



UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

SEC v. A Chicago Convention Center, LLC, et al.
Civil No. 13-cv-00982

CHICAGO CONVENTION CENTER DISTRIBUTION PLAN NOTICE

The United States Securities and Exchange Commission authorized this Distribution Plan Notice ("Notice").
This is not a solicitation from a lawyer.

Dear Investor:

This Distribution Plan Notice ("Notice") is to inform you of the Chicago Convention Distribution Fund (Fair Fund), established by the Court with the proceeds of an enforcement action against A Chicago Convention Center, LLC ("ACCC") and Intercontinental Regional Trust of Chicago ("IRCTC"). This fund is intended to compensate investors for harm incurred when the defendants exploited the EB-f federal visa program as described in the SEC's Complaint. You have been identified as a potential Eligible Investor¹ and therefore, you may be eligible to receive compensation in accordance with the provisions of the Plan of Distribution approved by the Court ("Distribution Plan"). To be eligible to recover from the Chicago Convention Center Distribution Fund, you must have suffered a loss defined as "the difference between the Administrative Fees that they paid and the amount in excess of their Investments that they received from SunTrust or otherwise (the "Administrative Fee Offset").

Distribution Fund

The Distribution Fund is comprised of the disgorgement, prejudgment interest, and civil penalties paid by the defendants. The Court has appointed Analytics Consulting LLC ("Analytics") as the distribution agent in charge of administering the distribution of the Distribution Fund ("Distribution Agent"). The balance of the Distribution Fund at the time of the approval of the Distribution Plan was approximately \$1,468,718.80.

Distribution Plan

On December 21, 2018, the Court approved a plan of distribution ("Distribution Plan"). A copy of the Distribution Plan is available to view and download at www.AChicagoConventionCenterLLCDistributionFund.com. In addition, you can request a copy of the Distribution Plan from the Distribution Agent by phone, e-mail, or mail:

SEC v. A Chicago Convention Center, LLC., et al.
c/o Analytics Consulting LLC
P.O. Box 2003
Chanhassen, MN 55317-2003
Toll-Free: 1-855-803-9083
Claims@AChicagoConventionCenterLLCDistributionFund.com

Determination of Your Net Loss Amount

The amount of compensation shall be determined by reference to the plan of allocation in the Distribution Plan. Since the Net Loss Amount exceeds the monies available for distribution, payments will be made on a *pro rata* basis, determined by the calculation of each Eligible Investor's Net Loss Amount as a fraction of aggregate Net

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed in the Distribution Plan.

Loss Amounts. Interim calculations of the Pro Rata Ratio may change until the Distribution Agent has identified all Eligible Investors and their Net Loss Amounts. The Distribution Agent has calculated your Net Loss Amount² pursuant to a Plan of Allocation contained in the court approved Distribution Plan. Your estimated Net Loss Amount is _____.

If you agree with the calculated Net Loss Amount, no additional action is required. If this amount does not appear to be accurate, then you may object to the Net Loss Amount ("objection") via the Dispute Form. Please return the signed Dispute Form and detail why the calculation is not accurate and attach documentation to support your objection.

You must also confirm any changes to the Eligible Investor's name, and whether any heirs or successors have taken the place of the original Eligible Investor.

Any objection must be returned no later than 45 days from the postmark date of this Notice. The Distribution Agent will notify you of the resolution of your objection within 30 days of its receipt. The Distribution Agent's decision regarding the dispute will be final.

Background of the Case

On February 6, 2013, the SEC filed the Complaint in this action, alleging that Anshoo R. Sethi ("Sethi"), A Chicago Convention Center, LLC ("ACCC"), and Intercontinental Regional Center Trust of Chicago ("IRCTC") (collectively, the "Defendants") exploited the EB-5 federal visa program as a means to defraud investors seeking monetary returns and a legal path to U.S. residency. As part of the fraud, investors were required to invest \$500,000 in ACCC (the "Investment") and pay \$41,500 to the Defendants in administrative fees (the "Administrative Fees"). Defendants collected over \$145 million in Investments and \$12 million in Administrative Fees from more than 250 investors primarily located in China (the "Investors"). While the majority of the funds were already returned, there is a remaining "Net Loss Amount" defined as "the difference between Administrative Fees paid by the Investor and the Administrative Fee Offset." On April 19, 2013, the Court modified the Asset Freeze to permit SunTrust to return to the Investors "all Subscription Proceeds" received from the Investors (the "April 19 Order"). Dkt. No. 71. Pursuant to the April 19 Order, SunTrust returned over \$147 million to Investors, thereby returning to each Investor the entirety of their Investments, and in a handful of cases, some or all of the Administrative Fees paid. More than \$11 million in Administrative Fees paid by the Investors remain uncompensated.

Tax Consequences of Your Distribution Payment

The Fair Fund is a "Qualified Settlement Fund" ("QSF") as defined in Section 468B(g) of the Internal Revenue Code, 26 U.S.C. Section 468B(g), as amended, and the Treasury regulations promulgated thereunder, 20 C.F.R. 1.468B-1 *et seq.* Your distribution from this Fair Fund has tax consequences. Generally, the losses component of your distribution is not income to you to the extent of your basis in your investment. However, you must reduce your basis by the amount of your distribution. If your distribution exceeds your tax basis in your investment, then the excess is includable in your income as capital gain. Any such capital gain is long-term capital gain, unless you disposed of your investment before holding it for longer than one year. If you do not have reasonable access to records indicating the tax basis of your investment, then you may assume that your tax basis is zero and that the entire distribution is includable in your income as capital gain. ***The QSF is not required to - and will not - issue a Form 1099 to you with respect to the losses component of your distribution.***

Prejudgment Interest Component. The pre-judgment interest component constitutes taxable interest income to you; however, you will only receive a Form 1099-INT if your distribution contains \$600 or more of such interest. If you are, or are presumed to be, a nonresident alien of the U.S. ("NRA"), or a payee subject to withholding under the Foreign Account Tax Compliance Act ("FATCA"), you may receive Form 1042-S with respect to the interest component of your distribution. Your interest component may also have been subject to 30% NRA withholding or 30% FATCA withholding under certain circumstances, which has been remitted to the IRS on your behalf (if applicable). To the extent your interest component was subject to such withholding, it will be reflected on the Form 1042-S that will be issued to you in the first quarter of 2020.

² The Net Loss Amount is NOT the same amount of your final Distribution Payment. The final distribution amount will be calculated after determining any interest amounts on the Fair Fund, as well as court fees, tax obligations, and fees and expenses of the Distribution Agent and Tax Administrator. In addition, as stated above, if the total amount of approved claims exceeds the monies available for distribution, payments will be made on a *pro rata* basis.

IRA, QRP, or Other tax deferred vehicle. If you held your investment in an individual retirement account (“IRA”), qualified retirement plan (“QRP”), or other tax deferred vehicle, your check will be made payable to the trustee or custodian of your IRA or QRP. You should forward the check to the trustee or custodian of your IRA or QRP for deposit into your IRA or QRP account. **Caution: If the check is cashed or deposited in any account other than an account eligible to receive the check, it may be subject to income tax and a 10% penalty.**

Please note that the Distribution Agent and the Tax Administrator cannot provide tax advice to Eligible Claimants. The information contained herein is being provided for informational purposes only to assist you in determining the United States (“U.S.”) federal income tax consequences of the distribution payment if you are a citizen or resident of the U.S. The tax consequences of the distribution may vary depending on your individual circumstances. Except as provided above, the information provided herein may not be applicable if you are a nonresident alien of the U.S. or a FATCA-subject payee and it does not address the alternative minimum tax provisions of federal tax law, state, local and non-U.S. tax rules, or the effect of possible changes in laws. **THE INFORMATION CONTAINED HEREIN IS NOT AND SHOULD NOT BE RELIED UPON AS TAX ADVICE. CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE DISTRIBUTION TO YOU.**

Eligible Investors’ Participation Options for this Distribution Fund

In order to receive a payment from the Distribution Fund, and if you have no objection as to your Net Loss Amount, you must:	Do Nothing. You will receive your payment.
To object to your Net Loss Amount:	Complete the Dispute Form and write to the Distribution Agent detailing the reasons for your dispute of the provided amount along with required documentation and return it within 45 days of the postmark date of this Notice.

Questions?

If you have any questions about the Fair Fund at www.AChicagoConventionCenterLLCDistributionFund.com, or contact the Distribution Agent toll free at 1-855-803-9083 or by email at Claims@AChicagoConventionCenterLLCDistributionFund.com. In addition, you may obtain information at the SEC’s Information for Harmed Investors webpage at <https://www.sec.gov/divisions/enforce/claims.htm>.