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8  
9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**

11  
12 **SECURITIES AND EXCHANGE**  
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **PEDRAM ABRAHAM MEHRIAN,**  
17 **STRATEGIC LEGACY**  
18 **INVESTMENT GROUP, INC., and**  
19 **SLIG HIGH INTEREST LIQUID**  
20 **SAVINGS COMPANY,**

21 **Defendants.**

Case No. 2:23-cv-08009

**AMENDED COMPLAINT**

22 Plaintiff Securities and Exchange Commission (“SEC”) alleges:

23 **JURISDICTION AND VENUE**

24 1. The Court has jurisdiction over this action pursuant to Sections 20(b),  
25 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§  
26 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the  
27 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1),  
28 78u(d)(3)(A), 78u(e) & 78aa(a).

2. Defendants have, directly or indirectly, made use of the means or

1 instrumentalities of interstate commerce, of the mails, or of the facilities of a national  
2 securities exchange in connection with the transactions, acts, practices and courses of  
3 business alleged in this complaint.

4 3. Venue is proper in this district pursuant to Section 22(a) of the Securities  
5 Act, 15 U.S.C. § 77v(a), and Section 27(a) of the Exchange Act, 15 U.S.C. § 78aa(a)  
6 because certain of the transactions, acts, practices, and courses of conduct  
7 constituting violations of the federal securities laws occurred within this district. In  
8 addition, venue is proper in this district because Defendant Pedram Abraham Mehrian  
9 (“Mehrian”) resides in this district, and Defendants Strategic Legacy Investment  
10 Group, Inc. (“SLIG”) and SLIG High Interest Liquid Savings Company (“SLIG High  
11 Interest”) (collectively, “Defendants”) have their principal places of business here.

12 **SUMMARY**

13 4. This civil enforcement action concerns a \$17.5 million offering fraud  
14 perpetrated by Defendant Mehrian and his real estate investment companies  
15 Defendants SLIG and SLIG High Interest.

16 5. From January 2018 through October 2022, Defendants raised at least  
17 \$17.5 million from over 150 investors through the unregistered sale of promissory  
18 notes; Defendants told investors that their funds would be used to finance real estate  
19 developments. Significantly, Defendants took in this eight-figure sum from note  
20 investors through claims about the safety and security of their investment: that their  
21 promissory notes were “safe” and “secure” because they were “backed by SLIG’s  
22 portfolio of assets”; that the notes were “collateralized” by Defendants’ real estate  
23 portfolio; that the notes would pay “guaranteed interest” above prevailing market  
24 rates offered by banks; and that investments in Defendants’ promissory notes were  
25 “recession-proof.” These representations, all significant to an objectively reasonable  
26 investor’s decision to invest, were false and misleading.

27 6. In truth, Defendants improperly treated investor proceeds as one pool of  
28 money, commingled investor funds, regularly moved money among operating

1 accounts to meet SLIG’s cash flow needs of the moment, and diverted incoming  
2 investor funds to make Ponzi-like payments to existing investors totaling  
3 approximately \$4.2 million. Last, Defendants failed to inform investors that over the  
4 entire period of the promissory note offering, their real estate development business  
5 had consistently operated at a loss and was incapable of generating enough revenue  
6 from real estate operations to pay promissory note investors their promised returns.

7 7. By engaging in this conduct, Defendants Mehrian, SLIG, and SLIG High  
8 Interest violated the antifraud provisions of Section 17(a) of the Securities Act, 15  
9 U.S.C. § 77q(a), and Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule  
10 10b-5 thereunder, 17 C.F.R. § 240.10b-5, and violated the registration provisions of  
11 Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. § 77e(a) and (c).

12 8. With this complaint, the SEC seeks permanent injunctions prohibiting  
13 Defendants’ future violations of the federal securities laws, disgorgement of  
14 Defendants’ ill-gotten gains together with prejudgment interest, civil penalties from  
15 Defendants, a conduct-based injunction permanently enjoining Defendant Mehrian  
16 from participating in the issuance, purchase, offer, or sale of any security (provided,  
17 however, that such injunction shall not prevent him from purchasing or selling  
18 securities for his own personal account), and an officer and director bar as to  
19 Defendant Mehrian.

20 **THE DEFENDANTS**

21 13. **Pedram Abraham Mehrian (“Mehrian”)**, age 42, is a resident of Los  
22 Angeles, California. He was the co-founder, president, chief executive officer,  
23 chairman, director, and majority owner of Defendant SLIG, and was the chief  
24 executive officer and a director of Defendant SLIG High Interest. Defendant  
25 Mehrian exerted managerial control over both entities and related SLIG  
26 entities/subsidiaries. Defendant Mehrian was associated with a broker-dealer  
27 registered with the Commission from 2002 to 2011.

28 14. **Strategic Legacy Investment Group, Inc. (“SLIG”)**, is a California



1 Defendants SLIG and SLIG High Interest’s operations.

2 21. Further, Defendant Mehrian authorized the promissory notes’ use for  
3 offer, purchase, and sale.

4 22. Additionally, Defendant Mehrian was a signatory on Defendants SLIG  
5 and SLIG High Interest’s bank accounts, and thus controlled how the investor funds  
6 deposited into those accounts were used.

7 23. Both Defendants SLIG and SLIG High Interest’s promissory notes  
8 offered anywhere between at least 4% and 7.26%, and as high as 9%, in annual  
9 interest, to be paid monthly, quarterly, semi-annually, or accrued, and guaranteed a  
10 return of principal upon maturity, which was typically 12 months.

11 **B. Marketing and General Solicitation of SLIG and SLIG High Interest**  
12 **Offering**

13 24. Defendants Mehrian, SLIG, and SLIG High Interest engaged in general  
14 solicitation for SLIG and SLIG High Interest’s promissory note offering, marketing  
15 the notes primarily via the internet and emails, and through oral representations to  
16 investors.

17 25. For example, Defendants made the following representations through  
18 SLIG’s website:

19 a. Defendant SLIG was “a private equity firm that creates timeless,  
20 trusted real estate projects,” selecting “secure investment projects that will prosper  
21 and grow throughout all economic cycles over time.”

22 b. Defendant SLIG High Interest was Defendant SLIG’s subsidiary  
23 and “a savings vehicle designed to provide higher returns through its unique  
24 promissory note program,” which helped “ensure the proper administration of all of  
25 SLIG’s assets.”

26 c. Defendant SLIG’s “High Interest Liquid Savings” investment  
27 option involved issuing promissory notes that were “backed by California lending  
28 laws,” and were “backed by SLIG’s portfolio of assets.”

1           d.     The High Interest Liquid Savings promissory notes were “safe and  
2 recession-proof,” guaranteed a monthly income, “earn[ed] higher interest,” and  
3 “outpace[d] inflation.”

4           e.     The promissory notes would be issued by Defendant SLIG High  
5 Interest, whose accounts were “collateralized by the real estate portfolio” owned by  
6 Defendant SLIG High Interest.

7           f.     The “\$295 million worth of real estate” purportedly consisted of  
8 properties that were described as “income producing asset[s]” and/or generated  
9 “rate[s] of return” from 39.07% to 118.45%.

10          26.    Additionally, Defendant SLIG made the following representations  
11 through emails to prospective and new investors:

12           a.     Defendant SLIG offered “unique investment opportunities in  
13 diverse, flourishing real estate markets across the country,” created a “well-  
14 diversified portfolio that ha[d] out-performed traditional investment options, resulting  
15 in secure and profitable returns,” and had a “current projected portfolio” consisting of  
16 “about \$342M of real estate assets in office, multi-family, and senior living spaces.”

17           b.     Defendant SLIG was offering a “SLIG savings account” as an  
18 alternative to a “traditional savings account,” with interest rates ranging from 6.01%  
19 to 8.02% depending how much money was deposited.

20          27.    Furthermore, Defendant SLIG posted a YouTube video titled “SLIG  
21 High Return Liquid Savings” that made the following representations, through  
22 Defendant SLIG’s representatives:

23           a.     Defendant SLIG’s promissory note program provided a “secure  
24 and lucrative” investment alternative to the volatile stock market and traditional  
25 savings accounts, which were “not exciting or worthwhile to savvy investors.”

26           b.     All of Defendant SLIG’s promissory notes were “backed by  
27 California lending laws and by SLIG’s portfolio of assets.”

28           c.     Investors would receive monthly interest payments.

1 d. Defendant SLIG offered “the highest interest rate,” and was “safe,  
2 secure.”

3 e. Investor money would remain liquid and not be “locked.”

4 28. Moreover, Defendant Mehrian made the following oral representations  
5 directly to investors:

6 a. Defendant SLIG’s promissory notes provided greater investor  
7 returns than traditional investments.

8 b. Defendant SLIG’s promissory notes were secured loans, backed  
9 by Defendant SLIG’s real estate holdings and rental revenue.

10 c. Defendant SLIG’s promissory note investments remained in its  
11 corporate accounts, and were never loaned out for other purposes.

12 d. Investors would get a check in the mail the first of every month.

13 e. Defendant SLIG would not automatically renew promissory notes  
14 without first talking to the investor.

15 f. Real estate investments were better than stock market investments  
16 because the former were more secure, less volatile, and more profitable.

17 29. Defendants did not attempt to verify the accredited status of promissory  
18 note investors.

19 **C. Violations of the Antifraud Provisions**

20 **1. False and Misleading Statements Concerning Use of Investor**  
21 **Funds**

22 30. Defendants Mehrian, SLIG, and SLIG High Interest made false and  
23 misleading statements to promissory note investors about the safety and security of  
24 the promissory note investment. Specifically, Defendants failed to disclose that  
25 investor funds were commingled, transferred to other SLIG-related entities to meet  
26 those entities’ cash flow needs, and used to make Ponzi-like payments to other  
27 promissory note investors.

28 31. Defendant Mehrian had control over all promissory note investor money,

1 and he caused SLIG to treat it as one pool of funds, moving money between various  
2 SLIG-related entities to meet cash flow needs for SLIG’s planned multi-family and  
3 senior living and commercial real estate projects.

4 32. Defendant Mehrian caused SLIG to document these transfers as loans to,  
5 or investments in, the SLIG project entities, if they were documented at all.

6 33. Such transfers of promissory note investor money allowed SLIG-related  
7 entities low on cash to continue in operation and allowed the Defendants to portray  
8 SLIG and its network of associated, affiliated, and related entities as a successful real  
9 estate enterprise with significant liquidity, which, as explained below, was a false and  
10 misleading portrayal.

11 34. From at least January 2018 to October 2022, while the promissory note  
12 offering was still ongoing and SLIG was operating at a net loss, Defendants Mehrian,  
13 SLIG, and SLIG High Interest made at least \$4.2 million (out of the \$17.5 million  
14 raised) in Ponzi-like payments—that is, payments to prior promissory note investors  
15 from new investor funds. For example:

16 a. In May 2019, \$140,800 in Ponzi-like payments were made to  
17 investors, when SLIG’s monthly income was just \$11,396.

18 b. In November 2020, \$120,890 in Ponzi-like payments were made  
19 to investors, when SLIG’s monthly income was just \$1,427.

20 c. In January 2022, \$20,214 in Ponzi-like payments were made to  
21 investors, when SLIG’s monthly income was just \$354.

22 **2. False and Misleading Statements Concerning Profitability and**  
23 **Ability to Pay Investors**

24 35. Defendants Mehrian and SLIG made false and misleading statements  
25 about Defendant SLIG’s profitability and success, as mentioned above, and never  
26 disclosed that Defendant SLIG was consistently operating at a loss and had negative  
27 equity throughout the relevant period.  
28



1           36. Between fiscal years 2016 and 2020, Defendant SLIG’s total liabilities  
2 exceeded \$18.3 million, including \$13.4 million owed to promissory note investors  
3 and over \$4 million payable to other SLIG entities.

4           37. During this same period, Defendant SLIG’s negative equity was in  
5 excess of \$6.3 million.

6           38. Notably, in March 2020, as investors asked Defendants about not having  
7 received interest payment and for return of principal, Defendants cited the COVID-19  
8 pandemic as an excuse for why they could not pay investors.

9           39. Specifically, Defendant SLIG sent promissory note investors an  
10 unsigned letter announcing the suspension of interest payments, stating, “This is due  
11 to sources of funds from different financial lenders being delayed resulting from the  
12 continuing uncertainty around COVID-19.”

13           40. After further inquiries and complaints from investors, Defendants sent  
14 investors a written “Statement of Condition” for SLIG—that Defendant Mehrian co-  
15 signed—representing that SLIG and its subsidiaries “are a well-capitalized and strong  
16 financial investment institution.”

17           41. In that correspondence, Defendant SLIG represented that: “[b]ased on  
18 our current portfolio and strategic location of assets, we have put ourselves in a  
19 strong and safe position to weather the storm in any economic downturn;” “[w]e have  
20 created a safe haven for our investors to invest and preserve capital, backed by our  
21 real estate portfolio;” and “[i]n comparison to other money market accounts with  
22 negative returns, CDs, and other investment vehicles, our Promissory Notes remain  
23 the most lucrative option in the current economic environment.”

24           42. Following this correspondence, Defendant SLIG sent promissory note  
25 investors monthly statements that set forth the investor’s total principal amount,  
26 interest rate, monthly interest, and, in some cases, a “current value” figure, even  
27 though they did not receive the guaranteed monthly interest payments.

28

1           43. Defendants Mehrian, SLIG, and SLIG High Interest thus engaged in  
2 lulling by continuing to represent to investors that they would still be paid guaranteed  
3 interest payments in the future, and that their principal would eventually be returned,  
4 even after Defendants ceased paying investors’ purportedly guaranteed monthly  
5 interest payments.

6           44. By year-end 2020, Defendant SLIG lacked sufficient assets to satisfy its  
7 payment obligations to promissory note investors and amounts owed to Defendant  
8 SLIG’s other entities.

9           45. Further, from 2018 to 2022, Defendant SLIG did not generate sufficient  
10 revenue from its real estate holdings to pay investors their promised returns.

11           46. During this same period, Defendant SLIG’s operation was funded  
12 entirely from the proceeds derived from the sale of promissory notes.

13                   **3. False and Misleading Statements Concerning Automatic**  
14                   **Renewal of Promissory Notes**

15           47. In 2020, despite Defendant Mehrian’s prior representations of  
16 “guaranteed interest” on the notes, and the notes providing no authority for  
17 Defendants to unilaterally defer those interest payments to a later date, Defendant  
18 SLIG unilaterally renewed investors’ promissory notes without advance notice and  
19 without consent of the investors.

20           48. Defendant SLIG extended the maturity date of the notes by, in some  
21 cases, over a year, depriving investors of the option to forego renewal and to obtain  
22 the return of their principal and accrued, unpaid interest, upon maturity of their  
23 promissory notes.

24                   **4. False and Misleading Statements Concerning Investor’s**  
25                   **Purported Collateralized Interest in SLIG’s Real Estate**  
26                   **Portfolio**

27           49. Despite Defendants Mehrian, SLIG, and SLIG High Interest’s  
28 representations that promissory note investments were backed or collateralized by

1 Defendants SLIG and SLIG High Interest’s real estate portfolio, the reality was that  
2 the promissory note investments were unsecured and uncollateralized, with no  
3 enforceable interest in real estate. This was contrary to Defendants’ false and  
4 misleading statements that their investments were more stable than the stock market,  
5 safe, secure, and recession-proof because the promissory notes were backed by real  
6 estate assets and collateralized.

7 **D. Defendants’ False and Misleading Statements Were Material**

8 50. Each of Defendants Mehrian, SLIG, and SLIG High Interest’s false and  
9 misleading statements and omissions were material.

10 51. A reasonable investor would have considered it important to know that  
11 their money was being used to make Ponzi-like payments to other investors.

12 52. A reasonable investor also would have considered it important to know  
13 that they were investing their money into a purported real estate development  
14 company—and its related entities—that was consistently operating at a loss with  
15 negative equity from its real estate operations.

16 53. A reasonable investor further would have considered it important to  
17 know that their notes could be renewed unilaterally without their knowledge or  
18 approval.

19 54. Finally, a reasonable investor would have considered it important to  
20 know that their funds were not backed or collateralized by any real estate holdings.

21 55. All of the foregoing facts—misuse of investor funds to make Ponzi-like  
22 payments, consistent operating losses from the real estate projects, deferred interest  
23 payments at Defendants’ unilateral discretion, and note holders having no enforceable  
24 collateral interest in real estate assets—contradicted Defendants’ representations that  
25 their promissory note investments were “safe” and “secure” because they were  
26 “backed by SLIG’s portfolio of assets,” “collateralized” by Defendants’ real estate  
27 portfolio, would pay “guaranteed interest” above prevailing market rates offered by  
28 banks, and were consequently “recession-proof” investments.

1           **E. Defendants Acted with Scienter and Their Conduct Was Negligent**

2           56. Defendant Mehrian knew, or was reckless in not knowing, that his, and  
3 Defendants SLIG and SLIG High Interest’s, misrepresentations that their promissory  
4 note investments were “safe” and “secure” because they were “backed by SLIG’s  
5 portfolio of assets,” “collateralized” by Defendants’ real estate portfolio, would pay  
6 “guaranteed interest” above prevailing market rates offered by banks, and were  
7 consequently “recession-proof” investments were false and misleading. For the same  
8 reasons, Defendant Mehrian’s conduct was unreasonable and therefore negligent.

9           57. Defendant Mehrian’s scienter is attributable to Defendants SLIG and  
10 SLIG High Interest because he, as the president of Defendant SLIG and chief  
11 executive officer of Defendant SLIG High Interest, exerted managerial control over  
12 both entities.

13           58. Defendant Mehrian’s negligence is attributable to Defendants SLIG and  
14 SLIG High Interest because he, as the President of Defendant SLIG and C.E.O. of  
15 Defendant SLIG High Interest, exerted managerial control over both entities.

16           **F. Defendants Obtained Money By Means of the Misrepresentations**

17           59. Defendants obtained money directly by means of the misrepresentations,  
18 as the promissory note investor money was used to fund SLIG and SLIG High  
19 Interest’s purported real estate operations.

20           **G. The Promissory Notes Offered and Sold by Defendants Are**  
21           **Securities**

22           60. Based on Defendants’ materially false and misleading statements,  
23 investors invested money into accounts controlled by Defendants in order to receive  
24 returns in the form of fixed interest payments.

25           61. Defendant Mehrian pooled the investor funds—which investors were  
26 told were collateralized by Defendants SLIG and SLIG High Interest’s real estate  
27 portfolios and investments—into various bank accounts.

28

1           62. The managerial efforts of Defendants SLIG and SLIG High Interest,  
2 with respect to their purported real estate assets and portfolio, were to be led entirely  
3 by Defendants.

4           63. Promissory note investors were entirely passive, and they reasonably  
5 expected profits based on Defendants' managerial efforts due to the false and  
6 misleading representations made to them.

7           **G. Registration Violations: Sections 5(a) and 5(c) of the Securities Act**

8           64. Defendants Mehrian, SLIG, and SLIG High Interest offered and sold  
9 securities, raising over \$17.5 million from about 150 investors throughout the United  
10 States from at least January 2018 to October 2022.

11           65. The SLIG and SLIG High Interest offering was never registered with the  
12 SEC.

13           66. The SLIG and SLIG High Interest securities were offered and sold  
14 through interstate commerce.

15           67. The SLIG and SLIG High Interest offering was not exempt from  
16 registration.

17           68. Defendant Mehrian, and Defendants SLIG and SLIG High Interest, as  
18 the issuers of the securities, directly offered and sold securities through general  
19 solicitation, broadly targeting members of the public via the internet.

20           69. Defendants Mehrian, SLIG, and SLIG High Interest offered and sold  
21 securities to investors residing outside of California.

22           70. Defendants Mehrian, SLIG, and SLIG High Interest did not take  
23 reasonable steps to verify whether investors residing in the United States were  
24 accredited.

25           71. Defendant Mehrian is liable for Defendants SLIG and SLIG High  
26 Interest's offer and sale of securities because he, as the president of Defendant SLIG  
27 and chief executive officer of Defendant SLIG High Interest, exerted managerial  
28 control over both entities.

**FIRST CLAIM FOR RELIEF**

**Fraud in Connection with the Purchase or Sale of Securities**

**Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder**

**(Against All Defendants)**

72. The SEC realleges and incorporates by reference paragraphs 1 through 71 above.

73. In connection with the purchase or sale of securities, Defendants engaged in a scheme to defraud and made material misrepresentations and omissions to investors. Defendants failed to disclose that investor funds were commingled, transferred to other entities to meet those entities' cash flow needs, and used to make Ponzi-like payments to other investors. Further, Defendants Mehrian and SLIG made false representations about the profitability about Defendant SLIG's success, all while Defendant SLIG was operating at a loss and had negative equity, and falsely blamed non-payment of guaranteed interest on the COVID-19 pandemic. Additionally, Defendant Mehrian falsely represented to investors that their promissory notes would not be automatically renewed without their consent. Lastly, Defendants falsely represented that promissory note investments were backed or collateralized by real estate.

74. Because Defendant Mehrian controlled and had ultimate authority over his direct communications to investors, postings on Defendant SLIG's website and social media, and documents provided to Defendants SLIG and SLIG High Interest's promissory note investors, Defendant Mehrian is the maker of these material misrepresentations and/or omissions.

75. By engaging in the conduct described above, Defendants, and each of them, directly or indirectly, in connection with the purchase or sale of a security, and by the use of means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of a material fact or omitted to state a

1 material fact necessary in order to make the statements made, in the light of the  
2 circumstances under which they were made, not misleading; or (c) engaged in acts,  
3 practices, or courses of business which operated or would operate as a fraud or deceit  
4 upon other persons.

5 76. Because Defendant Mehrian controlled Defendants SLIG and SLIG  
6 High Interest, his knowledge and/or recklessness may be imputed to Defendants  
7 SLIG and SLIG High Interest.

8 77. Defendants, with scienter, employed devices, schemes, or artifices to  
9 defraud; made untrue statements of material facts or omitted to state material facts  
10 necessary in order to make the statements made, in the light of the circumstances  
11 under which they were made, not misleading; and engaged in acts, practices, or  
12 courses of business which operated or would operate as a fraud or deceit upon other  
13 persons, including purchasers and sellers of securities by the conduct described in  
14 detail above.

15 78. By engaging in the conduct described above, Defendants each violated,  
16 and unless restrained and enjoined will continue to violate, Section 10(b) of the  
17 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

18 **SECOND CLAIM FOR RELIEF**

19 **Fraud in the Offer or Sale of Securities**

20 **Violations of Sections 17(a) of the Securities Act**

21 **(Against All Defendants)**

22 79. The SEC realleges and incorporates by reference paragraphs 1 through  
23 71 above.

24 80. In connection with the purchase or sale of securities, Defendants  
25 engaged in a scheme to defraud and made material misrepresentations or omissions to  
26 investors. Defendants failed to disclose that investor funds were commingled,  
27 transferred to other entities to meet those entities' cash flow needs, and used to make  
28 Ponzi-like payments to other investors. Further, Defendants Mehrian and SLIG made

1 false representations about the profitability about SLIG's success, all while SLIG was  
2 operating at a loss and had negative equity, and falsely blamed non-payment of  
3 guaranteed interest on the COVID-19 pandemic. Additionally, Defendant Mehrian  
4 falsely represented to investors that their promissory notes would not be  
5 automatically renewed without their consent. Lastly, Defendants falsely represented  
6 that promissory note investments were backed or collateralized by real estate.

7 81. By engaging in the conduct described above, Defendants, directly or  
8 indirectly, in the offer or sale of securities by the use of means or instruments of  
9 transportation or communication in interstate commerce or by use of the mails (a)  
10 employed devices, schemes, or artifices to defraud; (b) obtained money or property  
11 by means of untrue statements of a material fact or by omitting to state a material fact  
12 necessary in order to make the statements made, in light of the circumstances under  
13 which they were made, not misleading; or (c) engaged in transactions, practices, or  
14 courses of business which operated or would operate as a fraud or deceit upon the  
15 purchaser.

16 82. Because Defendant Mehrian controlled Defendants SLIG and SLIG  
17 High Interest, his knowledge, recklessness, and/or negligence may be imputed to  
18 Defendants SLIG and SLIG High Interest.

19 83. Defendants, with scienter, employed devices, schemes, or artifices to  
20 defraud; and Defendants, with scienter or negligence, obtained money or property by  
21 means of untrue statements of material fact or by omitting to state a material fact  
22 necessary in order to make the statements made, in light of the circumstances under  
23 which they were made, not misleading, and engaged in transactions, practices, or  
24 courses of business which operated or would operate as a fraud or deceit upon the  
25 purchaser.

26 84. Defendants obtained money directly by means of the misrepresentations,  
27 as the promissory note investor money was used to fund Defendants SLIG and SLIG  
28 High Interest's operations.





1 the mails or in interstate commerce, by means or instruments of transportation,  
2 securities for the purpose of sale or for delivery after sale, when no registration  
3 statement had been filed or was in effect as to such securities, and when no  
4 exemption from registration was applicable.

5 91. By engaging in the conduct described above, Defendants each violated,  
6 and unless restrained and enjoined, will continue to violate, Sections 5(a) and 5(c) of  
7 the Securities Act, 15 U.S.C. §§ 77e(a) & 77e(c).

8 **PRAYER FOR RELIEF**

9 WHEREFORE, the SEC respectfully requests that the Court:

10 **I.**

11 Issue findings of fact and conclusions of law that Defendants committed the  
12 alleged violations.

13 **II.**

14 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of  
15 Civil Procedure, permanently enjoining Defendants Mehrian, SLIG, and SLIG High  
16 Interest, and their officers, agents, servants, employees, and attorneys, and those  
17 persons in active concert or participation with any of them, who receive actual notice  
18 of the judgment by personal service or otherwise, and each of them, from violating  
19 Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c), and  
20 77q(a)], and Section 10(b) of the Exchange Act [15 U.S.C. §§ 78j(b)] and Rule 10b-5  
21 thereunder [17 C.F.R. § 240.10b-5].

22 **III.**

23 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of  
24 Civil Procedure, pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C.  
25 § 78u(d)(5)], permanently enjoining Defendant Mehrian and his officers, agents,  
26 servants, employees and attorneys, and those persons in active concert or  
27 participation with any of them, who receive actual notice of the judgment by personal  
28 service or otherwise, from, directly or indirectly, including, but not limited to,

1 through any entity owned or controlled by Defendant Mehrian, participating in the  
2 issuance, purchase, offer, or sale of any security; provided, however, that such  
3 injunction shall not prevent Defendant Mehrian from purchasing or selling securities  
4 for his own personal account.

5 **IV.**

6 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of  
7 Civil Procedure, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. §  
8 78u(d)(2)] and/or Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], prohibiting  
9 Defendant Mehrian from acting as an officer or director of any issuer that has a class  
10 of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 781]  
11 or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15  
12 U.S.C. § 78o(d)].

13 **V.**

14 Order Defendants to disgorge all funds received from their illegal conduct,  
15 together with prejudgment interest thereon, pursuant to Exchange Act Sections  
16 21(d)(3), 21(d)(5) and 21(d)(7) [15 U.S.C. §§ 78u(d)(3), (d)(5) and 78u(d)(7)].

17 **VI.**

18 Order Defendants to pay civil penalties under Section 20(d) of the Securities  
19 Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. §  
20 78u(d)(3)].

21 **VII.**

22 Retain jurisdiction of this action in accordance with the principles of equity and  
23 the Federal Rules of Civil Procedure in order to implement and carry out the terms of  
24 all orders and decrees that may be entered, or to entertain any suitable application or  
25 motion for additional relief within the jurisdiction of this Court.

26 **VIII.**

27 Grant such other and further relief as this Court may determine to be just and  
28 necessary.

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Dated: September 27, 2023

*/s/ Gary Y. Leung*  
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Gary Y. Leung  
Daniel S. Lim  
Attorneys for Plaintiff  
Securities and Exchange Commission