



# Zeta Sigma Chapter Bigger and Better Business Newsletter

MARCH 2023



## MESSAGE FROM ZETA SIGMA CHAPTER BIGGER AND BETTER BUSINESS DIRECTOR

Brother Aubrey Bobb-Semple



Welcome to the Zeta Sigma Chapter's Bigger and Better Business (BBB) newsletter. Our goal is to provide informative and useful bits of information as part of our effort to promote Project S.E.E.D (Sigma Economic Empowerment Development), where the primary purpose is to educate men of Sigma on the importance of financial management, credit worthiness, and wealth building. The newsletter will include topics, information, and tips on a variety of areas to include, but not limited to, personal finance, investing, budgeting, professional developments, and information for our veterans. The goal is not to inundate readers; but instead, it is to have the right amount of information to address the needs and areas of interests for the brothers by providing information that is candid, genuine and beneficial. Some newsletters might be a bit longer and more detailed, and others might be short and to the point. As this is our first edition, it is being sent to the entire chapter; however, moving forward, we ask that you let us know if you would like to continue receiving the newsletter. We welcome any feedback and will seek to continually improve with each issue. Please feel free to reach out to me or any of the BBB committee members with thoughts and suggestions for future articles. The best way would be to send me an email at [aubreybobbsemples@gmail.com](mailto:aubreybobbsemples@gmail.com). We hope this will be a welcome addition to your inbox!

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## Tips for Managing Your Debt

While earlier generations may have followed a “cash only” spending philosophy, most Americans today cannot imagine living without at least some debt. Relatively few of us are able to pay cash for a home or car. The ability to borrow money, when it’s needed and on favorable terms, is a privilege earned by carefully managing your debt obligations.

### Why Borrow Money?

Many advisors regard borrowing money as a two-edged sword. It can, for example, be used to finance long-term goals such as a home, a business, or an education. Over time, these “investments” tend to increase in value and return far more than the cost to purchase them. However, taking on too much debt, or borrowing for the wrong purposes (such as material goods or a night on the town), can be financially ruinous.

### Managing Your Credit Record

Most lending decisions are made on the basis of your credit record, also known as your credit report. When lenders size you up to determine how much credit, if any, to grant you, they count on the three Cs:

- Character: How responsibly will you handle your credit obligations? Lenders will look at how well (or how poorly) you have repaid previous debts.
- Capacity: What is your financial ability to assume a certain amount of debt? Do you have enough money coming in the door each month to pay all of your bills?
- Capital: What financial assets are at your disposal to pay off debts? If you don’t repay the debt as promised, do you have other financial assets that could be used by the lender to pay off the debt?

How well you manage each of these issues is reflected in your credit report. Because your credit report is constantly changing, you should review it at least once a year to check for errors, credit card fraud or identity theft.

This annual review is easy and free. Consumers are entitled to one free credit report from each of the major credit agencies, Equifax, Experian and Transunion. The reports are available at <https://www.annualcreditreport.com/>. A suggested strategy might be to order from one of the three agencies every four months throughout the year, and then repeat the cycle going forward. Under this strategy, one has not gone more than 4 months without a fresh scan of their credit and this strategy should make it easier to detect errors, fraud or identity theft. You should always challenge any incorrect information that you find on your credit report. You have the legal ability to do so under federal law.

### What Are My Choices?

You have numerous ways that you can borrow money, but not every option works for you. For example, borrowing against your credit card, or taking a personal loan can be very expensive. There is a smart way to borrow money, especially when you have good credit.

Whether you do the homework yourself, or seek the help of an advisor, understanding the loan options available, and then appropriately matching the type of loan to the need, is a key part of effective debt management.

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## Tips for Managing Your Debt

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### Managing the Cost of Your Debt

Interest rates constantly move up and down. Thus, the loan that you took out several years ago at what was then a great rate may not be such a good deal today. Lower interest rates may allow you to refinance an existing loan and lower your monthly payment. Or, if you keep the same monthly payments, a lower interest rate may allow you to pay off the loan sooner.

- **Mortgages and other consumer loans:** As a general rule, the interest saved must be greater than the cost (pre-payment penalties and other closing expenses) of acquiring the new loan before it makes sense to refinance.
- **Credit cards:** The competition between credit card issuers can be intense. You can sometimes “surf” your credit card balance from one issuer to another to take advantage of issuers’ low introductory rates. However, the introductory rates can increase quickly, so you need to be prepared to move when necessary.

### Seek Professional Guidance

The advice and guidance of a financial professional can be useful in helping sort out the various options for borrowing money. In addition, a qualified advisor can help you understand the impact of any borrowing upon your personal financial and income tax situation.

### Other Resources

The federal government makes a number of resources available to the public:

- **Consumer Financial Protection Bureau:** On the internet at <https://www.consumerfinance.gov/consumer-tools>.
- **The Federal Trade Commission** has a number of free publications available. On the internet, go to <https://www.consumer.ftc.gov/topics/money-credit>.
- **Federal government publications:** A number of useful consumer publications are available from the federal government at: <https://pueblo.gpo.gov/Publications/PuebloPubs.php>



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## The Importance of Diversifying Your Portfolio

Let's face it. 2022 was a brutal year for anybody invested in the stock market. However, to make it out of the year with a majority of your portfolio intact and only suffering small losses could be considered a huge win. The number one factor that helps investors survive difficult market conditions is diversification of their portfolio.

Diversification works in a number of ways. Many experts recommend a 60-40 portfolio, with 60% invested in stocks and the other 40% in bonds. Given the recent bond market turmoil, some experts are now saying that the 60/40 portfolio mix is dead.

However, most individual investors have their money solely in the stock market. If you are going to do this, you should have a broad-based and balanced portfolio and not over concentrate in either a particular stock or sector.

### Be Careful Overweighting One Stock or Sector

When there are technology bubbles, many small investors tend to be overweight or have all of their money invested in speculative stocks. While the party is going on, people are making money. However, once the music stops, people who over-concentrate in risky stocks tend to be the ones who get wiped out the most. It reminds me of a quote that I heard a broker say back when I used to work as an options trader on the floor of the stock exchange - "bulls and bears make money, and pigs get slaughtered." Putting all your money in a small group of risky stocks is the equivalent of going to a casino and putting it all on red.

### Diversification Helps You in Rough Times

I am not going to lie and say that I made money on my portfolio in 2022. Anyone who tells you that they made money on their investments last year is most likely not telling you the truth. The lesson that I learned from the 2008 downturn was to diversify my portfolio across sectors. I did own some technology funds and ETFs that took a hit along with the overall market. However, I also had my share of dividend-paying ETFs that helped me weather the storm. I would say that my portfolio performed no better or worse than the S&P 500.

Contrast that with investors who had heavily piled into speculative technology stocks, and were left holding the bag when the market for these companies collapsed under the specter of rising interest rates. Many of these investors lost more than half of their money last year, they are now holding on to hope. They are stuck long term in the shares of bombed-out technology companies because they do not want to take a loss.

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## The Importance of Diversifying Your Portfolio

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### Diversification Requires Patience and Discipline

Diversifying your portfolio takes patience and a willingness to underperform in times of speculative bubbles. You may not get the 30 to 40% annual returns that technology funds yielded in 2020 and 2021. However, you will also not get your portfolio destroyed when bubbles pop. In other words, you are doing the investing equivalent of “slow and steady wins the race” and “living to fight another day.” It is better to make 10% in two consecutive years, then to make 20% in one year and lose 10% the next year.

### Sometimes, the Unsexy Is Smart

With that in mind, you may be wondering about the ideal diversified portfolio. Much of that depends on your risk tolerance and the time Horizon of your investment. Over time, investors have fallen out of love with blue chip stocks. These are the companies that have been around for many decades and will survive for many more. While blue chip stocks will decline with the overall market, there is some degree of safety in them. You should always have some money invested and stable companies that will have generally steady returns. There is nothing that says that you cannot invest in technology companies also, but you must do it responsibly. You are better off investing for the long term and not trying to stock pick in this area. In some cases, you are even better off outsourcing your investment to funds and ETFs that invest in the technology space. In general, more higher-risk technology stocks should not be more than 1/3 of your portfolio. Never put money into this area that you are not able to lose.

Ideally, your portfolio should be a mix of various sectors and industries. Not all sectors tend to move together. The more diversified you are, the more of a chance that there is that you own a sector that holds up relatively well in the midst of market chaos. For example, in 2022, diversified stocks such as Berkshire Hathaway stayed somewhat strong when the overall market was falling.

The closer you are to retirement, the more diversified your portfolio should be, away from the higher-risk stocks. This is more of a time to play defense with the money that you have worked hard to earn and save over the course of your career.



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## What the heck is Ground Rent??

Nearly unique to the Greater-Baltimore area (and just a few other cities in the county), ground rent is a periodic monetary payment by a tenant to a ground leaseholder who holds an interest in the property or "ground" underneath a home. In such cases, the homeowner will normally have a "ground lease" which outlines the terms and conditions, but such leases often require payment from the lessee (homeowner) of between \$50-\$150 per year, commonly paid in semi-annual installments.

The origin of ground rent dates back to the 18th century and was originally introduced to keep home costs low. Homebuyers were given the opportunity to purchase a house without the additional expense of the property underneath it. This property was then leased to them at a fixed and affordable rate.

Although ground rent is relatively inexpensive, homeowners often forget to pay, and this is where it gets expensive!

In the case of missed lease payments, ground rent owners are entitled to a lien against the home on their land for the amount of past ground rent owed and are able to foreclose on this lien, just like a bank can when you fail to pay your mortgage.

After a lease payment is missed, pursuant to MD Real Prop Code Section 8-07, a ground lease holder shall send notice to the leasehold tenant regarding nonpayment provided certain criteria are met. The ground lease holder may be reimbursed for reasonable late fees, interest, collection costs and expenses, not exceeding \$100.

After the first notice, the ground leaseholder shall send a second notice. In the second notice, the ground leaseholder may also and again be reimbursed for expenses, not exceeding \$650. Taken together, the total fees a leaseholder is authorized to recoup is \$750 at this stage (plus the outstanding ground rent). If the ground lease holder then files in court after the second notice, they will be authorized reimbursement of filing fees, court costs, expenses, taxes, interest and penalties, and attorney fees of an additional \$500.

However, you can purchase the ground rent! The ground rent owners must provide homeowners with all the information necessary for the homeowner to purchase the ground rent. These notices must accompany each, and every, ground rent bill. Additionally, homebuyers must be notified that they can redeem their ground rent as part of the initial financing or refinancing of their property.

For any ground rent created after April 8, 1884, Maryland law mandates a fixed amount for the purchase. Specifically, the purchase price is determined by taking the annual ground rent fee and dividing it by a range of .04-.12; the standard rates of redemption, depending on the year the lease was created. There will also be legal fees and taxes involved in filing these papers that the purchaser will be responsible for paying.

If you want to redeem your ground rent and cannot locate the owner, the State of Maryland offers an opportunity to redeem the lease through the Department of Assessment and Taxation, where there has been no communication from the landlord for three years. Call the Maryland Residential Ground Rent Redemption Program at 410-767-1353 or submit your application online to redeem your ground rent.

Lastly, for more information on how to redeem your ground rent, you can contact the State of Maryland, or a local attorney.





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## Black Spend Featured Business

Branded Bespoke is a premiere garment and optic manufacturer, specializing in custom tailored unisex apparel and prescription glasses for occasions of all kinds. With over two decades of combined experience, we cater to celebrities, athletes, and working-class professionals. We are an organization keen on craftsmanship. The fit, functionality, and fabrication of our offerings are our specialty. Our customer say about us - "They don't miss." The organization was founded in New York City by Nehemiah Wallace. After spending nearly a decade in the tri-state area, expansion was inevitable. Nehemiah partnered with long time client Adrian Amos, and the two Baltimore natives decided to bring the business home. Debuting a showroom in the White Marsh area in late fall 2021, things quickly exploded. Nehemiah felt an additional location was imperative. The two set their sights on Towson Town Center. The group opened the location to the public in April 2022. The gorgeous store front property is located on the 4th level of the Mall adjacent to Starbucks. Since opening, Branded Bespoke has serviced clients the likes of the Baltimore Ravens, Green Bay Packers, and New England Patriots to name a few. As we gear up for winter and beyond, the organization is keen on finding tailors, stylists, and sales professionals committed to the Branded Bespoke vision.



**BRANDED BESPOKE**  
[www.brandedbespoke.com](http://www.brandedbespoke.com)



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## CORRECTION OF MILITARY RECORDS AND DISCHARGE UPGRADES

*Do you need to correct your military record? Do you have an unfavorable discharge or characterization of service (e.g., Other Than Honorable, General, Bad Conduct, or Dishonorable), you believe was unfairly awarded and would like to get it upgraded? Here is some information that may be helpful:*

### Correction of Military Records

The secretary of each military department has the authority to change any military record when necessary to correct an error or remove an injustice. In general, a veteran, survivor or legal representative must file a request for correction within three years after discovering (meaning not when it happened, but when it was discovered) of an alleged error or injustice. The applicant must prove alleged entry or omission in the records was in error or unjust.

### Review of Discharges

Each of the military services maintains a discharge review board with authority to change, correct or modify discharges or dismissals that are not issued by a sentence of a general courts-martial. Note – This does not include medical discharges. The veteran or, if the veteran is deceased or incompetent, the surviving spouse, next of kin or legal representative may apply for a review of discharge by writing to the former service component of the veteran (e.g., Army, Navy, or Air Force).

Information for each of the services can be obtained via the links below:



[Army](#)



[Navy \(Includes UMSC\)](#)



[Air Force](#)



[Coast Guard](#)

Brother Aubrey Bobb-Semple, has nearly 23 years of service as officer in the United States Navy's Judge Advocate General's Corps (i.e., Naval lawyer), and has experience working with the Board for Corrections of Naval Records. If you want to have a discreet and confidential conversation regarding your particular situation, please give him a call at (240) 723-6584, or send him an email at [aibobbslegalconsulting@gmail.com](mailto:aibobbslegalconsulting@gmail.com).

Veterans Affairs committee – The Zeta Sigma Chapter is starting a “Veterans Affairs Committee” as a subcommittee under Bigger and Better Business. If you would like to participate on this committee, and/or have ideas about programs and areas of interest for veterans, please contact Brother Raushan Salaam at (410) 570-1743, or via email at [Raushan.Salaam1914@gmail.com](mailto:Raushan.Salaam1914@gmail.com).

*DISCLAIMER – not legal advice*

*All content in this newsletter is intended for general information only, and should not be construed as legal advice, tax advice, or financial advice applicable to your particular situation. No attorney-client relationship is created unless and until a binding written engagement letter is signed by both you and your attorney. Before taking any action based on this information, you should consider your personal situation and seek professional advice.*





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## CONTENT CONTEST

Submit your answers to  
be included in a drawing  
for a \$25 Gift Card

1. What is the % mix many exports recommend for your portfolio?
2. What was the Black Spend Featured Business?
3. How many years did Brother Aubrey Bobb-Semple as officer in the United States Navy's Judge Advocate General's Corps?

[CLICK HERE  
TO SUBMIT  
YOUR  
ANSWERS](#)