

FILED

2013 JAN 14 PM 2:16

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

PA DEPARTMENT OF
BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES, BUREAU OF SECURITIES
LICENSING, COMPLIANCE AND
ENFORCEMENT

ADMINISTRATIVE PROCEEDING
DOCKET NO. 2012-04-07

v.

Docket No. : 130008 (SEC)

MICHAEL L. PEPPER

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department), Bureau of Securities Licensing, Compliance and Enforcement ("Bureau") has conducted an investigation of the business practices of Michael L. Peper ("Peper"). Based on the results of its investigation, the Bureau has concluded that Peper has engaged in conduct in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 et seq. ("1972 Act"). Peper, in lieu of litigation, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agrees to the terms of this Consent Agreement and Order ("Order").

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania's administrative agency authorized and empowered to administer and enforce the 1972 Act.
2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.
3. Peper was, at all times material herein, an individual with an address at 18

Mildred Lane, Glen Mills, Pennsylvania 19342.

4. First Baptist Church of Aston a/k/a First Baptist Ministries of Aston ("First Baptist") was, at all times material herein, an entity with an address at 4150 Market Street, Aston, Pennsylvania 19014.

5. At all times material herein, Respondent Peper was the president of First Baptist.

6. First Baptist offered and sold, pursuant to an "In House Loan Program," promissory notes (Notes).

7. The term of the Notes ranged from 3 months to 15 years.

8. The promised annual rate of return for the Notes ranged from 5.25% to 10%.

9. From in or about February 2000 until June 2007, First Baptist offered and sold the Notes to at least 25 Pennsylvania residents for an aggregate amount of at least \$656,985.

10. The Notes described above are "securities" within the meaning of Section 102(t) of the 1972 Act, 70 P.S. §1-102(t).

11. First Baptist is the "issuer" of the Notes described above within the meaning of Section 102(l) of the 1972 Act, 70 P.S. §1-102(l).

12. As the president of First Baptist, Peper acted as an "affiliate" of First Baptist within the meaning of Section 102(b) of the 1972 Act, 70 P.S. §1-102(b), and, as such, caused First Baptist to commit the herein stated acts which violated the 1972 Act.

13. The Notes were (a) not registered under Section 201 of the 1972 Act, 70 P.S. §1-201; (b) not exempt from registration under Section 202 of the 1972 Act, 70 P.S. §1-202; and (c) not federally covered securities; and further, the securities transactions relating to the Notes were not exempt from registration under Section 203 of the 1972 Act, 70 P.S. §1-203.

VIOLATION

14. By engaging in the acts and conduct set forth in paragraphs 3 through 13 above, Peper offered and sold Notes in Pennsylvania in willful violation of Section 201 of the 1972 Act, 70 P.S. §1-201.

AUTHORITY

15. Because Peper offered and sold Notes in Pennsylvania in violation of Section 201 of the 1972 Act, 70 P.S. §1-201, the Department may order Peper to, inter alia, comply with the 1972 Act and with the Regulations adopted by the Department.

RELIEF

16. Peper is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 201, 70 P.S. § 1-201.

17. Should Peper offer or sell securities in the Commonwealth of Pennsylvania in the future, Peper must retain counsel knowledgeable and experienced in securities laws who will make all applicable filings with the Department or have obtained an opinion of counsel knowledgeable and experienced in securities laws that no filing is required with the Commission to exempt the securities or securities transactions.

18. Should Peper fail to comply with any and all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to Peper's right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

19. Consent. Peper hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agrees that he understands all of the terms and conditions contained herein. Peper, by voluntarily entering

into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

20. Entire Agreement. This Order contains the entire agreement between the Department and Peper. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and Peper.

21. Binding Nature. The Department, Peper, and all officers, owners, directors, employees, heirs and assigns of Peper intend to be and are legally bound by the terms of this Order.

22. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

23. Effectiveness. Peper hereby stipulates and agrees that the Order shall become effective on the date the Bureau executes the Order ("Effective Date").

24. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Peper in the future regarding all matters not resolved by this Order.

(b) Peper acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

25. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

26. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

27. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

28. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Licensing, Compliance and Enforcement and Michael L. Peper intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES, LICENSING, COMPLIANCE AND ENFORCEMENT**

Aimee A. Poth
Deputy Secretary for Securities

Date: _____

1/14/13



FOR MICHAEL L. PEPER

Michael L. Peper

Date: _____

1-9-13