

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80160 / March 6, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17866

In the Matter of

NAVEED A. (a/k/a Nick)
KHAN,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Naveed A. (a/k/a “Nick”) Khan (“Khan” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Sections III.2 and III.4 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. From April 2013 through May 5, 2016, Khan was a registered representative associated with a broker-dealer registered with the Commission. Khan, 34 years old, is a resident of Staten Island, New York.

2. On August 24, 2016, Khan agreed to a consent and final judgment before the United States District Court for the Eastern District of New York, in Securities and Exchange Commission v. Richard St. Julien et al., Case No. 1:16-cv-02193 (BMC). On September 5, 2016, a final judgment in the civil case was entered against Khan, permanently enjoining him from future violations, directly or indirectly, of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], Rule 10b-5 thereunder, and Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)].

3. The Commission's complaint alleged that Khan received cash kickbacks in return for recommending and inducing his customers to buy stock in the issuer ForceField Energy, Inc. ("ForceField") without disclosing the kickbacks to his customers. The complaint further alleged that Respondent attempted to conceal communications with other participants in the fraudulent scheme by using prepaid, disposable (i.e., "drop" or "burner") phones and encrypted, content-expiring messaging apps, and otherwise engaged in a variety of conduct which operated as a fraud and deceit on investors.

4. On July 27, 2016, Khan pled guilty to one count of securities fraud in violation of Title 15 United States Code, Sections 78j(b) and 78ff before the United States District Court for the Eastern District of New York, in United States v. Jared Mitchell et al., Crim. Indictment No. 1:16-CR-00234.

5. The count of the criminal indictment to which Khan pled guilty alleged, inter alia, that Khan engaged in a scheme to defraud investors and potential investors by receiving cash kickbacks to recommend and induce customers to purchase ForceField stock without disclosing those kickbacks to his customers. This conduct involved, among other things, (a) employing devices, schemes and artifices to defraud; (b) making untrue statements of material fact and omitting to state material facts necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading; and (c) engaging in acts, practices and courses of business which operated as a fraud and deceit upon investors and potential investors in ForceField, in connection with the purchase and sale of investments in ForceField, directly and indirectly, by use of means and instrumentalities of interstate commerce and the mails.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Khan's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Khan be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Khan be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary