

MARY ANN SMITH
Deputy Commissioner
DOUGLAS M. GOODING
Assistant Chief Counsel
KIRK WALLACE (State Bar No. 129953)
Senior Counsel
Department of Business Oversight
One Sansome Street, Suite 600
San Francisco, California 94104
Telephone: (415) 972-8546
Facsimile: (415) 972-8550

Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

| | | |
|---|---|---|
| In the Matter of |) | CRD NO. 2404244 |
| |) | |
| THE CALIFORNIA COMMISSIONER OF BUSINESS OVERSIGHT, |) | ORDER BARRING 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. |) | |
| |) | |

TO: FUAD AHMED
Success Trade Securities, Inc.
1900 L Street NW, Suite 301
Washington, DC 20036

1. On December 3, 2015, the California Commissioner of Business Oversight (“Commissioner”) brought an action to bar Fuad Ahmed (“Ahmed”) (CRD # 2404244) from any position of employment, management, or control of any investment adviser, broker-dealer or commodity adviser, pursuant to Corporations Code section 25232.1.

2. Ahmed was the president, chief executive officer, and owner of Success Trade Securities,

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

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

17 4. A hearing in the FINRA action was held before a FINRA hearing panel where evidence
18 was presented of the alleged violations. Ahmed and Success Trade Securities, Inc. (Respondents)
19 were represented by counsel and had the opportunity to be heard, cross examine witnesses against
20 them and present evidence of their own. After the hearing the FINRA panel issued its written
21 “Hearing Panel Decision” on June 25, 2014, expelling Success Trade Securities, Inc. from FINRA
22 membership, barring Ahmed from association with any FINRA member firm in any capacity and
23 ordering them to pay restitution to investors in the amount of \$13,706,228.28. The 82 page Hearing
24 Panel Decision found that Respondents had “committed securities fraud in willful violation of Section
25 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 and FINRA Rules 2020 and 2010. In
26 offering and selling promissory notes of Success Trade’s parent company, Respondents made
27 affirmative false statements of material fact and omitted to disclose material facts such that what they
28 did say was misleading.”

1 5. The Respondents, Ahmed and Success Trade Securities, Inc., appealed the June 25, 2014
2 FINRA Hearing Panel Decision. That appeal resulted in a subsequent written Decision of the
3 National Adjudicatory Council of FINRA issued September 25, 2015 (Decision). The Decision
4 upheld the expulsion from FINRA membership of Success Trade Securities, Inc., the barring of
5 Ahmed from association with any member firm, and the restitution. The 59 page Decision's findings
6 included that "Respondents willfully engaged in securities fraud and sold unregistered securities
7 without benefit of an exemption." The FINRA expulsion and bar order is currently in effect.

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

18 7. On December 4, 2015, Ahmed was served by certified mail at his registered business
19 address with FINRA, with copies of the following documents: (a) Notice of Intention to Issue Order
20 to Bar Fuad Ahmed from Any Position of Employment, Management or Control of Any Broker-
21 Dealer or Investment Adviser; (b) Accusation to Bar Fuad Ahmed from Any Position of
22 Employment, Management or Control of Any Broker-Dealer or Investment Adviser; (c) Statement to
23 Respondent; (d) Notice of Defense; and (e) Government Code sections 11507.5, 11507.6 and
24 11507.7. These documents were also subsequently served by certified mail on the two other last know
25 business and personal addresses of Ahmed and sent by email to his last attorney of record in the
26 FINRA action. Service by certified mail of the above pleadings at his last registered address with
27 FINRA gave legal notice to Fuad of the Commissioner's intention to enter an order barring Ahmed
28 and of the reasons therefor. There has been no request for a hearing by Ahmed received by the

1 Commissioner within the time specified by law for doing so.
2 8. The above-described violations constitute grounds under Corporations Code sections
3 25213 and 25212, subdivision (d) to bar Ahmed from any position of employment management or
4 control of any broker-dealer or investment adviser in California. The Commissioner hereby finds that,
5 by reason of the foregoing, it is in the best interest of the public to bar Ahmed from any position of
6 employment management or control of any broker-dealer or investment adviser in California

7 THEREFORE, GOOD CAUSE APPEARING, IT IS ORDERED that Fuad Ahmed is barred
8 in the State of California from any position of employment, management or control of any investment
9 adviser, broker-dealer or commodity adviser. This order is effective immediately.

10 Dated: January 19, 2016
11 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

12
13 By _____
14 MARY ANN SMITH
15 Deputy Commissioner
16 Enforcement Division
17
18
19
20
21
22
23
24
25
26
27
28