

1 **STATE OF CALIFORNIA**
2 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
3 **DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

4 TO: Sean Zarinigar, aka Sean Zar, and Bejahn Zarrinnegar
5 Performance Realty Management, LLC
6 American Realty Partners, LLC
7 Equity Pacesetter, LLC
8 Equity Pacesetter II, LLC
9 Equity Pacesetter III, LLC
10 34225 North 27th Drive, Building 5, Suite 23
11 Phoenix, Arizona 85085
12 and
13 17470 North Pacesetter Way
14 Scottsdale, Arizona 85255

15 **DESIST AND REFRAIN ORDER**

16 **(For violations of section 25401 of the Corporations Code)**

17 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

18 1. At all relevant times, Performance Realty Management, LLC (PRM) was an Arizona
19 limited liability company with its place of business located at 34225 North 27th Drive, Building 5,
20 Suite 23, Phoenix, Arizona 85085.

21 2. At all relevant times, American Realty Partners, LLC (ARP) was an Arizona limited
22 liability company with its place of business located at 34225 North 27th Drive, Building 5, Suite 23,
23 Phoenix, Arizona 85085.

24 3. At all relevant times, Equity Pacesetter, LLC, Equity Pacesetter II, LLC, and Equity
25 Pacesetter III, LLC (collectively, EPS) were Arizona limited liability companies with their place of
26 business located at 34225 North 27th Drive, Building 5, Suite 23, Phoenix, Arizona 85085, and 17470
27 North Pacesetter Way, Scottsdale, Arizona 85255.

28 4. At all relevant times, Sean Zarinigar, aka Sean Zar, and Bejahn Zarrinnegar,
(Zarinigar) purported to be the president or manager of PRM, ARP, and EPS.

5. According to the Financial Industry Regulatory Authority, Inc., Zarinigar filed an
investment adviser representative (CRD #2244373) registration, which was termed without

1 registration, as of April 2005.

2 6. Zarinagar managed several companies, including but not limited to PRM, ARP and
3 EPS, which raised funds through a series of securities offerings in the form of membership units or
4 shares of stock. The purported purpose of the securities offering was to raise funds from investors to
5 acquire, manage and rent the properties, or acquire and resell the properties at a profit.

6 7. Since at least 2016, Zarinagar, PRM, and/or ARP have been defendants in civil
7 lawsuits, and respondents in state actions for securities violations or fraud.

8 8. Beginning at least as early as 2011, Zarinagar, PRM, ARP and EPS offered or sold
9 securities to at least one California resident.

10 9. In connection with the offer or sale of these securities, Zarinagar, PRM, ARP, and
11 EPS failed to disclose material facts, including but not limited to:

- 12 a. In July of 2007, the Alabama Securities Commission issued a cease and desist order to
13 Zarinagar for engaging in dishonest or unethical business practices in connection with
14 the offer, sale, or purchase of securities; engaging in any act, practice or course of
15 business in connection with the offer, sale, or purchase of securities that operated or
16 would operate as a fraud or deceit upon any person; and obtaining money through the
17 sale of securities by failing to disclose material facts.
- 18 b. In July of 2007, the State of Illinois Secretary of State, Securities Department issued a
19 notice of hearing on its finding that Zarinagar engaged in fraudulent securities
20 offerings, and failed to disclose material facts to investors in connection to the
21 securities offerings, among other securities violations.
- 22 c. In July of 2007, the Securities Commissioner of the State of Kansas issued a cease and
23 desist order to Zarinagar for engaging in a course of business, in connection with the
24 offer, sale or purchase of securities, which included a fraud or deceit upon the
25 purchasers.
- 26 d. In January of 2001, Zarinagar was the subject of National Association of Securities
27 Dealers arbitrations, including but not limited to complaints by customers against
28 Zarinagar for fraud and misrepresentation in connection with an investment in two

1 limited liability companies; unsuitability of investments; and breach of fiduciary duty
2 in connection with investments in two limited partnerships.

3 e. In April of 2000, Zarinegar filed for Chapter 7 bankruptcy in the United States
4 Bankruptcy Court, Central District of California. The debts were discharged on July
5 31, 2000.

6 Based on the foregoing findings, the Commissioner is of the opinion that Sean Zarinegar, aka
7 Sean Zar, and Bejahn Zarrinnegar, Performance Realty Management, LLC, American Realty
8 Partners, LLC, Equity Pacesetter, LLC, Equity Pacesetter II, LLC, and Equity Pacesetter III, LLC
9 offered or sold securities in this state by means of oral or written communications which included
10 untrue statements of material facts or omitted to state material facts necessary in order to make the
11 statements made, in the light of the circumstances under which they were made, not misleading, in
12 violation of Corporations Code section 25401.

13 Pursuant to Corporations Code section 25532, Sean Zarinegar, aka Sean Zar, and Bejahn
14 Zarrinnegar, Performance Realty Management, LLC, American Realty Partners, LLC, Equity
15 Pacesetter, LLC, Equity Pacesetter II, LLC, and Equity Pacesetter III, LLC are hereby ordered to
16 desist and refrain from offering or selling or buying or offering to buy any security in the State of
17 California, including but not limited to interests in any company or shares of stock, by means of any
18 written or oral communication which includes an untrue statement of a material fact or omits to state
19 a material fact necessary in order to make the statements made, in the light of the circumstances
20 under which they were made, not misleading.

21 This Order is necessary, in the public interest, for the protection of investors and consistent
22 with the purposes, policies and provisions of the Corporate Securities Law of 1968.

23 Dated: November 9, 2020
24 Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

25
26 By _____
27 MARY ANN SMITH
28 Deputy Commissioner
Enforcement Division