

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 68673 / January 16, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15178

In the Matter of

LARRY LEE ADAIR, Esq.,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS AND
IMPOSING TEMPORARY SUSPENSION
PURSUANT TO RULE 102(e)(3)(i)(A) OF
THE COMMISSION'S RULES OF
PRACTICE**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Larry Lee Adair, Esq. (“Respondent” or “Adair”) pursuant to Rule 102(e)(3)(i)(A)¹ of the Commission’s Rules of Practice [17 C.F.R. 200.102(e)(3)(i)(A)].

II.

The Commission finds that:

1. Adair was, at all relevant times, an attorney licensed in Florida. From approximately December 2001 until at least December 2003, Adair was president of Syndicated Gold Depository, Inc. (“SGD”), one of a group of companies used to facilitate a multi-national, \$300 million Ponzi scheme that involved more than 3,000 U.S. and Canadian investors. Adair continued to act as an agent for SGD through at least March 2004. Adair was also a director of Merendon Mining Corp. Ltd. (“Merendon”), another company used in the Ponzi scheme. SGD held itself out to investors as a business engaged in supplying capital to Merendon. It solicited those investments by making false statements about Merendon’s involvement in gold mining

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, temporarily suspend from appearing or practicing before it any attorney . . . who has been by name: (A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating . . . any provision of the Federal securities laws or of the rules and regulations thereunder

operations, including false statements about Merendon's generation of revenue to repay loans it received from SGD. Adair personally solicited investors in SGD and personally directed others in the solicitation of SGD investors. Adair made false and misleading statements to investors about, among other things, the rate of return paid by SGD securities, the use of investors' funds, the security of the investment, and the independence of the various companies involved in the investment. As part of the Ponzi scheme, Adair used a variety of attorney trust accounts under his control to take payments from investors, make payments to investors, and make payments to others involved in the Ponzi scheme. In total, Adair received and disbursed over \$168 million of investor funds through accounts under his control.

2. On June 10, 2010, the Commission filed a complaint against Adair and others in the United States District Court for the Western District of Washington, charging him with violating Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, together with Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, by his participation in the Ponzi scheme. That lawsuit sought a permanent injunction, disgorgement of unlawful proceeds plus pre-judgment and post-judgment interest, a financial penalty, and an order prohibiting Adair from acting as an officer or director of any public company. *SEC v. Merendon Mining (Nevada) Inc., et al.*, Civil Action Number 2:10-cv-00955-RAJ.

3. On October 30, 2012, the Court entered a final judgment against Adair, which permanently enjoins him from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act, as well as Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

III.

Based upon the foregoing, the Commission finds that a court of competent jurisdiction has permanently enjoined Adair, by reason of his misconduct in an action brought by the Commission, from violating provisions of the securities laws or of the rules and regulations thereunder. In view of this finding, the Commission deems it appropriate and in the public interest that Adair be temporarily suspended from appearing or practicing before the Commission as an attorney.

IT IS HEREBY ORDERED that Adair be, and hereby is, temporarily suspended from appearing or practicing before the Commission as an attorney. This Order will be effective upon service on the Respondent.

IT IS FURTHER ORDERED that Adair may, within thirty days after service of this Order, file a petition with the Commission to lift the temporary suspension. If the Commission receives no petition within thirty days after service of the Order, the suspension will become permanent pursuant to Rule 102(e)(3)(ii).

If a petition is received within thirty days after service of this Order, the Commission will, within thirty days after the filing of the petition, either lift the temporary suspension, or set the matter down for hearing at a time and place to be designated by the Commission, or both. If

a hearing is ordered, following the hearing, the Commission may lift the suspension, censure the petitioner, or disqualify the petitioner from appearing or practicing before the Commission for a period of time, or permanently, pursuant to Rule 102(e)(3)(iii).

This Order shall be served upon Adair personally or by certified mail at his last known address.

By the Commission.

Elizabeth M. Murphy
Secretary