

October 14, 2008

Senator Jason M. Grant, Chair
Government Operations and Audit Committee
500 East Capitol Ave.
Pierre, SD 57401-5070

Dear Senator Jason M. Grant:

In response to your letter dated September 30, 2008, we are providing you with answers on how the South Dakota International Business Institute (SDIBI) selects projects for EB-5 funding and on the financial activity of the annual International Business Conference which is organized and managed by Northern State University's School of Business.

SDIBI forwards eligible potential projects to the overseas agents who will analyze the projects and determine which ones can be successfully marketed. Eligible projects have to be located in the geographical area of the Regional Center and must meet all other requirements as outlined in the attached USCIS approval letter. SDIBI does not decide on the project to be funded but the overseas agents do as they understand what can be realistically sold in the every increasing competitive EB-5 market. The trend has been that only large projects of \$50,000,000 or bigger, with little need for conventional financing, remain competitive. This trend also forced SDIBI to deviate from the initial dairy projects which now are just too small and require too much bank financing to be competitive.

Below you will find the financial activity of the International Business Conference for 2006, 2007 and an estimate for 2008. The conference was just held last weekend so we are in the process of processing registrations and paying bills.

	2006	2007	2008 (est)
Revenues:			
Registration Fees	\$18,456.59	\$23,880.00	\$28,650.00
Expenditures:			
Banquet Services	\$13,319.89	\$14,426.51	\$20,302.50
Trophies & Awards	400.00	350.00	300.00
Supplies & Postage	121.06	1,127.88	178.55
Travel		1,860.00	710.00
Dues & Memberships		235.00	235.00

Total	\$13,840.95	\$17,999.39	\$21,726.05
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We hope to have sufficiently answered your questions. As always, please contact us if additional information is needed.

Sincerely,



Laurie Stenberg Nichols
Interim President