



**ST. JOHN'S  
UNIVERSITY**  
SCHOOL OF LAW



The  
**Hugh L. Carey Center**  
for Dispute Resolution

&

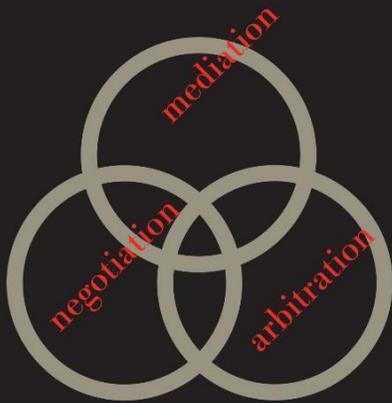


The Financial Industry  
Regulatory Authority  
present the

*12th Annual*

**Securities  
Dispute  
Resolution  
*Triathlon***

A Three Skill Lawyering Event  
Consisting of Competitions in



**Saturday and Sunday  
October 15 - 17, 2021**

VIRTUALLY

**THE HUGH L. CAREY CENTER FOR DISPUTE  
RESOLUTION at  
ST. JOHN'S UNIVERSITY SCHOOL OF LAW  
and  
THE FINANCIAL INDUSTRY REGULATORY AUTHORITY**

***The Twelfth Annual*  
SECURITIES DISPUTE RESOLUTION  
TRIATHLON PROBLEM – 2021**

***Is it Black or White?*  
Strength of Interfaith Church vs. American Heart Investment  
Services**

**Background:**

Were the investment recommendations made by Jordan Smith and American Heart Investment Services to Strength of Interfaith Church symptomatic of historic racist patterns and practices in the financial industry and in direct contravention of industry standards?

The Strength of Interfaith Church was formed 10 years ago. The residents of the diverse community in which it is located felt there was a need to have an interfaith church that reflected the diversity, collaboration, and unity of their immediate community. In that spirit, the Strength of Interfaith Church began. People of all faiths, ethnicity, and sexual orientation are welcome. The Strength of Interfaith Church membership is: 73% Black, 25% white, and 2% Latinx.

The Strength of Interfaith Church's mission is to strengthen the diverse ties within the community through anti-racist programs and collaborations. The Church's purpose, values, and activities have been closely aligned. In addition to offering spiritual support to its members, the congregation takes pride in its social activism within the community as evidenced through numerous activities. Each Sunday, the Church operates a soup

kitchen for those with food insecurities. The Church's Home Rejuvenation Program, dedicated to maintaining the quality of community life, organizes volunteer skilled congregants and community workers to rehabilitate houses in need of repair. The Tech and Touch program is an intergenerational collaborative focused on ensuring that community members are computer literate. The Church community also looks forward to the monthly musical that showcases the rich range of music and songs of community members.

Ray Corwin has been the head clergy of the Strength of Interfaith Church since its inception. Ray regularly attends bi-monthly meetings at the regional Interfaith Clergy Association. At these meetings, clergy from the region representing different religious denominations discuss ways to strengthen their social activism through collaboration. These meetings are also a helpful resource for clergy.

Approximately nine years ago, about a year after the Strength of Interfaith Church was formed, a founding member suddenly died and bequeathed the church \$150,000. Before accepting the money, the Church Board wanted to make sure that the benefactor had earned the bequest in ways that supported the values of the Strength of Interfaith Church. After some investigation, the Church learned that the deceased member had frugally saved the money from wages earned as a schoolteacher. The Church gratefully accepted the gift.

Ray was unsure of the best way to invest this unexpected gift and decided to seek the advice of some of the other clergy during the upcoming Interfaith Clergy Association meeting. One of the priests from the local church suggested Ray consider investing with American Heart Investment Services. A rabbi from the local synagogue who was also attending the meeting agreed that American Heart was a good choice. Both colleagues had used American Heart to invest a portion of their respective funds from their church and synagogue and were happy with the continued returns of their investments. Ray then shared this investment information with the Strength of Interfaith Church's Board. At that time, none of the Board members had any sophisticated knowledge of investing and relied on the recommendation of Ray's spiritual colleagues. At that meeting, the Board approved a motion authorizing Ray to invest the \$150,000 with American Heart Investment Services.

Buoyed by the endorsement of respected colleagues and supported by the Church Board, Ray followed up and scheduled a meeting with Jordan Smith at American Heart. Jordan had been a broker and investment adviser at American Heart for seven years. American Heart is a FINRA registered broker-dealer and an SEC registered investment adviser firm. Among Jordan's client roster were a number of religious institutions. Jordan understood that religious institutions as investors had different objectives and risk tolerances than other investment clients. They tended to be more prudent investors and tended to seek investments consistent with their religious mission.

Jordan also appreciated that all religious institutions were not alike. For example, the church that referred Ray to American Heart was founded 100 years ago. It now had a congregation that was 85% white, 13% Latinx, 2% Black and an investment portfolio with American Heart now worth around \$850,000. In a different example, the synagogue that referred Ray to American Heart was founded 35 years ago. The congregation of the synagogue was 95% white, 2% Black, and 3% other. The synagogue's investment portfolio with American Heart was recently valued at approximately \$950,000.

At their in-person meeting in January 2012, Jordan was very welcoming to Ray. As part of their initial small talk, Ray shared the Strength of Interfaith Church's social activism mission. Ray also mentioned that this was the first time the Strength of Interfaith Church had any money to invest and how highly American Heart was recommended. After about ten minutes of this getting-to-know-you conversation, Jordan took out a new customer application form and began to ask Ray the customary new client questions. *What level of risk does Strength of Interfaith Church wish to take? Does the Church prefer short-term or long-term investments? Does the Church have any special investment considerations?* When asked, Ray told Jordan that Strength of Interfaith Church was willing to take a moderate investment risk, was interested in long-term investments, had an investment objective of growth, and sought investments consistent with the Church's mission. Ray also indicated that the Church did not have any prior investment experience and did not know anything about choosing investments. Jordan suggested that it might be appropriate for the Church to establish a discretionary advisory account, meaning that Jordan would have authority to choose investments appropriate for the Church, and would monitor the account and make adjustments as

necessary. Jordan then informed Ray that American Heart charges a 1.5% fee to manage discretionary advisory accounts. Ray signed the new customer questionnaire and advisory account agreement on behalf of the Church and concluded the meeting by signing over a \$150,000 check from Strength of Interfaith Church to American Heart.

In the ensuing nine years, Strength of Interfaith Church's invested portfolio yielded an average annual return of 4%. During some of those years, the administrative costs ate up those profits. Each year, Jordan would contact Ray to check in and see if anything had changed. During these calls, Jordan would generically review the account, including reviewing the returns. Jordan always asked if Ray had any questions about anything related to the account and its investments. Ray assumed these were just perfunctory calls. Ray was also unaware of what an appropriate return on the portfolio should have been, and, therefore, did not question the portfolio's yield.

In May 2020, there was a convergence of events that re-ignited our country's focus on systemic racism in all areas of life. The murder of George Floyd and the disparate number of COVID-19-related deaths in the Black community compelled our country to focus on the deadly consequences of systemic racism. Part of that focus highlighted the disparate wealth gap between Black people and white people and questioned the role the financial industry played in perpetuating that gap. The status quo was unacceptable. On March 11, 2021, the SEC Investor Advisory Committee, as part of its own heightened awareness about the industry's contribution to systemic racism, recommended that the industry take affirmative steps to minimize the wealth gap and encourage minority investing.<sup>1</sup> And, FINRA's 2020 Diversity and Inclusion Report reinforced the need for the financial industry to engage in traditionally uninvested communities and represent the needs of all investors.<sup>2</sup>

In another step towards anti-racist responsibility, the financial industry expanded the meaning of "ESG" to include anti-racism. ESG is a term used to denote concerns related to environmental, social, and governance issues. The SEC has described ESG as follows:

---

<sup>1</sup> <https://www.sec.gov/spotlight/investor-advisory-committee-2012/20210311-minority-and-underserved-inclusion-recommendation.pdf>

<sup>2</sup> <https://www.finra.org/careers/diversity-inclusion/2020-year-in-review>

*ESG...stands for environmental, social, and governance. ESG investing has grown in popularity in recent years, and may be referred to in many different ways, such as sustainable investing, socially responsible investing, and impact investing. ESG practices can include, but are not limited to, strategies that select companies based on their stated commitment to one or more ESG factors—for example, companies with policies aimed at minimizing their negative impact on the environment or companies that focus on governance principles and transparency. ESG practices may also entail screening out companies in certain sectors or that, in the view of the fund manager, have shown poor performance with regard to management of ESG risks and opportunities.*<sup>3</sup>

Now the term also signifies a measure of the business' anti-racist commitment.

In June 2020, during a regular Board meeting, two new Board members of the Strength of Interfaith Church, each with sophisticated knowledge of investing, questioned the appropriateness of the Church's investments with American Heart and wondered why these investments were continuing to yield such a low return. They were appalled to learn that American Heart was earning a 1.5% management portfolio fee, when the negotiated fees for investment advisers range between 0.75% and 1%. They were also concerned that several of the investments were not ESG centric and were therefore inconsistent with the Church's goals. For example, two of the investments were particularly problematic and of questionable suitability. First, it turned out one of the companies in the portfolio was a jewelry company that used South African diamonds. A second investment was in a company with a board of all white men -- no women and no people of color. While this company was touted as one with high ESG marks, it didn't perform as well as similar companies with more diverse boards.

Soon thereafter, Ray was attending another meeting at the Interfaith Clergy Association. Coincidentally, the talk among other clergy turned to how their investments with American Heart have been flourishing, upwards of 12% per year for the past six years. One priest said his church's investment had doubled in the past six years. A rabbi said their synagogue's investment had also skyrocketed. Ray inquired about the portfolio fees they were paying. They reported that their rates were 0.75%, one half of what Strength of Interfaith Church was paying. *What was going on? Why wasn't Strength of Interfaith Church's portfolio sharing in this growth boom?* Strength of

---

<sup>3</sup> <https://www.sec.gov/oiea/investor-alerts-and-bulletins/environmental-social-and-governance-esg-funds-investor-bulletin>

Interfaith Church's initial \$150,000 investment had grown modestly, but not to the extent the other clergy were describing.

Ray set up a meeting with Jordan to review Strength of Interfaith Church's portfolio. Jordan explained that all the investments had moderate risk, consistent with the Church's stated risk tolerance. Ray asked about the ESG focus of the investments and whether they were aligned with the Church's overall goals. Ray pointed out the two specific investments that the Church's Board had identified as inconsistent with the Church's values. Ray also asked Jordan why the 1.5% portfolio management fee was so high.

Jordan took out the original customer application for Strength of Interfaith Church and said, based on the application, the Strength of Interfaith Church's portfolio matched the Church's investor profile. All the investments were long-term, moderate-risk investments consistent with a growth investment objective and otherwise consistent with the Church's mission. None of the investments were anti-religious. However, Jordan hadn't considered the initial conversation with Ray about the Church's mission, and Ray failed to elaborate on this when Ray was completing the paperwork with Jordan. Jordan didn't have any further information about the two investments Ray specifically questioned. With respect to the account fees, Jordan said the firm's standard rate was 1.5%, although some investors negotiated a lower rate.

Jordan offered to work with Ray to increase the Church's profits and better align Strength of Interfaith Church's portfolios with its values. For Ray, that was not enough to right this wrong. Ray wanted to know what American Heart Investment Services could do to right the wrongs of the past 9 years.

Ray wondered if Jordan's handling of the account was in some way motivated by the systemic racism that is plaguing the financial industry and perpetuating the wealth gap between Black and white people. *Why didn't Jordan tell Ray the rate could be negotiated? Why didn't Jordan research the investments chosen for the account?* Ray convened an emergency meeting with the Strength of Interfaith Church's Board. All of the congregants were invited to attend as well. After a passionate discussion about systemic racism and how it continues to hurt the Church's members

and its community, the Board gave its approval for Ray to file a FINRA arbitration claim against American Heart. Because of FINRA's eligibility rule, FINRA Rule 12206, Strength of Interfaith Church decided to file a claim for damages incurred over the past six years even though it had incurred damages for the nine years it had been invested with American Heart. The Board also agreed to begin a community project to address systemic racism in the financial industry. Of course, they would enlist allies from the Interfaith Clergy Association.

In January 2021, Ray filed an arbitration claim with FINRA on behalf of Strength of Interfaith Church alleging that American Heart Investment Services breached its fiduciary duty to the Church by recommending unsuitable investments and charging excessive fees. The Church demanded \$140,000 in compensatory damages. In February 2021, American Heart Investment Services filed an answer requesting dismissal of the Church's claim. How will you help resolve this matter?

#### **NEGOTIATION ROUND:**

In this round, each team is to negotiate based on the background facts and the private facts of the client the team is representing. Ray Corwin will be the corporate representative for Strength of Interfaith Church. Jordan Smith will be the corporate representative for American Heart Investment Services. Ray and Jordan, accompanied by their respective attorneys, will be the parties present at the negotiation.

#### **MEDIATION ROUND:**

In this round, please assume that there was no agreement reached in the negotiation round because the two parties could not agree on the responsibility each side might bear. Each team is to proceed based on the background facts and the private facts of the client the team is representing. Please disregard any additional information that might have been revealed in the previous round as well as any agreements that might have been discussed. Ray Corwin will be the corporate representative for Strength of Interfaith Church. Jordan Smith will be the corporate representative for American Heart Investment Services. Ray and Jordan, accompanied by their respective attorneys, will be the parties present at the mediation.

**ARBITRATION ROUND:**

In this round, please assume that there was no agreement reached in the mediation round because each side believed they had a winning case and was confident a panel of arbitrators would agree. In this round, each team is to proceed based on the background facts and the private facts of the client the team is representing. Please disregard any additional information learned in the previous two rounds as well as any agreements that might have been reached.

There will be one witness for each side: Ray Corwin for the Claimant and Jordan Smith for the Respondent. Ray and Jordan are also appearing as each party's corporate representative. The Statement of Claim is attached hereto as "Attachment 1." The Statement of Answer is attached hereto as "Attachment 2." The Church's signed Submission Agreement is "Attachment 3," and American Heart's signed Submission Agreement is "Attachment 4." The Statement of Claim and the Statement of Answer will be "Arbitrator's Exhibit 1" and are therefore part of the arbitration record.

\* This problem was collaboratively created by Katherine Bayer, Elayne E. Greenberg, Stefanie Herrera, and Christine Lazaro. Thank you Ken Andrichik for your suggestions.

## **Private Facts for Ray Corwin as the Corporate Representative for Strength of Interfaith Church and the Church's Lawyer:**

Strength of Interfaith Church was a first-time investor, and American Heart Investment Services has an obligation to protect such investors rather than to racially exploit them. Shouldn't Jordan have suggested a lower portfolio management fee or, at a minimum, alert you that the fee was negotiable? Why hadn't American Heart ensured that Strength of Interfaith Church's portfolio yielded as high a rate of return as other houses of worship? Just look at the disparate returns of Strength of Interfaith Church's investments compared to other religious organizations. Don't these unscrupulous practices just maintain the wealth gap between Black people and white people?

You were very clear in your initial meeting with Jordan what Strength of Interfaith Church was about. Don't advisers have an obligation to ensure that the investments they recommend are consistent with the values of the investor? How outrageous to invest a portion of Strength of Interfaith Church's money into a jewelry company that mines South African Diamonds! It's common knowledge that diamonds from South Africa are mined unscrupulously. That common knowledge didn't require American Heart to conduct much research. Of course, such information should be considered well within an adviser's responsibility when advising clients like Strength of Interfaith Church.

Yes, Jordan did phone you every year to go over the account and see if Strength of Interfaith Church wanted to make any changes to its investment approach. Just like with your initial interview with Jordan, you didn't realize that the call was an opportunity for you to re-examine the Church's investment portfolio to ensure that the investments were aligned with its values and goals. Wasn't that Jordan's responsibility?

Before the Church's lawyer filed the arbitration complaint with FINRA, you spent many hours taking long walks with the Church's rescue dog, Prophet, trying to understand why this happened to the Church. Racism! As painful as this is to acknowledge, you are convinced that the financial industry has developed patterns and practices to disadvantage Black investors. The rules and obligations are facially neutral. However, they are implemented in a way that has a disparate impact on primarily Black investors such as Strength of Interfaith Church. In 2021, FINRA is

publicly addressing systemic racism. Just look at FINRA Regulatory Notice 21-17, FINRA Seeks Comment on Supporting Diversity and Inclusion in the Broker-Dealer Industry.<sup>4</sup> You have also conducted your own research into the problem. You are not surprised that there is a financial industry focus to attract more diverse brokers and investment advisers. Wouldn't a firm rich with diversity have been more attuned to Strength of Interfaith Church's investment goals?

Strength of Interfaith Church is, in large part, about righting social wrongs. And, Strength of Interfaith Church is committed to ensuring that people of all races and ethnicity and of all levels of financial sophistication can make informed investment decisions that are consistent with their values. Financial exploitation of the naïve must end.

Of course, you want to recoup your damages and lost profits. You don't think it's fair that the Church can only file a claim for damages going back 6 years, not the full 9 years that the Church had its money invested with American Heart. Your bigger goal, however, is to create meaningful change and help narrow the wealth gap.

---

<sup>4</sup> <https://www.finra.org/rules-guidance/notices/21-17>

**Private Facts for Jordan Smith as the Corporate Representative for American Heart Investment Services and American Heart Investment Services' Lawyer:**

American Heart Investment Services is not racist. The firm shouldn't be blamed for the systemic racism that has historically been part of the industry's ethos. Furthermore, when you reviewed your investment recommendations for Strength of Interfaith Church, you acted in accordance with your regulatory obligations based on the information you had at the time. As indicated on the new customer application form, Ray had asked for long-term investments with moderate risk, consistent with the Church's mission. All of the investments fit that category and none were anti-religious.

Yes, you defend your investment recommendations. The jewelry company that Strength of Interfaith Church invested in made the Church money. There was no way for you to realize that they used diamonds from South Africa unless you conducted in-depth research of the company beyond examining the company's financial health. And, that was beyond an adviser's responsibility.

As for the investment in an ESG company that had an all-white, male board, that investment, too, made Strength of Interfaith Church money. And, it is recognized to be ESG compliant. Yes, there is emerging research that shows that companies with diverse corporate boards yield greater profits. That research, however, has just emerged. The Church is just trying to build a case, when there is no case to build.

If for some unexplainable reason the Church's case is found to have merit, Strength of Interfaith Church's claims would require advisers to engage in extensive research about each company that is being recommended as an investment. That's not a standard that is tenable, and that is not the industry standard.

In 2021, FINRA is publicly addressing systemic racism. Just look at FINRA Regulatory Notice 21-17, FINRA Seeks Comment on Supporting Diversity and Inclusion in the Broker-Dealer

Industry.<sup>5</sup> You agree that all in the financial industry should be taking steps to encourage more diversity. You and American Heart, however, should not be held accountable for the industry's past wrongs. You and American Heart acted in good faith and in accordance with FINRA and SEC rules when you advised and oversaw Strength of Interfaith Church's investments.

You have spent many hours taking long runs with your dog, Profit, thinking about this case. Of course, if Ray walked into your office now, you would have handled your first meeting somewhat differently. You would have been more attuned to the information that Ray was sharing about Strength of Interfaith Church before you began filling out the new customer application form. Possibly, you would have quoted Ray a lower portfolio management fee, because Strength of Interfaith Church was a first-time investor and was precisely the type of investor the industry wants to develop as customers.

Life looks different with the benefit of hindsight, but such a claim is judged by information available at the point in time the investment is made. Going forward, of course, American Heart wants to be a firm that diverse investors will come to for advice. Diverse investors are an untapped client base, and American Heart is developing the talent and skill to provide quality service to these clients. American Heart has also taken great pride in being the firm for so many religious institutions. Not only does it give confidence to other religious institutions to invest with American Heart, it also signals to other investors that American Heart is trustworthy. How can American Heart maintain that trust and become a model of anti-racism in the financial industry?

---

<sup>5</sup> <https://www.finra.org/rules-guidance/notices/21-17>

FINRA OFFICE OF DISPUTE RESOLUTION

-----X  
 In the Matter of the Arbitration Between: :  
 :  
 STRENGTH OF INTERFAITH CHURCH, :  
 Claimant, : FINRA Case No. 21-010543  
 :  
 vs. : Statement of Claim  
 :  
 AMERICAN HEART INVESTMENT :  
 SERVICES, :  
 Respondent. :  
 -----X

This Statement of Claim is filed on behalf of Claimant, Strength of Interfaith Church (the “Church”), a customer, against Respondent, American Heart Investment Services (“American Heart”), a member firm. This claim is filed pursuant to Rule 12200 of the FINRA Code of Arbitration Procedure as a controversy between a customer and a member firm. The Church seeks to recover \$8,000 in damages for excess fees charged, and \$140,000 in lost profits due to unsuitable investment recommendations.

In January 2012, the Church opened a discretionary advisory account at American Heart. Jordan Smith was the adviser for the account. Jordan selected all of the investments in the Church’s account. American Heart charged an annual fee of 1.5% for the investment advisory services.

Throughout the time American Heart handled the Church’s account, the Church was treated inferior to other religious institutions. This past January 2021, the Church learned that other religious institutions, with predominately white congregations, had been paying an investment advisory fee of only 0.75% for the same services provided to the Church. The Church’s account did not differ in any material way from the accounts of the other religious institutions, with the exception of the makeup of its congregation which was 73% Black, 25% white, and 2% Latinx. American Heart charged the Church twice what it was charging religious institutions with predominately white congregations. In total, the Church paid approximately \$25,000 in advisory fees between January 2012 and January 2021, of which \$16,000 were paid since January 2015. In total, the Church

paid approximately \$8,000 in fees since January 2015 in excess of what other religious institutions had paid for similar services.

Further, the Church learned that several of the investments selected by Smith were inconsistent with the goals set forth by the Church to only invest in companies that aligned with the Church's mission. For example, Smith selected a jewelry company that used South African diamonds. Smith also selected an investment in a company whose board consists wholly of white men -- no women and no people of color. While this company was touted to be an ESG business, it didn't perform as well as similar companies with more diverse boards. Smith did not take the time to actually understand how the Church's mission impacted its investment goals and therefore selected investments that did not align with its mission.

In addition, the investments selected by Smith far underperformed the market generally. The Church's account averaged profits of 2.5%, net of fees, each year since 2012. Since January 2015, the S&P has returned approximately 80%, an annual return of approximately 13%. Assuming the annual advisory fee was 0.75%, the Church's account should have increased by approximately 12.25% each year over the last six years. The Church's account increased a total of approximately \$25,000 during this time period. Had it been invested appropriately, the Church's account would have increased approximately \$165,000. Accordingly, the Church has lost approximately \$140,000 in profits during this time period.

Smith and American Heart owed the Church a fiduciary duty by virtue of overseeing a discretionary investment advisory account on behalf of the Church. Smith and American Heart had a duty to provide only suitable investment advice, which required Smith to make a reasonable inquiry into the Church's financial situation, investment experience and investment objectives, and to make a reasonable determination that the advice is suitable in light of the Church's situation, experience, and objectives. The advice that Smith provided failed to meet these standards. Further, American Heart charged an excessive fee to the Church when it charged an advisory fee double what it charged other, predominately white, religious institutions.

## RELIEF REQUESTED

Based upon the foregoing, the Church requests an award against Respondent for compensatory damages in the amount of \$140,000 which represents the profits lost due to the excessive fees and unsuitable investment recommendations, and costs and attorneys' fees associated with the filing of this arbitration.

FINRA OFFICE OF DISPUTE RESOLUTION

-----X  
 In the Matter of the Arbitration Between: :  
 :  
 STRENGTH OF INTERFAITH CHURCH, :  
 Claimant, : FINRA Case No. 21-010543  
 :  
 vs. : Statement of Answer  
 :  
 AMERICAN HEART INVESTMENT :  
 SERVICES, :  
 Respondent. :  
 -----X

This Statement of Answer is filed on behalf of Respondent, American Heart Investment Services (“American Heart”), in response to the Statement of Claim filed on behalf of the Strength of Interfaith Church (“Church”).

When the Church first opened its account with American Heart in January 2012, adviser Jordan Smith met with the Church’s representative and completed account paperwork. As indicated on the account paperwork, the Church had a moderate risk tolerance and a long-term investment objective of growth. The Church opted for discretionary services, which meant that Smith would select the investments for the Church. At the time, Ray Corwin, the Church’s representative, indicated that the Church wanted investments that were consistent with its mission.

Smith endeavored to put together a portfolio of investments consistent with ESG principles. Over the next nine years, Smith met regularly with Corwin to review the Church’s account. Corwin always expressed satisfaction with the account’s handling and the investments chosen. The investments chosen have not changed over time, and Corwin never raised any concerns that the investments did not line up with the Church’s expressed goals.

Notwithstanding the profitability over the life of the account, Corwin now complains that the investments have not been more profitable. Further, Corwin has focused on a few aspects of the investments to label them as inconsistent with the Church’s mission. However, at the time the investments were chosen, they were all

considered to be ESG focused investments. They continue to be considered ESG focused investments notwithstanding the aspects raised by Corwin.

Further, the fee charged to the Church was not excessive. An advisory fee of 1.5% has never been considered excessive. While some clients may pay less, fees are negotiated and are based on the assets in the client's account and the services to be performed. A fee of 1.5% for an account of less than \$500,000, which was to be handled on a discretionary basis, is completely reasonable.

#### RELIEF REQUESTED

Based upon the foregoing, American Heart requests that the Statement of Claim be dismissed in its entirety.

## FINRA ARBITRATION Submission Agreement

## Claimant(s)

## In the Matter of the Arbitration Between

Name(s) of Claimant(s)  
 Strength of Interfaith Church

---

**and**

Name(s) of Respondent(s)  
 American Heart Investment Services

---

1. The undersigned parties ("parties") hereby submit the present matter in controversy, as set forth in the attached statement of claim, answers, and all related cross claims, counterclaims and/or third-party claims which may be asserted, to arbitration in accordance with the FINRA By-Laws, Rules, and Code of Arbitration Procedure.
2. The parties hereby state that they or their representative(s) have read the procedures and rules of FINRA relating to arbitration, and the parties agree to be bound by these procedures and rules.
3. The parties agree that in the event a hearing is necessary, such hearing shall be held at a time and place as may be designated by the Director of Dispute Resolution or the arbitrator(s). The parties further agree and understand that the arbitration will be conducted in accordance with the FINRA Code of Arbitration Procedure.
4. The parties agree to abide by and perform any award(s) rendered pursuant to this Submission Agreement. The parties further agree that a judgment and any interest due thereon, may be entered upon such award(s) and, for these purposes, the parties hereby voluntarily consent to submit to the jurisdiction of any court of competent jurisdiction which may properly enter such judgment.
5. The parties hereto have signed and acknowledged the foregoing Submission Agreement.

Strength of Interfaith Church

---

Claimant Name (please print)

*Ray Corwin* Corporate Representative

January 24, 2021

---

Claimant's Signature

Date

State capacity if other than individual (*e.g.*, executor, trustee or corporate officer)

**FINRA ARBITRATION** Submission Agreement

---

Respondent(s)

**In the Matter of the Arbitration Between**

Name(s) of Claimant(s)  
Strength of Interfaith Church

---

**and**

Name(s) of Respondent(s)  
American Heart Investment Services

---

1. The undersigned parties (“parties”) hereby submit the present matter in controversy, as set forth in the attached statement of claim, answers, and all related cross claims, counterclaims and/or third-party claims which may be asserted, to arbitration in accordance with the FINRA By-Laws, Rules, and Code of Arbitration Procedure.
2. The parties hereby state that they or their representative(s) have read the procedures and rules of FINRA relating to arbitration, and the parties agree to be bound by these procedures and rules.
3. The parties agree that in the event a hearing is necessary, such hearing shall be held at a time and place as may be designated by the Director of Dispute Resolution or the arbitrator(s). The parties further agree and understand that the arbitration will be conducted in accordance with the FINRA Code of Arbitration Procedure.
4. The parties agree to abide by and perform any award(s) rendered pursuant to this Submission Agreement. The parties further agree that a judgment and any interest due thereon, may be entered upon such award(s) and, for these purposes, the parties hereby voluntarily consent to submit to the jurisdiction of any court of competent jurisdiction which may properly enter such judgment.
5. The parties hereto have signed and acknowledged the foregoing Submission Agreement.

American Heart Investment Services

---

Respondent Name (please print)

***Jordan Smith***, Corporate Representative

February 22, 2021

---

Respondent’s Signature

Date

State capacity if other than individual (*e.g.*, executor, trustee or corporate officer)