

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8779 / February 1, 2007

SECURITIES EXCHANGE ACT OF 1934
Release No. 55224 / February 1, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12557

In the Matter of

TEMPLE SECURITIES, LTD., and

GREGORY GREATREX,

Respondents.

Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and Cease-and-Desist Orders Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934

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 Section 8A of the Securities Act of 1933 (“Securities Act”), and Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Temple Securities, Ltd., (“Temple Securities”) and Gregory Greatrex (“Greatrex”)(collectively “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have 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 it and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial

Sanctions and Cease-and-Desist Orders Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Order”), as set forth below.

III.

On the basis of this Order and Respondents’ Offers, the Commission finds¹ that:

Summary

This matter involves violations of the securities registration provisions by Greatrex and Temple Securities, an offshore broker-dealer which, among other things, offers and sells securities on behalf of its clients through brokerage accounts maintained in the U.S. and Temple Securities’ violation of the brokerage registration provisions of the Exchange Act.

Respondents participated in the unregistered, non-exempt distributions of over 900,000 shares of stock of Allixon International Corporation (“Allixon”) on behalf of two brokerage customers, who were control persons of Allixon. The proceeds from these sales totaled in excess of \$4 million. In addition, Temple Securities participated in the unregistered, non-exempt distributions of stock of PSI-TEC Holdings, Inc., (“PSI-TEC”). Temple Securities, at a customer’s request, publicly sold 250,000 PSI-TEC shares on behalf of its customer who received approximately \$663,000 in sales proceeds. The shares of both Allixon and PSI-TEC were quoted in the Pink Sheets.

No registration statement was filed with the Commission or in effect at the time of the offers or sales of the Allixon or PSI-TEC securities and the transactions were not exempt from registration. Further, Temple Securities was not registered with the Commission as a broker or dealer.

Respondents

A. Temple Securities is a broker-dealer registered in the Turks and Caicos Islands, BWI. Temple Securities’ website advertises its trading and brokerage services and provides information on opening an account.

B. Greatrex is an attorney licensed in Ontario, Canada, and employed in the Turks and Caicos Islands, BWI, by Temple Trust, Ltd., an affiliate of Temple Securities, Ltd.

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

Other Relevant Entities

C. Allixon is a company incorporated under the laws of the State of Delaware whose principal place of business is located in Seoul, South Korea. Allixon's stock is traded in the Pink Sheets under the symbol AXCP. Allixon has not filed a registration statement with the Commission and is not a public reporting company.

D. PSI-TEC is a non-reporting company incorporated under the laws of the State of Delaware whose principal place of business is located Wilmington. PSI-TEC's stock is traded in the Pink Sheets under the symbol PHTO. PSI-TEC was formerly known as Eastern Idaho Internet Services, Inc. PSI-TEC has never registered any securities offerings with the Commission or any state or filed any reports with the Commission.

E. Crescendo Investments, Inc. ("Crescendo Investments"), and Silver Lake Investments, Inc. ("Silver Lake Investments") are corporate entities formed under the laws of the Turks and Caicos. These entities were formed by Sheldon Cohen ("Cohen") and Todd Heinzl ("Heinzl"), Canadian citizens, with the assistance of Greatrex, an employee of Temple Trust Company, Ltd., an affiliate of Temple Securities. After these entities were formed, Cohen and Heinzl opened brokerage accounts at Temple Securities in the name of Crescendo Investments and Silver Lake Investments, respectively.

Background

F. Temple Securities is a broker-dealer authorized to do business in the Turks and Caicos Islands, British West Indies. Temple Securities solicits customers through its website where it advertises its trading and brokerage services. Persons located in the United States have access to Temple Securities' website through the Internet. Temple Securities is not registered with the Commission as a broker or dealer.

G. In the course of its business, Temple Securities, on behalf of its customers, has placed and continues to place securities for sale with brokerage firms in the United States. The firm does not employ persons who have any expertise in the securities laws of the United States nor has it developed and implemented policies or procedures designed to ensure that its activities on behalf of its customers in the U.S. markets comply with the requirements of the U.S. securities laws.

H. Cohen and Heinzl, while acting on behalf of and for the benefit for Allixon and themselves, facilitated a reverse merger between a South Korean entity known as Allixon, Ltd., and Classic Vision Entertainment, Inc., a public shell company traded on the pink sheets. Classic Vision's name was changed after the merger to "Allixon International Corporation, Inc." and Cohen served as the corporate secretary of the public entity after the reverse merger was completed.

I. Contemporaneously with the reverse merger, Cohen and Heinzl caused shares of Allixon to be issued to two corporate entities, Silver Lake Investments and Crescendo Investments,

pursuant to Rule 504 of Regulation D. Prior to the issuance of the shares to Crescendo Investments and Silver Lake Investments, Cohen and Heinzl, with the assistance of Respondents, formed Crescendo Investments and Silver Lake Investments as corporate entities under the laws of the Turks and Caicos. According to Temple Trust's records, Cohen is the sole beneficial owner of Crescendo Investments and Heinzl is the sole beneficial owner of Silver Lake Investments. After these entities were formed, Cohen and Heinzl opened brokerage accounts at Temple Securities in the name of Crescendo Investments and Silver Lake Investments, respectively.

J. In July 2005, Respondents participated in the negotiation of an Escrow Agreement (the "Escrow Agreement") requested by Cohen and Heinzl that specified that shares issued to Silver Lake Investments and Crescendo Investments were to be sold for the purpose of paying the transaction costs of the reverse merger between Classic Vision and Allixon. The Escrow Agreement expressly provided:

"Shareholders are the owners of an aggregate of 1,300,000 shares of the issued and outstanding Common Stock, (the "Stock"), of Allixon, Inc., a corporation organized under the laws of Delaware (the "Company").

"Shareholders desire to pay the obligation of \$235,000 Plus [sic] expenses representing the costs associated with the merger of Classic Vision Entertainment and Allixon (the "Transaction Cost") within a 30 day period, from the resale of a portion of the purchased stock."

"Shareholders agree as a part of this escrow agreement that no sales of Stock are to be sold at a value of less than \$1.00 per share. Further, Shareholders agree to authorize a representative (to be determined) to have complete authorization over all the sales of Stock throughout the terms of this escrow agreement."

"Shareholders have requested that the Escrow Agent hold the Stock and distribute the funds Per Exhibit "A" accordingly as created by resale of of [sic] a portion of escrowed Stock, in an effort to pay the transaction cost as well as any other fees and costs, in escrow pursuant to the terms of this Agreement."

K. The Escrow Agreement represented that the shares being acquired by Silver Lake Investments and Crescendo Investments were issued pursuant to Allixon's purported Rule 504 offering under Regulation D and that Silver Lake Investments and Crescendo Investments were acquiring the Allixon shares with a view toward distributing the shares to the public. An officer of Temple Securities signed the document on behalf of Silver Lake Investments and Crescendo Investments and Greatrex signed the document on behalf of Temple Trust.

L. Allixon never filed a registration statement with the Commission or any state in compliance with Rule 504(b)(1)(i), and accordingly, there was never a valid registration statement in effect with respect to the sale of its shares. Allixon caused its transfer agent to issue 500,000 shares in a single certificate to Silver Lake Investments and 800,000 shares in four certificates in the name of Crescendo Investments and, thereafter, to send those shares to Temple Securities'

offices in the Turks and Caicos.² The 1.3 million shares represented 94% of the public float of Allixon stock. In July and August 2005, Respondents learned that Cohen and Heinzl intended to sell their Allixon shares in coordination with the issuance of press releases by Allixon and a public relations campaign by an investor relations group.

M. On July 28, 2005, Greatrex asked Cohen to obtain representations from Allixon and its transfer agent that the shares were eligible for trading. On the same day, Temple Securities received letters, purportedly from Allixon, representing that the shares were eligible for trading. On August 5, 2005, persons within the offices of Temple Securities returned two of the share certificates, each in the amount of 500,000 shares, to the transfer agent and requested that the share certificates issued to Silver Lake Investments and Crescendo Investments be re-issued in the name of Temple Securities. On August 8, 2005, the transfer agent caused two new 500,000 share certificates to be issued in the name of and returned to Temple Securities. The certificates returned to Temple Securities bore certificate numbers 2564 and 2565. Each share certificate was signed by Sheldon Cohen as the “Secretary” of Allixon. On or around August 15, 2005, Temple Securities caused both certificates to be delivered to a U.S. brokerage firm where it maintained an account in its own name and claimed to own the full beneficial interest in the account.

N. Greatrex made repeated requests pursuant to then-current policies and controls of Temple Securities that Cohen and Heinzl provide a letter opinion of counsel that the shares held by Crescendo Investments and Silver Lake Investments could be sold into the U.S. markets. Despite not receiving the letter requested or otherwise conducting appropriate due diligence under standards applicable to broker-dealers in the United States, Respondents began selling Allixon shares on August 29, 2005, at the customers’ request, coincident with Allixon’s issuance of a press release announcing its reverse merger with Classic Vision and the dissemination of spam emails touting the company. Temple Securities continued to sell shares of Allixon through its account at a U.S. brokerage firm and allowed Cohen and Heinzl to access the funds realized from the sale of the Allixon stock.³ Greatrex also pointed out to Cohen that there was no reliable financial data generally available to investors concerning Allixon.

² The Allixon shares were issued by the transfer agent without a restrictive legend based on instructions from Allixon’s outside counsel Hank Vanderkam of Houston, Texas, whose opinion letter of July 15, 2005, advised that the securities were “sold pursuant to Section (sic) 504 of Regulation D.” Respondents also received a copy of Vanderkam’s letter prior to August 29, 2005. On February 1, 2007, the Commission filed a civil injunctive action against Vanderkam alleging he violated the federal securities laws in connection with his participation in the unregistered distribution of Allixon shares. See Lit. Rel. 19987 (Feb. 1, 2007).

³ On September 27, 2005, after Respondents had already sold approximately 450,000 Allixon shares into the U.S. market for approximately \$2.2 million, Respondents received a “stock certificate information form” from Allixon’s U.S. counsel. The form stated, among other things, that there was no restriction on the resale of the Allixon share certificates issued to Crescendo Investments and Silver Lake Investments. However, the law firm further noted on the form that it was “not aware of any persons who would be considered control persons as defined by federal securities regulations.” In fact, as the Respondents knew, or were reckless in not knowing, Cohen and Heinzl, and their respective entities, Crescendo Investments and Silver Lake Investments, were control persons of Allixon. As a result, the Allixon shares issued to Crescendo Investments and Silver Lake Investments were control shares as well as restricted securities.

O. Respondents knew, or were reckless in not knowing, that proceeds from Temple Securities' unregistered distribution of Allixon stock were being used to pay for the merger of the company and for the promotional campaign by the investor relations group hired by Cohen and Heinzl. On September 19, 2005, Cohen directed Temple Securities to cause the sum of \$175,000 to be paid from his Crescendo Investments account to pay a portion of the merger costs. On September 21, 2005, Greatrex received a letter acknowledging that "all of the terms of the Escrow Agreement dated July 7, 2005, have been satisfied."

P. Temple Securities sold over 943,000 shares of Allixon stock on behalf of its customers for more than \$4.3 million in proceeds. Temple Securities received \$234,510 in commissions from the sale of the Allixon stock on behalf of Crescendo Investments and Silver Lake Investments.

Q. In or about April 2005, PSI-TEC issued four million shares to seven purported Texas residents pursuant to a Rule 504 offering. In connection with that offering, on or about April 5, 2005, PSI-TEC, filed a "Notice of Sale of Securities Pursuant to Accredited Investor Exemption" with the State of Texas in which it advised it was offering 4 million shares at \$.25 per share for a total offering amount of \$ 1 million. The filing further stated:

The issuer reasonably believes that all purchasers are purchasing for investment and not with the view to or for sale in connection with a distribution of the security. Any resale of a security sold in reliance on this exemption within 12 months of sale, except a resale to an accredited investor or pursuant to a registration statement effective under applicable state securities law, shall be presumed to be with a view to distribution and not for investment. Securities issued under this exemption may only be resold pursuant to registration or an exemption under applicable state securities law.

R. On or about April 8, 2005, PSI-TEC was advised by the State of Texas that its filing would not be valid until PSI-TEC filed a "Consent to Service of Process (Form U-2)" with the State. On June 29, 2005, after PSI-TEC had failed to respond to the April 8 letter, the State advised the company that its filing under Texas law was "incomplete and the exemption is unavailable"

S. On or around April 26, 2005, at a U.S. customer's request, Temple Securities purchased 500,000 PSI-TEC shares from a purported Texas resident who was an initial purchaser in the PSI-TEC Rule 504 offering. Temple Securities, in turn, at its customer's request, immediately sold the 500,000 PSI-TEC shares to its brokerage customer, who purchased the shares directly from Temple Securities and held the same in his Temple Securities account. Between May 11 and October 31, 2005, Temple Securities, at the direction of the customer, publicly sold approximately 250,000 PSI-TEC shares through an account of Temple Securities at a U.S. broker-dealer in approximately 96 transactions for approximately \$663,000. In addition, utilizing an account opening form on the Temple Securities website and through emails, at least two other U.S. customers requested Temple Securities to open brokerage accounts for their benefit, through which the customers also sold shares of PSI-TEC stock. Temple Securities received approximately \$16,969 in commissions from its PSI-TEC sales on behalf of its brokerage customers.

T. Temple Securities engaged in solicitations of customers through advertisements on its website. Temple Securities failed to implement the guidance given by the Commission to foreign broker-dealers and, as a result, solicited U.S. customers through its website.⁴ Temple Securities engaged in these solicitations despite not being registered as a U.S. broker-dealer and not qualifying for any exemption from U.S. broker-dealer registration requirements.

U. No registration statement was filed with the Commission or was in effect as to the transactions in Allixon and PSI-TEC shares described above. Further, because Temple Securities obtained the Allixon stock from a person directly or indirectly controlling or controlled by Allixon, or under direct or indirect control with Allixon, with a view to distributing the stock to the public, the stock was not exempt from registration. Further, because Temple Securities obtained the PSI-TEC from a person directly or indirectly controlling or controlled by PSI-TEC, or under direct or indirect control with PSI-TEC, with a view to distributing the stock to the public, the stock was not exempt from registration. Therefore, the securities transactions described above violated Sections 5(a) and 5(c) of the Securities Act.

Violations

V. As a result of the conduct described above, Respondents willfully⁵ violated Sections 5(a) and 5(c) of the Securities Act, which prohibit the offer and sale of securities through the mails or in interstate commerce, unless a registration statement is filed or in effect as to such securities.

W. Section 3(a)(4) of the Exchange Act defines a broker generally as any person engaged in the business of effecting transactions in securities for the account of others. Temple Securities, as a broker-dealer registered in the Turks and Caicos Islands, BWI, was clearly engaged in the business of effecting transactions in securities for the account of others. Moreover, it used the means and instrumentalities of interstate commerce to conduct its business, as reflected in the services advertised in its website. In particular, Temple Securities acted as a broker when it solicited, through website advertisements, the U.S. customers involved in the PSI-TEC transactions in exchange for transaction-related compensation.

⁴ Temple Securities' advertisements on its website were solicitations that prohibit Temple Securities from relying on Exchange Act Rule 15a-6(a)(1)'s 'unsolicited' exemption from U.S. broker-dealer registration requirements. See Statement of the Commission Regarding Use of Internet Web Sites to Offer Securities, Solicit Securities Transactions, or Advertise Investment Services Offshore, Release Nos. 33-7516, 34-39779, IA-1710, IC-23071, 63 FR 14806 (March 27, 1998) ("Foreign broker-dealers that have Internet Web sites and that intend to rely on Rule 15a-6's 'unsolicited' exemption should ensure that the 'unsolicited' customer's transactions are not in fact solicited, either directly or indirectly, through customers accessing their Web sites. In particular, these broker-dealers could obtain, as a precaution reasonably designed to prevent that result, affirmative representations from potential U.S. customers that they deem unsolicited that those customers have not previously accessed their Web sites.").

⁵ "Willfully" as used in this Order means intentionally committing the act which constitutes the violation, Cf. *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000); *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). There is no requirement that the actor also be aware that he is violating one of the Rules or Acts.

X. Subject to limited exemptions, Section 15(a)(1) of the Exchange Act makes it unlawful for any broker or dealer “to make use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless such broker or dealer is registered” in accordance with Section 15(b) of the Exchange Act. During the process of advertising on its website, opening accounts on behalf of two U.S. customers, and facilitating the purchase of the PSI-TEC securities by its brokerage customer, Temple Securities made use of instrumentalities of U.S. interstate commerce to induce and to effect securities transactions in PSI-TEC.⁶ Temple Securities was not registered with the Commission pursuant to Section 15(b) of the Exchange Act, and did not qualify for any exemption from U.S. broker-dealer registration requirements with respect to the PSI-TEC transactions. As a result of the conduct described above, Temple Securities willfully violated Section 15(a)(1) of the Exchange Act.

Remedial Actions

Y. In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by Respondents and cooperation afforded the Commission staff.

Undertakings

Z. Respondent Temple Securities undertakes to:

1. Within 15 days after the entry of this Order, Temple Securities will engage an Independent Consultant, who is not unacceptable to the Commission staff, to review, design and assist Temple Securities in implementing policies and procedures to prevent and detect violations of Sections 5(a) and (c) of the Securities Act and Section 15(a) of the Exchange Act. Temple Securities agrees to retain the Independent Consultant at its own expense and it shall implement the policies and procedures recommended by the Independent Consultant within 90 days of the entry of this Order, unless extended by the staff for good cause. Temple Securities further agrees that it will authorize and direct the Independent Consultant to certify in writing to the Commission staff of the Fort Worth District Office whether Temple Securities has implemented the recommended policies and procedures within 90 days of the entry of this Order.

2. For a period of two years following the entry of this Order, Temple Securities shall not hold with any U.S. broker-dealer or offer or sell in the U.S. capital markets any security quoted or traded other than on a national securities exchange or the NASDAQ (including the OTC Bulletin Board), unless (i) it first obtains a written opinion from the Independent Consultant that its conduct does not violate Sections 5(a) or (c), or (ii) Temple received such securities through the Depository Trust & Clearing Corporation and its subsidiaries,

⁶ See Registration Requirements for Foreign Broker-Dealers, Release No. 34-27017, 54 FR 30013 (July 18, 1989) (“virtually any transaction-oriented contact between a foreign broker-dealer and the U.S. securities markets or a U.S. investor in the United States involves interstate commerce and could provide the jurisdictional basis for broker-dealer registration.”).

including the Deposit/Withdrawal at Custodian system (DWAC), and the securities are unrestricted.

3. Require the Independent Consultant to enter into an agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the Independent Consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Temple Securities, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the Independent Consultant will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the Independent Consultant in performance of his/her duties under this Order shall not, without prior written consent of the Fort Worth District Office, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Temple Securities, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions specified in Respondent Greatrex and Respondent Temple Securities' Offers.

ACCORDINGLY, IT IS HEREBY ORDERED:

A. Respondent Temple Securities shall cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act or Section 15(a) of the Exchange Act.

B. Respondent Greatrex shall cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act.

C. IT IS FURTHERED ORDERED that Respondent Temple Securities shall, within 45 days of the entry of this Order, pay disgorgement of \$251,479 and prejudgment interest of \$1,867 for a total amount of \$253,346 to the Clerk of Court, U.S. District Court for the Northern District of Texas, to be held in such Court's Court Registry Investment System account established for the matter of *Securities and Exchange Commission v. Allixon International Corp., et al.*, until further order of such Court. Against this amount, Respondent shall be credited \$234,510.16, in disgorgement paid, representing funds previously tendered into the registry of the court.

D. IT IS FURTHER ORDERED that Respondent Temple Securities shall, within 45 days of the entry of this Order, pay a civil money penalty in the amount of \$15,000 to the Clerk of Court, U.S. District Court for the Northern District of Texas, to be held in such Court's Court Registry Investment System account established for the matter of *Securities and Exchange Commission v. Allixon International Corp., et al.*, until further order of such Court.

E. Respondent Temple Securities shall comply with the undertakings enumerated in Section III.Z. above.

By the Commission.

Nancy M. Morris
Secretary