



# News Release

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## **California Arbitrator Finds in Favor of Regents**

PIERRE, S.D. – A California arbitrator’s decision has vindicated the South Dakota Board of Regents and the state of South Dakota in a breach of contract case involving the federal EB-5 immigrant visa program. The decision, announced today, denied all claims and counter-claims in a case brought by Darley Commercial LLC against Hanul Professional Law Corp. and the South Dakota International Business Institute. SDIBI is located at Northern State University.

“We are very pleased with this outcome,” said Jack Warner, the regents’ executive director and CEO. “This has been a long arbitration and we had been optimistic all along about its resolution. It is good to see that the arbitrator’s decision has validated our expectation of a positive resolution to this case.”

Arbitrator Robert A. Baines found that the International Business Institute had the power to legally terminate its use of the Hanul law firm as an unofficial exclusive marketer for EB-5 projects, and there was no breach of contract when SDIBI ended that arrangement in January 2008.

Baines further found that the non-compete clauses that Darley Commercial extracted from Hanul were unenforceable under California law, which therefore cut off claims made against SDIBI.

The arbitrator’s decision, JAMS Arbitration Case No. 1100054680, can be found online at [www.sdbor.edu/ArbitrationDecision.pdf](http://www.sdbor.edu/ArbitrationDecision.pdf)