

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:

**STEVE ARMAND PEDIAN
(CRD#4504359)**

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)
) **No 1600490**
)
)

AMENDED NOTICE OF HEARING

TO RESPONDENT:

STEVEN ARMAND PEDIAN
C/o Gregg Rzepczynski
Gregg Rzepczynski & Associates Ltd.
175 West Jackson Blvd. Suite 240
Chicago, Illinois 60604

STEVEN ARMAND PEDIAN
220 West Jackson Avenue Apt. 207
Knoxville, TN 37902

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 25th day of September 2018 at the hour of 10:00 a.m. or as soon as possible thereafter, before James Kopecky, Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered which would prohibit Respondents from selling or offering to sell securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

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1. Respondent Steven Armand Pedian (at times hereinafter "Pedian" or "Respondent") has a last known address of 220 West Jackson Avenue, Apt. 207, Knoxville, Tennessee 37902.
2. GHP Consumer Loan Fund, LLC ("GHP Fund") was a Delaware Limited Liability Company formed to raise equity to invest in the offshore payday loan business. The manager of the company was Golden Hinde Partners, LLC a Delaware Limited Liability Company. Pedian was the sole acting manager of GHP Fund and also the managing member of Golden Hinde Partners, LLC.
3. GHP Fund owned 98% of Galt I, Ltd. through its 98% ownership of GHP International, LLC, a Delaware Limited Liability Company. Galt I, Ltd. was incorporated on the Isle of Man and made payday loans to US customers.
4. Pedian was a signatory on and controlled the checking accounts and was the managing member of both GHP Fund and GHP International.
5. SAP Capital Management, LLC. ("SAP") was a Delaware Limited Liability Company was owned by Pedian and per Pedian SAP was not involved in operations of the above described payday loan venture.
6. Between April and May of 2012 six investors invested \$650,000 in GHP Fund to provide funds to Galt I, Ltd. to make payday loan to US customers.
7. One of the Investors referenced in the previous paragraph was Investor A an Illinois resident. On April 12, 2012 he invested \$200,000 in GHP by wire transfer into the GHP Fund checking account. On April 13, 2012 Pedian wired \$180,000 from the GHP account to his SAP checking account rather than forwarding it to Galt I, Ltd. to be loaned out to payday loan customers. The Respondent said that the \$180,000 was a loan to himself. He did not disclose the existence of loan to the investors at the time of the loan or at the time of the liquidation of the company. Investor A did not receive any of his investment back.
8. Between May 2013 and April 2014 SAP received wire transfers from GHP International in the amount of \$286,755 which included the \$180,000 transfer described in the previous paragraph. Pedian was not sure whether or not these deposits were loans. He did not disclose these transfers to the investors at the time of the transfer or at the time of the liquidation of the company.
9. Between January 2012 and September 2013 SAP received wire transfers from GHP Fund in the amount of \$81,900. Pedian was not sure whether or not these deposits were loans and did not disclose these transfers to the investors at the time of the transfer or at the time of the liquidation of the company.

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10. In June 2016 the Department opened File #1600490 and under Section 8 of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") began to investigate a securities complaint against SAP regarding an alleged violation of the Act.
11. On or about July 11, 2016 the Department issued a Subpoena, executed by the Secretary of State, directing Pedian to deliver specified documents to the Department by July 20, 2016, and to appear for testimony on July 22, 2016.
12. On July 13, 2016 Department investigator Frank Perry personally served Respondent Pedian with the Subpoena referenced in paragraph 12 above.
13. Pedian failed to deliver the subpoenaed documents as required by the Subpoena; and failed to appear for testimony also as required by the Subpoena.
14. On or about October 24, 2016 the Department issued a Second Subpoena, executed by the Secretary of State, directing Pedian to deliver/file certain documents with the Department and to appear for testimony on November 10, 2016.
15. On October 24, 2016 Department investigator Frank Perry personally served Respondent Pedian with the Second Subpoena.
16. Respondent Pedian failed to file documents with the Department and phoned on the scheduled date of testimony, November 10, 2016, complaining that he had the "flu".
17. Respondent and the Department agreed to continue Respondent's testimony to November 30, 2016.
18. Pedian again failed to deliver the subpoenaed documents as required by the Subpoena; and failed to appear for testimony on the agreed continuance date of November 30, 2016.
19. Respondent appeared for sworn testimony on June 20, 2018 but as the date of this order has failed to produce all of the subpoenaed documents referenced above.
20. The Secretary of State's investigation has been impeded by Respondent Pedian's refusal to provide documents in compliance with the subpoenas.
21. That the activities described above constitutes the offer and/or sale of a securities and as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

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22. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
23. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any Rule or Regulation made by the Secretary of State pursuant to the Act.
24. That Section 12.F of the Act provides that it shall be a violation of the Act to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which work or tends to work a fraud or deceit upon the purchaser.
25. That Section 12.G of the Act, provides that it is a violation of the Act to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
26. That by virtue of the foregoing, the Respondent violated Sections 12.A, 12.D, 12.F and 12.G of the Act.

You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, a Special Appearance pursuant to Section 1107 of the Rules, or other responsive pleading within thirty (30) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.

The Rules promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department may be viewed online at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html>.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 20th day of August 2018

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A handwritten signature in black ink that reads "Jesse White". The signature is written in a cursive style and is positioned above a horizontal line.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

Gregory J. Solberg
Illinois Securities Department
69 West Washington Street Ste 1220
Chicago, Illinois 60602
Telephone: (312) 793-9643

Hearing Officer
James Kopecky
120 N. LaSalle Street
Chicago, Illinois 60602
Phone: 312.380.6552