

THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE LIEUTENANT GOVERNOR



DIVISION OF
BANKING AND INSURANCE

December 19, 2014

Erika Kellerhals, Esq.
c/o Kellerhals Ferguson Fletcher Kroblin LLP
Attn: Financial Strategy Group, Ltd.
No. 9100 Port of Sale Mall
Suite 15, St. Thomas VI 00802

Re: Financial Strategy Group, Ltd.

Dear Atty. Kellerhals:

Enclosed are the Certificate of Licensure and Tax Incentive Benefit Certificate issued to Financial Strategy Group, Ltd., an International Banking Entity ("IBE") for calendar year 2015. These certificates are subject to the regulatory and administrative conditions in its Permit and as noted below:

1. The IBE license is effective on January 1, 2015 until the expiration thereof which shall be December 31st following the effective date, unless the same is suspended, revoked or renounced pursuant to Regulation 721-1(c).
2. A license to operate an IBE may not be sold, assigned, transferred, pledged, used as a security or in any other way encumbered, except under the provision of subsection 748 pursuant to 9V.I.C. §725.
3. The Tax Incentives Benefit Certificate is valid for a period of 10 years effective on January 1, 2015 until its expiration on December 31, 2015 or unless extended pursuant to 9 V.I.C. §744 or revoked, suspended or modified.

Sincerely,

A handwritten signature in blue ink that reads "John D. McDonald".

John D. McDonald,
Director, Division of Banking and Insurance

**GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES
OFFICE OF THE LIEUTENANT GOVERNOR**

DIVISION OF BANKING AND INSURANCE

CERTIFICATE OF LICENSURE

This is to certify that in accordance with Title 9, Chapter 25, Subchapter I of the Virgin Islands Code, which provides for the regulation of the business of International Banking Entities in the Virgin Islands,

FINANCIAL STRATEGY GROUP, LTD.

#6100 Red Hook Qtrs Suite B3

St. Thomas, VI 00802

has filed in this office all the documents required by law, has complied with the terms of its Incorporation and laws of the Virgin Islands, and has furnished satisfactory evidence of such character as to entitle it to conduct business as a:

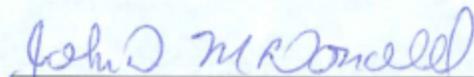
INTERNATIONAL BANKING ENTITY

*Now, Therefore, I, **John D. McDonald**, Director, in pursuance of the authority vested in me, do hereby authorize the above-named entity to transact business in the Virgin Islands of the United States.*

*This Certificate of Licensure is valid from **January 1, 2015 to December 31, 2015**. Renewal of this Certificate of Licensure is required annually upon expiration as of the 31st day of December, and it may be suspended or revoked as provided by law.*



*Given under this Seal of the Government of the Virgin Islands of the United States, at Charlotte Amalie, St. Thomas, this 22nd day of **DECEMBER, 2014**.*



JOHN D. MCDONALD

Director

Division of Banking and Insurance

FEE: \$10,000

THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE LIEUTENANT GOVERNOR



DIVISION OF
BANKING AND INSURANCE

TAX INCENTIVE BENEFITS CERTIFICATE

FINANCIAL STRATEGY GROUP, LTD.

(Beneficiary)

Pursuant to the authority vested in me as Director of the Division of Banking and Insurance, Office of the Lieutenant Governor ("Division") by V.I. CODE ANN. tit 9, Subchapter II, §736-754 and in the name of the Government of the Virgin Islands of the United States, I do hereby issue this certificate to Financial Strategy Group, Ltd. ("Beneficiary") whose application for Tax Incentives Benefits was granted on December 19, 2014. The Director finds that the Beneficiary is an eligible new Beneficiary pursuant to V.I. Code Ann. Chapter 25, Title 9. The grant of benefits hereinafter described is for the Beneficiary or any successors approved by the Director to conduct the operations of Money Services Activities under the International Banking center Regulatory Act.

The certificate is subject to the acceptance of and full compliance by the Beneficiary with all the following general, standard and special conditions, and the timely performance and observance of the same by the Beneficiary:

- I. The Beneficiary shall invest at least \$50,000, exclusive of inventory, in the business related to banking pursuant to 9V.I.C 738(b)(1);
- II. Be the actual investor in the enterprise for which tax incentive benefits are sought, and not a contractor, subcontractor, or other person or corporation acting as an agent or a similar capacity to the investor, provided that corporate affiliates who are actual investors may qualify for benefits pursuant to Section 738(b)(2)
- III. Employ at least three full time persons; however, the IBE shall hire one (1) additional employee, for every \$1,000,000 of net income prior to salaries pursuant to Section 738(b)(3). After the third year of operation, an IBE shall have at least 60% of its management, supervisory or technical positions filled by residents of the Virgin Islands as defined in title 29, section 703 of the Virgin Islands Code, unless granted a waiver by the Director pursuant to Section 7409(a).
- IV. The following standard conditions shall apply:
 1. Beneficiary shall comply with any and all reasonable requests during regular working hours of the Division, the Virgin Islands Department of Finance, the

A handwritten signature in blue ink, appearing to be "J. M. ...".

Virgin Islands Department of Labor, and the Virgin Islands Bureau of Internal Revenue.

2. This Certificate is conditioned upon the final determination of the Secretary of the Treasury of the United States or his designee, of compliance of the Beneficiary with the requirements of the United States Internal Revenue, I.R.C. §934(1986), as amended, if applicable.
3. Beneficiary shall fully and actually comply and continue to comply with all the applicable provision of Title 9, Chapter 25, Subchapter II of the Virgin islands Code, the regulations issued pursuant thereto, and all other applicable local and federal laws and regulations, including but not limited to those dealing with discrimination in employment based on age, sex, race, national origin or religion.
4. Beneficiary shall maintain payroll accounts, from which local employees are paid, in a bank licensed and conducting business in the United States Virgin Islands, in compliance with 1992 V.I. Sess. Laws 5768.
5. This Certificate shall be effective only for so long as the Beneficiary continues to observe and perform each and every condition and requirement in this Certificate.
6. Upon a written finding by the Director, after a hearing if required, that the Beneficiary has failed to observe the conditions in this Certificate, or to comply with any of the time limits provided in this Certificate or otherwise provided by law, then the Certificate may be revoked, suspended or modified by the Director pursuant to 9V.I.C. §749. If the Beneficiary fails to perform or observe the conditions as required by the Director within the specified period or any extension thereof granted for good cause shown to the Director, the certificate is of no force and effect, and the beneficiary shall pay or refund as the case may be to the Government of the Virgin Islands the amount of any benefit actually received under the certificate. Further, upon a final determination by the Secretary of the Treasury of the United States or his delegate that the beneficiary has not complied with the requirements of the Internal Revenue Code section 934, the beneficiary shall pay or refund, as the case maybe, to the Government of the Virgin Islands, the amount of any subsidy benefits, based on income tax liability, actually received, or the amount of the reduction of income tax liability on a current basis for all the years of non-compliance pursuant 9V.I.C. §747(b).
7. Beneficiary shall commence the active conduct of the business for which this Certificate was granted within (10) years of approval by the Director, unless otherwise provided or unless the business has already commenced.
8. Any new shareholders, partners, owners, members or beneficiaries added to the entity after its application has been approved may not claim benefits under the tax incentive benefits program without the prior written approval of the Director.
9. Meet any time restraints or deadlines imposed by the Director with respect to the initiation of operations or activity, provided that the Director may extend any such time restraints or deadlines upon good cause shown by the beneficiary pursuant to Section 738(b)(6).



10. Agree in writing to notify the Virgin Islands Department of Labor as to the availability of employment by it or its subcontractors, the number of employees required, the occupational classification of such workers, and the applicable wage rate pursuant to Section 738(b)(7).
11. Provide educational assistance to residents of the Virgin Islands which is acceptable to the Director or provide a financial contribution to an educational fund established by the Director or by the Legislature. As used in this subsection, educational assistance includes all types of educational assistance including vocational and other job training programs, including Taproots, Inc. pursuant to Section 738(b)(8).
12. The Entity must remain in sound financial condition while engaging in International Banking business in the U.S. Virgin Islands.
13. Financial Strategy Group, an International Banking Entity must comply with all applicable federal and local laws and Rules and Regulations of the U.S. Virgin Islands and the violation of said laws and these conditions may result in the revocation of the Entity's Certificate of Licensure and/or Tax Incentive Benefit Certificate.

V. The following special conditions shall apply:

1. The Beneficiary shall produce evidence within 5 working days (consisting of certified copies of executed subscription agreements, certification by an authorized officer of the IBE that interests have been issued, and a certified copy of a bank deposit statement of an account in the name of the IBE) that the capital of the IBE has been subscribed to, issued and paid-in or assigned in the case of a unit, and that the IBE complies with the minimum requirement of unencumbered assets in accordance with the provisions of Section 719-2(a) of these Rules and Regulations.
2. The Beneficiary shall agree in writing to amend within 5 working days its submitted Management-training plan submitted for approval to the Director to include the granting of its employees additional leave from work, other than time applied to their annual leave, to participate and represent the Virgin Islands in athletic and sporting events pursuant to Section 738(b)(9).
3. The Beneficiary shall agree in writing and require all contractors retained by it to purchase all insurance from resident insurance companies, agents, or brokers licensed to operate in the Virgin Islands, and if a particular type of insurance is not available in the Virgin Islands, submit to the Director written certification from the Office of Banking and Insurance that the insurance is unavailable pursuant to Section 738(b)(10).
4. The Beneficiary shall agree in writing to employ or contract with Virgin Islands businesses and Virgin Islands residents pursuant to Section 738(b)(5).



5. The Beneficiary shall conform to the transactions permitted and not prohibited transactions under the 9V.I.C§726 and comply with the Internal Revenue Service sourcing rules in claiming any tax exemptions as an IBE under the Act.
6. The Beneficiary shall provide to all full-time employees the ability to participate in Financial Strategy Group's group health plan and dental insurance on the first day of the month following one (1) day of employment and satisfaction of any eligibility or other requirements of the applicable policy in effect at the time.
7. The Beneficiary shall provide to all full-time employees the ability to participate in Financial Strategy Group's life insurance after one (1) day of employment.
8. The Beneficiary shall make available to eligible employees a Simple IRA Retirement plan after one (1) day of employment.
9. The Beneficiary shall provide every full-time employee who is regularly scheduled to work 232 or more hours per week Paid Time Off (vacation) each calendar Year.
10. The Beneficiary shall provide salaried employees paid weeks of medical leave commensurate with their years of service.



Tax Incentive Benefit Certificate

IN WITNESS HEREWITH, the parties hereunto set their hands and seals on the dates noted below:



John D. McDonald
Director, Division of Banking and Insurance

Financial Strategy Group, Ltd

Accepted by: _____

Printed Name and Title

Date

Witness

Witness

THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE LIEUTENANT GOVERNOR



DIVISION OF
BANKING AND INSURANCE

APPENDIX A:
GROSS RECEIPT, EXCISE TAXES AND INCOME TAXES

NAME: Financial Strategy Group, Ltd.
PHYSICAL LOCATION: 6100 Red Hook Qtrs Ste B3 St. Thomas, VI 00802
MAILING ADDRESS: No. 9100 Port of Sale Mall, Suite 15, St. Thomas VI 00802
TELEPHONE: [REDACTED] FAX: [REDACTED]

NATURE AND EXTENT OF BENEFITS:

USVI Gross Receipt Taxes: 100% exemption; except this exemption does not apply to gross receipts of businesses operated by a concession or rental agreement on the premises of the beneficiaries, for which businesses separate licenses are required or which, as determined by the Director, are not ordinarily related to, or do not constitute an essential part of, the operation of the beneficiary, and which businesses are not otherwise eligible for tax incentive benefits as a distinct enterprise.

USVI Excise Taxes: 100% exemption; on building materials, tools, pipes, pumps, conveyor belts or other appliances materials and supplies necessary for the use in the construction, alteration, reconstruction or extension of the physical plant or facilities of the applicant

USVI Corporate Income Taxes: 100% exemption

USVI Personal Income Taxes: 100% exemption as specified in 9V.I.C. §743

COMMENCEMENT DATE OF BENEFITS:

USVI Gross Receipt Taxes: January 1, 2015

USVI Excise Taxes: January 1, 2015

USVI Corporate Income Taxes: January 1, 2015

USVI personal income taxes: January 1, 2015

TERMINATION DATES OF BENEFITS:

USVI Gross Receipt Taxes: December 31, 2025

USVI Excise Taxes: December 31, 2025

USVI Corporate Income Taxes: December 31, 2025

USVI Personal Income Taxes: December 31, 2025

AUTHORITY FOR BENEFITS:

9 V.I.C. §§742-743

Director, John D. Marshall Date: 12/22/14
Division of Banking and Insurance

THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE LIEUTENANT GOVERNOR



DIVISION OF
BANKING AND INSURANCE

APPENDIX A1:
USVI WITHHOLDING TAX ON DIVIDENDS AND INTEREST

NAME: Financial Strategy Group, Ltd.
PHYSICAL LOCATION: 6100 Red Hook Qtrs Ste B3 St. Thomas, VI 00802
MAILING ADDRESS: No. 9100 Port of Sale Mall, Suite 15, St. Thomas VI 00802
TELEPHONE: [REDACTED] FAX: [REDACTED]

NATURE AND EXTENT OF BENEFITS:

Dividend Withholding Tax Exemption in accordance with 9 V.I.C. 743b
Interest Withholding Tax Exemption in accordance with 9 V.I.C. 743b

Member	Address	Owned
Jeffrey Epstein	c/o Erika Kellerhals Kellerhals Ferguson Fletcher Kroblin LLP 9100 Port of Sale Mall, Suite 15 St. Thomas VI 00802	100%

COMMENCEMENT DATE OF BENEFITS:

Dividend Withholding Tax Exemption: January 1, 2015
Interest Withholding Tax Exemption: January 1, 2015

TERMINATION DATES OF BENEFITS:

Dividend Withholding Tax Exemption: December 31, 2025
Interest Withholding Tax Exemption: December 31, 2025

AUTHORITY FOR BENEFITS:

9 V.I.C. §743(b)

Director, John P. McConnell
Division of Banking and Insurance

Date: 12/27/14

THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE LIEUTENANT GOVERNOR



DIVISION OF
BANKING AND INSURANCE

APPENDIX B:
REAL PROPERTY TAXES

NAME: Financial Strategy Group, Ltd.
PHYSICAL LOCATION: 6100 Red Hook Qtrs Ste B3 St. Thomas, VI 00802
MAILING ADDRESS: No. 9100 Port of Sale Mall, Suite 15, St. Thomas VI 00802
TELEPHONE: [REDACTED] FAX: [REDACTED]

NATURE AND EXTENT OF BENEFITS:

USVI Property Tax: 100% exemption; to the extent that property is used in the business

PARCEL(S) EXEMPTED:

- None

COMMENCEMENT DATE OF BENEFITS:

Real Property Tax Exemption Starts: Not Applicable

TERMINATION DATES OF BENEFITS:

Real Property Tax Exemption terminates: Not Applicable

AUTHORITY FOR BENEFITS: 9 V.I.C. §742(a)(1)

Director, John McDonald
Division of Banking and Insurance

Date: 12/22/14

THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE LIEUTENANT GOVERNOR



DIVISION OF
BANKING AND INSURANCE

APPENDIX C:
EXCISE TAXES

NAME: Financial Strategy Group, Ltd.

PHYSICAL LOCATION: 6100 Red Hook Qtrs Ste B3 St. Thomas, VI
00802 MAILING ADDRESS: No. 9100 Port of Sale Mall, Suite 15, St. Thomas VI
00802

TELEPHONE: ([REDACTED])

FAX: [REDACTED]

NATURE AND EXTENT OF BENEFITS:

USVI Excise Taxes: 100% exemption; on building materials, tools, pipes, pumps, conveyor belts or other appliances materials and supplies necessary for the use in the construction, alteration, reconstruction or extension of the physical plant or facilities of the applicant.

COMMENCEMENT DATE OF BENEFITS:

USVI Excise Taxes Exemption Starts: Not Applicable

TERMINATION DATES OF BENEFITS:

USVI Excise Taxes Exemption terminates: Not Applicable

AUTHORITY FOR BENEFITS:

9 V.I.C. §§742(a)(3)

Director, John McDonald Date: 12/22/14
Division of Banking and Insurance