

# Arkansas Business

WHISPERS

## \$11M Judgment Lands on Would-be Heartland Suitor

by **Arkansas Business Staff**

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The former Riverdale headquarters of Heartland Bank. (George Waldon)

Do you remember the California businessman who in late 2015 was [going to work a deal to rescue now-defunct Heartland Bank](#) of Little Rock?

Well, Suneet Singal and his companies were hit last month with an \$11 million default judgment in a lawsuit brought by CTHC Holdings LLC, led by Richard “Rick” Williams of Hot Springs.

This messy case began in December 2015, when Heartland’s board required Singal and his companies to put up collateral in order to borrow \$863,487.

Singal turned to CTHC for help, and CTHC put up its 24,495-SF commercial property in Benton, valued at \$1.2 million, as collateral for the Heartland loan.

Singal then pledged his stock in United Capital Operating Partnership to CTHC — supposedly worth almost \$9 million.

By October 2017, Singal had defaulted on the Heartland loan, according to CTHC's lawsuit in the U.S. District Court in Little Rock. Heartland recovered the Benton property that secured the loan, and CTHC tried to collect the pledged stock. When Singal didn't hand it over, CTHC sued.

CTHC said in its suit that it "has reason to believe" that the stock certificates pledged don't exist and didn't exist when Singal signed the agreement. "Singal's false representations were material in [CTHC's] decision" to let him use CTHC's property as collateral, the lawsuit said.

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On March 17, U.S. District Judge James Moody Jr. awarded \$8.86 million to CTHC against Singal and his companies, First Capital Real Estate Investments of California and United Realty Capital Operating Partnership LP of New York. Moody also added a fraud judgment against Singal for \$1.2 million, plus another \$1 million in punitive damages.

CTHC's attorney, Kelly McNulty of the Little Rock firm Gill Ragon Owen, said his client was pleased with the judgment. "We are hopeful that the Court's award of \$1 million in punitive damages and \$1.2 million for fraud will deter Mr. Singal and others from defrauding Arkansas businesses in the future," McNulty said in an email to Whispers.

But the case doesn't end Singal's legal troubles. In December, the Securities & Exchange Commission filed a 53-page civil complaint in a New York federal court against Singal and his companies over allegations of fraud. Singal denied the allegations in his court filings.

And as you may recall, Heartland Bank's deal with Singal fell apart. The bank lost nearly \$7.9 million in 2016 and more than \$13.8 million through the first nine months of 2017. The red ink reduced the bank's total equity capital to \$6.7 million.

After Heartland's holding company, Rock Bancshares Inc., defaulted on its own loans, Simmons Bank of Pine Bluff took ownership of the bank in August 2017. A year ago, Simmons got its own judgment against Singal and his First Capital: \$20.9 million.