

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73454 / October 28, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16219

In the Matter of

KENNETH G. EADE, Esq.,

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e)(3) OF
THE COMMISSION'S RULES OF
PRACTICE, MAKING FINDINGS,
AND IMPOSING REMEDIAL
SANCTIONS**

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 Kenneth G. Eade (“Eade” or “Respondent”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Respondent has 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

¹ Rule 102(e)(3)(i), 17 C.F.R. § 201.102(e)(3)(i), provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, ... 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 or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder; or (B) [f]ound by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party ... to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

or denying the 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 Public 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 the Respondent's Offer, the Commission finds that:

1. Kenneth G. Eade, age 56, is an attorney licensed to practice law in the State of California since 1980. From at least May 2009 through March 2011, Eade served as corporate counsel for Gold Standard Mining Corporation, formerly known as Fluid Solutions Inc.

2. On June 29, 2012, the Commission filed a complaint against Eade and others in SEC v. Gold Standard Mining Corp., et al. (C.D. Calif. Civil Action No. 2:12-cv-5662-JGB-CW). On September 30, 2014, the United States District Court for the Central District of California entered an order permanently enjoining Eade by consent from aiding and abetting future violations of Section 13(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 12b-20, 13a-11, and 13a-13. Eade was also ordered to pay \$34,250 in disgorgement, \$5,379.52 in prejudgment interest, and \$34,500 as a civil money penalty.

3. The Commission's complaint alleged, among other things, that from May 2009 through March 2011, Eade, as the corporate counsel and major shareholder of Gold Standard Mining Corporation, aided and abetted the company's violations of the reporting requirements of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-11, and 13a-13. The complaint also alleged that Eade drafted false and misleading periodic and current reports that the company filed with the Commission. Further, the complaint alleges that in these reports Eade omitted material facts about the company's failure to register its acquisition of a Russian gold mining company with Russian regulatory authorities, its agreement to pay certain profits of the acquired mining company to the former Russian owner, and misrepresented that the company's financial statements were prepared in conformance with generally accepted accounting principles ("GAAP"), when in fact they were not. According to the complaint, Eade knew the representations were false and misleading.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Eade's Offer.

Accordingly, it is hereby ORDERED pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice, effective immediately, that:

- A. Eade is suspended from appearing or practicing before the Commission as an attorney for five years from the date of this Order.
- B. After five years from the date of this Order, Respondent may request that the Commission consider his application to resume appearing and practicing before the Commission as an attorney. The application should be sent to the attention of the Office of the General Counsel.
- C. In support of such an application, Respondent must provide a certificate of good standing from each state bar where Respondent is a member.
- D. In support of such an application, Respondent must also submit an affidavit truthfully stating, under penalty of perjury:
 - 1. that Respondent has complied with the Order;
 - 2. that Respondent:
 - a. is not currently suspended or disbarred as an attorney by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession; and
 - b. since the entry of the Order, has not been suspended as an attorney for an offense involving moral turpitude by a court of the United States (or any agency of the United States) or the bar or court of any state, territory, district, commonwealth, or possession, except for any suspension concerning the conduct that was the basis for the Order;
 - 3. that Respondent, since the entry of the Order, has not been convicted of a felony or misdemeanor involving moral turpitude as set forth in Rule 102(e)(2) of the Commission's Rules of Practice; and
 - 4. that Respondent, since the entry of the Order:
 - a. has not been found by the Commission or a court of the United States to have committed a violation of the federal securities laws, except for any finding concerning the conduct that was the basis for the Order;
 - b. has not been charged by the Commission or the United States with a violation of the federal securities laws, except

for any charge concerning the conduct that was the basis for the Order;

- c. has not been found by a court of the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof, to have committed an offense involving moral turpitude, except for any finding concerning the conduct that was the basis for the Order; and
- d. has not been charged by the United States (or any agency of the United States) or any state, territory, district, commonwealth, or possession, or any bar thereof, with having committed an offense involving moral turpitude, except for any charge concerning the conduct that was the basis for the Order.

- E. If Respondent provides the documentation required in paragraphs C and D, and the Commission determines that he truthfully attested to each of the items required in his affidavit, he shall by Commission order be permitted to resume appearing and practicing before the Commission as an attorney.
- F. If Respondent is not able to truthfully attest to the statements required in subparagraphs D(2)(b) or D(4), Respondent shall provide an explanation as to the facts and circumstances pertaining to the matter and the Commission may hold a hearing to determine whether there is good cause to permit him to resume appearing and practicing before the Commission as an attorney.

By the Commission.

Brent J. Fields
Secretary