

*In the Matter of Success Trade, Inc., Success Trade Securities, Inc., and Fuad Ahmed*

**Administrative Proceeding File No. 3-16755**

On August 14, 2015, the Commission instituted and simultaneously partially settled proceedings against Success Trade, Inc. (“STI”), Success Trade Securities, Inc. (“STS”), and Fuad Ahmed (“Ahmed”) (collectively, “Respondents”) arising from their offering fraud. The Commission found that, over a four-year period, Respondents STI, STS, and Ahmed offered and sold in unregistered, non-exempt transactions at least 150 STI promissory notes to at least 65 investors for proceeds of approximately \$20 million, which they misappropriated to pay Ahmed’s personal expenses and make Ponzi-style payments to earlier noteholders. The Commission found that Respondents STI, STS, and Ahmed violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The Commission imposed cease-and-desist orders against STI, STS, and Ahmed; revoked STS’s broker-dealer registration; and ordered STI, STS, and Ahmed, jointly and severally, to pay a total of \$27,058,216.44, consisting of disgorgement of \$12,777,395.80, prejudgment interest thereon of \$1,503,424.84, and a civil penalty of \$12,777,395.80.

The Order also provides that the Commission will credit \$900,000, the proceeds from sale of STS’s assets, towards the disgorgement amount owed upon receipt of those funds from the escrow account where those funds have been held (“Escrowed Funds”). The Order further provides that the Commission shall, within 120 days of the receipt of the Escrowed Funds, together with any additional disgorgement and prejudgment interest paid by that date, pay such funds (the “Disgorgement Fund”) to 57 investors previously identified by Commission staff who suffered a net harm as a result of the violations described in the Order. The distribution payments will be made pro rata based on the percentage of the total net harm suffered by each Eligible Investor relative to the total net harm suffered by all Eligible Investors as set forth in Exhibit 1 to the Order. Each Eligible Investor’s payment amount will be determined by the Commission staff by multiplying the percentage of each Eligible Investor’s harm by the total dollar amount available for distribution (after accounting for taxes and administrative expenses associated with the distribution of these amounts). See the Commission’s order : [Release No. 33-9891]

On August 28, 2015, the Commission issued an order appointing Damasco and Associates LLP as the Tax Administrator. See the Commission’s order: [Release No. 34-75789].

Persons to Contact:

SEC Staff:

Marilyn Ampolsk, Senior Counsel, Asset Management Unit	(202) 551-6145
Sondra Panahi, Senior Counsel, Office of Distributions	(305) 982-6337