
Agency of Commerce and Community Development

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November 18, 2014

Mark Scribner
Primmer Piper Eggleston & Cramer PC
150 S. Champlain Street
P.O. Box 1489
Burlington, VT 05402-1489

Re: AnC BIO VT

Dear Mark:

I am writing to provide you with additional observations and requests for follow up action by AnC Bio based on the review to date by Edwards Wildman Palmer (EWP). With the same level of importance attributed to the requests made in my November 7 letter, I submit to you the following observations and requests for AnC Bio's thoughtful consideration and substantive response:

1. Describe with detailed citations and references the credentials, qualifications and capabilities of the sponsors and personnel to implement the Business Plan, including specific reasons for believing in the efficacy of the science and status of and prospects for required licensing and approvals.
2. Indicate key assumptions underlying each item of the forecast in the Business Plan. The exhibits to the PPM include numerous letters of support for the project and some general information on the market for products such as those expected to be produced at the Newport facility, but they do not appear to have been prepared specifically for this facility and may be outdated (2007 in one case and 2011 in another).
3. The key financial projection is the Projected Income and Expenses table, for which two versions are shown – one for 2013-2018 and another for Year One-Year Five. Slightly different results are shown.
 - a. Which projection is the current expected case?
 - b. More importantly, what are the underlying assumptions used by management to make these projections?
 - c. How might the sales projections be affected by the current status of required regulatory approvals?



- d. The PPM should include detailed information explaining these underlying assumptions.
4. The PPM includes information regarding the prior Jay Peak EB-5 projects and their "success." Has all this information been reviewed and updated for accuracy as required by the passage of time and availability of more current information?
5. In light of investor complaints regarding Jay Peak's Phase 1 Project (the Tram House Lodge), if one or more of Jay Peak's earlier projects are being used to promote AnC Bio, then it seems that problems with the earlier ones also need to be disclosed, particularly since the problems relate to the financial results rather than the immigration aspects of those projects.
6. Photographs on the cover of the PPM are likely the Korean facilities formerly owned by AnC Bio Korea, but are not identified as such. All photographs should be clearly labeled in order to accurately inform the investors.
7. Regarding compliance with the Investment Company Act of 1940. The following questions relate to compliance with that Act, but may also overlap with other applicable federal and state securities laws:
 - a. Will the Issuer continue to own the land and facility once complete? What compensation, if any, will be paid for its use? By which entity?
 - b. What are and will be the Issuer's assets (other than such real property, its interest in the Joint Venture and funds awaiting expenditure)?
 - i. Identify any equity in any entity (in addition to the Joint Venture) that has been or will be acquired by the Issuer and provide details of the entity's purpose and remaining ownership.
 - c. How are the Issuer's funds invested pending expenditure?
 - i. Provide specific descriptions of the Issuer's current and anticipated investments, for example, deposit account, money market fund, short-term bond fund, with amounts for each.
 - d. Will the Joint Venture acquire any equity or other interests in an entity?
8. Who is handling the SEC investigation for the Issuer and project sponsors? Please provide the name of the person and contact information for the purpose of enabling ACCD to inquire regarding the status and nature of that matter, or to enlist the assistance of the Vermont Attorney General or Edwards Wildman and Palmer to do the same on ACCD's behalf. Counsel for AnC Bio would be welcome to participate in the discussion.


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9. Has Issuer had any discussions with the Vermont securities department or any other state securities law regulators regarding this project? If so, what have been the nature of those discussions and when have they occurred?
10. Provide an appraisal of the AnC Bio project property based on its market value without any of the project improvements.
11. Provide the Material Disclosure Questionnaires related to all of the principals – Bill Stenger, Bill Kelly and Ariel Quiros.

Last Friday we received correspondence from a Tram House Lodge EB5 investor who had reviewed excerpts from Raymond James statements on the THL indicating that Joel Burstein, the Raymond James employee managing the THL EB5 account (# [REDACTED]), was married to Nicole Quiros, daughter of Ariel Quiros. Please explain whether or not that is true and, if so, identify the period of time that account # [REDACTED] was managed by Mr. Burstein and the portion of that period during which he was married to Nicole Quiros. Please also provide a certified statement from the owner of the account as to whether or not the account was exclusively for the THL EB5 project and its EB5 investors. If the account has been used for purposes other than the THL EB5 project during the time in which THL EB5 investor funds were deposited in it, please provide a certified statement from the owner of the account as to every other purpose for which the account was used and the corresponding period of time for each use.

Thank you in advance for your attention to these important issues and requests. We look forward to your responses.

Sincerely,


John W. Kessler
General Counsel

cc: Pat Moulton
Brent Raymond