

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 2076/December 2, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16227

In the Matter of

MIDDLEBURY SECURITIES, LLC

ORDER

On October 31, 2014, the Securities and Exchange Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings (OIP) against Respondent Middlebury Securities, LLC, pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, and Section 9(b) of the Investment Company Act of 1940. A telephonic prehearing conference is currently scheduled in this matter, as well as in the matters of *Navagate, Inc.*, Admin. Proc. No. 3-16228, and *Gregory Osborn*, Admin. Proc. No. 3-16229 (“the three proceedings”), on Thursday, December 4, 2014, at 10:30 a.m. EST. To be discussed at the prehearing conference is whether the three proceedings should be consolidated into one.

On December 2, 2014, the Division of Enforcement (Division) forwarded to this Office a letter from the U.S. Attorney for the Southern District of New York, addressed to this Office and dated November 18, 2014. This letter seeks leave to intervene in the three proceedings and moves for an order staying the three proceedings pending completion of the criminal prosecution against Gregory Rorke, a respondent in the *Navagate* proceeding. This letter was not sent to this Office or filed with the Office of the Secretary, and I was not aware of the letter until the Division forwarded it today.

Assuming the letter is eventually properly filed with the Office of the Secretary, I am inclined to grant the requested stay in the *Navagate* proceeding. However, I am not yet persuaded why a stay is warranted in this or the *Osborn* proceeding. There is no pending parallel criminal prosecution against the respondents in *Osborn* or here, and the only remaining issues to be determined in this and the *Osborn* proceedings pertain to the appropriateness and amount of sanctions. OIP at 8; *Gregory Osborn*, Securities Exchange Act of 1934 Release No. 73486, 2014 SEC LEXIS 4174, at *17 (Oct. 31, 2014). If I do not grant a stay as to *Middlebury* or *Osborn*, consolidation of these three proceedings may not be appropriate.

The telephonic prehearing conference in these three proceedings will still be held on December 4, 2014, at 10:30 a.m. EST. The parties should be prepared to discuss whether a stay should be granted in the *Middlebury* and *Osborn* proceedings, and whether any form of consolidation is still appropriate. Representatives from the U.S. Attorney for the Southern District of New York are invited to participate, and the Division is instructed to convey to them the meeting time and dial-in information.

SO ORDERED.

Cameron Elliot
Administrative Law Judge