

State of Missouri
Office of Secretary of State

Case No. AP-09-13

IN THE MATTER OF:

NU-CORP INTERNATIONAL TECHNOLOGIES, INC;
BOYD B. GREENE;
JAMES S. DODSON, a/k/a STEVE DODSON; and
JUDY C. JONES,

Respondents.

Serve: Nu-Corp International Technologies, Inc. at:
28 Chase Street, Suite A
P.O. Box 59
Byhalia, Mississippi 38611

Serve: Boyd B. Greene at:
2578 Church Street
Byhalia, Mississippi 38611

Serve: James S. Dodson at:
28 Chase Street, Suite A
P.O. Box 59
Byhalia, Mississippi 38611

Serve: Judy C. Jones at:
28 Chase Street, Suite A
P.O. Box 59
Byhalia, Mississippi 38611

**ORDER TO CEASE AND DESIST AND ORDER TO SHOW CAUSE WHY CIVIL
PENALTIES AND COSTS SHOULD NOT BE IMPOSED**

On March 13, 2009, the Enforcement Section of the Securities Division of the Office of Secretary of State (the "Enforcement Section"), through its Assistant Commissioner of Securities Mary S. Hosmer, submitted a Petition for Order to Cease and Desist and Order to Show Cause Why Civil Penalties and Costs Should Not Be Imposed. After reviewing the petition, the Commissioner issues the following findings of fact, conclusions of law and order:

I. FINDINGS OF FACT

1. Nu-Corp International Technologies, Inc. ("Nu-Corp"), is a Delaware corporation with a last known business address of 28 Chase Street, Suite A, P.O. Box 59, Byhalia, Mississippi 38611. Nu-Corp was incorporated on March 2, 2001. Nu-Corp purportedly had exclusive rights to develop and market a device that separated oil from water known as the "XpaK Unit."
2. Boyd B. Greene ("Greene") purported to be the inventor of the XpaK Unit. Greene developed the Nu-Corp business plan and was employed by Nu-Corp as a consultant. Greene's last known address is 2578 Church Street, Byhalia, Mississippi 38611.
3. James S. Dodson, a/k/a Steve Dodson ("Dodson") was a Field Services Director of Nu-Corp prior to November 2005. Dodson has a last known address at 2899 Huntley Circle, Southaven, Mississippi 38672.
4. Judy C. Jones ("Jones") held offices of the President, Secretary/Treasurer of Nu-Corp and has a last known address of P.O. Box 842, Olive Branch, Mississippi 38654-0842.
5. As used in this Order, the term "Respondents" refers to Nu-Corp, Greene, Dodson and Jones.
6. Sometime in January 2004, a Missouri Resident ("MR") heard about Nu-Corp and the XpaK Unit from a co-worker and telephoned Dodson. Dodson told MR, among other things, that:
 - a. the XpaK Unit was a successful system that separated oil from water;
 - b. there was a patent on the XpaK Unit;
 - c. Nu-Corp had the exclusive manufacturing and marketing rights to this patented technology;

- d. several large companies were looking to buy Nu-Corp;
 - e. Nu-Corp was selling stock to investors at one dollar (\$1.00) per share; and
 - f. an investment in Nu-Corp would increase at least ten fold.
7. Dodson did not advise MR of any risks associated with the investment with Nu-Corp.
 8. On January 20, 2004, based on Dodson's representations, MR wrote a check in the amount of ten thousand dollars (\$10,000) payable to Nu-Corp. Dodson met MR in Missouri and picked up this check.
 9. In February 2004, MR received the Nu-Corp stock certificate signed by Jones as President.
 10. On May 24, 2004, Jones sent a letter to Nu-Corp stockholders that stated, in part, the following:

"A Board of Directors meeting was held on April 26, 2004 and at that time made a decision to withdraw all \$1.00 share offers with the exception of those current options, which have been committed to in writing. This decision was based on the interest of various potential investors, which constitute a very large investment. Those negotiations are with British Petroleum and Scottish Power Utility of London, England. The negotiations consist of 3,000,000 shares at \$10.00 per share direct investment by each of the two parties or a 20,000,000-share buyout at \$20.00 per share . . . Other major opportunities are being investigated at this time . . .

We are still working with the US Government in the "Ghost Fleet" Homeland Security proposal. We hope to have this completed in the next 30-60 days.

. . . We have completed a sale for a barge-mounted unit and should fulfill this contract within the next 7 months."
 11. On November 11, 2004, Jones sent Nu-Corp stockholders a letter that stated, in part, the following:

"As we go forward into 2005, we are looking toward great things and sizeable dollars. However, as is always the case with new technology and advancements, these things take time and money. We are still in the market for additional investment by our current stockholders and potential new stockholders. Any assistance you can provide in these areas would be well appreciated.

We regret to inform you that Mr. James S. (Steve) Dodson is no longer associated with Nu-Corp International Technologies, Inc."
 12. On June 17, 2005, a flyer was sent to Nu-Corp stockholders that stated, in part, the following:

"Congratulations to all Nu-Corp International Stockholders on the confirmed sale of the first XpaK 150 Refined Oil System to be installed at Advance Waste Services, Inc. in Milwaukee, Wisconsin . . . Should you have an interest in purchasing additional stock, please contact . . . the Corporate Office at 662-838-8311."
 13. Approximately fifteen (15) Missouri residents invested at least one hundred nine thousand dollars (\$109,000) in Nu-Corp stock.
 14. From approximately July 1, 1993 through August 22, 2000, Greene was associated with a company known as Gnesys, Inc. ("Gnesys"). [1] Gnesys manufactured a device known as the Hydrasep Oil/Water Separator. Greene was a shareholder and officer of Gnesys until his resignation on May 4, 1998.
 15. On or about August 2, 1999, Gnesys filed a suit against Greene in the U.S. District Court for the Western District of Tennessee (the "Tennessee Court"), titled Gnesys, Inc. v. Boyd B. Greene, et al., Case No. 99-2659. In this suit Gnesys alleged, among other things, that Greene had used Gnesys' intellectual property without authorization and had engaged in patent infringement and unfair competition.
 16. On or about August 22, 2000, the Tennessee Court found in favor of Gnesys and entered a Permanent Injunction and Final Judgment against Greene.
 17. In April 2001, Gnesys moved the Tennessee Court for an order of contempt against Greene for continued unauthorized use of Gnesys' confidential and proprietary information in marketing a product Greene then called StakPak. The Tennessee Court agreed that Greene had violated the provisions of the injunction and that the Nu-Corp business plan prepared by Greene contained the intellectual property of Gnesys.
 18. On or about November 26, 2002, Greene was ordered by the Tennessee Court to pay in excess of two hundred sixty thousand dollars (\$260,000) to Gnesys for damages and attorney's fees.
 19. On or about October 14, 2005, Jones and four shareholders filed a petition to place Nu-Corp in involuntary bankruptcy under Chapter 11 in the U.S. Bankruptcy Court for the Northern District of Mississippi titled Judy C. Jones, et al. v. Boyd B. Greene, et al., Case No. 05-19490.

20. A check of the records maintained by the Missouri Commissioner of Securities revealed no registration, granted exemption or notice filing indicating status as a "federal covered security" for the securities offered by Respondents in Missouri.
21. A check of the records maintained by the Missouri Commissioner of Securities revealed Respondents were not registered to offer or sell securities in or from the State of Missouri.
22. In connection with the offer and sell of stock in Nu-Corp, Respondents omitted to disclose to MR, among other things, the following:
 - a. that the securities were not registered in the State of Missouri;
 - b. that the securities were not federal-covered securities;
 - c. that Dodson was not registered to offer and sell securities in or from the State of Missouri;
 - d. the financial condition of Nu-Corp including balance sheets and income and cash flow statements;
 - e. Nu-Corp's material contracts or relationships with third parties;
 - f. risks involved with the investment;
 - g. background information for Nu-Corp, its directors, officers or other persons having similar status or performing similar functions, including but not limited to, their:
 - i. principal occupations for the previous five years;
 - ii. other companies or business associations;
 - iii. ownership or interest held in each entity; or
 - iv. remuneration received during the previous twelve months and estimated to be received during the next twelve months;
 - h. that on or about August 22, 2000, the Tennessee Court entered a Permanent Injunction and Final Judgment against Greene finding that Greene engaged in unauthorized use of intellectual property belonging to Gnesys, patent infringements, and unfair competition in *Gnesys, Inc. v. Boyd B. Greene, et al.*, Case No. 99-2659; or
 - i. that on or about November 26, 2002, Greene was held in contempt by the Tennessee Court and ordered to pay in excess of two hundred sixty thousand dollars (\$260,000) to Gnesys for violating the provisions of the Tennessee Court's injunction issued in *Gnesys, Inc. v. Boyd B. Greene, et al.*, Case No. 99-2659.

II. STATUORY PROVISIONS

23. Section 409.6-601(a), RSMo. (Cum. Supp. 2008), provides that the Missouri Securities Act of 2003 "shall be administered by the commissioner of securities"
24. Section 409.1-102(1), RSMo. (Cum. Supp. 2008), defines "Agent" as "an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities."
25. Section 409.1-102(17), RSMo. (Cum. Supp. 2008), defines "Issuer" as "a person that issues or proposes to issue a security"
26. Section 409.1-102(28), RSMo. (Cum. Supp. 2008), includes "notes; stock . . . evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement . . . [and an] investment contract" within the definition of a security.
27. Section 409.1-102(26), RSMo. (Cum. Supp. 2008), defines "Sale" to include, "every contract of sale, contract to sell, or disposition of, a security or interest in a security for value." That same section defines "offer to sell" as "every attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value."
28. Section 409.3-301, RSMo. (Cum. Supp. 2008), states:

It is unlawful for a person to offer or sell a security in this state unless:

 - (1) The security is a federal covered security;
 - (2) The security, transaction, or offer is exempted from registration under Sections 409.2-201 to 409.2-203; or
 - (3) The security is registered under this act.

29. Section 409.4-402(a), RSMo. (Cum. Supp. 2008), states:

It is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this act as an agent or is exempt from registration as an agent under subsection (b).

30. Section 409.4-402(d), RSMo. (Cum. Supp. 2008), states:

It is unlawful for a broker-dealer or an issuer engaged in offering, selling, or purchasing securities in this state, to employ or associate with an agent who transacts business in this state on behalf of broker-dealers or issuers unless the agent is registered under subsection (a) or exempt from registration under subsection (b).

31. Section 409.5-501, RSMo. (Cum. Supp. 2008), states:

It is unlawful for a person, in connection with the offer, sale, or purchase of a security, directly or indirectly:

- (1) employ a device, scheme, or artifice to defraud;
- (2) To make an untrue statement of a material fact or to omit state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading; or
- (3) To engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

32. Section 409.5-503(a), RSMo. (Cum. Supp. 2008), states:

In a[n] . . . administrative proceeding under this act, a person claiming an exemption, exception, preemption, or exclusion has the burden to prove the applicability of the claim.

33. Section 409.6-604(a), RSMo. (Cum. Supp. 2008), states:

If the commissioner determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this act or a rule adopted or order issued under this act . . . the commissioner may:

- (1) Issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary and appropriate to comply with this act;
- (2) Issue an order denying, suspending, revoking, or conditioning the exemptions for a broker-dealer under section 409.4-401(b)(1)(D) or (F) or an investment adviser under section 409.4-403(b)(1)(C); or
- (3) Issue an order under section 409.2-204.

34. Section 409.6-604(d), RSMo. (Cum. Supp. 2008), states:

In a final order . . . the commissioner may impose a civil penalty up to one thousand dollars (\$1,000) for a single violation or up to ten thousand dollars (\$10,000) for more than one violation.

35. Section 409.6-604(e), RSMo. (Cum. Supp. 2008), states:

In a final order, the commissioner may charge the actual cost of an investigation or proceeding for a violation of this act or a rule adopted or order issued under this act. These funds may be paid into the investor education and protection fund.

III. CONCLUSIONS OF LAW

Multiple Violations of Offering or Selling Nonexempt, Unregistered Securities

36. Paragraphs 1 through 35 are incorporated by reference as though fully set forth herein.

37. The investments offered and sold by Respondents are "securities" as defined in Section 409.1-102(28), RSMo. (Cum. Supp. 2008).

38. Respondents' actions in offering securities to Missouri residents are an "attempt or offer to dispose of, or solicitation of an offer to purchase, a security or interest in a security for value," which satisfies the definition of an "offer to sell" under Section 409.1-102(26), RSMo. (Cum. Supp. 2008).

39. Respondents' actions in selling securities to Missouri residents constitute a "contract to sell, or disposition of, a security or

interest in a security for value," which satisfies the definition of a "Sale" under Section 409.1-102(26), RSMo. (Cum. Supp. 2008).

40. At all times relevant, records maintained by the Commissioner of Securities contained no registration, granted exemption or notice filing indicating status as a "federal covered security" for any security allegedly offered or sold by Respondents.
41. Respondents have failed to prove that they are entitled to rely on an exemption.
42. Respondents violated Section 409.3-301, RSMo. (Cum. Supp. 2008), when they offered or sold securities in Missouri without the securities being (1) a federal-covered security, (2) exempt from registration under Sections 409.2-201 or 409.2-202, RSMo. (Cum. Supp. 2008), or (3) registered under the Missouri Securities Act of 2003.
43. Respondents' actions in offering or selling unregistered securities constitute an illegal act, practice, or course of business and such action is therefore subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).

Multiple Violations by Respondent Nu-Corp of Employing An Unregistered Agent

44. Paragraphs 1 through 35 are incorporated by reference as though fully set forth herein.
45. Respondent Nu-Corp created the stock offered and sold in this matter and is thus the issuer of these securities as that term is defined under Section 409.1-102(17), RSMo. (Cum. Supp. 2008).
46. As the issuer, Respondent Nu-Corp employed Respondent Dodson who solicited investors in Missouri to purchase securities. These solicitations constitute transacting business in the State of Missouri.
47. Respondent Nu-Corp has not registered any issuer agents in the State of Missouri.
48. Respondent Nu-Corp employed an unregistered agent who transacted business in the State of Missouri in violation of Section 409.4-402(d), RSMo. (Cum. Supp. 2008).
49. Respondent Nu-Corp's actions in employing an unregistered agent who transacted business in this state constitute an illegal act, practice, or course of business and such action is therefore subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).

Multiple Violations of Transacting Business as an Unregistered Agent by Dodson

50. Paragraphs 1 through 35 are incorporated by reference as though fully set forth herein.
51. At all times relevant, records maintained by the Missouri Commissioner of Securities contained no registration or granted exemption for Respondent Dodson to transact business as an agent in the State of Missouri.
52. Respondent Dodson violated Section 409.4-402(a), RSMo. (Cum. Supp. 2008), when he offered or sold securities in the State of Missouri without being registered or exempt from registration as an agent when he offered or sold these investments to MR.
53. Respondent Dodson's actions in transacting business as an unregistered agent constitute an illegal act, practice, or course of business and such actions are therefore subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).

Multiple Violations of Omitting to State Material Facts in Connection with the Offer or Sale of a Security

54. Paragraphs 1 through 35 are incorporated by reference as though fully set forth herein.
55. In connection with the offer or sale of securities to MR, Respondents omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, including, but not limited to, the following:
 - a. that the securities were not registered in the State of Missouri;
 - b. that the securities were not federal covered securities;
 - c. that Dodson was not registered to offer and sell securities in or from the State of Missouri;
 - d. the financial condition of Nu-Corp including balance sheets and income and cash flow statements;
 - e. Nu-Corp's material contracts or relationships with third parties;
 - f. risks involved with the investment;

- g. background information for Nu-Corp, its directors, officers or other persons having similar status or performing similar functions, including but not limited to, their:
- i. principal occupations for the previous five years;
 - ii. other companies or business associations;
 - iii. ownership or interest held in each entity; or
 - iv. remuneration received during the previous twelve months and estimated to be received during the next twelve months;
 - v. that on or about August 22, 2000, the Tennessee Court entered a Permanent Injunction and Final Judgment against Greene finding that Greene engaged in unauthorized use of intellectual property belonging to Gnesys, patent infringements, and unfair competition in *Gnesys, Inc. v. Boyd B. Greene, et al.*, Case No. 99-2659; or
 - vi. that on or about November 26, 2002, Greene was held in contempt by the Tennessee Court and ordered to pay in excess of two hundred sixty thousand dollars (\$260,000) to Gnesys for violating the provisions of the Tennessee Court's injunction issued in *Gnesys, Inc. v. Boyd B. Greene, et al.*, Case No. 99-2659.
56. Respondents' violated Section 409.5-501, RSMo. (Cum. Supp. 2008), when they omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, in connection with the offer, sale or purchase of a security.
57. Respondents' actions in omitting to state material facts in connection with the offer or sale of securities constitute illegal acts, practices, or courses of business and such actions are therefore subject to the commissioner's authority under Section 409.6-604(a), RSMo. (Cum. Supp. 2008).
58. This Order is in the public interest and consistent with the purposes intended by the Missouri Securities Act of 2003. See Section 409.6-605(b), RSMo. (Cum. Supp. 2008).

IV. ORDER

NOW THEREFORE, it is hereby ordered that Respondents, their agents, employees and servants, and all other persons participating in or about to participate in the above-described violations with knowledge of this Order are prohibited from:

- A. violating or materially aiding in any violation of 409.3-301, RSMo. (Cum. Supp. 2008), by offering or selling any securities as defined by Section 409.1-102(28), RSMo. (Cum. Supp. 2008), in the State of Missouri unless those securities are registered with the Securities Division of the Office of the Secretary of State in accordance with the provisions of Section 409.3-304.
- B. violating or materially aiding in any violation of 409.4-402, RSMo. (Cum. Supp. 2008), by employing an unregistered agent.
- C. violating or materially aiding in any violation of 409.4-402, RSMo. (Cum. Supp. 2008), by transacting business in this state as an agent without being registered as an agent in this state under the Missouri Securities Act of 2003 or being exempt from registration as an agent.
- D. violating or materially aiding in any violation of Section 409.5-501, RSMo. (Cum. Supp. 2008), by, in connection with the offer or sale of securities, making an untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading or engaging in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2008), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.3-301, RSMo. (Cum. Supp. 2008), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2008), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against Respondent Nu-Corp for multiple violations of Section 409.4-402(d), RSMo. (Cum. Supp. 2008), in a final order, unless Respondent Nu-Corp requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2008), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against Respondent Dodson for multiple violations of Section 409.4-402(a), RSMo. (Cum. Supp. 2008), in a final order, unless Respondent Dodson requests a hearing and shows cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, pursuant to Section 409.6-604(d), RSMo. (Cum. Supp. 2008), the Commissioner will determine whether to grant the Enforcement Section's petition for an imposition of a civil penalty of up to ten thousand dollars (\$10,000) against each Respondent for multiple violations of Section 409.5-501, RSMo. (Cum. Supp. 2008), in a final order, unless Respondents request a hearing and show cause why the penalty should not be imposed.

IT IS FURTHER ORDERED that, as the Enforcement Section has petitioned for an award for the costs of the investigation against Respondents in this proceeding, the Commissioner will issue a final order, pursuant to Section 409.6-604(e), RSMo. (Cum. Supp. 2008), awarding an amount to be determined after review of evidence submitted by the Enforcement Section, unless Respondents request a hearing and show cause why an award should not be made to the agency.

SO ORDERED.

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 25TH DAY OF MARCH, 2009.

ROBIN CARNAHAN
SECRETARY OF STATE

(Signed/Sealed)
MATTHEW D. KITZI
COMMISSIONER OF SECURITIES



State of Missouri
Office of Secretary of State

Case No. AP-09-13

IN THE MATTER OF:

NU-CORP INTERNATIONAL TECHNOLOGIES, INC;
BOYD B. GREENE;
JAMES S. DODSON, a/k/a STEVE DODSON; and
JUDY C. JONES,

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Serve: Nu-Corp International Technologies, Inc. at:
28 Chase Street, Suite A
P.O. Box 59
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Serve: Boyd B. Greene at:
2578 Church Street
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Serve: Judy C. Jones at:
28 Chase Street, Suite A
P.O. Box 59
Byhalia, Mississippi 38611

NOTICE

TO: Respondents and any unnamed representatives aggrieved by this Order:

You may request a hearing in this matter within thirty (30) days of the receipt of this Order pursuant to § 409.6-604(b), RSMo Supp. 2005, and 15 CSR 30-55.020.

A request for a hearing must be mailed or delivered, in writing, to:

**Matthew D. Kitzi, Commissioner of Securities
Office of the Secretary of State, Missouri
Kirkpatrick State Information Center**

600 West Main Street, Room 229
Jefferson City, Missouri, 65102.

CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of March, 2009, copies of the foregoing Order and Notice in the above styled case was **mailed by certified U.S. Mail, postage prepaid, to:**

Nu-Corp International Technologies, Inc.
28 Chase Street, Suite A
P.O. Box 59
Byhalia, Mississippi 38611

Boyd B. Greene
2578 Church Street
Byhalia, Mississippi 38611

James S. Dodson
28 Chase Street, Suite A
P.O. Box 59
Byhalia, Mississippi 38611

Judy C. Jones
28 Chase Street, Suite A
P.O. Box 59
Byhalia, Mississippi 38611

And hand delivered to:

Mary S. Hosmer
Assistant Commissioner
Securities Division

John Hale
Specialist

[1]Gnesys, Inc. a/k/a Greene Nassif Environmental Systems, Inc., k/n/a Hydrasep, Inc. is a Mississippi corporation created in 1992.