

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74904 / May 7, 2015

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3655 / May 7, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16527

<p>In the Matter of</p> <p>GRUBER & COMPANY LLC and</p> <p>EDWARD RANDALL GRUBER (CPA),</p> <p>Respondents.</p>

ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO RULE 102(e) 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 Gruber & Company LLC (“Gruber & Co.”) and Edward Randall Gruber, CPA (“Gruber”) (collectively “Respondents”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.¹

II.

In anticipation of the institution of these proceedings, Respondents have submitted an Offer of Settlement (“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

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, . . . suspend from appearing or practicing before it any . . . accountant . . . who has been by name . . . permanently 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.

which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over each of them and the subject matter of these proceedings, and the findings contained in Section III.4. below, which are admitted, Respondents consent 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 Respondents' Offer, the Commission finds that:

1. Gruber & Company LLC, located during the pertinent period in Lake Saint Louis, Missouri, is a Missouri limited liability company and public accounting firm licensed by the Missouri State Board of Accountancy, and formerly registered with the Public Company Accounting Oversight Board ("PCAOB"). Gruber & Co. acted as the independent auditor for Gold Standard Mining Corporation ("Gold Standard") from February 14, 2008 to February 4, 2011. Gruber & Co. performed public company audits of, and issued an audit report on June 21, 2010 containing an unqualified opinion on, the consolidated financial statements of Gold Standard for the fiscal years ending December 31, 2009, 2008 and 2007. Gold Standard filed Gruber & Co.'s audit report in its amended Form 8-K with the Commission on October 5, 2010. In addition, Gruber & Co. performed a review of the consolidated financial statements contained in Gold Standard's September 30, 2010 Form 10-Q, which was filed with the Commission on November 22, 2010. Gruber & Co. resigned as Gold Standard's independent auditor on February 4, 2011. Gruber & Co. ceased to perform public company audits as of June 27, 2013, when its registration with the PCAOB was permanently revoked. See PCAOB Release No. 105-2013-005 (June 27, 2013).

2. Edward Randall Gruber, age 63, is a Certified Public Accountant ("CPA") licensed to practice in Missouri. During the pertinent period, Gruber was a resident of Lake Saint Louis, Missouri. Gruber is the sole managing member and owner of Gruber & Co. Gruber served as the engagement partner for Gruber & Co.'s audits of Gold Standard's consolidated financial statements for the fiscal years ending December 31, 2009, 2008 and 2007, and review of Gold Standard's September 30, 2010 financial statements. As the engagement partner on the audits of Gold Standard's financial statements, Gruber was responsible for supervising the engagements and causing Gruber & Co. to issue the audit reports for Gruber & Co. On June 27, 2013, Gruber was permanently barred from being an associated person of a registered public accounting firm, as that term is defined in Section 2(a)(9) of the Sarbanes-Oxley Act of 2002, as amended. See PCAOB Release No. 105-2013-005 (June 27, 2013).

3. Gold Standard was a Nevada corporation whose principal office was located in Beverly Hills, California during the pertinent period. At times relevant to this Order, Gold Standard's securities were registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act") and quoted on the over-the-counter bulletin board under the symbol "GSTP".

4. On February 4 and 12, 2015, final judgments were entered against Gruber and Gruber & Co. respectively permanently enjoining them from future violations of Sections 10(b) and 10A(a) of the Exchange Act and Rule 10b-5 adopted thereunder; and from aiding and abetting violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-11, and 13a-13 adopted thereunder, in the civil action entitled *SEC v. Gold Standard Mining Corp., et al.*, Civil Action Number 2:12-cv-5662-JCB-CW in the United States District Court for the Central District of California.

5. The Commission's complaint alleged, among other things, that during 2009 Gold Standard reported that it had acquired a Russian gold mining company, and filed unaudited, consolidated financial statements which increased its assets to more than \$1.3 billion, but failed to disclose material information that the acquisition had not been completed because the change in ownership was not registered with, or approved by Russian regulatory authorities. The complaint alleged that Gruber & Co. violated, and Gruber aided and abetted violations of, Section 10(b) of the Exchange Act and Rule 10b-5 when Gruber & Co. made false and misleading statements in its audit report filed with Gold Standard's amended Form 8-K on October 5, 2010. Gruber, the engagement partner on the audit, caused Gruber & Co. to issue the false and misleading audit report that stated: Gruber & Co. had conducted the audit of Gold Standard's consolidated financial statements in accordance with PCAOB standards, when in fact it did not; and the consolidated financial statements fairly presented the financial position of Gold Standard and its subsidiaries, when they did not. The complaint alleged that during the audit Gruber raised questions about whether Gold Standard had consummated its purchase of the Russian gold mining company by properly registering the acquisition with Russian regulatory authorities, but failed to obtain sufficient competent evidential matter to determine whether the registration ever occurred. In addition, the complaint alleged that Gruber & Co. and Gruber failed to design audit procedures to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts in violation of Section 10A(a) of the Exchange Act. Furthermore, the complaint alleged that Gruber & Co. and Gruber aided and abetted Gold Standard's violations of the reporting requirements of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-11, and 13a-13 by submitting the false and misleading audit report for inclusion in Gold Standard's amended Form 8-K filed on October 5, 2010, and performing a deficient review of the financial statements in the September 30, 2010 Form 10-Q, which contained estimated financial statements not prepared in conformance with generally accepted accounting principles.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

- A. Gruber & Company LLC is suspended from appearing or practicing before the Commission as an accountant; and

B. Gruber is suspended from appearing or practicing before the Commission as an accountant.

By the Commission.

Brent J. Fields
Secretary