

International Direct Investors' Forum

USA is Still a Prime Destination for Foreign Investors Seeking Diversification and Stability

By: Lawrence Nusbaum, Partner at the law firm Gusrae Kaplan Nusbaum, PLLC



US cities offer terrific investment opportunities for foreign businesspeople seeking stability and diversification

In recent years what was once considered by many to be financially untouchable has become touchable. Based upon a conflux of events including the current global economic slowdown, non-U.S. citizens and entities now have a tremendous opportunity to become involved as investors/purchasers of a variety of assets in the United States.

These assets can take the form of acquisitions of or mergers into U.S. corporations (whether public or private), acquisitions of real estate (whether commercial or residential), blocks of publicly traded securities or interests in hedge funds that invest in U.S. as well as foreign securities with strong year to year returns, or taking a foreign owned entity public through the United States capital markets.

One of the great advantages of purchasing/investing in assets in the United States is the advantages provided to investors by virtue of the democratic form of government and the well-developed legal and judicial system with

laws, rules and regulations which have been designed to protect the rights of both U.S. investors and non-U.S. investors who invest in U.S. assets.

The attractiveness of investing in U.S. assets has become of particular interest to non-U.S. investors who have cash and/or assets abroad in countries where the laws, the form of government or the judicial system do not necessarily provide adequate protection for a person's and/or an entity's rights to their property. Indeed, in many foreign countries, a person or entity can be stripped of their assets without due process or fair consideration and the only recourse available to such a person may be illusory, i.e., once the assets are taken, even if in violation of the law, the assets may never be recovered by the rightful holder.

The United States, with its democratic form of government and well developed legal and legislative system, is considered to be a very strong "safe haven" for investing in U.S. assets, and now, maybe more than ever, many believe is an ideal time to make such investments.

However, foreign investors realize, or need to understand that compliance with all applicable U.S. laws and regulations is necessary to safeguard the value of their investments. In order to accomplish this objective, it is essential for foreign investors to engage experienced, honest and expert professionals in assisting them with their U.S. investments.

One of the key factors in ensuring that such investments in the United States are properly made and legally protected is employing established and expert legal counsel that is able to provide advice and guidance as to the required compliance with all applicable U.S. laws, rules and regulations, and also understands the pitfalls that need to be avoided both with respect to the contemplated investment and also as to being able to recognize the hallmarks of dishonest persons who promote and sponsor these investments under the guise of fancy business cards, suits and titles such as investment bankers, promoters, and the like, but who are really nothing more than con artists.

There is no substitute for hiring a capable and experienced lawyer when investing in the United States. The selected lawyer should be able to advise investors of the preferred type of investment vehicles (corporations, S corporations, partnerships, joint ventures and/or limited liability companies), be experienced and able to structure transactions to meet the client's needs, whether it be mergers, acquisitions, stock purchases, and/or asset purchases, and have the ability to get a good "read" on the seller, fund manager and/or business opportunity through conducting the relevant due diligence in order to assist the client in making a sound proper investment with reputable people

A foreign investor should develop a strong and trusting relationship with its legal counsel, because, ultimately, the attorney is the client's de facto agent whose principal responsibility is, to the extent requested by the client and within the parameters of a lawyer's responsibility, to protect the client and its investment. No amount of money can protect an investment if the investment is done without compliance and/or in violation of the laws and regulations of the United States.

In the United States, well thought out, thorough and detailed and properly prepared transaction documents are extremely important in protecting a client's investment and, generally, only hiring a very seasoned and experienced attorney should be considered by a client in making any such investment, because such legal counsel must be able to not only safeguard and protect the client's investment and enable the client to take full advantage of the benefits of U.S. law applicable to the client's investment. After identifying the target investment, the next most important step in the process of concluding the transaction will be the selection of such counsel.

This Article was authored by Lawrence G. Nusbaum, Esq. Mr. Nusbaum is a partner in Gusrae Kaplan Nusbaum PLLC. Mr. Nusbaum heads the firm's corporate and securities department and has over 25 years of

experience as a trusted advisor to many clients ranging from high net worth individuals to large companies. Mr. Nusbaum has extensive experience in representing foreign entities and individuals in all aspects of their business and personal legal needs and is considered a leading business attorney in the United States. Mr. Nusbaum has represented clients in many countries, including Russia, China, Hong Kong, Greece, India, Africa, Sri Lanka and many European countries. Mr. Nusbaum can be reached by email at LNusbaum@GusraeKaplan.com For more information about Mr. Nusbaum and his firm, please go to the firm's website at www.gusraekaplan.com.