

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 100769 / August 19, 2024**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-22020**

**In the Matter of**

**GHS INVESTMENTS, LLC,  
MARK S. GROBER,  
SARFRAZ S. HAJEE, AND  
MATTHEW L. SCHISLER**

**Respondents.**

**ORDER INSTITUTING CEASE-AND-  
DESIST PROCEEDINGS PURSUANT TO  
SECTION 21C OF THE SECURITIES  
EXCHANGE ACT OF 1934, MAKING  
FINDINGS, AND IMPOSING REMEDIAL  
SANCTIONS AND A CEASE-AND-DESIST  
ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against GHS Investments, LLC (“GHS”), Mark S. Grober (“Grober”), Sarfraz S. Hajee (“Hajee”), and Matthew L. Schissler (“Schissler”) (collectively, “Respondents”).

**II.**

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (“Offers”) which the Commission has determined to accept. 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 them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

### III.

On the basis of this Order and Respondents' Offers, the Commission finds<sup>1</sup> that:

#### Summary

1. This matter involves violations of the Exchange Act's broker-dealer registration provisions by GHS. From 2017 through 2022 (the "relevant period"), GHS operated as an unregistered securities dealer and sold billions of shares of stock from at least 23 issuers into the public market and generated millions of dollars in profits for its own account. During the relevant period, GHS engaged in the regular business of acquiring convertible, variable rate notes from penny stock securities issuers, converting the notes into stock at a substantial discount from the prevailing market price, and selling the resulting newly issued shares of the issuers' stock into the public market to obtain profits from the difference between the discounted share price it received and the prevailing market price of the stock. Because GHS was not registered with the Commission as a securities dealer, GHS avoided certain regulatory obligations that govern the conduct of dealers in the marketplace, including the requirements to follow financial responsibility rules and maintain certain books and records. Grober, Hajee, and Schissler managed the day-to-day operations of GHS and shared the decision-making authority over GHS's acquisition and disposition of convertible notes during the relevant period. As a result, GHS violated and Grober, Hajee, and Schissler caused GHS's violations of Section 15(a)(1) of the Exchange Act.

#### Respondents

2. **GHS Investments, LLC** is a Nevada limited liability company with its principal place of business in Jericho, New York. GHS began operating in 2015 and is jointly owned and managed by Grober, Hajee, and Schissler, who each own a 33% interest in the company. GHS has never been registered with the Commission in any capacity.

3. **Mark S. Grober**, age 39, resides in Syosset, New York. Grober is a member and 33% owner of GHS, and shares responsibilities for the business with Hajee and Schissler. Prior to the relevant period, Grober was registered as an Investment Company and Variable Contracts Products Representative (i.e., Series 6) and Uniform Securities Agent (i.e., Series 63) but those registrations are no longer active and were not active during the relevant period. During the relevant period, Grober was not registered with the Commission in any capacity and was not a registered representative with a Commission-registered broker-dealer.

4. **Sarfraz S. Hajee**, age 40, resides in Syosset, New York. Hajee is a member and 33% owner of GHS, and shares responsibilities for the business with Grober and Schissler. During

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<sup>1</sup> The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

the relevant period, Hajee was not registered with the Commission in any capacity and was not a registered representative with a Commission-registered broker-dealer.

5. **Matthew L. Schissler**, age 53, resides in Las Vegas, Nevada. Schissler is a member and 33% owner of GHS, and shares responsibilities for the business with Grober and Hajee. Prior to the relevant period, Schissler was registered as a Uniform Securities Agent (i.e., Series 63) and Investment Banking Representative (i.e., Series 79) but those registrations are no longer active and were not active during the relevant period. During the relevant period, Schissler was not registered with the Commission in any capacity and was not a registered representative with a Commission-registered broker-dealer.

### **Other Relevant Entity**

6. **Broker-Dealer A** is a Texas limited liability company with its principal place of business in Newport Beach, California. Broker-Dealer A has been registered with the Commission as a broker-dealer since 1974. Since 2021, Grober, Hajee, and Schissler have been indirect owners of Broker-Dealer A because they control a separate entity that has a minority interest in Broker-Dealer A.

### **Facts**

7. GHS was founded by Grober, Hajee, and Schissler in March 2015 with the principal business goal of providing equity financing to small-cap public companies. Grober, Hajee, and Schissler jointly owned and managed GHS as principals and used their own capital to fund GHS's activities and operations. Each of the owners shared equally in the profits of GHS. Grober, Hajee, and Schissler each had a role and responsibilities with respect to GHS's securities transactions, including GHS's convertible note transactions, and shared decision-making authority over the equity financing business, including GHS's convertible note business, during the relevant period.

8. During the relevant period, part of GHS's business was to acquire convertible, variable rate notes issued by penny stock securities issuers either directly from the issuer or from third parties, wait 6 to 12 months for the applicable holding period for the notes to elapse using the Rule 144 safe harbor under the Section 4(a)(1) exemption from the registration provisions of the Securities Act of 1933 ("Securities Act"), convert the notes to stock at a substantial discount to the prevailing market price, and sell the newly-issued shares into the public market.

9. GHS held itself out to the public as a lender to penny stock securities issuers. For example, from mid-2017 to the fall of 2018, GHS paid a contractor to cold call Over-the-Counter ("OTC") securities issuers (usually penny stock securities issuers) and ask if they were interested in obtaining financing from GHS. GHS paid the contractor a bonus whenever the firm closed a financing deal with one of the OTC companies the contractor contacted. GHS also employed an analyst who, as part of his responsibilities, identified and reached out to OTC securities issuers regarding potential financing deals. During the relevant period, Grober, Hajee, and Schissler attended small-cap securities conferences and other securities industry conferences to network and

identify potential OTC securities issuers for potential financing deals. GHS also made its password-protected website available to a small group of securities issuers and broker-dealers who promoted GHS's business of providing financing to penny stock issuers.

10. GHS acquired convertible, variable rate notes in two ways: (i) by purchasing original convertible notes directly from securities issuers, and (ii) by purchasing preexisting convertible notes from other noteholders. GHS converted the notes to stock by submitting conversion notices to the securities issuers' transfer agents and then arranged for the converted stock to be deposited into GHS's brokerage accounts. GHS also obtained attorney opinion letters to demonstrate to GHS's broker-dealer firms that the converted stock was not restricted and could be resold to the public.

11. The convertible, variable rate notes that GHS acquired typically contained conversion terms that entitled GHS to receive converted stock at a discount, usually 20% to 50% less than the prevailing market price at the time of the conversion. The convertible, variable rate notes also often included an original issue discount which permitted GHS to obtain either repayment or the conversion of stock worth more than the price GHS paid to purchase the notes.

12. After GHS held the convertible, variable rate notes for at least the period of time necessary to meet the holding period requirements under Securities Act Rule 144, which provides a safe harbor under the Section 4(a)(1) exemption from registration and permits the public resale of restricted securities once certain conditions are met, GHS began converting the notes to stock and then sold the stock into the public market. Often, GHS began selling shares as soon as it deposited the converted stock into its brokerage accounts. GHS often converted the shares available through the convertible, variable rate notes in smaller tranches to avoid owning 5% or more of an issuer's outstanding securities at any given time for risk management purposes and to avoid the statutory requirement for publicly reporting GHS's beneficial ownership.

13. GHS's regular stock conversions and sales usually significantly increased the total number of outstanding shares each issuer had in the market. Most of the converted shares of stock that GHS obtained from the issuers were newly-issued shares. Although GHS was at times one of the larger and more active traders in the market for a particular issuer's stock, Grober, Hajee, and Schissler tried to keep GHS's daily sales volume to 10% or less of the total sales volume in order to avoid depressing the share price of that issuer's stock.

14. GHS typically sold the stock it received shortly after its conversions, and derived its profits from the difference between the discounted acquisition price and prevailing market price rather than from any appreciation in the stock's price. During the relevant period, GHS exercised its conversion rights in variable rate notes hundreds of times and sold billions of shares of at least 23 different issuers' converted stock into the public market from which it generated net income of at least \$2 million.

15. In 2020, GHS stopped purchasing new convertible, variable rate notes. It converted and sold only small amounts of stock from its existing inventory of convertible, variable rate notes after 2020.

16. In August 2021, Grober, Hajee, and Schissler purchased a minority interest in Broker-Dealer A, a registered broker-dealer and Financial Industry Regulatory Authority (“FINRA”) member, with the intention that they would take the steps necessary to become licensed and registered representatives of Broker-Dealer A and that GHS’s future activities would be conducted by Broker-Dealer A and under Broker-Dealer A’s supervision.

### **Violations**

17. As a result of the conduct described above, GHS violated Section 15(a)(1) of the Exchange Act, which provides that it is unlawful for any broker or dealer which is either a person other than a natural person or a natural person not associated with a broker or dealer which is a person other than a natural person to make use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security, unless such broker or dealer is registered in accordance with Section 15(b) of the Exchange Act.

18. As a result of the conduct described above, Grober, Hajee, and Schissler caused GHS’s violations of Section 15(a)(1) of the Exchange Act.

### **Disgorgement**

19. The disgorgement and prejudgment interest ordered in Section IV, paragraph C below is consistent with equitable principles and does not exceed GHS’s net profits from its violations and will be distributed to harmed investors, if feasible. The Commission will hold funds paid pursuant to Section IV, paragraph C below in an account at the United States Treasury pending a decision whether the Commission in its discretion will seek to distribute funds. If a distribution is determined feasible and the Commission makes a distribution, upon approval of the distribution final accounting by the Commission, any amounts remaining that are infeasible to return to investors, and any amounts returned to the Commission in the future that are infeasible to return to investors, may be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

### **Undertakings**

GHS has undertaken to:

20. **Surrender.** GHS shall, within ninety (90) days of the entry of this Order: (i) surrender for cancellation all rights to all shares of common stock that it received in connection with convertible, variable rate notes; (ii) surrender all conversion rights under all remaining convertible, variable rate notes; and (iii) surrender for cancellation and retirement all remaining warrants that it received in connection with convertible, variable rate notes.

21. Independent Compliance Consultant.

a. GHS shall retain, within thirty (30) days of the entry of this Order, the services of an independent compliance consultant (“Compliance Consultant”) that is not unacceptable to the Commission staff. The Compliance Consultant’s compensation and expenses shall be borne exclusively by GHS.

b. GHS will oversee the work of the Compliance Consultant.

c. GHS shall provide to the Commission staff, within sixty (60) days of the entry of this Order, a copy of the engagement letter detailing the Compliance Consultant’s responsibilities, which shall include a comprehensive compliance review as described below. GHS shall require that, within ninety (90) days of the date of the engagement letter, the Compliance Consultant conduct:

i. A comprehensive review of GHS’s supervisory, compliance, and other policies and procedures designed to ensure that GHS complies with Section 15(a)(1) of the Exchange Act; and

ii. A comprehensive review of training conducted by GHS to ensure personnel are complying with Section 15(a)(1) of the Exchange Act.

d. GHS shall require that, within forty-five (45) days after completion of the review set forth in sub-paragraphs c.i through c.ii above, the Compliance Consultant shall submit a detailed written report of its findings to GHS and to the Commission staff (the “Report”). GHS shall require that the Report include a description of the review performed, the names of the individuals who performed the review, the conclusions reached, the Compliance Consultant’s recommendations for changes in or improvements to GHS’s policies and procedures, and a summary of the plan for implementing the recommended changes in or improvements to GHS’s policies and procedures.

e. GHS shall adopt all recommendations contained in the Report within ninety (90) days of the date of the Report; provided, however, that within forty-five (45) days after the date of the Report, GHS shall advise the Compliance Consultant and the Commission staff in writing of any recommendations that GHS considers to be unduly burdensome, impractical, or inappropriate. With respect to any recommendation that GHS considers unduly burdensome, impractical, or inappropriate, GHS need not adopt such recommendation at that time, but shall propose in writing an alternative policy, procedure, or disclosure designed to achieve the same objective or purpose.

f. As to any recommendation concerning GHS’s policies or procedures on which GHS and the Compliance Consultant do not agree, GHS and the Compliance Consultant shall attempt in good faith to reach an agreement within sixty (60) days after the date of the Report. Within fifteen (15) days after the conclusion of the discussion and evaluation by GHS and the Compliance Consultant, GHS shall require that the

Compliance Consultant inform GHS and the Commission staff in writing of the Compliance Consultant's final determination concerning any recommendation that GHS considers to be unduly burdensome, impractical, or inappropriate. GHS shall abide by the determinations of the Compliance Consultant and, within sixty (60) days after final agreement between GHS and the Compliance Consultant or final determination by the Compliance Consultant, whichever occurs first, GHS shall adopt and implement all of the recommendations that the Compliance Consultant deems appropriate.

g. GHS shall cooperate fully with the Compliance Consultant and shall provide the Compliance Consultant with access to such of GHS's files, books, records, and personnel as are reasonably requested by the Compliance Consultant for review.

h. GHS shall not have the authority to terminate the Compliance Consultant or substitute another compliance consultant for the initial Compliance Consultant, without the prior written approval of the Commission staff. GHS shall compensate the Compliance Consultant and persons engaged to assist the Compliance Consultant for services rendered under this Order at their reasonable and customary rates.

i. For the period of engagement and for a period of two years from completion of the engagement, GHS shall not (i) retain the Compliance Consultant for any other professional services outside of the services described in this Order; (ii) enter into any other professional relationship with the Compliance Consultant, including any employment, consultant, attorney-client, auditing or other professional relationship; or (iii) enter, without prior written consent of the Commission staff, into any such professional relationship with any of the Compliance Consultant's present or former affiliates, employers, directors, officers, employees, or agents acting in their capacity as such.

j. The Report and related written communications of the Compliance Consultant will likely include confidential financial, proprietary, competitive business, or commercial information. Public disclosure of the reports could discourage cooperation, impede pending or potential government investigations, or undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except (1) pursuant to court order, (2) as agreed to by the parties in writing, (3) to the extent that the Commission determines in its sole discretion that disclosure would be in furtherance of the Commission's discharge of its duties and responsibilities, or (4) as otherwise required by law.

22. Six-Month Evaluation. GHS shall require the Compliance Consultant to assess GHS's program for ensuring compliance with Section 15(a)(1) of the Exchange Act commencing six months after submitting the report required by paragraph 21.d above. GHS shall require this review to evaluate GHS's progress in the areas described in paragraphs 21.c.i-ii above. After this review, GHS shall require the Compliance Consultant to submit a report (the "Six Month Report") to GHS and the Commission staff and shall ensure that the Six Month Report includes

an updated assessment of GHS's policies and procedures and training with regard to ensuring compliance with Section 15(a)(1) of the Exchange Act implemented in the prior period.

23. Recordkeeping. GHS shall preserve, for a period of not less than two (2) years any record of compliance with these undertakings.

24. Deadlines. For good cause shown, the Commission staff may extend any of the procedural dates relating to the undertakings. Deadlines for procedural dates shall be counted in calendar days, except that if the last day falls on a weekend or federal holiday, the next business day shall be considered to be the last day.

25. Certification. GHS shall certify, in writing, compliance with the undertakings set forth above. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and GHS agrees to provide such evidence. The certification and supporting materials shall be submitted to Anne C. McKinley, Assistant Regional Director, Division of Enforcement, Chicago Regional Office, 175 West Jackson Boulevard, Suite 1450, Chicago, Illinois 60604, or such other person as the Commission staff may request, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings.

#### IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offers.

Accordingly, pursuant to Section 21C of the Exchange Act, it is hereby ORDERED that:

A. GHS, Grober, Hajee, and Schissler cease and desist from committing or causing any violations and any future violations of Section 15(a)(1) of the Exchange Act.

B. GHS shall comply with the undertakings enumerated in Section III, paragraphs 20-25 above.

C. GHS shall pay disgorgement of \$2,030,806.17, prejudgment interest of \$221,458.43, and a civil penalty of \$173,080.62 to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, subject to Exchange Act Section 21F(g)(3), transfer them to the general fund of the United States Treasury.

Payments shall be made in the following installments:



- \$485,069.04 within 14 days of the entry of this Order;
- \$485,069.04 within 90 days of the entry of this Order;
- \$485,069.04 within 180 days of the entry of this Order;
- \$485,069.04 within 270 days of the entry of this Order; and
- \$485,069.06 within 360 days of the entry of this Order.

Payments shall be applied first to post-order interest, which accrues pursuant to SEC Rule of Practice 600 and/or pursuant to 31 U.S.C. 3717. Prior to making the final payment set forth herein, GHS shall contact the staff of the Commission for the amount due. If GHS fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Commission.

D. Grober shall, within 14 days of the entry of this Order, pay a civil money penalty of \$10,000.00 to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, subject to Exchange Act Section 21F(g)(3), transfer them to the general fund of the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

E. Hajee shall, within 14 days of the entry of this Order, pay a civil money penalty of \$10,000.00 to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, subject to Exchange Act Section 21F(g)(3), transfer them to the general fund of the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

F. Schissler shall, within 14 days of the entry of this Order, pay a civil money penalty of \$10,000.00 to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, subject to Exchange Act Section 21F(g)(3), transfer them to the general fund of the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

G. Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying GHS, Grober, Hajee, and Schissler as the Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Assistant Director Anne C. McKinley, Division of Enforcement, Chicago Regional Office, Securities and Exchange Commission, 175 W. Jackson Boulevard, Suite 1450, Chicago, IL 60604.

H. Regardless of whether the Commission in its discretion orders the creation of a Fair Fund for penalties ordered in this proceeding, amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondents Grober, Hajee, and Schissler, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondents Grober, Hajee, and Schissler under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondents Grober, Hajee, and Schissler of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman  
Secretary