STATE OF NORTH CAROLINA
DEPARTMENT OF THE SECRETARY OF STATE
SECURITIES DIVISION

IN THE MATTER OF:

The North Carolina Securities Division,
Petitioner,

v.

Joscelyn George Cockburn II
(CRD No. 2829827),
Respondent.

FINAL ORDER TO REVOKE REGISTRATION AS A SALESMAN AND REGISTRATION AS AN INVESTMENT ADVISER REPRESENTATIVE

File No. 21SEC110

The North Carolina Secretary of State (the "Administrator"), pursuant to her authority and responsibility to administer and enforce the North Carolina Securities Act, (N.C. Gen. Stat. Chapter 78A, the "Securities Act") and the North Carolina Investment Advisers Act (N. C. Gen. Stat. Chapter 78C, the "Investment Advisers Act") has reviewed the Findings of Fact and Conclusions of Law, and thereby enters this Final Order.

I. FINDINGS OF FACT

1) Respondent COCKBURN is a Raleigh, North Carolina resident.

2) From April 20, 2007 until March 17, 2023, COCKBURN was employed with FSC Securities Corporation ("FSC").[1]

3) From May 11, 2007 until March 17, 2023, COCKBURN was registered in

[1]FSC was a Dealer registered with the SEC and FINRA from June 1977 to January 2024 and registered in North Carolina from July 1982 to November 2023. FSC was also an SEC registered Investment Adviser, notice filed in North Carolina from November 2000 to November 2023, with a principal place of business in Atlanta, Georgia. As of January 2024, FSC became known as Osaic Wealth, Inc., a Dealer currently registered with the SEC, FINRA, and North Carolina. Osaic Wealth, Inc. is also an SEC registered investment adviser since September 1997; notice filed in North Carolina since April 2001.

North Carolina as both a salesman and an investment adviser representative of FSC.[2]

4) Select Equity Inc. was the only outside business activity reported on COCKBURN's Form U-4 while he was registered with FSC. Select Equity Inc. was described on COCKBURN's Form U-4 as 1099 mortgage brokerage work completed out of his home office.

5) FSC timely filed a Form U-5 withdrawing COCKBURN's registration as a salesman and investment adviser representative due to the "[d]iscovery of possible engagement in transactions by representative at unaffiliated trust company…."

6) COCKBURN's registrations as a salesman and investment adviser representative in North Carolina were last effective on March 17, 2023.

UNETHICAL BUSINESS PRACTICE- UNAUTHORIZED SELLING AWAY, OMISSION

7) COCKBURN advised and assisted at least three (3) North Carolina FSC brokerage account customers ("FSC Customers"), with opening self-directed IRA ("SDIRA") accounts at Equity Trust Company ("Equity Trust")[3] and then transferring funds from FSC brokerage accounts into the SDIRA in order to engage in promissory note transactions, without prior written authorization from FSC.

8) In total, COCKBURN advised FSC Customers to engage in the issuance of at least $75,000 in Promissory Notes within their SDIRA accounts, without prior written authorization from FSC.

9) COCKBURN generated at least $17,614.50 in fees from FSC Customers' SDIRA accounts as compensation for consulting, advisory services or promissory note transactions fees. COCKBURN used Equity Trust's Bill Pay feature to transfer the fees to his own account.

10) While acting as a salesman and an investment adviser representative, COCKBURN

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[2] On May 2, 2023, COCKBURN applied for registration as a salesman in North Carolina with Innovation Partners LLC ("Innovation Partner"), a Dealer registered with SEC, FINRA, and North Carolina. On August 7, 2023, Innovation Partners filed a Form U-5, voluntarily terminating COCKBURN from employment with Innovation Partners and withdrawing his application for registration as a salesman in North Carolina.

[3] Equity Trust acts as a custodian of SDIRA accounts.

advised FSC Customers to transfer funds from their FSC brokerage accounts to a SDIRA with Equity Trust and generated advisory fees for those services, all without prior written authorization from FSC.

11) While acting as salesman and an investment adviser representative for FSC, COCKBURN failed to disclose to FSC Customers that he was not authorized to advise FSC Customers to transfer funds from their FSC brokerage accounts to a SDIRA with Equity Trust or generate fees for such services.

UNETHICAL BUSINESS PRACTICE - OTHER CONDUCT

12) COCKBURN failed to disclose his fee schedule to the FSC Customers for his consulting, advisory, or other fees associated with the Equity Trust SDIRA transactions.

13) In at least one instance, COCKBURN made modifications to an FSC Customer's SDIRA Equity Trust Bill Pay form by altering payment amounts or dates.

14) Further, COCKBURN substituted his personal email address or telephone number on other customers' SDIRA Equity Trust documents to circumvent Equity Trusts' ability to contact the customer for verifications or inquiries.

15) During an interview with the Division, COCKBURN confirmed he accessed a customer's SDIRA Equity Trust online account using their personal log-in credentials.

16) In at least one instance, COCKBURN contacted Equity Trust customer service in order to initiate or check the status of his fee payments by impersonating a SDIRA Equity Trust account holder or their spouse.

FAILURE TO DISCLOSE

17) Salesman and investment adviser representatives have an ongoing duty to promptly amend or correct filings made with the Administrator within 30 days, if any information in the filings subsequently becomes inaccurate or incomplete in any material respect, pursuant to N.C. Gen. Stat. §§78A-38(c) and 78C- 18(d) and 18 NCAC 06A .1402(c) and .1703(c). Salesmen and investment adviser representatives are required to submit information regarding their current residential address, outside business activities, and employment history.

18) Between May 9, 2007 and April 17, 2023, COCKBURN failed to amend or correct his residential address, outside business activities, and employment history. COCKBURN also failed to disclose his outside business activities with sufficient specificity to alert FSC or FSC Customers of his advisory services and promissory note transactions conducted via SDIRA accounts or the generation of fees.

19) COCKBURN was also the organizer and registered agent of J.C Tax Planners LLC from its organization in March 2021 until its administrative dissolution in March 2023. This outside business activity was not reported on COCKBURN's Form U-4.

20) On March 15, 2024, the Administrator through her Deputy Securities Administrator, issued a Temporary Order to Summarily Suspend Registrations Pending Final Determination to Revoke Registrations ("Temporary Order") against COCKBURN.

21) On March 22, 2024, the Securities Division provided notice of the Temporary Order to COCKBURN through personal service.

22) COCKBURN has not requested a hearing or submitted any responsive pleadings to the Administrator within 30 business days of receipt of the Temporary Order.

23) Based on the Findings of Facts, this Final Order is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of the Securities Act and the Investment Advisers Act.

II. CONCLUSIONS OF LAW

1) The Administrator has jurisdiction over COCKBURN and the subject matter of this Final Order.

2) The Administrator may by order suspend or revoke any registration if he finds the order is in the public interest and the registrant has willfully violated or willfully failed to comply with any provision of this Chapter. N.C.G.S. §§78A-39(a)(1) and (2)b.

3) The Administrator may by order suspend or revoke any registration if he finds the order is in the public interest and the registrant has willfully violated or willfully failed to comply with any provision of Chapter 78C or Chapter 78A or any rule or order thereunder. N.C.G.S. §§78C-19(a)(1) and (2)b.

4) The Administrator may by order suspend or revoke any registration in this State if he finds the order is in the public interest and the registrant has engaged in dishonest or unethical

practices in the securities business. Salesmen must observe high standards of commercial honor and just and equitable principles of trade in the conduct of their business. Acts and practices, including dishonest and unethical business practices with regard to salesmen, are considered contrary to such standards and may constitute grounds for suspension or revocation of registration. N.C.G.S. §§78A-39(a)(1) and (2)g and 18 NCAC 06A .1414(a).

5) It is a dishonest and unethical business practice in the securities business to effect securities transactions with a customer not recorded on the regular books or records of a dealer which a salesman represents, unless the transactions are disclosed to and authorized in writing by the dealer prior to execution of the transactions. N.C.G.S. §78A-39(a)(2)g and 18 NCAC 06A .1414(c)(3).

6) It is unlawful for any person, in connection with the offer, sale or purchase of any security, or in the solicitation of advisory clients, to make any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading. N.C.G.S. §§78A-8(2) and 78C-8(b).

7) As described above, COCKBURN as a salesman and investment adviser representative of FSC, advised and assisted FSC Customers to transfer funds from their FSC brokerage accounts to a SDIRA at Equity Trust, to engage in promissory note transactions without prior written authorization from FSC, in violation of N.C.G.S. §§78A-8(2), 78A-39(a)(2)g, 78C-8(b) and 18 NCAC 06A .1414(a) and (c)(3).

8) Dishonest and unethical business practices of salesmen include other conduct such as forgery, non-disclosure, incomplete disclosure or misstatement of material facts, or manipulative or deceptive practices. N.C.G.S. §§78A-39(a)(2)g and 18 NCAC 06A .1414(a) and (d).

9) As described above, COCKBURN failed to disclose to FSC Customers that he did not have prior written authorization from FSC to advise and assist in the engagement of promissory note transactions, in violation of N.C.G.S. §78A-8(2), 78C-8(b), 78A-39(a)(2)g and 18 NCAC 06A .1414(a) and (d).

10) It is a dishonest and unethical business practice in the securities business to charge unreasonable and inequitable fees for services performed. N.C.G.S. §78A-39(a)(2)g and 18 NCAC 06A .1414(c)(10) and (b)(10).

11) As described above, COCKBURN generated fees from FSC Customers' SDIRA

accounts as compensation for consulting, advisory services or promissory note transactions and failed to disclose his fee schedule to FSC Customers, in violation of N.C.G.S. §§78A-39(a)(2)g, 78A-8(2), 78C-8(b), and 18 NCAC 06A .1414(a), (c)(10) and (b)(10).

12) As described above, COCKBURN modified an FSC Customer's SDIRA Equity Trust Bill Pay form by altering payment amounts or dates, in violation of N.C.G.S. §78A-39(a)(2)g and 18 NCAC 06A .1414(a) and (d).

13) As described above, COCKBURN substituted his personal contact information for another customers' SDIRA Equity Trust documents to circumvent Equity Trust's ability to contact the customer for verifications or inquiries, in violation of N.C.G.S. §78A-39(a)(2)g and 18 NCAC 06A .1414(a) and (d).

14) As described above, COCKBURN accessed a customer's SDIRA Equity Trust online account using their personal log-in credentials, in violation of N.C.G.S. §78A-39(a)(2)g and 18 NCAC 06A .1414(a) and (d).

15) As described above, COCKBURN impersonated another SDIRA Equity Trust account holder or their spouse, in violation of N.C.G.S. §78A-39(a)(2)g and 18 NCAC 06A .1414(a) and (d).

16) Salesmen and investment adviser representatives have an ongoing duty to promptly amend or correct filings made with the Administrator within 30 days, if any information in the filings subsequently becomes inaccurate or incomplete in any material respect. N.C.G.S. §§78A-38(c) and 78C-18(d) and 18 NCAC 06A .1402(c) and .1703(c).

17) As described above, COCKBURN failed to accurately and timely disclose material changes to his current residential address, outside business activities, and employment history in violation of N.C.G.S. §§78A-38(c), 78C-18(d), and 18 NCAC 06A .1402(c) and .1703(c).

18) As described above, COCKBURN willfully violated or willfully failed to comply with the Securities Act and the Investment Advisers Act, in violation of N.C.G.S. §§78A-39(a)(2)b and 78C-19(a)(2)b.

19) The Administrator may institute a revocation proceeding within one year after withdrawal became effective and enter a revocation order as of the last date on which registration was effective. N.C.G.S. §§78A-39(e) and 78C-19(e)

20) This Final Order is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and

provisions of the Securities Act and the Investment Advisers Act.

III. ORDER

NOW, THEREFORE, IT IS ORDERED that COCKBURN's registration as a salesman in North Carolina and registration as an investment adviser representative in North Carolina be revoked as of March 17, 2023, the last date COCKBURN's registrations were effective in North Carolina.

WITNESS MY HAND AND THE OFFICIAL SEAL of the North Carolina Department of the Secretary of State, this the 15th day of May 2024.

Time of entry: 12:52 P.M.

ELAINE F. MARSHALL
SECRETARY OF STATE OF NORTH CAROLINA and
SECURITIES ADMINISTRATOR, by

[redacted]

SHERRELL L. FORBES
DEPUTY SECURITIES ADMINISTRATOR