

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 55228 / February 2, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12558

In the Matter of

JACKIE G. GROSS, SR.,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b)(6) OF
THE SECURITIES EXCHANGE ACT OF
1934, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS**

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)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) against Jackie G. Gross, Sr. (“Respondent” or “Gross”).

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, and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

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

1. Gross, age 66, resides in Plano, Texas. From late 2001 through September 30, 2003, Gross was the president, chief executive officer and sole owner of Morgan Spaulding, Inc. ("Morgan Spaulding"), a registered broker-dealer. During the same period, he was also president and owner of Telvest Communications, LLC ("Telvest"), a privately held limited liability company that performed services for issuers and overseas brokerage firms in connection with Regulation S offerings.

2. On January 29, 2007, a final judgment was entered by consent against Gross, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, 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. Jackie Gross, et al., Civil Action Number 3-05CV1251-N, in the United States District Court for the Northern District of Texas.

3. The Commission's complaint alleged that from late 2001 through September 30, 2003, Telvest, representing itself as a U.S.-based escrow agent, facilitated the unregistered Regulation S offerings of 13 U.S.-based issuers that sold approximately \$14.7 million in shares to investors in the United Kingdom and other countries. Only a limited portion (approximately 30 to 45 percent) of the invested proceeds was actually remitted to the issuers. The rest went to: (1) overseas brokerage firms as undisclosed commissions; (2) Telvest and Gross; and (3) other individuals as "finder fees." Telvest failed to disclose, in confirmations to investors or elsewhere, that approximately 55 to 70 percent of the purchase price of the Regulation S offerings was sent to parties other than the issuers. Instead, the confirmations disclosed only a fee of either \$50 or one percent, leaving investors with the false impression that nearly all of the purchase price would be remitted to the issuing companies. After payments to overseas brokerage firms, finders, and issuers, Telvest netted approximately \$1.6 million.

4. The Commission's complaint further alleged that Gross controlled the operations of both Telvest and Morgan Spaulding. He signed the agreements between Telvest and the issuers, the overseas brokerage firms, and the finders; closely supervised the Morgan Spaulding employee who worked full time administering the Regulation S offerings; and directed transfers of money from Telvest to the issuers, overseas brokerage firms and finders.

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, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act that Respondent Gross be, and hereby is, barred from association with any broker or dealer.

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.

Nancy M. Morris
Secretary