

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
FIRST NATIONAL CENTER, SUITE 860  
120 NORTH ROBINSON  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Mohammad Asad Asad,

Respondent.

ODS File No. 14-007

**FINAL ORDER TO CEASE AND DESIST**

The Administrator of the Oklahoma Department of Securities (“Department”) issues this *Final Order to Cease and Desist* pursuant to Section 1-604 of the Oklahoma Uniform Securities Act of 2004 (“Act”), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011).

On October 30, 2013, and pursuant to Section 1-604 of the Act, the Administrator of the Department (“Administrator”) issued the attached *Order to Cease and Desist* (“C&D”) in which Respondent was ordered to immediately cease and desist from making untrue statements of material fact in connection with the offer and sale of securities in and/or from Oklahoma in violation of the Act.

On October 30, 2013, the Administrator, in order to notify the Respondent of his obligation to file an answer and his right to request a hearing to show why a final order based on the C&D should not be issued: filed a *Notice of Opportunity for Hearing* (“Notice”) pursuant to Section 1-604 of the Act; filed a *Notice of Service on the Administrator and Affidavit of Compliance* (“Affidavit”) pursuant to Section 1-611 of the Act; and sent the C&D, Notice and Affidavit (collectively, the “Filings”) via certified mail, return receipt requested, delivery restricted, to the Respondent at his last known addresses: 1504 Riveroaks Circle, Apartment 118, Wylie, Texas 75098 (“Texas Address”); and 1248 West I-240 Service Road, Apartment 109, Oklahoma City, Oklahoma 73139-2231 (“Oklahoma Address”).

On November 6, 2013, the U.S. Postal Service returned the Filings sent to the Respondent’s Oklahoma Address to the Department marked “moved left no address” and “unable to forward.”

The U.S. Postal Service left notice of the certified mail containing the Filings at the Texas address on November 8, 2013, but the mail was never picked up or otherwise delivered.

On November 19, 2013, counsel for the Department provided Respondent with verbal notification of the Filings by telephone. At that time, Respondent refused to provide a current mailing address but did provide an email address: windydesert3074@yahoo.com. On the same date, the Department emailed the Filings to the email address provided by Respondent and confirmed the receipt of the email.

To date, Respondent has not filed an answer to the C&D and has not requested a hearing to show why a final order based on the C&D should not be issued.

**ORDER**

**IT IS HEREBY ORDERED** that, pursuant to Section 1-604 of the Act, the C&D issued on October 30, 2013, is final by operation of law.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 20<sup>th</sup> day of December, 2013.

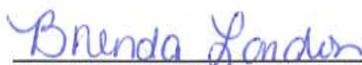
(SEAL)

  
\_\_\_\_\_  
IRVING L. FAUGHT, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 20<sup>th</sup> day of December, 2013, a true and correct copy of the above and foregoing *Final Order to Cease and Desist* was emailed to Respondent at windydesert3074@yahoo.com and sent by certified mail, return receipt requested, delivery restricted, to:

Mohammad Asad  
1504 Riveroaks Circle, Apt. 118  
Wylie, TX 75098

  
\_\_\_\_\_  
Brenda London, Paralegal

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
FIRST NATIONAL CENTER, SUITE 860  
120 NORTH ROBINSON  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Mohammad Asad Asad,

Respondent.

ODS File No. 14-007

**ORDER TO CEASE AND DESIST**  
**AND**  
**NOTICE OF OPPORTUNITY FOR HEARING**

**ORDER TO CEASE AND DESIST**

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011), the Oklahoma Department of Securities ("Department") conducted an investigation into the activities of Mohammad Asad Asad ("Respondent"). Based thereon, the following Findings of Fact, Authorities, and Conclusions of Law are adopted in support of this Order against Respondent.

Findings of Fact

1. Respondent is an individual whose current residence is believed to be in Wylie, Texas. At times material hereto, Respondent lived in an apartment in Oklahoma City, Oklahoma, and operated a business called "Surplus Floors."
2. In approximately May 2013, Respondent began providing services related to flooring to a married couple in the Oklahoma City metropolitan area.
3. In July 2013, Respondent offered the married couple an investment opportunity relating to a separate flooring job to be performed in Edmond, Oklahoma, for a third party on or around July 18, 2013. Respondent told the married couple that if they loaned him \$3,000 on July 17, 2013, he would use their funds to purchase the materials for the Edmond flooring job and return their funds to them, plus \$1,500 in profit, on or before July 19, 2013. The married couple would have no role in the flooring job other than providing funds for materials. Like the married couple, Respondent would receive profit in the amount of \$1,500 from the flooring job.

4. On July 17, 2013, Respondent and the husband met at a bank located in Oklahoma City and entered into an agreement entitled "Personal Loan/Investment Contract," in connection with the investment opportunity.

5. At the time he signed the "Personal Loan/Investment Contract," the husband paid \$3,000 to Respondent under its terms.

6. To date, Respondent has not returned any principal, or paid any profit, to the husband or his wife.

7. From July 19, 2013, until recently, the married couple was unable to contact Respondent as he apparently ignored their telephone calls and then moved from the Oklahoma City area and disconnected his telephone(s).

To the extent any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

#### Authorities

1. Section 1-102 of the Act provides in pertinent part:

32. "Security" means a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security," or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing. The term:

\* \* \*

d. includes as an "investment contract" an investment in a common enterprise with the expectation of profits to be derived primarily from the efforts of a person other than the investor and a "common enterprise" means an enterprise in which the fortunes of the investor are interwoven with those of either the

person offering the investment, a third party, or other investors[.]

2. Section 1-501 of the Act provides:

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 statement made, in the light of the circumstances under which it is 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.

3. Section 1-604 of the Act provides in pertinent part:

A. If the Administrator determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act or constituting a dishonest or unethical practice, the Administrator may:

1. Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with this act[.]

\* \* \*

B. An order under subsection A of this section is effective on the date of issuance. Upon issuance of the order, the Administrator shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been entered. The order must include a statement whether the Administrator will seek a civil penalty or costs of the investigation, a statement of the reasons for the order, and notice that, within fifteen (15) days after receipt of a request in a record from the person, the matter will be scheduled for a hearing and the hearing shall be commenced within fifteen

(15) days of the matter being set for hearing. If a person subject to the order does not request a hearing and none is ordered by the Administrator, within thirty (30) days after the date of service of the order, the order, that may include a civil penalty or costs of the investigation if a civil penalty or costs were sought in the statement accompanying the order, becomes final as to that person by operation of law. If a hearing is requested or ordered, the Administrator, after notice of and opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

C. If a hearing is requested or ordered pursuant to subsection B of this section, a hearing must be held pursuant to the Administrative Procedures Act. A final order may not be issued unless the Administrator makes findings of fact and conclusions of law in a record in accordance with the Administrative Procedures Act. The final order may make final, vacate, or modify the order issued under subsection A of this section.

D. In a final order under subsection C of this section, the Administrator may impose a civil penalty up to a maximum of Five Thousand Dollars (\$5,000.00) for a single violation or up to Two Hundred Fifty Thousand Dollars (\$250,000.00) for multiple violations in a single proceeding or a series of related proceedings.

E. In a final order, the Administrator may charge the actual cost of an investigation or proceeding for a violation of this act or a rule adopted or order issued under this act.

#### Conclusions of Law

1. The investment opportunity offered by Respondent is a security in the nature of an investment contract, as defined by Section 1-102(32) of the Act.

2. In connection with the offer and sale of a security, Respondent, directly or indirectly, made the following untrue statement of material fact in violation of Section 1-501 of the Act: The married couple/husband would receive their/his principal investment plus a profit on July 19, 2013.

3. The Administrator has the authority to order Respondent to cease and desist from engaging in acts, practices, or a course of business constituting a violation of the Act and to pay a civil penalty.

4. It is in the public interest to order Respondent to cease and desist from engaging in an act, practice, or a course of business constituting a violation of the Act and to pay a civil penalty.

To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

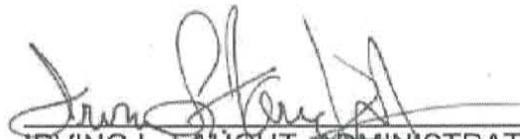
Order

Based on Section 1-604 of the Act and the Findings of Fact, Authorities, and Conclusions of Law set forth above, IT IS HEREBY ORDERED that Respondent immediately cease and desist from making untrue statements of material fact in connection with the offer and sale of securities in and/or from this state in violation of the Act.

The Administrator will seek a civil penalty in the amount of \$5,000 in a final order issued under Section 1-604 of the Act.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 30<sup>th</sup> of October, 2013.

(SEAL)

  
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IRVING L. FAUGHT, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES

## NOTICE OF OPPORTUNITY FOR HEARING

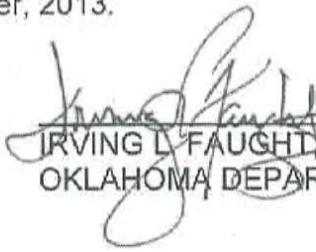
Pursuant to Section 1-604 of the Act, the Administrator hereby gives notice to Respondent of his right to request a hearing. The request for hearing must be received by the Administrator within thirty (30) days after service of the Order to Cease and Desist (Order). The request for hearing must be in writing and Respondent shall specifically admit or deny each allegation that is contained in the Order.

Within fifteen (15) days after receipt of a request for hearing from Respondent, this matter will be scheduled for hearing. The hearing shall commence within fifteen (15) days of the matter being set for hearing. Notice of the date, time and location of the hearing shall be given to Respondent. If a hearing is requested, the Administrator, after notice of and opportunity for hearing, may modify or vacate the Order or extend it until final determination.

If Respondent does not request a hearing within thirty (30) days after the date of service of the Order and none is ordered by the Administrator, the Order becomes final by operation of law as to Respondent.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 30<sup>th</sup> day of October, 2013.

(SEAL)

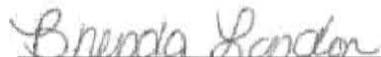
  
\_\_\_\_\_  
IRVING L. FAUGHT, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 30th day of October, 2013, a true and correct copy of the above and foregoing *Order to Cease and Desist and Notice of Opportunity for Hearing* was mailed by certified mail, return receipt requested, delivery restricted, with postage prepaid thereon, addressed to:

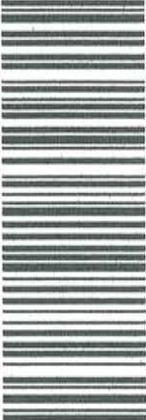
Mohammad Asad  
1504 Riveroaks Circle, Apt. 118  
Wylie, TX 75098

Mohammad Asad  
1248 W. I-240 Service Rd., Apt. 109  
Oklahoma City, OK 73139-2231

  
\_\_\_\_\_  
Brenda London, Paralegal

**CERTIFIED MAIL**

OKLAHOMA DEPARTMENT OF SECURITIES  
First National Center, Suite 860  
120 North Robinson  
Oklahoma City, Oklahoma 73102



7000 0520 0022 7150 3271



2014 FEB 10 A 8:19

RECEIVED  
OKLAHOMA DEPT  
OF SECURITIES

**RESTRICTED DELIVERY**

*Handwritten:* 2/12/14

Mohammad Asad  
1504 Riveroaks Circle, Apt. 118  
Wylie

NIXIE 750 5E 1009 0002/02/14

RETURN TO SENDER  
UNCLAIMED  
UNABLE TO FORWARD

BC: 73102749499 \*0857-08659-20-37

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