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3. 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.
4. GHP Consumer Loan Fund, LLC I ("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, L.L.C.
5. 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.
6. Pedian was a signatory on and controlled the checking accounts and was the managing member of both GHP Fund and GHP International.
7. SAP Capital Management, LLC ("SAP") was a Delaware Limited Liability Company, owned by Pedian and, per Pedian, SAP was not involved in operations of the above described payday loan venture.
8. Between April and May of 2012, five investors invested \$550,000 in GHP Fund to provide funds to Galt I, Ltd. to make payday loan to US customers and another investor invested \$100,000 in December 2011.
9. 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 approximately \$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.
10. 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. 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.
11. Between January 2012 and September 2013, SAP received wire transfers from GHP Fund in the amount of \$81,900. Pedian did not disclose these

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transfers to the investors at the time of the transfer or at the time of the liquidation of the company.

12. 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.
13. 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.
14. On July 13, 2016, Department investigator Frank Perry personally served Respondent Pedian with the Subpoena referenced in paragraph 13 above.
15. Pedian failed to deliver the subpoenaed documents as required by the Subpoena; and failed to appear for testimony also as required by the Subpoena.
16. 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.
17. On October 24, 2016, Department investigator Frank Perry personally served Respondent Pedian with the Second Subpoena.
18. 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".
19. Respondent and the Department agreed to continue Respondent's testimony to November 30, 2016.
20. 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.
21. Respondent appeared for sworn testimony on June 20, 2018, but as of the date of the hearing, had failed to produce all the subpoenaed documents referenced above.
22. The Secretary of State's investigation has been impeded by Respondent Pedian's refusal to provide documents in compliance with the subpoenas.

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WHEREAS, the proposed Conclusions of Law made by the Hearing Officer are correct and are hereby adopted as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing, the Amended Notice of Hearing and the continuance orders on Respondent.
2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
4. Because Respondent failed to file a timely answer or other responsive pleading in accordance with Section 1104:
 - (a) the allegations contained in the Notice of Hearing are deemed admitted as to each;
 - (b) these Respondent waived his right to a hearing;
 - (c) these Respondent is subject to an Order of Default.
5. Because Respondent failed to appear at the time and place set for hearing, in accordance with Section 1109, he:
 - (a) waived his right to present evidence, argue, object or cross examine witnesses; or
 - (b) otherwise participate at the hearing.
6. That the activities described in the Findings of Fact above constitute the offer and/or sale of a securities, 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").
7. 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.
10. That Section 12.D of the Act provides, *inter alia*, that it shall be a violation 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.

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11. 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.
12. 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.
13. That by virtue of the activity described in the Findings of Fact, the Respondent has violated Sections 12.A, 12.D, 12.F and 12.G of the Act.

The Hearing Officer recommended that:

1. An Order of Default be entered against Respondent and that the facts alleged in the Notice of Hearing, as amended, be deemed admitted.
2. An Order be entered against Respondent in the form of a permanent order of prohibition against him prohibiting him from offering or selling securities in or from the State of Illinois.

WHEREAS, the Secretary of State adopts in its entirety the Recommendations made by the Hearing Officer.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED:

1. That the facts alleged in the Notice of Hearing, as amended are deemed admitted.
2. That Respondent, Steven Armand Pedian is **PROHIBITED** from selling or offering for sale securities in the State of Illinois.

ENTERED This 27th day of February 2019



JESSE WHITE
Secretary of State
State of Illinois

Date of Mailing: 27 day of February 2019

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a Final Order subject to judicial review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123. Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review. Mailing of this Order to the Respondent or representative of record constitutes service of the Order.

Attorney for the Secretary of State:
Gregory J. Solberg
69 West Washington Suite 1220
Chicago, Illinois 60602
(312) 793-9643