

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 52617 / October 17, 2005**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12087**

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In the Matter of

KERMIT SILVA,

Respondent.

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: ORDER INSTITUTING PUBLIC  
: ADMINISTRATIVE PROCEEDINGS  
: PURSUANT TO SECTION 15(b) OF THE  
: SECURITIES EXCHANGE ACT OF 1934,  
: 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 pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Kermit Silva (“Silva” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Silva 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 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, Silva consents to the entry of this Order Instituting Public Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

**III.**

On the basis of this Order and Silva's Offer, the Commission finds that:

1. Silva was the president of International Media Solutions LLC (“IMS”) of Orlando, Florida, an entity not registered with the Commission in any capacity, from at least July 1998

through March 2004. Among other things, IMS solicited registered brokers to purchase or recommend the purchase of stock in Megapro, Inc., and its successor, Spear & Jackson, Inc., both reporting companies, from at least February 2002 through September 2003.

2. On September 29, 2005, a final judgment was entered by consent against Silva, permanently enjoining him from future violations of Sections 5(a), 5(c), 17(a)(2) and (3), and 17(b) of the Securities Act of 1933 (“Securities Act”), and Section 15(a)(1) of the Exchange Act, in the civil action entitled *Securities and Exchange Commission v. Kermit Silva, et al.*, Civil Action Number 04-80354-CIV, in the United States District Court for the Southern District of Florida.

3. The Commission's complaint alleged, among other things, that, in connection with the solicitation of brokers to purchase Megapro and Spear & Jackson stock, IMS, with Silva’s knowledge, failed to fully disclose the nature and amount of IMS’ compensation for promotion of Spear & Jackson, made material misrepresentations and omissions about IMS, and employed and compensated unregistered brokers.

#### **IV.**

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

Accordingly, it is hereby **ORDERED**:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Silva be, and hereby is, barred from association with any broker or dealer.

Any reapplication for association by Silva will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against Silva, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Jonathan G. Katz  
Secretary