

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 67691 / August 20, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14991

In the Matter of

TYSON D. ELLIOTT,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND NOTICE OF HEARING

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Tyson D. Elliott (“Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

1. Respondent was a co-owner and co-operator of Spyglass Equity Systems, Inc. (“Spyglass”), a California corporation with its principal place of business in Los Angeles, California. Between October 2007 and March 2009, Spyglass operated as a telemarketing firm purportedly selling automated trading systems.

2. On July 27, 2012, a final judgment was entered by consent against Elliott, permanently enjoining him from future violations of Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, and from aiding and abetting violations of Section 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-8 thereunder in the civil action entitled *Securities and Exchange Commission v. Spyglass Equity Systems, Inc.*, Civil Action Number LACV11-02371 JAK, in the United States District Court for the Central District of California.

3. The Commission's complaint alleged, among other things, that, Elliott, using Spyglass, offered and sold to investors memberships in LLCs that would allow access to trading systems and engage in stock trading on behalf of the investors. Elliott and Spyglass made baseless performance representations, false statements about the stature and integrity of the investment, misrepresentations about the "systems" supposedly used to trade stock on behalf of investors and misrepresentations about the fees to be charged investors. Investors lost over \$3 million in the scheme.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related

proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary