

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17982; 3-17983**

**Penny Stock Company and its CEO and Undisclosed Control Person Settle Offering Fraud Charges**

**May 12, 2017** – The Securities and Exchange Commission today announced that Emerald Isle Exploration Ltd. (Emerald Isle), its CEO Samuel Eads, and Lloyd C. Brewer, an undisclosed control person, have agreed to settle charges that they violated the antifraud and other provisions of the federal securities laws by making misrepresentations to potential investors that concealed Brewer’s involvement in the company, and created false subscription agreements to make it appear that Emerald Isle had outside investors.

An SEC investigation found that Emerald Isle, a Nevada company, filed with the Commission a Form S-1 registration statement in June 2013, deemed effective in December 2013 after various amendments, Form 10-Qs in March and September 2014, and a Form 10-K in July 2014. According to its registration statement, Emerald Isle was an exploration stage company formed for the purpose of acquiring, exploring and, if warranted and feasible, developing natural resource properties. The company had no revenue or material assets.

The company’s registration statement and periodic filings contained numerous misstatements and material omissions, the majority of which related to the company’s claim that it was run exclusively by its CEO Eads, who is a commercial fisherman and resident of Kodiak, Alaska. In fact, the company’s primary decision-maker and undisclosed control person was Brewer, a resident of Vancouver, Canada, who previously settled an insider trading case brought by the British Columbia Securities Commission in 2003. Eads and Brewer also prepared false investor subscription agreements that made it appear as if the company had outside investors, when in fact those “investors” were friends and associates of Eads. None of the individuals paid any money to Emerald Isle. Instead, Brewer provided the money supposedly used to buy their shares.

The SEC’s order instituting a settled administrative proceeding finds that Emerald Isle, Eads, and Brewer violated the antifraud provisions of the Securities Act of 1933, and the reporting, books and records, and internal controls provisions of the Securities Exchange Act of 1934. Without admitting or denying the findings, respondents consented to an Order imposing against Eads a \$10,000 civil penalty, an officer-and-director bar, and a penny stock bar, and imposing against Brewer a \$20,000 civil penalty, a five-year officer-and-director bar, and a penny stock bar with a right to apply for reentry after five years. The company also consented to a separate Order suspending the effectiveness of its registration statement.

The SEC’s investigation was conducted by Brian Vann and Brian Fitzsimons, with assistance from Britt Biles, and supervised by Brian O. Quinn.

**See also:** [Order](#) (Emerald Isle Exploration, Ltd., Samuel Eads and Lloyd C. Brewer)  
[Order](#) (Emerald Isle Exploration Ltd.)