



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 Rule 102(e) of the Commission's Rules of Practice, 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. Werner, age 53, resides in Boca Raton, Florida. He is an attorney licensed to practice law in Florida since approximately 1985. In November 2003, Werner began serving as corporate counsel for Merendon Mining (Nevada) Inc. ("Merendon Nevada"), a Nevada corporation that offered and sold securities to investors. In April 2007, Werner became the president of Syndicated Gold Depository S.A. ("SGD"), a Bahamian registered corporation that operated from offices in Miami, Florida, which offered and sold securities to investors. In about November 2007, Werner became the president of Bearstone Capital Management Inc. ("Bearstone"), another company that offered and sold securities to investors.

2. On June 10, 2010, the Commission filed a complaint against Werner in *SEC v. Merendon Mining (Nevada), Inc. et al.*, et al. (W.D. Wash. civil action No. 2:10-cv-955-RAJ). On October 30, 2012, the court entered an order permanently enjoining Werner, by consent, from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

3. The Commission's complaint alleged, among other things, that Werner used SGD as a part of a fraudulent scheme to provide capital for Merendon Mining Corp. Ltd., a corporation formed in Alberta, Canada. The complaint also alleged that Werner, as the president of SGD, directly or indirectly offered and sold SGD's securities, and made false and misleading statements to salesmen and investors about, among other things, the rate of return paid by SGD securities, the use of investors' funds, the security of the investment, and independence of the various companies. The complaint alleged that during 2007, Werner also offered and sold securities of Merendon Nevada which made corresponding investments in SGD. Further, the complaint alleged that beginning in February or March 2007, Werner used one or more of his attorney trust accounts to receive funds from investors in SGD or the other selected companies, pay purported returns back to investors, and pay funds for the benefit of others involved in the scheme. The complaint also alleges that Werner knew from participation in various meetings that investors' funds were used as part of a Ponzi scheme and that his trust account was used to hide the movement of the funds. The complaint further alleges that between November 2007 and March 2008, Werner caused Bearstone to make an offering of limited partnership interests to investors with the funds raised from the offering being directed to SGD.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Werner's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that Werner is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Elizabeth M. Murphy  
Secretary