

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 66317 / February 3, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14517

In the Matter of

MARGARET GREY,

Respondent.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934**

I.

On August 29, 2011, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Margaret Grey (“Grey” or “Respondent”).

II.

Respondent, pursuant to Rule 240(a) of the Commission’s Rules of Practice, 17 C.F.R. § 201.240(a), has now submitted an Offer of Settlement (“Offer”) in connection with these public administrative proceedings, which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over her and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Order”) as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Grey became the president, CEO and secretary of Nova Gen Corp. (“Nova Gen”) after the death of her husband, Harry Grey, the company’s former president and CEO, in June 2009. Prior to June 2009, she was Nova Gen’s secretary. Grey, age 40, is a resident of San Diego, California.

2. On August 2, 2011, a judgment of permanent injunction and other relief was entered against Grey, permanently enjoining her from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Nova Gen Corp., et al., Civil Action No. CV-09-2711-MMA-WVG, in the United States District Court for the Southern District of California.

3. The Commission’s complaint alleged that, from June 2009 through October 2009, Grey, along with defendant Paul Randall Fraley (“Fraley”), raised approximately \$95,000 from at least ten investors in Nova Gen by soliciting prospective investors with written offering documents including Nova Gen’s business plans and an executive summary. The complaint further alleged that, in the written offering documents, Grey misrepresented Nova Gen’s assets and revenues, the risk of an investment in Nova Gen, and the company’s operational status, and that the business plans that Grey disseminated also contained baseless projections of Nova Gen’s future revenue. As alleged in the complaint, contrary to the representations that Grey made to investors, Nova Gen never had any assets, operations, or revenues other than raising money from investors, and all of the funds raised from investors were dissipated, primarily through expenses including research, rent, consultant fees, employee salaries, and broker commissions. The complaint alleged that Grey knew or was reckless in not knowing that the representations made to Nova Gen’s investors were false, and that she aided and abetted Fraley, who was acting as an unregistered broker while selling Nova Gen’s securities to investors.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Grey’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act that Respondent Grey be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

barred 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.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Elizabeth M. Murphy
Secretary