

1 STATE OF CALIFORNIA
2 BUSINESS, TRANSPORTATION AND HOUSING AGENCY
3 DEPARTMENT OF CORPORATIONS

4 TO: Michelle Ann Ashen Ashen Senior Resources
5 905 Moon Valley Ranch Road 150 Walnut Avenue
6 Sea Scape, CA 95076 Santa Cruz, CA 95060
7 and
8 P.O. Box 6576 2100 Garden Road
9 Carmel, CA 93921 Monterey, CA 93940

10 DESIST AND REFRAIN ORDER
11 (For violation of sections 25230 and 25401 of the Corporations Code)

12 The California Corporations Commissioner finds that:

13 1. Michelle Ann Ashen (“Ashen”), a California resident, holds herself out to be a
14 “Certified Estate Planner # 0633127” and a former stockbroker. In fact, Ashen is no longer
15 employed in the securities industry because her former broker-dealer, SCF Securities, Inc., in
16 July 2004 terminated her for cause as a registered representative for failing to submit her ads
17 prior to first use, providing tax/legal advice, failing to obtain approval for her business cards,
18 using unapproved titles, conducting seminars without prior approval and publishing a Website
19 without approval. Ashen’s securities industry number in the Central Registration Database
20 (CRD) is 1643684. The “Certified Estate Planner # 0633127” to which Ashen refers is her
21 Department of Insurance license number 0633127 that authorizes her to sell life insurance and
22 variable contracts as an insurance agent for insurance companies. Ashen’s business address
23 reflected on her insurance licensing record is 905 Moon Valley Ranch Road, Sea Scape,
24 California 95076, but she filed the fictitious name “Ashen Senior Resources” stating its offices
25 are 905 Moon Valley Ranch Road, Watsonville, California 95076.

26 2. Ashen has used her radio show, “The Safe Money Gal,” on station KIDD 630, her
27 financial newsletters, publications and her Website at www.asheniorresources.com to explain
28 Ashen Senior Resources’ financial planning services and solicit senior citizens as clients.

1 3. Ashen and Ashen Senior Resources also advertise their services in providing financial
2
3 advice in newspapers of general circulation, including the *Monterey Herald*, with bold headlines
4 that warn readers “**Don’t Lose Your Life Saving PAYING NURSING HOME COSTS!**”
5 Ashen invites readers to contact her via her e-mail, michelle@asheniorresources.com, by
6 telephone at (831) 641-0236 or at her toll-free number (800) 553-7083.

7 4. Ashen sends out “Complimentary VIP Tickets \$69 Value - Seating Limited!” to
8 seminars entitled “Senior Financial Workshop” that she holds in various cities in California, such
9 as Carmel, Gilroy, Morgan Hill, Salinas and Santa Cruz. Ashen targets seniors by soliciting
10 them with offers of door prizes (coffee mugs and chocolate candy), gifts (vouchers for restaurant
11 meals or DVD players) and free advice about Medi-Cal Benefits and living trusts.

12 5. Ashen describes her company as “a professional firm specifically designed to
13 preserve and protect assets against nursing home costs.” In fact, Ashen engages in the business
14 of offering financial and investment advice. Ashen touts her expertise in getting a better rate of
15 return for investors and offers to explain the hidden risks of bonds and utility stocks, high yield
16 deferred investments with no principal risk, and how an investor can be in the market and have
17 the upside potential without the downsize risk. Ashen offers advice concerning investments
18 individuals hold, including stocks, bonds, mutual funds, certificates of deposit (“CD”), and the
19 advisability of buying, selling or holding different types of securities. As examples, Ashen
20 discourages stocks, recommends Series EE Bonds and CDs and advises investors where they
21 should put their money when CD rates drop, and advises about the “hidden costs” involved in
22 mutual funds and whether their mutual fund is right for them. In Ashen’s May 2005 newsletter,
23 *Senior Columns*, she provides advice concerning bonds stating “[i]t’s a great time to be selling
24 bonds – not buying or owning them” and “[b]ond investors could lose billions and there’s no
25 safe harbor from this storm.” In response to an investors question “What is better, a CD or an
26 annuity?” Ashen replies:

27 Unfortunately, the interest on CD’s (sic) is currently very low and is subject to
28 current income taxation. They provide no “offset” for earnings, so they may make

1 your social security taxable. Also, they are non-exempt assets for Medi-Cal
2 planning. They are also subject to probate. Annuities can avoid these problems.

3 6. Ashen, doing business as Ashen Senior Resources, states that she “has developed a
4 specialty in working with retired folks and those considering retirement, who want to protect
5 their principal and ensure the money lasts by making wise and safe investments.” Ashen offers
6 to make changes to one’s individual retirement accounts (IRAs), which hold securities and
7 explains the “Family Stretch IRA.” Ashen represents that “[s]he keeps abreast with the ever-
8 changing and complicated investment laws through continuing education courses.” Ashen’s
9 objective and modus operandi under the guise of qualifying people for Medi-Cal Benefits is to
10 advise individuals to “reposition their assets” or “spend down” their “non-exempt assets” such as
11 stocks and mutual funds by selling or exchanging them to purchase the investments or financial
12 products she sells.

13 7. Ashen’s advice to individuals concerning the value of investments (ie., stocks,
14 bonds, mutual funds, CDs) and the buying and selling of them constitutes investment advice.

15 8. Ashen receives commissions for her advice to her clients to buy, sell or exchange
16 securities and other financial products. Neither Ashen nor Ashen Senior Resources has applied
17 for or secured from the Commissioner of Corporations a certificate authorizing them to conduct
18 business as an investment adviser in California.

19 9. Ashen’s activities in connection with the investment advice concerning the offer to
20 sell, buy or exchange securities involve misrepresentations of her credentials, employment
21 background, and the nature of her business to the public. Ashen also omits to disclose that her
22 broker-dealer, SCF Securities, Inc., terminated her from employment for failing to submit her
23 ads prior to first use, providing tax/legal advice, failing to obtain approval for her business cards,
24 using unapproved titles, conducting seminars without prior approval and publishing a Website
25 without approval.

26 Based upon the foregoing findings, the California Corporations Commissioner is of the
27 opinion that Michelle Ann Ashen and Ashen Senior Resources are conducting business in
28 California as investment advisers by advising California residents concerning securities without
having first applied for and secured a certificate authorizing them to do so, in violation of

1 Corporations Code section 25230.

2 Pursuant to section 25532 of the Corporate Securities Law of 1968, Michelle Ann Ashen
3 and Ashen Senior Resources are hereby ordered to desist and refrain from advising people
4 concerning securities unless and until they have secured certificates authorizing them to conduct
5 business as investment advisers in this State.

6 The Commissioner is also of the opinion that Michelle Ann Ashen and Ashen Senior
7 Resources offered or sold securities in this State by means of written or oral communications,
8 which included an untrue statement of a material fact or omitted to state a material fact
9 necessary in order to make the statements made, in the light of the circumstances under which
10 they were made, not misleading, and thereby violated Corporations Code section 25401.

11 Pursuant to section 25532 of the Corporations Code, Michelle Ann Ashen and Ashen
12 Senior Resources are also ordered to desist and refrain from offering, selling or buying any
13 security in the State of California by means of any written or oral communication, which
14 includes an untrue statement of material facts or omits to state material facts necessary in order
15 to make the statements made, in the light of the circumstances under which they were made, not
16 misleading.

17 This Order is necessary, in the public interest, for the protection of investors and
18 consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

19 Dated: June 22, 2005
20 Los Angeles, California

21 WAYNE STRUMPFER
22 Acting California Corporations Commissioner

23
24 By _____
25 ALAN S. WEINGER
26 Acting Deputy Commissioner
27 Enforcement Division
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