



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)	
)	
MSM CAPITAL HOLDINGS, INC., AND)	
MANZUR AHMED MAZUMDER,)	
)	
Respondents.)	Case No. AP-13-18
)	
Serve:)	
MSM Capital Holdings, Inc.)	
David Wayne James, Registered Agent at:)	
63 Sena Faun Drive, Suite A2)	
Cape Girardeau, Missouri 63701)	
)	
and)	
)	
Manzur Ahmed Mazumder at:)	
63 Sena Fawn Drive, Suite A2)	
Cape Girardeau, Missouri 63701)	

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY
RESTITUTION, DISGORGEMENT, CIVIL PENALTIES, AND COSTS
SHOULD NOT BE IMPOSED**

On October 31, 2013, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through its Assistant Commissioner Mary S. Hosmer, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Disgorgement, Civil Penalties, and Costs Should Not Be Imposed.

I. FACTUAL BACKGROUND

The petition alleges the following facts:

A. Respondents and Related Parties

1. MSM Capital Holdings, Inc. ("MSM Capital") is a Missouri corporation organized on

October 12, 2010. The registered agent for MSM Capital is David Wayne James with an address of 63 Sena Fawn Drive, Suite A2, Cape Girardeau, Missouri 63701. A check of the Central Registration Depository (“CRD”) indicates that at all times relevant to this matter, MSM Capital was not registered as a broker-dealer or investment adviser in the State of Missouri.

2. Manzur Ahmed Mazumder (“Mazumder”) is a forty-four (44) year-old Missouri resident with a mailing address of 63 Sena Fawn Drive, Suite A2, Cape Girardeau, Missouri 63701. Mazumder is the president and chief operating officer of MSM Capital. A check of the CRD indicates that at all times relevant to this matter, Mazumder was not registered as a broker-dealer agent or investment adviser representative in the State of Missouri. Mazumder is listed on the CRD as a non-registered person and has a CRD number of 2780858.
3. Mazumder is licensed with the Missouri Department of Insurance, Financial Institutions & Professional Registration as an insurance producer with a license number of 8074013.
4. At all times relevant to this matter, records maintained by the Commissioner contained no registration, granted exemption, or notice filing indicating status as a “federal covered security” for any securities issued by MSM Capital.
5. T.D. Ameritrade, Inc. (“TDA”) is a Missouri registered broker-dealer with a home office address of 200 South 108th Avenue, Omaha, Nebraska 68154. TDA is a discount broker and is registered in Missouri through the CRD with a number of 7870.
6. Forex Capital Markets, LLC (“FXCM”) is a National Futures Association (“NFA”) registered futures commission merchant and retail foreign exchange dealer with the United States Commodity Futures Trading Commission, and has an NFA number of 0308179. FXCM has a principal office address of 55 Water Street, 50th Floor, New York, New York 10041.
7. As used herein, the term "Respondents" refers to MSM Capital and Mazumder.

B. Enforcement Section Investigation

Missouri Resident (MR)

8. In June 2011, a fifty-nine (59) year-old resident of Jackson, Missouri (“MR”),¹ became an agent at an insurance company in Cape Girardeau, Missouri. Mazumder was also an insurance agent at this company.
9. Between September and December 2011, Mazumder told MR, among other things, that:

¹ According to the petition, MR turned sixty (60) years old in December 2011.

- a. Mazumder had a company called MSM Capital;
- b. Mazumder had eight (8) or nine (9) other individuals that were clients at MSM Capital;
- c. Mazumder, through MSM Capital, would establish trading accounts with FXCM and TDA for MR;
- d. Mazumder, through MSM Capital, would be an authorized trader on MR's accounts at FXCM and TDA; and
- e. Mazumder would make MR "rich," and MR would be able to "retire in two years" as a result of Mazumder's trading in these accounts.

MR's Trading Accounts

10. On or about September 1, 2011, Mazumder used MR's computer to establish three (3) trading accounts for MR at TDA and one (1) trading account for MR at FXCM (collectively "MR's Trading Accounts"). Mazumder was listed as an authorized trader on MR's Trading Accounts.
11. Mazumder instructed MR to invest funds from MR's individual retirement accounts ("IRAs") in MR's Trading Accounts.
12. On September 2, 2011, MR deposited one thousand dollars (\$1,000) in the FXCM account.
13. Mazumder obtained MR's account log-on information and passwords for MR's Trading Accounts so that Mazumder could trade in those accounts.²
14. On or about September 22, 2011, Mazumder, MSM Capital, and MR entered into a confidentiality agreement ("Confidentiality Agreement"). Pursuant to the Confidentiality Agreement, MR was precluded from disclosing, among other things, financial statements, products, and/or services in connection with MSM Capital's business.
15. After September 2011, Mazumder, on behalf of MSM Capital, pressured MR to provide additional funds for trading in MR's Trading Accounts.
16. Mazumder sent MR a letter requesting that MR raise one hundred thirty thousand dollars (\$130,000) in additional capital. Mazumder asked MR to:
 - a. "write down all the cash you have...minus one month of your living cost";

² According to the petition, it is unclear why Mazumder, who was an authorized trader for MR's Trading Accounts, traded in these accounts using MR's log-on and password.

- b. list all MR's credit cards and the limits on any cash advance;
 - c. list any lines of credit from which MR could withdraw money; and
 - d. consider borrowing money from MR's parents.³
17. Mazumder urged MR, among other things, to:
- a. obtain a home equity line-of-credit;
 - b. obtain funds from MR's credit cards; and/or
 - c. withdraw funds from MR's bank account;
18. Pursuant to Mazumder's request, MR obtained a home equity line-of-credit, borrowed money from MR's credit cards, and withdrew funds from MR's bank account in order to provide funds for Mazumder and/or MSM Capital to trade in MR's Trading Accounts.
19. Between September 2011 and January 2012, MR invested in excess of three hundred ten thousand dollars (\$310,000) in MR's Trading Accounts.

MR's TDA Accounts

20. Between October 2011 and March 2012, MR's TDA accounts and TDA accounts in the name of Mazumder and/or MSM Capital were repeatedly accessed by the same Internet Protocol ("IP") address.⁴
21. On some dates when the access occurred, trades were made in MR's TDA accounts.
22. Between October 2011 and March 2012, at least five hundred thirty (530) stock transactions took place in MR's TDA accounts including, but not limited to, transactions involving the purchase of equity stocks and exchange-traded funds.
23. MR never personally purchased or sold any stock in these TDA accounts; however, between December 2011 and March 2012, MR did withdraw approximately fifty thousand dollars (\$50,000) from cash in MR's TDA accounts.
24. On March 30, 2012, MR's three (3) TDA accounts had a total balance of approximately sixty dollars (\$60).⁵

³ According to the petition, each of MR's parents were at least eighty (80) years old at that time.

⁴ The petition alleges that an "Internet Protocol address" is a numerical label assigned to a computer device when that device connects to the Internet.

⁵ According to the petition, there were significant trading costs charged to MR'S TDA accounts because of the number of trades made by Mazumder.

25. MR's TDA accounts lost over one hundred ninety thousand dollars (\$190,000) from the trading activities by Mazumder and/or MSM Capital in this account.

MR's FXCM Account

26. Between September 2011 and April 2012, both MR's FXCM account and an MSM Capital FXCM account were repeatedly accessed by the same IP address.
27. On some dates when the access occurred, trades were made in MR's FXCM account.
28. MR never personally traded in MR's FXCM account; however, between December 2011 and April 2012, MR did withdraw approximately nineteen thousand dollars (\$19,000) from cash in MR's FXCM account.
29. Between September 2011 and April 2012, at least seven thousand eight hundred (7,800) foreign exchange trades took place in MR's FXCM account.⁶
30. On or about April 12, 2012, MR's FXCM account had a balance of approximately seven hundred forty dollars (\$740).
31. MR's FXCM account lost over fifty-one thousand dollars (\$51,000) from the foreign exchange trading activities by Mazumder and/or MSM Capital in this account.

MR's MSM Capital Investment

32. From September 2011 to January 2012, Mazumder asked MR to invest through MSM Capital ("MSM Investment"). Mazumder told MR, among other things, that the MSM Investment:
- a. could be characterized as a "consultant fee";
 - b. could be written off MR's taxes;
 - c. would be used by Mazumder to invest in initial public offerings; and
 - d. would generate a profit in excess of two hundred twenty thousand dollars (\$220,000) based on the initial investment of eighty thousand dollars (\$80,000).
33. Between September 2011 and January 2012, MR transferred eighty thousand dollars (\$80,000) for the MSM Investment to a bank account in the name of MSM Capital at Bank of America in Cape Girardeau, Missouri ("MSM Bank Account").

⁶ According to the petition, there were costs in the form of markups charged to MR'S FXCM account on each trade made by Mazumder.

34. MR received invoices from Mazumder, on behalf of MSM Capital, for at least seventy-eight thousand dollars (\$78,000). The invoices that Mazumder provided to MR listed MR's MSM Investment as a consultant fee.
35. Mazumder paid back some funds to MR, however, Mazumder still owes MR in excess of seventy thousand dollars (\$70,000) on the MSM Investment.

Investigative Findings with regard to the MSM Bank Account

36. A review of the MSM Bank Account records revealed, among other things, that:
 - a. Mazumder was the sole signatory on the MSM Bank Account;
 - b. MR's MSM Investment funds were deposited into the MSM Bank Account;
 - c. MR's MSM Investment funds were, among other things:
 - i. wired to MSM Capital's FXCM account and MSM Capital's TDA account, where Mazumder made trades;
 - ii. transferred to Mazumder's personal TDA account;
 - iii. transferred to Mazumder's personal bank account;
 - iv. used to pay credit card debt;
 - v. used to pay travel expenses;
 - vi. used to pay Mazumder's personal debt/loan payments; and/or
 - vii. taken as cash withdrawals; and
 - d. in February and May 2012, checks from two (2) other Missouri residents totaling ten thousand dollars (\$10,000) payable to MSM Capital were deposited in the MSM Bank Account. The memo line on these checks indicated the payments were for "consulting fees." This ten thousand dollars (\$10,000) was, among other things:
 - i. transferred to Mazumder's personal bank account;
 - ii. used to pay credit card debt;
 - iii. taken as cash withdrawals; and/or

- iv. used to pay Walmart expenses.

Mazumder OTR

37. On December 13, 2012, the Enforcement Section conducted an on-the-record interview of Mazumder (“Mazumder OTR”). During the Mazumder OTR, Mazumder stated, among other things, that:
- a. Mazumder helped set up MR’s Trading Accounts on MR’s computer;
 - b. Mazumder transferred money from MR’s brokerage accounts to MR’s Trading Accounts;
 - c. Mazumder had trading authority on MR’s Trading Accounts;
 - d. Mazumder accessed MR’s Trading Accounts and performed trades;
 - e. Mazumder had MR sign a confidentiality agreement regarding Mazumder’s trading activity;
 - f. Mazumder told MR that she could access additional funds from credit cards to put more money in MR’s Trading Accounts;
 - g. MR paid Mazumder eighty thousand dollars (\$80,000) for the MSM Investment;
 - h. the MSM Investment was listed as a “consulting fee” but was an investment;
 - i. Mazumder deposited the MSM Investment funds into the MSM Bank Account;
 - j. the MSM Investment was to be repaid;
 - k. if the MSM Investment was profitable, “I would be given a profit”;
 - l. Mazumder repaid MR a total of fourteen thousand dollars (\$14,000) from MR’s investments with Mazumder and MSM Capital;⁷
 - m. Mazumder had not repaid the remaining funds owed to MR from MR’s investments with or through Mazumder and MSM Capital;

⁷ According to the petition, a review of the MSM Bank Account revealed that several checks to MR were returned for insufficient funds. The MSM Bank Account indicated a wire was sent to MR in the amount of seven thousand dollars (\$7,000).

- n. Mazumder had trading authority and accessed the trading account of another Missouri resident (“MR2”);
- o. Mazumder executed at least twenty (20) trades in MR2’s trading account; and
- p. Mazumder never received “consulting fees” from other Missouri residents for Mazumder’s trading activities.

Payments for Services and Lulling Activity

38. Mazumder sent a letter to MR dated January 31, 2012, stating, among other things:

“I can assure you I will make things whole for you...[I] [j]ust want you to be patient and let me finish ... Bottom Line is I am anticipating the biggest payday of our lifetime within this next two months...I am so confident about my research and know...that ...[this] deal will pay us off tremendously...if I have to beg you [to] do **this I will and even I am willing to give up my fee every month for [the] rest of the year**...you can borrow up to \$ 75k from your parents...**I can guarantee** that once you get the money from your parents and I start trading from ...Feb 6th, 2012, I will [be] able to give you back \$ 170k by [the] end of [February]...”⁸ (Emphasis in original.)

39. On or about April 3, 2012, Mazumder sent MR an e-mail that stated, among other things:

“I want to remind you that we have signed a “Confidentiality Agreement”...which requires you to be careful [when discussing] my strategy...If your accountant is accusing me of something (you mentioned ponzi scheme, please ask him to teach me because before I file a lawsuit I want to know how you or him figure that out). Last time I checked I didn’t hire him to prepare all the statement, all came from reputable company which you have access to as well. But the strategy I am using is patented so I donot [sic] want to take someone to court because they can copy that, I am doing it for you because you became my client and I had you sign the legal document so it stays with you.”

40. On or after April 2012, Mazumder sent an e-mail to MR that stated, among other things, “...I am charging you for service[s] that I am providing to you in return I am claiming those to IRS as my company income or revenue so I can take various deduction[s].”

41. On or about April 20, 2012, Mazumder sent MR a letter that stated, among other things, “[b]ecause of several circumstances things didn’t work out the way I planned but I certainly know how to fix it and get it resolved if I get any co-operation from you...”

⁸ According to the petition, all errors in letters and e-mails are in the originals sent by Respondent Mazumder.

42. On or about April 25, 2012, Mazumder provided MR with a document that stated, among other things:
- a. Option One - “I will pay [\$80,000] back to you in next few months preferably by July and in return, you put that money back to your TD account and I will start transferring IPO shares to your account... process may take up to December...”; and
 - b. Option Two - **“Guaranteed return of your portfolio as well as your loan, With Personal Guarantee as well as Check of \$ 250k will be given to you without my signature if you don’t get everything back...I will sign the check on July 31st 2012.”** (Emphasis in original.)
43. On or about August 15, 2012, Mazumder, through MSM Capital, sent a letter to MR that stated, among other things, “...I will try my best to get you the \$ 66k by September 12th, 2012 then after we can proceed with the strategy to get your investment back.”

Omissions

44. Prior to trading for MR and/or receiving MR’s MSM Investment, Mazumder omitted to tell MR, among other things, the following:
- a. that MSM Capital was required to be registered or exempt from registration to transact business as a broker-dealer in Missouri;
 - b. that the MSM Investment was not registered in Missouri;
 - c. that Mazumder was required to be registered or exempt from registration as an agent in Missouri to sell securities;
 - d. the actual risks of the investment through MSM Capital;
 - e. the actual risks of Mazumder’s trading activities in MR’s accounts;
 - f. the risks associated with obtaining investment funds from credit cards and/ or a home equity loan;
 - g. the past trading history and/or the profitability of other accounts managed or traded by Mazumder and/or MSM Capital;
 - h. the financial condition of MSM Capital;
 - i. the financial condition of Mazumder; and/or

- j. that MR's MSM Investment funds would be commingled with Mazumder's personal and business funds and would be used to pay personal expenses, including, but not limited to, credit card debt, travel expenses, and debt/loan payments.

II. COMMISSIONER'S DETERMINATION AND FINDING

Violation of Offering and Selling Unregistered, Non-Exempt Securities

- 45. The **COMMISSIONER DETERMINES** that MSM Capital and/or Mazumder offered and/or sold an investment contract to MR by:
 - a. soliciting and receiving funds from MR for the MSM Investment;
 - b. telling MR that the funds were to be used in purchasing initial public offerings;
 - c. agreeing to share profits with MR that were generated by Mazumder's activities; and
 - d. telling MR that the MSM Investment would generate a profit in excess of two hundred twenty thousand dollars (\$220,000).
- 46. These profits were in a common enterprise and were interwoven with and dependent upon the efforts of MSM Capital and/or Mazumder and not on the efforts of the investor.
- 47. The investment described above constitutes an investment contract, and an investment contract is a security pursuant to Section 409.1-102(28), RSMo. (Cum. Supp. 2012).
- 48. MSM Capital and/or Mazumder violated Section 409.3-301, RSMo. (Cum. Supp. 2012), when they offered and sold a security in Missouri without the security being (1) a federal covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-203, RSMo. (Cum. Supp. 2011), or (3) registered under the Missouri Securities Act of 2003.
- 49. At the time MSM Capital and/or Mazumder engaged in the conduct set forth above, MR was a person sixty years of age or older and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2012).
- 50. MSM Capital's and/or Mazumder's conduct in violation of Section 409.3-301, RSMo. (Cum. Supp. 2012), constitutes an illegal act, practice, or course of business and is subject to the Commissioner's authority under Section 409.6-604, RSMo. (Cum. Supp. 2012).

Multiple Violations of Transacting Business as an Unregistered Broker-Dealer

51. The **COMMISSIONER FURTHER DETERMINES** that MSM Capital, through Mazumder, engaged in the business of effecting transactions in securities for the account of others or for the person's own account by, among other things:
 - a. Offering to buy and sell securities on behalf of MR in MR's accounts;
 - b. soliciting funds from MR to trade securities in MR's Trading Accounts;
 - c. representing to MR that Mazumder had eight (8) or nine (9) other clients at MSM Capital;
 - d. buying or selling securities in MR's Trading Accounts;
 - e. buying or selling securities in the account of MR2; or
 - f. buying or selling securities in the name of MSM Capital.
52. MSM Capital engaged in the business of effecting transactions in the accounts of others and such activity constitutes transacting business as a broker-dealer in the State of Missouri under Section 409.1-102(4), RSMo. (Cum. Supp. 2012).
53. At all times relevant to this matter, there was no registration or granted exemption for MSM Capital to transact business as a broker-dealer in or from the State of Missouri.
54. MSM Capital transacted business in Missouri as an unregistered broker-dealer in violation of Section 409.4-401(a), RSMo. (Cum. Supp. 2012).
55. MSM Capital's conduct in violation of Section 409.4-401(a), RSMo. (Cum. Supp. 2012), 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, RSMo. (Cum. Supp. 2012).

Multiple Violations of Transacting Business as an Unregistered Agent

56. The **COMMISSIONER FURTHER DETERMINES** that Mazumder was the president and chief operating officer of MSM Capital and represented MSM Capital in Missouri in purchasing and/or selling securities in investor accounts.
57. At all times relevant to this matter, Mazumder had no registration or granted exemption to transact business as an agent in the State of Missouri.
58. Mazumder transacted business as an unregistered agent in Missouri in violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2012).

59. Mazumder's conduct in violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2012), 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, RSMo. (Cum. Supp. 2012).

Multiple Violations of Employing an Unregistered Agent

60. The **COMMISSIONER FURTHER DETERMINES** that MSM Capital employed and/or associated with Mazumder, who transacted business as an agent in Missouri on behalf of MSM Capital.
61. At all times relevant to this matter, MSM Capital had no registration or granted exemption for any agents of MSM Capital to transact business in the State of Missouri.
62. MSM Capital employed and/or associated with an unregistered agent who transacted business in the State of Missouri in violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2012).
63. MSM Capital's conduct in violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2012), 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, RSMo. (Cum. Supp. 2012).

Multiple Violations of Omitting to State Material Facts or Engaging in An Act, Practice, or Course of Business that Would Operate as a Fraud or Deceit

64. The **COMMISSIONER FURTHER DETERMINES** that, in connection with the offer, sale, or purchase of a security, Respondent MSM Capital and/or Respondent Mazumder 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, including, but not limited to, the following:
- a. that MSM Capital was required to be registered or exempt from registration to transact business as a broker-dealer in Missouri;
 - b. that the MSM Investment was not registered in Missouri;
 - c. that Mazumder was required to be registered or exempt from registration as an agent in Missouri to buy or sell securities;
 - d. the actual risks of the investment through MSM Capital;
 - e. the actual risks of Mazumder's trading activities in MR's accounts;

- f. the risks associated with obtaining investment funds from credit cards and/ or a home equity loan;
- g. the past trading history and/or the profitability of other accounts managed or traded by Mazumder and/or MSM Capital;
- h. the financial condition of MSM Capital;
- i. the financial condition of Mazumder; and/or
- j. that MR's MSM Investment funds would be commingled with Mazumder's personal and business funds and would be used to pay personal expenses, including, but not limited to, credit card debt, travel expenses, and debt/loan payments.

65. The **COMMISSIONER FURTHER DETERMINES** that, in connection with the offer, sale, or purchase of a security, Respondent MSM Capital and/or Respondent Mazumder engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person by, among other things:

- a. claiming that Mazumder and/or MSM Capital's trading activities on MR's behalf would make MR "rich";
- b. claiming that Mazumder and/or MSM Capital's trading activities on MR's behalf would allow MR to "retire in two years";
- c. claiming that MR could write off MR's MSM Investment by characterizing it as a "consultant fee"; and/or
- d. lulling MR in order to obtain additional investment funds and/or avoid or delay detection by:
 - i. claiming that Mazumder could "make things whole for [MR]";
 - ii. claiming that Mazumder would pay MR one hundred seventy thousand dollars (\$170,000) in one month if MR would borrow additional funds from MR's parents for Mazumder to trade;
 - iii. claiming that MR was precluded from discussing Mazumder's and/or MSM Capital's trading activities because of the "Confidentiality Agreement";

- iv. claiming that Mazumder could “fix” or “resolve” the situation if MR cooperated with Mazumder;
 - v. providing MR with a document that illustrated two (2) options where Mazumder guaranteed to return either eighty thousand dollars (\$80,000) or two hundred fifty thousand dollars (\$250,000) to MR; and/or
 - vi. sending a letter to MR that indicated, among other things, that Mazumder would return sixty-six thousand dollars (\$66,000) to MR and thereafter “get [MR’s] investment back.”
66. Respondent MSM Capital and/or Respondent Mazumder 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, and/or engaged in an act, practice, or course of business that would operate as a fraud or deceit upon another person in connection with the offer, sale, or purchase of a security in Missouri in violation of Section 409.5-501, RSMo. (Cum. Supp. 2012).
67. At the time Respondent MSM Capital and/or Respondent Mazumder engaged in at least some of this conduct, MR was a person sixty years of age or older and was an elderly person as that term is defined under Section 409.6-604(d)(3)(B), RSMo. (Cum. Supp. 2012).
68. MSM Capital’s and/or Mazumder’s conduct in violation of Section 409.5-501, RSMo. (Cum. Supp. 2012), 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, RSMo. (Cum. Supp. 2012).
69. The Commissioner finds, pursuant to Section 409.6-605(b), RSMo (Cum. Supp. 2012), that the Order in Section III is in the public interest and is consistent with the purposes of the Missouri Securities Act of 2003.

III. ORDER

NOW THEREFORE, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this Order are prohibited from violating or materially aiding in any violation of: Section 409.3-301, RSMo. (Cum. Supp. 2012), by offering or selling unregistered, nonexempt, and nonfederally covered securities in this State; Section 409.4-401(a), RSMo. (Cum. Supp. 2012), by transacting business as an unregistered broker-dealer in this State; Section 409.4-402(a), RSMo. (Cum. Supp. 2012), by transacting business as an unregistered agent in this State; Section 409.4-402(d), by offering or selling any securities in this State while employing or associating with an agent who is transacting business in this State on behalf of a broker-dealer or issuer unless the agent is registered under the Act or exempt from such registration; and Section 409.5-501, RSMo. (Cum. Supp. 2012), by, in connection with the offer

or sale of securities in this State, making an untrue statement of a material fact or 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.

IV. STATEMENT

Pursuant to Section 409.6-604(b), RSMo. (Cum. Supp. 2012), the **Commissioner hereby states** that he will determine whether to grant the Enforcement Section's requests for:

1. a civil penalty of one thousand dollars (\$1,000) against each Respondent for one violation of Section 409.3-301, RSMo. (Cum. Supp. 2012);
2. a civil penalty of ten thousand dollars (\$10,000) against MSM Capital for more than one violation of Section 409.4-401(a), RSMo. (Cum. Supp. 2012);
3. a civil penalty of ten thousand dollars (\$10,000) against Mazumder for more than one violation of Section 409.4-402(a), RSMo. (Cum. Supp. 2012);
4. a civil penalty of ten thousand dollars (\$10,000) against MSM Capital for more than one violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2012);
5. a civil penalty of fifteen thousand dollars (\$15,000) against each Respondent for more than one violation of Section 409.5-501, RSMo. (Cum. Supp. 2012), when at least one of these violations was committed against an elderly person;
6. an order to pay restitution for any loss, including the amount of any actual damages that may have been caused by Respondents' conduct, and interest at the rate of eight percent (8%) per year from the date of the violation causing the loss or disgorge any profits arising from the violation of Sections 409.3-301, 409.4-401, 409.4-402, and 409.5-501, RSMo. (Cum. Supp. 2012), in a final order, unless Respondents request a hearing and show cause why this restitution or disgorgement should not be imposed; or
7. an award of the costs of the investigation against Respondents in this proceeding, awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why an award should not be made.

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SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS EIGHTEENTH DAY OF NOVEMBER 2013.



JASON KANDER
SECRETARY OF STATE

Andrew M. Hartnett

ANDREW M. HARTNETT
COMMISSIONER OF SECURITIES



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

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NOTICE

TO: Respondents and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter within thirty (30) days from the date of this Order pursuant to Section 409.6-604(b), RSMo. (Cum. Supp. 2012).

Within fifteen (15) days after receipt of a request in a record from a person or persons subject to this order, the Commissioner will schedule this matter for a hearing.

A request for a hearing must be mailed or delivered, in writing, to:

Andrew M. Hartnett, Commissioner of Securities
Office of the Secretary of State, Missouri
600 West Main Street, Room 229
Jefferson City, Missouri, 65102

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of November, 2013, a copy of the foregoing Order to Cease and Desist and Order to Show Cause Why Restitution, Disgorgement, Civil Penalties, and Costs Should Not Be Imposed, and a copy of the Petition for Order to Cease and Desist and Order to Show Cause Why Restitution, Civil Penalties, and Costs Should Not Be Imposed, in the above styled case was **mailed by Certified U.S. mail to:**

MSM Capital Holdings, Inc.
David Wayne James, Registered Agent
63 Sena Faun Drive, Suite A2
Cape Girardeau, Missouri 63701

Manzur Ahmed Mazumder
63 Sena Fawn Drive, Suite A2
Cape Girardeau, Missouri 63701

and by hand delivery to:

Mary S. Hosmer
Assistant Commissioner
Missouri Securities Division



John Hale, Securities Office Manager