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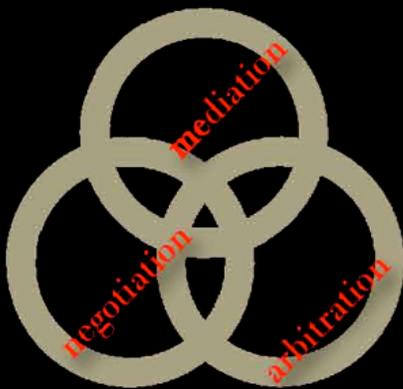
and
The Financial Industry
Regulatory Authority



The Fifth Annual
Securities
Dispute
Resolution

Triathlon

A Three Skill Lawyering Event
Consisting of Competitions in



Saturday and Sunday
October 19 and 20, 2013
Manhattan Campus
101 Murray Street,
New York, NY

AN AFFINITY FOR CROSSING THE LINES? Triathlon Problem - 2013

Judge's Copy



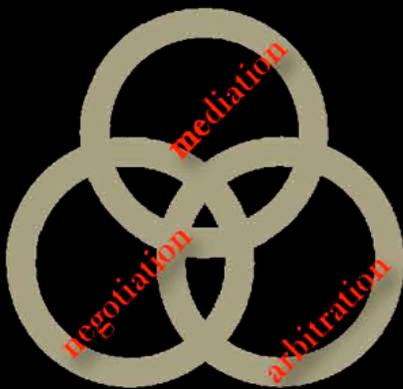
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The Fifth Annual
SECURITIES DISPUTE RESOLUTION TRIATHLON PROBLEM - 2013

AN AFFINITY FOR CROSSING THE LINES?

BACKGROUND FACTS

Investment professionals frequently look to family, friends, and fellow community members for business. Likewise, many investors have successfully found an investment professional by looking to relatives, neighbors, colleagues, or fellow congregants. When an investor's trust in his or her broker is built on a significant social or community connection, and investments perform poorly, the outcome may either be caused by the vagaries of the market or the exploitation by the broker of the investor's trust.

Meet the Ramsammy and Singh families, who have roots in the Guyanese-American community in Schenectady, New York. Terry Ramsammy, 45, is the sole caregiver and attorney-in-fact for Henrietta Ramsammy, Terry's seventy-one year-old widowed mother. Terry is accusing Kiran Singh, an independent broker, of selling unsuitable investments to Henrietta as part of a scheme aimed at members of the Guyanese-American community in Schenectady.

Although Henrietta and Kiran had a long history of knowing each other in the community, their business relationship began in late November 2011 when Henrietta attended an investment presentation that Kiran conducted. Rajesh Ramcharran, a prominent businessman in the Schenectady Guyanese community, had invited Kiran to speak at a local community center about strategies for building wealth and the role that the Guyanese community had played in Kiran's success. Ramcharran believed Kiran was well suited to give the presentation. Not only did Kiran have roots in the Guyanese community, but Kiran was dually registered as an investment advisor and a broker.

During the presentation, Kiran discussed how (s)he has developed a successful investment strategy that had yielded on average 22% in profits for each of the past three years. Kiran had a standard portfolio, which could be “tweaked” to meet individual circumstances. Because Kiran claimed special knowledge of Guyanese commerce, Kiran offered a standard portfolio that invested a majority in Guyanese industries, including telecommunications, aluminum mining, sugar and gold. The portfolio also included investments in hydraulic fracturing which were performing well. Kiran spoke positively of the potential to obtain fuel domestically. Kiran stated that investments in this technology, in (his)(her) view, promised safe, significant returns over the long term given the ongoing exploration of natural gas deposits, the emerging technologies used to extract those deposits from shale, and the growing domestic and international demand for energy. Kiran further explained that given the unusually low interest rates on bonds, the portion of the portfolio designed for current income had to be invested in alternate vehicles such as limited partnerships, or business-development companies. These investments paid dividends in the range of seven to nine percent, far more than even so-called “junk” bonds were paying. Kiran characterized (his)(her) investment strategy as combining the best of the old country with the promise of the new.

At the conclusion of the presentation, Kiran reaffirmed (his)(her) pride in being part of the Guyanese community. Kiran told the thirty attendees that (s)he would be happy to speak further with anyone interested in investing. For a minimum investment of \$100,000, (s)he would invest each person’s money in the same essential version of (his)(her) recommended portfolio combination. Kiran asked each person in attendance to fill out a form providing their contact information as well as the contact information of a close friend or family member who might also be interested in learning about these profitable investment opportunities.

Henrietta approached Kiran after the presentation and indicated her desire to invest some of the \$400,000 proceeds from her late husband’s life insurance policy which she had sitting in a savings account earning less than 1% in interest a year. Kiran promised to call Henrietta the next week and discuss the investment portfolio in greater detail when (s)he returned to (his)(her) office in New York City. During Kiran’s call with Henrietta, Henrietta explained that she was looking to increase her savings so that would have sufficient money to return to Guyana where she dreamed of purchasing a big house, helping her family and comfortably spending her remaining time on this earth. Henrietta also shared that the bank interest was insufficient to meet her current monthly income needs.

Kiran recommended that Henrietta invest approximately 80% of the life insurance proceeds, \$320,000, in a portfolio that included the companies discussed at the seminar: South American TeleCom, Inc. (SAT); Roraima Metals & Mining Corp. (ROR); Hoatzin Sugar Co., Inc. (HOAT); Amaila Gold Mining Co., Ltd. (AMA); Marcellus HydroFracShur (MHFS);

and Latin American Emerging Markets Fund (LAEMF). Yes, all but one of the companies in the portfolio had businesses with ties to Guyana. SAT is a telecommunications company that invests in Guyana’s own telecommunications network. ROR engages in bauxite mining in Guyana and other metal mining within the US. HOAT purchases a large amount of the sugar that Guyana exports, and owns several food and beverage subsidiaries that utilize the sugar and sell products within the US. AMA mines gold throughout Guyana and several other countries. LAEMF focuses on investing in Latin American countries, including Guyana. MHFS, the only company without ties to Guyana, is a domestic producer of a specialized mineral that enhances the recovery rates of hydrocarbons from oil and natural gas wells. At the presentation, Kiran explained, “MHFS is an attractive investment because it’s yielding 7.5%. Moreover, the company has a low-risk structure and zero-debt balance sheet, which offers investors a great opportunity with very limited downside.” All of the investments are publicly traded on the NYSE or NASDAQ. SAT, ROR, HOAT and AMA are stocks, LAEMF is an exchange traded mutual fund and MHFS is a public limited partnership. Kiran explained to Henrietta that all of the investments paid quarterly dividends as follows: SAT 3% annually, ROR 6.5% annually, HOAT 3% annually, AMA 6.5% annually, MHFS 7.5% annually, and LAEMF 5% annually. This would provide about \$17,000 in annual income as opposed to the less than \$4,000 the life insurance proceeds had been earning in the bank.

During the phone conversation, Henrietta agreed to purchase the investments recommended by Kiran, and Kiran stated (s)he would send Henrietta the necessary paperwork. Additionally, Henrietta agreed to grant Kiran discretion to make trades in the account as (s)he deemed appropriate. During the month of December, Henrietta received the paperwork and took some time to reconsider this investment option before signing it and returning it to Kiran. When Kiran received the paperwork back, (s)he explained to Henrietta that she would need to wire \$328,000 to cover the cost of the investments and the commission charge of two and a half percent for placing the trades. Henrietta wired \$328,000 to Kiran, and on January 4, 2012, Kiran established Henrietta’s account and collected the agreed-upon commission. The following was purchased:

1,250 shares of SAT at \$30/share	\$37,500
2,500 shares of ROR at \$20/share	\$50,000
3,500 shares of HOAT at \$15/share	\$52,500
2,500 shares of AMA at \$20/share	\$50,000
1,250 shares of MHFS at \$40/share	\$50,000
4,000 shares of LAEMF at \$20/share	\$80,000

For the first three quarters of 2012, Henrietta received quarterly dividend payments of approximately \$4,200 each. On October 22, 2012, two weeks after Henrietta received her

third quarterly dividend, Kiran called her to report that the two mining companies, ROR and AMA, were losing value because of an overall downturn in mining stocks. Additionally, LAEMF had dropped substantially. At this time, ROR was trading at \$8.00/share, AMA was trading at \$8.00/share and LAEMF was trading at \$9.00/share. In total, these three investments were down \$104,000, but overall the investments collectively were only down \$90,750 because the other investments were performing well. The performance of the securities is exclusive of dividends that Henrietta received and commission charges Henrietta paid to Kiran. Henrietta told Kiran that she didn't understand that the investments were down because she was continuing to receive the dividend payments. She got very upset with Kiran, at which point Kiran asked if Henrietta wanted to sell her shares of the three losing investments. Henrietta instructed Kiran to sell the shares of ROR, AMA and LAEMF, after which her account contained about \$74,100 in cash, consisting of the proceeds of the sales minus the \$1,900 in commissions.

Henrietta asked Kiran how Henrietta could maintain her stream of income. Kiran told Henrietta that there was a replacement investment similar to MHFS that also promised a steady 7.5% rate of return with limited downside: Appalachia-Columbia Pipe Foundry (ACPF), another publicly traded limited partnership that manufactures the pipes used by firms engaged in hydraulic fracturing.

Kiran asked whether Henrietta could replenish her investment account. Henrietta replied that she still had some of her late husband's personal belongings and that they likely had some value. Kiran explained that Henrietta would need to invest \$150,000 in ACPF to receive the same stream of income. This would mean Henrietta would have to deposit an additional \$69,400 to pay for the security and the commission.

On November 5, 2012, Henrietta called Kiran to say that she only would buy \$100,000 of ACPF because she needed to keep some cash on hand. She was then asked to wire \$28,400 to Kiran, who promptly used this money and the remaining cash proceeds in the account to purchase 4,000 shares of ACPF at \$25/share and to cover the commission of \$2,500.

Over a dinner conversation during their Thanksgiving get together in 2012, Terry learned that Henrietta had opened an investment account with Kiran Singh. When Terry learned about the transactions, Terry was concerned and asked Henrietta how all of this had begun. Henrietta then recounted Kiran's presentation at the community center and the subsequent investment decisions.

Terry contacted Rajesh Ramcharran, the businessman who had invited Kiran to speak at the community center. Rajesh reluctantly disclosed that he had also suffered substantial losses by investing with Kiran. Terry asked Rajesh who else had attended that presentation, and Terry began calling the attendees (s)he knew well. Most of them were reluctant to discuss with Terry their investments with Kiran. Terry did not know how to

interpret their reticence: were they reluctant to talk about their investments or was there something else?

In December, 2012, Terry consulted a lawyer to learn what recourse Henrietta might have against Kiran. In January 2013, Henrietta suffered a stroke, and upon the advice of their attorney, Henrietta reluctantly executed a power of attorney that authorized Terry to handle Henrietta's financial affairs. Terry then instructed Kiran to sell the securities remaining in the account and close the account. Terry moved the money back into the bank. The total proceeds after commissions were deducted were \$265,687.50

On February 1, 2013 the attorney filed a claim against Kiran and (his)(her) company Singh Financial Investment Services, LLC with FINRA Dispute Resolution naming Terry as the claimant in (his)(her) capacity as Henrietta's attorney-in-fact.¹ The Statement of Claim contained two allegations:

1. Kiran sold Henrietta investments that were unsuitable given Henrietta's stated investment goals and her limited familiarity with investments; and
2. Kiran used (his)(her) connection with Henrietta as a Guyanese-American to defraud her.

The losses claimed were \$112,900, which included the losses on the three investments (\$104,000), the commissions paid to purchase and sell those investments (\$6,400) and the commission to purchase ACPF as a replacement for the mining stocks (\$2,500).

On March 1, the attorney² for Kiran and Singh Financial Investment Services, LLC filed a Statement of Answer denying the facts asserted in the claim and requesting expungement of the customer dispute information from Kiran's registration records that FINRA's Central Registration Depository maintains. The Answer also contested Claimant's calculation of damages because it did not account for the dividends earned by the investments or the profitability of the remaining investments.

* * *

Understandably, Kiran and Terry have different ideas about whether the securities at issue were suitable for Henrietta and why Kiran targeted members of the Guyanese-American

¹ Terry is captioned as the "attorney-in-fact," because Terry has a power of attorney for Henrietta. Terry is *not* an attorney at law. In all three rounds, Terry is represented by an attorney.

² Kiran has retained an attorney to represent both Kiran and Singh Financial Investment Services, LLC. Kiran and the attorney have discussed the potential for conflict in this dual representation. Kiran has consented to this dual representation both in an individual capacity and in (his)(her) corporate capacity.

community. As the Guyanese proverb instructs, “Every rope gat two ends,” every story has two sides.

In many ways, this story began over twenty years ago. At that time, the mayor of Schenectady, a small city in upstate New York, had seen the city’s population shrink by roughly one third from its peak in the 1950s. The mayor, seeking to stimulate the city’s growth, met with Guyanese immigrants living in New York City and encouraged them to relocate to Schenectady. Enticed by the promise of low-cost housing and by commitments from the city to support its new residents, over 5,000 Guyanese nationals had relocated to Schenectady by 2005. The Ramsammys and Singhs were among the first wave of Guyanese nationals to arrive in Schenectady. When Terry’s family moved to Schenectady in 1993, Terry was 25 years old. Several months later, when Kiran Singh was 12 years old, Kiran’s family arrived in Schenectady.

Both families quickly became an integral part of the Guyanese community in Schenectady. Both the Ramsammys and Singhs worshipped at the Schenectady Hindu Temple and contributed to its expansion. The two families often encountered each other at weddings and funerals as well as at festivals and block parties.

Kiran graduated from Schenectady High School in 1999 and then attended a prestigious university. When Kiran graduated with a degree in business in 2003, Kiran went to work for Babonneau Investment Strategies, a prominent investment firm in New York City. Eager to strike out and build a brokerage firm from the ground up, Kiran opened Singh Financial Investment Services, LLC in mid-2011. The firm is registered with FINRA and with state regulators in New York.

Whereas Kiran Singh achieved many goals after the Singhs moved to Schenectady, that period proved less propitious for Terry Ramsammy. Terry found that the Schenectady mayor’s promises of a land of opportunity proved elusive. For most of that period, Terry drifted from one low-paying job to the next. Terry worked as a dishwasher, pet groomer, house painter, short order cook, and cable TV installer. Terry rarely lasted more than two years at any given job until 2008, when Terry opened Miss Molly, a pet shop and aquarium store in Schenectady.

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. Kiran and Terry shall 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 parties did not agree whether affinity fraud occurred and because the parties did not agree whether the investments were suitable for Henrietta. 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. Kiran and Terry shall 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 of Kiran's insistence not only that the investments were suitable given Henrietta's stated goals and objectives but also that Kiran did not take advantage of (his)(her) relationship with Henrietta or (his)(her) standing in the community. 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: Terry for the Claimant and Kiran for the Respondents. The Statement of Claim is attached hereto as "Attachment 1." The Statement of Answer with exhibits is attached hereto as "Attachment 2." Terry's signed Submission Agreement is "Attachment 3," and Respondents' signed Submission Agreements are "Attachment 4." The Statement of Claim and the Statement of Answer with exhibits will be Arbitrator's Exhibit One and are therefore part of the record.

FINRA DISPUTE RESOLUTION, INC.

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 In the Matter of the Arbitration Between: :
 :
 TERRY RAMSAMMY as attorney in fact for :
 HENRIETTA RAMSAMMY, : FINRA Case No. 13-054321
 Claimant, :
 :
 vs. : Statement of Claim
 :
 KIRAN SINGH and :
 SINGH FINANCIAL INVESTMENT SERVICES, LLC, :
 Respondents. :
 :
 -----X

This Statement of Claim is filed on behalf of Claimant, Henrietta Ramsammy, by her attorney in fact, Terry Ramsammy, against Respondents, Kiran Singh, an associated person and Singh Financial Investment Services, LLC, a FINRA member firm. This claim is filed pursuant to Rule 12200 of the FINRA Code of Arbitration Procedure as a controversy between a public customer and an associated person. Mrs. Ramsammy seeks to recover \$112,900 in damages.

In January 2012, Mrs. Ramsammy opened a brokerage account with Singh at Singh Financial Investment Services and deposited \$328,000, which represented virtually all of her savings. Singh initially recommended that Mrs. Ramsammy invest in six securities. At issue are the substantial losses in three of the securities: Roraima Metals & Mining Corp. (\$50,000 invested), Amaila Gold Mining Co., Ltd. (\$50,000 invested) and Latin American Emerging Markets Fund (\$80,000 invested). The other three securities in the account, purchased at the same time were: South American TeleCom, Inc. (\$37,500 invested); Hoatzin Sugar Co., Inc. (\$52,500 invested); and Marcellus HydroFracShur (\$50,000 invested).

In October 2012, Singh called Mrs. Ramsammy to report that the three securities at issue had lost \$104,000 so far that year. Mrs. Ramsammy was surprised because she had been under the impression that these were relatively secure investments which would generate the additional income she needed. Mrs. Ramsammy asked Singh to sell the securities so that she would not lose any more money. Singh recommended that Mrs. Ramsammy invest the proceeds from the sale of these securities in

Appalachia-Columbia Pipe Foundry, but informed her she would have to deposit additional money into the account if she wanted to maintain the income stream generated by the securities which were sold. Mrs. Ramsammy followed Singh's advice but had to sell precious household belongings to raise the additional \$28,400 to deposit with Singh to purchase the new investment.

Pursuant to FINRA Rule 2111, Singh was required to have reasonable grounds for believing that the investments recommended were suitable for Mrs. Ramsammy. Mrs. Ramsammy needed income from her account, but she could not afford to lose an unduly large portion of her principal. Each of the securities at issue were exposed to the mining industry, creating an undue concentration in a single sector of the market, putting her principal unduly at risk. Indeed, the securities were also concentrated in emerging markets, particularly the Guyanese market. Furthermore, Singh charged Mrs. Ramsammy a two and a half commission for each purchase and sale.

Singh used her position as a trusted member of the Guyanese-American community to take advantage of Mrs. Ramsammy. Mrs. Ramsammy was induced to invest with Singh after attending an investment seminar given by Singh at a local community center. Mrs. Ramsammy had never invested before.

Singh had discretion over Mrs. Ramsammy's account, and therefore owed Mrs. Ramsammy a fiduciary duty. Singh breached this duty, and acted either fraudulently or negligently in failing to provide appropriate advice to Mrs. Ramsammy initially and throughout the duration of the relationship.

RELIEF REQUESTED

Based upon the foregoing, Mrs. Ramsammy requests an award against Respondents Singh and Singh Financial Investment Services for compensatory damages in the amount of \$112,900, which includes the realized losses on the investments at issue (\$104,000), the commissions to purchase and sell the securities at issue (\$6,400) and the commission to purchase a replacement security (\$2,500), interest, and all fees and costs including attorneys' fees for Singh's misconduct.

FINRA DISPUTE RESOLUTION, INC.

-----X
 In the Matter of the Arbitration Between: :
 :
 TERRY RAMSAMMY as attorney in fact for :
 HENRIETTA RAMSAMMY, : FINRA Case No. 13-054321
 Claimant, :
 :
 vs. : Statement of Answer
 :
 KIRAN SINGH and :
 SINGH FINANCIAL INVESTMENT SERVICES, LLC, :
 Respondents. :
 :
 -----X

This Statement of Answer is filed on behalf of Respondents, Kiran Singh and Singh Financial Investment Services, LLC, in response to the Statement of Claim filed on behalf of Terry Ramsammy as attorney in fact for Henrietta Ramsammy.

Singh denies all liability to Claimant for the claims alleged. Claimant opened the accounts in question with an expressed desire to generate income. A copy of Claimant’s Statement of Income and Expenses, which was completed prior to the account opening, is attached as Exhibit “1.” Claimant required approximately \$1,460 in additional income each month.

Both Singh and Claimant were members of the Guyanese-American community. Singh did not use this connection to defraud clients. Singh’s investment strategies were focused on companies and industries connected to both Guyana and the United States. Singh tailored the recommendations to the specific needs of each client, to develop a portfolio which would best meet the client’s needs. Singh recommended a diverse portfolio which would generate the income Claimant needed. A copy of Claimant’s New Account Form is attached as Exhibit “2.”

At the time of the recommendations, Singh had no way of predicting the problems that the mining industry would face. The remainder of the market was strong. Even though the securities at issue declined in value, they continued to generate income. However, Claimant decided to sell the securities at which point

Singh found a replacement investment which would continue to generate income for Claimant.

Claimant has also improperly calculated her losses. Claimant may not cherry-pick the losing securities when calculating damages. Additionally, Claimant has not accounted for the income generated by the account. At the time the securities at issue were sold in October 2012, Claimant had earned \$12,712.50 in dividends from all of the investments in the account. The account overall had only declined \$90,750. Taking into account the dividends, Claimant has only lost \$78,037.50, however, as explained above, these losses are not attributable to any wrongdoing on the part of Singh.

Moreover, Singh did not owe Claimant a fiduciary duty. Notwithstanding the fact that Claimant had granted discretion to Singh, it was never exercised. Claimant maintained full control over her account at all times. To the extent Singh owed Claimant a fiduciary duty, Singh did not violate the duty. The investments were appropriate for Claimant's stated investment objectives.

Accordingly, Singh and Singh Financial Investment Services requests that the arbitration panel dismiss all claims, assess all fees against Claimant, and award Respondents attorneys' fees. Additionally, Singh requests that the complaint be expunged from the CRD pursuant to FINRA Rule 2080.

Singh Financial



Investment Services, LLC

Statement of Income and Expenses

Prospective Client: **Henrietta Ramsammy**

Prepared: December 8, 2011

Monthly Income

Interest from Savings (including the proceeds from the life insurance policy)	350.00
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Social Security	<u>\$1,250.00</u>
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<i>Total Monthly Income</i>	<u>\$1,600.00</u>
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Monthly Expenses

Rent	\$1,200.00
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Heat, Electricity	\$550.00
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Food	\$400.00
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Prescriptions	\$375.00
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Entertainment	\$100.00
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Personal Care	\$125.00
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Charity	\$100.00
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Cable TV, Phone	\$85.00
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Gas	\$75.00
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Water	<u>\$50.00</u>
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<i>Total Monthly Expenses</i>	\$3,060.00
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Net Monthly Income	(\$1,460.00)
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Investment Objective

- Income
- Growth
- Aggressive Growth
- Tax Deferral
- Growth & Income

Financial Investment Experience

Investment	Years experience	Investment	Years experience
Mutual Funds	0	Securities Futures	0
Individual Stocks	0	Annuities	0
Options	0	Margin	0
Bonds	0		

Agreement to Arbitrate

You agree to submit to arbitration any dispute between you and Singh Financial Investment Services, LLC 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 predispute 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 predispute 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

Henrietta Ramsammy

Primary Applicant Name (please print)

Henrietta Ramsammy

Primary Applicant Signature

12/26/2011

Date

FINRA ARBITRATION Submission Agreement

Claimant(s)

In the Matter of the Arbitration Between

Name(s) of Claimant(s)

Terry Ramsammy as Attorney in Fact for Henrietta Ramsammy

and

Name(s) of Respondent(s)

Kiran Singh and Singh Financial Investment Services, LLC

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 Arbitration 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.

Terry Ramsammy as Attorney in Fact for Henrietta Ramsammy

Claimant Name (please print)

Terry Ramsammy

February 1, 2013

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)

Terry Ramsammy as Attorney in Fact for Henrietta Ramsammy

and

Name(s) of Respondent(s)

Kiran Singh and Singh Financial Investment Services, LLC

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

Kiran Singh

Respondent Name (please print)

Kiran Singh

March 9, 2013

Respondent'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)

Terry Ramsammy as Attorney in Fact for Henrietta Ramsammy

and

Name(s) of Respondent(s)

Kiran Singh and Singh Financial Investment Services, LLC

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

Kiran Singh

Respondent Name (please print)

Kiran Singh, Corporate Officer for Singh Financial Investment Services, LLC March 9, 2013

Respondent's Signature

Date

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

Private Facts for Kiran Singh

You are deeply offended at the allegations leveled in the Statement of Claim, and you suspect that Terry's claim is driven more by (his)(her) need for funds than anything else. You did nothing wrong. You were just trying to give back to your community by sharing your investment strategies with the Guyanese community and investing in the Guyanese market. Every investment has risks. Most of your recommendations made Henrietta money. It's not your fault that the mining industry tanked.

At the time Henrietta opened her account, interest rates were at historic lows. Ten year U.S. Treasuries were paying no more than the rate of inflation. Henrietta's savings were not yielding anywhere near enough for her needs. Increasingly, investors were "chasing income" through alternative investments including high dividend stocks. Brokerage firms were advising even conservative clients to shift more funds into equities to protect against a spike in interest rates which would severely hurt bond prices.

You have always referred to your parents and the other Guyanese who moved from Queens to Schenectady as "the pioneers," and you admired your parents' courage when they left Queens and headed to a strange community with little to sustain them except the hope for a better future. You recall fondly how your neighbors helped you and your family when you were admitted to a prestigious university. You remember how your neighbors—including Henrietta Ramsammy and her husband—rallied to raise funds to help pay for your education expenses. Without their generosity, you could not have succeeded in your studies and graduated with honors.

At the university you attended, you pursued a business school degree because you wanted to help ordinary people like your parents accumulate wealth and prosper. Your parents had a limited understanding of investing in securities, and you suspect that many of their neighbors were also unfamiliar with investing. Growing up, you saw most of the families in your neighborhood accumulate wealth by either opening small businesses or remodeling houses to rent or sell.

Your parents have always been proud of you, and they have always encouraged you to work hard and get ahead. They were especially proud when you landed a position at Babonneau Investment Strategies, a prominent investment firm in New York City, right out of college. People like Terry Ramsammy can't possibly understand how hard you had to work to earn the opportunity to work at such a prestigious firm. Once you got your foot in the door at Babonneau, the pressure to prove yourself never relented. You helped your clients weather the economic downturn that began in late 2007, and your solid

performance attracted a steadily growing network of investors who trusted your judgment and who made a lot of money off of your insights.

The allegation that you would rip off the investors in your old community is stupefying. Back in 2006, you helped Althea Bunbury, a family friend whose investment adviser had churned her account. Your inquiries and your persistence led to the successful prosecution of Mrs. Bunbury's investment adviser, and community leaders lauded your role in the investigation.

During your career as a broker with Babonneau, you were a star performer. However, for all of your success, you never felt content. You felt that you never quite measured up to the courage that your parents demonstrated when they left Guyana to come to the United States and when they later left behind New York City to pursue speculative opportunities in Schenectady.

That desire to follow in your parents' footsteps and to chart your own course led you to live frugally, save diligently, and take the plunge by going out on your own as an independent broker. In mid-2011, you registered with FINRA and with state regulators in New York and opened Singh Financial Investment Services, LLC.

You got some of your most successful clients to leave Babonneau and follow you. This helped you establish a solid base of investors during the formation of your firm, but their business was insufficient to cover your overhead and living expenses. You realized that you needed to expand your client base, and that you could charge higher commissions on trades when you were not charging any fees to manage money on discretionary accounts.

In late 2011, your parents encouraged you to reach out to Rajesh Ramcharran, a prominent businessman in Schenectady and a personal friend of your parents. When you called Rajesh, you discussed traveling to Schenectady to visit your mother and ailing father and to see whether Rajesh would be interested in moving his portfolio to your firm. Rajesh was the one who suggested that you speak at the community center, and you saw it as a good opportunity to give back to the community that had done so much for you and your family and to identify some much-needed potential clients.

Your visit over the Diwali holiday in 2011 was deeply unsettling. You had no idea how ill your father had become, and your mother confided that your father's prognosis was poor. The news broke your heart. Your parents could not afford the nursing care that your father would soon need, and despite the tenuous circumstances of your fledgling brokerage firm, you committed to pay for any needed medical care and to help your mother get through the difficult days ahead. You followed up with Rajesh, and scheduled the presentation for late November.

When you returned to your office in New York City after the presentation, you followed up on the leads you gathered at the community center in an effort to sign up more investors. You called one of the potential investors who had spoken to you at the presentation, Henrietta Ramsammy, and discussed her investment needs. During your call with Mrs. Ramsammy, you were encouraging. Isn't that how a good businessperson closes the deal? Also, you believed in your approach and wanted her to make money. After all, Henrietta and her husband had helped raise money for your college expenses. You encouraged her to invest with you, discussed your father's declining health, and reminded her how ethically you had behaved when you helped Althea Bunbury.

Fortunately, Henrietta Ramsammy's late husband had carried a \$400,000 life insurance policy. In addition to the remainder of those proceeds, Mrs. Ramsammy had \$17,000 in savings. Although she received roughly \$15,000 a year in Social Security benefits, Mrs. Ramsammy had been struggling to pay her rent and other monthly expenses without her husband's income. You understood that she was living with her "friend," a longtime neighbor who had lost his wife at around the same time Mrs. Ramsammy had lost her husband. Mrs. Ramsammy had disclosed that he was contributing towards the payment of her monthly expenses. You interviewed Mrs. Ramsammy to discuss her needs and objectives, and you learned that, absent help from her companion, she had the following monthly income and expenses:

Statement of Income and Expenses
 Prospective Client: **Henrietta Ramsammy**
 Prepared: December 8, 2011

Monthly Income

Interest from Savings (including the proceeds from the life insurance policy)	350.00
Social Security	<u>\$1,250.00</u>
<i>Total Monthly Income</i>	<u>\$1,600.00</u>

Monthly Expenses

Rent	\$1,200.00
Heat, Electricity	\$550.00
Food	\$400.00
Prescriptions	\$375.00
Entertainment	\$100.00
Personal Care	\$125.00
Charity	\$100.00
Cable TV, Phone	\$85.00
Gas	\$75.00
Water	<u>\$50.00</u>
<i>Total Monthly Expenses</i>	\$3,060.00

Net Monthly Income **(\$1,460.00)**

You believe that the commissions you charged Mrs. Ramsammy — 2.5% of the trade — were perfectly acceptable.

You stand by the investments you recommended. You could not have known the mining stocks were going to fall as quickly as they did, or that the mutual fund would drop as well. The rest of the market did well. You were simply trying to help Mrs. Ramsammy meet her investing goals. Besides, Mrs. Ramsammy did not ask for guidance about other possible investments; as soon as she heard about your investment recommendations, she told you to place the order.

Also, the other investments performed well. SAT, HOAT, MHFS and ACPF increased a total of \$32,500. The dividend income had provided a substantial amount of the income stream that Mrs. Ramsammy originally sought. In total, Mrs. Ramsammy received \$16,200 in dividends. Of course, you were saddened to learn that she recently suffered a stroke, but that's not your fault.

Currently, your BrokerCheck report indicates only one disclosure event: Terry Ramsammy's pending complaint against you. None of the other Schenectady investors has come forward, but if word gets out that you were responsible for Henrietta Ramsammy's losses, who knows how many of them will come crawling out of the woodwork?

You suspect that Terry may have depleted some of the life insurance proceeds. It wouldn't surprise you if Mrs. Ramsammy had gifted or "loaned" the money to Terry. In fact, that money was probably the only thing keeping Terry's pet shop and aquarium store afloat.

There have been several developments since Terry filed this claim with FINRA Dispute Resolution.

First, the market is continuing to rebound even though mining stocks continue to be undervalued. You have successfully grown your book of business to sustain your firm. While you are not out of the woods, you feel more secure about the brokerage firm's prospects. Moreover, investors continue to trust your advice and still refer their family, friends, and colleagues.

Second, your father passed away three months ago. You are supplementing the modest income your mother receives from Social Security, and you are paying most of her monthly bills, including the heating bill, as well as expenses related to the upkeep of the property, including snow shoveling and lawn maintenance. Your schedule makes it difficult for you to see her as often as you would like, and you are concerned about her. Although neighbors look in on her, you are uncertain how best to help her: some days you consider returning to Schenectady, other days you consider encouraging her to relocate to New York City so that you can look after her. Regardless, any resolution to this action that impairs your livelihood threatens your mother. It is very important that you obtain expungement of this incident from your registration records.

Private Facts for Terry Ramsammy

You are furious. You are angry at Kiran Singh for taking advantage of your mother. You are angry at your mother for allowing Kiran Singh to take advantage of her. Yes, you are angry at your mother for not being the caring, doting mother you always desired. How could she replace your father with a “friend.” And you are angry at yourself for not keeping a closer watch on your mother’s affairs.

You believe that Kiran Singh’s 2011 presentation in Schenectady was designed to identify financially illiterate Guyanese whom Kiran could exploit, and to the extent that they were helpless widows like your mother, Henrietta, the pickings were that much easier. You believe that Kiran is a big shot who dismisses you and your Guyanese neighbors because you don’t live in fancy houses, you don’t drive fancy cars, and you don’t take exotic vacations.

You feel an obligation to protect whatever limited inheritance you may receive when your mother passes. To your surprise, you also feel very protective towards your mother. You admire the courage that she and your late father showed when they left New York City to relocate in Schenectady; however, you suspect that you elicited disappointment more frequently than pride from your parents. Understandably, your parents were disappointed and confused by your past employment choices.

When your father passed away in 2008, you knew that your mother would need help, and you also knew that the time had come to find a career. You borrowed \$20,000 from your mother (funded by some of the proceeds from the life insurance policy) to open Miss Molly, a pet supply and aquarium store. Miss Molly was your pet sibling, the beagle you had grown up with.

The pet shop struggled from the day it opened, and you found that there was less community support for the store than you anticipated there would be. In 2010, you borrowed an additional \$15,000 from your mother to meet payroll, tax, and inventory obligations. The additional infusion of cash allowed the shop to remain afloat and gave it the time it needed to develop a loyal customer base, including Kiran’s parents, though the shop continued to limp along financially.

By the middle of 2012, you knew that the shop was in financial trouble again. One of the shop’s most profitable brands of pet food was recalled, and revenue fell significantly as customers reacted to the recall. At the same time, you noticed that your mother’s health was beginning to deteriorate. Even though she now had a live-in “friend,” you were spending more of your limited time aiding your mother with household chores that she used to perform, including gardening, leaf raking, housekeeping, and shopping.

You and your mother were never close. So it is no surprise that you try to avoid discussing money. You know that your father had a \$400,000 life insurance policy and that the proceeds were paid to your mother. Apart from those proceeds, you know that your mother had \$17,000 in savings. In the past, the only discussions about money involved your requests for money from your parents. These entreaties have never come easily for you, and both of your parents resented being put in the position of choosing between dipping into their savings or disappointing you by denying your requests. Especially after your mother's "friend" moved into the family house, your mother was more focused on her new life and less interested on giving you needed financial support. However, your mother's financial picture came into focus when you received the Statement of Answer, which contained a statement of monthly income and expenses that your mother had completed with Kiran when she opened her investment account:

<u>Statement of Income and Expenses</u>	
Prospective Client: Henrietta Ramsammy	
Prepared: December 8, 2011	
<u>Monthly Income</u>	
Interest from Savings (including the proceeds from the life insurance policy)	350.00
Social Security	<u>\$1,250.00</u>
<i>Total Monthly Income</i>	<i>\$1,600.00</i>
<u>Monthly Expenses</u>	
Rent	\$1,200.00
Heat, Electricity	\$550.00
Food	\$400.00
Prescriptions	\$375.00
Entertainment	\$100.00
Personal Care	\$125.00
Charity	\$100.00
Cable TV, Phone	\$85.00
Gas	\$75.00
Water	<u>\$50.00</u>
<i>Total Monthly Expenses</i>	<i>\$3,060.00</i>
Net Monthly Income	(\$1,460.00)

Notably, your mother apparently did not tell Kiran that she had loaned you money to open and sustain the pet shop and aquarium store; the document does not contain information about your repayments toward the loan. As difficult as it was to request those funds, you

are grateful that your mother lent you the money when you needed it, but hurt that she hasn't been willing to give you more.

Since the store opened in 2008, you have matured as a business person. Even before the pet food recall and concomitant drop off in revenue, you thought about refocusing the business. Throughout 2012, you participated in a clinic at a nearby university that pairs graduate business students and local small businesses. The assigned graduate student studies the business and makes recommendations to improve its profitability. The student who was working with you identified the following opportunities to grow your business:

First, the student observed that there is an untapped market for custom aquariums for high-end residences and businesses. The student estimated that you would need to invest between \$10,000 and \$15,000 to obtain the training, licensing, and insurance, as well as the necessary equipment and raw materials, needed to pursue this opportunity.

Second, the student suggested moving the business to a location where you could offer doggie daycare and grooming services. Given your background as a pet groomer, the student believed that this would be a natural extension of the services that you already offer. The student researched the market and concluded that for \$20,000 you could relocate to an acceptable facility, customize it, and pay for advertising to attract new customers.

Third, the student suggested adding a delivery service to your business. Charging a modest delivery fee would enable you to expand your customer base to people with limited mobility and would allow customers to place larger orders than they could otherwise carry and transport using public transportation. The student estimated \$25,000 in costs associated with this service, which would cover purchasing a dedicated vehicle and developing a web presence and database to accept and process orders online.

You had planned to discuss these possibilities with your mother over the Thanksgiving holiday in 2012 when you learned about your mother's investments with Kiran Singh. Your mother revealed the investments after you noticed that your mother's antique rugs were missing. When you asked your mother what happened to them, she replied that she sold the rugs to a local antiques dealer for \$30,000. You pressed for more information, and your mother reluctantly recounted how Kiran Singh contacted her, how she established an investment account, and how the investments had performed.

You cannot understand how a savvy investment professional would goad a widow in her seventies to invest in an investment portfolio that was so speculative, so largely concentrated in one industry – mining, and so dependent on the Guyanese economy. You're lucky that your mother decided to sell the mining securities when she did. Even though the rest of the market is rebounding, mining investments haven't rebounded.

Moreover, this whole affair has changed your perception of Kiran Singh. Up until these events, you had thought that Kiran was admirable. About seven years ago, Kiran had uncovered some shady investment practices by Althea Bunbury's investment advisor. Mrs. Bunbury, a close friend of your mother, always talked about how Kiran reported the wrongdoing to prosecutors and helped secure the conviction of the devious investment advisor.

The conversation with your mother over that holiday weekend was difficult. As dismayed as you were about the money lost with that investment, you were positively heartbroken to learn that your mother sold her rugs. The rugs were an important connection to your and your mother's Guyanese heritage, and some of them were made by relatives, including your great aunts and great grandmother. You can't imagine what your mother was thinking when she decided to part with them! She only decided to sell them because she had no intention of taking them back to Guyana and didn't want to leave them to you. Troubled by your mother's investment decisions, in December, 2012 you consulted with a lawyer to better understand how to recoup your mother's investment losses from Kiran.

Since your mother's stroke earlier this year, you visit regularly to help with her rehabilitation. Your mother has almost fully regained her speech, but she still uses a walker for support. You feel torn between your obligations to your mother and your obligations to Miss Molly. If you had additional money, you could use that to hire an aide for your mom and an assistant for Miss Molly.

You are disappointed none of the other Guyanese investors have been willing to come forward to file claims against Kiran Singh, but you recognize that the mere threat of claims from other investors in the Guyanese community in Schenectady could give you an advantage during negotiations to settle your mother's claim.

Your goal is to have Kiran restore as much of your mother's lost investment as possible. Ideally, you will recover enough money to support your mother during her rehabilitation. You will consider the outcome even more successful if you are also able to reacquire your family's rugs and/or if you obtain the capital needed to expand the pet and aquarium shop. You also want to ensure that Kiran Singh does not continue to take advantage of your mother and her community.