

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71905 / April 8, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15828

In the Matter of

Matthew J. Blevins

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTIONS 17A(c) AND 21C
OF THE SECURITIES EXCHANGE ACT OF
1934, MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS AND A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 17A(c) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Matthew J. Blevins (“Blevins” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) 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 him and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 17A(c) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that

Respondent

1. Matthew J. Blevins, age 38, resides in Las Vegas, Nevada. He is a vice president in charge of operations of Empire Stock Transfer, Inc., a transfer agent registered with the Commission. From 2002 until joining Empire in 2007, Blevins was associated with a broker-dealer registered with the Commission.

Other Relevant Parties

2. Empire Stock Transfer, Inc. ("Empire") is a Nevada corporation located in Henderson, Nevada, and has been registered as a transfer agent with the Commission since May 2004.

3. Patrick R. Mokros ("Mokros") is Empire's president. From 2003 until associating with Empire in 2004, Mokros was associated with a broker-dealer registered with the Commission.

4. Marcus A. Luna ("Luna") was an undisclosed control person of Empire. He is an attorney currently licensed in the state of California. In December 2010, the Commission filed an action against Luna for violations of the anti-fraud provisions of the federal securities laws (*SEC v. Luna*, Case No. 2:10-CV-02166 (D. Nev.) (L.R. No. 21779 (Dec. 15, 2010))).

Background

5. Empire is a transfer agent registered with the Commission. As of 2013, Empire had been engaged by approximately 327 corporate issuers to perform various shareholder administrative functions, including recording changes in ownership of the issuers' stock, maintaining the issuer's security holder records, canceling and issuing stock certificates, distributing dividends, resolving problems arising from lost, destroyed or stolen certificates, and mailing proxy ballots and tabulating proxy votes.

6. Empire, as a registered transfer agent was required by Section 17A(c)(2) of the Exchange Act and Rules 17Ac2-1(a) and (c) thereunder: (1) to register with the Commission by filing a true, correct, and complete Form TA-1 in accordance with the instructions therein (Rule 17Ac2-1(a)); and (2) to file an amended Form TA-1 within 60 days (Rule 17Ac2-1(c)) if any information in its Form TA-1 became inaccurate, misleading, or incomplete to correct the

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

information. The Form TA-1 required Empire to disclose, among other information: (1) its officers, owners, and control persons; (2) any other person, directly or indirectly, through agreement or otherwise exercise or have the power to exercise control over its management or policies; and (3) any other person who wholly or partially finances its business, directly or indirectly, in any manner other than a public offering of securities under the Securities Act or by credit extended in the ordinary course of business by suppliers, banks, or others. Empire was also required by Section 17(a)(3) of the Exchange Act to make and keep any reports required by Section 17A of the Exchange Act and the rules thereunder, including Forms TA-1.

7. On or about May 30, 2006, Mokros signed a Share Purchase Agreement, under which Mokros agreed to purchase all of Empire's outstanding stock for \$300,000. Mokros, however, did not pay the \$300,000 purchase price for the Empire shares; rather, the \$300,000 was paid by Luna. On June 2, 2006, the stock certificate for Empire was issued to Mokros.

8. From May 30, 2006, through 2008, Luna was significantly involved in Empire's operations, including (1) hiring personnel; (2) strategic decisions regarding the business lines to pursue; (3) revising Empire's procedures manual and transfer agent service contract; and (4) renting Empire's new premises. During this period, Luna also received most of Empire's profits. From May 30, 2006, through 2008, Luna received \$535,000 from Empire, while Mokros received \$179,461 from Empire. In addition, on April 12, 2010, Empire loaned \$200,000 to a company controlled by Luna, which was to be repaid by September 14, 2010; Luna's company never repaid the loan, and Empire never took any action to collect on the loan.

9. In January 2007, Empire hired Blevins to run Empire's day-to-day operations, including overseeing Empire's finances. In 2009, Blevins was given the title of vice president.

10. Since Blevins was hired by Empire in January 2007, Empire has filed three Forms TA-1 or amendments with the Commission. Although Empire filed these Forms TA-1 under Mokros's electronic signature, Blevins reviewed them before the filing and filed them with the Commission. These Forms TA-1 stated that by Empire's filing the form, Empire represented that the information in the forms was "true, correct, and complete."

11. The Forms TA-1 and amendments thereto required Empire to disclose: (a) "each Chief Executive Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer, Director, and persons with similar status or functions"; (b) any person who had the "power to direct or cause the direction of the management or policies of a company, whether through ownership of securities, by contract, or otherwise"; and (c) any person or entity who "wholly or partially finance[d] the business of [Empire], directly or indirectly, in any manner other than by a public offering of securities pursuant to the Securities Act of 1933 or by credit extended in the ordinary course of business by suppliers, banks and others."

12. In Empire's Forms TA-1 and amendments thereto, Empire never disclosed Luna's or Blevins' control position in Empire or Luna's financing of the purchase of Empire.

13. As a result of the conduct described above, Blevins willfully² aided and abetted and caused Empire's violations of Sections 17(a)(3) and 17A(c)(2) of the Exchange Act and Rules 17Ac2-1(a) and (c) thereunder.

IV.

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

Accordingly, pursuant to Sections 17A(c) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondent Blevins cease and desist from committing or causing any violations and any future violations of Sections 17(a)(3) and 17A(c)(2) of the Exchange Act and Rules 17Ac2-1(a) and (c) thereunder.

B. Respondent Blevins is censured.

C. Respondent Blevins shall pay civil penalties of \$25,000 to the United States Treasury. Payment shall be made in the following installments: \$12,500 within 10 calendar days of the entry of this Order; and \$12,500 within 180 days of the entry of this Order. If timely payment is not made by the date the payment is required by this Order, the entire outstanding balance of civil penalties, plus any additional interest accrued pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application. Payment must be made in one of the following ways:

(1) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or

(2) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

² A willful violation of the securities laws means merely "that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408,414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)).

Payments by check or money order must be accompanied by a cover letter identifying Blevins as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Lorraine Echavarria, Associate Director, Division of Enforcement, Securities and Exchange Commission, 5670 Wilshire Blvd., Suite 1100, Los Angeles, California 90036.

By the Commission.

Jill M. Peterson
Assistant Secretary