



STATE OF MISSOURI  
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF: )  
)  
MANZUR AHMED MAZUMDER, CRD No. 2780858, )  
)  
*Respondent.* ) Case No. AP-16-48  
Serve: )  
)  
Manzur Ahmed Mazumder )  
1439 Grove Meadow Court )  
Germantown, Tennessee 38138-3108 )

**FINAL ORDER TO CEASE AND DESIST AND ORDER AWARDING  
RESTITUTION, CIVIL PENALTIES, AND COSTS**

Now on the 3rd day of May, 2017, the Commissioner, having reviewed this matter, issues the following findings and order:

**I. PROCEDURAL BACKGROUND**

1. On December 2, 2016, the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”), through Enforcement Counsel Scott Snipkie, submitted a Petition for Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed (“Petition”).
2. On December 5, 2016, the Missouri Commissioner of Securities (“Commissioner”) issued an Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed (“Order”). On that same day, a copy of the Order and Notice of Right to Request a Hearing were sent, via U.S. Certified mail, return receipt requested, to Respondent’s last known address.
3. On or around December 5, 2016, a copy of the Order was made available to the general public on the Missouri Secretary of State’s website.<sup>1</sup>
4. On December 9, 2016, the Enforcement Section, through Enforcement Counsel Scott Snipkie, submitted a First Amended Petition for Order to Cease and Desist and Order to

<sup>1</sup> <https://www.sos.mo.gov/CMSImages/Securities/orders/AP-16-48.pdf>

Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed (“Amended Petition”).

5. On December 13, 2016, the Acting Commissioner issued an Amended Order to Cease and Desist and Order to Show Cause why Restitution, Civil Penalties, and Costs Should not be Imposed (“Amended Order”). On that same day, a copy of the Amended Order and Notice of Right to Request a Hearing were sent, via U.S. Certified mail, return receipt requested, to Respondent’s last known address.
6. On or around December 13, 2016, a copy of the Amended Order was made available to the general public on the Missouri Secretary of State’s website.<sup>2</sup>
7. On December 27, 2016, the Amended Order was emailed to Respondent’s email address at [mzmanzur7@gmail.com](mailto:mzmanzur7@gmail.com) and mailed to another address for Respondent at 1439 Grove Meadow Court, Germantown, Tennessee, 38138. Respondent acknowledged receipt of the Amended Order via email on December 27, 2016.
8. On January 26, 2017, Respondent sent and filed a Request for Hearing on the Amended Order. Respondent listed the address of 1439 Grove Meadow Court, Germantown, Tennessee, 38138 in Respondent’s signature block.
9. On February 6, 2017, the Commissioner issued an order stating that the Request for Hearing made by Respondent was ineffective in that it failed to include the items specified in 15 CSR 30-55.020. The order extended Respondent’s time to file a request for hearing, in compliance with 15 CSR 30-55.020, until March 6, 2017. On that same day, a copy of the order was sent, via U.S. mail, to Respondent at 1439 Grove Meadow Court, Germantown, Tennessee, 38138.
10. On April 5, 2017, the Enforcement Section submitted a Motion for Final Order. On that same day a copy of the Motion for Final Order was sent via email to Respondent’s email address at [mzmanzur7@gmail.com](mailto:mzmanzur7@gmail.com) and via U.S. Certified mail, return receipt requested, and regular U.S. mail to Respondent at 1439 Grove Meadow Court, Germantown, Tennessee, 38138. The U.S. mail was not returned to sender and there was no bounce back email indicating that the email was undeliverable.
11. Respondent failed to request a hearing as specified in the February 6, 2017 order in compliance with 15 CSR 30-55.020.
12. The Commissioner has not ordered a hearing in this matter pursuant to Section 409.6-604, RSMo. (Cum. Supp. 2013).<sup>3</sup>
13. To date, Respondent has failed to respond to the Motion for Final Order.

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<sup>2</sup> <https://www.sos.mo.gov/CMSImages/Securities/orders/AP-16-48a.pdf>

<sup>3</sup>Unless otherwise specified, all statutory references are to the 2013 cumulative supplement to the Revised Statutes of Missouri.

## **II. FINDINGS OF FACT**

### **A. Introduction**

14. Manzur Ahmed Mazumder (“Mazumder”) told Jon Moore (“Moore”), among other things, that he was a successful securities trader with years of experience. Mazumder convinced Moore that they should start a hedge fund telling Moore that investment risk would be “non-existent,” and got Moore to solicit a total of \$335,000 from two long-time friends, one of whom is a Missouri resident, to start the hedge fund. Mazumder took the investors’ money and gave them promissory notes; he then spent the vast majority of the money on personal expenses, losing the rest in speculative trading in his personal accounts.

### **B. Respondent and Related Parties**

15. Mazumder is a Tennessee resident with a last known address of 1800 Adair Bridge Cove, Germantown, Tennessee 38138-3108. A check of the Central Registration Depository (“CRD”) indicates that Mazumder is assigned number 2780858, but he has never been registered as an agent or investment adviser representative with a broker-dealer or investment advisory firm.
16. Moore was a Missouri-registered broker-dealer agent and investment adviser representative with various firms during the period February 2008 through July 2015. Moore was registered through the CRD with number 5487704 and currently resides at 111 Link Drive, Sikeston, Missouri 63801.

### **C. Enforcement Section Investigation**

17. On January 5, 2016, the Enforcement Section returned a telephone call to Moore.
18. Moore told the Enforcement Section, among other things, that he had met Mazumder sometime in 2012 or 2013 when both men worked at an insurance agency.
19. Mazumder persuaded Moore to connect him with investors to start a hedge fund with the intention of raising at least \$400,000. Mazumder’s responsibility would be trading securities, while Moore’s responsibility would be sales.
20. Mazumder represented himself to Moore as an experienced securities trader with a successful background and that investment risk was “non-existent.”
21. Moore solicited two friends, one of which was a Missouri resident, to invest a total of \$335,000. The Missouri resident’s investments are described in detail below. Mazumder supplied the investors with promissory notes that included Moore’s signature that Mazumder affixed without authorization.

22. Moore learned later that Mazumder opened Fidelity and Merrill Lynch brokerage accounts, in Mazumder's name only, wherein Mazumder made in excess of 400 trades with investor funds. Moore believed that Mazumder transferred some investor funds to a Bank of America ("BOA") account in which Mazumder was the sole signatory.
23. In late 2015, Moore began receiving complaints from the investors about missed interest payments. Moore researched Mazumder on the internet and found numerous liens, judgments, and the November 2013 Final Order to Cease and Desist and Order Awarding Restitution and Costs and Imposing Civil Penalties ("2013 Missouri C&D Order") issued by Missouri (see Case No. AP-13-18). Moore said the 2013 Missouri C&D Order "read like the history of what I've been through."
24. As Moore began to question Mazumder about the investments, Mazumder became more distant. Moore's last communication with Mazumder was in late 2015 when Mazumder sent Moore a message via text that stated, "I know how your mind works like the back of my hand."

**Missouri Resident ("MR")**

25. On February 4, 2016, the Enforcement Section interviewed a 56-year-old Missouri resident ("MR").
26. Among other things, MR told the Enforcement Section that MR had known Moore for several years and had met Mazumder approximately four times.
27. In late 2014 or early 2015, Moore met with MR in her home to discuss investing in a "trading business" that Moore and Mazumder wanted to start. Mazumder participated in the discussions by telephone. The discussions concerned Mazumder's purported abilities to generate good returns using Mazumder's trading strategies.
28. On January 2, 2015, MR invested \$60,000 via wire transfer to a Fidelity brokerage account under Mazumder's control. Shortly after this investment, Mazumder supplied MR with a signed promissory note that stipulated, among other things, that "[t]he unpaid principal and \$30,000 accrued interest shall be payable in full on or by March 31, 2015."
29. The promissory note was dated December 24, 2014.
30. Shortly after the first investment, MR invested an additional \$40,000 after being solicited by Mazumder. Mazumder wanted MR to invest \$200,000 but MR only invested the \$40,000. The purpose of the funds was to further Mazumder's and Moore's efforts to start a hedge fund.
31. MR did not receive a promissory note for the second investment. MR's investments were derived from the proceeds from the sale of a house.
32. MR received two \$2,500 payments for a total of \$5,000 on the investments. When MR

complained to Moore, who passed the complaint on to Mazumder, Moore told MR that Mazumder insisted the money had to be locked up in the account for one year and payments would begin at the end of 2015, or early 2016. No payments ever materialized.

33. Mazumder never discussed liquidity or the availability of the funds with MR prior to investment.

#### **Review of MR's Investment After Deposit**

34. A review of the Fidelity Cash Management Account ending in #4864 from January 1, 2015 to March 31, 2015, in which Mazumder was the sole authorized person, revealed, among other things:
- a. a beginning balance of -\$15.86 on January 1, 2015;
  - b. MR's \$60,000 investment deposited via wire on January 2, 2015;
  - c. a \$25,000 debit on January 6, 2015, for "EFT Funds Paid-Money Line Paid." These funds were sent to and commingled with another investor's funds in a Merrill Lynch account ending in #6W61 in which Mazumder was the sole signatory and an examination of the account over the same time frame as noted above revealed, among other things:
    - i. payments in excess of \$13,000 to restaurants, hotels, gas stations, department stores, Netflix, and American Airlines;
    - ii. ATM/Cash Advances totaling \$43,840;
    - iii. approximately 653 options trades resulting in substantial losses; and
    - iv. transfers into another account in which Mazumder was the sole signatory totaling \$33,400.
  - d. MR's \$40,000 investment deposited via wire on January 26, 2015;
  - e. \$27,436 in cash withdrawals;
  - f. payments in excess of \$7,500 to department stores, restaurants, hotels, grocery stores, and Disneyland;
  - g. \$77,230.26 withdrawn/transferred to a Fidelity Individual account ending in #6564 in which Mazumder was the sole authorized person;
  - h. \$37,065.59 deposited via transfers from the Fidelity Individual account ending in #6564 in which Mazumder was the sole authorized person; and

- i. an ending account balance of \$15.22 on March 31, 2015.
35. A review of the Fidelity Individual account ending in #6564 from January 1, 2015, to March 31, 2015, in which Mazumder was the sole authorized person, revealed, among other things:
  - a. a beginning balance of \$4.87 on January 1, 2015;
  - b. \$77,230.26 in deposits via transfers from the Fidelity Cash Management Account ending in #4864 in which Mazumder was the sole authorized person;
  - c. \$37,065.59 withdrawn/transferred to the Fidelity Cash Management Account ending in #4864 in which Mazumder was the sole authorized person;
  - d. \$17,279 in cash withdrawals;
  - e. payments in excess of \$8,000 to restaurants, gas stations, department stores, grocery stores, Enterprise Rent-A-Car, and jewelry stores;
  - f. in excess of 400 securities trades resulting in substantial losses;
  - g. \$5,723.22 in total transaction costs, loads, and fees; and
  - h. an ending account balance of \$71.97 on March 31, 2015.
36. Prior to the offer and sale of securities, Mazumder failed to disclose to MR, among other things, the following information:
  - a. a \$12,800.86 judgment in favor of the Missouri Division of Employment Security and against Mazumder on September 29, 2008;
  - b. a \$2,101.43 judgment in favor of the Missouri Division of Employment Security and against Mazumder on March 13, 2009;
  - c. a \$1,535.22 judgment against Mazumder in *Hardins Sysco Food v. Harmac Stores*, case number 09CG-AC01493-01, on September 14, 2009;
  - d. a Missouri tax lien in the amount of \$2,972.62 on December 20, 2010;
  - e. a Chapter 7 bankruptcy that was finalized on March 9, 2011;
  - f. a Missouri tax lien in the amount of \$7,812.99 on April 5, 2011;
  - g. a Missouri tax lien in the amount of \$1,297.09 on October 5, 2011;
  - h. the 2013 Missouri C&D Order;

- i. a \$29,735.39 judgement against Mazumder and in favor of Bankers Life & Casualty Co. on January 27, 2016, case number 14CG-AC00374;
- j. specific information pertaining to purported trading abilities and promised investment returns based on Mazumder's purported abilities;
- k. the financial health of Mazumder; and
- l. that Mazumder was not licensed to offer and sell securities.

### **III. CONCLUSIONS OF LAW**

- 37. Because Respondent failed to request a hearing in compliance with 15 CSR 30-55.020, and because the Commissioner never ordered such a hearing pursuant to Section 409.6-604, the Amended Order issued on December 13, 2016, against Respondent became **FINAL** by operation of law.
- 38. This order is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003. See Section 409.6-605(b).

#### **Multiple Violations of Offering and Selling Unregistered, Non-Exempt Securities**

- 39. **THE COMMISSIONER CONCLUDES** that Respondent violated Section 409.3-301, when Respondent offered and sold unregistered, non-exempt securities in the State of Missouri by, among other things:
  - a. soliciting MR to invest with Respondent;
  - b. providing and executing a promissory note with MR and guaranteeing a return of \$30,000 in interest on MR's investment plus a return of the \$60,000 principal on their investment, which return was dependent upon the efforts of others and not on the efforts of the investor;
  - c. receiving funds to invest from MR;
  - d. soliciting and receiving from MR a second investment of \$40,000, which investment by MR was made with the expectation of deriving a similar profit as above, based on Respondent's expertise and work therein; and
  - e. pooling the investor funds with Respondent's personal funds and the funds of other investors.
- 40. These activities constitute an offer and sale as those terms are defined in Section 409.1-102(26).

41. The investments that Respondent offered and sold constitute securities as that term is defined in Section 409.1-102(28).
42. At all times relevant to this matter, there was no registration, granted exemption, or notice filing indicating status as a “federal covered security” for the securities offered and sold by Respondent.
43. Respondent offered and sold securities in Missouri without these securities being (1) federal covered securities, (2) exempt from registration under Sections 409.2-201 or 409.2-203, or (3) registered under the Missouri Securities Act of 2003, in violation Section 409.3-301.
44. Respondent’s conduct in violation of Section 409.3-301 constitutes an illegal act, practice, or course of business and such conduct is, therefore, subject to the Commissioner’s authority under Section 409.6-604.

**Multiple Violations of Transacting Business as an Unregistered Agent**

45. **THE COMMISSIONER FURTHER CONCLUDES** that Respondent violated Section 409.4-402(a) when Respondent transacted business as an unregistered agent in the State of Missouri.
46. Respondent transacted business in Missouri by, among other things, offering and selling investments to investors, including MR.
47. These activities constitute transacting business as an agent in the State of Missouri under Section 409.1-102(1).
48. At all times relevant, Respondent was not registered as an agent in the State of Missouri.
49. Respondent transacted business in Missouri by offering and selling securities without being registered or exempt from registration as an agent in violation of Section 409.4-402(a).
50. Respondent’s conduct in violation of 409.4-402(a) constitutes an illegal act, practice, or course of business and such conduct is, therefore, subject to the Commissioner’s authority under Section 409.6-604.

**Multiple Violations of Omitting to State Material Facts in Connection with  
The Offer or Sale of a Security**

51. **THE COMMISSIONER FURTHER CONCLUDES** that Respondent violated Section 409.5-501, when, in connection with the offer, sale or purchase of a security as described above, Respondent omitted to state to MR material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not

misleading. Such statements and material omissions included, but were not limited to, the following:

- a. that Respondent would use investor funds for personal expenses;
  - b. a \$12,800.86 judgment against Respondent in favor of the Missouri Division of Employment Security on September 29, 2008;
  - c. a \$2,101.43 judgment against Respondent in favor of the Missouri Division of Employment Security on March 13, 2009;
  - d. a \$1,535.22 judgment against Respondent in *Hardins Sysco Food v. Harmac Stores*, case number 09CG-AC01493-01, on September 14, 2009;
  - e. a Missouri tax lien in the amount of \$2,972.62 on December 20, 2010;
  - f. a Chapter 7 bankruptcy finalized on March 9, 2011;
  - g. a Missouri tax lien in the amount of \$7,812.99 on April 5, 2011;
  - h. a Missouri tax lien in the amount of \$1,297.09 on October 5, 2011;
  - i. the 2013 Missouri C&D Order;
  - j. a \$29,735.39 judgement against Mazumder and in favor of Bankers Life & Casualty Co. on January 27, 2016, case number 14CG-AC00374;
  - k. specific information pertaining to purported trading abilities and promised investment returns based on Mazumder's purported abilities;
  - l. the financial health of Mazumder; and
  - m. that Mazumder was not licensed to offer and sell securities.
52. Respondent omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made not misleading in violation of Section 409.5-501.
53. Respondent's conduct in violation of Section 409.5-501 constitutes engaging in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

### **III. ORDER**

**NOW, THEREFORE**, it is hereby ordered that Respondent, his agents, employees and servants, and all other persons participating in or about to participate in the above-described violations

with knowledge of this order be prohibited from violating or materially aiding in any violation of:

- A. Section 409.3-301 by offering or selling any securities as defined by Section 409.1-102(28) in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-301;
- B. Section 409.4-402(a) by transacting business as an unregistered agent; and
- C. Section 409.5-501 by, in connection with the offer or sale of securities, omitting to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), Respondent shall pay a civil penalty in the amount of \$10,000 for multiple violations of Section 409.3-301. This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), Respondent shall pay a civil penalty in the amount of \$10,000 for multiple violations of Section 409.4-402(a). This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), Respondent shall pay a civil penalty in the amount of \$10,000 for multiple violations of Section 409.5-501. This amount shall be made payable to the State of Missouri and paid within 30 days of the date of this Final Order. The Secretary of State shall forward these funds to the state treasury for the benefit of county and township school funds as provided in Article IX, Section 7 of the Constitution of Missouri. This amount shall be sent to the Missouri Securities Division at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(d), Respondent shall pay restitution and interest in the amount of \$110,808 for violations of Sections 409.3-301, 409.4-402, and 409.5-501. This amount shall be made payable to the Missouri Secretary of State's Investor Restitution Fund, and the Commissioner will take reasonable and necessary actions to distribute such funds to the investor listed on Exhibit 1. This amount shall be sent to the Missouri

Securities Division at 600 West Main, P.O. Box 1276, Jefferson City, Missouri, 65102, within 30 days from the date of this Final Order.

**IT IS FURTHER ORDERED** that, pursuant to Section 409.6-604(e), Respondent shall pay \$4,255.33 in actual costs for investigation into, and the proceedings associated with, this matter. This amount shall be made payable to the Investor Education and Protection Fund. This amount shall be sent to the Missouri Securities Division, at 600 West Main Street, P.O. Box 1276, Jefferson City, Missouri 65102, within 30 days of the date of this Final Order.

**SO ORDERED:**

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,  
MISSOURI THIS 3rd DAY OF MAY, 2017.



JOHN R. ASHCROFT  
SECRETARY OF STATE

A handwritten signature in cursive script, reading "David M. Minnick", is written over a horizontal line.

DAVID M. MINNICK  
COMMISSIONER OF SECURITIES

CERTIFICATE OF SERVICE

I hereby certify that on this 3<sup>rd</sup> day of May, 2017, a copy of the foregoing Final Order to Cease and Desist and Order Awarding Restitution, Civil Penalties, and Costs in the above styled case was **mailed by regular U.S. mail and Certified U.S. mail, Return Receipt Requested, to:**

Manzur Ahmed Mazumder  
1439 Grove Meadow Court  
Germantown, Tennessee 38138-3108

and email address:

Msmanzur7@gmail.com

**and by hand-delivery to:**

Saundra J. McDowell  
Director of Enforcement  
Missouri Securities Division

  
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Laurie Dawson  
Securities Office Manager