

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 54355 / August 23, 2006

ACCOUNTING AND AUDITING ENFORCEMENT  
Release No. 2478 / August 23, 2006

ADMINISTRATIVE PROCEEDING  
File No. 3-12396

In the Matter of  
  
DENNIS R. STAAL,  
  
Respondent.

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 Dennis R. Staal ("Respondent" or "Staal") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.<sup>1</sup>

**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

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<sup>1</sup> 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.

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 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. 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. Dennis R. Staal, age 57, is a resident of Chadron, Nebraska. Staal was Stansbury's CFO, treasurer, secretary, and a director from January 2000 through October 31, 2002. Staal received his license to be a certified public accountant ("CPA") in Nebraska in 1972 which became inactive in 1978. Staal currently serves as a director of Capco Energy, Inc., a public company located in Houston, Texas, but is not otherwise employed.
2. Stansbury Holdings Corporation is a Utah corporation based in Philadelphia, Pennsylvania. Through January 2003, its principal place of business was in Denver, Colorado. At all relevant times, Stansbury purported to be engaged in the mining and processing of vermiculite or garnet on properties located in Montana. Stansbury's common stock had been registered with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 ("Exchange Act") since at least 1985. On May 7, 2003, the Commission instituted administrative proceedings against Stansbury pursuant to Section 12(j) of the Exchange Act. On July 14, 2003, an order revoking the registration of Stansbury's securities was issued. In the Matter of Stansbury Holdings Corporation, Initial Decision Rel. No. 232 (July 14, 2003).
3. On August 9, 2006, a final judgment was entered against Respondent permanently enjoining him from violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b) and 13(b)(5) of the Exchange Act and Rules 10b-5 and 13b2-1 thereunder and from aiding and abetting violations of Sections 13(a) and 13(b)(2) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder, in civil action S.E.C. v. Stansbury Holdings Corporation, et. al. (Civil Action 1:06-cv-00088-REB-BNB, Dist of Colorado). Respondent was barred from serving as an officer and director of any public company for five years from the date of the court's judgment and ordered to pay a \$35,000 civil money penalty.
4. The Commission's complaint alleged, among other things, that Respondent reviewed, signed and approved the Stansbury Holdings Corporation's Form 10-KSB reports for the years ended June 30, 2000 and June 30, 2001, and the company's Form 10-QSB and Form 10-Q reports for the quarters ended March 31, 2000, September 30, 2000, and September 30, 2001. For periods ended June 1999 through March 2002, Stansbury, a public mining company formerly based in Denver, falsely claimed in its periodic filings and offering documents that it held between \$19.2 million and \$25.5 million in assets. Between 75% and 99% of Stansbury's reported assets in each of these periods consisted of Stansbury's rights to mine two properties, rights which Stansbury had purchased to extract the mineral vermiculite. However, Stansbury did not adjust the values of, or disclose potential losses relating to, these

purported assets after numerous events demonstrated that the company could not generate income from them, including foreclosure actions filed against both properties and Stansbury's own business decision to focus its limited resources on mining a different mineral. During the relevant period, Stansbury used its false financial statements to raise almost \$2 million from investors to fund the company's anticipated activities, but Stansbury was never able to commence any significant mining operations. Respondent knew about the nature of Stansbury's assets, the foreclosure proceedings, and Stansbury's change in business focus; he was involved in Stansbury's continuing efforts to raise money from investors and did not adjust the value of Stansbury's reported assets to reflect the actual value of its limited holdings.

#### **IV.**

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

Accordingly, it is hereby ORDERED effective immediately, that:

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

By the Commission.

Nancy M. Morris  
Secretary