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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of)	CRD NO. 2404244
)	
THE CALIFORNIA COMMISSIONER OF BUSINESS OVERSIGHT,)	ACCUSATION TO BAR FUAD AHMED FROM ANY POSITION OF EMPLOYMENT, MANAGEMENT OR CONTROL OF ANY BROKER-DEALER OR INVESTMENT ADVISER
Complainant,)	
v.)	(CORP. CODE, § 25213)
)	
FUAD AHMED)	
Respondent.)	
)	

Complainant, the California Commissioner of Business Oversight (“Commissioner”), alleges and charges as follows:

I. JURISDICTION AND VENUE

1. The Commissioner brings this action pursuant to provisions of Corporations Code¹ section 25213 and the rules and regulations thereunder.
2. The Commissioner is authorized to administer and enforce the provisions of the Corporate Securities Law of 1968, Section 25000 et seq.

¹ All further statutory references are to the Corporations Code unless otherwise indicated.

1 **II. STATEMENT OF FACTS**

2 3. This action is brought in order to bar Fuad Ahmed (“Ahmed”) (CRD # 2404244) from
3 any position of employment, management or control of any broker-dealer or investment adviser in
4 California, pursuant to Section 25213.

5 4. Ahmed was the president, chief executive officer, and owner of Success Trade
6 Securities, Inc. (CRD # 46027), a securities broker-dealer with a principal place of business located at
7 1900 L. Street NW, Suite 301, Washington, DC 20036. Success Trade Securities, Inc. was registered
8 as a securities broker-dealer and Ahmed its registered agent with the Financial Industry Regulatory
9 Authority (“FINRA”). Success Trade Securities, Inc. and Ahmed were also registered in California
10 as a broker-dealer and registered agent until December 31, 2014, when their registration expired.
11 Ahmed and Success Trade Securities, Inc. initially applied for a renewal of the California registration
12 for 2015, but withdrew the application at the request of the Department of Business Oversight
13 (Department) pending the results of the regulatory enforcement actions against them by FINRA and
14 other securities regulators referred to below.

15 5. A FINRA regulatory enforcement action was brought against Ahmed and Success
16 Trade Securities, Inc. in 2014 (FINRA Disciplinary Proceeding Number 2012034211301, hereafter
17 “FINRA Action”). The FINRA Action sought expulsion of Success Trades Securities, Inc. from
18 membership in FINRA, to bar Ahmed from affiliation with any FINRA member firm and an order for
19 restitution of investor loses. The FINRA Action was based on alleged federal and FINRA securities
20 laws violations, including the making of misrepresentations and omissions of material fact in the sale
21 of unqualified securities in the form of promissory notes.

22 6. A hearing in the FINRA action was held before a FINRA hearing panel where
23 evidence was presented of the alleged violations. Ahmed and Success Trade Securities, Inc.
24 (Respondents) were represented by counsel and had the opportunity to be heard, cross examine
25 witnesses against them and present evidence of their own. After the hearing the FINRA panel issued
26 its written “Hearing Panel Decision” on June 25, 2014, expelling Success Trade Securities, Inc. from
27 FINRA membership, barring Ahmed from association with any FINRA member firm in any capacity
28 and ordering them to pay restitution to investors in the amount of \$13,706,228.28. The 82 page

1 Hearing Panel Decision found that Respondents had “committed securities fraud in willful violation
2 of Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 and FINRA Rules 2020 and
3 2010. In offering and selling promissory notes of Success Trade’s parent company, Respondents
4 made affirmative false statements of material fact and omitted to disclose material facts such that
5 what they did say was misleading.”

6 7. The Respondents, Ahmed and Success Trade Securities, Inc., appealed the June 25,
7 2014 FINRA Hearing Panel Decision. That appeal resulted in a subsequent written “Decision” of the
8 National Adjudicatory Council of FINRA issued September 25, 2015. The Decision upheld the
9 expulsion from FINRA membership of Success Trade Securities, Inc., the barring of Ahmed from
10 association with any member firm as well as the restitution. The 59 page Decision’s findings
11 included that “Respondents willfully engaged in securities fraud and sold unregistered securities
12 without benefit of an exemption.” The FINRA expulsion and bar order is currently in effect.

13 8. On or about February 19, 2015, the District of Columbia Department of Insurance,
14 Securities and Banking entered into an Administrative Consent Order with Ahmed and Success Trade
15 Securities, Inc. The order was signed on that date by Ahmed on behalf of himself and Success Trade
16 Securities, Inc., which had been a registered securities broker-dealer in the District of Columbia and
17 Ahmed its registered agent. The Administrative Consent Order specified that Pursuant to the District
18 of Columbia Official Code section 31-5606.02 (b)(3) “Fuad Ahmed will upon execution of the Order,
19 be prohibited from engaging in securities business in the District of Columbia and Shall withdraw his
20 application for a broker-dealer agent license in the District,... and shall not reapply for a broker-
21 dealer agent license.” The Consent Order also ordered Success Trade Securities, Inc. and Ahmed to
22 pay civil penalties in the amount of \$650,000 and restitution in the amount of \$12,529,804.34.

23 **III. AHMED SHOULD BE BARRED FROM ANY POSITION OF EMPLOYMENT,**
24 **MANAGEMENT OR CONTROL OF ANY INVESTMENT ADVISER, BROKER-**
25 **DEALER OR COMMODITY ADVISER (CORP. CODE, § 25213)**

26 9. Section 25213 provides, in pertinent part:

27 The commissioner may, after appropriate notice and opportunity for
28 hearing, by order censure, or suspend for a period not exceeding 12
months, or deny or bar from any position of employment, management
or control of any broker-dealer or investment adviser, any officer,
director, partner, agent, employee of, or person performing similar
functions for, a broker-dealer, or any other person, if the commissioner

1 finds that the censure, suspension, denial, or bar is in the public interest
2 and that the person . . . is subject to any order specified subdivision (d)
3 of Section 25212.

4 10. Section 25212, subdivision (d) specifies the types of orders which can provide the
5 basis for a bar order by the Commissioner under Section 25213 and provides, in pertinent part:

6 Is or has been subject to (1) any order of the Securities and Exchange
7 Commission or the securities administrator of any other state denying
8 registration to, or revoking or suspending the registration of, the person
9 as a broker, dealer, agent, or investment adviser, (2) any order of any
10 national securities association or national securities exchange
11 (registered under the Securities Exchange Act of 1934) suspending or
12 expelling that person from membership in the association or exchange
or from association with any member of thereof, or (3) any other order
of the commissioner or any administrator, association, or exchange
referred to in this subdivision which is or has been necessary for the
protection of any investor.

13 11. The Commissioner finds the FINRA Action expelling Success Trade Securities, Inc.
14 from membership, and barring Ahmed from association with any member firm, as well as the
15 Administrative Consent Order, of the District of Columbia prohibiting Ahmed from engaging in the
16 securities business in that district and from applying for registration in the future, provide grounds
17 pursuant to sections 25213 and 25212, subdivision (d) to bar Ahmed from any position of
18 employment management or control of any broker-dealer or investment adviser in California.

19 **IV. PRAYER FOR RELIEF**

20 WHEREFORE, based upon the foregoing, the Commissioner finds it is in the public interest
21 to bar Fuad Ahmed from any position of employment, management or control of any broker-dealer or
22 investment adviser in California, pursuant to Section 25213.

23 Dated: December 3, 2015
24 San Francisco, California

JAN LYNN OWEN
Commissioner of Business Oversight

25 By: _____
26 Kirk Wallace
27 Senior Counsel
28 Department of Business Oversight
Enforcement Division