

Middlebury Securities, LLC (CRD No. 122602) (“Middlebury”) on two separate occasions. He was initially registered as an agent of Middlebury from February 27, 2003 through December 31, 2008, and again from February 2, 2011 through July 2, 2012. Most recently, Osborn was registered with the Bureau as an agent of Axiom Capital Management, Inc. (CRD No. 26580) on July 6, 2012. On September 9, 2013, Osborn was permitted to resign from Axiom due to FINRA Disciplinary Proceeding No. 2011025438901.

FINRA ORDER

2. From in or about December 2009 through in or about December 2011, Osborn fraudulently offered and sold approximately \$5 million of securities in two private offerings, the NVG offering and the NVL offering. At the time of the fraudulent sales, Osborn was registered with Middlebury.

3. In the NVG offering, investors received both secured convertible promissory notes (the “NVG Notes”) and common stock warrants (the “NVG Warrants”). The NVG Warrants gave investors the right to purchase for up to a seven-year period an undefined amount of common stock at an exercise price of \$1.33 per share.

4. Similarly, in the NVL offering, investors received both secured convertible promissory notes (the “NVL Notes”) and common stock warrants (the “NVL Warrants”). The NVL Warrants gave investors the right to purchase common stock based on a formula that assumed a later public offering.

5. On August 9, 2013, FINRA issued a complaint against Osborn arising from the sales in the NVG offering and the NVL offering, alleging violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, FINRA’s By-laws, and FINRA Rules for the following causes of action:

- a) Misrepresentations or omissions in connection with the NVG offering;
- b) Misrepresentations or omissions in connection with the NVL offering;
- c) Conversion of customer funds;
- d) Misuse of customer funds; and
- e) Willful failure to disclose material information on Form U4.

6. On March 31, 2014, Osborn submitted an Offer of Settlement in which Osborn consented to, without admitting or denying, the allegations in the FINRA Complaint.

7. On April 8, 2014, FINRA issued the FINRA Order which contained findings that included:

a) From in or about December 2009, Osborn made fraudulent misrepresentations and omissions of material facts in connection with the sale of approximately five million dollars of securities in two private offerings conducted on behalf of NVG and NVL at Middlebury's Ridgewood, New Jersey branch office. Osborn misrepresented the financial condition of the two issuers by failing to disclose that NVG (and its CEO) were the subject of pending federal and state tax liens totaling over \$3 million during the offering, that NVL had no revenues and was operating at a loss, and that both issuers had defaulted on their promises to repay earlier investors. Furthermore, Osborn failed to disclose that he had a substantial financial and ownership interest in NVL, and that funds designated for investment in NVG from new investors would be used to selectively redeem the investments of earlier NVG investors. This conduct willfully violated Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, and violated FINRA Rules 2020 and 2010.

b) The offering funds that Middlebury and Osborn raised through nine private offerings were commingled in a non-segregated manner in escrow accounts. Osborn misused

approximately \$200,000 of the escrowed investor monies from two of the offerings to make payments to, or on behalf of (e.g. legal fees and commission payments), a third issuer. This conduct violated FINRA Rules 2150 and 2010.

c) Osborn willfully failed to amend his Uniform Application for Securities Industry Registration or Transfer (Form U4) to disclose the existence of an unsatisfied federal tax lien in the amount of approximately \$265,000. This conduct violated Article V, Section 2 of FINRA's By-Laws and FINRA Rules 1122 and 2010.

8. On March 31, 2014, Osborn submitted an Offer of Settlement in which Osborn consented to the imposition of a sanction barring him from association with any FINRA member in any capacity.

9. On April 8, 2014, FINRA and the National Adjudicatory Council accepted Osborn's Offer. The bar from association with any FINRA member in any capacity became effective upon approval or acceptance of the Order Accepting the Offer of Settlement.

SEC ORDER

10. Anticipating that the SEC intended to institute proceedings against him, Osborn submitted an Offer of Settlement which the SEC accepted. Osborn consented, without admitting or denying, the findings in the SEC Order.

11. In the SEC Order, the SEC found that:

a) From December 2009 through March 2011, Osborn made and disseminated false and misleading statements concerning the risks of investing in the short-term notes ("Notes") of Navagate, Inc., ("Navagate"), a start-up venture purporting to create and sell sales force automation software. In an effort to sell Navagate's Notes (the "Notes Offering"), Osborn, while Managing Partner of Middlebury, knowingly or recklessly made and disseminated a number of

false and misleading statements concerning: (1) the assets purporting to guarantee the Notes; and (2) the use of the proceeds from the Notes Offering. Despite Osborn's awareness, or reckless disregard, of these false statements, Osborn participated in the preparation and distribution of certain offering documents (the "Offering Documents") containing these falsehoods and reiterated the false statements to prospective investors both orally and in writing.

b) Between December 2009 and April 2011, Osborn, Navagate, and Gregory Rorke ("Rorke"), Navagate's CEO and controlling officer, sold approximately \$3.2 million worth of the Notes. The Notes were purportedly backed by a personal guarantee from Rorke (the "Personal Guarantee"). To demonstrate that he had sufficient assets to make good on his Personal Guarantee, Rorke signed a personal financial statement (the "Personal Financial Statement"). The Personal Financial Statement purported to show that: (1) Rorke solely owned over \$12 million in assets, including \$6 million in liquid assets, consisting of cash and readily-marketable securities, and over \$1 million in real estate; and (2) Rorke had no liabilities. In fact, as Osborn knew or recklessly disregarded: virtually all of the \$6 million in liquid assets—including almost all of the purportedly pledged cash and readily marketable securities—as well as the real estate, belonged solely to Rorke's wife, who did not pledge any of her assets in connection with the Notes Offering (or otherwise obligate herself to make good on Rorke's Personal Guarantee); (3) even including his wife's unpledged assets, Rorke overstated the value of the liquid assets (the cash and readily-marketable securities) listed in the Personal Financial Statement by over 36%; and (4) Rorke failed to disclose over \$1,000,000 owed in federal taxes for which he was personally liable. As a result Osborn knew or was reckless in not knowing that Rorke did not have anywhere near sufficient liquid assets to make good on his Personal Guarantee of the Notes. Nonetheless, Osborn distributed and touted Rorke's Personal Guarantee and Personal Financial

Statement to investors, orally and in emails, as a key reason to invest in the notes. In addition, Osborn, knowingly or recklessly, used some of the proceeds of the Notes to pay back earlier investors, contrary to the disclosed use of proceeds in the Offering Documents.

c) Ultimately Navagate defaulted on the Notes and Rorke did not make good on his promise under the Personal Guarantee.

12. The SEC found that Osborn willfully violated Section 17(a) of the Securities Act and wilfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

13. The SEC, among other things: (1) barred Osborn from association with any broker, dealer, investment adviser, municipal adviser, transfer agent, or nationally recognized statistical rating organization; (2) prohibited Osborn from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter; and (3) barred Osborn from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

14. Osborn agreed to additional proceedings to determine the amount of disgorgement and civil penalties.

CONCLUSIONS OF LAW

OSBORN IS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY ORGANIZATION EXPELLING HIM FROM A SELF-REGULATORY ORGANIZATION

N.J.S.A. 49:3-58(a)(1)
N.J.S.A. 49:3-58(a)(2)(vi)

15. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

16. Pursuant to N.J.S.A. 49:3-58(a):

[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant ...(vi)... is the subject of an order of ... a self-regulatory organization ... suspending or expelling him from a national securities or commodities association... (vii) has engaged in dishonest or unethical practices in the securities, commodities, banking, insurance or investment advisory business...

17. Having consented to a bar from association with any FINRA member, Osborn has effectively been expelled from a self-regulatory organization. This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vi), to revoke Osborn's agent registration.

18. Based upon the foregoing, and pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Osborn's registration as an agent is in the public interest.

OSBORN IS THE SUBJECT OF AN ORDER BY THE SECURITIES AND EXCHANGE COMMISSION BARRING HIM FROM A NATIONAL SECURITIES ASSOCIATION

N.J.S.A. 49:3-58(a)(1)
N.J.S.A. 49:3-58(a)(2)(vi)

19. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

20. Pursuant to N.J.S.A. 49:3-58(a):

[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant ...(vi)... is the subject of an order of the Securities and Exchange Commission, a self-regulatory organization, the Commodity Futures Trading Commission, an insurance regulator, or a federal or state banking regulator, suspending or expelling him from a national securities or commodities exchange or national securities or commodities

association registered under the “Securities Exchange Act of 1934”...

21. Having consented to a bar with any participant in the securities industry as described above, there is good cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vii), to revoke Osborn’s agent registration.

22. Based upon the foregoing, and pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Osborn’s registration as an agent and all applicable exemptions is in the public interest.

OSBORN HAS ENGAGED IN DISHONEST OR UNETHICAL PRATICES IN THE SECURITIES BUSINESS

N.J.S.A. 49:3-58(a)(1)
N.J.S.A. 49:3-58(a)(2)(vi)

23. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

24. The foregoing conduct by Osborn as described above constitutes dishonest or unethical practices in the securities business, which is good cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vii), to revoke Osborn’s agent registration.

25. Based upon the foregoing, and pursuant to N.J.S.A. 49:3-58(a)(1), the revocation of Osborn’s registration as an agent and all applicable exemptions is in the public interest.

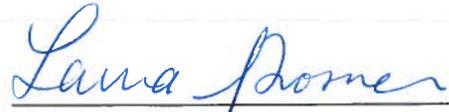
CONCLUSION

For the reasons stated above, it is on this 5th day of February, 2015:

ORDERED that the agent registration of Gregory Jerome Ptasienski Osborn be **REVOKED**; and it is further

ORDERED that Osborn is denied all exemptions contained in N.J.S.A. 49:3-50 subsections (a) paragraph 9, 10, and 11 and subsection (b); and it is further

ORDERED that 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 hereby revoked.



Laura H. Posner
Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the Bureau Chief shall entertain on no less than three days notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These

remedies include, in addition to this action revoking your registration, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.