

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

_____))
IN THE MATTER OF: Mohammed Adnan Khan)
_____))

File No. 13-00421

ORDER OF PROHIBITION AND FINE

TO RESPONDENT: Mohammed Adnan Khan
 437 Greentree Lane
 Bolingbrook, Illinois 60440

WHEREAS, the above-captioned matter came on to be heard on October 4, 2016 pursuant to the Notice of Hearing dated June 7, 2016 filed by Petitioner Illinois Secretary of State, and the record of the matter under the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") has been reviewed by the Secretary of State or his duly authorized representative.

WHEREAS, the rulings of the Hearing Officer on the admission of evidence and all motions are deemed to be proper and are hereby concurred with by the Secretary of State.

WHEREAS, the proposed Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, James L. Kopecky, Esq., in the above-captioned matter have been read and examined.

WHEREAS, the proposed Findings of Fact of the Hearing Officer are correct and are hereby adopted as the Findings of Fact of the Secretary of State:

1. That the Department properly served the Respondent with the Notice of Hearing.
2. That the Respondent did not appear and did not file an answer or other responsive pleading.
3. That Respondent Mohammed Adnan Khan (hereinafter "Khan") is an individual whose last known address is 437 Greentree Lane, Bolingbrook, Illinois 60440.

Order of Prohibition and Fine

2

4. That Khan was an Illinois resident during all relevant times.
5. That between March and August of 2013 Investor A wired \$20,000 to Respondent for the purpose of trading futures for Investor A. The Respondent utilized a futures trading platform.
6. The funds described above were wired to Respondent's personal account. At no time did Respondent segregate Investor A's funds but rather they were commingled with his own funds and used in part for Respondent's personal expenses.
7. That Respondent represented to Investor A that she could receive her investment back at any time. Respondent created and provided Investor A an account statement which showed that she had a profit of approximately \$1,900 as of August 1, 2013 whereas in fact her account was running at a loss of over \$10,000.
8. That on August 26, 2013 and on numerous other occasions Investor A requested that her investment returned to her together with the profit but was told by the Respondent that he did not have the funds. This is in direct contradiction to the account statement provided to her.

WHEREAS, the proposed Conclusions of Law made by the Hearing Officer are correct and are hereby adopted as the Conclusions of Law of the Secretary of State:

1. The Department properly served the Notice of Hearing on Respondent Khan.
2. The Notice of Hearing included the information required under Section 1102 of the Code.
3. The Secretary of State has jurisdiction over the subject matter pursuant to the Act.
4. Because of Respondent's failure to file a timely answer, make a special appearance or other responsive pleading in accordance with Section 1104:
 - (a) the allegations contained in the Notice of Hearing are deemed admitted;
 - (b) Respondent waived his right to a hearing;

Order of Prohibition and Fine

(c) Respondent is subject to an Order of Default.

5. Because Respondent failed to appear at the time and place set for hearing, in accordance with Section 1109, he:

(a) waived his right to present evidence, argue, object or cross examine witnesses; or

(b) otherwise participate at the hearing.

6. That the activities described in the Findings of Fact above constitutes the offer and/or sale of a securities and as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

7. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.

8. That Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.

9. That Section 12.A of the Act provides, inter alia, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.

10. That Section 12.D of the Act provides, inter alia, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.

11. That Section 12.F of the Act provides that it shall be a violation of the Act to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which work or tends to work a fraud or deceit upon the purchaser.

12. That Pursuant to Section 12.G of the Act, it is a violation of the Act to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Order of Prohibition and Fine

4

13. That by virtue of the foregoing, the Respondent has violated Sections 12.A, 12.D, 12.F and 12.G of the Act.

WHEREAS, the Hearing Officer recommended that:

1. An Order of Default be entered against Respondent Khan and that the facts alleged in the Notice of Hearing be deemed admitted.
2. An Order be entered against Respondent Khan in the form of a permanent order of prohibition against Khan from offering or selling securities in or from the State of Illinois.
3. An Order be entered against Respondent Khan imposing a fine of \$10,000.00.

WHEREAS, the Secretary of State adopts in its entirety the Recommendations made by the Hearing Officer.

NOW THEREFORE, IT SHALL BE AND IS HEREBY ORDERED:

1. That an Order of Default is hereby entered against Respondent Khan and that the facts alleged in the Notice of Hearing are deemed admitted.
2. That Respondent Khan is **PROHIBITED** from offering or selling securities in or from the State of Illinois.
3. That Respondent Khan shall pay a fine \$10,000.00.

ENTERED This 23rd day of February 2017



JESSE WHITE
Secretary of State
State of Illinois

Order of Prohibition and Fine

5

Date of Mailing: 23rd day of February 2017

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (the "Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.

This is a Final Order subject to judicial review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. I, Sec. 130.1123. Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review. Mailing of this Order to the Respondent or representative of record constitutes service of the Order.

Attorney for the Secretary of State:
Gregory J. Solberg
69 West Washington Suite 1220
Chicago, Illinois 60602
(312) 793-9643