

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74752 / April 16, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16497

In the Matter of

R. SCOTT PEDEN, ESQ.,

Respondent.

ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS AND
IMPOSING TEMPORARY SUSPENSION
PURSUANT TO RULE 102(e)(3)(i)(A) OF
THE COMMISSION’S RULES OF
PRACTICE

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against R. Scott Peden (“Respondent” or “Peden”) pursuant to Rule 102(e)(3)(i)(A)¹ of the Commission’s Rules of Practice (17 C.F.R. § 200.102(e)(3)(i)(A)).

II.

The Commission finds that:

1. Peden is an attorney licensed in the State of Texas.
2. Peden was the General Counsel and Secretary of Life Partners Holdings, Inc. (“LPHI”), a publically-traded financial services company that operates through a wholly-owned

¹ Rule 102(e)(3)(i) provides, in relevant part:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, temporarily suspend from appearing or practicing before it any attorney . . . who has been by name: (A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder

subsidiary, Life Partners, Inc. (“LPI”). Peden also served as President of LPI. LPHI facilitated the purchase and sale of fractional interests of life insurance policies in the secondary market known as “life settlements.”

3. On January 3, 2012, the Commission filed a complaint against Peden and others in the United States District Court for the Western District of Texas charging that Peden aided and abetted the violation of Section 13(a) of the Securities Exchange Act of 1934 (“the Exchange Act”), and Rules 12b-20, 13a-1 and 13a-13thereunder, among other violations of the securities laws. *SEC v. Life Partners Holdings, Inc., et al.*, Case Number 1:12-cv-00033-JRN-AWA (W.D. Tex). The complaint alleged that Peden and others knowingly aided and abetted the submission of numerous false or misleading statements in filings with the Commission on behalf of LPHI. Specifically, the complaint alleged that the filings materially misstated LPHI’s net income from fiscal year 2006 through the third quarter of fiscal year 2011 by prematurely recognizing revenues and understating impairment expenses related to the company’s investments in life settlements. As to Peden, the complaint sought a permanent injunction; disgorgement with prejudgment interest; civil monetary penalties; and an officer-and-director bar.

4. On January 16, 2015, the court entered a final judgment against Peden, permanently enjoining him from future violations of Section 13(a) of the Exchange Act, and Rules 12b-20, 13a-1, 13a-13 and 13a-14 thereunder, and from aiding and abetting violations of Section 13(a) and Rules 12b-20, 13a-1, and 13a-13, and imposing a civil penalty of \$2,000,000.

III.

Based on the foregoing, the Commission finds that a court of competent jurisdiction has permanently enjoined Peden, an attorney, from violating the Federal securities laws within the meaning of Rule 102(e)(3)(i)(A) of the Commission’s Rules of Practice. In view of this finding, the Commission deems it appropriate and in the public interest that Peden be temporarily suspended from appearing or practicing before the Commission as an attorney.

IT IS HEREBY ORDERED that Peden be, and hereby is, temporarily suspended from appearing or practicing before the Commission as an attorney. This Order will be effective upon service on the Respondent.

IT IS FURTHER ORDERED that Peden may, within thirty days after service of this Order, file a petition with the Commission to lift the temporary suspension. If the Commission receives no petition within thirty days after service of the Order, the suspension will become permanent pursuant to Rule 102(e)(3)(ii).

If a petition is received within thirty days after service of this Order, the Commission will, within thirty days after the filing of the petition, either lift the temporary suspension, or schedule the matter for hearing at a time and place to be designated by the Commission, or both. If a hearing is ordered, following the hearing, the Commission may lift the suspension, censure the petitioner, or disqualify the petitioner from appearing or practicing before the Commission

for a period of time, or permanently, pursuant to Rule 102(e)(3)(iii).

This Order shall be served upon Peden personally or by certified mail at his last known address or his attorney's address.

By the Commission.

Brent J. Fields
Secretary