

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76504 / November 23, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16497

In the Matter of	:	
	:	
	:	ORDER MAKING FINDINGS AND
	:	IMPOSING A REMEDIAL SANCTION
R. SCOTT PEDEN, ESQ.	:	PURSUANT TO RULE 102(e) OF THE
	:	COMMISSION’S RULES OF
	:	PRACTICE
	:	

I.

On April 16, 2015, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings pursuant to Rule 102(e) of the Commission’s Rules of Practice against R. Scott Peden, Esq. (“Peden” or “Respondent”). Respondent has submitted an Offer of Settlement that the Commission has determined to accept.

II.

Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.B.4 below, which are admitted, Peden consents to the entry of this Order Making Findings and Imposing a Remedial Sanction Pursuant to Rule 102(e) of the Commission’s Rules of Practice (“Order”), as set forth below.

III.

On the basis of this Order and Peden’s Offer, the Commission finds that:

1. R. Scott Peden has been licensed to practice law in the State of Texas since 1990. In 1991, he became vice president and general counsel for Life Partners, Inc. (“LPI”), a wholly-

owned subsidiary of Life Partners Holdings, Inc. (“LPHI”). In 2000, Peden became general counsel and secretary of LPHI and president of LPI.

2. On January 3, 2012, the Commission filed a complaint against Peden and others, including LPHI, in the United States District Court for the Western District of Texas (“the court”) alleging that Peden violated Section 17(a)(1) of the Securities Act of 1933 (“the Securities Act”), Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5, 13b2-1 and 13b2-2 thereunder; and aided and abetted violations of Sections 10(b), 13(a) and 13(b)(2) of the Exchange Act and Rules 10b-5, 12b-20, 13a-1 and 13a-13 thereunder. *SEC v. Life Partners Holdings, Inc., et al.*, Case Number 1:12-cv-33-JRN-AWA (Western District of Texas).

3. On February 3, 2014, following a trial on the complaint, a jury found that Peden had violated Section 17(a) of the Securities Act and aided and abetted violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder. The jury found in favor of Peden on the remaining charges. On March 12, 2014, the court set aside the jury’s verdict under Section 17(a) of the Securities Act.

4. On January 16, 2015, the court entered a final judgment against Peden, based on the jury’s finding that he aided and abetted LPHI in violating Section 13(a) and Rules 12b-20, 13a-1 and 13a-13 thereunder by filing Forms 10QSB, 10-Q, 10KSB and 10-K with the Commission that misrepresented, failed to disclose, and/or made misleading omissions regarding: (i) a material risk to LPHI’s business; (ii) a material trend impacting LPHI’s revenues; and/or (iii) LPHI’s revenue recognition policies. The final judgment permanently enjoined Peden from future violations of Section 13(a) of the Exchange Act, and Rules 12b-20, 13a-1, and 13a-13 thereunder, and from aiding and abetting violations of Section 13(a) and Rules 12b-20, 13a-1 and 13a-13, and ordered him to pay a civil penalty of \$2,000,000. Peden has appealed the judgment against him to the United States Court of Appeals for the Fifth Circuit. The Commission has cross-appealed the court’s decision to set aside the jury’s verdict under Section 17(a)(1) of the Securities Act.

5. On April 16, 2015, pursuant to Rule 102(e)(3)(i)(A) of the Commission’s Rules of Practice, the Commission instituted administrative proceedings and imposed a temporary suspension against Peden based on the January 16, 2015 judgment that permanently enjoins him from future violations of the federal securities laws.

6. On June 9, 2015, the Commission denied Peden’s petition to lift the temporary suspension and scheduled the matter for a public hearing.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the suspension agreed to in Peden’s Offer.

Accordingly, it is hereby ORDERED pursuant to Rule 102(e) of the Commission's Rules of Practice, effective immediately, that:

A. Peden is suspended from appearing or practicing before the Commission as an attorney for a term of forty-two months, commencing April 16, 2015, the date the Commission instituted administrative proceedings and imposed the temporary suspension in this matter.

B. After the forty-two month suspension has expired, Peden may request that the Commission consider his application to resume appearing and practicing before the Commission as an attorney. The application should be sent to the attention of the Office of the General Counsel.

C. In support of such an application, Peden must provide a certificate of good standing from each state bar of which he is a member.

D. In support of such an application, Peden must also submit an affidavit truthfully stating, under penalty of perjury:

1. that he is in compliance with the Commission's April 16, 2015 Order Imposing Temporary Suspension ("Order"), and in compliance with any orders in effect in *SEC v. Life Partners Holdings, Inc., et al.*, Case Number 1:12-cv-33-JRN-AWA (Western District of Texas), including any orders requiring payment of disgorgement or penalties;
2. that he:
 - a. is not currently suspended or disbarred as an attorney by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession; and
 - b. has not, since the entry of the Order, been suspended as an attorney for an offense involving moral turpitude by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession, except for any suspension concerning the conduct that was the basis for the Order and underlying civil action;
3. that since the entry of the Order, he has not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice; and
4. that since the entry of the Order, he:

- a. has not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, except for any finding concerning the conduct that was the basis for the Order and underlying civil action;
- b. has not been charged by the Commission or the United States with a violation of the federal securities laws, except for any charge concerning the conduct that was the basis for the Order and underlying civil action;
- c. has not been found by a court of the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof, to have committed an offense involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order and underlying civil action; and
- d. has not been charged by the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof, with having committed an offense involving moral turpitude, except for any charge concerning the conduct that was the basis for the Order and underlying civil action.

E. If Peden provides the documentation required in Paragraphs C and D, and the Commission determines that he truthfully attested to each of the items required in his affidavit, he shall by Commission order be permitted to resume appearing and practicing before the Commission as an attorney.

F. If Peden is not able to truthfully attest to the statements required in Subparagraphs D(2)(b) or D(4), he shall provide an explanation as to the facts and circumstances pertaining to the matter and the Commission may hold a hearing to determine whether there is good cause to permit him to resume appearing and practicing before the Commission as an attorney.

G. If the underlying district court judgment is modified on appeal, either Peden or the Office of the General Counsel may file a motion with the Commission to vacate or modify the suspension, as appropriate.

By the Commission.

Brent J. Fields
Secretary