

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 90258 / October 22, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-20135

In the Matter of

**MUSTAFA DAVID SAYID,
ESQ.**

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
AND IMPOSING TEMPORARY
SUSPENSION PURSUANT TO RULE
102(e)(3)(i) OF THE COMMISSION'S
RULES OF PRACTICE**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Mustafa David Sayid (“Respondent” or “Sayid”) pursuant to Rules 102(e)(3)(i)(A) and (B)¹ of the Commission’s Rules of Practice (17 C.F.R. § 201.102(e)(3)(i)(A),(B)).

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, temporarily suspend from appearing or practicing before it any attorney ...who has been by name: (A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder; or (B) [f]ound by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party ... to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

II.

The Commission finds that:

1. Sayid, at all relevant times, was an attorney who was admitted to practice in New York, Massachusetts and Pennsylvania.

2. On April 12, 2017, the Commission filed an injunctive action against Sayid, Kevin Jasper, and Norman T. Reynolds in the United States District Court for the Southern District of New York, *Securities and Exchange Commission v. Mustafa David Sayid, Kevin Jasper, and Norman T. Reynolds*, Civil Action No. 1:17-cv-2630 (JFK). The complaint alleged that Sayid and the other defendants engaged in a fraudulent scheme to effect illegal, unregistered sales of Nouveau Holdings., Ltd. (“Nouveau”) shares in violation of Sections 5 and 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), and Rule 10b-5 thereunder.

3. The complaint further alleged as follows: Sayid offered and sold fifty million restricted shares of Nouveau common stock to three Belizean entities that were represented and controlled by two stock promoters. After the sale of these fifty million restricted shares, Sayid orchestrated the stock promoters’ unlawful resale of at least four million of these shares in unrestricted form. In order to remove the restrictive legend from these unregistered securities, Nouveau’s transfer agent required an attorney opinion letter opining that the shares qualified for an exemption from registration. Sayid hired Norman Reynolds to write two legal opinion letters, opining that the proposed issuances qualified for removal of restrictions under 17 C.F.R. 230.144 (“Rule 144”). To obtain these Rule 144 opinions, Sayid lied to Reynolds and gave him stock-transfer agreements that were falsely backdated over one year to make it appear the transaction complied with Rule 144’s one-year holding period. Thereafter, the stock promoters conducted a paid promotional campaign (blasting emails touting Nouveau’s stock to unsuspecting penny-stock investors), and sold the unrestricted Nouveau stock, reaping hundreds of thousands of dollars in profit.

4. On November 25, 2019, the court granted the Commission’s motion for summary judgment against Sayid, expressly finding he had violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 5 and 17(a) of the Securities Act. The court did not find that Sayid’s violations were not willful.

5. On July 22, 2020, the court entered final judgment against Sayid, permanently enjoining him from violating Sections 5 and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. In addition, the court issued permanent penny stock and officer and director bars against Sayid, and permanently enjoined him from participating in the preparation or issuance of any opinion letter in connection with the offer or sale of securities pursuant to, or claiming an exemption under, Section 4(1) of the Securities Act and Rule 144 thereunder. It also ordered him to pay \$25,000 in disgorgement, \$6,899 in interest and a civil penalty of \$160,000.

6. On September 9, 2020, the court issued an amended final judgment against Sayid that amended the manner of disposition of disgorgement, but did not affect the judgment as to liability.

III.

Based upon the foregoing, the Commission finds that a court of competent jurisdiction, in an action brought by the Commission, has permanently enjoined Sayid from violating the Federal securities laws within the meaning of Rule 102(e)(3)(i)(A) of the Commission's Rules of Practice. The Commission further finds that Sayid has been found by a court of competent jurisdiction, in an action brought by the Commission, to have violated the federal securities laws within the meaning of Rule 102(e)(3)(i)(B) of the Commission's Rules of Practice. In view of these findings, the Commission deems it appropriate and in the public interest that Sayid be temporarily suspended from appearing or practicing before the Commission as an attorney. Accordingly,

IT IS HEREBY ORDERED that Sayid be, and hereby is, temporarily suspended from appearing or practicing before the Commission as an attorney. This Order will be effective upon service on the Respondent.

IT IS FURTHER ORDERED that Sayid may, within thirty days after service of this Order, file a petition with the Commission to lift the temporary suspension. If the Commission receives no petition within thirty days after service of the Order, the suspension will become permanent pursuant to Rule 102(e)(3)(ii).

If a petition is received within thirty days after service of this Order, the Commission will, within thirty days after the filing of the petition, either lift the temporary suspension, or set the matter down for hearing at a time and place to be designated by the Commission, or both. If a hearing is ordered, following the hearing, the Commission may lift the suspension, censure the petitioner, or disqualify the petitioner from appearing or practicing before the Commission for a period of time, or permanently, pursuant to Rule 102(e)(3)(iii).

This Order shall be served upon Sayid by certified mail at his last known address.

By the Commission.

Vanessa A. Countryman
Secretary