

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: LT SOLUTIONS,)	
CORP., a Minnesota Corporation, MYRON)	File No. 1300192
C. OSTBY, an individual, STEVEN)	
FURLONG, an individual, and THOMAS)	
DAMAGALA, an individual.)	

NOTICE OF HEARING

TO THE RESPONDENTS:

**LT Solutions, Corp.
7308 Aspen Lane # 124
Brooklyn Park, MN 55428**

**Myron C. Ostby
19954 214th Avenue
Big Lake, MN 55309**

**Steven Furlong
1832 Main Street
Maple Grove, MN 55369**

**Thomas Domagala
6942 Inskip Avenue S.
Cottage Grove, MN 55016**

You are hereby notified that pursuant to Section 11.E of the Illinois Securities law of 1953 [815 ILCS 5/1 et. Seq.] (The "Act") and Ill. Adim. Code 130, Subpart K, a public hearing will be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 6th day of November, 2014, at the hour of 10:00 AM, or as soon as possible thereafter, before Canella (~~Connie~~) Henrichs or such duly designated Hearing Officer of the Secretary of State.

Said Hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E of the Act prohibiting Respondents from selling or offering for sale securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to 11.E(4) of the Act, payable within ten (10) business days of the order.

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COUNT I

FAILURE TO DISCLOSE

The grounds for such proposed actions are as follows:

1. Respondent LT Solutions, Corp. ("LT") at all relevant times was a registered Minnesota corporation with the last known address of 7308 Aspen Lane # 124 Brooklyn Park, MN 55428.
2. Respondent Myron C. Ostby ("Ostby") was a co-founder of Respondent LT. On or around October 2011, and during the relevant period, Respondent Ostby was on the board of directors of Respondent LT and was listed as Vice President of Sales and Marketing of Respondent LT. Respondent Ostby has the last known address of 19954 214th Ave Big Lake, MN 55309.
3. Respondent Steven Furlong ("Furlong") was at one time the Chief Executive Officer of Respondent LT; however, during the relevant period, Respondent Furlong was listed as the Secretary of Respondent LT and sat on the board of directors in that capacity. Respondent Furlong has the last known address of 1832 Main Street, Maple Grove, MN 55369.
4. Respondent Thomas Domagala ("Domagala") was the co-founder and at one time was listed as Vice President of Manufacturing of Respondent LT; however, during the relevant period, Respondent Domagala was listed as the President of Respondent LT and sat on the board of directors in that capacity. Respondent Domagala has the last known address of 6942 Inskip Avenue S., Cottage Grove, MN 55016.
5. Respondent LT was a company that dealt in the production, design, and sale of LED light bulbs.
6. Respondents LT, Otsby, Furlong and Domagala have never been registered as a salesperson, Investment Adviser, or Investment Adviser Representative with the Secretary of State of Illinois or the Secretary of State of Minnesota.
7. On January 16, 2012, Respondent LT, at the direction of Respondent Furlong, created a Private Placement Memorandum ("PPM") offering series "B" Common Stock in LT Solutions Corp. The PPM was not reviewed by the other two Directors of LT (~~Respondents Otsby and Domagala~~), and there were no corporate minutes evidencing ~~ratification of the PPM by the Board of Directors.~~
8. The security issued by Respondent LT was not registered with the Secretary of State of Minnesota or the Secretary of State of Illinois.
9. On March 12, 2012, Investor A, an Illinois resident, entered into an agreement with Respondent LT, whereby Investor A would purchase securities from LT, a non-publically

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traded company, for \$2 a share. Investor A purchased 5000 shares for a total investment of \$10,000.

10. The offer and sale of the investment in LT constitutes the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
11. Prior to Investor A purchasing shares in Respondent LT, a shareholder ("Creditor") of Respondent LT filed a civil lawsuit involving a contract dispute against Respondents on November 15, 2011. A Settlement Agreement was reached between the parties and the civil suit was dismissed by stipulation on January 13, 2012.
12. Per the terms of the settlement agreement which was entered into on December 21, 2011, Respondent LT agreed to repurchase the shares of the Creditor, a sum of \$790,000. This was to be accomplished by LT paying \$50,000 at closing and the remainder was to be paid in 60 equal installments of \$12,333.33 commencing on April 15, 2012. Moreover, Respondent LT granted the Creditor a security interest in Respondent LT's: inventory, equipment, receivables, chattel paper, monies and other property, and general intangibles which included the patents held by Respondent LT, in order to secure LT's payments to the Creditor.
13. Respondent LT did not have the funds to make payments to the Creditor, and as a result on November 1, 2012, the Creditor exercised his rights to receive all of the items per the settlement agreement. A voluntary surrender agreement was entered into between Respondent LT and the Creditor, granting Creditor all Respondent LT's inventory, equipment, receivables, chattel paper, monies and other property, and general intangibles which included the patents held by Respondent LT.
14. Respondents did not disclose to Investor A the lawsuit filed against them by the Creditor or the settlement agreement repurchasing the Creditor's shares which was secured by all Respondent LT's assets. Moreover, the Subscription Agreement signed by Investor A or the PPM dated January 16, 2012 makes no mention to the lawsuit filed on November 15, 2011 or to the settlement agreement executed on December 21, 2011.
15. Sometime in December 2012 and January 2013, a letter was issued to the shareholders of Respondent LT, presumably by Respondent Furlong, stating that as of December 31, 2012, LT has closed its doors due to lack of funding and lawsuit settlements.
- ~~16. To date, Investor A has not received any return on his investment from Respondent LT.~~

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17. Section 12.G of the Act states *inter alia* that it shall be a violation of the provisions of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 2nd day of September, 2014.



JESSE WHITE
Secretary of State
State of Illinois

You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, or other responsive pleading within 30 (thirty) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.

A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Department's website:

<http://www.cyberdriveillinois.com/departments/securities/abtil.html>

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Hearing Officer:
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