

**ADMINISTRATIVE PROCEEDING**

**BEFORE THE**

**SECURITIES COMMISSIONER OF SOUTH CAROLINA**

**IN THE MATTER OF:**

**The Para Firm Corporation, Nathan  
Halydier, and Garrett Halydier,**

**Respondents.**

**ORDER TO CEASE AND DESIST**

**File No. 14039**

**WHEREAS**, the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) has been authorized and directed by the Securities Commissioner of South Carolina (the “Securities Commissioner”) to administer the provisions of S.C. Code Ann. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the “Act”); and

**WHEREAS**, the Division received information regarding alleged securities-related activities of The Para Firm Corporation (“Para Firm”), Nathan Halydier, and Garrett Halydier (collectively referred to as the “Respondents”); and

**WHEREAS**, based on the information received, the Division decided it was necessary and appropriate to open an investigation pursuant to S.C. Code Ann. § 35-1-602 to determine whether the Respondents had violated, were violating, or were about to violate the Act; and

**WHEREAS**, in connection with the investigation, the Division has determined that evidence exists to support the following findings of fact and conclusions of law:

**I. JURISDICTION**

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

## **II. RESPONDENTS**

2. Para Firm was a South Carolina corporation with a last known address of 1320 Main Street, Suite 300, Columbia, South Carolina 29201.
3. Nathan Halydier is a South Carolina resident with a last known address of 320 Menlo Drive, Columbia, South Carolina 29210.
4. Garrett Halydier has a last known address of 1531 Alencastre Street, Honolulu, Hawaii 96816.
5. Para Firm was incorporated on or about May 24, 2012.
6. Para Firm was dissolved on or about April 25, 2014.
7. At all times relevant to this Order, Nathan Halydier was a South Carolina resident and the registered agent and co-Chief Executive Officer of Para Firm.
8. At all times relevant to this Order, Garrett Halydier was the co-Chief Executive Officer of Para Firm.

## **III. FINDINGS OF FACT**

9. Para Firm was founded and operated by Nathan Halydier and his brother, Garrett Halydier.
10. Garrett Halydier frequently visited the offices in Columbia, South Carolina but alternated living in South Carolina and Hawaii.

### **Investor A**

11. In or around March 2013, the Respondents approached a South Carolina resident (“Investor A”) about an opportunity to invest with Para Firm.
12. The Respondents, in connection with the offer of the investment opportunity at issue, stated that Investor A would receive 500,000 shares of stock in Para Firm.

13. To invest, the Respondents stated that Investor A should let the Respondents borrow her credit information to obtain loans for Para Firm.
14. The Respondents further stated that Investor A should let a third-party company (the “Nevada Company”) apply for business credit loans using Para Firm’s credit, which would be “supported” by Investor A’s good credit. Allowing the Respondents to use Investor A’s personal and financial information would constitute Investor A’s investment.
15. The Respondents further stated that Investor A would not have any financial or administrative obligations for her participation.
16. In connection with the offer of the investment opportunity at issue, the Respondents told Investor A that no accounts would be opened in her name, her credit score would not be impacted, and her credit report would not reflect the Respondents’ “borrowing” Investor A’s credit.
17. In connection with the offer of the investment opportunity at issue, the Respondents told Investor A that the Respondents would pay off any and all debts the Respondents may accumulate using Investor A’s personal and financial information.
18. In connection with the offer of the investment opportunity at issue, the Respondents told Investor A that the money invested would be used solely in a manner reasonably calculated to benefit Para Firm.
19. Based on the representations made to her by the Respondents, Investor A signed a “Personal Guaranty and Recourse Agreement” with the Respondents.
20. On or about March 21, 2013, pursuant to the terms of the Personal Guaranty and Recourse Agreement, the Respondents requested and received from the Nevada

Company a document wherein Investor A would provide personal information generally required for a credit application (the "Funding Agreement").

21. Investor A did not personally complete the Funding Agreement; rather, the Funding Agreement was completed and returned to the Nevada Company by the Respondents. Investor A did, however, electronically sign the Funding Agreement with the assistance of the Respondents.
22. The Funding Agreement stated that the Nevada Company would take a fee of 7.9% of the total value of the accounts it was able to open.
23. In or around April 2013, using Investor A's personal information supplied by the Respondents, the Nevada Company was able to open three lines of credit in Investor A's name for a total of \$48,800 of funding.
24. In or around April 2013, the Nevada Company was able to draw \$36,000 from two of these lines of credit. Of this \$36,000, the Nevada Company sent \$31,731 to Para Firm.
25. With the Respondents' approval, the Nevada Company kept \$4,269 for itself as a fee, equal to 8.75% of funding achieved.
26. On or about April 22, 2013, the Respondents deposited the \$31,731 in an account controlled solely by the Respondents, whereupon the funds became commingled and indistinguishable from other funds in the account.
27. For approximately one year thereafter, the Respondents made occasional payments of varying amounts on the debt, but the Respondents also missed several payments, causing a substantial accumulation of interest and late fees.
28. The credit lines the Respondents opened via the Nevada Company were personal lines of

credit in Investor A's name.<sup>1</sup>

29. With knowledge that the credit lines were personal lines of credit in Investor A's name, the Respondents continued to miss payments on and charge personal expenses to the lines of credit.
30. On or about December 31, 2013, Investor A sent an email to the Respondents expressing concern that one of Investor A's personal credit accounts, which she had opened before she invested with the Respondents, had its limit reduced to \$1,000 from \$10,000 due to late payments with other credit companies, specifically the credit companies with which the Respondents had missed payments on Investor A's behalf.
31. On or about January 2, 2014, Garrett Halydier replied to Investor A's December 31, 2013 email, assuring Investor A that the Respondents were working on a solution for her.
32. On or about January 4, 2014, Investor A sent another email to the Respondents in which she wrote that another one of her personal credit accounts, which she had opened before she invested with the Respondents, had been closed, again due to late payments with other credit companies. Investor A also stated that her credit score had been reduced to less than 600.
33. On or about February 7, 2014, Garrett Halydier sent an email to Investor A providing a list of cards that the Respondents had opened in Investor A's name (the "Card Balances Email").
34. In the Card Balances Email, Garrett Halydier further stated that Investor A had 500,000 shares of stock and that the Respondents were working to obtain proof of Investor A's ownership of said shares.

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<sup>1</sup> The Respondents allege that they were not aware that the lines of credit were personal lines of credit in Investor A's name until July 2013.

35. On or about March 17, 2014, Garrett Halydier sent an email to Investor A to provide her an update on her credit accounts and the state of Para Firm in general (the “Cards Information Email”).
36. In the Cards Information Email, Garrett Halydier stated that each of Investor A’s accounts had been brought current and that the Respondents would not miss any more payments.
37. In the Cards Information Email, Garrett Halydier further stated that the Respondents intended to initiate a lawsuit against the Nevada Company by April 2014.
38. In the Cards Information Email, Garrett Halydier further stated that the Respondents would be investigating credit repair services and intended to place Investor A’s accounts with a credit repair program by April 2014.
39. In reliance upon the statements made by Garrett Halydier in the Cards Information Email that the Respondents would handle the rehabilitation of Investor A’s accounts, Investor A did not consult any credit repair services or make any payments on the accounts opened in her name by the Respondents.
40. In or around April 2014, the Respondents ceased to make any further payments on the debt. Thereafter, the debt went into default.
41. On or about April 22, 2014, Garrett Halydier sent an email captioned “Situation Update” to their investors, including Investor A (the “Situation Update Email”).
42. In the Situation Update Email, Garrett Halydier announced the dissolution of Para Firm and stated that the Respondents would make no further payments on the debts they had accumulated in their investors’ names.
43. In the Situation Update Email, Garrett Halydier recommended that their investors make

the payments themselves, consult credit counseling organizations, and consider personal bankruptcy.

44. Since the default, Nathan Halydier has entered into personal bankruptcy and Para Firm is defunct.
45. Investor A is now the sole responsible party for the \$36,000 of debt, plus interest and late fees, accumulated in her name by the Respondents.
46. Contrary to the representations made to Investor A by the Respondents in connection with the offer of the investment opportunity, Investor A's investment was used for the personal expenses of Nathan and Garrett Halydier, including, but not limited to:
  - a. Payments on Nathan Halydier's student loans;
  - b. Personal travel by the Respondents;
  - c. Expenses at numerous restaurants and bars; and
  - d. A membership at Gold's Gym.
47. Contrary to the representations made to Investor A by the Respondents in connection with the offer of the investment opportunity, the Respondents failed to make the required payments on the credit accounts.
48. Contrary to the representations made to Investor A by the Respondents in connection with the offer of the investment opportunity, Investor A never received any shares in Para Firm for her investment.
49. Contrary to the representations made to Investor A by the Respondents in connection with the offer of the investment opportunity, activity related to the accounts the Respondents opened in Investor A's name was reflected on Investor A's credit report.
50. Contrary to the representations made to Investor A by the Respondents in connection

with the offer of the investment opportunity, the debt was reflected on Investor A's credit report and the default harmed her credit score.

51. Contrary to the representations made to Investor A by the Respondents in connection with the offer of the investment opportunity, the \$4,269 fee drawn from Investor A's credit account by the Nevada Company with the Respondents' approval was in excess of the 7.9% fee stated in the Funding Agreement.

### Investor B

52. The Respondents similarly approached a Hawaii resident ("Investor B") and convinced him to allow Para Firm to open credit accounts using Investor B's personal information.
53. The Respondents were able, with the assistance of a third-party company, to open five credit cards using Investor B's credit.
54. The Respondents utilized the credit accounts to their limits and obtained approximately \$76,500 in cash and credit in Investor B's name.
55. In exchange for his investment, Investor B expected to receive 500,000 shares of stock in Para Firm.
56. Contrary to the representations made to Investor B by the Respondents in connection with the offer of the investment opportunity, Investor B never received any shares in Para Firm for his investment.
57. Contrary to the representations made to Investor B by the Respondents in connection with the offer of the investment opportunity, Investor B's investment was used for the personal expenses of Nathan and Garrett Halydier, including, but not limited to:
  - a. Purchases at various retail outlets;
  - b. A membership at Gold's Gym;



- c. Expenses at numerous restaurants and bars; and
  - d. Repeated DVD rentals at Redbox kiosks.
58. Contrary to the representations made to Investor B by the Respondents in connection with the offer of the investment opportunity, the Respondents failed to make the payments required by the credit cards.
59. Ultimately, the Respondents ceased making any payments on the debt, triggering a default.
60. With Nathan Halydier in bankruptcy and Para Firm defunct, Investor B has declared personal bankruptcy as a result of the debt the Respondents left him.
61. Respondents Nathan Halydier and Garrett Halydier represented Respondent Para Firm in effecting or attempting to effect the transactions referenced above.
62. At no time relevant to the events stated herein was Respondent Nathan Halydier registered with the Division as an agent, and no exemption from registration has been claimed.
63. At no time relevant to the events stated herein was Respondent Garrett Halydier registered with the Division as an agent, and no exemption from registration has been claimed.
64. At no time relevant to the events stated herein were the securities at issue registered with the Division or federal covered securities, and no exemption from registration has been claimed.

#### **IV. CONCLUSIONS OF LAW**

65. The South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.*, governs the offer and sale of securities in this State.

66. Pursuant to S.C. Code Ann. § 35-1-102(29), investment contracts, stock, and certificates of interest or participation in profit-sharing agreements, *inter alia*, constitute securities.
67. Pursuant to S.C. Code Ann. § 35-1-301, it is unlawful for a person to offer or sell a security in this State unless that security is a federal covered security, exempt from registration, or registered.
68. Pursuant to S.C. Code Ann. § 35-1-102(2), an “agent” includes an individual who represents an issuer in effecting or attempting to effect purchases or sales of the issuer’s securities.
69. Pursuant to S.C. Code Ann. § 35-1-102(17), an “issuer” is an individual that issues or proposes to issue a security.
70. Pursuant to S.C. Code Ann. § 35-1-402(a), it is unlawful for an individual to transact business in this State as an agent unless that individual is registered or exempt from registration.
71. Pursuant to S.C. Code Ann. § 35-1-402(d), it is unlawful for a broker-dealer, or an issuer engaged in offering, selling, or purchasing securities in this State, to employ or associate with an agent who transacts business in this State on behalf of broker-dealers or issuers unless the agent is registered or exempt from registration.
72. Pursuant to S.C. Code Ann. § 35-1-501, it is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly (1) to employ a device, scheme, or artifice to defraud; (2) to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (3) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit

upon another person.

73. The securities offered and sold by the Respondents were not federal covered securities, exempt from registration, nor registered with the United States Securities and Exchange Commission or the Division and were therefore offered and sold in violation of S.C. Code Ann. § 35-1-301.
74. Respondent Nathan Halydier, on at least one occasion, transacted business in this State as an unregistered agent.
75. Respondent Garrett Halydier, on at least one occasion, transacted business in this State as an unregistered agent.
76. Respondent Para Firm, on at least one occasion, employed or associated with an unregistered agent who transacted business on behalf of Para Firm while that agent was not registered.
77. The Respondents, on at least one occasion and in connection with the offer, sale, or purchase of a security, directly or indirectly (1) employed a device, scheme, or artifice to defraud; (2) made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (3) engaged in an act, practice, or course of business that operated or would operate as a fraud or deceit upon another person, in violation of S.C. Code Ann. § 35-1-501.
78. It is in the public interest, for the protection of investors, and consistent with the purposes of the Act that the Respondents be ordered to cease and desist from engaging in the above-enumerated practices, which constitute violations of the Act and pay an appropriate civil penalty for their wrongdoing.

**V. CEASE AND DESIST ORDER**

**NOW THEREFORE**, pursuant to S.C. Code Ann. § 35-1-604(a)(1), it is hereby **ORDERED** that:

- a. Respondent Para Firm and every successor, affiliate, control person, agent, servant, and employee of Para Firm, and every entity owned, operated, or indirectly or directly controlled by or on behalf of Para Firm **CEASE AND DESIST** from transacting business in this State in violation of the Act, and, in particular, §§ 35-1-301, 35-1-402, and 35-1-501 thereof;
- b. Respondent Nathan Halydier **CEASE AND DESIST** from transacting business in this State in violation of the Act, and, in particular, §§ 35-1-301, 35-1-402, and 35-1-501 thereof;
- c. Respondent Garrett Halydier **CEASE AND DESIST** from transacting business in this State in violation of the Act, and, in particular, §§ 35-1-301, 35-1-402, and 35-1-501 thereof;
- d. Respondent Para Firm pay a civil penalty in the amount of twenty-five thousand dollars (\$25,000) if this Order becomes effective by operation of law, or, if Para Firm seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Para Firm, and the actual cost of investigation or proceeding;
- e. Respondent Nathan Halydier pay a civil penalty in the amount of twenty-five thousand dollars (\$25,000) if this Order becomes effective by operation of law, or, if Nathan Halydier seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Nathan Halydier, and

the actual cost of investigation or proceeding; and

- f. Respondent Garrett Halydier pay a civil penalty in the amount of twenty-five thousand dollars (\$25,000) if this Order becomes effective by operation of law, or, if Garrett Halydier seeks a hearing and any legal authority resolves this matter, pay a civil penalty in an amount not to exceed \$10,000 for each violation of the Act by Garrett Halydier, and the actual cost of investigation or proceeding.

**VI. REQUIREMENT OF ANSWER AND NOTICE OF OPPORTUNITY FOR HEARING**

Each Respondent is hereby notified that he has the right to a hearing on the matters contained herein. To schedule such a hearing, the Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Thresechia Navarro, within thirty (30) days after the date of service of this Order to Cease and Desist, a written Answer specifically requesting a hearing. If a Respondent requests a hearing, the Division, within fifteen (15) days after receipt of a request in a record from the Respondent, will schedule the hearing for that Respondent.

In the written Answer, the Respondent, in addition to requesting a hearing, shall admit or deny each factual allegation in this Order, shall set forth specific facts on which the Respondent relies, and shall set forth concisely the matters of law and affirmative defenses upon which the Respondent relies. If a Respondent is without knowledge or information sufficient to form a belief as to the truth of an allegation, he shall so state.

Failure by a Respondent to file a written request for a hearing in this matter within the thirty-day (30) period stated above shall be deemed a waiver by that Respondent of the right to such a hearing. Failure of a Respondent to file an Answer, including a request for a hearing, shall result in this Order, including the stated civil penalty and any assessed costs, becoming

final as to that Respondent by operation of law.

This Order does not prevent the Division or any other law enforcement agency from seeking additional civil or criminal remedies as are available under the Act, including remedies related to the offers and sales of securities by the Respondent set forth above.

**ENTERED**, this the 16<sup>th</sup> day of March, 2015.

ALAN WILSON  
SECURITIES COMMISSIONER

By: Tracy Meyers  
TRACY A. MEYERS  
Deputy Securities Commissioner

**ISSUANCE REQUESTED BY:**



TAYLOR FAW  
Assistant Attorney General  
Securities Division  
Rembert C. Dennis Building  
1000 Assembly Street  
Columbia, South Carolina 29201

STATE OF SOUTH CAROLINA  
OFFICE OF THE ATTORNEY GENERAL  
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND  
AFFIDAVIT OF COMPLIANCE  
File Number 14039

I hereby certify that I served upon the individual/entity listed below a copy of the document indicated below and dated March 16, 2015, by serving a copy of said document upon the Securities Commissioner of the State of South Carolina and by placing a copy of said document in the United States mail, certified mail, return receipt requested, first class postage prepaid and addressed to:

Mr. Garrett Halydier  
Individually and as Representative of  
The Para Firm Corporation  
1531 Alencastre Street  
Honolulu, Hawaii 96816

Document(s): Order to Cease and Desist

Certified Article Number

9314 7699 0430 0011 4749 89

SENDERS RECORD

Mailed March 16, 2015 from Columbia, South Carolina.

I further hereby certify, swear and affirm that, service of the above-listed entity is in compliance with Section 35-1-611, Code of Laws of South Carolina.

By:



Thresechia P. Navarro  
South Carolina Attorney General's Office  
Securities Division  
Post Office Box 11549  
Columbia, SC 29211-1549  
(803) 734-4731

Subscribed and sworn to before me on  
this 16 day of March, 2015.

  
Notary Public for South Carolina

My commission expires: 7/2/18

STATE OF SOUTH CAROLINA  
OFFICE OF THE ATTORNEY GENERAL  
SECURITIES DIVISION

CERTIFICATE OF SERVICE AND  
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Mr. Nathan Halydier  
Individually and as Representative of  
The Para Firm Corporation  
320 Menlo Drive  
Columbia, SC 29210

Certified Article Number

9314 7699 0430 0011 4749 10

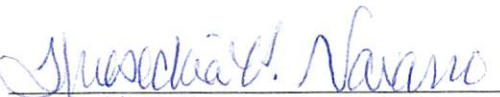
SENDERS RECORD

Document(s): Order to Cease and Desist

Mailed March 16, 2015 from Columbia, South Carolina.

I further hereby certify, swear and affirm that, service of the above-listed entity is in compliance with Section 35-1-611, Code of Laws of South Carolina.

By:

  
Thresechia P. Navarro  
South Carolina Attorney General's Office  
Securities Division  
Post Office Box 11549  
Columbia, SC 29211-1549  
(803) 734-4731

Subscribed and sworn to before me on  
this 16 day of March, 2015.

  
Notary Public for South Carolina

My commission expires: 7/2/18