under the Immigrant Investor Pilot Program (the "Program") through the U.S. Citizenship and Immigration Services ("USCIS") and (b) are "accredited investors" as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended, and where the "accredited investor" status does not violate U.S. laws and regulations.
6. The Investment by the EB5 investor will be equity capital at a minimum of US \$1,000,000 unless the company is principally doing business in a targeted employment area in which case it may be as low as US \$500,000. The investment capital provided by the EB5 investor is not a loan; the investor will not be entitled to any guaranteed returns but may share in distributions of profits; the investor will not have a redemption right or any right to force the buy-out of his share at a particular price; the investor will be engaged in management of the company in some capacity; and the company will provide evidence of job creation using the IMPLAN-based methodology that is provided by the Center for Innovation Foundation.

WHEREFORE, in consideration of the mutual promises contained in this Agreement, and intending to be legally bound by this Agreement, the Foundation and the Company mutually contract and agree as follows:

1. **Company** hereby engages Foundation for the purpose of

- a. providing consultancy services related to securing private equity investment in the company;
- b. marketing the company to potential qualified international investors in the Company;
- c. identifying professional service providers necessary for attraction and completion of international investment.

2. **Foundation** hereby accepts the engagement described in paragraph 1 and, in that connection, agrees to:

- a. provide consultancy services related to securing private equity investment in the Company, including assessment of necessary capital, valuation of the Company, investment feasibility analysis, and determination of eligibility for inclusion in EB-5 program;
- b. market the company to potential international investors in the Company, including providing Company and region information, investment prospectus, and EB-5 program information;
- c. identify professional service providers necessary for attraction and completion of international investment, including but not limited to translators, accountants, immigration lawyers, and international business law attorneys.

(b) (4)



(b) (4)



(b) (4)



(b) (4)



IN WITNESS WHEREOF, the parties have executed this License Agreement.

UND Center for Innovation Foundation

Company

/s/ _____
Bruce Gjovig, CEO

/s/ _____
XXXXXXXXX, XXX

Date: _____

Date: _____

APPENDIX C:
Letters of Support- North Dakota and Northwest Minnesota

COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEES
HEALTH
SOCIAL SECURITY
TRADE

COMMITTEE ON AGRICULTURE
SUBCOMMITTEES
GENERAL FARM COMMODITIES AND
RISK MANAGEMENT
CONSERVATION, CREDIT, ENERGY,
AND RESEARCH

RURAL HEALTH CARE COALITION
CO-CHAIR



Earl Pomeroy
Congress of the United States
North Dakota

October 7, 2009

WASHINGTON OFFICE:
1501 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2611
REP.EARL.POMEROY@MAIL.HOUSE.GOV

DISTRICT OFFICES:
ROOM 328, FEDERAL BUILDING
220 EAST ROSSER AVENUE
BISMARCK, ND 58501
(701) 224-0355
3003 32ND AVENUE S
SUITE 6
FARGO, ND 58103
(701) 235-9760

Bruce Gjovig, CEO
UND Center for Innovation Foundation
4200 James Ray Drive
Grand Forks, ND 58203

RE: Support of EB-5 Regional Center for North Dakota and Northwest Minnesota

Dear Mr. Gjovig:

I am writing to you today in support of the University of North Dakota (UND) Center for Innovation Foundation's efforts to secure an EB-5 Regional Center designation for the entire state of North Dakota and 20 counties in Northwest Minnesota under the Immigrant Investor Pilot Program through the U.S. Immigration & Citizenship Services (USCIS).

North Dakota and Northwest Minnesota would greatly benefit from foreign investment and new jobs. Despite the recent modest economic growth in our two-state region, several cities throughout North Dakota and part of Northwest Minnesota have experienced levels of unemployment we have not seen in decades. Several manufacturing firms have downsized or shut their doors in our area and the Grand Forks Air Force Base was significantly downsized in the last round of the Defense Base Closure and Realignment Commission (BRAC). Our rural economy has been stressed by outmigration, and an infusion of new Foreign Direct Investment under the EB-5 program and the resulting increase in jobs would greatly benefit our region.

As the region faces economic hardships, it is imperative that the government and the private sector work together toward stimulating the local economy and bringing jobs to the unemployed and underemployed. Designating North Dakota and Northwest Minnesota as a "Regional Center" under the Immigration Investor Pilot Program is a great opportunity to stimulate our regional economy through investment in entrepreneurial ventures.

I fully support UND Center for Innovation Foundation's efforts to establish an EB-5 Regional Center, and I look forward to working with you to make these efforts a reality.

Sincerely,

EARL POMEROY
Member of Congress

KENT CONRAD
NORTH DAKOTA

website: <http://conrad.senate.gov>

COMMITTEES:
BUDGET, CHAIRMAN
AGRICULTURE, NUTRITION, AND FORESTRY
FINANCE
INDIAN AFFAIRS

United States Senate

October 15, 2009

Bruce Gjovig, CEO
UND Center for Innovation Foundation
4200 James Ray Drive
Grand Forks, ND 58203

RE: Support of EB-5 Regional Center for North Dakota and Northwest Minnesota

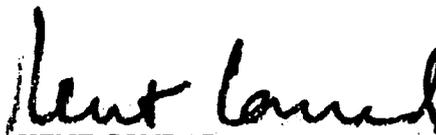
Dear Mr. Gjovig:

It is my pleasure to offer my strong support to the University of North Dakota (UND) Center for Innovation Foundation's efforts to secure an EB-5 Regional Center designation for the State of North Dakota and 20 counties in Northwest Minnesota. I understand the EB-5 Regional Center designation would be under the Immigrant Investor Pilot Program through the U.S. Immigration & Citizenship Services (USCIS).

In recent months, several cities throughout North Dakota and Northwest Minnesota have experienced levels of unemployment not seen in decades. North Dakota's largest manufacturer has closed one of its production facilities and the Grand Forks Air Force Base was significantly downsized in the last round of the Defense Base Closure and Realignment Commission (BRAC). Our rural economy has been stressed by outmigration, and an infusion of new Foreign Direct Investment under the EB-5 program and the resulting increase in jobs would greatly benefit our region. Designating North Dakota and Northwest Minnesota as a "Regional Center" under the Immigration Investor Pilot Program is a great opportunity to stimulate our regional economy through investment in entrepreneurial ventures.

Again, I am pleased to offer my strong support for the UND Center for Innovation Foundation's efforts to establish an EB-5 Regional Center. Please let me know if there is anything I can do to provide additional support to this effort.

Sincerely,



KENT CONRAD
United States Senate

1-800-223-4457

530 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-3403
(202) 224-2043

220 EAST ROSSER AVENUE, ROOM 228
BISMARCK, ND 58501-3866
(701) 258-4648

657 2ND AVENUE NORTH, ROOM 306
FARGO, ND 58102-4727
(701) 232-8030

102 NORTH 4TH STREET, SUITE 104
GRAND FORKS, ND 58203-3738
(701) 775-9601

100 1ST STREET, S.W., ROOM 105
MINOT, ND 58701-3848
(701) 852-0703



— State of —
North Dakota
Office of the Governor

John Hoeven
Governor

October 9, 2009

Immigrant Investor Pilot Program
US Dept of Homeland Security
US Citizenship & Immigration Services
Washington, DC 20528

As Governor of North Dakota, I support the UND Center for Innovation Foundation's efforts to secure an EB-5 Regional Center designation for the entire state of North Dakota and 20 counties in northwestern Minnesota under the Immigrant Investor Pilot Program through the U.S. Immigration & Citizenship Services (USICS).

Our state would greatly benefit from foreign investment and new jobs from the EB-5 program. While North Dakota has experienced economic growth in the past two years, the manufacturing sector of our economy is feeling the effects of the national recession. The Grand Forks area has also felt the effects of the recent the BRAC round as the Grand Forks Air Force Base lost its aerial refueling mission.

The EB-5 program will help our state's entrepreneurs and economic developers secure the vital investment for employment growth. The UND Center for Innovation Foundation is well positioned to lead this effort as they have been working with entrepreneurs and angel investors successfully for 25 years.

Through the "Regional Center" designation under the Immigrant Investor Pilot Program, an opportunity exists to allow the EB-5 Regional Center to foster investment in job-creating ventures in the state of North Dakota and northwestern Minnesota thus providing an economic stimulus to the entire region. This is a program ideal for rural states like North Dakota.

We fully support UND Center for Innovation Foundation's efforts to establish an EB-5 Regional Center for the state of North Dakota and northwestern Minnesota.

Sincerely,

A handwritten signature in black ink that reads "John Hoeven".

John Hoeven
Governor

38:53:56

Immigrant Investor Pilot Program
US Department of Homeland Security
US Citizenship & Immigration Services
Washington, DC 20528

Dear Sir/Madam:

As Commissioner of the North Dakota Department of Commerce, I support the University of North Dakota (UND) Center for Innovation Foundation's application to secure an EB-5 Regional Center designation under the Immigrant Investor Pilot Program through the U.S. Immigration & Citizenship Services.

Our state and region has historically grown its business base through investments from within while typically being overlooked as a location for injecting capital by outside private investors and investment groups. This is not due to a lack of quality investment opportunities, but rather, the result of an under-utilization of our natural and human resources and creativity that exists in the state of North Dakota.

With a resurgence of entrepreneurial activity, enhanced efforts to commercialize university research and the strategic delivery of aggressive business development programs within our region, we see tremendous opportunities to diversify and expand our economic base with resources that can be brought forth through an EB-5 Regional Center. An EB-5 Regional Center will provide us with the resources to generate new business development and growth through the attraction of investment dollars into North Dakota and Northwestern Minnesota.

The North Dakota Department of Commerce strongly supports the UND Center for Innovation Foundation's efforts to establish an EB-5 Regional Center. Your approval of this application will result in positive benefits for the State of North Dakota, Northwestern Minnesota and the United States as a whole.

Best Regards,



Shane Goettle
Commissioner

COLLIN C. PETERSON
7TH DISTRICT, MINNESOTA

COMMITTEE ON AGRICULTURE
CHAIRMAN

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

2211 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
TELEPHONE: (202) 225-2166
FAX: (202) 225-1593
INTRNET: www.house.gov/collinpeterson

October 9, 2009

Selection Committee
Immigrant Investor Pilot Program
US Department of Homeland Security
US Citizenship & Immigration Services
Washington, DC 20528

Dear Selection Committee:

It is my pleasure to provide a letter of support to the proposed project from the UND Center for Innovation Foundation to secure an EB-5 Center designation for 20 counties in Northwest Minnesota and the entire state of North Dakota under the Immigrant Investor Pilot Program through the US Citizenship & Immigration Services (USCIS).

Despite the recent growth in our region, several cities throughout Northwest Minnesota and North Dakota have experienced some levels of unemployment never seen before. This is a rural area of the country that has been stressed for decades by outmigration and loss of jobs. Foreign Direct Investment under the EB-5 program will help turn the tide of high and steady outmigration that has resulted in low population in rural areas.

As the region faces economic hardships, it is imperative that local municipalities, counties, government, and the private sector work together toward stimulating the local economy and bringing jobs to the unemployed and attracting new businesses to locate in our region.

It is my opinion that the USCIS objectives for the Immigrant Investor Pilot Program will be well met with the approval of this grant from the UND Center for Innovation Foundation.

Thank you for your consideration. Please inform me as to your decision.

Sincerely,


Collin C. Peterson, MN 07
Member of Congress

DISTRICT OFFICES

714 LAKE AVENUE
SUITE 107
DETROIT LAKES, MN 56501
(218) 847-5058
FAX: (218) 847-5109

1420 EAST COLLEGE DRIVE
SW/WC
MARSHALL, MN 56258
(507) 537-2288
FAX: (507) 537-2298

MN WHEAT GROWERS BUILDING
2603 WHEAT DRIVE
RED LAKE FALLS, MN 56750
(218) 253-4356
FAX: (218) 263-4373

CENTRE POINT MALL
320 4TH STREET SW
WILLMAR, MN 56201
(320) 235-1081
FAX: (320) 236-2651



COUNTY OF BECKER

Becker County

P.O. Box 787 • Detroit Lakes, MN 56502-0787

October 8, 2009

RE: Support of EB-5 Regional Center for North Dakota and Northwestern Minnesota

To Whom It May Concern:

Becker County supports the efforts of the UND's Center for Innovation Foundation to secure an EB-5 designation for the North Dakota and Northwestern Minnesota.

As a County located within this region, we are supportive of efforts that provide for local and regional economic development opportunities.

In establishing the Center for Innovation as a United States Citizenship and Immigration Service (USCIS) Regional Center we believe that our area can attract investor's and coordinate the essential communications required to translate investment opportunity into economic development activity. We are interested in creating jobs through entrepreneurship and believe that this Center for Innovation can contribute to that goal.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry L. Salminen". The signature is written in a cursive style with a large initial "H".

Harry L. Salminen
Chair, Becker County Board of Commissioners



October 6, 2009

RE: Support of EB-5 Regional Center for North Dakota and Northwest of Minnesota

To Whom It May Concern:

I write in support of UND Center for Innovation Foundation efforts to secure an EB-5 Regional Center designation for the entire state of North Dakota and 20 counties in Northwest Minnesota under the Immigrant Investor Pilot Program through the U.S. Immigration & Citizenship Services ("USCIS").

As the region faces economic challenges, it is imperative that local municipalities, counties, government, and the private sector work together toward stimulating the local economy and bringing jobs to the unemployed and attracting new businesses to locate in our region. The EB-5 regional center initiative can act as a catalyst to attract investment in identified growth sectors for the region defined and has the potential to be a key component of our economic development efforts in the future.

Through the "Regional Center" designation under the Immigrant Investor Pilot Program an opportunity exists to allow the EB-5 Regional Center to invest in job-creating projects in the state of North Dakota and Northwest of Minnesota thus providing an economic stimulus to the entire region.

I urge support of UND Center for Innovation Foundation efforts to establish an EB-5 Regional Center for the state of North Dakota and Northwest Minnesota.

Sincerely

A handwritten signature in cursive script, appearing to read "Harold A. Seland".

Mayor – City of Fergus Falls

APPENDIX D:
Center for Innovation Foundation Board Resolution

RESOLUTION AUTHORIZING APPLICATION FOR AN EB-5 REGIONAL CENTER FOR NORTH DAKOTA AND NORTHWEST MINNESOTA

WHEREAS the Board of Directors (trustees) of the UND Center for Innovation Foundation wish to enhance our ability to secure additional capital for entrepreneur ventures and appreciates the potential of attracting foreign direct investment through the EB-5 program for North Dakota and Northwest Minnesota, and

WHEREAS the EB-5 Employment Based Immigrant Visa provides for conditional legal permanent resident status for persons who invest \$1 million (or in some cases \$500,000) in a growing business that employ ten US citizens full-time and who engages in that business through day-to-day management or policy decisions, and

WHEREAS on Aug 15, 2008 the Foundation board of directors authorized the CEO to budget and commit up to (b) (4) to pursue application of a EB-5 Regional Center, and

WHEREAS on Nov. 10, 2008 the Foundation CEO reported to the board of directors that Congress did not reauthorize the EB-5 program for several years as anticipated, but passed a continuing resolution extending the program until March 31, 2009. Therefore the Foundation's EB-5 regional center application was put on temporary hold until legislation extends program further, and

WHEREAS on August 8, 2009 the Board of Directors authorized the CEO and staff to prepare the EB-5 Regional Center status in anticipation of extension of the EB-5 program and accept a (b) (4) grant from the North Dakota Department of Commerce to help establish the EB-5 Regional Center for North Dakota and 20 counties in Northwest Minnesota. The motion passed unanimously, and

WHEREAS several angel funds in the region as well as government and private entities in North Dakota and Minnesota are supporting the Foundation's application to launch a EB-5 Regional Center,

NOW, therefore, be it resolved by the board of directors of the UND Center for Innovation Foundation that he CEO of the Foundation is authorized to make the final application to launch a EB-5 Regional Center for North Dakota and the 20 counties of Northwest Minnesota after completing consultation with Center staff, attorney Lincoln Stone, economist advisors and other experts to submit a complete application for a EB-5 Regional Center.

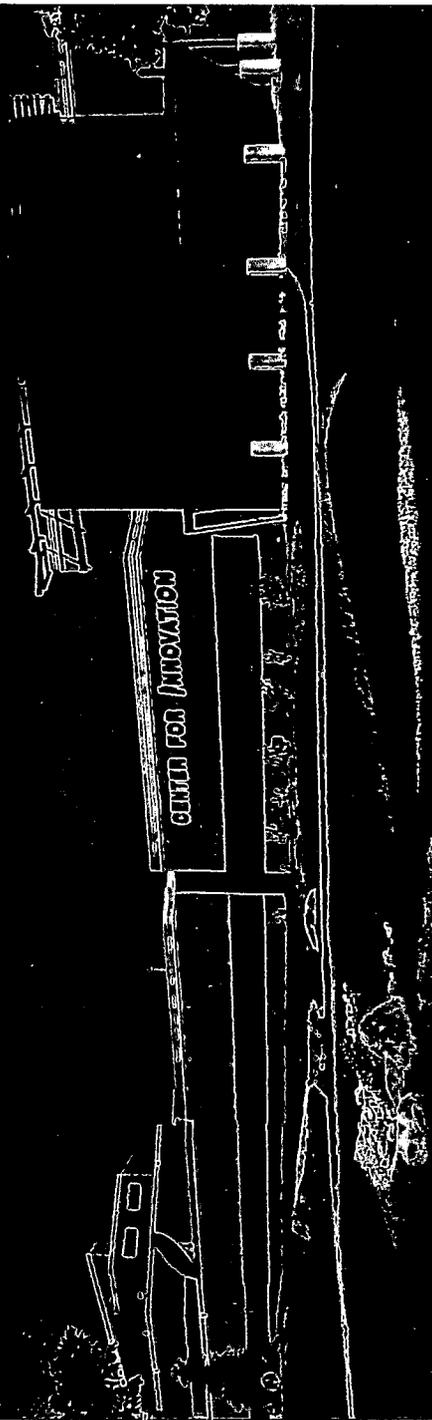
Approved on November 10, 2009 by unanimous vote.



Bruce Gjovig, CEO

APPENDIX E:
Center for Innovation Marketing Material
Marketing Material Attached with Application Package

Center for Innovation



25 YEARS OF INNOVATION, ENTREPRENEURSHIP AND INVESTMENT

The 25-year history of the Center for Innovation is a story of 1) innovation, entrepreneurship and investment; 2) becoming a very early leader in entrepreneur outreach and tech entrepreneurship; 3) transforming students into innovative entrepreneurs; 4) constant innovation and improvement; and 5) changing the entrepreneur culture of the State of North Dakota and UND. This milestone provides a good time to appreciate from where we have come, reflect on where we are, and project where we are going.



Success stories involve vision and key strategies as well as leaders and stakeholders who make a vital difference. No person or entity climbs to the top alone and rarely without severe challenges and obstacles. The UND Center for Innovation is no different. Here are the key factors to our success since our launch in 1984.

Tom Clifford, Patron Saint

We were blessed to have the strong support of UND President Tom Clifford in the formative years, lasting long after his retirement in 1992. He was an enthusiastic supporter when he allowed me to start one of the nation's first entrepreneur outreach centers. Tom wanted innovation on campus and he was willing to back an idea that totally foreign to a college campuses at that time. Most university administrators avoid risk and unknowns outside the laboratory, and only will do the already tried and true... and well-funded. However, Clifford was an extraordinary leader who appreciated new opportunities, believed the future is often created by mavericks, and backed his campus innovators by helping to secure much needed funding. Clifford asked me to report directly to him to send a message to the nay-sayers, detractors and bureaucrats: the new Center enjoyed his blessing. With his extensive business knowledge, he was a positive advisor when asking for counsel, but he never interfered with operations. Clifford liked football, so I often said Tom blocked and tackled so that I could run. And he did. The Center would not have been started under most other college administrators who would be either nervous about innovation and change, or who did not see the value of entrepreneurship. I was so fortunate to launch the Center under a university leader who embraced innovation and entrepreneurship and provided good counsel and support when it was needed. I shall forever be indebted to this extraordinary leader – Tom Clifford who was a mentor and friend until the day he died this last February.

Capitalism and Entrepreneurship

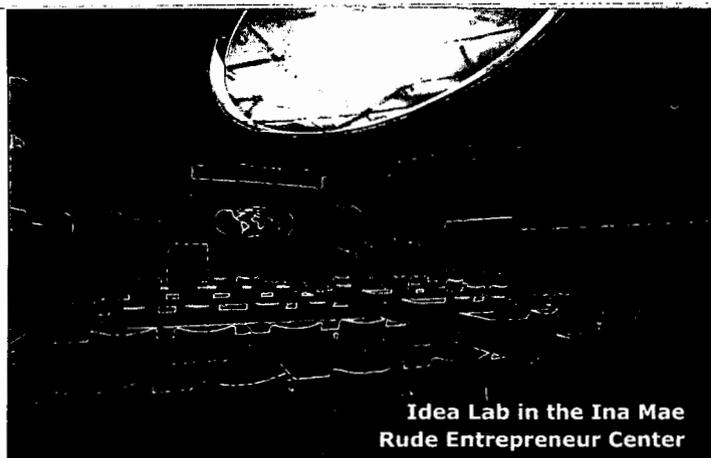
I have a strong belief that capitalism – particularly entrepreneurship – is the best way for the poor and disadvantaged to raise their heads above the crowd, supported by a good education that provides know-how, skills and the ability to think on your feet. I believe it is through entrepreneurship that the economy is fueled – creating more and broader opportunity for home ownership, savings, retirement plans and their own companies i.e. wealth and security. I grew up in modest economic conditions on a small farm with no particular advantage other than my mind and a supportive family. I never felt that I should be taken care of, and thought nearly all people have the ability to take control of their own individual destinies. Entrepreneurship is how people can best realize their potential and be rewarded for their talents. So many started with so little, and attained so much through entrepreneurship. The names on endowments, museums, foundations, and public buildings are populated by entrepreneurs who grew much from little, and gave back to their communities, universities, and the nation. I am immensely thankful to the American system of capitalism and the relative ease that people can start ventures and find their competitive advantage through innovation. Being an entrepreneur is not easy and there are many steep hills to climb, but at least not all the odds are stacked against the new and small. Entrepreneur Centers should be in every state, nation and on nearly every college and university campus. It was our American system and values that allowed the Center for Innovation to be among the first entrepreneur centers in the world, figuring how to do more and be better. I feel lucky and blessed to have played a role in the establishment of UND's Center for Innovation.

Business Builders, Benefactors, Investors and Mentors

The idea to start the Center for Innovation came while working with UND alumni who were successful entrepreneurs. I was fascinated with these outstanding leaders who were innovators and business builders and who were strongly committed to the university and their respective communities. I thought it would be good to purposefully help young people become entrepreneurs - our nation's future innovators, employers, leaders and benefactors. In 1984, entrepreneurs were universally ignored by economic developers, universities, chambers of commerce, government officials - nearly everyone. It is difficult to remember in today's business environment that 25 years ago there was total lack of attention and priority given to entrepreneurs. Informed people now recognize that our world economy is highly dependent on a constant supply of new entrepreneurial leaders and innovation. When launching the Center for Innovation, I sensed that I could depend on successful entrepreneurs to support future entrepreneurs. Entrepreneurs remembered how lonely and difficult it was to start a new venture and wished better for the next generation. In 1984, Clifford provided the first \$20,000 to launch the Center and challenged me to raise funds from UND alumni and entrepreneurial friends to operate the Center. Fifteen entrepreneurs stepped up to the plate the first year, with Walt Swingen of Grand Forks writing the very first check. When thanking Walt, I quoted a Chinese proverb: "He who gives early gives twice" i.e. leadership gifts matter greatly. He liked to tease me that quote meant he had the opportunity to give more than once, which he did as did many other benefactors. We are now approaching \$30 M invested in our two tech incubators, endowments, program infrastructure, and entrepreneur outreach. The Center exists because successful entrepreneurs invested in the next generation of entrepreneurs. Without these benefactors we would still be in a storage closet in Harrington Hall hoping for crumbs. These successful entrepreneurs were vital advocates and advisors for the Center, mentors to emerging entrepreneurs, investors in ventures, and helped form a vibrant entrepreneur community. The key experts are the successful practitioners who know the art and science of launching and growing ventures. These practicing experts were vital in building our Center that became world-class and recognized with seven national awards. We are still learning from these entrepreneur experts. And, as always, we are so very grateful for their ongoing participation and stewardship.

Center for Innovation Foundation

When launching the Center, I was fortunate that an early leader in entrepreneurship education was a native of Ashley, North Dakota. Dr. Dwight Baumann started teaching entrepreneurship classes at MIT in the late 1950s and launched an entrepreneur program at Carnegie Mellon University in the 1970s. He strongly advised that if the university did not supply the necessary funding for the Center, he said we should utilize a 501(c)3 foundation to attract funding and entrepreneur leaders, whom serve as catalysts for change and protect the funding from the bureaucracy. President Tom Clifford agreed. Dwight lectured often that the natural enemy of innovation and entrepreneurship is bureaucracy, and that universities will embrace innovation only with strong catalysts from outside and good leaders on the inside. He was so right. The Foundation has been instrumental in attracting great entrepreneur talent as trustees as well as benefactors to help build the Center and the



**Idea Lab in the Ina Mae
Rude Entrepreneur Center**

academic entrepreneur program. The 25-year outcome would be quite less without the Foundation, and our future remains closely tied to the success of the Center for Innovation Foundation and its entrepreneur trustees. Entrepreneur benefactors are attracted to a foundation that has entrepreneur trustees to provide oversight and direction.

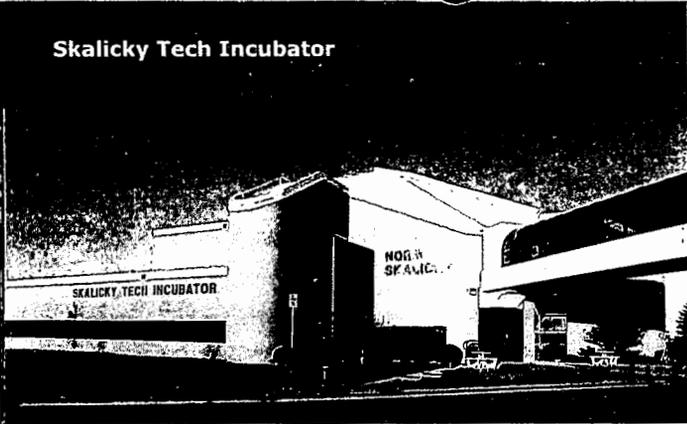
Dean Dennis Elbert & the campus supporters

I was a strong advocate for Dennis Elbert when he was being named Dean of the College of Business & Public Administration in 1997. He was an outstanding marketing professor, a strong student advocate, had extensive military and consulting experience, had worked with entrepreneurs, and knew UND as he was a North Dakotan and graduate. When he was named Dean, the Center for Innovation found a good home in the College of Business. After many years of trying to get an entrepreneur major launched, we finally had receptive leadership. UND's entrepreneur experience is unusual in that most colleges have an entrepreneur outreach program grow out of the academic entrepreneur department. It was the other way around at UND, with the academic program growing out of the Center for Innovation in 1999. Within five short years we were ranked in the top 1% of entrepreneur programs nationally by Princeton Review becoming a signature program for UND. The Center enjoys strong support from Denny as well as many business faculty and other faculty across campus. It is not universal support, but we did have vital support from key faculty and administrators that has allowed us to excel nationally, even on a shoestring budget. We are blessed. On many campuses, entrepreneurship programs have been starved, attacked, robbed, micro-managed by the unknowing - facing every obstacle one can imagine. Politics on a college campus can be brutal, especially for the newly successful. Dean Elbert has helped us avoid such pitfalls and setbacks for which we are truly thankful. I was pleasantly surprised when UND announced their new branding statement in 2008: Creative ~ Innovative ~ Entrepreneurial ~ Spirited. The campus culture has changed, embracing key principles and values of our organization. No finer compliment can be paid.

Public Policy Leaders

Entrepreneurs depend on a favorable business climate to increase their opportunities to succeed. From the very first year, I have advocated many tax, regulatory, legal, financing and other reforms and programs to improve North Dakota's entrepreneur business climate. I have been fortunate that US Senators and Congressmen, Governors, State Legislators and government administrators have responded so favourably. In

Skalicky Tech Incubator



particular, I have teamed up with three leaders many times to innovate with public policy that has helped advance North Dakota as an entrepreneur-friendly state – Sen. Ray Holmberg of Grand Forks, Sen. Tony Grindberg of Fargo and Governor John Hoeven. These are great quarterbacks who will carry the ball all the way down the field. By embracing innovative policy ideas, North Dakota has programs like InnovateND, 45% investment tax credit for angel investors, the Beginning Entrepreneur Loan Program, tort reform for aircraft manufactures, \$5M for growing the UAS mission at the Grand Forks Air Force Base, and many more initiatives too numerous to mention here. Special mention should be made of Sen. Kent Conrad who was a key advocate in 1992-93 to help the Center for Innovation Foundation secure a \$3.5 M competitive grant from HUD to build the first campus incubator on the Great Plains, now called the Skalicky Tech Incubator. Our Foundation gave the incubator building to UND to secure the building's operational support at a time the Foundation was unsure it could secure those resources. It is never easy to secure funding for a new building, esp. when you are a young program with more opportunity and vision than track record and funding. We are fortunate to have these elected officials who understand and embrace innovation and entrepreneurship. North Dakota was an entrepreneur state from the time of the homesteaders and immigrants until the Great Depression, a period of 50 years. We lost that entrepreneur culture for four decades after the depression, but it is coming back strong. Our best years are ahead of us thanks to innovative entrepreneurs who have a good entrepreneur business climate in which to launch and operate new businesses right here in North Dakota.

Entrepreneurial Students

The Center has continuously bootstrapped our operations, patching together the funds from many sources required to get the job done right. This is a constant stress and strain. Often the only talent I could afford was student talent who were looking for an opportunity to prove themselves. Entrepreneur-minded students consistently out performed in quality and quantity those 'experts' hired from the corporate or academic spheres. So we built a world-class entrepreneur center with a large dose of student talent. Many predicted that it could not be done, as experience and credentials were premium. They were wrong. We built the Center on young talent and at a fraction of the cost of other university centers, esp. at big-name schools. I would put our students from North Dakota and Minnesota against experts, students or faculty from the Ivy League and the elite universities. Our students are bright, practical, hard

working young people who are immensely resourceful and creative in a way the rich kids could not be. I have a good eye for talent, and there is lots of talent here to choose from. If anyone doubts the wonderful talent of our student body, think of the incredible number of successful alumni from UND. That number keeps growing. Bart and Lynn Holaday provided a grant in 2006 to the Center for Innovation Foundation to start up the nation's first student-run venture fund - the Dakota Venture Group. This student group works at a very high level of expertise and ability, more than 15 to 20 years above their age and credentials. Just one more example where our students do compete with anyone from anywhere. Students helped build a world-class entrepreneur center, and in turn we give them experience that they could not get anywhere else. That is a great win-win situation.

Entrepreneurial Talent

Every great organization is built with great talent whose leadership, creativity and productivity are unleashed. As my comments above testify, I have been able to surround myself with student talent, and have worked with an amazing number of emerging entrepreneurs across the state with ideas, leadership, vision, and entrepreneur gumption. Their success reflects well on us, but they did the heavy lifting with innovation and new ventures. We were the coaches on the sideline urging them on as they were on the field competing. There are so many good people to recognize and appreciate; there is danger in mentioning some and not others. North Dakotans are cautious entrepreneurs and tend to underpromise and over deliver. Most shun bringing attention on themselves, and would rather do a very good job with no special notice. The challenge before us to is unleash the entrepreneur talent of so many more people. Good news is that entrepreneur talent is all over North Dakota, too often waiting to be empowered and encouraged. Help us unleash that talent.

Two academic colleagues - Craig Silvernagel and Jeff Stamp - deserve special attention as they are the dedicated professors who do superb work in the classroom that has resulted in our top academic rankings. The Center is the entrepreneur lab for our academic program. Our Foundation and Center have secured a good share of the necessary funding for professors, internships, programs, etc. investing in the future of young talent and great professors. Most serial entrepreneurs think about becoming an entrepreneur when quite young. Providing the knowledge and tools early will only accelerate success that our economy needs. These two professors provide the academic rigor and they have dedicated their professional lives to our students and excellence in the classroom. Every day I have evidence of their good work. When you see Craig and Jeff thank them. They are entrepreneur educators who are truly best-in-class.

Staying on Top is Hard Work

To remain a top-ranked and nationally recognized program is hard work. Our entrepreneurship program has been ranked in the top 1% of programs in the nation for five years. Entrepreneurship has become a signature program for UND, bringing honor and recognition to our students, faculty, Center, University and State. However, our competitors and colleagues do not slack off so we can stay ahead and coast. It is just the reverse: they copy success and work harder. I have re-invented the

Center a half-dozen times in 25 years to keep it state-of-the-art, and I am in process of doing it again enhancing our programs and adding new dimensions. My early goals were to be among the best in the nation, and the best in rural America. I did not give a lot of thought during that time of growth to what it would take to stay on top. Electronics and plastics entrepreneur Shelly Schjeldahl gave me a quote from Rudyard Kipling that helped sum up the need for innovative leadership, "They copied and copied but could not copy my mind, so I left them sweating and stealing a year and a half behind." With the help of our students, entrepreneur friends and benefactors, we will stay on top.

Innovation, Entrepreneurship and Investment

From the beginning the Center for Innovation was focused on innovation, entrepreneurship and investment - plus the programs and infrastructure that support that focus. Innovation is what provides the competitive advantage. The focus has remained consistent for 25 years as we have developed several improved and new programs, new facilities, new infrastructure, and better ways of supporting creative entrepreneurs. I have enough ideas it will take me a decade to find ways to implement them all. There are better ways to provide quality entrepreneur education that will reform entrepreneur education nationwide. It needs to be focused more on entrepreneur practitioners as professors, more leadership and entrepreneur experience for students, better integration of knowledge, be campus-wide and better engagement of students with emerging entrepreneurs for win-win situations. There are opportunities to turn on the entrepreneur spirit for middle-age folks who want a new challenge and focus in life. And there are more ways to engage potential angel investors in entrepreneur ventures. Stay tuned for more.

Recessions provide opportunity, too

What is behind us is not as important as what is ahead of us. There is so much opportunity to capture, and so many creative people who are waiting for someone to help them start their entrepreneur journey, even in hard times. Let us not regret lost opportunity - the hardest thing to measure in the world. The Center was born at the end of the 1980-83 world recession and after the malaise and stagflation of the 1970s. We have been through several North Dakota and national recessions in 25 years. In every market - up or down - there is opportunity for those who are looking, sometimes more opportunity in a down market. Dynamic change creates opportunity, and creative destruction (thank you Joseph Schumpeter) helps us advance with innovation and entrepreneurship. Out with the old and tired, and in with the new and innovative. I am alarmed that so many leaders have quickly forgotten the great lessons of entrepreneur capitalism in the current recession. Luckily creative entrepreneurs are paying more attention to potential customers than political leaders. Often I am discouraged when I see talent and opportunity wasted, but always optimistic and rejuvenated when I am around innovators and entrepreneurs. Our country has been through 37 recessions and depressions in 230 years, and from each cycle we came out stronger than before. The leading indicator in each recovery was innovation, entrepreneur and investment activity in the private sector. Our government and institutions learn slowly from experience in economic and business cycles. Luckily there are entrepreneurs - busy seeing what others do not see with a bias for action and opportunity. There is lots of opportunity before us. Help every-

one you can find opportunity. The best resource man has is man himself, and we are everywhere. Unleash that resource.

Finding your passion

It did not occur to me growing up to become a social or campus entrepreneur, growing a non-profit to national prominence. I was around self-reliant Norwegian farmers near Crosby who were great problem solvers and practical thinkers, but I cannot think of any family or friends that I would identify as entrepreneurs. The entrepreneur gene was turned on when I was president of my fraternity learning leadership, and then asked by Delt alumni to help build a new chapter house on campus. At that time we started the first chapter educational foundation in the nation, proving the experts and naysayers wrong. I liked that. That process of innovation and pioneering helped me realize I liked the building and growth process, being creative. After four quick job changes in four industries, I found my passion and calling with the Center for Innovation a few years after graduation. I did not think I was the type that could do one thing for 25 years much less being an entrepreneur coach and pioneer in the entrepreneurship field. I underestimated the power of passion. What I wish for others is they find their passion too. It gives life such meaning and purpose. My mother died early when I was in college and my farmer father was never sure I could make a living as an entrepreneur coach in a university, but he was proud of my success anyway. Good fathers are like that, supporting your children's dreams even if it is to pioneer and not do the safe and secure. I have been blessed in so many ways, even during the tough times over this stretch of 25 years (which I will not talk about here). We learn from challenges and problems too, and as the Slavic's say, what does not kill us makes us stronger. I have dedicated my life to entrepreneurship and innovation with few regrets. There is nothing else I would rather do for a career than work with innovators and entrepreneurs. I see lots more to do to advance the entrepreneur world. I see entrepreneur talent is so many places. Too often I have not expressed my appreciation and thanks for those who were on the journey too. This is the time to do that. As the Norwegians say - mange tusen takk - many thousand thanks.

Bruce Gjovig
Entrepreneur Coach & Director
UND Center for Innovation



CENTER FOR INNOVATION MILESTONES



- Aug. 1, 1984** Center for Innovation and Business Development launched. Among the very first centers in the nation focused on tech entrepreneurship and product innovation.
- 1985** Mike O'Donnell joins Bruce Gjovig as second entrepreneur consultant. O'Donnell forms Ask-Me Software in 1990, the first multi-media software in national retail distribution.
- CIBD Advisory Board formed, within Foundation: Gene Dahl; manufacturing entrepreneur is first chair.
- 1986** Entrepreneur Hall of Fame founded. First inductees were George Bull, founder of Cream of Wheat and Thomas Campbell, the world's largest farmer and ag innovator.
- Business Plan and Marketing Plan books completed—first step-by-step workbooks for tech entrepreneurs and innovators nationwide.
- 1987** SBIR Outreach began - over \$26 million in North Dakota awards since that time.
- Championed legislation to establish Myron Nelson Venture Capital Fund & helped organize state's first venture capital fund.
- 1988** Pioneered commercial evaluations methodology for energy technologies & secured 12 year DOE contract for market assessments.
- 1989** Business Innovator of the Year founded. First awardees were Doug Burgum of Great Plains Software and John Odegard of the UND Center for Aerospace Sciences.
- 1989-1991** Northwest Area Foundation funds Rural Manufacturing Entrepreneur Initiative to start up manufacturing companies in rural areas—named one of most effective programs by NWAFF.

- 1991** Center for Innovation Foundation spun out from the SEM Foundation - Center founder, Bruce Gjovig elected Foundation President and serves as Director of the Center for Innovation.
- President Tom Clifford establishes the UND Tech Park with the purchase of 110 acres of land. UND Aerospace Foundation and Center for Innovation team up to secure \$1.1 M EDA grant for infrastructure to launch park. Park attracts \$45 million in investment and grows to 9 buildings hosting 600 employees in 17 years.
- 1992** Secured Patent & Trademark Library for ND and raised significant grant from 3M Foundation to buy backfiles of patents.
- 1993** Championed legislation to establish a 30% seed capital tax credit to encourage investors to invest in entrepreneur ventures. North Dakota was 2nd state to offer credit, raised to 45% in 2003.
- Organizes and hosts Cream of Wheat Centennial Celebration, a breakfast for 6,000.
- 1995** Pioneered and co-authored "tort reform by contracts" in legislature to revive aircraft manufacturing industry, helping attract Cirrus Design aircraft manufacturing to North Dakota - ABA calls it "the most innovative tort reform bill in the nation today".
- 1996** Rural Technology Center opened—new ventures have opportunity to locate in the first tech incubator in the Northern Great Plains. Later renamed Norm Skalicky Tech Incubator.
- Name of Center for Innovation and Business Development shortened to Center for Innovation.
- 1996** Center for Innovation awarded the national Tibbetts Award in recognition of contributions to the SBIR program and tech innovation
- 1997** Kurt Mueller of the Kauffman Center for Entrepreneurial Leadership establishes the Mueller Entrepreneur Internship program. More than 100 student entrepreneurs have launched student venture since then, a student startup rate among highest in nation.
- 1998** Center for Innovation awarded the national Tibbetts Award in recognition of contributions to the SBIR program and tech innovation.

1999 Center for Innovation awarded the Vision 2000 Award by the U.S. Small Business Administration for tech entrepreneurship.

Established the Beginning Entrepreneur Loan Program with Sen. Ray Holmberg of Grand Forks, the nation's first program making loans based on quality of business plan and good credit rating, not collateral. Entrepreneur Loan program expanded each year to become \$8 M program by 2009.

Entrepreneur major and track launched within the UND College of Business & Public Administration. First time that business courses are opened up to non-business majors reaching out to student innovators and entrepreneurs campuswide. Entrepreneur major quickly becomes fastest growing major on campus.

1990s

2000 Ryan Foltz of Grand Forks becomes the first graduate with an entrepreneur major in Dec 2000.

2001 Center for Innovation Foundation board rejuvenated in April with trustees Russ Brown, James Ray, Norm Skalicky, Kurt Mueller, and Howard Dahl. Bruce Gjovig named as CEO.

Angel investor and entrepreneur James Ray makes \$3.5 million gift to Center for Innovation Foundation for endowment for Center and Entrepreneur Chair in the College of Business and Public Administration.

Center hosts first of a series of angel capital seminars for angel investors across the state to encourage accredited investors to organize to invest in entrepreneur startups.

2002 Entrepreneur Forum founded through a grant from the John S. and James L. Knight Foundation. Successful entrepreneurs from around nation brought to campus to visit about innovation and a entrepreneur success to emerging entrepreneurs, students and community.

AGSCO entrepreneur Larry Brown leaves funds in his estate for the Center for Innovation Foundation to establish a Brown Ag Entrepreneur Endowment.

2003 Diving board entrepreneur Ray Rude of Stanley donates \$1.75 million to the Center for Innovation Foundation for the Ina Mae Rude Entrepreneur Center.

Incubator named the state's first Centers for Excellence by the North Dakota Legislature - \$800,000 funding provided for second technology incubator.

Bruce Gjovig awarded the Small Business Research Advocate Award for the state of North Dakota and the SBA's Region VIII (a six-state region).

Bruce Gjovig honored by the GNDA with statewide Entrepreneurial Spirit Award.

2004 RTC renamed Skalicky Tech Incubator for \$1 million endowment provided by banking entrepreneur Norm Skalicky '55 of St. Cloud, Minnesota.

UND ranked 14 among the 25 top entrepreneurial campuses by Forbes and Princeton Review out of 357 universities reviewed. The Center's foundation, board, incubator, entrepreneur internships, and student startups were profiled by Princeton Review.

Howard and Brian Dahl and Dorothea Melroe establish the Gene Dahl and Roger Melroe Faculty Entrepreneur Endowments to encourage faculty to work with entrepreneur firms on innovation.

2005 Ina Mae Rude Entrepreneur Center opens, doubling the Center's incubator space and providing state-of-the-art office, wet lab as well as meeting and conference space. Center launched state's first operational Center of Excellence, with a 4:1 match on state funding.

Dr. Jeff Stamp named as the first Chair of Entrepreneurship, funded in part by Chair established by James C. Ray.

Center for Innovation secures 3 year University Center grant from EDA-Denver to expand incubator functions, tech-based economic development and entrepreneurship. NDSU Research Technology Park and ND Dept of Commerce are partners in grant award.

2006 Ranked #8 out of top ten "Best Schools for Entrepreneurs" in the nation by Princeton Review and Entrepreneur Magazine out of 700 schools reviewed being ahead of such universities as Babson, Stanford, Notre Dame, University of Illinois and others.

Center for Innovation is named a "Soft Landings International Incubator" by the National Business Incubation Association (NBIA) for providing assistance to international firms wishing to expand into new markets. One of six incubators worldwide to have this two-year international designation.

2000s

2006 Angel Funds were launched in Grand Forks, Fargo and Bismarck affiliated with RAIN Source Capital in St Paul, a network of 23 angel funds in six states.

Bart & Lynn Holaday make a grant from the Dakota Foundation to launch the nation's first student-run venture fund, the Dakota Venture Fund.

InnovateND was launched after two years of working with Gov. John Hoeven to have a statewide program to foster innovation and entrepreneurship encouraging people of all ages in all industries to launch new firms. In the first three years more than 484 people worked on 247 ventures. More than 70 ventures were launched in the first two years.

2007 Ranked # 9 out of top 25 "Best Schools for Entrepreneurs" in the nation by Princeton Review and Entrepreneur Magazine out of 900 schools reviewed.

Gas station entrepreneur Ethel Torreson Stone leaves part of her estate to establish Ethel Torreson Stone and Charlotte Klein Torreson Entrepreneur Endowment to support women entrepreneurs.

2008 The Center continues to be recognized for its work in International business as the "Soft Landings International Incubator" status is renewed for 2008-10. Center named by the National Business Incubation Association (NBIA) for providing assistance to international firms wishing to expand into new markets. Now it is one of twelve incubators worldwide to have this international designation.

Ranked #13 out of top 25 "Best Schools for Entrepreneurs" in the nation out of 2,300 schools ranked by Princeton Review and Entrepreneur Magazine. Being on the top 1% of all entrepreneur programs for third consecutive year is major feat, esp. since so many programs are well funded.

8 members of the Dakota Venture Group attend Berkshire Hathaway annual meeting to hear the "Oracle of Omaha" Warren Buffett.

Center for Innovation secures 2 year grant from EDA to foster launch and growth of technology startups and expansion of angel investment. NDSU Research & Tech Park and the ND Department of Commerce are partners.

The Department of Entrepreneurship was established and approved by various campus bodies.

Entrepreneur Rod Burwell of Minneapolis sets up agreement to establish the Burwell Chair of Entrepreneurship, and Larry Pate Ph.D. was named Chair.

The Acton Foundation of Austin, Texas, honored Chair of Entrepreneurship Jeff Stamp with its prestigious Excellence in Entrepreneurship Education Award, a national teaching award.

Gjovig named Knight of the First Class, Royal Norwegian Order of Merit from King Harald V for outstanding work on behalf of educational exchanges and entrepreneurship activities in Norway.

2009 Center named 1st runner up in International Incubation Award by NBIA at their International Conference in Kansas City. Also named finalist in the national EDA Excellence in Rural Economic Development Award - both for forming a network of angel funds in a rural state, and serving as field agent to bring entrepreneurs and investors together around new ventures.

President Emeritus Tom Clifford passed away on Feb 4, after 25 years of supporting the Center. Months before his passing, Tom and Gayle Clifford established the Clifford Entrepreneur Endowment to support campus entrepreneurs and innovators, who can grow the next major program at UND.

Aug. 1,

2009 The Center celebrates 25 years as a national leader in entrepreneurship.



Entrepreneurs Supporting Entrepreneurship

Just a few of the entrepreneurs who have helped make the past 25 years a success.



Ethel Torreson Stone

Ethel Torreson Stone was 25 years old when she opened Torreson Oil in Grand Forks in 1938. To learn more about the oil business, Ethel joined the Northwest Petroleum Association in the 1940s. Demonstrating her leadership ability in a traditionally male-dominated oil industry, she was the first and only woman to ever serve on their board. She was an active member of several community organizations and was the first woman pilot in Grand Forks when she secured her license in 1947. Upon her death in 2007 at age 94, the Ethel Torreson Stone Entrepreneur Endowment was established through an estate gift of \$400,000. A suite in the Ina Mae Rude Entrepreneur Center is named for Ethel and her mother, both gas station entrepreneurs.



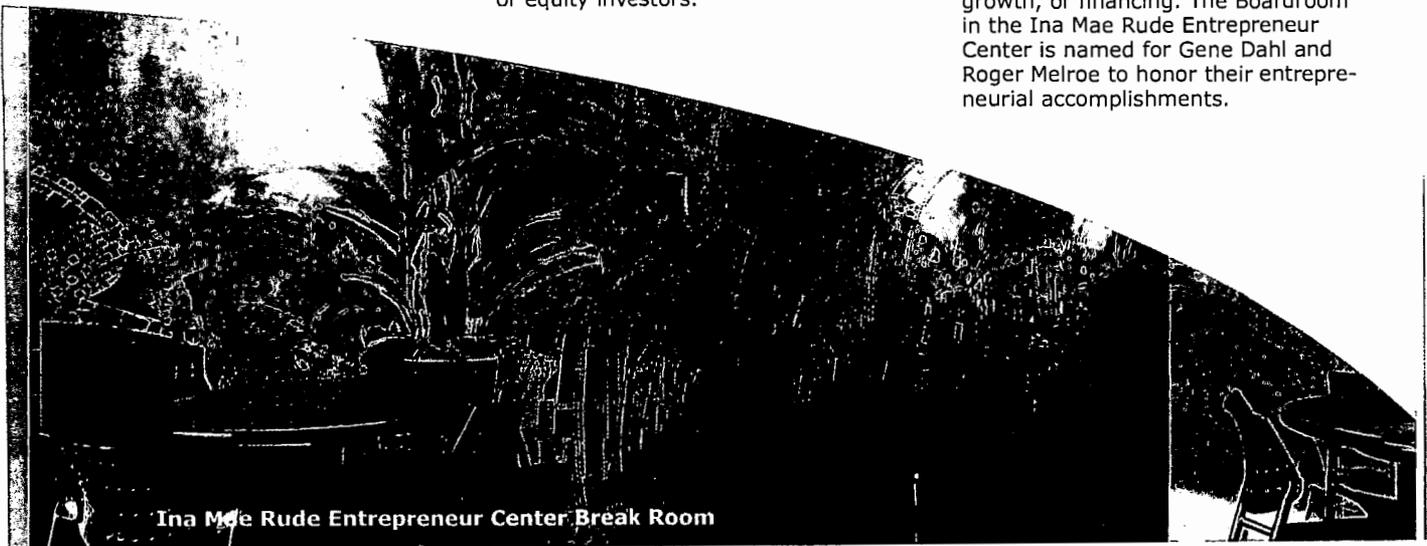
Bart and Lynn Holaday

Bart and Lynn Holaday founded and now operate the Dakota Foundation in Placitas, New Mexico. Bart is a retired venture capitalist from Brinson Partners and Adam Street of Chicago, and is also involved with the Center for Innovation, acting as chairman and trustee of the Center for Innovation Foundation. In 2006, Bart and Lynn provided a gift of \$300,000 to establish the nation's first student-run venture fund, the Dakota Venture Group. The Holadays wanted to support student entrepreneurs by providing hands-on learning experiences with startups and managing venture capital. Bart and Lynn also offer financial support for internships with angel funds in the Red River Valley, which give UND students practical venture investment experience and a competitive advantage after graduation to become successful entrepreneurs or equity investors.



Howard Dahl, Brian Dahl and Dorothy Melroe

Howard and Brian Dahl of Amity Technology Fargo and Dorothy Melroe donated \$300,000 in 2004 to establish the Eugene Dahl and Roger Melroe Faculty Entrepreneur Endowments within the UND Foundation to encourage faculty to work with entrepreneurs to foster innovation and entrepreneurship. Gene Dahl was the first chairman of the Center for Innovation Advisory Board (1984-89) and a friend of many emerging entrepreneurs. Gene was instrumental in bring two North Dakota ventures to Fortune 500 status: Melroe Bobcat and Steiger Tractor. Roger Melroe was his brother-in-law and vice president of marketing for Melroe Bobcat. This funding supports faculty to work directly with one or more emerging entrepreneurs on the issues of innovation (product, technology, services, etc.), venture development, venture growth, or financing. The Boardroom in the Ina Mae Rude Entrepreneur Center is named for Gene Dahl and Roger Melroe to honor their entrepreneurial accomplishments.



Ina Mae Rude Entrepreneur Center Break Room



Rodney P. Burwell

A '61 graduate from UND with degrees in Industrial Engineering and Business Administration, Burwell went on to receive UND's prestigious Sioux Award for outstanding career achievement and distinguished public service in 1983. He launched Proform, Inc., an manufacturing company that created revolutionary barge covers for Cargill Corp. Over 5,000 cover systems were made by Proform, Inc., during the company's 16-year history. Burwell went on to form Xerxes Corporation in 1979, which acquired the assets of the fiberglass equipment division of Dart Environmental and Services Company. Other entrepreneurial endeavors throughout Burwell's career include: the Silvertree Hotel in Snowmass Village, Colorado; the Madison Concourse Hotel in Madison, Wisconsin; C & B Investments, which operates a group of John Deere agricultural dealerships; and Pace Analytical, an analytical testing company. With a commitment of \$2 million in 2008, he and his wife Barbara established the Rodney Burwell Chair of Entrepreneurship.



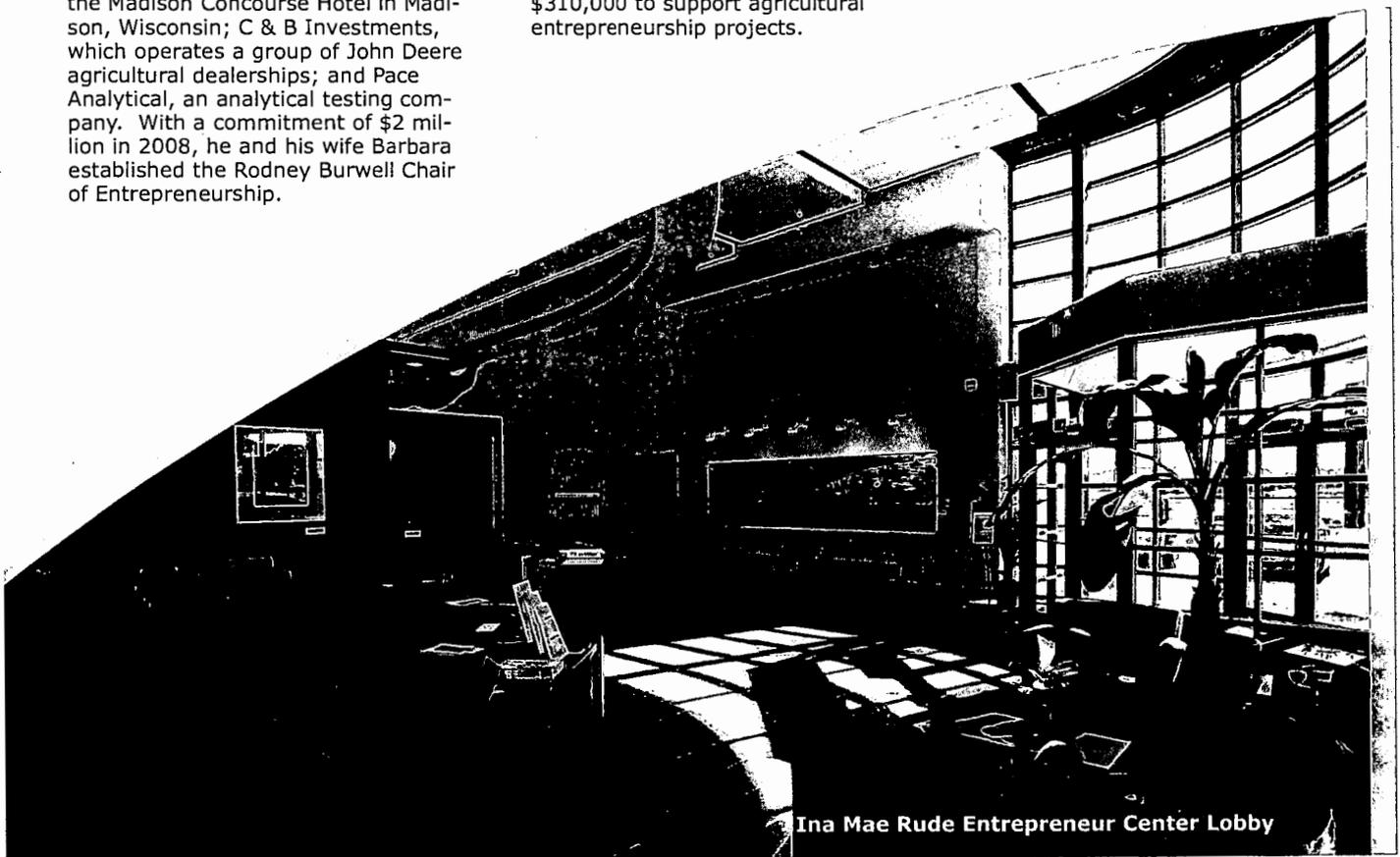
Russell Brown

Russ Brown served as the Chair of the Center for Innovation Foundation from 2001 to 2005. He was president of AGSCO – a company founded in 1934 by his father Larry Brown. AGSCO sold farm chemical supplies to farmers and for 73 years the company pioneered agricultural technologies in the four-state region. AGSCO flourished through innovation and earned a national reputation as an innovator in the use of seed treatments, herbicides, insecticides, adjuvants, and chemical application equipment. After being led by three generations of the Brown family, AGSCO was sold to United Agri Products. In 2002, the Larry Brown Entrepreneur Endowment was established with a gift of \$310,000 to support agricultural entrepreneurship projects.



Norm Skalicky

A 1955 UND alumnus and banking entrepreneur from St. Cloud, Minnesota, his gift of \$1 million helps advance entrepreneurial endeavors at UND and throughout the state of North Dakota. The Skalicky Entrepreneur Endowment is intended to encourage and stimulate economic growth through entrepreneurship and private investment. In October of 2004, the Rural Technology Center was renamed the Skalicky Tech Incubator to honor this banking entrepreneur.

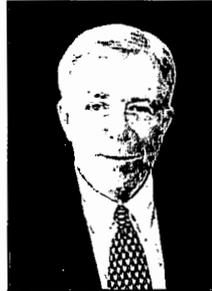


Inna Mae Rude Entrepreneur Center Lobby



James C. Ray

An aerospace entrepreneur, James Ray is the second largest private donor to the University of North Dakota. He has been a long-time friend and supporter of the Center for Innovation Foundation, UND Foundation and UND Aerospace Foundation. His generosity was instrumental in establishing the Entrepreneurship Program at UND's College of Business and Public Administration. Through a \$3 million endowment, Ray has provided ongoing support for entrepreneurship and his recent gift of \$500,000 created the state-of-the-art conference facility in the new Ina Mae Rude Entrepreneur Center. The conference facility is named the James C. Ray IdeaLab.



Kurt Mueller

A 1960 UND alumnus, Kurt Mueller provides annual gifts totaling more than \$100,000 to date to create the Mueller Entrepreneur Intern Program. The program pays up to \$1,500 per semester for a student to develop an entrepreneur venture located in the tech incubator. Since 1987, more than 100 UND students have been able to participate in entrepreneur internships to launch their ventures. Kurt Mueller was the president of the Kauffman Foundation Center for Entrepreneurial Leadership from 1996 to 2003.



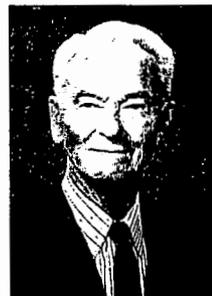
Thomas J. Clifford and Gayle Al Clifford Entrepreneur Endowment

The Clifford Entrepreneur Endowment with the Center for Innovation Foundation continues Tom and Gayle's legacy of providing opportunities for individuals with uncommon promise. The Clifford Fellowships are available for a wide range of emerging entrepreneurial leaders enrolled at or affiliated with the University of North Dakota. The fund was established by Tom and Gayle Clifford and continues to grow with memorial gifts honoring Tom. Clifford was President of UND from 1971 to 1992.



Xcel Energy

Xcel Energy has made several grants to the Center for Innovation Foundation since 1999 totaling more than \$100,000 to support technology startup ventures through the Center for Innovation to create jobs for the region. The Xcel grants helped to cover the cost of promoting and marketing the Center's two tech incubators and the UND Tech Park. A meeting room in the Ina Mae Rude Entrepreneur Center has been named for Xcel for their superb corporate support of entrepreneurship.



Ray Rude

An entrepreneur from Stanley, ND, who created and patented the Duraflex aluminum diving board, provided \$1.75 million toward the construction of the Ina Mae Rude Entrepreneur Center. The Center is named for Rude's wife, Ina Mae, who was his greatest supporter in his entrepreneurial ventures. The Ina Mae Rude Entrepreneur Center was the first North Dakota Center of Excellence; the \$4.2 million facility was funded through private and public partnerships to provide offices for startups, wet lab space for scientists and engineers and community space for entrepreneurs.



Dave Vaaler and Vaaler Insurance

Dave Vaaler and Vaaler Insurance have made grants to the Vaaler Entrepreneur Opportunity Fund within the UND Center for Innovation Foundation to increase the opportunities for entrepreneur-minded students to secure hands-on experience to learn and understand the practice of entrepreneurship in the formation, financing, growth, marketing and leadership of emerging ventures. These funds have specifically allowed entrepreneur students to help startup and emerging ventures in North Dakota and Minnesota. This fund provides experiential learning for students as startups companies are receiving help in growing their company they could not otherwise afford.

Center for Innovation

Ina Mae Rude Entrepreneur Center
The University of North Dakota
4200 James Ray Drive
Grand Forks, ND 58203 USA
Phone: 701.777.3132
www.innovators.net

UND CENTER FOR INNOVATION FOUNDATION

The Center for Innovation Foundation serves as a link between successful entrepreneurs and the Center for Innovation and its two tech incubators (Skalicky Tech Incubator and the Ina Mae Rude Entrepreneur Center) in the UND Tech Park to encourage and foster entrepreneur initiatives and new ventures in the region.

UND CENTER FOR INNOVATION FOUNDATION BOARD OF TRUSTEES

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Bart Holaday

*President of the Dakota Foundation
Placitas, New Mexico*

VICE CHAIR
Howard Dahl

*President and founder of Amity Technology
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TREASURER
James Ray

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*President and CEO of McCain Foods Ltd.
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TRUSTEES EMERITI
Russell Brown

*Retired President and CEO of AGSCO
Buckeye, Arizona*

Fran Jabara

*President of Jabara Ventures Group
Wichita, Kansas*

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Bruce Gjovig

Entrepreneur Coach and Director, Center for Innovation

Dennis Elbert

Dean, College of Business and Public Administration

Robert O. Kelley

President, University of North Dakota

Alice Brekke

VP for Finance and Operations, University of North Dakota

Creative. Innovative. Entrepreneurial. Spirited.
**UND THE UNIVERSITY OF
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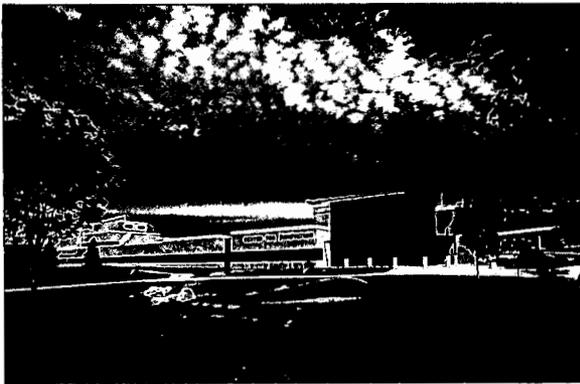
www.innovators.net

The Center for Innovation is a division of the UND College of Business and Public Administration that helps entrepreneurs, students and researchers launch new technologies, products and ventures, develop business and marketing plans, access talent of universities and secure venture financing.

Ina Mae Rude Entrepreneur Center

The Ina Mae Rude Entrepreneur Center offers many advantages for new and expanding ventures looking for a great place to grow and be part of a venture community. The new Center offers private offices, partner offices and entire suites to entrepreneurs in need of turn-key office space, and access to state of the art communications infrastructure.

The Center, located at the UND Tech Park, offers exceptional advantages including shared office equipment, conference rooms and a boardroom. In addition, technology companies will benefit from server hosting and co-location services, scientific experimentation will be made easy with a new wet lab, and all clients will have access to meeting space both small and large, and be part of an entrepreneur network.



The Ina Mae Rude Entrepreneur Center offers the following:

- Entrepreneur consulting & coaching services from the Center for Innovation
- Access to UND talent & interns
- Community of entrepreneurs - Networking
- Attractive, turn-key workstations & furnished office space that is flexible and adaptable for venture needs
- Opportunities for "virtual tenants" to be part of an entrepreneur community off site

- High speed communications infrastructure
- Server hosting & co-location services
- Access to an in-house wet lab
- Small & large conference & meeting rooms
- Receptionist services & waiting areas
- Fax, copiers, mail delivery services
- Secured building with after hours access
- Shared equipment
- Great location on campus with high visibility in the UND Tech Park

Idea Lab

The James C. Ray Idea Lab, a state-of-the-art meeting space with exceptional, user-friendly audio-visual capabilities including presentation equipment, video conferencing and web casting capabilities.

Center for Innovation
701-777-3132
4200 James Ray Drive
Grand Forks, ND 58203
www.innovators.net

James Ray Idea Lab

Room amenities include:

- Integrated control system with touch screen for audio, video, and system control
- Web-casting capabilities
- 3 remote video cameras
- DVD player, with recording application
- Wall connections to include 2 microphone connections, video connections, S-video and computer connections
- Wireless lavalier microphones
- Ceiling mounted LCD projector (5200 Lumens)
- Integrated video conferencing system
- Podium with microphone
- Serving kitchen
- Fireplace



James Ray Idea Lab

The Idea Lab accommodates up to 70. Seating may be arranged to meet your group's needs.



Dahl / Melroe Board Room

Dahl / Melroe Board Room

Room amenities include:

- Integrated control system with touch screen controls for audio, video, and system control.
- DVD player & VCR
- Table and wall connections for microphones, video, S-video and computer connections
- Speakers
- Ceiling mounted LCD projector (2600 Lumens)
- Electronic screen

Dahl / Melroe Board Room

The Board Room accommodates up to 15.

Catering:

If desired, event sponsors can arrange food and beverage service through any vendor.

To reserve the Idea Lab or Board Room contact the Event Coordinator at:

event@innovators.net

701-777-3132

Services at the Center

The UND Center for Innovation helps entrepreneurs, innovators and small manufacturers launch new ventures and market new products and technologies. Innovation is turning a new idea or concept into commercial success. Developing a new product or technology is a big puzzle; the Center for Innovation will help you put the pieces together.

Business Plans

A good business plan tells your story in your own words so that investors, bankers and key staff can quickly obtain a firm understanding of the market, the financial opportunity being presented and the capital needed to launch the venture.

The Center for Innovation can assist you with writing a business plan or review an existing one. A self-help workbook "The Business Plan: Step-By-Step" is also available at the Center.

Market Plans

The Center will assist you in preparing marketing plans and developing market strategies. This will help you better understand the market opportunity and position your venture for growth and profitability. A self-help workbook "the Marketing Plan: Step-By-Step" is available at the Center.

Market & Feasibility Studies

Market assessments and feasibility studies are essential for ventures entering new markets and expanding into new product categories. The Center will help determine if a particular product or entrepreneurial venture is viable and potentially profitable.

Due Diligence & Valuations

The Center offers business valuation for the purpose of attracting new equity capital from angel, seed and venture capital sources.

Export & Import Plans

The Center will assist you in finding your way to world markets by conducting market research of foreign markets. International student projects and international networking are also available through the Center.

SBIR/STTR

The Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs provide over \$2.2 billion in research and development funds to U.S. small businesses each year. These programs provide excellent opportunities to nurture the development of innovative businesses here in North Dakota.

Incubators

The Ina Mae Rude Entrepreneur Center and the Skalicky Tech Incubator, located on the University of North Dakota campus, are seedbeds to help emerging entrepreneurs grow new ventures.

Center for Innovation
701-777-3132
4200 James Ray Drive
Grand Forks, ND 58203
www.innovators.net

Virtual Tenant Program

Our Virtual Tenant Program at the UND Center for Innovation allows entrepreneurs to make use of our incubator services, technology, and staff off-site. You can enjoy the benefits that come with being part of an entrepreneurial community without renting office space at our facility.

Virtual tenants have the opportunity to create their own tenant program, according to specific business start-up needs. Options available for new virtual tenants include, but are not limited to, server space, occasional use of our conference and breakout rooms, access to staff mentoring/consulting/ and networking resources, copiers, fax machines, phones/ voicemail, and a mailing address.

Designated by the National Business Incubation Association (NBIA) as one of only fifteen "Soft Landing International Incubators", we have been certified as a friendly incubator to international firms wishing to enter into U.S. markets. We offer a cost-effective way for foreign entrepreneurs to take the first step into a new market.

Setting up a virtual tenant program begins at \$50 a month for a mailing address and conference/ breakout room access. Contracts are created with a minimum of 6 months commitment. We take a menu approach with our virtual tenant agreements, so the fees will vary based on the services requested.

If you are considering becoming a virtual tenant at the UND Center for Innovation, please email the Incubator Manager: info@innovators.net.

Center for Innovation
701-777-3132
4200 James Ray Drive
Grand Forks, ND 58203
www.innovators.net



Center for Innovation coaching staff to contact:

Entrepreneur Consultant- Tech Commercialization- Jordan Schuetzle coaches new entrepreneurs in venture creation and specializes in University Startups. 701-777-3281, jordan@innovators.net

Entrepreneur Consultant- International Business Rodrigo Cintra focuses on assisting entrepreneurial companies that are interested in capturing domestic and international markets. 701-777-3970, rodrigo@innovators.net

Entrepreneur Consultant-Angel Fund Investing- Dan Horak meets with entrepreneurs at all stages of their business to help companies prepare for Angel investment. Dan also works with Angel Fund Investors in the region and completes due diligence for potential investments. dan@innovators.net 701-777-3281

Entrepreneur Consultant- Market Strategy- Grant Gullicks is a business start-up coach, specializing in market strategy. 701-777-3132, grant@innovators.net

Entrepreneur Consultant- Engineering- Eric Veidel is a business start-up coach, specializing in engineering ventures. 701-777-6623, eric@innovators.net

Center for Innovation

701-777-3132

4200 James Ray Drive Stop 8372

Grand Forks, ND 58203

Center for Innovation

P.O. Box 8372 • Grand Forks, ND 58202-8372 • 701.777.3132 • Fax 701.777.2339 • www.innovators.net 

Funding Innovation & Ventures

By Bruce Gjovig, CEO & Entrepreneur Coach
UND Center for Innovation



A common question goes something like this, "I have a great idea for this product (or venture), and I need funding to get it started, especially those grants I hear about."

An important grant program is the **Small Business Innovation Research (SBIR)** and the **Small Business Tech Transfer (STTR)** program that provides over 4,600 awards worth \$2.2 Billion per year in Phase I & II grants/contracts for R&D. SBIR/STTR is the single biggest source of seed funding in America, but it is very competitive with about 10% of the Phase I proposals being funded. It is a 2.5% small business set-aside to do competitive research to develop new technologies the agencies are interested in advancing. Check www.innovators.net to tap into the information on the program or check by topic area at www.zyn.com/sbir.

Grant funding goes to ventures and entrepreneurs not invention or research. There is an expectation of commercialization (thus innovation, not invention) and 44% of SBIR awards are brought to market. Compare that to less than 2% of patents are commercialized or brought to market, so the risk is high. **Investors are looking for viable ventures, not inventions.**

Of the funds raised for innovation, here are the most common sources from "most likely" to the "most difficult" to secure.

1. Personal savings
2. Credit cards
3. Sell assets (boats, hobbies, etc)
4. Second mortgage on home
5. Friends & Family - love money
6. Vendors, suppliers, other businesses
7. Commercial bank loans
8. Private investors or "Angels"
9. Government Grants
10. Venture capital

Most new ventures secure their early capital from the first 5 categories. They purchase assets they need (machinery, equipment,

supplies) and other startup costs from savings accounts, selling assets, loans, investments from close friends or family, and from funds drawn against the equity in the family home. Once launched, the new firm uses credit cards to cover cash flow while building an income stream from paying customers. This is the art of **bootstrapping**, i.e. doing more with less.

Sometimes new ventures can go to a supplier, vendor or customer who has a good reason to see your venture succeed, and "make a deal" that helps cash flow. They might be willing to extend payment terms 30 to 90 days in return for your exclusive business, which buys you time on the front-end of your cash flow cycle before your customers pay you.

Commercial banks "rent" money only if they believe you can pay them back. Banks require collateral for 80% to 90% of the loan value. They like a solid business plan with a 2-year track record and a team leader with good credit. Sometimes an investor may "lend" you his good credit for an equity portion of your firm, i.e. co-signing for you on a loan. You secure a loan you would not otherwise get, and the investor gets equity while keeping his funds invested elsewhere.

Private investors or "**angels**" are looking for early stage investment opportunities. Angels are found through referrals among business leaders and other successful entrepreneurs. They often invest in teams, and want a good return on investment like 25-40% or more. A solid business plan is 'a must' for this activity, as well as good investment agreements, valuations, and exit strategy.

About 50,000 ventures are funded by angels each year investing over \$25 Billion. Less than 3,500 companies receive venture capital. There are nine angel funds in North Dakota, and two more are emerging.

For specific entrepreneur funding opportunities check www.innovators.net.

Center for **!nnovation**

AT THE UNIVERSITY OF NORTH DAKOTA,
THEY'RE NOT JUST STUDENTS...



...they are Venture Capitalists.

Meet the Dakota Venture Group. A student run venture capital investment fund at the University of North Dakota, managed completely by students enrolled in the College of Business and Public Administration. The Dakota Venture Group is one of only a few student managed venture capital funds in the United States, where students complete due diligence, make final investment decisions, and negotiate deals with emerging entrepreneurs to fund new businesses.

At the University of North Dakota, we believe that being an entrepreneur takes an innovative and creative spirit. A spirit that gives students the opportunity for hands-on learning from creating viable new businesses to investing in startup ventures.

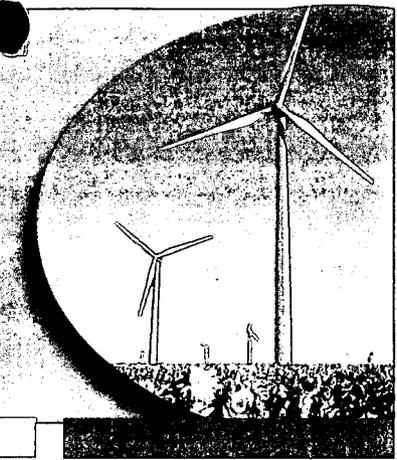
The University of North Dakota...where students aren't just students, they are aspiring venture capitalists and emerging entrepreneurs.

College of Business and Public Administration
1-800-CALL-UND
www.business.und.edu

UND University of
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North Dakota

Quality of life, combined with a
great place to work, play and do business.



COMPETITIVE BUSINESS COST ADVANTAGES

Power

- Power offered at industrial rates well below national average - avg. 4.26 cents/kh
- State exports nearly 70% of electricity produced
- Supporting "green" business trend by developing renewable energy sources

Real Estate/Facilities

- weighted averages for Fargo, ND, according to NAI Global

- Rent/lease
 - \$13.00-\$22.00/sf to rent quality office space
 - \$4.00-\$6.00/sf to rent industrial space
- Development Construction Costs
 - \$11.00-\$16.00/sf to build in commercial building district

Public Policy

- Person-to-person access to public officials
- Constitutionally balanced budget - no deficit - \$650 million surplus
- Only state-owned bank in the nation offers business expansion funds

Taxes

- Ten-year tax analysis completed by third-party accounting firm comparing property, corporate, and sales taxes along with workers compensation and unemployment insurance cost across 11 states and communities
 - ND #1 in lowest taxes for manufacturing facility
 - ND #1 in lowest taxes for food processing facility
- #3 in nation for lowest cost of doing business (2007 Milken Institute)
- State Legislature lowered top corporate income tax rate from 10.5% to 6.5%

EDUCATION, WORKFORCE & QUALITY OF LIFE ADVANTAGES

Primary/Secondary

- 12.9 to 1 student to teacher ratio - 2006
- #4 overall in achievement indicators for K-12
- #2 for highest public high school graduation rate - 2007
- #3 in SAT Test Scores - 2005

Post Secondary

- #3 in college continuation rate for high school graduates - 2006
- #3 in college participation rates for 19 year olds - 2007
- Nineteen college and university campuses, including 2 major research universities

Workforce Proficiency

- Right-to-work state - Union membership less than 10%
- Unisys Shared Service Center - Bismarck (325 employees - accounts payable)
 - Annual Turnover Rate - 11% compared to industry standard of 35-40%
 - Absenteeism Rate - 1%
 - Worldwide accounts payable and payroll
 - 10 Languages spoken: Nordic Languages, French, Dutch, German, Spanish, Portuguese, Italian, Vietnamese and Korean

Quality of Life

- #1 safest state in the nation for 10 out of last 11 years (Morgan Quinto Press)
- Clean air, abundant recreational opportunities, quality education & family-friendly

SUCCESS STORIES

Microsoft Business Solutions

www.microsoft.com/BusinessSolutions

1,333+ employees and division HQ in Fargo

- North Dakota-grown Great Plains Software acquired for \$1.1 billion in April 2001.

Bobcat

www.bobcat.com

2,685+ employees and World HQ in West Fargo.

- facilities in Gwinner and Bismarck
- Over 40% world market share of skid-steer loaders
- Over 30% U.S. and European market share of compact excavators

ING

www.ing.com

750+ employees at Customer Service Operations center in Minot

Alien Technology

www.alientechnology.com

Leading producer of Radio Frequency Identification (RFID) Producers

Amazon.com

www.amazon.com

305+ employees at Internet Distribution Center in Grand Forks

North Dakota

DEPARTMENT OF COMMERCE

701-328-5300 or 1-866-4DAKOTA • www.growingnd.com

WE'RE READY FOR YOU.

North Dakota Business Development Team

INNOVATION. ENTREPRENEURSHIP. INVESTMENT.

25 Years!

Center for Innovation

A division of the College of Business
and Public Administration.

Supporting Entrepreneurs, Students,
Angels & Researchers with:

- ~ Technology Development
- ~ Venture Launch
- ~ Business & Marketing Plans
- ~ Access to University Talent
- ~ Access to Venture Financing
- ~ Innovate ND
- ~ Incubator Services

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NORTH DAKOTA
Creative. Innovative. Entrepreneurial. Spirited.

innovators.net

CENTER FOR INNOVATION

FUTURE READY.



Innovative Reasons... To Invest in Entrepreneurship

An Innovative Vision...

The Center for Innovation's vision is to maintain national leadership in entrepreneurship outreach and education, and become the leader in tech entrepreneurship in rural America. Our goals are to:

- ◆ provide world-class entrepreneur education
 - ◆ grow entrepreneur ventures
 - ◆ secure access to entrepreneur capital
 - ◆ foster innovation
 - ◆ provide superb entrepreneur infrastructure

The economic future of the Great Plains is highly dependent on innovation, entrepreneurship and fostering private investment, which is the Center's and Entrepreneurship Program's mission. Working together, we will be leaders in these vital fields.

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An Innovative History...

No one visiting UND in 1984 would have imagined what the Center for Innovation would eventually become. Starting in a storage closet in Harrington Hall, with the help of successful entrepreneurs and donors, the Center soared to national prominence and excellence in entrepreneur programs and incubator facilities. But the best is yet to come, as we believe that we will be "best in class" nationwide.

The Center for Innovation's status as a national leader in entrepreneurship is not guaranteed, especially in light of the tremendous investment donors are making in advancing university programs elsewhere. The rest of the world is not standing still. The Center for Innovation's position and excellence can be maintained and enhanced by leadership, working together, and securing further investment; thus, there is a direct need for a significant endowment.



An Innovative Campaign Goal...

The Center for Innovation is an outreach division of the College of Business & Public Administration at UND. The Center provides outreach to entrepreneurs, students, and entrepreneur-minded faculty and researchers across campus. The Center's Advisory Board and the trustees of the UND Center for Innovation Foundation have determined that, at minimum, an endowment of \$12 million is needed to provide the financial resources required to keep the Center competitive nationwide, and another \$13 million is required to grow the Entrepreneurship Program. For a total of ...

...\$25 Million

Endowment Opportunities...

\$5-7 Million

- ◇ Naming rights for the Center for Innovation
- ◇ Naming rights for the Entrepreneurship Department
- ◇ Entrepreneur Outreach for startups

\$1-2 Million

- ◇ Angel Investor Network to support private investment
- ◇ Student Entrepreneur Internships for student startups
- ◇ InnovateND Venture Plan Programming & Competition
- ◇ Entrepreneur Forum (networking and education)
- ◇ Director of Entrepreneurship Education
- ◇ Family Business Entrepreneurship
- ◇ International Entrepreneurship

Invest in Entrepreneurship...

The Center for Innovation is prepared to explore with you the details and opportunities involved in making a difference in the next generation of entrepreneurs. A full proposal will be developed based on your interests and priorities.

\$2-3 Million

- ◇ Endowed Chair of Entrepreneur Finance
- ◇ Endowed Chair of Tech Entrepreneurship & Innovation
- ◇ Endowed Chair of Entrepreneur & Innovation
**All endowed chairs include naming rights*
- ◇ Entrepreneur Scholarships to recruit top students
- ◇ SBIR Outreach to access seed capital for tech ventures
- ◇ Center for Excellence in Agricultural & Rural Entrepreneurship, with a focus on healthy food initiatives

\$1 Million - \$500,000

- ◇ Entrepreneur Co-ops and Internships for experiential learning
- ◇ State-of-the-Art Entrepreneur Research Projects
- ◇ National Entrepreneurs-in-Residence Program
- ◇ Entrepreneur High School Outreach
- ◇ Entrepreneur Lecture Series

Center for Innovation

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Innovative Facts & Successes

- ◆ In a survey of over 700 schools released by the *Princeton Review* and *Entrepreneur* magazine, the University of North Dakota was distinguished as one of the top schools for entrepreneurs. UND ranks number 8 out of 25 in the survey, ahead of a number of Division I schools such as University of Southern California, University of Notre Dame, and the University of Iowa. In 2004, UND was also ranked number 14 of 25 for Most Entrepreneurial Campuses by Forbes.com and the Princeton Review.
- ◆ The Dakota Foundation established the **Valley Angel Investor Internship** and the **Dakota Venture Group** initiatives with the Center for Innovation Foundation to provide educational opportunities for UND students interested in angel and venture capital investments in entrepreneur ventures.
- ◆ A recognized, national leader in educational programs with a focus on innovation, tech entrepreneurship, and angel investing for entrepreneurs. The Center of Innovation has received five National Awards for Excellence in Innovation and Entrepreneurship.
- ◆ The \$4.2 million Ina Mae Rude Entrepreneur Center was the first North Dakota Center of Excellence, which provides increased opportunities for the state's entrepreneurs.
- ◆ UND was the first university in the Great Plains to provide a tech incubator when the \$4 million Skalicky Tech Incubator was built in 1996 in UND Tech Park. UND is one of only 200 campuses nationwide with a tech incubator and one of less than 20 campuses to host two facilities to support entrepreneurs.
- ◆ Since its inception, the Center for Innovation has secured \$25.3 million in funding to sustain its operations and provide infrastructure, services, outreach and endowments for entrepreneurs.
- ◆ UND currently enrolls over 200 students in entrepreneur classes, while 47 students have declared entrepreneurship as a major. The entrepreneurship program is the fastest growing major on campus.

Entrepreneurial Impact

- ◆ The Center for Innovation has helped launch more than 400 ventures/products, while creating more than 4,000 jobs, and fostering more than \$110 million in investments. The Center has also helped 35 small-tech companies receive 96 SBIR awards, totaling \$20 million for technology development.
- ◆ Funding from UND alumnus, Kurt Mueller, created the Mueller Entrepreneur Internships Program, which has provided support for 76 student entrepreneurs. We also successfully placed 78 students in Kauffman Entrepreneur Internships. This internship program places students with emerging ventures, providing experiential learning for students and assistance for startups.
- ◆ Secured endowment for a faculty position, which is dedicated as the Endowed Chair of Entrepreneurship & Innovation, and provided annual support for the Entrepreneurship Director position (practitioner role).
- ◆ Created a Patent & Trademark Library with a gift from 3M Corporation to help entrepreneurs determine patentability of ideas and provides support and assistance to UND researchers, faculty & student innovators to help commercialize ideas.



Photos: Above, Dr. Jeffrey Stamp, Endowed Chair of Entrepreneurship (Photo by Chuck Kimmmerle). Lower Right: Julie Varian, Student Entrepreneur (Photo by John Stennes).

Recent Innovative Investors



Norm Skalicky:

A 1955 UND alumnus and banking entrepreneur from St. Cloud, Minnesota, his gift of \$1 million helps advance entrepreneurial endeavors at UND and throughout the state of North Dakota.

The Skalicky Entrepreneur Endowment is intended to encourage and stimulate economic growth through entrepreneurship and private investment. In October of 2004, the Rural Technology Center was renamed as the Norm Skalicky Tech Incubator.

James C. Ray: An aerospace entrepreneur, James Ray is the second largest private donor to the University of North Dakota. He has been a long-time friend and supporter of the Center for Innovation Foundation, UND Foundation and UND Aerospace Foundation. His generosity was instrumental in establishing the Entrepreneurship Program at UND's College of Business and Public Administration. Through a \$3 million endowment, Ray has provided ongoing support for entrepreneurship and his recent gift of \$500,000 created the state-of-the-art conference facility in the new Ina Mae Rude Entrepreneur Center. The conference facility is named the James C. Ray Idea Lab.



Ray Rude: An entrepreneur from Stanley, ND, who created and patented the Duraflex aluminum diving board, provided \$1.75 million toward construction of the Ina Mae Rude Entrepreneur Center. The Center is named for Rude's late wife, Ina Mae, who was his greatest supporter in his entrepreneur venture. The Ina Mae Rude Entrepreneur Center was the first North Dakota Center of Excellence; the \$4.2 million facility was funded through private and public partnerships to provide office space for startups, wet lab space for scientists and engineers and community space for entrepreneurs.

Kurt Mueller: A 1962 UND alumnus, Kurt Mueller, provides annual gifts totaling more than \$100,000 (to-date) to create the Mueller Entrepreneur Intern Program. The program pays up to \$1,500 per semester for a student to develop an entrepreneur venture located in the tech incubator. Since 1997, 76 UND students have been able to participate in entrepreneur internships to launch their ventures.



An Innovative Future...

The Center for Innovation and Entrepreneur Program has a bright future, as we continue to grow and evolve, we believe the future will include:

- ◇ UND will be Best in Class and continue its national rankings in Entrepreneurship & Innovation.
- ◇ Student Entrepreneurs will gain national prominence, as already indicated by the 13 student ventures utilizing the Center for Innovation's resources.
- ◇ Be looked to as the primary resource for entrepreneurs through the availability of seed & venture funds, angel investors, and national entrepreneurs-in-residence.

For More Information...

For additional information about the Center for Innovation, endowment opportunities, or entrepreneur resources, please contact:

Bruce Gjovig, Director & Entrepreneur Coach
(701) 777-3134

Email: bruce@innovators.net

or

Tom Kenville, RAINMAKER
(701) 777-3281

APPENDIX F:
North Dakota and Minnesota Counties

53 ND Counties:

ND County	2008 Population	Square Miles	County Seat	Founded
Adams	2,244	988	Hettinger	1885
Barnes	10,682	1,492	Valley City	1875
Benson	6,953	1,389	Minnewaukan	1883
Billings	811	1,152	Medora	1879
Bottineau	6,338	1,669	Bottineau	1873
Bowman	3,019	1,162	Bowman	1883
Burke	1,820	1,104	Bowbells	1910
Burleigh	78,689	1,633	Bismarck	1873
Cass	139,918	1,766	Fargo	1873
Cavalier	3,841	1,489	Langdon	1873
Dickey	5,237	1,131	Ellendale	1881
Divide	1,986	1,259	Crosby	1910
Dunn	3,318	2,010	Manning	1883
Eddy	2,388	632	New Rockford	1885
Emmons	3,377	1,510	Linton	1879
Foster	3,447	635	Carrington	1873
Golden Valley	1,640	1,002	Beach	1912
Grand Forks	66,585	1,438	Grand Forks	1873
Grant	2,415	1,660	Carson	1916
Griggs	2,359	708	Cooperstown	1881
Hettinger	2,378	1,132	Mott	1883
Kidder	2,290	1,352	Steele	1873
LaMoure	3,986	1,147	La Moure	1873
Logan	1,943	993	Napoleon	1873
McHenry	5,168	1,874	Towner	1873
McIntosh	2,639	975	Ashley	1883
McKenzie	5,674	2,742	Watford City	1905
McLean	8,337	2,110	Washburn	1883

Mercer	7,854	1,045	Stanton	1875
Morton	26,255	1,926	Mandan	1873
Mountrail	6,511	1,824	Stanley	1873
Nelson	3,166	982	Lakota	1883
Oliver	1,695	724	Center	1885
Pembina	7,419	1,119	Cavalier	1867
Pierce	4,091	1,018	Rugby	1887
Ramsey	11,234	1,186	Devils Lake	1873
Ransom	5,628	863	Lisbon	1873
Renville	2,245	875	Mohall	1873
Richland	16,334	1,437	Wahpeton	1873
Rolette	13,657	902	Rolla	1873
Sargent	4,048	859	Forman	1883
Sheridan	1,266	972	McClusky	1873
Sioux	4,232	1,094	Fort Yates	1915
Slope	675	1,218	Amidon	1915
Stark	22,575	1,338	Dickinson	1879
Steele	1,795	712	Finley	1883
Stutsman	20,394	2,222	Jamestown	1873
Towner	2,202	1,025	Cando	1883
Traill	7,820	862	Hillsboro	1875
Walsh	10,880	1,282	Grafton	1881
Ward	55,986	2,013	Minot	1885
Wells	4,191	1,271	Fessenden	1873
Williams	19,846	2,071	Williston	1890
North Dakota Total	641,481			

20 Northwest Minnesota Counties:

County	2008 Population	Square Miles	County Seat	Founded
Becker	32,000	1440	Detroit Lakes	1858
Beltrami	43,835	3055	Bemidji	1849
Clay	55,767	1053	Moorhead	1858
Clearwater	8,249	1030	Bagley	1902
Douglas	36,258	634	Alexandria	1866
Grant	6,005	575	Elbow Lake	1868
Kittson	4,462	1104	Hallock	1879
Lake of the Woods	3,985	1775	Baudette	1923
Mahnomen	5,128	583	Mahnomen	1906
Marshall	9,502	1813	Warren	1879
Norman	6,605	877	Ada	1881
Otter Tail	56,786	2225	Fergus Falls	1858
Pennington	13,747	618	Thief River Falls	1910
Polk	30,694	1998	Crookston	1858
Pope	11,030	717	Glenwood	1862
Red Lake	4,069	433	Red Lake Falls	1896
Roseau	15,865	1678	Roseau	1894
Stevens	9,661	575	Morris	1862
Traverse	3,660	586	Wheaton	1862
Wilkin	6,286	752	Breckenridge	1868
Total Population	363,594			

ANALYSIS

NORTH DAKOTA/NORTHWEST MINNESOTA EB-5 REGIONAL CENTER - IMPLAN RESULTS

REPORT

This report provides the explanation of the employment methodology that will be used for all North Dakota/ Northwest Minnesota EB-5 Regional Center (ND/NW-MN EB-5 RC) projects/investments to estimate future employment. The employment methodology is based on the IMPLAN input-output model. The report provides an illustration of the employment methodology applied to possible investments that have features considered typical for businesses within the ND/NW-MN EB-5 RC. The report also provides an estimate of fiscal impacts and regional and national economic development.

The ND/NW-MN EB-5 RC proposed in this report is designated for industries for which this region of the world has a comparative advantage based on the land and labor located here. Specifically, the industries were chosen because of either the resources located here, or the level and type of education and interest of the population. Resources include land and weather, particular crop types, and the design and development of specialized agricultural equipment from planting to final packaging.

Often called "the breadbasket of the world", the Upper Great Plains is regarded as one of the most important food growing regions of the world. That is why the economic formula demonstrates that Giant Sunflower is a qualifying investment in agricultural production and the formula demonstrates why Amity Technology has developed as a world leader in applying technology to equipment for high value specialty crops. The application also includes computer based companies. These companies are located here both because of the value of the education in computers and because at least one university, the University of North Dakota, is consistently a top ranked Princeton Review entrepreneurial degree program.

A company like Tri-State Aviation, Inc. appears because the education, skilled labor, and entrepreneurial spirit here has made it possible for a program like this to be successful in this region. That entrepreneurial spirit has meant that the University of North Dakota aviation program is considered one of the two top ranked aviation programs in post secondary education in the United States. Because of the ranking and reputation of the University of North Dakota's aviation program the school has been designated a Center of Excellence in Unmanned Aerial Systems. This designation and the University's proximity to the Grand Forks Air Force Base, which the United States Air Force has designated with a specific UAV development mission, means that northeastern North Dakota is considered one of the valuable resources to the future defense of the free world. The Unmanned Aerial Systems includes much more than the military mission. The university's aviation school includes a world leading space component researching questions of global warming and agricultural productivity, among other important scientific questions. Many of these original research projects have already reached commercialization, but significantly more research is now at the commercialization stage.

Finally, the University of North Dakota College School of Medicine and Health Sciences is a world leader in rural health care. Ranking among the top schools in the United States in rural health, the University is ideally suited to working with international firms in the biotech industry. This industry is defined as being based on biology, agriculture, food science, and medicine. That definition is descriptive of North Dakota and Northwestern Minnesota in terms of its natural and human resources. Much of the important research that has already been accomplished in biotechnology has been done in this region.

An example from private industry is Pracs Institute of Fargo, North Dakota, which also has a facility in East Grand Forks, Minnesota. Much of the company's research and education has been

done at both North Dakota State University in Fargo and the North Dakota State College of Science in Wahpeton. As North Dakota's leading agricultural college, NDSU has already played an important role in biotechnology research. It has worked with many worldwide leaders in biotechnology, particularly in development of seeds and crop protection products. This has led to the development of important private/public partnerships in research and in commercializing important discoveries particularly in the areas of crops and livestock feeds. In the area of human biotechnology the important research has been in medicines. The leading company to this point has been Praxis Institute. At the University of North Dakota School of Medicine and Health Sciences, the Energy and Environmental Research Center, and the College of Engineering among others are also conducting research in biotechnology in diverse fields such as DNA, E. coli, and many others.

It is the goal of the University of North Dakota and North Dakota State University as well as the entire North Dakota University System to commercialize all research whenever possible. Many opportunities already exist, and many more opportunities are expected to be available in the near future. What has been lacking has been capital investment. In particular, it has been difficult to convince capital markets that this region is a good place for investment. The reputation of this area from the beginning of capitalism has been one of isolation. This area has been considered too far: too far from labor, too far from final markets, and too far from all the inputs except for certain raw materials. Today, with new products developed from new technology, those attitudes are no longer true, if they ever really were.

On May 13, 2005 the Grand Forks Air Force Base was recommended for realignment by the Base Realignment and Closure (BRAC) Commission. Although this decision prevents the base from being closed, it does result in a significant loss in personnel levels as well as a complete loss of its current tanker mission. The Grand Forks AFB is the second most impacted base, losing a total of 2,290 military and 355 civilian personnel moving out of the Greater Grand Forks region. The realignment reduces the population to approximately 1,600 uniformed personnel. When missiles and bombers were located at the GFAFB, it housed 14,000 uniformed individuals. This is a significant loss and impact on a multi-county region around the GFAFB.

The GFAFB finds itself facing a series of significant challenges as it begins the transition from a super tanker wing to an unmanned aerial system (UAS) wing. With the recent cancellation of our nation's next generation tanker program, the GFAFB faces a significant economic "bathrup" effect where all the KC-135 tanker missions are pulled out of the base in 2008-2009 and the new UAS missions are bedded down started in late 2010 growing into 8 Global Hawks in the 2015-16 timeframe. The Air Force is planning to bed down a series of unmanned aerial systems/vehicles at GFAFB over the years including the Predator A (MQ-1) to be operated by the National Guard (the 119th Air Wing) in Fargo (UAS operator jobs there), and the Global Hawk (RQ-4) operated by the Air Combat Command. Additionally the Department of Homeland Defense (CBP Air and Marine Division) is operating two Predator B (MQ-9) models. The GFAFB will shape up to be a unique wing, with partners from DOD, Air National Guard and DHS to conduct UAS operations side-by-side in the future, but at a much reduced personnel level than previous operations.

In the meantime the Grand Forks area did not experience a statistical increase in its unemployment rate because the Air Force personnel filling these positions were transferred to other areas in the United States. However, the area experienced the same economic impact that other areas realized when this reduction in jobs occurred in the civilian labor market. Nearly every area of North Dakota and Northwest Minnesota included in this Regional Center qualifies as a TEA due to its low population. This factor will help market the Regional Center and attract potential investors. TEA areas will be determined once investments are made within specific locations.

In order to prove the validity of this area for various industries we have run investments using the IMPLAN formula at \$1,000,000. The results of these investments are as follows:

First, IMPLAN quantifies the annual economic contribution of a onetime investment on employment, output (sales), gross state product (GSP), and tax revenues. Second, the economic impact of direct investment in a firm is the sum of three components. Those are: the direct effect, the indirect effect and the induced effect. When a manufacturing firm increases production due to investment they need employees and materials, which is called the direct effect. Because of the interdependence of the economy, changes in the economic activity in one sector will cause changes in other sectors as well. Increasing production at a manufacturing firm will require its suppliers and service providers to also increase production, which is the indirect effect. The increase in household spending caused by the increases in payroll from the additional hiring (direct and indirect) is referred to as the induced effect. Consequently the economic impact resulting from increased employment spreads throughout the economy impacting virtually all sectors of the state's economy.

Finally, this report deals separately with those businesses located across North Dakota and those located within Northwest Minnesota. The IMPLAN formula was applied specifically to where the proposed investment is to be located. The analysis below examines the economic impact on the state of North Dakota and Northwest Minnesota from a \$1,000,000 investment in capital (machines & equipment) in a particular firm/industry. Firms need capital and labor to produce output. For the purposes of this analysis we assume the increase in capital due to outside investment, will allow the firm to acquire the labor they need to increase output. The increase in output from the increase in capital will depend on the capital intensity of the particular industry. The annual impact of the increase in capital investment on employment, output (sales), gross state product (GSP), and tax revenues is shown below. In order to produce goods and services firms need inputs such as capital and labor. The typical production function is of the Cobb-Douglass formula: $Y = AK^{1/3}L^{2/3}$, where K and L represent capital and labor's contributions to output. The exponent on each represents the relative share of each input's contribution to output. At the aggregate level in the United States, 1/3 of output is due to capital and 2/3 is due to labor.

For each of seven industries we consider the increase in output that is possible from an increase in the amount of available capital by \$1,000,000. To do this we use industry level data, by NAICs code, to determine capital's share of output for each industry of interest. The data is from the US Bureau of Economic Analysis 2007 National Income and Product Accounts. Capital intensity is defined as the portion of the value added to GDP that is not contributed by labor:

$$\text{capital intensity} = \frac{\text{total value added} - \text{employee compensation}}{\text{total value added}}$$

(b) (4)



(b) (4)



The annual economic impact is estimated here using IMPLAN, a statistical software program that builds the predictive model for input-output analysis. We estimate the impact at the state level.

The economic impact of direct investment in a firm is the sum of three components; the direct effect, the indirect effect and the induced effect. When a manufacturing firm increases production due to investment they need employees and materials, which is called the direct effect. Because of the interdependence of the economy, changes in the economic activity in one sector will ripple into other sectors as well. Increasing production at a manufacturing firm will require suppliers and service providers to also increase production, which is the indirect effect. Finally, the increase in household spending caused by the increases in payroll from the additional hiring (direct and indirect) is referred to as the induced effect. Thus the direct effects can be thought of as the stone that is tossed into the pond and the ripples generated by the stone's impact are analogous to the indirect and induced effects.

The table below provides a summary of the total annual impact from a \$1,000,000 investment in each of the indicated companies/industries and the corresponding impact on production. In the case of the Kilbourne group it is assumed that \$1,000,000 is used to purchase capital for a restaurant.

In the tables that follow we provide detailed information on the impact within various industries based on which company the investment is made. The industries are aggregated by 2 digit NAICS code for industries in North Dakota and 2 digits SIC codes for Minnesota. (This is due to differences in the data classification for each state. **See attached Excel Files in Appendix A. All the tables indicate the impact on employment; output, total product (GSP), and taxes are included in this report.**

Furthermore, the tables break down the direct, indirect, and induced effects by the various industries.

The results from applying the IMPLAN formula to each company are:

(b) (4)



¹ Investments can be a combination of EB-5 and domestic funds.

(b) (4)

The table above provides a summary of the total annual impact from a \$1,000,000 investment in each of the indicated companies/industries. In the case of the Kilbourne Group it is assumed that \$1,000,000 is used to develop retail space to be used as a restaurant at a cost of \$300 per square foot. The restaurant is assumed to generate sales of \$300 per square foot per year. The impact in the table above is associated with the restaurant's operation and is annual. A onetime impact would be associated with its construction and is indicated below.

One Time Impact Associated with Kilbourne Construction²

(b) (4)

Immediately below this report displays the IMPLAN tables for two of the companies proposed for regional center classification in two different industries. These two organizations could possibly be participants as investee companies for the ND/NW-MN EB-5 RC. Each table is followed by a narrative explaining what the tables mean.

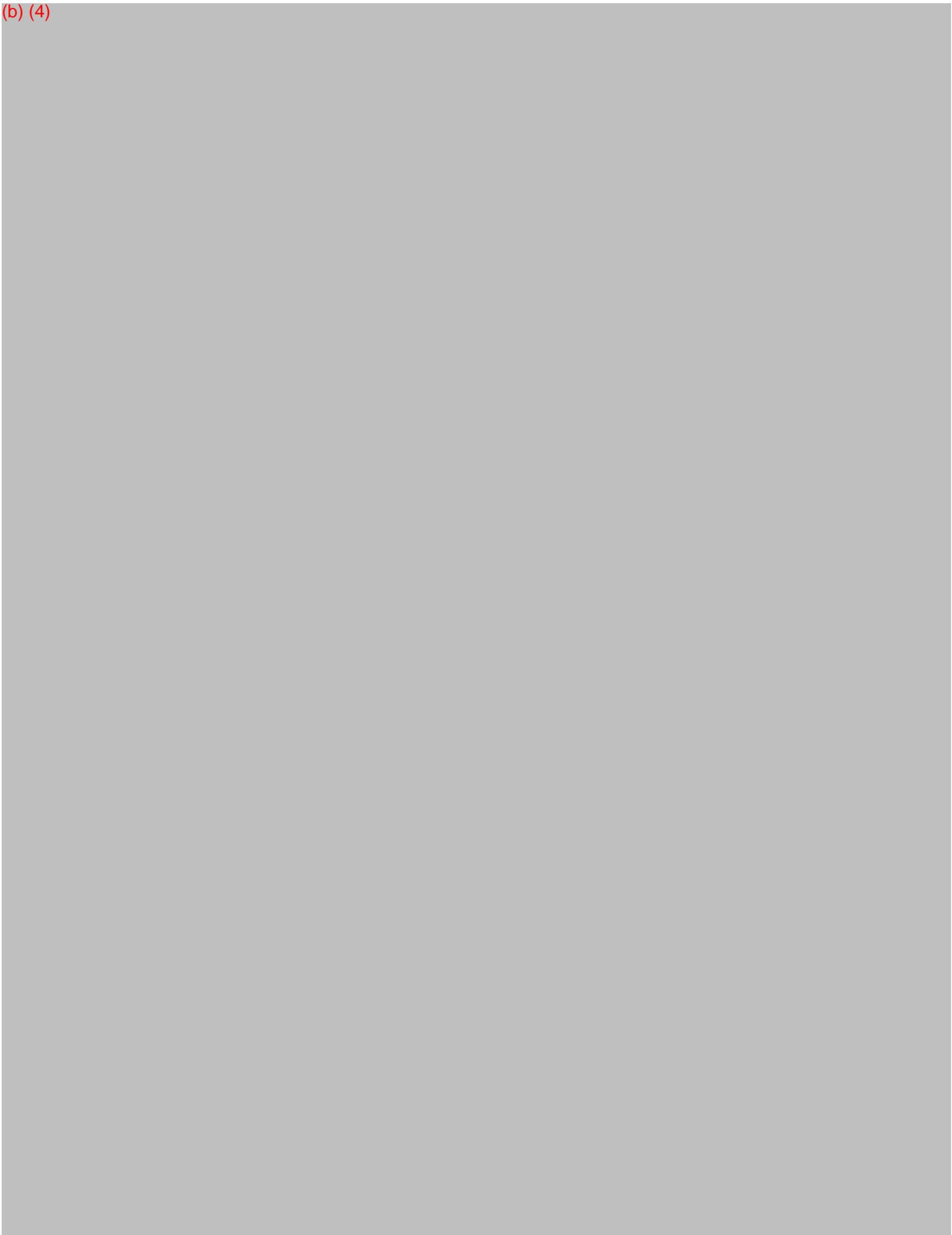
First Company: Ntractive.

First Table- Employment Impact: This table demonstrates that a \$1,000,000 investment will result in a total increase in employment (b) (4). Of that total (b) (4) are direct hires by the company. Their professional activity creates another (b) (4) in indirect or supporting industries. Finally, (b) (4) hires occur because of induced economic activity such as retail, educational employees, and so forth

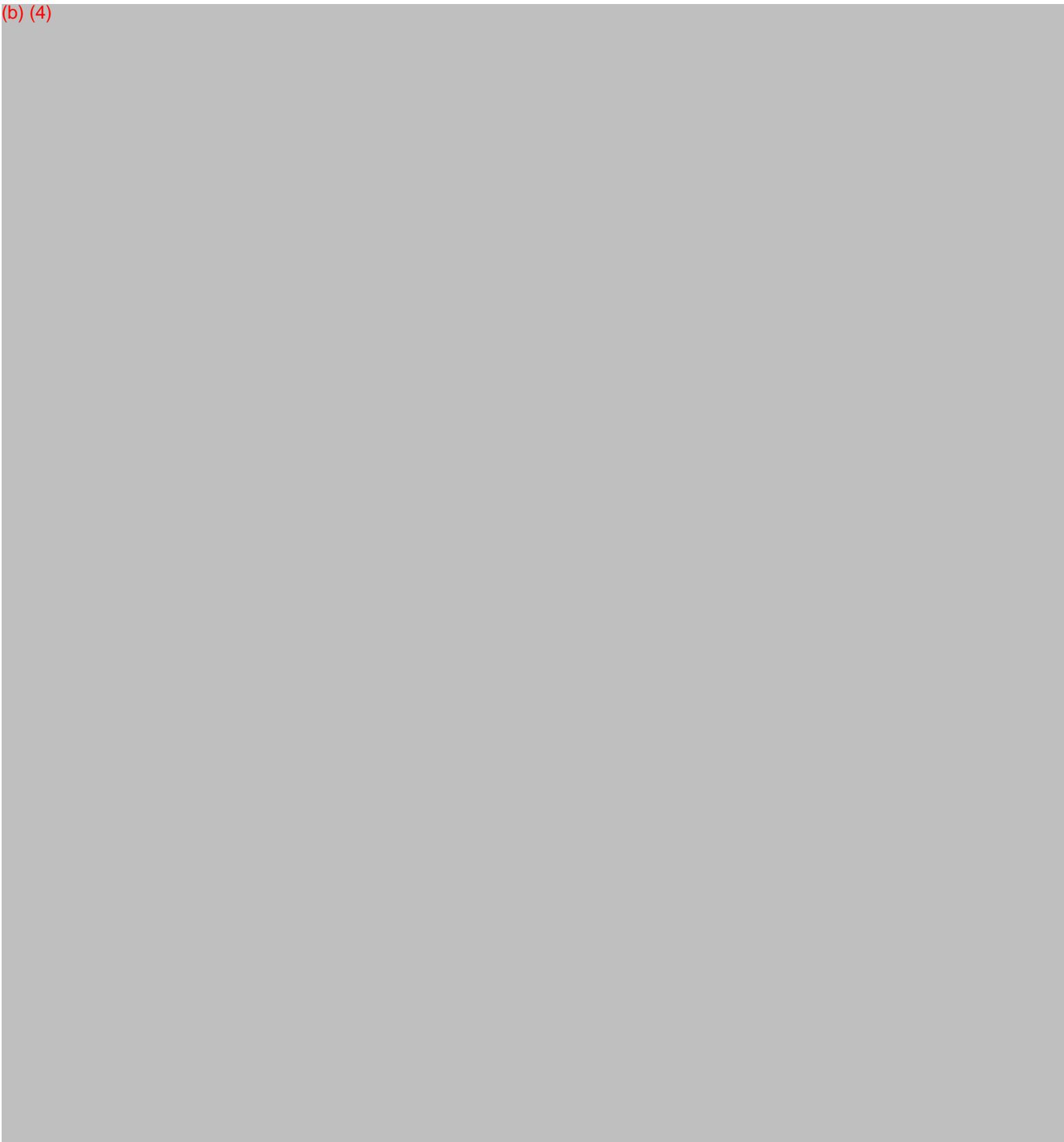
(b) (4)

² The ND/NW-MN EB-5 RC has provided this job creation analysis assuming that the USCIS would allow credit for construction related employment.

(b) (4)



(b) (4)



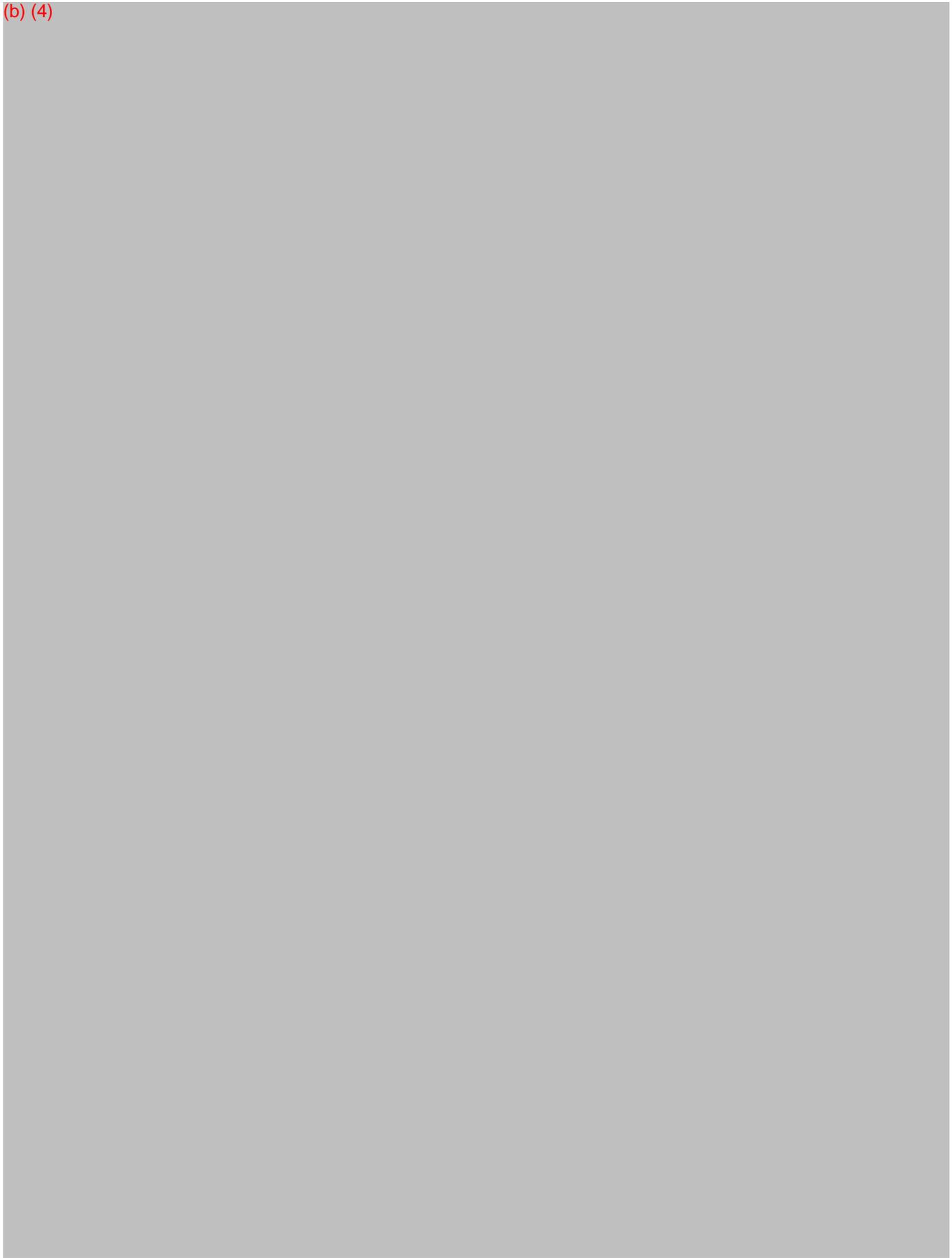
TAX IMPACT
Ntractive Tax Impact

US\$1,000,000 Investment	Employee Compensation	Proprietary Income	Household Expenditures	Enterprises (Corps)	Indirect Business Taxes	Total
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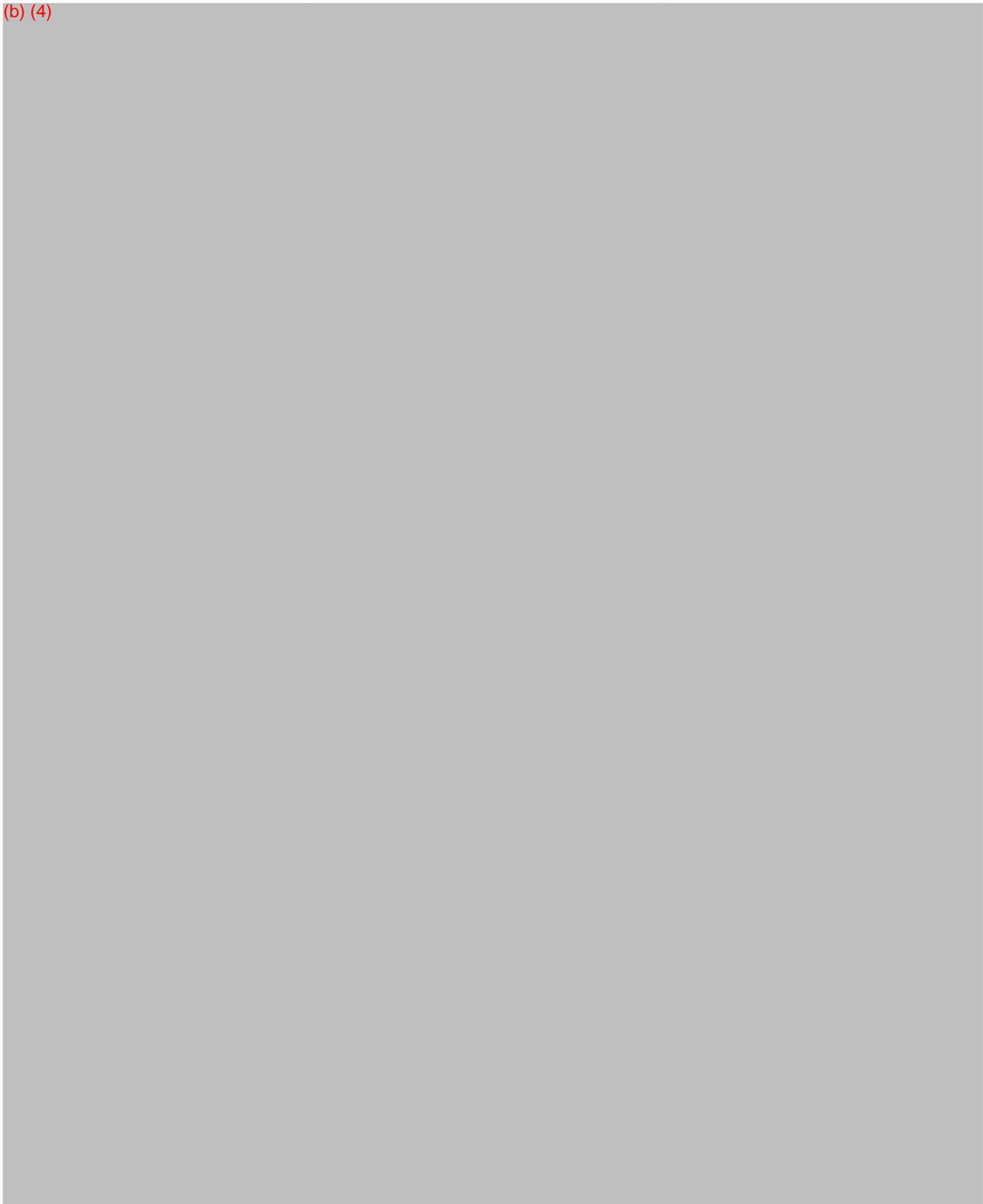
(b) (4)



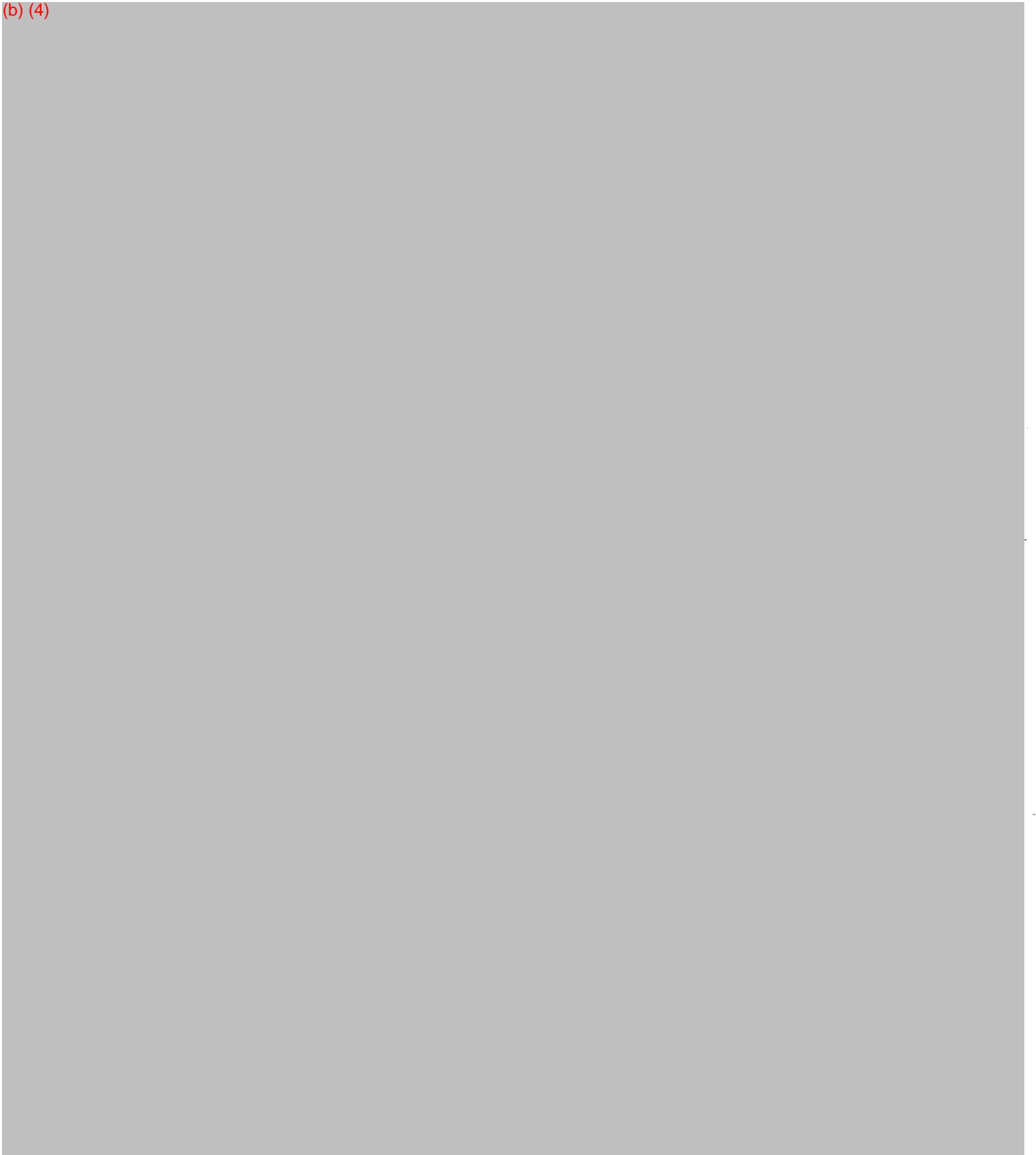
(b) (4)



(b) (4)



(b) (4)



Remaining Companies

Each of the remaining companies has generated similar tables when the IMPLAN formula was applied to their investments. That is, IMPLAN will show how much the investment will increase all employment, all taxes, gross sales, and so forth. **Those tables can be seen in Appendix A of this report.**

Summary:

The industries selected for the regional center are those for which North Dakota and Northwest Minnesota have the greatest competitive advantage. For example, although the area has some of the necessary resources such as water, iron mills were not chosen because hauling the ore to the area would not be cost-effective. On the other hand, agribusiness is included because the region leads the nation in production of 14 major crops and in innovative development of agribusiness-related renewable energies.

Given those factors, there is a high degree of probability that at the end of the Eb-5 Regional Center as many (b) (4) businesses or individuals would invest at least \$1,000,000 each. That could lead to an increase in total output of over (b) (4). Sales would increase about (b) (4) and Gross State Product for both North Dakota and Minnesota would increase about (b) (4). Total tax collections in both states would increase about (b) (4). Finally, we would expect job creation to total nearly (b) (4) new positions, a huge increase for this area.

This report has been conjointly produced by Dr. Cullen Goenner and Mr. Ralph Kingsbury. Dr. Goenner is a faculty member at the economics department at the University of North Dakota and Mr. Kingsbury is an independent economist. Their respective Curriculum Vitae and Bios are included in **Appendix B** of this report.

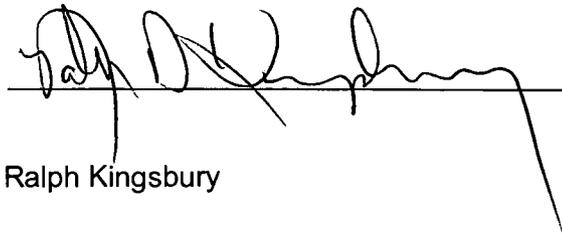
Sincerely Yours,



Cullen F. Goenner, PhD

Title: Associate Professor of Economics

Date: 4/8/10



Ralph Kingsbury

Title: Consulting Economist

Date: 4/8/10

Appendix A:
Remaining companies of IMPLAN report

1) Aerospace/ Aviation - TriState

(b) (4)



Table 2: Industry Output Impact

(b) (4)



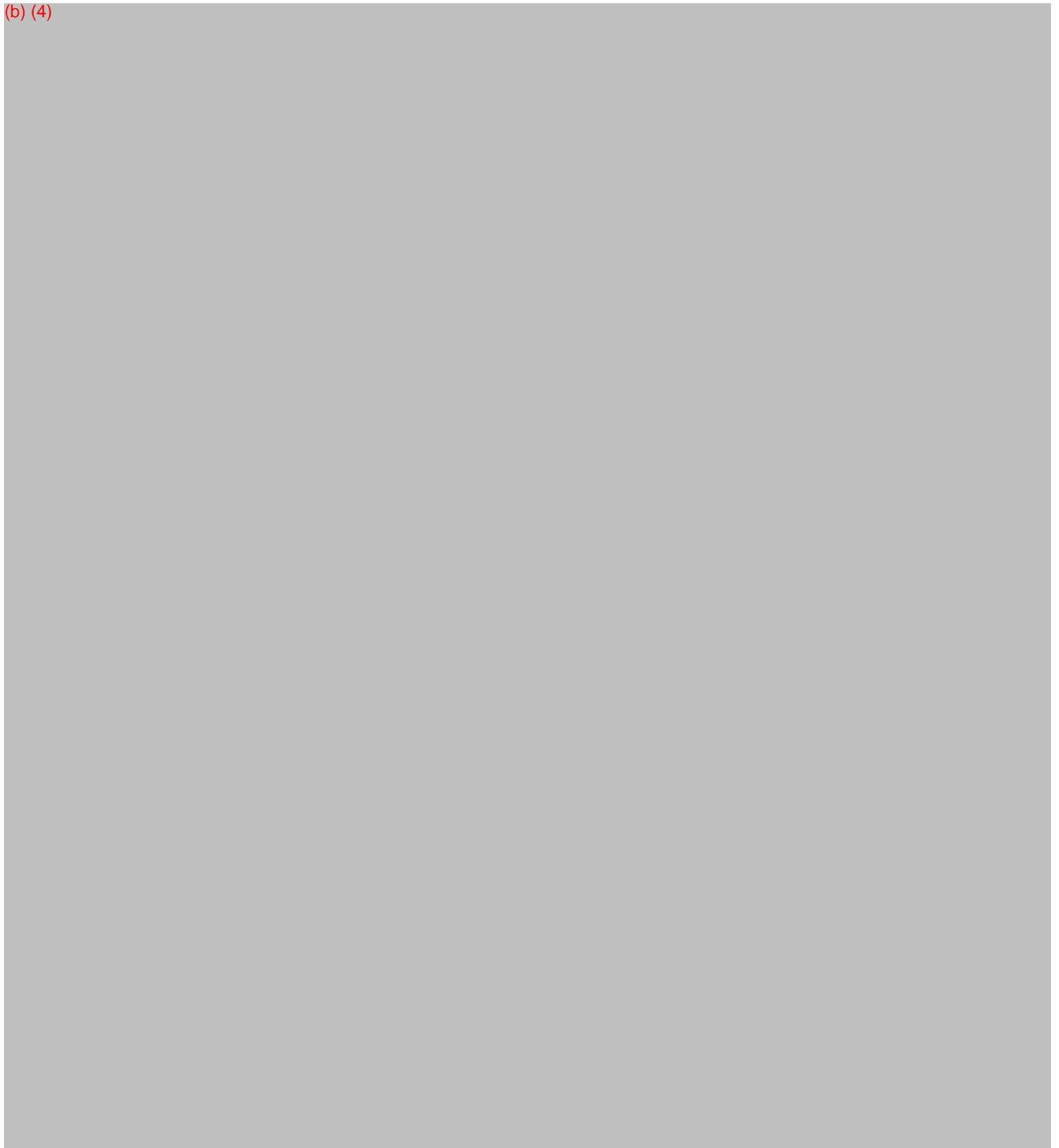
Table 3: Industry Total Added Value

(b) (4)



Table 4: Industry Tax Impact

(b) (4)



2) IT/ Telecommunications – Datacom

(b) (4)



Table 2: Industry Output Impact

(b) (4)



Table 3: Industry Total Added Value

(b) (4)



Table 4: Industry Tax Impact

(b) (4)



3) Manufacturing – Amity Technology

(b) (4)



Table 2: Industry Output Impact

(b) (4)



Table 3: Industry Total Added Value

(b) (4)



Table 4: Industry Tax Impact

(b) (4)



4) Real Estate Development – Killbourne Group

(b) (4)



Table 2: Industry Output Impact

(b) (4)



Table 3: Industry Total Added Value

(b) (4)

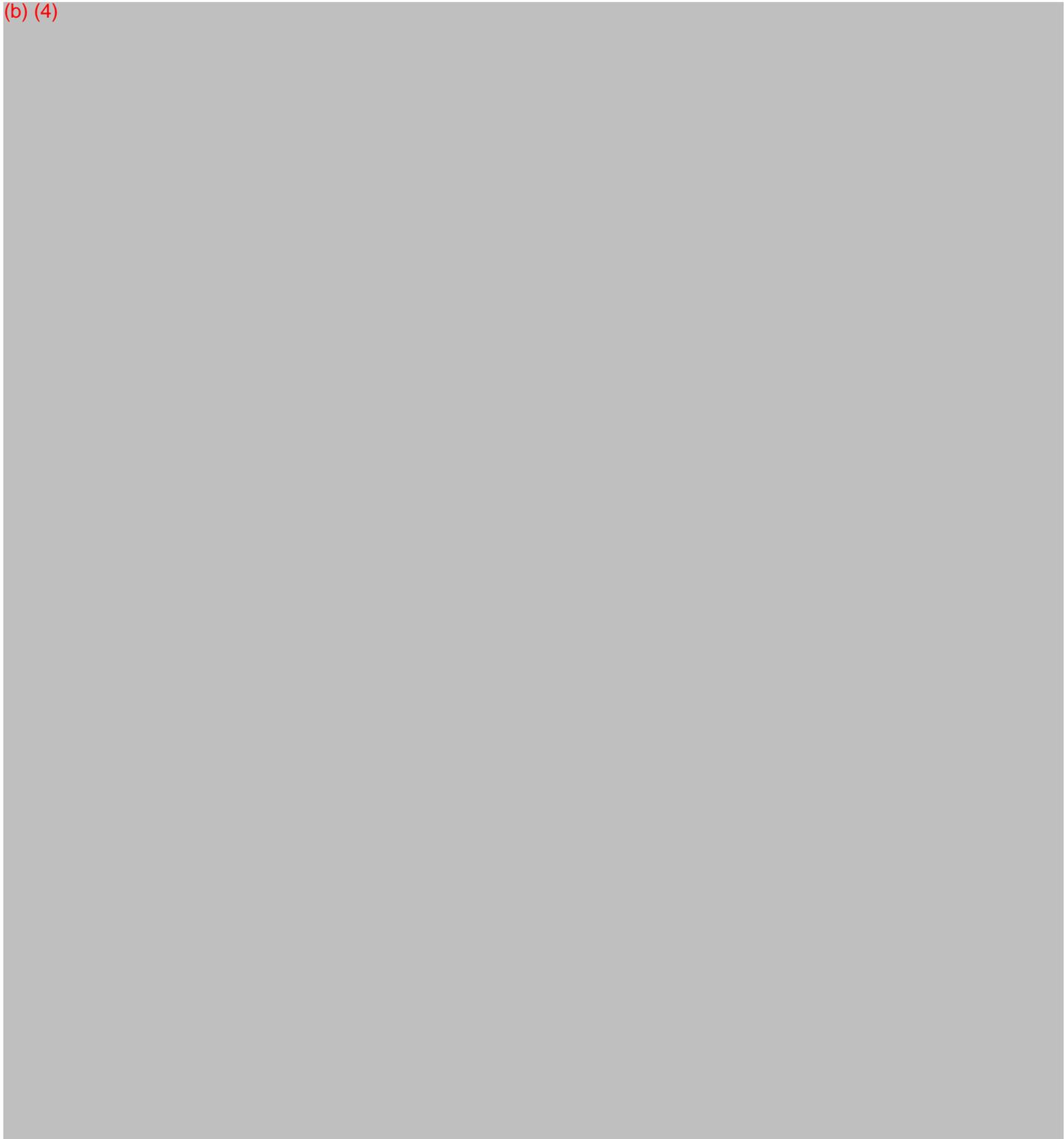


Table 4: Industry Tax Impact

(b) (4)



5) Manufacturing – Vinylite

(b) (4)



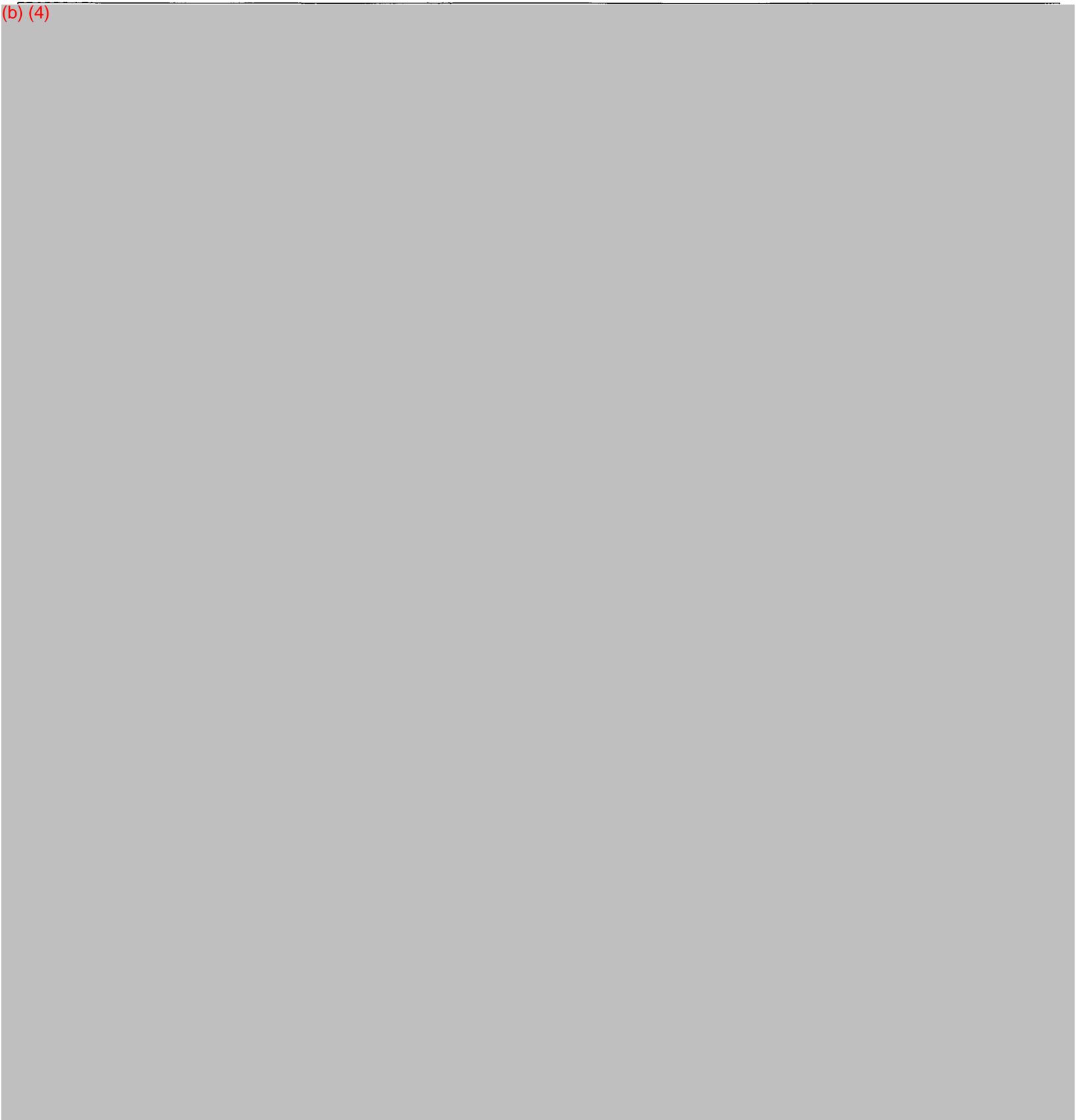
Table 3: Industry Total Added Value

(b) (4)



Table 4: Industry Tax Impact

(b) (4)



6) Real Estate Development- Lakewood

(b) (4)

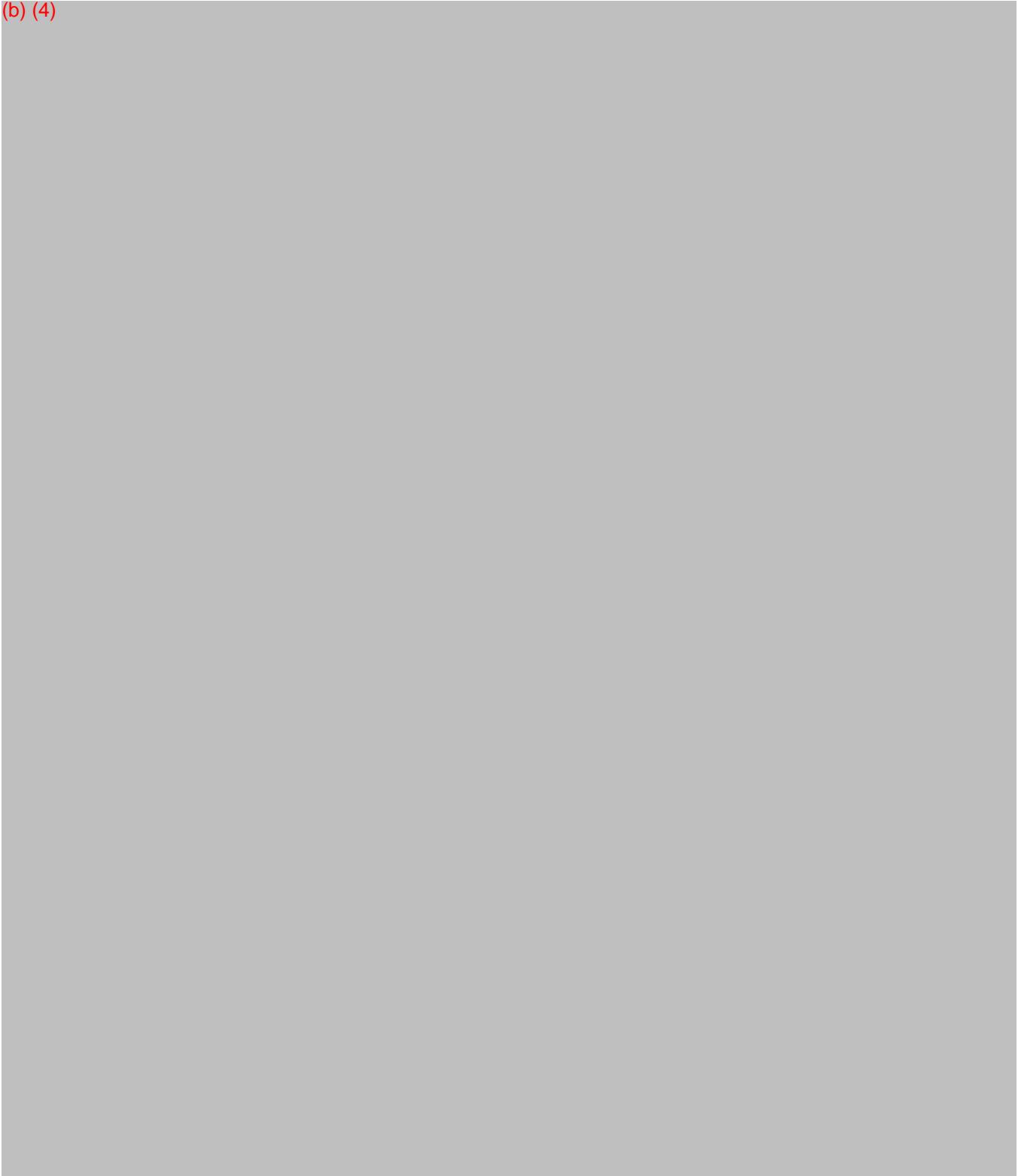


Table 3: Industry Total Added Value

(b) (4)



Table 4: Industry Tax Impact

(b) (4)



7) IT/ Telecommunications – Douglas Scientific

(b) (4)



Table 3: Industry Total Added Value

(b) (4)



Table 4: Industry Tax Impact

(b) (4)



8) Manufacturing – 3M

(b) (4)



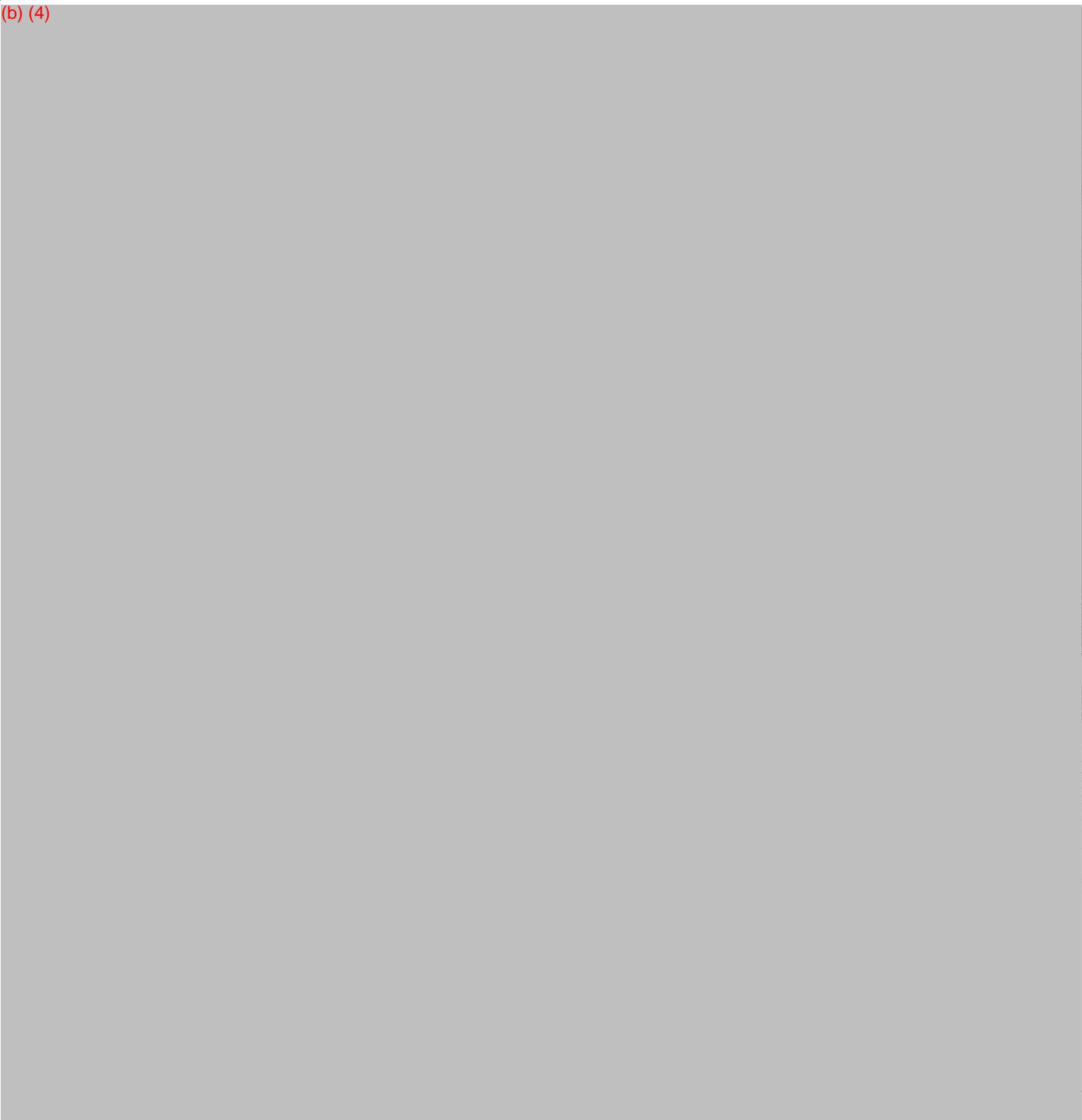
Table 3: Industry Total Added Value

(b) (4)



Table 4: Industry Tax Impact

(b) (4)



9) Manufacturing- West Tool

(b) (4)

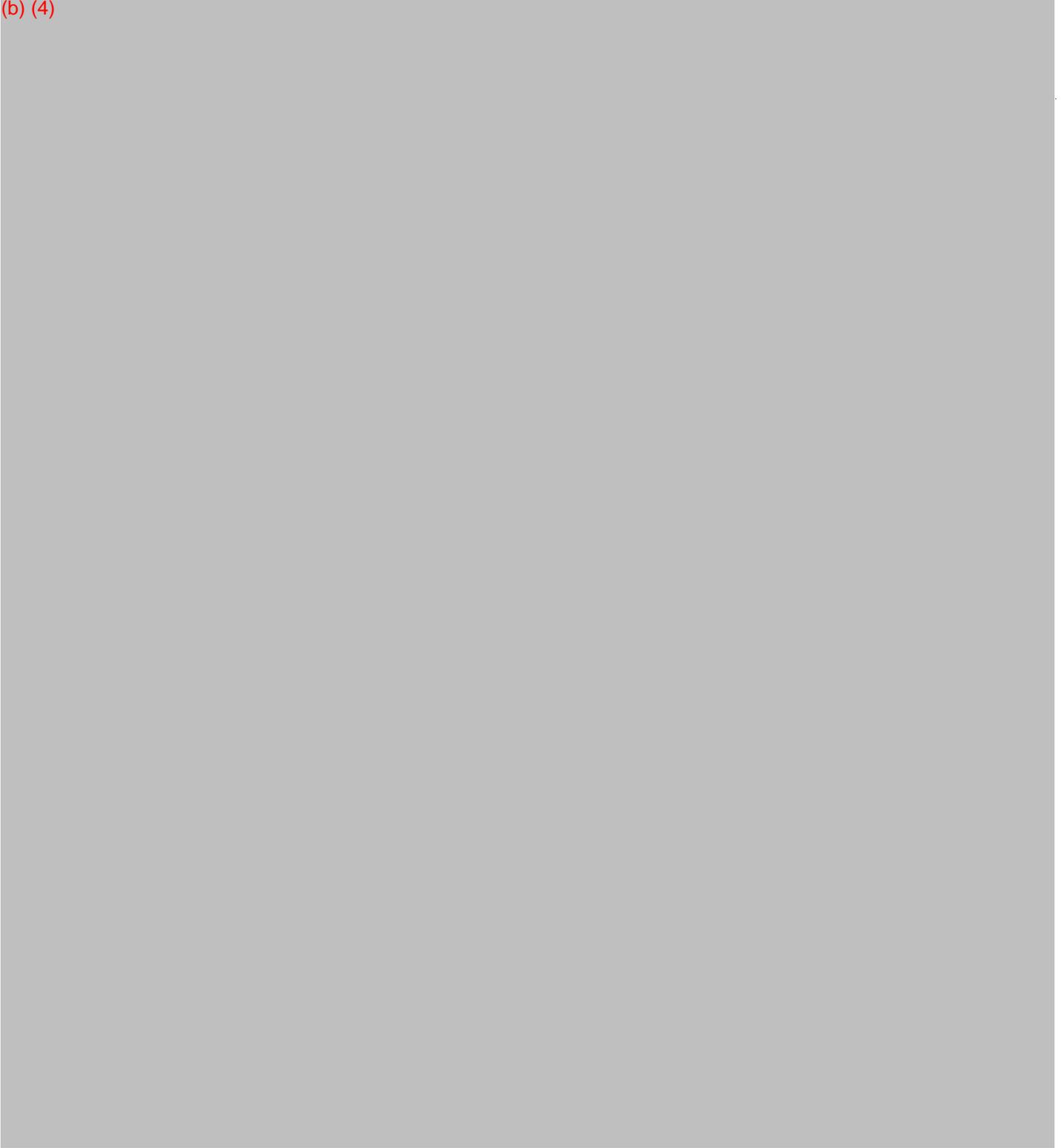


Table 3: Industry Total Added Value

(b) (4)



Table 4: Industry Tax Impact

(b) (4)



10) Biotechnology

(b) (4)



Table 2: Industry Output Impact

(b) (4)



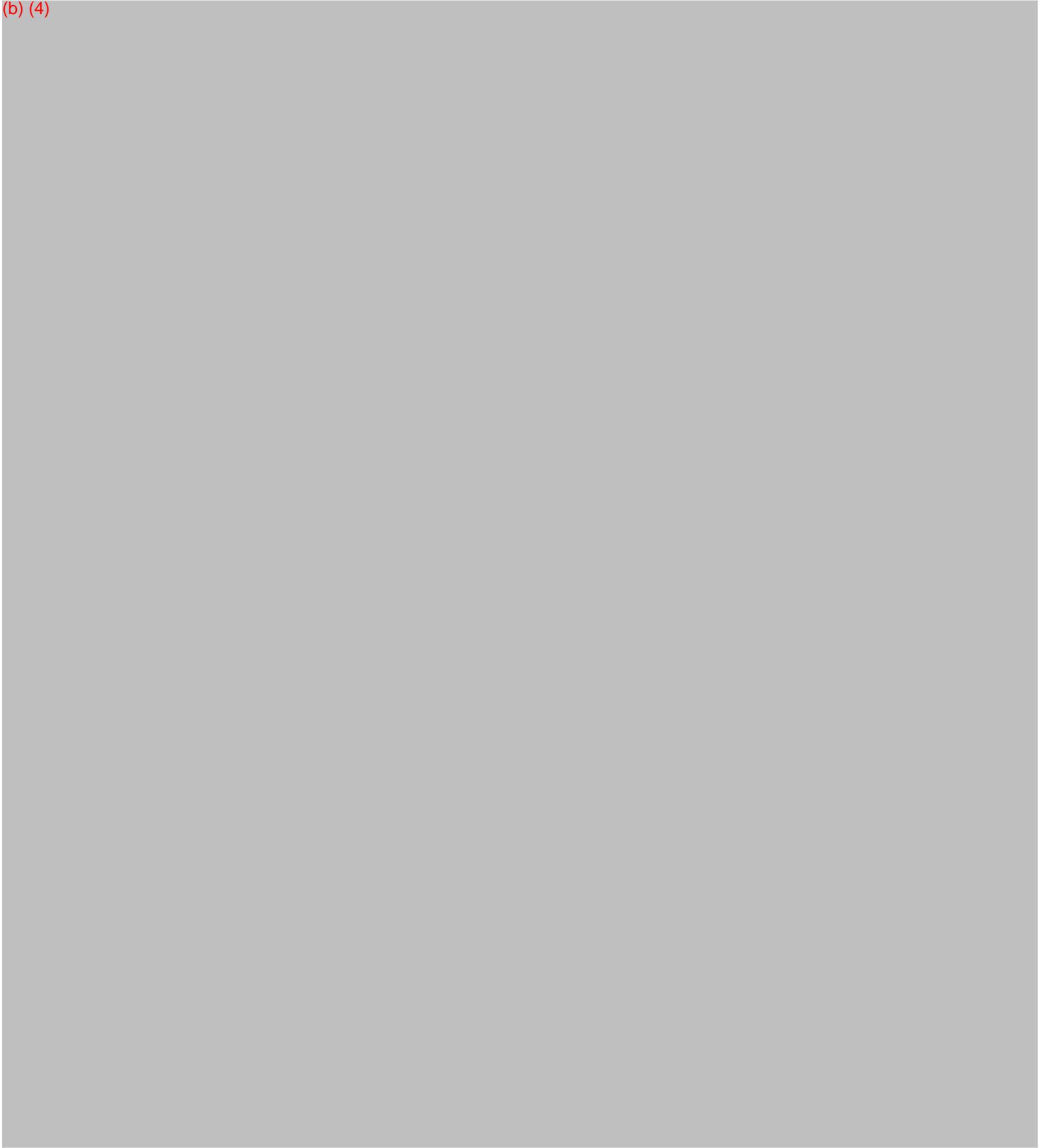
Table 3: Industry Total Added Value

(b) (4)



Table 4: Industry Tax Impact

(b) (4)



APPENDIX B:
Economists Bios and Curriculum Vitae

Bios:

**Dr. Cullen F. Goenner:
Department of Economics
University of North Dakota**

Cullen F. Goenner (Ph.D., Economics, University of Wisconsin), Associate Professor of Economics at the University of North Dakota, specializes in research on macroeconomics, statistics, economic impact and development, and education assessment. He has served as a consultant for the North Dakota Departments of Transportation and Commerce, and the University of North Dakota. Dr. Goenner's recent publications appear in the *Journal of Real Estate Finance and Economics*, *Journal of Economics*, *Journal of Macroeconomics*, and *Research in Higher Education*. He has presented his research to the US Bureau of Economic Analysis, FDIC, Freddie Mac, Fannie Mae, Chase, and at several universities and conferences. He is also a past Vice-President and Director of the Missouri Valley Economics Association.

**Ralph Kingsbury
Kingsbury Applied Economics
Grand Forks, ND**

Ralph Kingsbury is a Grand Forks, ND based economist. His firm, Kingsbury Applied Economics, does market research and provides financial services on a contract basis. He writes a monthly report and commentary for the Grand Forks Herald known as The Economic Data Bank. The report appears in the Herald on the last Monday of each month.

In addition to the Economic Data Bank Kingsbury writes a monthly column for the Herald that is based on what he considers important information for the upper Midwest, North Dakota, and the Grand Forks area. These columns have ranged on topics from the importance of this areas demography and how it applies to future growth plans to columns that provide his projections for the direction of the North Dakota and Grand Forks economies. As well, many other topics are also discussed.

Kingsbury was a Red River Valley farmer for 30 years until forced to retire from farming due to limitations caused by spinal stenosis. Prior to farming, Kingsbury was first an instructor in economics, and then the Director of Institutional Research, both at University of North Dakota. He also was an economics instructor for the University of Maryland's Far East Division. He is currently an adjunct faculty member of Embry Riddle Aeronautical University teaching at the GFAFB.

He has served on many local and state boards, including the State Board of Higher Education and the State Board for Public School Education and Vocational Education. While farming he was a founding director of a potato marketing brokerage. Kingsbury also served as the president of the Grafton Area Chamber of Commerce. The author, or co-author of two published reports, Kingsbury also researched and wrote a chapter for a third report on health in North Dakota. He has completed several studies for private clients

CURRICULUM VITAE:

Curriculum Vitae Cullen F. Goenner September 2009

Office

Department of Economics
University of North Dakota
Gamble Hall Room 290
293 Centennial Drive Stop 8369
Grand Forks, ND 58202-8369
(701) 777-3353
cullen.goenner@und.nodak.edu
<http://www.business.und.edu/goenner>

Home

3917 Shady Lane
Grand Forks, ND 58201

Citizenship: United States of America

Date of Birth: 28 September 1973

Education

University of Wisconsin - Madison

PhD, Economics, 2001.

Major: Macroeconomics

Minor: Econometrics, Finance

Thesis: "Empirical Approaches to the Study of Interstate Conflict"

Committee: Steven N. Durlauf (Chair), Yuichi Kitamura, M. Scott Taylor.

MS, Business: Quantitative Math of Finance, 1999.

MS, Economics, 1997.

University of Southern California

BA/MA, Economics, 1996.

BA, Political Science, 1996.

Employment

Associate Professor (Tenure), University of North Dakota, 2007 – Present.

Assistant Professor, University of North Dakota, 2001 – 2007.

Research Interests

Fields: Macroeconomics (Major), Econometrics, Finance.

Current Research Areas: Trade, democracy, and conflict; Model specification/Bayesian model averaging;
Education assessment; Predictive modeling.

Software

Matlab, C++, Stata, Splus, HLM

Courses Taught

Principles of Microeconomics

Money and Banking
Intermediate Macroeconomics
Financial Derivatives
Financial Economics
Applied Econometrics (Graduate)
Health Economics (Graduate)

Refereed Journal Articles

"From Toys to Warships: Interdependence and the Effects of Disaggregated Trade on Militarized Disputes." *Journal of Peace Research*, Forthcoming.

"Discrimination and Mortgage Lending in Boston: The Effects of Model Uncertainty", *Journal of Real Estate Finance and Economics*, Forthcoming.

"Investing in Fortune's 100 Best Companies to Work for in America," *Journal of Economics*, 34(1): 1-20, 2008.

"A Life-Cycle Approach to the Intertemporal Elasticity of Substitution" with Daniel K. Biederman, *Journal of Macroeconomics*, 30(1):481-498, 2008.

"Economic War and Democratic Peace," *Conflict Management and Peace Science*, 24(3): 171-182, 2007.

"A Predictive Model of Inquiry to Enrollment," with Kenton Pauls, *Research in Higher Education*, 47(8): 935-956, 2006.

"Accounting for Model Uncertainty in the Prediction of University Graduation Rates," with Sean M. Snaith, *Research in Higher Education*, 45(1): 25-41, 2004.

"Predicting graduation rates: An analysis of student and institutional factors at doctoral universities," with Sean M. Snaith. *Journal of College Student Retention*, 5(4): 409-420, 2004.

"Uncertainty of the Liberal Peace," *Journal of Peace Research*, 41(5): 589-605, 2004.

"Assessing the Impact of Increased Admission Standards," with Sean M. Snaith. *College and University*, 80(1): 29-34, 2004.

"Incorporating Writing into an Introductory Business and Economics Statistics Course: A Practical Approach," with Sean M. Snaith. *Journal of College Teaching and Learning*, 1(7): 53-60, 2004.

Working Papers

"The effect of asymmetries in relative factor endowments on international trade", with Peri da Silva.

"A Hierarchical Linear Model of Bilateral Trade: The Effect of Geography and Institutions"

Newspaper

Lawonn, B. (2008, Aug 6). Man Faces 78 Charges: Accused of bilking \$5M from investors in Ponzi scheme. *Fargo In-Forum*.

Nadeau, S. (2008, April 30). It's Really Going to be Ugly. *Grand Forks Herald*.

Yellowbird, D. (2007, May 20). High Gas Prices: Economist Explains it All. *Grand Forks Herald*.

Dalrymple, A. (2007, May 11). Price of Gas Likely to Reach Record Levels. *Fargo In-Forum*.

Johnson, K. (2006, September 3). Diesel Prices Stay above \$3. *Grand Forks Herald*. p. 3B

(2006, June 22). Q/A Gas Prices at the Pumps. *Grand Forks Herald*. p. 6C.

(2005, November 29). Briefly. *Bismarck Tribune*. p. 5.

- (2005, October 30). Airmen begin return today through Wednesday. *Grand Forks Herald*. p. 1A.
- Rineheart, E. L. (2005, April 28). Bye, bye birdies. *Grand Forks Herald*. p. 1A
- Dodds, D. (2005, March 31). Biolab spins off private interests. *Grand Forks Herald*. p. 1A.
- (2004, November 22). UND says funding and spending for research set records. *Bismarck Tribune*. p. 6.
- Dodds, D. (2004, November 20). Research impact soars. *Grand Forks Herald*. p. 1A
- Dodds, D. (2003, November 11). An economic engine. *Grand Forks Herald*. p. 4B.

Conference Presentations:

- 2008 - 45th Annual Missouri Valley Economic Association Meeting: St. Louis, MO. Oct 23-25, "From Toys to Warships: Interdependence and the Effects of Disaggregated Trade on Militarized Disputes"
- 2007- 44th Annual Missouri Valley Economic Association Meeting: Kansas City, MO. Oct 25-27, "From Toys to Warships: Interdependence and the Effects of Disaggregated Trade on Militarized Disputes"
- 2006 – 43rd Annual Missouri Valley Economic Association Meeting: Minneapolis, MN. Oct 26-28, "Investing in Fortune's 100 Best Companies to Work for in America"
"A Demographic Analysis of Intertemporal Substitution in Consumption," with Daniel K. Biederman
- 2005 – 42nd Annual Missouri Valley Economic Association Meeting: Kansas City, MO. Oct 27-29, "Economic War and Democratic Peace"
- 2005 – Annual Association for Institutional Research Forum: San Diego, CA. May 29-June 1, (National) "A Predictive Model of Inquiry to Enrollment," with Kenton Pauls
- 2004 – 41st Annual Missouri Valley Economic Association Meeting: Nashville, TN.
"Discrimination and Mortgage Lending in Boston: The Effects of Model Uncertainty"
"A Life-Cycle Approach to the Intertemporal Elasticity of Substitution" with Daniel K. Biederman
- 2004 – 40th Annual Missouri Valley Economic Association Meeting: Kansas City, MO.
"A Hierarchical Linear Model of Bilateral Trade: The Effect of Geography and Institutions"

Other Presentations

- 2008 – University of Manitoba
- 2007 – FDIC, BEA, Chase-JPMorgan, Fannie Mae, Freddie Mac, Bank of America, Holy Cross
"Discrimination and Mortgage Lending in Boston: The Effects of Model Uncertainty"
- 2004 – UND Memorial Union Mini Session
"Credit and the rest of your life"
- 2004 – UND Department of Economics Seminar Series
"Discrimination and Mortgage Lending in Boston: The Effects of Model Uncertainty"
- 2002 – UND Memorial Union Mini Session
"Credit and the rest of your life"
- 2002 – UND Department of Economics Seminar Series
"Uncertainty of the Liberal Peace"

Grants and Contracts Received

"Economic Impact of 'Experience North Dakota.'" North Dakota Department of Commerce Research Contract, 2008, (\$4,000)

"Customer Satisfaction Survey." North Dakota Department of Transportation Research Contract, 2008, (\$30,500)

"Strategic Trade Flows, Industry Concentration, and Interstate Conflict," UND CoBPA Summer Research Grant, 2007, (\$2,500)

"Customer Satisfaction Survey." North Dakota Department of Transportation Research Contract, 2006, (\$28,600)

- Created a survey to evaluate stakeholder satisfaction with ND DOT.
- Oversaw statewide survey of motorists, motor carriers, government, and businesses.
- Examined which factors contributed most to overall satisfaction, differences across groups, and differences over time to find areas in need of improvement.

"Investing In Fortune's Best Companies To Work For," UND CoBPA Summer Research Grant, 2006, (\$2,500)

"Target Marketing and the Use of Internet Shopping Agents," North Dakota Small Business Development Center Research Grant, 2005 (\$5,000)

- Demonstrate how small businesses can use their customers' zip codes to conduct targeted marketing
- Utilize tools of geodemography to determine the demographic characteristics of customers based on where they live.
- Cluster analysis used to segment customers and their buying patterns.
- Regression used to identify neighborhoods to target marketing efforts.

"Model Uncertainty and the Prediction of Money Demand," UND CoBPA Summer Research Grant, 2004, (\$2,500)

"A Hierarchical Linear Model of Trade," UND CoBPA Summer Research Grant, 2002, (\$2,500)

Other Sponsored Research

"Increasing Admissions Standards: The Impact on Student Outcomes", UND Vice President of Student and Outreach Services, 2009

- Analyzed impact of change in admissions standards on retention, credits completed, and first year GPA.
- Examined the impact of provisional admission status.

"A Predictive Model of Enrollment," UND Enrollment Services, 2004

- Built a logistic regression model that scores the likelihood students who inquire of our institution will enroll.
- Limited information provided by inquiries supplemented by demographic data inferred from where a student lives.
- Model accurately predicts out of sample 90% of outcomes.

"Assessing Engagement of Students at UND," UND Vice President of Student and Outreach Services, 2004

- Evaluated faculty and student perceptions of student engagement at UND using FSSE and NSSE data.
- Identified who was engaged as well as ways for faculty and the institution to improve student engagement.
- Compared engagement with peer institutions to evaluate relative performance.

"Economic Impact of Bio Research Lab," UND Vice President of Research, 2004

- Used IMPLAN to model the potential economic impact from building a Bio Defense research lab on output, employment, and tax revenues for the county, state, and upper Midwest.

"Economic Impact of UND's research," UND Vice President of Research, 2003, 2004

- Used IMPLAN to model the economic impact of UND's research expenditures on output, employment, and tax revenues for the county, state, and upper Midwest.

"Assessment of Raising ACT and GPA Requirements for UND Admissions," Associate Vice President Enrollment Management, 2003

- Evaluated the potential effects of raising admission standards on UND's ranking in US News and World Report.
- Evaluated the effects on student enrollment, retention, and graduation rates.

Professional Associations

Canadian Economics Association

Missouri Valley Economics Association; Vice President 2006-2007, Director 2008-2009, Webmaster 2008-Current.

Western Economics Association

Association for Institutional Research

Referee for Professional Journals

Journal of Economics

Journal of Peace Research

Conflict Management and Peace Science

Awards

UND CoBPA Clow Banking Fellowship 2009-2011

UND Founders Day Spirit of North Dakota Award, 2009.

UND CoBPA Meritorious Teaching, Research, and Service Award, 2008-2009

UND Memorial Union Leadership Award – Outstanding Student Organization Advisor, 2008 & 2009

UND Presidential Scholar Faculty Star, 2008 & 2009

UND Founders Day Teaching Award Finalist, 2007

UND Golden Key Honor Society – Honorary member, 2004

UND Summer Instructional Development Professorship, 2003

AIR/NSF/NCES Data Policy Institute Fellowship, 2003

UND CoBPA Meritorious Teaching, Research, and Service Award, 2003-2004

UND Senate Scholarly Activities award 2003-2004, 2004-2005, 2005-2006, 2008-2009.

UW-Madison Economics Department Fellowship, 2000

Phi Beta Kappa, USC

Magna Cum Laude, USC

Haynes Foundation Scholar, USC

RALPH KINGSBURY

14361 72ND St NE
Grafton, ND 58237
SSAN: 502-44-9670
Phone: (701) 352-1668 (home)
(701) 520-2432 (cell)
(701) 738-4810 (office)
(701) 777-2339 (fax)
Email: kae@invisimax.com
Office Address:
4200 James Ray Dr.
Grand Forks, ND 58201

QUALIFICATIONS:

- . Current Adjunct Faculty Embry-Riddle Aeronautical University.
- . Current Business Consultant and newspaper columnist.
- . 30 years as a Red River Valley farmer.
- . Founding director of cooperative potato brokerage business.
- . President of the Drayton Factory District, and the executive.
Committee of the Red River Valley Sugar Beet Growers Assn.
- . President and director of Nash Grain and Trading Co.
- . President and director of Walsh County Farm Bureau.
- . President and director of Grafton Area Chamber of Commerce
- . Numerous state and local boards and committees.
- . Member Grand Forks Chamber of Commerce Ag Committee.

EDUCATION:

- . 1968 M.S. University of North Dakota (Economics and Accounting)
- . 1965 B.S. Business Administration University of North Dakota

EMPLOYMENT:

- . Jan 2006- Adjunct Faculty. Embry-Riddle Aeronautical University.
- . Nov 2004- Owner-Kingsbury Applied Economics. A marketing/economic
Research and Services Firm.
- . Dec 2004- Independent Economic Columnist. Grand Forks Herald
(Weekly).
- . Jun-Aug 2004 Senior Development Specialist, North Dakota Museum of Art
- . 1975-03 Farmer.
- . 1971-75 Director of Institutional Research, University of North Dakota.
- . 1970-71 Instructor, Department of Economics, University of North
Dakota .

- . 1969 Instructor, Department of Economics, University of Maryland-
Far East Division.
- . 1968-70 U.S. Army, 7th Infantry Division (Korea).
- . 1967-68 Graduate Teaching Assistant, Department of Economics,
University of North Dakota.

- . 1967-68 Graduate Research Assistant, Office of Vice President for Academic Affairs, University of North Dakota.
- . 1959-68 Bookkeeper and Sales Associate for small men's clothing store..

OTHER:

- . August 2007 Accepted by University of North Dakota as temporary faculty in various departments in the College of Business and Public Administration.

BOARD MEMBERSHIPS:

- . North Dakota State Board of Higher Education (2001-2005).
- . North Dakota Board of Public School Education and State Board for Vocational Education (1981-85).
- . North Valley Vocational School-Director.
- . Nash Public School-Director and President.

ORGANIZATIONS:

- . Rotary
- . Grand Forks Chamber of Commerce
- . American Legion
- . 2nd Korean War Veterans Organization
- . 7th Infantry Division Assn
- . Walsh County Farm Bureau

HONORS:

- . Omicron Delta Epsilon (Honorary in Economics)
- . Army Commendation Medal

PUBLICATIONS and Research Projects:

- . Economic Impact of 2008 Men's World Curling Championship.
- . Implication of Inflation on Local Government Budgets.
- . Various research projects for Grand Forks Region Economic Development Corporation.
- . Publications for various media on specific economic areas.
- . Economic Data Bank. Monthly series for the Grand Forks Herald. Includes various statistics and 1200-1400 word commentary.
- . The Economics of Reclaiming Strip Mined Coal Lands. Bureau Of Economic Research. University of North Dakota. Grand Forks, ND.
- . Environmental and Economic Impact of Flood Control for Grafton, North Dakota. Bureau of Environmental Studies. University of North Dakota. Grand Forks, ND (Economic Section).
- . North Dakota Health Assessment. Charles Libra (et al). Bureau of Social Science Research. University of North Dakota. Grand Forks, ND (chapter on mortality and morbidity trends in diseases in ND).

REFERENCES:

- . Desiree Cole, Associate Director, Embry Riddle Aeronautical University, 319 MSS/DPE, 344 Tuskegee Airmen Blvd., Grand Forks Air Force Base, 58205-6336.
- . Mike Jacobs, Publisher and Editor, Grand Forks Herald. Grand Forks, ND. Phone 701-780-1100.
- . Bruce Gjovig, Director, Center for Innovation, University of North Dakota.

Phone 701-777-3132.

. Earl Strinden, Retired Executive Vice-President, University of North Dakota
Alumni Association. Phone 701-775-9166.

. Clayton Mohagen, CPA, 8 5th St. W, Grafton, ND 58237, 701-352-0494.



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STAMP #133

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(213) 627-8997
SHIP DATE: 4/21/2010
WEIGHT: 1 lb. 0 oz.

0007

WAIVER OF SIGNATURE REQUESTED

Ref#: 3993.01 - UND

SHIP

TO: USCIS - CALIFORNIA SERVICE
ATTN: EB-5 RC PROPOSAL
PO BOX 10526

LAGUNA NIGUEL CA 92607-1052

USPS EXPRESS MAIL



EO 045 002 678 US

POSTAL USE ONLY

Date In: No. <u>04</u> Day <u>21</u> Year <u>10</u>	Time In: <u>3:06</u>	<input type="checkbox"/> AM <input checked="" type="checkbox"/> PM
Day of Delivery: <input checked="" type="checkbox"/> Next	<input type="checkbox"/> Second	<input type="checkbox"/> 12 Noon <input checked="" type="checkbox"/> 3 PM
Return Receipt	COD	Additional Insurance Fee \$-.-.-

Decision Processing Worksheet

Officer Name: George Eberling		Receipt #: RCW1031910017/W09001760		
Officer Stamp #: 3700		UND Center for Innovation Foundation RC		
Form Type: I-924C	Classification:	Division: 3	Team: 1	WS: 24064
Action:				
<input checked="" type="checkbox"/> Approval <input type="checkbox"/> No Record <input type="checkbox"/> Pending Name Check <input type="checkbox"/> Abandonment <input type="checkbox"/> Withdrawal	<input type="checkbox"/> MTR <input type="checkbox"/> Appeal	<input type="checkbox"/> RFE Initial <input type="checkbox"/> RFE Additional <input type="checkbox"/> RFE Initial & Additional <input type="checkbox"/> 30 <input type="checkbox"/> 42 <input type="checkbox"/> 84	<input type="checkbox"/> Revocation <input type="checkbox"/> Auto-terminate <input type="checkbox"/> Auto-revocation <input type="checkbox"/> Relocate	<input type="checkbox"/> Denial <input type="checkbox"/> ITD <input type="checkbox"/> ITR
I-924 Expedite Processing:				
Date Received:		# of Un-Named Beneficiaries:		# of Named Beneficiaries:
Officer Received Date:			AST Action Completed:	

I-924 Processing

Officer Prepares or Completes (Notice Ordered) RFE ITD/30 ITR/30 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> _____ (1 st Initial & Last Name) _____ (Date & Time)	Clerical/Officer Completes RFE/ITD/ITR (Notice Sent) _____ (1 st Initial & Last Name) _____ (Date & Time)	RFE/ITD/ITR Response Received _____ (1 st Initial & Last Name) _____ (Date & Time)	Officer Completes Final Decision (Notice Ordered - <u>Approval</u> /Denial) <i>G. EBERLING</i> _____ (1 st Initial & Last Name) <i>22 MARCH 11</i> _____ (Date & Time)	Clerical/Officer Completes Final Action (Notice Sent)  _____ (1 st Initial & Last Name) <i>4/20/11</i> _____ (Date & Time)
Mailer Enclosed? Y N SCAO Review: _____ Final Decision: _____				

Officer's Comment:
 Recommended Approval: *NAICA VERIFIED*

Supervisor Review and Comments:
no. per correction she ok " (correctly with)"

Initials/Date: <i>[Signature]</i> (C)	2 nd Review Initials/Date: <i>ON</i>	3 rd Review Initials/Date:
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Clerical Processing Completed: Initials/Date: _____

File Room Processing

To: 103 Hold Shelf Call-Up Date: _____

3-1-11

United States Senate

WASHINGTON, DC 20510

February 18, 2011

Rosemary Langley Melville
Director, California Service Center
U.S. Citizenship and Immigration Services
PO Box 10526
Laguna Niguel, CA 92607-0526

RCW 10319 10017

Dear Director Melville:

We write to offer our strong support to the UND Center for Innovation Foundation's efforts to secure an EB-5 Regional Center designation for the State of North Dakota and 20 counties in Northwest Minnesota under the Immigrant Investor Pilot Program of the U.S. Immigration & Citizenship Services (USCIS).

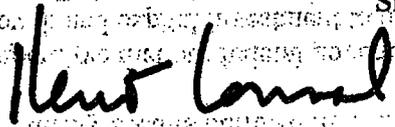
The primarily rural areas of North Dakota and Northwest Minnesota would greatly benefit from foreign direct investment and the creation of new jobs. While we may have fared better than some over the past two years, our rural economy still faces unique economic challenges. Designating North Dakota and Northwest Minnesota as an "EB-5 Regional Center" under the immigration Investor Pilot Program is a great opportunity to foster growth and job creation in the seven industry sectors outlined in their application.

It is imperative that our federal government and the private sector work together toward to foster job growth and capital investment to bring jobs to the unemployed and underemployed in regions like North Dakota and Northwest Minnesota. The EB-5 Regional Center program is ideally suited and designed for rural regions like ours, and Foreign Direct Investment under the EB-5 program and the resulting increase in jobs would greatly benefit this region. The proposal submitted with their approach for a sustained effort is worthy of favorable consideration.

Moreover, the UND Center for Innovation Foundation is uniquely qualified to be designated as a EB-5 Regional Center as one of the leading entrepreneur centers in the nation, recognized with eight national awards for excellence. It is just one of 19 incubator programs in the world that have been certified as a "Soft Landings Incubator," meaning the Center has the expertise to work internationally. The UND Center for Innovation Foundation has been working with innovators, entrepreneurs and angel investors in North Dakota and Northwest Minnesota for 26 years, so they understand equity investment well and are well suited for this program.

We fully support UND Center for Innovation Foundation's efforts to establish an EB-5 Regional Center, and look forward to providing whatever assistance we can to make these efforts a reality. Please keep us informed.

Sincerely,



KENT CONRAD
United States Senate



JOHN HOEVEN
United States Senate

Department of Homeland Security
U.S. Citizenship and Immigration Services

Cover Sheet

Record of Proceeding

NOTE: This is a permanent record of the U. S. Citizenship and Immigration Services. Any part of this record that is removed **must be returned** after it has served its purpose.

Instructions

1. Place a separate cover sheet on the top of each Record of Proceeding.
2. Each Record of Proceeding must be fastened on the inner left side of the file jacket in chronological order.
3. Any person temporarily removing any part of this record must make, date and sign a notation to this effect that must be retained in this record, below the cover sheet. The signer is responsible for replacing the removed material as soon as it has served its purpose.
4. See AM 2710 for detailed instructions

SCOSS Contractor					
Mail Date:	02/22/2011	Form Type:	I290B	\$ Amount:	630
Employee #:	SP402	# of attached files:	1/1	Fee Count:	1
All reasons for review: I can not file any case relate to the W09001760. Please advise. Thanks. <i>EB/S</i> <i>RCW 10319 100 F</i>					
CIS / RRU Response					Comments
<input checked="" type="checkbox"/> OK to Process: <input type="checkbox"/> Reject: <input type="checkbox"/> OK to Process and Mail Reject Letter Attached: <input type="checkbox"/> Other:					<i>FILE LOCATION A 14-58-5-2 SEE PRINT OUT.</i>
Reviewer's initials: <i>GGE</i>					
Date / Time Start			Date / Time Finish		
RECD CSC*11FEB22 17:49			02/25/2011 0955		
Contractor Supervisor:		WESLEY M			

Note: If case is OK to process, place the completed CIS/RRU Cover Sheet inside the file on the non-records side for documentation purposes.

R391

*REV D
4/22/10*

Decision Processing Worksheet

Officer Name: George Eberling	Receipt #: W09001760
Officer Stamp #: 3700	UND Center for Innovation Foundation RC
Form Type: I-924C	Classification:
Division: 3	Team: 1
WS: 24064	

Action:				
<input type="checkbox"/> Approval <input type="checkbox"/> No Record <input type="checkbox"/> Pending Name Check <input type="checkbox"/> Abandonment <input type="checkbox"/> Withdrawal	<input type="checkbox"/> MTR <input type="checkbox"/> Appeal	<input type="checkbox"/> RFE Initial <input type="checkbox"/> RFE Additional <input type="checkbox"/> RFE Initial & Additional <input type="checkbox"/> 30 <input type="checkbox"/> 42 <input type="checkbox"/> 84	<input type="checkbox"/> Revocation <input type="checkbox"/> Auto-terminate <input type="checkbox"/> Auto-revocation <input type="checkbox"/> Relocate	<input checked="" type="checkbox"/> Denial <input type="checkbox"/> ITD <input type="checkbox"/> ITR

I-924 Expedite Processing:		
Date Received:	# of Un-Named Beneficiaries:	# of Named Beneficiaries:
Officer Received Date:	AST Action Completed:	

I-924 Processing

Officer Prepares or Completes (Notice Ordered) RFE ITD/30 ITR/30 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> _____ <small>(1st Initial & Last Name)</small> _____ <small>(Date & Time)</small>	Clerical/Officer Completes RFE/ITD/ITR (Notice Sent) _____ <small>(1st Initial & Last Name)</small> _____ <small>(Date & Time)</small>	RFE/ITD/ITR Response Received _____ <small>(1st Initial & Last Name)</small> _____ <small>(Date & Time)</small>	Officer Completes Final Decision (Notice Ordered - Approval/Denial) <div style="text-align: center; font-family: cursive; font-size: 1.2em;">G. EBERLING</div> _____ <small>(1st Initial & Last Name)</small> <div style="text-align: center; font-family: cursive; font-size: 1.2em;">5 JAN 2011</div> _____ <small>(Date & Time)</small>	Clerical/Officer Completes Final Action (Notice Sent) <div style="text-align: center; font-size: 2em; font-family: cursive;">ST</div> _____ <small>(1st Initial & Last Name)</small> <div style="text-align: center; font-family: cursive; font-size: 1.2em;">1/19/11</div> _____ <small>(Date & Time)</small>
Mailer Enclosed? Y N		SCAO Review:	Final Decision:	

Officer's Comment: Recommended Approval
--

Supervisor Review and Comments: <i>OK</i>

Initials/Date: <i>Yus Bosh</i> <i>1/19/11</i>	2 nd Review Initials/Date:	3 rd Review Initials/Date:
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Clerical Processing Completed: Initials/Date:

File Room Processing

To: 103 Hold Shelf Call-Up Date: _____

Decision Processing Worksheet

Officer Name: George Eberling		Receipt #: W09001760		
Officer Stamp #: 3700		UND Center for Innovation Foundation RC		
Form Type: I-924C	Classification:	Division: 3	Team: 1	WS: 24064
Action:				
<input type="checkbox"/> Approval <input type="checkbox"/> No Record <input type="checkbox"/> Pending Name Check <input type="checkbox"/> Abandonment <input type="checkbox"/> Withdrawal	<input type="checkbox"/> MTR <input type="checkbox"/> Appeal	<input type="checkbox"/> RFE Initial <input checked="" type="checkbox"/> RFE Additional <input type="checkbox"/> RFE Initial & Additional <input type="checkbox"/> 30 <input type="checkbox"/> 42 <input checked="" type="checkbox"/> 84	<input type="checkbox"/> Revocation <input type="checkbox"/> Auto-terminate <input type="checkbox"/> Auto-revocation <input type="checkbox"/> Relocate	<input type="checkbox"/> Denial <input type="checkbox"/> ITD <input type="checkbox"/> ITR
I-924 Expedite Processing:				
Date Received:		# of Un-Named Beneficiaries:		# of Named Beneficiaries:
Officer Received Date:		AST Action Completed:		

I-924 PP Processing

Officer Prepares or Completes (Notice Ordered)	Clerical/Officer Completes	RFE/ITD/ITR Response Received	Officer Completes Final Decision (Notice Ordered - Approval/Denial)	Clerical/Officer Completes Final Action (Notice Sent)
RFE ITD/30 ITR/30 <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <i>G. EBERLING</i> (1 st Initial & Last Name) SEP 14 2010 (Date & Time)	RFE/ITD/ITR (Notice Sent) _____ (1 st Initial & Last Name) _____ (Date & Time)	_____ (1 st Initial & Last Name) _____ (Date & Time)	_____ (1 st Initial & Last Name) _____ (Date & Time)	_____ (1 st Initial & Last Name) _____ (Date & Time)
Mailer Enclosed? Y N SCAO Review: _____ Final Decision: _____				

Officer's Comment: Regular RFE. EXPEDITE

Supervisor Review and Comments:

Initials/Date: <i>CE</i>	2 nd Review Initials/Date:	3 rd Review Initials/Date:
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Clerical Processing Completed: Initials/Date: _____

File Room Processing

To: 103 Hold Shelf Call-Up Date: 22 DECEMBER 2010
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USCIS Immigrant Investor Program

From: Cunningham, Chris [Chris.Cunningham@mail.house.gov]
Sent: Monday, September 13, 2010 10:00 AM
To: USCIS Immigrant Investor Program
Subject: RE: Question regarding EB-5 Regional Center Application

George

can you work on this one for you have a chance please

Hello,

I wanted to follow up on this again as it has been four months. Any update on the status?

-Chris

From: USCIS Immigrant Investor Program [mailto:USCIS.ImmigrantInvestorProgram@dhs.gov]
Sent: Tuesday, July 20, 2010 4:51 PM
To: Cunningham, Chris; USCIS Immigrant Investor Program
Subject: RE: Question regarding EB-5 Regional Center Application

Mr. Cunningham:

Thank you for your inquiry. CSC processing times for a regional center application are currently 4 months. Our records show that regional center application was filed in April 2010. So the case is within the prescribed processing times.

Thank you again.

CSC Management

From: Cunningham, Chris [mailto:Chris.Cunningham@mail.house.gov]
Sent: Monday, July 19, 2010 2:29 PM
To: USCIS Immigrant Investor Program
Subject: RE: Question regarding EB-5 Regional Center Application

Just to clarify, I do not represent the entity that made the request. I am emailing on behalf of a Member of Congress who has an interest in the request as it could have a significant economic impact for our state. My boss is a details person and is going to need a more specific answer than "several months." I am sure there is some internal estimate of how long this process is going to take based on the number of proposals that were submitted.

I contacted USCIS Congressional Relations office and they recommend this point of contact as the most expedient means of getting this information. Should I be going through someone else instead?

I apologize for representing a high maintenance Member of Congress, but it is doing our job to know about the status of these sorts of things that are of importance to the state. If this is info that you don't want to give out or should not be made public - I can totally understand that. But in that case, please give me a call to talk things through. My direct is 202-225-2597.

Thanks.

-Chris

Christopher Cunningham
Legislative Assistant
Rep. Earl Pomeroy
Phone: 202-225-2611
Fax: 202-226-0893

From: USCIS Immigrant Investor Program [mailto:USCIS.ImmigrantInvestorProgram@dhs.gov]
Sent: Monday, July 19, 2010 4:53 PM
To: Cunningham, Chris; USCIS Immigrant Investor Program
Subject: RE: Question regarding EB-5 Regional Center Application

The Regional Center Proposal process typically takes several months. This timeframe varies upon the number of proposals that are submitted. If further evidence/information is required, you will receive a request for evidence.

CSC Duty Officer #3764

7

From: Cunningham, Chris [mailto:Chris.Cunningham@mail.house.gov]
Sent: Monday, July 19, 2010 8:24 AM
To: USCIS Immigrant Investor Program
Subject: RE: Question regarding EB-5 Regional Center Application

Is it possible to get any estimate of when to expect an announcement? I have no idea how long this process lasts, and this is something my boss considers a fairly high priority.

Christopher Cunningham
Legislative Assistant
Rep. Earl Pomeroy
Phone: 202-225-2611
Fax: 202-226-0893

From: USCIS Immigrant Investor Program [mailto:USCIS.ImmigrantInvestorProgram@dhs.gov]
Sent: Monday, July 19, 2010 10:43 AM
To: Cunningham, Chris; USCIS Immigrant Investor Program
Subject: RE: Question regarding EB-5 Regional Center Application

The case is pending review. If further information is required you will receive written notification of any deficiency.

CSC Duty Officer #3764

From: Cunningham, Chris [mailto:Chris.Cunningham@mail.house.gov]
Sent: Friday, July 16, 2010 3:44 PM
To: USCIS Immigrant Investor Program
Subject: Question regarding EB-5 Regional Center Application

9/13/2010

Hello,

I wanted to check to see what the status of the following application was? I think the following is the info that is needed but if not let me know.

UND Center for Innovation Foundation Regional Center

Receipt No. W09001760

Thanks.

Christopher Cunningham

Legislative Assistant

Rep. Earl Pomeroy

Phone: 202-225-2611

Fax: 202-226-0893

I-924 Regional Center Proposal

Receipt Number: W09001760 Attorney: LINCOLN STONE

Regional Center: LAND CENTER FOR INNOVATION G-28
FOUNDATION

General Partner: _____ Requester's Name: BRUCE ASDVIG

- Economic Unit-Organizational Documents for Regional Center _____
- Target Non-Target Both
- Geographic Area Delineated: ND & NW MINNESOTA (20 COUNTIES)
- Economic Growth Analysis
- Regional or National Impact- Economic Analysis
- Indirect Job Creation:
 - Troubled Business Non-Troubled Business
- Econometric Model: IMPAN
- Economic Analysis of Job Creation: _____
- Business Plan:
 - Hypothetical Investment Plan Investment Plan
- Industries: 7
- Activities: _____
- Operational Plan:
 - Project Evaluation and assessment
 - Amount and Source of Regional Center's Capital
 - Recruitment and Due Diligence
 - Promotional Efforts
 - Administrative Oversight
- OPTIONAL- Enterprise organizational documents:
 - Draft Operating Agreement
 - Draft Partnership Agreement
 - Draft Subscription Agreement
 - Draft Escrow Agreement
 - List of Escrow Agents
 - Draft Offering Letter etc
 - Articles of Incorporation etc for Enterprise
 - Other relevant documents:



RECEIPT NUMBER W09001760		CASE TYPE Regional Center Proposal	
RECEIPT DATE April 22, 2010		REGIONAL CENTER NAME UND Regional Center for Innovation Foundation	
		PAGE 1 of 1	
Lincoln Stone, Esq. Stone & Grzegorek, LLP 800 Wilshire Blvd., Suite 900 Los Angeles, CA 90017		Notice Type: Receipt Notice	
<p>Receipt Notice - This notice confirms that USCIS received your Regional Center Proposal. If any of the above information is incorrect, send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. This notice does not grant any immigration status or benefit. It is not even evidence that this case is still pending. It only shows that the application or petition was filed on the date shown.</p> <p>Processing Time - The current processing time for this case is estimated at 120 days. Unlike other case types, verification or tracking of this case is not available electronically or on our website. We will notify you by mail when we make a decision on this case or if we need something from you. If you do not receive an initial decision or update from us within our current processing time, you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. or contact us at the address below.</p> <p>Address Change - If your mailing address changes while your case is pending, you may send an e-mail to: USCIS.ImmigrantInvestorProgram@dhs.gov. Otherwise, you might not receive notice of our action on this case.</p> <p>Please save this notice and a copy of any papers that you send to us along with proof of delivery.</p>			
<p>U.S. CITIZENSHIP & IMMIGRATION SVC CALIFORNIA SERVICE CENTER Attn: EB-5 RC Proposal P.O. BOX 10526 LAGUNA NIGUEL CA 92607-10526</p>			

- *Please save this notice for your records. Please enclose a copy if you have to write us or a U. S. Consulate about this case, or if you file another application based on this decision.*
- *You will be notified separately about any other applications or petitions you have filed.*

Additional Information

GENERAL.

The filing of an application or petition does not in itself allow a person to enter the United States and does not confer any other right or benefit.

INQUIRIES.

You should contact the office listed on the reverse side of this notice if you have questions about the notice, or questions about the status of your application or petition. *We recommend you call.* However, if you write us, please enclose a copy of this notice with your letter.

APPROVAL OF NONIMMIGRANT PETITION.

Approval of a nonimmigrant petition means that the person for whom it was filed has been found eligible for the requested classification. If this notice indicated we are notifying a U.S. Consulate about the approval for the purpose of visa issuance, and you or the person you filed for have questions about visa issuance, please contact the appropriate U.S. Consulate directly.

APPROVAL OF AN IMMIGRANT PETITION.

Approval of an immigrant petition does not convey any right or status. The approved petition simply establishes a basis upon which the person you filed for can apply for an immigrant or fiance(e) visa or for adjustment of status.

A person is not guaranteed issuance of a visa or a grant of adjustment simply because this petition is approved. Those processes look at additional criteria.

If this notice indicates we have approved the immigrant petition you filed, and have forwarded it to the Department of State Immigrant Visa Processing Center, that office will contact the person you filed the petition for directly with information about visa issuance.

In addition to the information on the reverse of this notice, the instructions for the petition you filed provide additional information about processing after approval of the petition.

For more information about whether a person who is already in the U.S. can apply for adjustment of status, please see Form I-485, *Application to Register Permanent Residence or Adjust Status.*

The Immigrant Investor Pilot Program ("Pilot Program") was created by Section 610 of Public Law 102-395 (October 6, 1992). This is different in certain ways from the basic EB-5 investor program.

The Pilot Program began in accordance with a Congressional mandate aimed at stimulating economic activity and creating jobs for U.S. workers, while simultaneously affording eligible aliens the opportunity to become lawful permanent residents. Through this innovative program, foreign investors are encouraged to invest funds in an economic unit known as a "Regional Center."

A Regional Center is defined as any economic unit, public or private, engaged in the promotion of economic growth, improved regional productivity, job creation and increased domestic capital investment.

8 CFR 204.6 (m)(3) describes specific evidence that must be submitted before consideration for eligibility for this benefit may proceed. After review of your proposal in the light of these requirements, the following information, evidence or clarification is needed to proceed.

It is always best to start with a cover letter that acts as an executive summary followed by a table of contents of the various tabbed sections to follow.

Mandatory Evidence for the Basic General Proposal

Regional or National impact of the Regional Center (8 CFR 204.6 (m)(3)(iv)):

Regulations at 8 CFR 204.6(m)(3)(iv) require that the proposal contain:

...a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center;

Even though the proposal contains an Economic Impact Study by Investment, Output, Employment, Sales, and Taxes, a review of the proposal indicates that a detailed prediction has not been provided regarding the manner in which the regional center will have a positive impact on the regional or national economy with respect to increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center.

Provide a detailed prediction, which includes the topics of regional or national impact on household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and outside the Regional Center. This can be combined with job creation and overall economic impact. Again, this impact statement relates to the Regional Center as a whole and it should address both the negative and positive impacts.

Economic Entity:

Evidence has not been provided to show that the regional center is an economic entity.

Provide evidence that the Regional Center qualifies as an economic entity. This evidence may include incorporation papers, partnership agreements or other documentation showing the regional center is an economic entity. Evidence or claim to future incorporation or other legal event is not sufficient. The regional center must currently be an economic unit and not a future economic unit.

Indirect Job Creation (8 CFR 204.6(m)(3)(ii)):

Under the provisions of the INA which apply to the Immigrant Investor Pilot Program and specific amendments to the statute, especially in the 2002 amendment Per Public Law 107-273, enacted November 2, 2002, which clearly states:

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. The establishment of a regional center may be based on general predictions, contained in the proposal, concerning the kinds of commercial enterprises that will receive capital from aliens, the jobs that will be created directly or indirectly as a result of such capital investments and the other positive economic effects such capital investments will have.

Also 8 CFR 204.6(m)(3)(ii) requires you to:

Provide in verifiable detail how jobs will be created indirectly;

It is imperative to fully explain indirect job creation, as well as the direct and induced jobs, if any. The requirement of creating at least 10 new full-time (35 hours per week) jobs per each individual alien investor may be satisfied by showing that, as a result of the investment and the activities of the new enterprise, at least 10 jobs per alien investor will be created directly or indirectly through an employment creation multiplier effect. The econometric model described in the case is the IMPLAN Model.

Although the proposal included an Economic Analysis for the seven industry clusters (Agribusiness, machinery manufacturing, aviation/aerospace, information technologies/communications, biotech/bioscience, construction and real estate development and utilities), a hypothetical investment plan for each industry project type **was not submitted** to show how an investment project will be capitalized and operated in a manner that will create 10 direct and indirect jobs or an actual investment plan for a specific proposed project.

For multiple industries a combination of hypothetical and actual plans may be submitted. The plan must clearly identify how the investor funds will flow to the job creating entity and how the jobs will be created. If your exemplar plans are based on an investment in a Targeted Employment Area (TEA), you must submit evidence that the proposed plan is located within a designated Targeted Employment Area. See below for details on documenting a TEA designation.

Because the regional center potentially includes real estate development, details should be provided with respect how to the completion timeframe (in years and months) for each project to include projected milestones and how direct job creation will be verified.

Provide a description with supporting data of how, by the point of the I-829 filing stage, the underlying new direct jobs will be verified. Clearly specify the timeframes (by month and year) when and how the direct and indirect jobs will materialize for each regional center project. Also, provide the timeframe for completing each project, including project milestones and timelines for which direct job creation is based on and correlate these project milestone and timelines to direct and indirect job creation.

When relying on econometric models for indirect job creation¹ it is imperative that “direct jobs” will be real identifiable jobs supported by wage reports or I-9 forms otherwise they must be explicitly identified as hypothetical in nature. Another method would be to predict jobs based on dollar amount invested in the overall project and this too must be made clear. This distinction will be critical at the I-829 removal of condition stage of the immigration process.

Regional Center’s Operational Plan (8 CFR 204.6(m) and 8 CFR 204.6):

A review of the proposal indicates that a description of the plans to administer, oversee, and manage the proposed Regional Center was not provided.

¹ USCIS does not accept or credit creation of direct temporary “construction jobs” within a business plan or economic job creation forecasts activities which involve a limited duration construction phase of less than 3 years unless the scope, complexity, and the ongoing construction phase must be fully sustained for all the construction phase jobs for 3 years or more with respect to the size, scope, nature, engineering/technology challenges and breadth of the project--for example a massive-scale nuclear power facility, or major Dam or a giant oil refinery, or similar type of massive and expansive and major engineering project. Shorter term construction jobs less than three years in duration have been determined to be of such a short term in nature as to not be sustained and to decrease and disappear as the initial construction activities wind down to completion. Such shorter term construction jobs in many locations are seasonal at best. Nevertheless, for all capital investment expenditures for the construction phase, all capital-induced “down-stream” support activities and “indirect” jobs impacted and associated with the construction activities such as suppliers, transportation, engineering and architectural services, maintenance and repair services, interior design services, manufacturing of components and materials, etc., may be factored into the calculations for creation of indirect jobs.

- **Administrative Oversight:**

The regulations at 8 CFR 204.6(m)(6), require that an approved Regional Center in order to maintain the validity of its approval and designation, must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether an approved and designated Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year², commencing with the initial year as follows:

- Submit a description of your plans to administer, oversee, and manage the proposed Regional Center, including but not limited to such things as to identify, assess and evaluate proposed immigrant investor projects and enterprises; how the proposed Regional Center would perform “due diligence” as to whether investment capital to be sought will consist solely of alien investor capital or a combination of alien investor capital and domestic capital; how to monitor all investment activities affiliated, through or under the sponsorship of the proposed Regional Center, and to maintain records, data and information on projects, investors, business activities, etc., in order to report to USCIS for each Federal Fiscal Year. This is known as “due diligence” and is coupled with “oversight reporting responsibilities” to be fully explained if approved and designated.

Optional Evidence --

To be used by the commercial enterprise under the auspices of the Regional Center

USCIS will review the documents listed below to determine if they are in compliance with EB-5 eligibility requirements. By providing these documents, the Regional Center may facilitate the adjudication of relating I-526 petitions by identifying, up front, any issues that could pose problems at the Immigrant Investor Petition level.

The business aspects of the commercial enterprise must be fully explained as to its structure. Provide the following documents as it relates to the regional center.

- Operating Agreement
- Partnership Agreement
- Subscription Agreement

² A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

- Escrow Agreements and Instructions (one for capital and one for any service fees).
- List of proposed reputable financial institutions to serve as the Escrow Agent(s).
- An Offering Letter, Memorandum, Confidential Private Placement Memorandum, or similar offering made in writing to an immigrant investor through the Regional Center.
- Memorandum of Understanding, Interagency Agreement, Contract, Letter of Intent, Advisory Agreement, or similar agreement to be entered into with any other party, agency or organization to engage in activities on behalf of or in the name of the Regional Center.
- Articles of Incorporation, state registration documents etc.

The documents should clearly show an edition date so that future changes and amendments can be clearly identified by all parties, the Regional Center, the entrepreneurs, the enterprises, their attorneys and USCIS.

General issues related to Regional Centers

Posting of Regional Center information on the USCIS Web site:

If the regional center proposal is approved, then public information relating to the regional center will be posted on the USCIS web site. In order to provide accurate and updated information provide the following, as it relates to the Regional Center

- Name of the Regional Center
- Public address
- Point of Contact
- Phone/Fax
- E-mail/Web Page

Translations:

Any document containing a foreign language submitted to USCIS shall be accompanied by a full English translation that the translator has certified as complete and accurate, and by the translator's certification that he or she is competent to translate from the foreign language into English.

Copies:

Unless specifically required that an original document be filed with an application or petition, an ordinary legible photocopy may be submitted. Original documents submitted when not required will remain part of the record, even if the submission was not required.

**G-28, Notice of Entry of Appearance
as Attorney or Accredited Representative**

Department of Homeland Security

Part 1. Notice of Appearance as Attorney or Accredited Representative

A. This appearance is in regard to immigration matters before:

- USCIS - List the form number(s): RC Proposal CBP - List the specific matter in which appearance is entered:
 ICE - List the specific matter in which appearance is entered: _____

B. I hereby enter my appearance as attorney or accredited representative at the request of:

List Petitioner, Applicant, or Respondent. **NOTE:** Provide the mailing address of Petitioner, Applicant, or Respondent being represented, and not the address of the attorney or accredited representative, except when filed under VAWA.

Principal Petitioner, Applicant, or Respondent				A Number or Receipt Number, if any	<input type="checkbox"/> Petitioner
Name: Last	First	Middle			<input checked="" type="checkbox"/> Applicant
UND Center for Innovation Foundation Regional Center					<input type="checkbox"/> Respondent
Address: Street Number and Street Name		Apt. No.	City	State	Zip Code
4200 James Ray Drive			Grand Forks	ND	58203

Pursuant to the Privacy Act of 1974 and DHS policy, I hereby consent to the disclosure to the named Attorney or Accredited Representative of any record pertaining to me that appears in any system of records of USCIS, USCBP, or USICE.

Signature of Petitioner, Applicant, or Respondent

Date 4/2/10

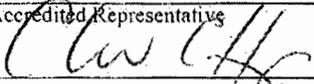
Part 2. Information about Attorney or Accredited Representative (Check applicable item(s) below)

- A. I am an attorney and a member in good standing of the bar of the highest court(s) of the following State(s), possession(s), territory(ies), commonwealth(s), or the District of Columbia: California
 I am not or am subject to any order of any court or administrative agency disbaring, suspending, enjoining, restraining, or otherwise restricting me in the practice of law (If you are subject to any order(s), explain fully on reverse side).
- B. I am an accredited representative of the following qualified non-profit religious, charitable, social service, or similar organization established in the United States, so recognized by the Department of Justice, Board of Immigration Appeals pursuant to 8 CFR 1292.2. Provide name of organization and expiration date of accreditation:

- C. I am associated with _____
 The attorney or accredited representative of record previously filed Form G-28 in this case, and my appearance as an attorney or accredited representative is at his or her request (If you check this item, also complete item A or B above in Part 2, whichever is appropriate).

Part 3. Name and Signature of Attorney or Accredited Representative

I have read and understand the regulations and conditions contained in 8 CFR 103.2 and 292 governing appearances and representation before the Department of Homeland Security. I declare under penalty of perjury under the laws of the United States that the information I have provided on this form is true and correct.

Name of Attorney or Accredited Representative		Attorney Bar Number(s), if any
Lincoln Stone / Andrew C. Hoye		CA 146597 / 126785
Signature of Attorney or Accredited Representative		Date
		<u>4/20/10</u>
Complete Address of Attorney or Organization of Accredited Representative (Street Number and Street Name, Suite No., City, State, Zip Code)		
STONE & GRZEGOREK LLP, 800 Wilshire Boulevard, Suite 900, Los Angeles, CA 90017		
Phone Number (Include area code)	Fax Number, if any (Include area code)	E-Mail Address, if any
213.627.8997	213.627.8998	LINCOLN@LSKGLAW.COM



STONE & GRZEGOREK LLP

800 Wilshire Boulevard, Suite 900
Los Angeles CA 90017
tel 213 627 8997 | fax 213 627 8998
www.lskglaw.com

Our File: 3993.01

December 21, 2010

U.S. Citizenship and Immigration Services
California Service Center
Attn: EB-5 Regional Center Proposals
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

Via Federal Express

Application: Proposal for Regional Center
Applicant: UND Center for Innovation Foundation
Territory: North Dakota State and 20 Counties in Northwest Minnesota
Receipt No.: W09001760 -- Request for Evidence

Dear Examiner:

In response to a Request for Evidence received by UND Center for Innovation Foundation, we submit the following in support of the proposal for regional center:

- Request for Evidence, dated September 29, 2010
- Revised Business Plan for Regional Center Proposal
- Revised IMPLAN Proposal

Please note the following:

1) The Articles of Organization and Bylaws of UND Center for Innovation Foundation are presented in the Revised Business Plan, Appendix A.

2) Details of the regional center operational, administrative and promotion plan are presented in the Revised Business Plan, pages 14 thru 21.

3) Further analysis of the total economic impacts, and the application of the job creation methodology in seven industry sectors, is presented in the Revised IMPLAN Proposal.

Sincerely,

STONE & GRZEGOREK LLP

LINCOLN STONE

LS/ACH:cdr

Enclosures

UND CENTER FOR INNOVATION FOUNDATION
REVISED BUSINESS PLAN FOR REGIONAL CENTER PROPOSAL

For the

North Dakota State and Northwest Minnesota

(Includes the entire state of North Dakota and 20 Counties in Northwest Minnesota)

Submitted To:

**USCIS California Service Center
ATTN: EB-5 RC Proposal
P.O. Box 10526
Laguna Niguel, California 92607-0526**

By

UND Center for Innovation Foundation

4200 James Ray Drive
Grand Forks, ND 58203
Phone: (701) 777-3132
Fax: (701) 777- 2339
www.innovators.net

Bruce Gjovig, CEO

EXECUTIVE SUMMARY

The University of North Dakota (UND) Center for Innovation Foundation (CIF) is pleased to provide additional information to the U.S. Citizenship and Immigration Services for the status of a North Dakota/Northwest Minnesota EB-5 Regional Center (ND/NW-MN EB-5 RC). For the past year and half, the CIF has been studying the possibility of acquiring the status of a Regional Center in order to administrate and manage foreign direct investment through the EB-5 Immigrant Investor Regional Center Pilot Program.

The principal identities in this project have worked together closely on entrepreneurial, international, and financial projects. They are Bruce Gjovig – CEO of CIF and Director of the Center for Innovation, Rodrigo Cintra – International Marketing Director/ Entrepreneur Consultant, and Tom Kenville - Rainmaker and V.P. of Development. In addition, these contacts will be responsible for promoting, processing and managing EB-5 international investments attracted by the ND/NW-MN EB-5 RC. In addition, the ND/NW-MN EB-5 RC will coordinate with multiple private and public entities in the states of North Dakota and Minnesota such as the government officials with North Dakota, the North Dakota Trade Office (NDTO), North Dakota Department of Commerce (NDDOC), Minnesota Economic Improvement Commission, and others.

The ND/NW- MN EB-5 RC will be located at the Ina Mae Rude Entrepreneur Center, 4200 James Ray Drive, Grand Forks, ND 58203, which is owned and managed by the UND Center for Innovation Foundation. The Foundation is a 501(c) (3) nonprofit that supports the Center for Innovation, a department of the University of North Dakota. The specific geographic area for this Regional Center includes the entire state of North Dakota and 20 counties in Northwest Minnesota

The ND/NW-MN EB-5 RC plans to focus on the following specific seven industries:

- Agribusiness
- Advanced Manufacturing
- Aviation/ Aerospace
- Information Technologies/ Communications
- Biotech / Bioscience
- Construction and Real Estate Development: Rural/Urban Renewal/ Multi- Mixed Use.
- Utilities (Electric Power Generation)

The UND Center for Innovation Foundation will work with private and public organizations in order to attract and screen potential commercial enterprises (projects) as well as immigrant investors interested in investing in this region. The ND/NW-MN EB-5 RC plans to act as a consulting vehicle, working as a liaison between local organizations interested in accessing EB-5 capital and immigrant investors. Administration fees will be charged to both foreign investors and regional business organizations (investees) to help offset operational costs incurred by UND Center for Innovation staff and advisors during investment projects. The UND Center for Innovation Foundation will hire the UND Center for Innovation to administer and overview the ND/NW-MN EB-5 RC's operations. Every project promote by this Regional Center will require investee companies as well as immigrant investors to execute legal contracts providing for EB-5 program compliance.

The UND Center for Innovation Foundation is delighted to provide addition information for a regional center designation in order to administer foreign direct investment into the US. The ND/NW-MN EB-5 RC will strive to provide high quality and professional services, and ensure all the requirements related to foreign direct investments are met, allowing both local organizations and foreign investors to benefit from this program.

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Department of Homeland Security
U.S. Citizenship and Immigration Services

**Form I-924A,
Supplement to Form I-924**

Part 1. Information About Principal of the Regional Center

Name: Last GJOVIG	First BRUCE	Middle N/A
In Care Of: UND Center for Innovation Foundation Regional Center		
Street Address/P.O. Box: 4200 JAMES RAY DRIVE		
City: GRAND FORKS	State: ND	Zip Code: 58203
Date of Birth (mm/dd/yyyy): (b) (6)	Fax Number (include area code): (701) 777-2339	Telephone Number (include area code): (701) 777-3132
Web site address: www.innovators.net		
USCIS-assigned number for the Designated Regional Center (attach the Regional Center's most recently issued approval notice)		RCW10319110017

Part 2. Application Type (Check one)

- a. Supplement for the Fiscal Year Ending September 30, 2011 (YYYY)
- b. Supplement for a Series of Fiscal Years Beginning on October 1, _____ (YYYY) and Ending on September 30, _____ (YYYY)

Part 3. Information About the Regional Center

(Use a continuation sheet, if needed, to provide information for additional management companies/agencies, regional center principals, agents, individuals, or entities who are or will be involved in the management, oversight, and administration of the regional center.)

A. Name of Regional Center: UND Center for Innovation Foundation Regional Center

Street Address/P.O. Box: 4200 James Ray Drive

City: Grand Forks	State: ND	Zip Code: 58203
Web site www.innovators.net Address:	Fax Number (include area code): (701) 777-2339	Telephone (include area code): (701) 777-3132

B. Name of Managing Company/Agency: Center for Innovation

Street Address/P.O. Box: 4200 James Ray Drive

City: Grand Forks	State: ND	Zip Code: 58203
Web site www.innovators.net Address:	Fax Number (include area code): (701) 777-2339	Telephone (include area code): (701) 777-3132

C. Name of Other Agent: N/A

Street Address/P.O. Box:

City:	State:	Zip Code:
Web site Address:	Fax Number (include area code):	Telephone (include area code):



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BRUCE GJOVIG
4200 JAMES RAY DR
GRAND FORKS ND 58203

BRUCE GJOVIG
4200 JAMES RAY DR
GRAND FORKS ND 58203

Part 3. Information About the Regional Center (Continued)

Answer the following questions for the time period identified in **Part 2** of this form. **Note:** If extra space is needed to complete any item, attach a continuation sheet, indicate the item number, and provide the response.

1. Identify the aggregate EB-5 capital investment and job creation has been the focus of EB-5 capital investments sponsored through the regional center. (**Note:** Separately identify jobs maintained through investments in "troubled businesses.")

Aggregate EB-5 Capital Investment N/A	Aggregate Direct and Indirect Job Creation N/A	Aggregate Jobs Maintained N/A
--	---	----------------------------------

2. Identify each industry that has been the focus of EB-5 capital investments sponsored through the Regional Center, and the resulting aggregate EB-5 capital investment and job creation. (**Note:** Separately identify jobs maintained through investments in "troubled businesses".)

a. Industry Category Title: N/A		NAICS Code for the Industry Category _____
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:
b. Industry Category Title:		NAICS Code for the Industry Category _____
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:
c. Industry Category Title:		NAICS Code for the Industry Category _____
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:

3. Provide the following information for each job creating commercial enterprise located within the geographic scope of your regional center that has received EB-5 investor capital:

a. Name of Commercial Enterprise: N/A		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	
Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			



Part 3. Information About the Regional Center (Continued)

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
(2) Business Name		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

b. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? No Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code
EB-5 Capital Investment	Direct and Indirect Job Creation	Jobs Maintained	



Part 3. Information About the Regional Center (Continued)

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State: ND	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

c. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	

Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? No Yes

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	



Part 3. Information About the Regional Center (Continued)

d. Name of Commercial Enterprise:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	
Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.			
(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
e. Name of Commercial Enterprise:		Industry Category Title:	
Address Street Number and Name:	City:	State:	Zip Code:
Aggregate EB-5 Capital Investment:	Aggregate Direct and Indirect Job Creation:	Aggregate Jobs Maintained:	
Does this EB-5 commercial enterprise serve as a vehicle for investment into other business entities that have or will create or maintain jobs for EB-5 purposes? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			



Part 3. Information About the Regional Center (Continued)

If yes, then identify the name and address of each job creating business, as well as the amount of EB-5 capital investment and job creation/maintenance associated with each job creating business.

(1) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	
(2) Business Name:		Industry Category Title:	
Address (Street Number and Name):	City:	State:	Zip Code:
EB-5 Capital Investment:	Direct and Indirect Job Creation:	Jobs Maintained:	

4. Provide the total number of approved, denied and revoked Form I-526 petitions filed by EB-5 investors making capital investments sponsored by the regional center. (Note: If an adverse action was ultimately reversed and the petition was approved, then note the case as approved.)

Form I-526 Petition Final Case Actions		
Approved	Denied	Revoked
N/A	N/A	N/A

5. Provide the total number of approved, denied and revoked Form I-829 petitions filed by EB-5 investors making capital investments sponsored by the regional center. (Note: If an adverse action was ultimately reversed and the petition was approved, then note the case as approved.)

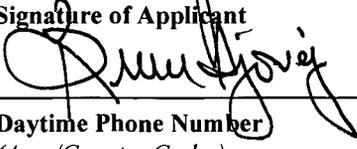
Form I-829 Petition Final Case Actions		
Approved	Denied	Revoked
N/A	N/A	N/A

NOTE: USCIS may require case-specific data relating to individual EB-5 petitions and the job creation determination and further information regarding the allocation methodologies utilized by a regional center in certain instances in order to verify the aggregate data provided above.



Part 4. Applicant Signature *Read the information on penalties in the instructions before completing this section. If someone helped you prepare this petition, he or she must complete Part 5.*

I certify, under penalty of perjury under the laws of the United States of America, that this supplemental form and the evidence submitted with it are all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit being sought. I also certify that I have authority to act on behalf of the Regional Center.

Signature of Applicant 	Printed Name of Applicant Bruce Gjovig	Date (mm/dd/yyyy) 12/19/2011
Daytime Phone Number <i>(Area/Country Codes)</i> (701) 7773132	E-Mail Address bruce@innovators.net	
Relationship to the Regional Center Entity (Managing Member, President, CEO, etc.) CEO		

Part 5. Signature of Person Preparing This Form, If Other Than Above (Sign Below)

I declare that I prepared this form using information provided by someone with authority to act on behalf of the Regional Center, and the answers and information are those provided by the Regional Center.

Attorney or Representative: In the event of a Request for Evidence (RFE), may the USCIS contact you by Fax or E-mail? No Yes

Signature of Preparer	Printed Name of Preparer	Date (mm/dd/yyyy)
Firm Name and Address		
Daytime Phone Number <i>(Area/Country Codes)</i>	Fax Number (Area/Country Codes)	E-Mail Address



December, 19, 2011

Delivered via Express Mail

US. Citizenship and Immigration Services
California Service Center
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92607-1052

RE: Annual I-924A Report
UND Center For Innovation Foundation Regional Center
Regional Center Assigned Number: RCW 1031910017/ (Formerly W09001760)
Form: I-924A supplement

Dear Officer:

Please find enclosed our completed and signed I-924A form and a copy of the "Memorandum in Support of form I-924A" developed by the UND Center for Innovation Foundation.

This supporting document provides a description of our multiple efforts in promoting the EB-5 Regional Center Investment Pilot Program since receiving our designation.

Please advise us if you have any questions or require further information or documentation.

Sincerely,



Bruce Gjovig

CEO
UND Center for Innovation Foundation Regional Center
4200 James Ray Drive
Grand Forks, ND 58203
701-777-3132
bruce@innovators.net

Center for Innovation Foundation

4200 James Ray Drive • Grand Forks, ND 58203 • 701.777.3132 • Fax 701.777.2339 • www.innovators.net

UND Center for Innovation Foundation Regional Center (CIF RC)
Designation Date: April 19, 2011
Memorandum in Support of Form I-924A

Introduction: The UND Center for Innovation Foundation, a 501 C3 non-profit organization, was designated as an EB-5 Regional Center on April 19, 2011. The CIF RC designation covers the entire state of North Dakota, plus 20 counties Northwest Minnesota. Designated industries include aviation, agribusiness, IT/telecommunications, manufacturing, utilities, bioscience, and real estate. The Regional Center was developed to assist North Dakota and Northwest Minnesota companies in acquiring foreign capital through the USCIS EB-5 Regional Center investment pilot program. By utilizing the EB-5 Program North Dakota and Minnesota's companies will be able to expand their production and take advantage of market demand while avoiding many of the typical risks associated with expansion investment.

Initial Promotional Phase: After receiving designation, the CIF RC focused primarily on educating and promoting the EB-5 program to local public and private organizations, while attracting potential projects at the same time. Examples of CIF RC's promotional efforts were:

- Performed multiple visits to local enterprises interested in the program
- Provided EB-5 related seminars both in ND and MN
- Promoted the EB-5 program at business events within our region
- Educated local economic development groups in both ND and MN about EB-5 and its benefits.
- Promoted EB-5 in Canada, Norway, Brazil, and China by attending international events.

The program was well accepted in the business community and multiple potential projects were discovered during such efforts. The CIF RC plans to increase its marketing efforts in 2012 by performing more international outreach. (b) (4)

Ongoing Projects: Initial projects have been pre-qualified to participate in the program based on their location, industry cluster, and positive job creation. These companies are currently going through the process of developing additional supporting documentation which will be presented to accredited foreign investors. Projects working with CIF RC to secure EB-5 funding are:

1. **Ultra Green, Devils Lake, ND (Ramsey County):** Ultra Green is a privately-held company selling eco-friendly paper products made from wheat straw, bamboo, and sugarcane fibers, and bio-plastic products made from corn starch. Ultra Green intends to relocate its manufacturing facility from China to the Devils Lake region, where water, utilities, and material sources are more abundant and less expensive than in its current China location. Plans are to build a wheat straw pulp and molding plant hiring (b) (4) and expand production across the U.S. and Canada with (b) (4) in total initial investment, (b) (4) required from EB5 investment. Project is ongoing and PPM is currently being developed. Once the necessary material is ready, it will be presented to potential investors (b) (4).
2. **Staybridge Suites- (b) (4) – Extended Stay Hotel - Grand Forks, ND (Grand Forks, County)** New commercial real estate development in Grand Forks, North Dakota. The construction phase of this project is expected to initiate in March 2012. Most of the funding requirements necessary to complete this project are already in place. This organization seeks (b) (4) EB-5 investment in order to close its fundraising. To operate this establishment, (b) (4) jobs will be created.
3. **Homewood Suites & Conference Center- (b) (4) - Bismarck, ND (Burleigh, County)** this project is being develop by Lextar Real Estate Services, an organization that has developed over \$150 million of real estate in the Midwest, USA. Additionally, the company has developed over 3,750 hotels in 84 countries. (b) (4) total investment in this project will come from EB-5, exactly

(b) (4) new direct jobs will be created. The project is currently being promoted by CIF RC in countries such as (b) (4)

4. **Packet Digital- Fargo, ND** (Cass County) This privately held company manufactures and markets power management integrated circuits which bring unprecedented power savings and battery life extension to electronic devices. Packet Digital's first product is designed into Intel's 2012 mainstream customer reference board for notebooks. Other companies currently collaborating with Packet Digital are HP, Dell, Samsung, and Qualcomm on applications for the company's technology and integrated circuits. The Company is raising (b) (4) in equity financing, expecting to (b) (4) (b) (4) EB-5 investments.
5. **Sportsman's Lodge, Lake of the Woods, MN** (Lake of the Woods County) Fishing resort located alongside the nation's fifth largest lake, Lake of the Woods, which is considered the Walleye Capital of the World. They operate yearlong, and provide services such as accommodations, meals, licenses, rods and reels, bait, tackle, fish cleaning, and tour guides. Their major markets are North Dakota, Minnesota, and Canada. The lodge is renewing its facilities and planning to secure EB-5 Investment through the CIF RC to complete this project.

Potential Projects: In order to secure the sustainability of the CIF RC in the long run, a healthy flow of projects must be in place at all times. Thus the CIF RC continues to seek for additional projects interested in EB-5. Below are examples of potential projects interested in securing EB-5 investment through the CIF RC in the near future:

(b) (4)



CIF RC Operations: Currently the CIF RC is funded by the Center for Innovation Foundation. At the moment one full time manager, a marketing director, and two part time employees are responsible for the day-to-day operations of the CIF RC. In addition, the CIF RC secure (b) (4) from the North Dakota Department of Commerce which was used to support our marketing and operational efforts in 2011. The CIF RC is in the process of applying for other federal and regional grants in order to further

develop the Regional Center and augment its professional management team. This management team will assist North Dakota and Minnesota companies in acquiring foreign capital and successfully executing the federally authorized USCIS EB-5 foreign investment program. In addition, with the assistance of several proven public and private professionals, many companies within our region would expand their production and take advantage of market demand while avoiding many of the typical risks associated with expansion investment. Additionally, the program enables further expansion after the typical 5-year foreign capital exit, where participation by private equity or local banks (debt conversion) will be secured, with proper upfront deal structuring. Expansion from trusted ND and MN companies who must bridge the capital gap in distressed and rural areas is the key to job growth.

(b) (4)

Reasons for Continued Support of the EB-5 Program in our region:

1. **Companies require expansion capital.** Given today's economy, still reeling from the financial credit crisis (particularly small businesses needing \$2MM to \$20MM in capital) we have significant demand for expansion projects among good companies in ND and MN with proven track records.
2. **Demand from overseas investors is assumed strong,** given the lower value dollar, low return on bonds, high commodity prices, high energy prices, need for safe financial haven in "hard assets", and desire for superior U.S. education for children. We have contacts with a trusted network of investors who need to be nurtured via travel funds and marketing materials/funds in order to gain confidence in our investment area.
3. **Many community real estate projects** could be completed faster in distressed flood areas should additional capital become available. These companies are clearly experiencing a seller's market due to high demand for rebuilt office space and community resources, and need to expand capacity, but lack capital given today's credit environment and current distressed environment. We are working with top-notch commercial real estate and hotel developers well known in their industry/our region to expand this area more quickly.
4. **The program serves as a complement to current bank and private equity players,** who desire conversion in the form of debt or private equity after the required 5-year at-risk EB-5 investments. This serves as a productive long term expansion play that will enable North Dakota and Minnesota rural and distressed area companies to rebuild, rehabilitate, and expand, in economic terms. The fact that the USCIS demands requires 10 jobs to be created per investor to obtain a green card, means exponential job growth in distressed and rural areas.

Conclusion: Current credit and natural disaster limitations are denying and significantly delaying North Dakota and Minnesota companies significant revenue possibilities. Therefore, the CIF RC together with ND and MN State's manufacturers, economic development groups, and finance groups, would work together to expedite expansion projects and attract foreign EB-5 capital to overcome capacity constraints in our designated region. The project is a clear "win-win" for the economy, companies, service providers, and investors and their families. The program will also serve to promote cultural diversity, serve as a new model for EB-5 investment as a non-profit entity, and enable rural communities to rebuild. These business strategies will help North Dakota and Minnesota companies to avoid many of the risks commonly associated with acquiring capital for business expansions and provide a bridge to further expansion by coupling with side-by-side capital.



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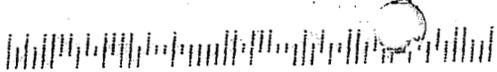
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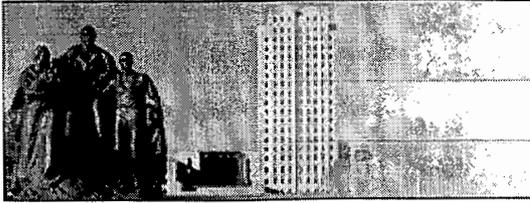
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UND CENTER FOR INNOVATION FOUNDATION

Corporation Details

System ID: 7183200 **Phone:** (701) 777-3132
Type: NONPROFIT CORPORATION
Status: Active & Good Standing
Original File Date: 08/20/1991 **Effective Date:** 08/20/1991
State of Origin: North Dakota **Fed. Tax Exemption:** 501(C)(3)

Nature of Business

SUPPLY EDUCATIONAL DATA-MANUFACTURING/ENTREPRENEURIAL INDUSTR

Principal Office

4200 JAMES RAY DR UND GRAND FORKS, ND 58202-6090

Registered Agent

BRUCE GJOVIG
4200 JAMES RAY DR
GRAND FORKS, ND 58202-6090
Established Date: Mar 15, 2012

Generate an Annual Report To File

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Form: I924A Receipt: RCW1200450515 Associated Receipt: RCW1031910017 Status: RECEIVED

Received Date: 12/29/2011

Information About Principal of the Regional Center

Last Name: GJOVIG Middle Name: First Name: BRUCE

C/O: UND CENTER FOR INNOVATION FOUNDATION REGIONAL CENTER

Street Address/P.O. Box: 4200 JAMES RAY DR Suite:

City: GRAND FORKS State: ND Zip Code: 58203

Date of Birth: (b) (6)

Application Type: A Regional Center ID: ID1031910017

Signed: Y

Name of Regional Center: UND CENTER FOR INNOVATION FOUNDATION REGIONAL CENTER

Street Address/P.O. Box: 4200 JAMES RAY DR

Street Address 2:

City: GRAND FORKS State: ND Zip Code: 58203

Web Site: WWW.INNOVATORS.NET E-Mail: N/A Fax: 701 777 2339 Telephone Number: 701 777 3132

Name of Managing Company: CENTER FOR INNOVATION

Street Address/P.O. Box: 4200 JAMES RAY DR

Street Address 2:

City: GRAND FORKS State: ND Zip Code: 58203

Web Site: WWW.INNOVATORS.NET E-Mail: Fax: 701 777 2339 Telephone Number: 701 777 3132

Name of Other Agent:

Street Address/P.O. Box:

Street Address 2:

City: State: 00 Zip Code:

Web Site: E-Mail: Fax: Telephone Number:

Contact Information

Last Name: GJOVIG Middle Name: First Name: BRUCE

Street Address/P.O. Box: UND CENTER FOR INNOVATION FOUNDATION REGIONAL CENTER

Address 2: 4200 JAMES RAY DRIVE

City: GRAND FORKS State: ND Zip Code: 58203

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RECEIVED DATE December 29, 2011		APPLICANT GJOVIG, BRUCE
NOTICE DATE January 04, 2012	PAGE 1 of 1	
UND CENTER FOR INNOVATION FOUNDATION REGIONAL CENTER 4200 JAMES RAY DR GRAND FORKS ND 58203		NOTICE TYPE: Receipt Notice

Receipt Notice - This notice confirms that USCIS received your application or petition as shown above. Please reference the receipt number, above, on any correspondence with USCIS. If any of the above information is incorrect, please immediately contact us at USCIS.ImmigrantInvestorProgram@dhs.gov to let us know. This will help avoid future problems.

This notice does not grant any immigration status or benefit. It is not even evidence that this case is still pending. It only shows that the application or petition was filed on the date shown.

Processing time - Processing times vary by kind of case. You can check our website at www.uscis.gov for our current processing times for this kind of case at the particular office to which this case is or becomes assigned. If you do not receive an initial decision or update from us within our current processing time, email us at USCIS.ImmigrantInvestorProgram@dhs.gov. Save this notice, and any other notice we send you about this case, and please make and keep a copy of any papers you send us by any means along with any proof of delivery to us. Please have all these papers with you if you contact us about this case.

If your address changes - If your mailing address changes while your case is pending, notify us at USCIS.ImmigrantInvestorProgram@dhs.gov, otherwise you may not receive notice of our action on this case.

Please see the additional information on the back. You will be notified separately about any other cases you filed.

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Mail Date:	12/29/2011	Form Type:	I-924A	\$ Amount:	0
Employee #:	C30056	# of attached files:	1	Fee Count:	0

All reasons for review:

1.- PAGE 2 PART 3#2 NO INDUSTRY CATEGORY TITLE & NAICS CODE PROVIDED.

CIS / RRU Response

Comments

OK to Process:

NO JOBS CREATED

Reject:

OK to Process and Mail Reject Letter Attached:

Other:

Reviewer's initials: *GTE*

Completed by CIS Review Officer

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