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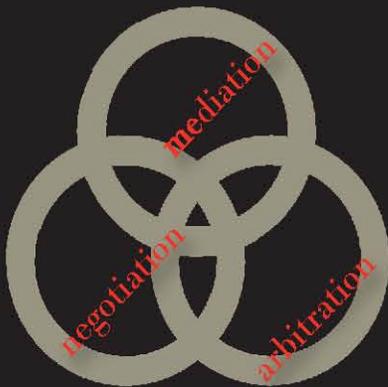


The Third Annual

Securities
Dispute
Resolution

Triathlon

A Three Skill Lawyering Event
Consisting of Competitions in



Saturday and Sunday
October 15 | 16 | 2011
Manhattan Campus
101 Murray Street,
New York, NY

ST. JOHN'S UNIVERSITY SCHOOL OF LAW and
THE FINANCIAL INDUSTRY REGULATORY AUTHORITY

The Third Annual
SECURITIES DISPUTE RESOLUTION TRIATHLON PROBLEM - 2011

BLAKE VS. LANDHAM SECURITIES*
Too Good To Be True?

Background Information:

Since 2008, stories about the catastrophic economic decline have dominated the media. Various legal and regulatory issues are created because securities firms often invest their own funds as well as those of their clients in the same securities. When a firm recommends a purchase or sale of securities to a client, it is obligated to refrain from material misrepresentation or omission. Furthermore, under various rules and regulations, a firm is supposed to "know" its customer and make suitable recommendations. Just what disclosure obligations, if any, does a firm have to customers with respect to securities the customer already owns? For instance, if a firm decides to sell particular securities in its own account based on new information, must it share that information with customers holding the same investment? What if only negative rumor is involved? Countless investors who lost their fortunes demanded accountability and sought restitution. Hedge funds have come under greater governmental scrutiny. To this day, we continue to figure out possible blame and search for answers.

Meet the Blake family. In 2000, Alex and Ryan Blake, and their two young children, were living an expensive Manhattan life style. Ryan was a philanthropist, donating time and money to such favored causes as the Humane Society and the Charter Schools of America. Alex earned \$350,000 a year gross as an art dealer and gallery owner, an amount that might seem like a very handsome salary in some regions of our country, but was inadequate to support the Blakes' life style needs. To their dismay, each month the Blakes had to dip into their savings to cover the shortfall between their earned income and their cost of living. Fortunately for them, the Blakes had \$10,200,000 in savings funded, in large part, by an inheritance bequeathed to Ryan. These savings were initially invested in a variety of established bond mutual funds. Aside from this golden nest egg of \$10,200,000, the Blakes also had other bank accounts totaling \$48,000.

By 2006, the Blakes became dissatisfied with the performance of their mutual funds. They realized that their \$10 million could possibly generate greater returns and provide a welcome elixir to their monthly shortfall. At about that time, Alex hosted a gallery gala featuring the works of Aotearoa, an emerging abstract artist from New Zealand. Hunter Landham, a customer of Alex's, a regular investor in art and CEO of Landham Securities, LLP attended the gallery gala. Although Alex and Hunter began talking about art as an investment, their conversation soon shifted to a discussion about the Blakes' need for a more lucrative investment strategy. If Alex was interested, Hunter had a special investment opportunity that was open to a select few.

Following up on Hunter's invitation, Alex and Ryan met with Hunter at (his)(her) offices later that week. Landham Securities, LLP is a registered broker-dealer with offices in several states including New York. Known for serving an elite clientele, its motto is *because you deserve the best*.

Hunter advised the Blakes to sell their mutual funds and to put \$5 million into Helios, a hedge fund run by the already legendary Joseph Jones. Joltin' Jones, as he was called, had, over a five-year period, reported an average annual profit after fees of fifteen percent for Helios. Only qualified investors were invited to buy into Helios; a minimum investment of one million dollars was required. Both Alex and Ryan were sold and followed Hunter's suggestion. Ryan funded the account with (his)(her) \$10 million inheritance. At Hunter's suggestion, Ryan invested the remaining \$5 million in highly leveraged REITs (real estate investment trusts).

Hunter had Candace Swain, an account executive at Landham Securities complete the remaining ministerial paperwork. When Ryan opened (his)(her) account, Ryan stated that (s)he wanted investments for "growth and income" and verbally expressed to Swain a willingness to "take meaningful risk." Swain filled out the new account form, checked "Significant Risk" as the risk tolerance, and checked "Growth and Income" as the investment objective. Ryan then signed the form. Aside from the mutual funds, neither Blake had significant prior investment experience. Each had accounts in earlier years, which never exceeded \$100,000 each, and which were invested in established listed companies.

From 2006 through the middle of 2008, Ryan had a paper profit of \$2.1 million in Helios. The REITs also performed well. From April 2006 through November 2009, the Blakes withdrew \$30,000 a month from their Helios holdings to meet their ever-increasing living expenses. By late 2009, however, the Blakes were living a nightmare. Alex's business was doing poorly in the down economy, and from December 2009, the Blakes had started to withdraw \$50,000 a month from their Helios holdings. The REITs, which owned a great deal of property in Miami and Las Vegas, had declined in value to \$1.5 million because of the real estate crisis. As for the Helios investment, it soon began to default on scheduled client payments even though it was supposed to be equipped to ride

out rough times. By July 2010, it quickly became clear that most of Helios' reported profits for the last ten years had been fake and Helios was now insolvent. It was too late to salvage any part of the investment in Helios.

Within weeks, a trustee was appointed to oversee the dissolution of Helios while attempting to recapture part of its loss. From the records which are now available, it would appear that Landham Securities, which had invested over \$100 million in Helios, had liquidated its entire investment three months before, just prior to the collapse. Landham Securities had also withdrawn over \$50 million in profits from Helios over the past several years. Swain had said nothing regarding concerns about Helios to the Blakes in their monthly telephone discussions. One document which has come to light is dated two days before Landham Securities withdrew all of its funds. In it, Devon Roberts, one of Landham Securities' Senior Account Managers, reports to Hunter that "the talk on the street, which has circulated for some time but is now intensifying, is that Jones' operation is too good to be true."

After Ryan had opened the account with Landham Securities, Hunter continued to stop by Alex's gallery, only talking about art, never talking about Ryan's account. Swain had phoned the Blakes about once a month to follow-up on Ryan's investments, but the exchanges, until mid-2008, were of little substance, because everything was making money. Even after that, Helios, for over a year, continued to report annualized returns exceeding ten percent, despite the beginnings of significant market decline.

As for the REITs, the Blakes admit that they were well aware of the sharply declining property values in their holdings, but they explain that they took a chance that there would be a recovery because Helios was doing so well. The Blakes do not know if the REITs valued their holdings properly, but suspect not, given how steep and fast the collapse. Landham Securities had no particular connection with the REITs. In terms of remedy, the focus is on Helios. The

Blakes are angry that Landham Securities knew enough to withdraw its funds, but not enough to warn them. They suspect that Hunter routinely steered the firm's bigger accounts into Helios, and also point to the fact that Landham Securities took its profits and then got its money out.

Ryan Blake has now filed a Statement of Claim with FINRA, naming Landham Securities as sole Respondent. The decision not to name Swain was based on lack of evidence that she knew anything specific about Helios, and also the hope of securing whatever cooperation she might provide. The Statement of Claim seeks recovery of the decline of the Helios fund between March 2010 and July 2010 during which time the fund declined from \$6.8 million to zero, with interest from the date of investment. In the Statement of Claim, Ryan alleges that Landham Securities should be found liable for negligently making an unsuitable recommendation in violation of the requirements of commercial good faith; breaching its fiduciary duty; and either fraudulently or negligently failing to provide ongoing advice. The thrust of the grievance is that Landham Securities, which made a two percent commission on each of the twenty-six customers it had invested in Helios (minimum investment of one million dollars), owed its customers a strong warning about Helios based on its suspicions, which were real enough to cause its own sale of its position right before the collapse. Indeed, Landham Securities customer accounts owned almost two hundred million dollars worth of Helios, and it is possible that had they all sold, Landham Securities' ability to recapture its own investment might have been compromised.

Of course, Landham Securities has defended its actions. It asserts that an investment firm that trades for its own accounts must be free to make decisions for itself without telling its customers to follow suit. Rumors are rumors, and it is improper to circulate them to customers. The Blakes obviously knew from the earlier upward price volatility of their investments that they were speculating,

and they had the resources to do so. It was they who decided that their mutual funds were not sufficiently aggressive.

The Blakes know nothing one way or the other about what Swain may have known about Helios, but believe she should have attempted to know whatever her firm did. Landham Securities has identified Hunter as the person who “called the shots” concerning (his)(her) firm’s involvement with Helios. Ryan, the Claimant, now asserts that, at least in retrospect, the combination of Helios and the REITs was too risky, and too concentrated, particularly for a couple with such high living expenses. Landham Securities received a two percent fee on its clients' Helios investments, but the Blakes have no evidence that it participated in, or was directly privy to, the Ponzi scheme.

Factual Context For Each Round:

NEGOTIATION ROUND:

In this round, each team is to proceed negotiating based on the background facts and the private facts of the client the team is representing. Ryan and Hunter shall be the parties present at the negotiation. Hunter has full authority to make, accept and reject any settlement offer on behalf of Landham Securities.

MEDIATION ROUND:

In this round, please assume that there was no agreement reached in the negotiation round because of Ryan’s intense emotions about this failed investment and Hunter’s belief that (s)he and Landham Securities did nothing wrong. Each team is to proceed mediating 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 round as well as any agreements that may have been reached. Ryan and Hunter shall be the parties present at

the mediation. Hunter has full authority to make, accept and reject any settlement offer on behalf of Landham Securities.

ARBITRATION ROUND:

In this round, each team is to proceed arbitrating 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 may have been reached.

There will be one witness for each side: Ryan for the Claimant and Hunter for the Respondent. The Statement of Claim with exhibits is attached hereto as "Attachment 1". The Statement of Answer with exhibits is attached hereto as "Attachment 2". Ryan's Submission Agreement is "Attachment 3" and Landham Securities' Submission Agreement is "Attachment 4". The Statement of Claim with exhibits and the Statement of Answer with exhibits will be Arbitrator's Exhibit One, and are therefore part of the record. Included in the Statement of Answer is the affidavit of Candace Swain.

*This problem was developed by the St. John's Law School/FINRA Triathlon Problem Committee: Kenneth L. Andrichik, Lisa Catalano, Elayne E. Greenberg, Paul F. Kirgis, Christine Lazaro and Nicholas R. Weiskopf.

Private Facts for Ryan Blake:

How could this be happening to you! Your inheritance is virtually gone, your lifestyle is an illusion and your marriage is very strained. When you married Alex in 1993, of course you promised for better or worse, but that's just what everyone says. Was this part of the bargain?

What type of life will your two children lead? Chris is 12, Bryce is 14 and they lead a privileged life. The children attend private school in Manhattan, costing a combined annual tuition of \$100,000 per year. Then there are their horseback riding lessons, private tennis lessons, tutors and trips. As if that is not enough, in four more years, your Bryce's college tuition will begin.

As of 2006, \$248,000 represented your entire liquid savings outside of the Landham Securities account. Yes, you and Alex own a four-bedroom co-op worth slightly over \$3 million in 2006, but it was subject to remaining mortgage debt of \$2.3 million. Just last week, a broker told you that your co-op is worth less than \$1.5 million now. Besides, how could you possibly sell it at a loss? Your monthly obligation is an overwhelming \$17,000 and that only covers the monthly mortgage, real estate taxes and co-op fees. That's just a small part of your total monthly obligations. Raising kids in New York is expensive. Their monthly expenses are as follows: school tuition - \$8,300, private tutors - \$3,000, horses and lessons - \$5,500, and tennis lessons - \$5,200. In addition, there are other expenses periodically for things like the family vacations and gifts.

The sky continues to fall. When you fell in love with Alex (s)he was cultivating a growing clientele of art investors who admired Alex's artistic eye. In 1997, Alex opened the gallery and took a fifteen-year lease. Now the building's owner is selling the building and won't renew the lease. Art sales are dwindling and Alex's beloved gallery needs a home. Last year Alex eked out a pathetic \$200,000 gross. Alex has an inventory of art for sale. There's that photograph

of the Japan earthquake for \$125,000 and that abstract art oil painting by Aotearoa priced at \$950,000. There's also been interest in that evocative steel and marble sculpture priced at \$1.43 million. Beyond Alex's art inventory, Alex has a distinguished roster of artists, eager to create commissioned art. True, Alex has successfully matched artists and buyers in the past, but that was then. Although Alex has said that art sales have begun to pick up slightly, it remains unclear how much Alex will actually make this year. Even though Alex sells high end art, (s)he actually makes only a thirty per cent commission on what's sold.

How will you be able to continue helping the Humane Society and Charter Schools of America? They depend on your combined annual donations of \$75,000. When you were growing up, your family instilled in you the value of giving back. Even though your family wasn't that rich as you can see from the modest \$10 million bequest, your family still made regular donations to causes they believed in. That's what you must continue to do.

In the events complained of, you simply had your annual profits in Helios reinvested, except for monthly withdrawals of \$30,000 and then \$50,000. You took nothing from the REITs. Early in 2008, at its height, your account reached \$15,000,000. By the time your investment in Helios became worthless in mid 2010, you had \$350,000 in U.S. treasuries, \$50,000 in the bank, and very little more elsewhere. You still have your REITs at Landham Securities, but they are now worth only \$1.5 million. Life in Manhattan, with a big mortgage and two children in private school, is very expensive. During the entire relevant time, neither Alex nor you had any other securities account.

You are so ANGRY. You are angry at Alex for introducing you to Hunter, you are angry at Landham Securities for doing this to you, you are angry at the government for not protecting people like you better.... and yes, you are angry at yourself. How could you have let this happen? Over the years, you would talk to Hunter during (his)(her) regular attendance at gallery events. Hunter was

always so engaging and seemed so successful. Was it all part of a scam? You recall monthly conversations with Candace who called to reassure you about the wisdom of your investment strategy. Candace never warned you about danger, never told you Landham Securities had invested in Helios, and never told you that Landham Securities withdrew its money from Helios. Was that also part of a scam?

Alex feels horrible and somewhat guilty that this is happening. Alex has told you to go ahead and resolve this anyway you see fit. After all, even though these investments were a joint decision, you are the one who lost your inheritance.

You want your money back NOW. And, you want a full explanation about how this could have happened. You want enough compensation to put your life back together, for your children to continue with their lives, for Alex to be able to find space for a new gallery and for you to continue your philanthropy. If you can't get what you need and want, you'll fight this. Arbitrators are supposed to protect people like you. Besides, what else do you have to lose?

FINRA DISPUTE RESOLUTION, INC.

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 In the Matter of the Arbitration Between: :
 :
 RYAN BLAKE, : FINRA Case No. 11-654321
 Claimant, :
 :
 vs. : Statement of Claim
 :
 LANDHAM SECURITIES, LLP, :
 Respondent. :
 :
 -----X

This Statement of Claim is filed on behalf of Claimant, Ryan Blake, against Respondent, Landham Securities, LLP, a registered broker-dealer. This claim is filed pursuant to Rule 12200 of the FINRA Code of Arbitration Procedure as a controversy between a public customer and a member firm. Ryan seeks to recover \$6,800,000 in damages resulting from an investment in the Helios hedge fund.

Ryan and Alex Blake have been married for over twenty years. They live in Manhattan with their two children to accommodate Alex’s career. Alex is an art dealer and gallery owner, and needs to be in the heart of the action. A number of years ago, Ryan inherited over ten million dollars. Ryan spends time on various charities, working with the Humane Society and the Charter Schools of America. The Blakes have considerable monthly expenses, and for several years, have needed income from the inheritance to supplement Alex’s income. Neither Blake has much investment experience.

Hunter Landham, the CEO of Landham Securities, was Alex’s customer at the gallery. In March 2006, Hunter told Alex that Landham Securities had a special investment opportunity that (s)he could make available to Alex and Ryan. Landham Securities had a great reputation, serving elite clientele. Its motto is “because you deserve the best”. Alex appreciated Hunter’s invitation because Alex and Ryan had high income needs from their investments, and the bond mutual funds they had the inheritance invested in were not performing as well as they had hoped. They met with Hunter later that week. Hunter recommended that Ryan invest \$5 million in the special investment opportunity – the Helios hedge fund, and the remaining \$5 million in real

estate investment trusts (REITs).¹ Ryan agreed and opened an account with Landham Securities. Hunter had Candace Swain, who became Ryan's account executive at Landham Securities, complete a New Account Application. Shortly thereafter, Ryan transferred the \$10 million into the account, and it was invested as recommended by Hunter.

By August 2008, Helios had made over \$2 million in profits. Even with regular monthly withdrawals of at least \$30,000 from the fund, its value never went below the original \$5 million investment. By late 2009, the Blakes began to have financial difficulties. Alex's business was suffering, and, in December 2009, Ryan began withdrawing \$50,000 from the account each month. At that point, the REITs had significantly declined in value; however, Helios was still worth over \$6.5 million, even with the monthly withdrawals. Each month, the Blakes spoke with Swain and she never raised any concerns about Helios.

By July 2010, Helios was worthless. It appears that the fund was nothing more than a Ponzi scheme. In late March 2010, Landham Securities had withdrawn all of the money it had invested in Helios, over \$100 million. Two days before Landham Securities withdrew its money, one of its Senior Account Managers reported to Hunter that "the talk on the street, which has circulated for some time but is now intensifying, is that Jones' operation is too good to be true." See Exhibit 1, attached hereto. It was clear Landham Securities was concerned, and it protected its own money. However, no one from Landham Securities ever passed this information along to Ryan, or suggested taking any precautions. Between March 2010 and July 2010, Ryan's Helios investment went from \$6.8 million to nothing.

Pursuant to FINRA Rule 2310, Hunter, acting on behalf of Landham Securities, was required to have reasonable grounds for believing that Helios was a suitable investment for Ryan. In this case, Hunter did not have reasonable grounds to believe that it was suitable to invest half of Ryan's account, which represented substantially all of the Blakes' net worth, into a hedge fund, especially when the other half was invested in REITs. Landham Securities made 2% on each investment it directed into Helios.

¹ Ryan is not bringing a claim with respect to the REITs.

Landham Securities made \$100,000 on Ryan's investment into the fund. Landham Securities acted negligently and contrary to the requirements of commercial good faith when it invested Ryan's account into Helios.

Moreover, Landham Securities had a duty to keep Ryan informed about what it knew about Helios. No one from Landham Securities informed Ryan (his)(her) account was overconcentrated or that as the REITs declined in value, Ryan's account should have been reallocated. No one from Landham Securities informed Ryan that there were widespread concerns about the legitimacy of Helios, or that Landham Securities had liquidated its entire holding in the fund. Had Landham Securities informed its customers of the information it had, its customers would likely have withdrawn their money from the fund, jeopardizing Landham Securities' ability to get its own money out of the fund. Accordingly, Landham Securities breached its fiduciary duty to Ryan, and acted either fraudulently or negligently in failing to provide on-going advice to Ryan.

RELIEF REQUESTED

Based upon the foregoing, Ryan Blake requests an award against Respondent Landham Securities, LLP for compensatory damages in the amount of \$6,800,000, interest, and all fees and costs including attorneys' fees for Landham Securities' negligently unsuitable recommendation, in violation of the requirements of commercial good faith, its breach of fiduciary duty, and either fraudulently or negligently failing to provide ongoing advice.



Memo

FOR INTERNAL USE ONLY

To: Hunter Landham
From: Devon Roberts
Date: March 22, 2010
Subject: Helios Hedge Fund

Hunter,

I've been hearing about Helios. The talk on the street, which has circulated for some time but is now intensifying, is that Jones' operation is too good to be true. I don't know if there is any truth to this, but I thought you should know.

-Devon

Exhibit 1

FINRA DISPUTE RESOLUTION, INC.

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 In the Matter of the Arbitration Between: :
 :
 RYAN BLAKE, : FINRA Case No. 11-654321
 Claimant, :
 :
 vs. : Statement of Answer
 :
 LANDHAM SECURITIES, LLP, :
 Respondent. :
 :
 -----X

This Statement of Answer is filed on behalf of Respondent, Landham Securities, by its attorneys, in response to the Statement of Claim filed on behalf of Ryan Blake.

Landham Securities denies all liability to Claimant for the claims alleged. When Claimant opened the account in question, (s)he met with Candace Swain, one of Landham Securities' account executives, and they filled out a New Account Application, which is attached hereto as Exhibit A. Claimant indicated that (her)(his) net worth was over \$10 million, that (s)he was willing to take significant risk, and that the investment objective was growth and income. Pursuant to FINRA Rule 2310, Helios was appropriate for Claimant at the time, based on this information. Further, Swain spoke with Claimant monthly, reviewing the account, and Claimant chose at all relevant times to remain invested in Helios. Landham Securities did not breach any duty to Claimant. Landham Securities does not have any duty to provide on-going investment advice. See Affidavit of Candace Swain, attached hereto as Exhibit B.

Landham Securities admits that it made 2% on the initial investment, however, that is a reasonable commission to pay for an investment, and Claimant was aware that a commission would be charged to execute the trade. There is nothing improper about a firm charging a client for the services it is offering. Moreover, at no point in time did Hunter Landham or Landham Securities know that Helios and Joseph Jones were, or might have been, engaged in illegal activities. Landham Securities had legitimate business reasons for withdrawing its own investment from Helios. It does not offer advice to its clients on the basis of market rumor. At any point in time, Claimant was free to withdraw the money from Helios, and in fact, did withdraw

\$1,670,000 from the fund. Claimant made no complaints when the account was making money, and cannot hold Landham Securities responsible solely because Claimant has now lost money. At all times, Claimant understood the risk of the investment, and accepted that risk.

Claimant has failed to establish any actionable conduct on the part of Landham Securities. The true parties to this action should be Helios. Moreover, Claimant has not lost \$6,800,000. Claimant invested \$5,000,000 in Helios, and withdrew \$1,670,000. Therefore, Claimant's net investment loss was \$3,330,000. Claimant has no basis to claim lost profits. Accordingly, Landham Securities requests that the arbitration panel dismiss all claims, and assess all fees against Claimant.



NEW ACCOUNT APPLICATION

Account Type:
 Individual Account
 Joint Account (more than one account holder)

Applicant Information

Ryan _____ Middle Name _____ Blake _____
 First Name _____ Last Name _____

22 Fourth Avenue _____
 Permanent Address _____

New York _____ NY _____ 10000 _____
 City _____ State _____ ZIP Code _____

555-555-5555 _____ 555-999-9999 _____
 Work Phone _____ Home Phone _____

Are you:

Single Married Domestic Partner Divorced Widowed

Number of Dependents: 2

Are you currently:

Employed Self-Employed Not Employed Retired Student

Philanthropist _____
 Occupation _____

Household Financial Background
ANNUAL INCOME

(from all sources)

- \$25,000 and under
 \$25,001-50,000
 \$50,001-100,000
 \$100,001-250,000
 \$250,001-500,000
 Over \$500,000

NET WORTH

- \$25,000 and under
 \$25,001-50,000
 \$50,001-200,000
 \$200,001-500,000
 \$500,001-1,000,000
 \$1,000,001-3,000,000
 Over \$3,000,000
 Amount: \$11,000,000

LIQUID NET WORTH

- \$25,000 and under
 \$25,001-50,000
 \$50,001-200,000
 \$200,001-500,000
 \$500,001-1,000,000
 \$1,000,001-3,000,000
 Over \$3,000,000
 Amount: \$10,250,000

Risk Tolerance

- Conservative.** I want to preserve my initial principal in this account, with minimal risk, even if that means this account does not generate significant income or returns and may not keep pace with inflation.
- Moderately Conservative.** I am willing to accept low risk to my initial principal, including low volatility, to seek a modest level of portfolio returns.
- Moderate.** I am willing to accept some risk to my initial principal and tolerate some volatility to seek higher returns, and understand I could lose a portion of the money invested.
- Moderately Aggressive.** I am willing to accept high risk to my initial principal, including high volatility, to seek high returns over time, and understand I could lose a substantial amount of the money invested.
- Significant Risk.** I am willing to accept maximum risk to my initial principal to aggressively seek maximum returns, and understand I could lose most, or all, of the money invested.

Exhibit A



NEW ACCOUNT APPLICATION

Investment Objective

- Income
 Growth
 Aggressive Growth
 Tax Deferral
 Growth & Income

Financial Investment Experience

| Investment | Years experience |
|-------------------|------------------|
| Mutual Funds | 10 |
| Individual Stocks | 20 |
| Options | 0 |
| Bonds | 0 |

Agreement to Arbitrate

You agree to submit to arbitration any dispute between you and Landham Securities and/or any of its officers, directors, employees or agents relating to your brokerage account(s). Any arbitration under this agreement will be conducted under the arbitration rules of FINRA Dispute Resolution. Arbitration may be initiated by either of us serving written notice on the other. The arbitrators' ruling will be final and judgment on it may be entered in any court of competent jurisdiction.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class action who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified, or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

This agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- (A) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- (B) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- (C) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- (D) The arbitrators do not have to explain the reason(s) for their award.
- (E) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- (F) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- (G) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

Signatures

Ryan Blake

Primary Applicant Name (please print)

Ryan Blake

3/24/06

Primary Applicant Signature

Date

Exhibit A

FINRA DISPUTE RESOLUTION, INC.

-----X

In the Matter of the Arbitration Between: :

RYAN BLAKE, :
Claimant, :

FINRA Case No. 11-654321

vs. :

Affidavit of Candace Swain

LANDHAM SECURITIES, LLP, :
Respondent. :

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STATE OF NEW YORK)
) : s.s.
COUNTY OF NEW YORK)

Candace Swain, being duly sworn, deposes and says:

1. I am an account executive at Landham Securities, LLP, Respondent in the above case pending at FINRA.

2. I have been an account executive at Landham Securities since 2003 and was Claimant, Ryan Blake's, account executive at Landham Securities during the entire period relevant to this case.

3. I met Ryan Blake in 2006 when (s)he was introduced to me by Hunter Landham, CEO of Landham Securities. At that time, Ryan opened an account at Landham Securities.

4. Ryan told me that (his)(her) investment objectives for the account were "growth and income" and that (s)he was willing to "take meaningful risk" with the account. I completed Ryan's account application based on this information.

5. Ryan told me that (his)(her) net worth was at least \$11 million. Indeed, Ryan invested \$10 million with Landham Securities, putting half in the Helios hedge fund and the other half in real estate investment trusts, commonly known as REITs, as Hunter suggested.

6. Helios was a very successful investment and was perfectly suitable for investors such as Ryan willing to take significant risk for a great return. REITs are very different investment vehicles and, thus, diversified Ryan's investment portfolio at Landham Securities.

Exhibit B

7. At the outset and during the course of my nearly four year business relationship with Ryan, the Blakes always gave the impression that they were very wealthy. In fact, they appeared to live a very lavish lifestyle and Ryan never changed the financial information on (his)(her) account application as I told (him)(her) to do should the Blakes' financial circumstances change.

8. During my relationship with Ryan, I spoke with the Blakes consistently on a monthly basis.

9. It was clear to me during our monthly calls that the Blakes understood their investments and were willing to take the risks associated with them. In fact, at one point, the REITs had declined significantly and I asked the Blakes if they wanted to change their investment strategy. They adamantly refused to change their strategy, expressing that they believed their investments would recover.

10. When Helios became insolvent, I was surprised. After all, Helios was a very good investment and Landham Securities and many of its other customers apart from Ryan had invested in the fund. Indeed, as late as 2009, it was reporting more than 10% in annualized returns.

Further affiant sayeth not.

Candace Swain

Candace Swain

Sworn and subscribed to before me
this 25th day of May, 2011

Alice Attorney

Notary Public

FINRA ARBITRATION Submission Agreement

Claimant(s)
In the Matter of the Arbitration Between

Name(s) of Claimant(s)

 Ryan Blake

and

Name(s) of Respondent(s)

 Landham Securities, LLP

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.
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5. The parties hereto have signed and acknowledged the foregoing Submission Agreement.

 Ryan Blake

Claimant Name (please print)

Ryan Blake

 April 15, 2011

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)

Ryan Blake

and

Name(s) of Respondent(s)

Landham Securities, LLP

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.
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Landham Securities, LLP

Respondent Name (please print)

Cunter Landham, CEO

May 31, 2011

Respondent's Signature

Date

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

Private Facts for Hunter Landham as CEO and Corporate Representative of Landham Securities, LLP:

You are an MBA graduate from an Ivy League school and are highly successful. You love making money and know how to manage risk. You've made a name for yourself with the top echelon clientele because you deliver. It's that simple. Of course, there's risk in any investments and sophisticated investors understand that at the onset. You are great at wowing people with your wisdom and skill, and people beg to invest with you. You are discriminating and don't take on every customer who knocks at your door.

Successful CEOs like you are lightning rods for those disgruntled investors who are trying to recoup lost money in the investment game. How can they blame you? It's not your fault; it's the vagaries of the market. Everyone knows the market goes up and the market goes down. If the Blakes couldn't afford to lose, they shouldn't have played the game.

Of course, there's even risk in art. Some of the art that Alex has sold you has increased in value. For other pieces of art, you are unsure if you would even be able to recoup your initial investment. That is the game, and you will not be blamed for the game.

Landham Securities is not a boiler room. At all relevant times, it was a private firm with billions under management, and billions of its own equity. It specializes in investment products for wealthy clients, and was considered a top firm, particularly when the markets were so profitable. Swain was one of forty account managers, working at Landham Securities since 2003 and continues to work for Landham Securities today.

Landham Securities did recommend Helios to many of its customers and charges much more on sales of that fund than it would have on stocks or bonds. Still, the two percent sales charge was not out of line for hedge fund

transactions. Since the year 2000, Landham Securities had placed almost two hundred million dollars of Helios with its various customer accounts. It invested over a hundred million dollars of its own funds in Helios over a two year period starting in 2003. You will testify that while you did hear rumors about Helios, the main motivation for liquidating the firm's holdings in Helios was a need for greater liquidity in a volatile and poor investment environment. You admit that several of your managers voiced limited concerns about Helios in the period before the collapse and even well before that, but you insist that your personnel had no more information than anybody else "on the street," that nobody at the firm was close to Joltin' Jones, and that Jones had always insisted that the fund was doing well because of "diversification into developing economies, commodities purchases and prudent short selling." Aside from the one memo from Roberts, you do not have any other relevant documents except those from which the data already supplied were derived. You met Jones at a few receptions and spoke by phone with him from time to time. You insist that you cannot encourage clients to trade on rumors, in part because rumors proving to be unfounded could result in customer claims.

There is no documentation suggesting that Swain was privy to much of anything about Helios--Swain simply knew it as a successful product for those who could afford risk for a healthy return. Swain claims that the Blakes knew very well that hedge funds could be very volatile, and that nobody could have predicted what happened to the REITs because of the real estate market. Swain also claims that Helios and the REITs were very different investment vehicles so that there was at least some diversification. The monthly telephone contacts with the Blakes, says Swain, showed that they well understood their investments. According to Swain, she regularly asked the Blakes if they would like to rethink their investment strategy, especially while the REITs declined, but the Blakes opted to stay on their chosen course. The Blakes never updated their financial data on their account application, and Swain claims that the Blakes always suggested they had lots of money and appear to live a lavish lifestyle.

Swain says the Blakes were told to revise data on file with Landham Securities in the event of adverse developments and that they never did.

As you said earlier, you are very skilled at managing risk for maximum return. You appreciate that some sort of settlement may be necessary, but you are not an insurance policy against losses. Therefore, you have decided to settle this case as soon as possible on realistic terms. This is all about damage control. Clients talk, clients get skittish. If there is lingering talk about your ethics or competence, you're dead in the water. Game over. Of course, there are those runaway arbitration awards that could potentially shut you down. And besides, why shouldn't you try to keep the Blakes as customers. They are nice people, and they still have \$1.5 million left in the REITs. Possibly, they have additional money in reserve to invest with you. After all, very few people are forthcoming about their money.

You are more than happy to take the time necessary to explain to Ryan what happened. Yes, sometimes you have to go slow to go fast. You would prefer not to pay out any money, because you did nothing wrong. Of course, Alex has some art for sale that you are considering purchasing. There's that photograph of the Japan earthquake for \$125,000 and that abstract art painting from that emerging New Zealand artist, Aotearoa, priced at \$950,000. You bet that evocative steel and marble sculpture priced at \$1.43 million would fit right in the lobby of the new building you purchased. You've been so busy overseeing the refurbishing of parts of the building and leasing the remaining space, you have neglected thinking about the art for the building until now. You are renaming the building the Hunter Landham Building and expect it to be one of the artistic jewels of the city.

FINRA DISPUTE RESOLUTION, INC.

-----X
 In the Matter of the Arbitration Between: :
 :
 RYAN BLAKE, : FINRA Case No. 11-654321
 Claimant, :
 :
 vs. : Statement of Claim
 :
 LANDHAM SECURITIES, LLP, :
 Respondent. :
 :
 -----X

This Statement of Claim is filed on behalf of Claimant, Ryan Blake, against Respondent, Landham Securities, LLP, a registered broker-dealer. This claim is filed pursuant to Rule 12200 of the FINRA Code of Arbitration Procedure as a controversy between a public customer and a member firm. Ryan seeks to recover \$6,800,000 in damages resulting from an investment in the Helios hedge fund.

Ryan and Alex Blake have been married for over twenty years. They live in Manhattan with their two children to accommodate Alex’s career. Alex is an art dealer and gallery owner, and needs to be in the heart of the action. A number of years ago, Ryan inherited over ten million dollars. Ryan spends time on various charities, working with the Humane Society and the Charter Schools of America. The Blakes have considerable monthly expenses, and for several years, have needed income from the inheritance to supplement Alex’s income. Neither Blake has much investment experience.

Hunter Landham, the CEO of Landham Securities, was Alex’s customer at the gallery. In March 2006, Hunter told Alex that Landham Securities had a special investment opportunity that (s)he could make available to Alex and Ryan. Landham Securities had a great reputation, serving elite clientele. Its motto is “because you deserve the best”. Alex appreciated Hunter’s invitation because Alex and Ryan had high income needs from their investments, and the bond mutual funds they had the inheritance invested in were not performing as well as they had hoped. They met with Hunter later that week. Hunter recommended that Ryan invest \$5 million in the special investment opportunity – the Helios hedge fund, and the remaining \$5 million in real

estate investment trusts (REITs).¹ Ryan agreed and opened an account with Landham Securities. Hunter had Candace Swain, who became Ryan's account executive at Landham Securities, complete a New Account Application. Shortly thereafter, Ryan transferred the \$10 million into the account, and it was invested as recommended by Hunter.

By August 2008, Helios had made over \$2 million in profits. Even with regular monthly withdrawals of at least \$30,000 from the fund, its value never went below the original \$5 million investment. By late 2009, the Blakes began to have financial difficulties. Alex's business was suffering, and, in December 2009, Ryan began withdrawing \$50,000 from the account each month. At that point, the REITs had significantly declined in value; however, Helios was still worth over \$6.5 million, even with the monthly withdrawals. Each month, the Blakes spoke with Swain and she never raised any concerns about Helios.

By July 2010, Helios was worthless. It appears that the fund was nothing more than a Ponzi scheme. In late March 2010, Landham Securities had withdrawn all of the money it had invested in Helios, over \$100 million. Two days before Landham Securities withdrew its money, one of its Senior Account Managers reported to Hunter that "the talk on the street, which has circulated for some time but is now intensifying, is that Jones' operation is too good to be true." See Exhibit 1, attached hereto. It was clear Landham Securities was concerned, and it protected its own money. However, no one from Landham Securities ever passed this information along to Ryan, or suggested taking any precautions. Between March 2010 and July 2010, Ryan's Helios investment went from \$6.8 million to nothing.

Pursuant to FINRA Rule 2310, Hunter, acting on behalf of Landham Securities, was required to have reasonable grounds for believing that Helios was a suitable investment for Ryan. In this case, Hunter did not have reasonable grounds to believe that it was suitable to invest half of Ryan's account, which represented substantially all of the Blakes' net worth, into a hedge fund, especially when the other half was invested in REITs. Landham Securities made 2% on each investment it directed into Helios.

¹ Ryan is not bringing a claim with respect to the REITs.

Landham Securities made \$100,000 on Ryan's investment into the fund. Landham Securities acted negligently and contrary to the requirements of commercial good faith when it invested Ryan's account into Helios.

Moreover, Landham Securities had a duty to keep Ryan informed about what it knew about Helios. No one from Landham Securities informed Ryan (his)(her) account was overconcentrated or that as the REITs declined in value, Ryan's account should have been reallocated. No one from Landham Securities informed Ryan that there were widespread concerns about the legitimacy of Helios, or that Landham Securities had liquidated its entire holding in the fund. Had Landham Securities informed its customers of the information it had, its customers would likely have withdrawn their money from the fund, jeopardizing Landham Securities' ability to get its own money out of the fund. Accordingly, Landham Securities breached its fiduciary duty to Ryan, and acted either fraudulently or negligently in failing to provide on-going advice to Ryan.

RELIEF REQUESTED

Based upon the foregoing, Ryan Blake requests an award against Respondent Landham Securities, LLP for compensatory damages in the amount of \$6,800,000, interest, and all fees and costs including attorneys' fees for Landham Securities' negligently unsuitable recommendation, in violation of the requirements of commercial good faith, its breach of fiduciary duty, and either fraudulently or negligently failing to provide ongoing advice.



Memo

FOR INTERNAL USE ONLY

To: Hunter Landham
From: Devon Roberts
Date: March 22, 2010
Subject: Helios Hedge Fund

Hunter,

I've been hearing about Helios. The talk on the street, which has circulated for some time but is now intensifying, is that Jones' operation is too good to be true. I don't know if there is any truth to this, but I thought you should know.

-Devon

Exhibit 1

FINRA DISPUTE RESOLUTION, INC.

| | | |
|---|---|--------------------------|
| -----X | | |
| In the Matter of the Arbitration Between: | : | |
| | : | |
| RYAN BLAKE, | : | FINRA Case No. 11-654321 |
| Claimant, | : | |
| | : | |
| vs. | : | Statement of Answer |
| | : | |
| LANDHAM SECURITIES, LLP, | : | |
| Respondent. | : | |
| | : | |
| -----X | | |

This Statement of Answer is filed on behalf of Respondent, Landham Securities, by its attorneys, in response to the Statement of Claim filed on behalf of Ryan Blake.

Landham Securities denies all liability to Claimant for the claims alleged. When Claimant opened the account in question, (s)he met with Candace Swain, one of Landham Securities' account executives, and they filled out a New Account Application, which is attached hereto as Exhibit A. Claimant indicated that (her)(his) net worth was over \$10 million, that (s)he was willing to take significant risk, and that the investment objective was growth and income. Pursuant to FINRA Rule 2310, Helios was appropriate for Claimant at the time, based on this information. Further, Swain spoke with Claimant monthly, reviewing the account, and Claimant chose at all relevant times to remain invested in Helios. Landham Securities did not breach any duty to Claimant. Landham Securities does not have any duty to provide on-going investment advice. See Affidavit of Candace Swain, attached hereto as Exhibit B.

Landham Securities admits that it made 2% on the initial investment, however, that is a reasonable commission to pay for an investment, and Claimant was aware that a commission would be charged to execute the trade. There is nothing improper about a firm charging a client for the services it is offering. Moreover, at no point in time did Hunter Landham or Landham Securities know that Helios and Joseph Jones were, or might have been, engaged in illegal activities. Landham Securities had legitimate business reasons for withdrawing its own investment from Helios. It does not offer advice to its clients on the basis of market rumor. At any point in time, Claimant was free to withdraw the money from Helios, and in fact, did withdraw

\$1,670,000 from the fund. Claimant made no complaints when the account was making money, and cannot hold Landham Securities responsible solely because Claimant has now lost money. At all times, Claimant understood the risk of the investment, and accepted that risk.

Claimant has failed to establish any actionable conduct on the part of Landham Securities. The true parties to this action should be Helios. Moreover, Claimant has not lost \$6,800,000. Claimant invested \$5,000,000 in Helios, and withdrew \$1,670,000. Therefore, Claimant's net investment loss was \$3,330,000. Claimant has no basis to claim lost profits. Accordingly, Landham Securities requests that the arbitration panel dismiss all claims, and assess all fees against Claimant.



NEW ACCOUNT APPLICATION

Account Type:
 Individual Account
 Joint Account (more than one account holder)

Applicant Information

Ryan _____ Middle Name _____ Blake _____
 First Name Last Name

22 Fourth Avenue _____
 Permanent Address

New York _____ NY _____ 10000 _____
 City State ZIP Code

555-555-5555 _____ 555-999-9999 _____
 Work Phone Home Phone

Are you:

Single Married Domestic Partner Divorced Widowed

Number of Dependents: 2

Are you currently:

Employed Self-Employed Not Employed Retired Student

Philanthropist _____
 Occupation

Household Financial Background
ANNUAL INCOME

(from all sources)

- \$25,000 and under
 \$25,001-50,000
 \$50,001-100,000
 \$100,001-250,000
 \$250,001-500,000
 Over \$500,000

NET WORTH

- \$25,000 and under
 \$25,001-50,000
 \$50,001-200,000
 \$200,001-500,000
 \$500,001-1,000,000
 \$1,000,001-3,000,000
 Over \$3,000,000
 Amount: \$11,000,000

LIQUID NET WORTH

- \$25,000 and under
 \$25,001-50,000
 \$50,001-200,000
 \$200,001-500,000
 \$500,001-1,000,000
 \$1,000,001-3,000,000
 Over \$3,000,000
 Amount: \$10,250,000

Risk Tolerance

- Conservative.** I want to preserve my initial principal in this account, with minimal risk, even if that means this account does not generate significant income or returns and may not keep pace with inflation.
- Moderately Conservative.** I am willing to accept low risk to my initial principal, including low volatility, to seek a modest level of portfolio returns.
- Moderate.** I am willing to accept some risk to my initial principal and tolerate some volatility to seek higher returns, and understand I could lose a portion of the money invested.
- Moderately Aggressive.** I am willing to accept high risk to my initial principal, including high volatility, to seek high returns over time, and understand I could lose a substantial amount of the money invested.
- Significant Risk.** I am willing to accept maximum risk to my initial principal to aggressively seek maximum returns, and understand I could lose most, or all, of the money invested.

Exhibit A



NEW ACCOUNT APPLICATION

Investment Objective

- Income
 Growth
 Aggressive Growth
 Tax Deferral
 Growth & Income

Financial Investment Experience

| Investment | Years experience |
|-------------------|------------------|
| Mutual Funds | 10 |
| Individual Stocks | 20 |
| Options | 0 |
| Bonds | 0 |

Agreement to Arbitrate

You agree to submit to arbitration any dispute between you and Landham Securities and/or any of its officers, directors, employees or agents relating to your brokerage account(s). Any arbitration under this agreement will be conducted under the arbitration rules of FINRA Dispute Resolution. Arbitration may be initiated by either of us serving written notice on the other. The arbitrators' ruling will be final and judgment on it may be entered in any court of competent jurisdiction.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class action who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified, or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

This agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- (A) All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- (B) Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- (C) The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- (D) The arbitrators do not have to explain the reason(s) for their award.
- (E) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- (F) The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.
- (G) The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

Signatures

Ryan Blake

Primary Applicant Name (please print)

Ryan Blake

3/24/06

Primary Applicant Signature

Date

Exhibit A

FINRA DISPUTE RESOLUTION, INC.

-----X

In the Matter of the Arbitration Between: :

RYAN BLAKE, :
Claimant, :

FINRA Case No. 11-654321

vs. :

Affidavit of Candace Swain

LANDHAM SECURITIES, LLP, :
Respondent. :

-----X

STATE OF NEW YORK)
): s.s.
COUNTY OF NEW YORK)

Candace Swain, being duly sworn, deposes and says:

1. I am an account executive at Landham Securities, LLP, Respondent in the above case pending at FINRA.

2. I have been an account executive at Landham Securities since 2003 and was Claimant, Ryan Blake's, account executive at Landham Securities during the entire period relevant to this case.

3. I met Ryan Blake in 2006 when (s)he was introduced to me by Hunter Landham, CEO of Landham Securities. At that time, Ryan opened an account at Landham Securities.

4. Ryan told me that (his)(her) investment objectives for the account were "growth and income" and that (s)he was willing to "take meaningful risk" with the account. I completed Ryan's account application based on this information.

5. Ryan told me that (his)(her) net worth was at least \$11 million. Indeed, Ryan invested \$10 million with Landham Securities, putting half in the Helios hedge fund and the other half in real estate investment trusts, commonly known as REITs, as Hunter suggested.

6. Helios was a very successful investment and was perfectly suitable for investors such as Ryan willing to take significant risk for a great return. REITs are very different investment vehicles and, thus, diversified Ryan's investment portfolio at Landham Securities.

Exhibit B

7. At the outset and during the course of my nearly four year business relationship with Ryan, the Blakes always gave the impression that they were very wealthy. In fact, they appeared to live a very lavish lifestyle and Ryan never changed the financial information on (his)(her) account application as I told (him)(her) to do should the Blakes' financial circumstances change.

8. During my relationship with Ryan, I spoke with the Blakes consistently on a monthly basis.

9. It was clear to me during our monthly calls that the Blakes understood their investments and were willing to take the risks associated with them. In fact, at one point, the REITs had declined significantly and I asked the Blakes if they wanted to change their investment strategy. They adamantly refused to change their strategy, expressing that they believed their investments would recover.

10. When Helios became insolvent, I was surprised. After all, Helios was a very good investment and Landham Securities and many of its other customers apart from Ryan had invested in the fund. Indeed, as late as 2009, it was reporting more than 10% in annualized returns.

Further affiant sayeth not.

Candace Swain

Candace Swain

Sworn and subscribed to before me
this 25th day of May, 2011

Alice Attorney

Notary Public

FINRA ARBITRATION Submission Agreement

Claimant(s)
In the Matter of the Arbitration Between

Name(s) of Claimant(s)

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and

Name(s) of Respondent(s)

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 Ryan Blake

Claimant Name (please print)

Ryan Blake

 April 15, 2011

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)

Ryan Blake

and

Name(s) of Respondent(s)

Landham Securities, LLP

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Landham Securities, LLP

Respondent Name (please print)

Cunter Landham, CEO

May 31, 2011

Respondent's Signature

Date

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