

BEFORE THE SECURITIES COMMISSIONER
OF THE STATE OF DELAWARE

IN THE MATTER OF:)
)
OSBORNE, STERN & COMPANY, INC.,)
DOUGLAS W. OSBORNE,) Case No. 89-09-10
)
Respondents.)

SUMMARY ORDER OF POSTPONEMENT
AND NOTICE OF INTENT TO
POSTPONE BROKER-DEALER REGISTRATION

Legal Authority

1. The Division of Securities is a unit within the Department of Justice directed by the Securities Commissioner ("Commissioner") under the auspices of the Attorney General pursuant to the Delaware Securities Act, Chapter 73 of Title 6 of the Delaware Code.
2. The Commissioner is charged under 6 Del. C. §7325 with enforcement of the provisions of the Delaware Securities Act ("Act").
3. Section 7313 of the Act states that it is unlawful for any broker-dealer or agent to transact business in this State unless he is registered under the Act.
4. Section 7314 of the Act provides that registration as a broker-dealer or agent is obtained through an application to the Commissioner.

5. Section 7316 of the Act authorizes the Commissioner to deny the registration of a broker-dealer or agent if he determines that such person is subject to one of the disqualifying factors stated in that section and such action is in the public interest.
6. Section 7316(a)(1) of the Act states that it is unlawful to file an application for registration which, as of its effective date, was incomplete in any material respect or false or misleading with respect to any material fact.
7. Under § 7316(c), the Commissioner may summarily postpone the registration of a broker-dealer or agent pending final determination of any proceeding under that section of the Act.
8. Section 7316(c) provides that a registrant whose registration has been postponed is entitled to a hearing if a written request is received by the Commissioner. It also provides that if no hearing is requested, an order of postponement will remain in effect until it is modified or vacated by the Commissioner.

Notice of Allegations

9. Osborne, Stern & Company, Inc. ("OSCI") is a broker-dealer with a principal place of business at 5777 West Century Boulevard, Suite 1595, Los Angeles, California 90045.
10. Douglas W. Osborne is CEO/President of OSCI.
11. On August 29, 1989, Douglas W. Osborne on behalf of OSCI filed an application ("Form BD") to register as a broker-dealer in the State of Delaware.

12. The Form BD submitted by OSCI on August 29, 1989 answered question 7(D)(4) in the negative. Question 7(D)(4) asks, "Has any Federal regulatory agency or any state regulatory agency in the past ten years entered an order against the applicant or a control affiliate in connection with investment-related activity?"
13. On January 29, 1989, the Commissioner of the Indiana Securities Division issued Cease and Desist Order, Order No. 89-0011-CD, against Osborne, Stern and Company for offering and/or selling unregistered securities in the State of Indiana.
14. On July 27, 1989 the Commissioner of the Iowa Insurance Division issued Cease and Desist Order, File No. C89-04-362 against Osborne, Stern and Company for offering and/or selling unregistered securities in the State of Iowa.
15. On August 4, 1989, the Missouri Commissioner of Securities issued Order to Cease and Desist, File No. CD-89-21, against Osborne, Stern and Company for offering and/or selling unregistered securities in the State of Missouri.
16. The respondents' failure to disclose the above-mentioned orders on their Form BD violates 6 Del. C. §7316(a)(1) in that the application was incomplete in a material respect and the negative response to question 7(D)(4) was false and misleading with respect to one or more material facts.

17. It is in the public interest that the broker-dealer registration of respondents be denied.

Laurie S. Polleck
Laurie S. Polleck
Securities Investigator

Date: 9/29/89

AFFIDAVIT OF MAILING

STATE OF DELAWARE
NEW CASTLE COUNTY

)
) SS:
)

Cynthia K. Evans, being first duly sworn, deposes and says that:

1. She is a secretary with the Department of Justice.
2. That on September 29, 1989 she caused to be placed in the U.S. mail, First Class, and in the U.S. certified mail, from the State Office Building, Wilmington, Delaware, a true and correct copy of the within documents to:

Mr. Douglas W. Osborne
President
OSBORNE, STERN & COMPANY, INC.,
577 West Century Boulevard
Suite 1595
Los Angeles, CA 90045


Cynthia K. Evans

SWORN TO AND SUBSCRIBED before me on this 29th day of September 1989.


Deputy Attorney General

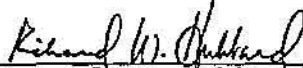
Pursuant to 29 Del. C. §2508

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)
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)
Respondents.)

ORDER OF POSTPONEMENT OF
REGISTRATION AS BROKER-DEALER

Under the authority of 6 Del. C. §7316(c), I hereby find it in the public interest to postpone summarily the registration of respondents pending final determination of the above-stated charges. Respondents have the right under 6 Del. C. §7316(c) to request, in writing, a hearing within 15 days. If I do not receive a written request for a hearing within 15 days of the issuance of this order, I will deem that respondents have, by their default, admitted the alleged violation of 6 Del. C. §7316(a)(1), and I will then issue an order of denial.



Richard W. Hubbard
Securities Commissioner

Date: 9/28/89

AFFIDAVIT OF MAILING

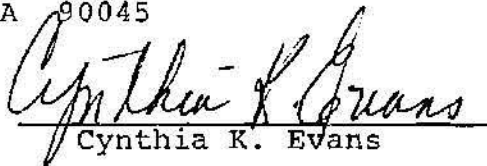
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SWORN TO AND SUBSCRIBED before me on this 29th day of September 1989.


Deputy Attorney General

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