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OFFICE OF THE ATTORNEY GENERAL
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BUREAU OF SECURITIES
153 Halsey Street, 6th Floor
P.O. Box 47029
Newark, New Jersey 07102

IN THE MATTER OF:

JAY JOHN SOOJIAN
(CRD # 2768599)

**ADMINISTRATIVE CONSENT
ORDER AS TO JAY JOHN SOOJIAN**

Pursuant to the authority granted to Abbe R. Tiger, Chief of the New Jersey Bureau of Securities (“Bureau Chief”) by the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. (“Securities Law”), and after investigation of the facts involving Jay John Soojian (“Soojian”), including documents obtained during the investigation by the New Jersey Bureau of Securities (“Bureau”), the Bureau Chief and Soojian, through Soojian’s counsel (Devanshu L. Modi, Esq.) now desire to resolve this matter and consent to the form and entry of this Administrative Consent Order.

This Administrative Consent Order is being executed within five (5) business days of the entry of the “Consent Order and Final Judgment as to Defendant Jay John Soojian and Relief-Defendant Dexter Group LLC” (“Consent Judgment”). The Consent Judgment has been separately agreed to by the Bureau Chief and Soojian (Devanshu L. Modi, Esq., appearing) to resolve a portion of the proceeding captioned Chiesa v. Zuck, et al., Docket No. HUD-C-125-12

(the “Osiris Civil Action”), which is pending before the Honorable Hector R. Velazquez, P.J. Ch., Superior Court of New Jersey, Chancery Division, General Equity Part, William Brennan Courthouse, 538 Newark Avenue, Jersey City, New Jersey 07306.

FINDINGS OF FACT

The Bureau Chief makes the following findings of fact, which Soojian neither admits nor denies:

Respondent

1. Soojian (CRD# 2577346), residing in Wayne, New Jersey, has been registered with the Bureau as an agent since August 1996 and as an investment adviser representative since May 2012. Soojian was registered with the Bureau as an agent of New England Securities from November 2000 to August 2011. Soojian was also registered as an agent of Park Avenue Securities LLC from September 2011 to October 2012.

Relevant Parties

2. Dexter Group LLC (“Dexter Group”) is a limited liability company with a principal place of business at 111 Tall Grass Drive, Wayne, New Jersey 07470. Soojian’s wife (“Wife”), is the sole member of Dexter Group. Dexter Group was an entity established by Soojian, who drafted and filed the formation paperwork for Dexter Group.

3. New England Securities (CRD #615) (“New England”) has been registered with the Bureau as a broker-dealer since 1983. New England’s main address is 1095 Avenue of the Americas, New York, NY 10036.

4. Park Avenue Securities LLC (CRD #46173) (“PAS”) has been registered with the Bureau as a broker-dealer since 1999. PAS’s main address is 7 Hanover Square, New

York, NY 10004.

5. Osiris Fund Limited Partnership (“Osiris Fund”) is a limited partnership formed under the laws of New Jersey with a principal place of business at 55 Spruce Street, Jersey City, New Jersey 07306. Osiris Fund was purportedly a “hedge fund” marketed as an investment vehicle for individuals of average financial means, which issued securities in the form of limited partnership interests (“Osiris Securities”).

6. Osiris Partners LLC (“Osiris Partners”) is a limited liability company formed under the laws of New Jersey with a principal place of business at 55 Spruce Street, Jersey City, New Jersey 07306. Osiris Partners was the general partner of Osiris Fund.

Sale of Unregistered Securities

7. From about June 2009 to November 2011, the Osiris Fund and Osiris Partners (collectively, the “Osiris Entities”), Soojian and others offered and sold approximately \$12 million of Osiris Securities to at least seventy-six investors (the “investors” or “Osiris Investors”). Soojian offered and sold Osiris Securities by introducing or referring Osiris Investors to the Osiris Fund while he was employed by New England and PAS, respectively.

8. The Osiris Securities entitled investors to, among other things, an ownership interest in the Osiris Fund.

9. The Osiris Securities were neither registered with the Bureau, federally covered, nor exempt from registration.

Osiris Fund Fraud

10. Soojian failed to disclose to Osiris Investors one of the officer’s numerous prior civil disciplinary and criminal convictions involving theft, fraud, and securities fraud. Soojian

also failed to disclose Osiris Partners' misuse of investors' funds for the benefit of certain members of Osiris Partners and their relatives.

11. As part of Osiris Partners' fraudulent scheme, from at least May 2010 until the end of 2011, members and other employees of Osiris Partners sent investors falsified financial statements, which drastically overstated the Osiris Fund's net asset value ("NAV") by including, among other things, a fictitious asset valued at different times as either \$5 million or \$6.5 million in the NAV calculation. Soojian provided the same falsified financial statements to potential investors.

12. Throughout 2010 and 2011, Osiris Partners inflated management fees by basing them on the Osiris Fund's overstated NAV with the fictitious asset. The inflated management fees were distributed to certain members of Osiris Partners and their relatives. Soojian's compensation for selling Osiris Securities derived from the inflated management fee the Osiris Fund paid to Osiris Partners.

13. By late 2011, a combination of the inflated management fees, misuse of funds, trading losses, and payments to investors reduced the Osiris Fund's NAV to near zero.

14. Investors of Osiris Fund have lost more than \$7.2 million.

Marketing Agreement

15. Soojian was compensated pursuant to a written agreement between Osiris Partners and Dexter Group. This had the effect of concealing Soojian's compensation. Soojian negotiated the conditions and terms of the Marketing Reallocation Agreement with the partners of Osiris Partners. Under the agreement, Osiris Partners compensated Dexter Group based, in part, on the amount of Osiris Securities purchased by investors who Soojian referred to Osiris

Fund.

16. While Wife signed the Marketing Reallocation Agreement, she did not solicit any of the clients Dexter Group was paid for. All the sales of Osiris Securities for which Dexter Group was compensated were purchases by the investors solicited by Soojian.

17. Osiris Partners transferred to Dexter Group compensation for the purchase of Osiris Securities by investors who Soojian solicited. Dexter Group then paid Soojian via a separate payment from Dexter Group's checking account.

18. Dexter Group received approximately twenty-four (24) payments totaling at least \$28,500 as compensation for Soojian's efforts.

19. Although Wife is identified as Dexter Group's sole member, Soojian had signatory authority over and direct access to Dexter Group's checking account.

20. Soojian was directly involved and benefited from the Marketing Reallowance Agreement entered between Osiris Partners and Dexter Group. Soojian withdrew at least \$16,000 of the \$28,500 held in Dexter Group's checking account.

Solicitation

21. Soojian solicited approximately twenty (20) individuals to purchase Osiris Securities. In referring potential investors to Osiris Fund, Soojian requested, received, and forwarded to potential investors the promotional materials of Osiris Fund.

22. Soojian did not disclose to those twenty (20) potential investors that he would be compensated if they elected to purchase Osiris Securities.

23. Out of the twenty (20) individuals Soojian referred to Osiris Fund, approximately nine (9) investors purchased Osiris Securities. Soojian and his parents also invested in Osiris

Securities.

24. At least two (2) of those nine (9) investors were current clients of New England at the time Soojian solicited them.

Private Securities Transactions and Outside Business Activities

25. New England's Supervisory Manual dated October 2009 states:

- a. A representative may not participate in any manner in the purchase, sale, or solicitation of private securities transactions outside the scope of his/her association with the Firm;
- b. A representative must sell only securities specifically authorized for sale by the Firm;
- c. As a result, a representative must not participate in the sale of any interest in a private or public investment partnership program, a private or otherwise unregistered account, a note or other debt instrument, or other securities through another broker-dealer or any other entity or individual;
- d. A representative may not receive compensation in any form (commissions, finder's fees, consulting fees, etc.) in connection with the sale of any securities product not approved by the Firm; and
- e. If a registered representative is seeking to engage in a private securities transaction, he/she must complete and sign the Private Securities Transaction form and forward it to the Managing Director for initial review and approval.

26. Similarly, the PAS Field Office Supervisory Manual ("PAS Manual"), dated

January 15, 2009, required registered representatives to apply for and receive approval of any outside business activity. Additionally, the PAS Manual indicated that participation in a private securities transaction would likely be denied approval.

27. Despite these disclosure and approval requirements, Soojian failed to notify New England about his solicitation and compensation for Osiris Securities.

28. Soojian repeatedly made misrepresentations to New England and PAS in order to conceal his solicitation to purchase unregistered securities not offered through his employers.

29. For example, Soojian's "Annual Individual Compliance Review" forms for New England dated June 16, 2010 and June 16, 2011 state that Soojian did not participate in private securities transactions, and also fail to disclose his outside business activities with Osiris Fund, Osiris Partners, and Dexter Group while associated with New England.

30. Between about November 2009 and June 16, 2011, Dexter Group received eighteen (18) payments totaling over \$21,000 for the purchase of Osiris Securities by investors who Soojian referred to Osiris Fund.

31. Soojian's Outside Business Activity form for PAS was approved on October 28, 2011. Soojian failed to disclose his private securities transactions and outside business activities with the Osiris Entities and Dexter Group.

32. Within the month of October 2011, Dexter Group received two (2) payments totaling over \$2,000 for the purchase of Osiris Securities by investors.

33. As a result of Soojian's failure to report his private securities transactions and outside business activities, his Uniform Application ("Form U4") as filed with the Bureau was false and misleading, and, to date, has not been amended to correct for the inaccuracies and

omissions contained therein, as required by Form U4.

CONCLUSIONS OF LAW

The Bureau Chief makes the following conclusions of law, which Soojian neither admits nor denies:

34. Pursuant to N.J.S.A. 49:3-58(a)(2)(ii), the Bureau Chief may by order deny, suspend or revoke any registration if she finds: (1) “that the order is in the public interest”; and (2) that the applicant or registrant ii) “has willfully violated or willfully failed to comply with any provisions of this act or any rule or order authorized by this act or has willfully, materially aided others in such conduct.”

35. Soojian “willfully violated or willfully failed to comply with” the Securities Law, and “willfully and materially aided others in such conduct” as follows:

- a. Soojian made materially false and misleading statements and/or omitted material facts to investors in connection with the offer and sale of Osiris Securities in violation of N.J.S.A. 49:3-52(b);
- b. Soojian engaged in an act, practice and course of business that operated as a fraud and/or deceit upon investors in violation of N.J.S.A. 49:3-52(c);
- c. Soojian unlawfully acted as an agent as defined by N.J.S.A. 49:3-49(b) without being registered with the Bureau in violation of N.J.S.A. 49:3-56(a);
- d. Soojian sold securities that were not registered with the Bureau in violation of N.J.S.A. 49:3-60; and

- e. Soojian failed to inform New England and Park Avenue Securities LLC of his private securities transactions and outside business activities with the Osiris Entities and Dexter Group, resulting in the filing of a false and misleading registration application with the Bureau through the Central Registration Depository in violation of N.J.S.A. 49:3-54.

36. The above-described conduct on the part of Soojian also constitutes “dishonest and unethical practices in the securities, commodities, banking, insurance or investment advisory business,” which are additional grounds, pursuant to N.J.S.A. 49:3-58(a)(2)(vii), for the Bureau Chief to suspend his registration, so long as it is in the public interest to do so.

37. Soojian engaged in “dishonest and unethical practices in the securities, commodities, banking, insurance or investment advisory business,” in violation of N.J.S.A. 49:3-58(a)(2)(vii) and as defined by N.J.A.C. 13:47A-6.3 as follows:

- a. As an agent of a broker-dealer, Soojian effected securities transactions not recorded on the regular books or records of the broker-dealer which he represented, and not authorized in writing by the broker-dealer prior to execution of the transaction;
- b. Soojian effected private securities transactions without prior authorization to do so;
- c. Soojian failed to disclose the receipt of commission trails from the execution of private securities transactions, which were not recorded on the regular books and records of the broker-dealer he represented, and without notifying and obtaining

prior authorization from the broker-dealer he represented regarding the receipt of such commissions; and

- d. Soojian failed to inform the broker-dealer he represented of his outside business activities prior to engaging in those activities.

THEREFORE, IT IS ON THIS 22ND DAY OF APRIL 2013 ORDERED AND AGREED AS FOLLOWS:

38. Soojian's registrations with the Bureau to act as an investment adviser representative, and as an agent are suspended under N.J.S.A. 49:3-58(a). In the event that Soojian has satisfied all the terms and conditions of the Consent Judgment, he may re-apply for registration as an investment adviser representative or an agent, ten (10) years from the entry of the Consent Judgment.

39. If after the foregoing ten-year suspension Soojian applies for registration with the Bureau and his application is accepted, Soojian agrees that his registration will be restricted with a Heightened Supervision Agreement. The Heightened Supervision Agreement shall be required to be signed by the employing firm, Soojian and his supervisor. The terms of the Heightened Supervision Agreement will be finalized during Soojian's application process.

40. Soojian is denied all exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraphs 9, 10 and 11 and subsection (b).

41. The exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g) are revoked as to Soojian.

GENERAL PROVISIONS

42. Counsel for Soojian represents he is authorized to sign this Administrative

Consent Order.

43. Pursuant to N.J.A.C. 1:1-19.1(d), this Administrative Consent Order shall be deemed the final decision as to Soojian.

44. Soojian consents to the entry of this Administrative Consent Order. In consideration of his desire to resolve the issues herein and having full opportunity to consult with counsel, Soojian hereby consents to the jurisdiction of the Bureau and voluntarily waives any right to assert any defenses, or to raise any challenge that he otherwise may have had to this Administrative Consent Order.

45. The Bureau Chief has entered into this Administrative Consent Order in reliance on Soojian's representation that he will not effect or attempt to effect transactions in securities from or within New Jersey, or otherwise violate the Securities Law or the Consent Judgment. In the event Soojian acts in contravention to this representation, the Bureau Chief may vacate this Consent Order and take further action against Soojian under the Securities Law.

46. Soojian agrees that for purposes of this matter or future proceedings to enforce this Administrative Consent Order that this Administrative Consent Order shall have the same effect as if proven and ordered after a full hearing pursuant to N.J.S.A. 52:14B-1 et seq.

NEW JERSEY BUREAU OF SECURITIES

By: 
Abbe R. Tiger
Bureau Chief

CONSENT TO THE FORM, CONTENT
AND ENTRY OF THIS ADMINISTRATIVE
CONSENT ORDER:

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY

By: 
Emanuel S. Asmar
Deputy Attorney General

Dated: 4/19/13

Jay John Soojian

By: 
Jay John Soojian

Dated: 4/19/13

Jay John Soojian

By: 
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Counsel of Jay John Soojian

Dated: 4/19/2013