

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

**NOTICE OF SERVICE ON THE ADMINISTRATOR**  
**AND**  
**AFFIDAVIT OF COMPLIANCE**

STATE OF OKLAHOMA    )  
                                  )        SS.  
COUNTY OF OKLAHOMA)

The undersigned affiant, of lawful age, being first duly sworn upon oath deposes and states:

1. That he is the Administrator of the Oklahoma Department of Securities ("Department").

2. That the attached copy of the *Order to Cease and Desist and Notice of Opportunity for Hearing* ("Order and Notice") was delivered to Affiant in the office of the Administrator of the Department ("Administrator") pursuant to Section 1-611 of the Oklahoma Uniform Securities Act ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (2011).

3. That the Administrator has received service of process on behalf of Respondent pursuant to Section 1-611 of the Act.

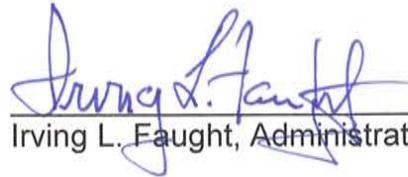
4. That a copy of the *Order and Notice*, and a copy of this *Notice of Service on the Administrator and Affidavit of Compliance*, are being sent this 30th day of October, 2013, by certified mail, return receipt requested, delivery restricted to addressee, to the last known addresses of Respondent, in compliance with Section 1-611 of the Act.

5. That this Affidavit of Compliance is declared filed of record as of the date set forth below in compliance with Section 1-611 of the Act.

FURTHER AFFIANT SAYETH NOT.

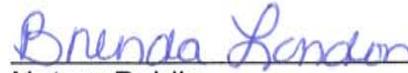
Dated this 30<sup>th</sup> day of October, 2013.

(SEAL)

  
Irving L. Faught, Administrator

Subscribed and sworn to before me this 30<sup>th</sup> day of October, 2013.



  
Brenda London  
Notary Public

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

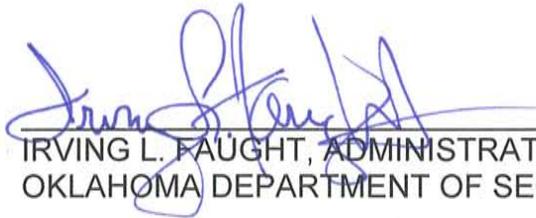
Order

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)

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

**NOTICE OF OPPORTUNITY FOR HEARING**

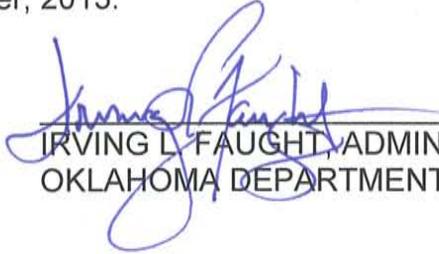
Pursuant to Section 1-604 of the Act, the Administrator hereby gives notice to Respondent of his right to request a hearing. The request for hearing must be received by the Administrator within thirty (30) days after service of the Order to Cease and Desist (Order). The request for hearing must be in 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)

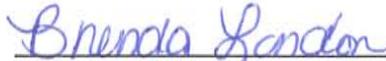
  
\_\_\_\_\_  
IRVING L. FAUGHT, ADMINISTRATOR OF THE  
OKLAHOMA DEPARTMENT OF SECURITIES

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

7000 0520 0022 7150 3158

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

CDNDH 14-007 TB

Postage	\$ 46	10-30-13	Postmark Here
Certified Fee	310		
Return Receipt Fee (Endorsement Required)	255		
Restricted Delivery Fee (Endorsement Required)	450		
<b>Total Postage &amp; Fees</b>	\$ <del>1061</del> 11.06		

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

by mailer)

for Instructions

7000 0520 0022 7150 3165

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)

CDNDH 14-007 TB

Postage	\$ 46	10-30-13	Postmark Here
Certified Fee	310		
Return Receipt Fee (Endorsement Required)	255		
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<b>Total Postage &amp; Fees</b>	\$ <del>1061</del> 11.06		

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

by mailer)

for Instructions



**CERTIFIED MAIL**

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



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0002002312 OCT 30 2013  
MAILED FROM ZIP CODE 73102  
**\$ 11.06<sup>0</sup>**

**RESTRICTED DELIVERY**

Mohammad Asad  
1504 Riveroaks Circle, Apt. 118  
Wylie, TX 75080

*11-8-13*  
*11-20-13*

RECEIVED  
OKLAHOMA DEPT.  
OF SECURITIES  
2013 DEC 15 P 9:23

NIXIE 750 SE 1009 0012/12/13

RETURN TO SENDER  
REFUSED  
UNABLE TO FORWARD

BC: 73102749499 \*3057-04106-30-43

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