IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

THE STATE OF TEXAS, ***Plaintiff,***	§	
v.	§	
COMMUNITY CAPITAL PARTNERS LP, EPIC REAL PROPERTIES, INC., EAST PLANO ISLAMIC CENTER, IMRAN CHAUDHARY, NAVEED SIDDIQUI, and SARFRAZ AHMAD, ***Defendants***	§	**Civil Action No. 4:26-cv-00029**

DEFENDANTS' NOTICE OF REMOVAL

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COME Defendants Community Capital Partners LP; EPIC Real Properties, Inc.; East Plano Islamic Center; Imran Chaudhary; Naveed Siddiqui; and Sarfraz Ahmad (collectively, "Defendants") who file this Notice of Removal, and would respectfully show the Court as follows:

1. **State Proceeding.** On December 8, 2025, Plaintiff the State of Texas (hereafter, the "State") filed this civil action in the 416th Judicial District Court, Collin County, Texas. The style of the case exactly as it was styled in state court is: *The State of Texas v. Community Capital Partners LP, EPIC Real Properties, Inc., East Plano Islamic Center, Imran Chaudhary, Naveed Siddiqui, and Sarfraz Ahmad*; Cause No. 416-09562-2025; in the District Court, Collin County, Texas, 416th Judicial District.

2. **Service dates for Defendants.** Defendant Community Capital Partners LP was served on December 24, 2025. Defendant EPIC Real Properties, Inc. was served on December 22, 2025. Defendant East Plano Islamic Center was served on December 22, 2025. Defendant Imran Chaudhary was served on December 22, 2025. Defendant Naveed Siddiqui was served on

December 18, 2025. Defendant Sarfraz Ahmad has not been served, but on January 7, 2026, undersigned counsel agreed to accept service on his behalf and he joined the answer filed by all six defendants later that day.

3. **Timeliness.** Having filed this notice of removal within thirty (30) days of service on Defendants, this removal is timely. *See* 28 U.S.C. § 1446(b)(2)(B).

4. **Rule of Unanimity Satisfied.** As every defendant has joined in this removal, the rule of unanimity is satisfied. *See* 28 U.S.C. § 1446(b)(2)(A).

5. **Grounds for Removal.** This action is removable under 28 U.S.C. § 1441(a) because it presents a federal question within the meaning of 28 U.S.C. § 1331. Federal jurisdiction exists where a state-law claim "necessarily raise[s] a stated federal issue, actually disputed and substantial, which a federal forum may entertain without disturbing any congressionally approved balance of federal and state judicial responsibilities." *Grable & Sons Metal Prods., Inc. v. Darue Eng'g & Mfg.*, 545 U.S. 308, 314 (2005); *accord Gunn v. Minton*, 568 U.S. 251, 258 (2013); *see also Bd. of Comm'rs of Se. La. Flood Prot. Auth.-E. v. Tenn. Gas Pipeline Co.*, 850 F.3d 714, 721–22 (5th Cir. 2017).

6. The State's claims do not merely reference federal law as background, evidence, or a rebuttal to an anticipated defense. They affirmatively seek judicial determinations that would define the scope of federal securities preemption and, in doing so, determine the boundary between federal and state regulatory authority. The Petition alleges that Defendants violated state securities law because their offerings allegedly did not qualify for the federal exemption provided by SEC Regulation D and therefore were not "covered securities" under the National Securities Markets Improvement Act of 1996 ("NSMIA"). *See* Petition ¶¶ 29–31, 105. Whether an offering constitutes a "covered security" under NSMIA is not a mere factual predicate to liability,

but a threshold federal determination that controls the existence of state registration authority in the first instance.

7. Under NSMIA, whether an offering qualifies as a "covered security" pursuant to Rule 506 is a question of federal law that determines whether state registration and permitting requirements are preempted at all. *See* 15 U.S.C. § 77r(b)(4)(F), (c). Covered-security status under NSMIA is a federal jurisdictional classification that withdraws state registration authority where it applies, rather than an evidentiary defense to state-law liability. Consistent with that framework, the State expressly asks the Court to declare (1) that the federal safe harbors set forth in 17 C.F.R. § 230.506(b) and (c) are "inapplicable under the present facts," and (2) that Defendants "falsely claimed" the Rule 506(c) exemption. Petition ¶ 105(1)–(2). Those requests do not merely seek application of settled federal standards to historical facts; they seek an authoritative determination that federal preemption does not apply and that the State may exercise regulatory authority that Congress displaced where an offering qualifies as a covered security.

8. Accordingly, this case necessarily requires adjudication of disputed and substantial questions of federal securities law—specifically, the scope and operation of NSMIA preemption and the circumstances under which a federally defined covered security loses that status. The federal issue is actually disputed, logically antecedent to the State's asserted authority to impose registration and permitting requirements, and dispositive of the declaratory and injunctive relief the State seeks. It is substantial to the federal system because it concerns the allocation of regulatory power Congress assigned to federal law and the conditions under which state authority is withdrawn or restored. Exercising federal jurisdiction here does not disrupt the congressionally approved balance of federal and state judicial responsibilities; it enforces it. Because the State has made federal covered-security status and the applicability of federal preemption central to its

requested declaratory and injunctive relief—including determinations that would govern the State's continuing regulatory authority going forward—this action "arises under" federal law within the meaning of 28 U.S.C. § 1331 and is properly removable under § 1441(a).

9. Defendants do not contend that every state securities enforcement action referencing Rule 506 or Regulation D is removable. However, "Supreme Court precedent is clear that a case arises under federal law where 'the vindication of a right under state law necessarily turn[s] on some construction of federal law,' and the [State's] claims [in this case] cannot be resolved without a determination whether" the federal safe harbors set forth in 17 C.F.R. § 230.506 apply. *See Bd. of Comm'rs of Se. La. Flood Prot. Auth.-E.*, 850 F.3d at 721–22 (quoting *Franchise Tax Bd. v. Constr. Laborers Vacation Tr.*, 463 U.S. 1, 9 (1983)). Removal is proper because the State affirmatively seeks contested declaratory relief determining the applicability of federal preemption and the scope of federally defined covered-security status, thereby necessarily raising disputed and substantial questions of federal law.

10. **Venue.** As the removed state court action was filed in Collin County, venue upon removal is proper in the United States District Court for the Eastern District of Texas, Sherman Division. *See* 28 U.S.C. § 1441(a); 28 U.S.C. § 124(c)(3).

7. **Attachments.** In compliance with this Court's Local Rules, attached to this notice are the following documents:

(1) a list of all parties in the case, their party type (e.g., plaintiff, defendant, intervenor, receiver, etc.) and current status of the removed case (e.g., pending, dismissed);

(2) a civil cover sheet and certified copy of the state court docket sheet[1]; a copy of all

[1] As discussed in the attached declaration, Defendants' counsel are still in the process of obtaining a certified copy of the docket sheet from the Collin County District Clerk's Office, and will supplement the existing removal record when it is obtained, but have filed a Register of Actions

pleadings that assert causes of action (e.g., complaints, amended complaints, supplemental complaints, petitions, counter-claims, cross-actions, third party actions, interventions, etc.); all answers to such pleadings and a copy of all process and orders served upon the party removing the case to this court as required by 28 U.S.C. § 1446(a);

(3) a complete list of attorneys involved in the action being removed, including each attorney's bar number, address, telephone number, and party or parties represented by that attorney;

(4) a record of which parties have requested jury trial (this information is in addition to filing a separate jury demand pursuant to Local Rule CV-38(a)); and

(5) the name and address of the court from which the case was removed.

U.S. District Court for Eastern District of Texas, LR 81(c).

11. **Notice.** Defendants will promptly file a copy of this notice of removal with the clerk of the state court where the suit has been pending. *See* 28 U.S.C. § 1446(d).

PRAYER

Accordingly, Defendants pray that this cause be removed to the United States District Court for the Eastern District of Texas, Sherman Division, pursuant to Section 1441 of Title 28 of the United States Code.

Date: January 8, 2026

Respectfully submitted,

ARAMBULA | TERRAZAS PLLC
1001 S. Capital of Texas Hwy.
Building L, Suite 250
Austin, Texas 78746

/s/ Eric A. Hudson

listing much the same information in the meantime.

Eric A. Hudson
State Bar No. 24059977
ehudson@atlawpllc.com
Attorney-in-Charge

Benjamin L. Dower
State Bar No. 24082931
bdower@atlawpllc.com

Jennifer A. Foster
State Bar No. 24104938
jfoster@terrazaspllc.com

Seth A. Montandon
State Bar No. No. 24137059
smontandon@terrazaspllc.com

Attorneys for Defendants

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing document was served on January 8, 2026, via the Court's ECF system to:

Thomas Bevilacqua
Assistant Attorney General
Attorney General of Texas
Scott D. Smith
Assistant Attorney General
General Litigation Division
P.O. Box 12548, Capitol Station
Austin, Texas 78711-2548
(737) 224-2489 | FAX: (512) 320-0667
thomas.bevilacqua@oag.texas.gov
scott.smith@oag.texas.gov

Counsel for Plaintiff
The State of Texas

/s/ Benjamin L. Dower
BENJAMIN L. DOWER