

SEC Charges Unregistered Brokers in EB-5 Immigrant Investor Program

On June 23, 2015, the SEC announced charges against Ireeco LLC and its successor, Ireeco Limited, for acting as unregistered brokers for more than 150 investors in the EB-5 Visa Program, in violation of Section 15(a) of the Exchange Act. The EB-5 Visa Program creates a way for foreign applicants to achieve legal U.S. residency by investing directly in U.S. businesses or private regional centers promoting economic development.

In its order, the SEC found that the firms communicated with potential investors via phone and email about various EB-5 projects. Ultimately, the firms referred investors to a limited number of regional centers and received a commission-based fee averaging approximately \$35,000 per investor in return. From January 2010 to June 2015, Ireeco LLC and Ireeco Limited were paid fees for brokering a total of over \$79 million of investments without being registered in accordance with Section 15(a)(1) of the Exchange Act.

Without admitting or denying the SEC's findings, the firms agreed to be censured and to cease and desist from committing any future violations of Section 15(a) of the Exchange Act. In addition, the firms agreed to be subject to administrative proceedings to determine the appropriateness of returning the fees earned, possible penalties, or both.

[Click here](#) to see press release.

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