

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 63733 / January 19, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14197

In the Matter of

JOSEPH R. PORCHE,

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 Joseph R. Porche (“Respondent” or “Porche”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From early 2008 to February 2009, Porche, was the chief executive officer of Kensington Resources, Inc. (“Kensington”), an entity through which Porche and others solicited investors in American Environmental Energy, Inc. (“AEEI”), the purported “green energy” company to which investor funds were to be sent. Porche has never been registered with the Commission in any capacity. Porche participated in an offering of AEEI stock, which is a penny stock. Porche, 52 years old, is a resident of Irvine, California.

2. In February 2001, Porche pled guilty to four counts of mail fraud and was sentenced to 37 months in jail, followed by three years of supervised release and ordered to pay \$200,000 in restitution. See U.S. v. Joseph R. Porche, Case No. 99-CR-01177 WMB (C.D. Cal.).

B. ENTRY OF THE INJUNCTION

3. On December 29, 2010, a judgment of permanent injunction and other relief was entered against Porche, permanently enjoining him from future violations of Sections 5(a), 5(c), and 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. Joseph R. Porche, et al., Civil Action Number SACV10-01165, in the United States District Court for the Central District of California.

4. The Commission's complaint alleged that Porche, the chief executive officer for Kensington, participated in a fraudulent offering of unregistered shares of AEEI stock, in which Kensington raised over \$11 million from approximately 200 investors nationwide. The complaint also alleged that when selling shares of AEEI, Kensington's sales staff, which was hired by Porche, repeatedly made misrepresentations concerning the payment of sales commissions and the use of proceeds. Specifically, the complaint alleged that sales agents falsely told investors that commissions were limited to 10% of the funds raised and that 80% of the funds would be used by AEEI to conduct its green energy business. The complaint also alleged that investors were provided a written Private Placement Memorandum that was reviewed by Porche that contained this same false information. The complaint further alleged that, in reality, Kensington only sent AEEI \$315,000 of the \$11 million raised and used nearly all of the money raised to fund the lavish lifestyles of Porche and another Kensington principal, pay 25% in commissions, and pay for Kensington's overhead.

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

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
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