

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 65214 / August 29, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14517

In the Matter of

MARGARET GREY,

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 Margaret Grey (“Respondent” or “Grey”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

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.

B. ENTRY OF THE INJUNCTION

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.

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 hereof 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