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# EB-5 \$1 Million investment in troubled business

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Submitted by Rajiv S. Khanna on Nov 13th 2011

We were retained by a client who was in USA on B-2 status and wished to apply for green card through EB-5 investor/entrepreneur category. We obtained a B-2 extension and simultaneously filed the EB-5 petition. Client was in the process of investing \$1 Million in an existing business. \$500,000.00 of the investment was in the form of cash (some portion of which was gift money) and for the remaining \$500,000.00, a promissory note was executed and secured by foreign personal assets of client.

Since the business in which the client proposed to invest was already experiencing financial difficulties, we were successfully able to prove that it qualified as a troubled business, i.e., a business that had been in existence for at least two years, and had during the twelve or twenty-four month period prior to the priority date incurred a net loss of at least twenty per cent of the business's net worth prior to such loss.

USCIS initially issued an RFE, mainly raising issues about source of funds. We provided comprehensive tabular explanation along with the appropriate documents to trace the source of funds. One of the challenges was proving source of funds for the money coming from a Joint Family Account. We were able to successfully show that money pooled into ?Hindu Undivided Family Fund? properly known as HUF Account, becomes a joint family property, and passes through testamentary succession, therefore as such, our client is the lawful owner of those funds, which her husband left in HUF Account after his death. We provided further evidence that client?s husband had income from lawful business activity, therefore it qualified as ?lawful investment? under EB-5 regulations.

USCIS accepted all our arguments and approved EB-5 petition.

### **Green Card:**

[EB5 Green Card](#) <sup>[2]</sup>

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### **Links:**

[1] <https://immigration.com/sample-cases/eb5-green-card/eb-5-1million-investment-troubled-business>

[2] <https://immigration.com/greencard/green-card/employment-based-green-cards/eb5-green-card>