

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY

PUBLIC PETITION

(No. 7 of 2022)

**REGARDING PROBABLE LOSS OF INVESTMENTS IN CYTONN
HIGH YIELD SOLUTIONS PLATFORM**

I, the **UNDERSIGNED** on behalf of Mrs. (Amb.) Josephine Awuor, Mrs. Caroline Atieno and Mr. Omondi Abonyo;

DRAW the attention of the House to the following: -

1. **THAT**, a company named Cytonn Investments Ltd dealing in capital investments and real estate placed adverts for one-bedroom apartments valued at Ksh. 7.8 million at a project named 'The Ridge' under LR NO. 28223/3, along Kiambu Road in Kiambu County.
2. **THAT**, investors who opted for 'off-plan' arrangements started making their payments in 2017 and continued making regular payments as and when required;
3. **THAT**, despite the very little activity on site, Cytonn Investment Ltd through their representatives kept explaining to investors verbally that they were finalizing other developments;
4. **THAT**, investors made an initial instalment of 10% of the sale value plus booking fee of Ksh. 50,000.
5. **THAT**, by year 2018 some investors who were paying by instalment had paid each in excess of Kshs 3.9 million during which time it seemed the company had started experiencing internal financial problems, since no construction ever started;
6. **THAT**, those who feared for their investments and started asking for refunds were told they would incur a mandatory 10% loss on their deposits;
7. **THAT**, in September 2019, when many investors began seeking refund, the Company announced that it would put the money in its substituent platform, i.e., Cytonn High Yield Solution, for one year to earn interest at 18% and then start refunding;
8. **THAT**, in 2020, the company began blaming COVID-19 pandemic interruption and promised to refund the investors in 2021, during which time they kept sending statements to show interest was being earned.

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9. **THAT**, later, an administrator was appointed and the Company continued to experience financial difficulty, and to-date nothing has come to fruition with regards to investors' money, nor has the Ridge project taken off;
10. **THAT**, notwithstanding this debacle, the Company has ostensibly kept their posts alive on social media platforms on investment analysis to dupe the investors and unsuspecting Kenyans that it is liquid and in optimum operational capacity;
11. **THAT**, the Company has been trying to sell off some of its properties in vain and might thus dissolve with depositors' money;
12. **THAT**, efforts to ensure the company honours the agreement with the investors have not been productive despite further engagement with the Capital Markets Authority (CMA);
13. **AND THAT** the matter in respect of which this Petition is made is not pending before any Court of Law or Constitutional body.

THEREFORE, your humble Petitioners pray that the National Assembly through the Public Petitions Committee: -

- (i) Engages Cytonn Investment Ltd and its partners to clarify how they intend to fulfil their agreement with the investors of the aforementioned Ridge development project;
- (ii) Holds the Chief Executive Officer (CEO) of Cytonn as responsible for the mismanagement and secures the timely refund of investors' money;
- (iii) Engages with the Capital Market Authority (CMA) to establish how they intend to operationalize the Investor Compensation Fund to grant compensation to investors who suffer pecuniary loss resulting from the failure of a licensed stockbroker or dealer to meet his contractual obligations as stipulated in Section 18(1) of the Capital Markets Act and;
- (iv) Makes any other suitable recommendations it deems fit in addressing the issues raised in the Petition.

And your Petitioners will ever pray.

PRESENTED BY:

THE HON. SAMUEL ATANDI, MP
MEMBER FOR ALEGO USONGA CONSTITUENCY

SIGNATURE.....

DATE.....10-11-2022.....



REPUBLIC OF KENYA
PARLIAMENT

Hon. Samuel Onunga Atandi, MP.

Alego Usonga Constituency

Member: Budget and Appropriations Committee

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Chairman

Parliamentary Committee on Finance

Parliament Buildings

NAIROBI.

Dear Sir,

RE: PUBLIC PETITION REGARDING SAFE GUARDING OF PUBLIC INTEREST IN THE PROBABLE LOSS OF INVESTMENTS IN CYTONN HIGH YIELD SOLUTIONS - RIDGE, AND ANY THEREOF BY DEPOSITORS, RUNNING INTO HUNDRED OF MILLIONS OF KENYA SHILLINGS.

I wish to present this Public Petition on behalf of the under mentioned Investors/Depositors in the CYTONN HIGH YIELD SOLUTIONS - RIDGE development, among others in which several Investors/Depositors claim they were duped into taking investment facilities with the CYTONN INVESTMENT LTD and now they are fearing loss of their money after the company failed in its obligations. They are now appealing for Parliament's intervention to compel organization to refund their deposits.

The petitioners state:

- i. **THAT**, CYTONN INVESTMENTS LTD advertised to put up some one bedroomed apartments among others at the RIDGE and gave land reference as NO. 28223/3, along Kiambu Road.
- ii. **THAT**, for example those who were to purchase, or allocated a one bedroom apartments on G809 were to pay Kenya Shillings 7.8 million.
- iii. **THAT** those who took "off plan" arrangements started making payment in year 2017 and they state that they kept making payments with very little activity taking place on the ground.
- iv. **THAT**, against (iii) above, CYTONN INVESTMENT LTD through their representatives kept explaining to investors/depositors verbally that they (the company) were finalizing other developments.
- v. **THAT**, the first instalment was 10% of the sale value plus booking fee of Kshs. 50,000.00 (fifty thousand).
- vi. **THAT**, by year 2018 some Investors/Depositors who were paying by instalment (and are ready to provide evidence) had paid excess of Kshs. 3.9 million (Three million Nine hundred thousand), during which it seemed the company had started experiencing internal financial problems, since no construction ever started.
- vii. **THAT**, those who feared for their investments/deposits and had started asking for refunds were told they would loss mandatory 10% loss of their deposits.
- viii. **THAT**, in September, 2019 with many Investors/Depositors now asking for their money back, the company stated that they would therefore put the money in CYTONN HIGH YIELD SOLUTION for one year to earn

interest at 18% and then the company would start refund after one year.

- ix. **THAT**, come 2020, CYTONN INVESTMENT now claimed Covid 19 pandemic interruption and promised to rolls the money in 2021 - during this time sending statements to show interest was being earned, and at times the consistency of the interest earned was lacking in their statement.
- x. **THAT**, later an administrator was appointed and the company continued to experience financial difficulty and nothing to date has come to fruition with regards to Investors/Depositors money, or this development (RIDGE) taking off the ground.
- xi. **THAT**, the Chief Executive Officer (CEO) Mr. Edwin Ndande should be held responsible and made to refund the Investor/Depositors money as there are indications that the company has been trying to sell some of their properties in vain and might sink with depositors money.
- xii. **THAT**, meanwhile the company has kept their posts on social media platforms on investments analysts alive to dupe the Investors/Depositors and unsuspecting Kenyans that they are liquid and in optimum operational capacity.

The content of this Public Petition is dear to the Petitioners whose prayers are included and myself that the management of the CYTONN INVESTMENT and any of their partners and accomplices are summoned to appear before Parliamentary Departmental Committee (s) to explain how they intend to fulfill their agreement with Investors/Depositors or refund full amount of their investment plus interest.

The Petitioners will forever PRAY.

SIGNED




**THE HON SAMUEL ATANDI, MP
ALEGO USONGA CONSTITUENCY**

Dated

11/11/2022

PETITIONERS

No	NAMES	ID NO.	SIGN
1.	Amb. Josephine V. Auvor	4829025	JV Auvor 072328 5848
2.	Caroline Alieno Ajunga	16549972	C
3.	Dionora Thompson	6472598	 0721607610
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