

STATE OF CALIFORNIA  
BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

TO:	Senior Resources Asset Fund, LLC Kenneth Baum, Manager 34122 Zarzito Drive Dana Point, CA 92629	Asset Lenders Group, LLC Ron Nadel Manager 1020 Calle Recodo, Suite 200 San Clemente, CA 92673
	Renaissance Asset Fund, Inc. Ron Nadel, Manager 647 Camino De Los Mares, #108-178 San Clemente, CA 92673	Pacific Lending Fund, LLC Kelly R. Konzelman, Fund Manager 22852 Pacific Coast Highway PMB #250 Malibu, CA 90625

**DESIST AND REFRAIN ORDER**

**(For violations of sections 25110 and 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. Kenneth Baum (“Baum”), is designated as Manager of Senior Resources Asset Fund, LLC (“Senior Resources”), a California corporation located at 34122 Zarzito Drive, Dana Point, CA. Senior Resources was a company founded to make high yielding bridge loans to commercial real estate investors. The funds were to be loaned against first trust deeds on developed and undeveloped land and/or buildings. Senior Resources funds were invested in Renaissance Asset Fund, Inc., a business operated by Ron Nadel (“Nadel”).

2. Nadel is the President of Renaissance Asset Fund, Inc. (Renaissance), a Delaware corporation located at 647 Camino De Los Mares, #108-178, San Clemente, CA. Renaissance provides bridge financing for real estate acquisition, development and liquidation, as well as for companies, foundations and private individuals to be secured by real property, fine art, patents, intellectual properties, licenses, rights and debt instruments. Kelly Konzelman (“Konzelman”) is the Vice President, Marketing and Research.

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1           3. Nadel was the Manager of Asset Lenders Group, LLC (“Asset Lenders”). Asset  
2 Lenders is a California limited liability corporation located at 1020 Calle Recodo, Suite 200,  
3 San Clemente, CA.

4           4. Pacific Lending Fund, LLC (“Pacific”) is a Delaware limited liability company  
5 operated by Konzelman, Fund Manager and Managing Member. The principal place of  
6 business is 22852 Pacific Coast Highway, PMB #250, Malibu, CA. Pacific loaned money to  
7 Asset Lenders from the sale of its units.

8           5. Beginning in or about February 2001 through at least April 2002, Senior Resources  
9 and Baum offered and sold securities totaling at least \$ 2,594,000, in the form of promissory  
10 notes to at least 22 California residents, prior to qualification with the Department of  
11 Corporations. The offer and sale of securities were not exempt under the California Corporations  
12 Securities Law.

13           6. In connection with the offers or sales of securities, Senior Resources and Baum  
14 made misrepresentations and omissions of material facts in connection with the offer and sale  
15 of the securities to the public. The misrepresentations and/or omissions of material fact  
16 include:

- 17           A. That investors funds would be collateralized (guaranteed) by trust deeds  
18           held by Senior Resources or companies that Senior Resources loaned  
19           proceeds to.
- 20           B. Senior Resources failed to inform investors what return Senior Resources  
21           received from loaning the investors’ monies to commercial real estate  
22           investors and others.
- 23           C. Failure to inform investors that the National Association of Securities  
24           Dealers (“NASD”) had censured and fined Baum in 1996. Failure to  
25           inform investors that Baum’s NASD registration was revoked on or about  
26           October 7, 1996.

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1           7.   Beginning in or about September 2001 through at least January 2003, Asset Lenders  
2 and Nadel sold securities in the form of promissory notes to at least 37 investors including  
3 California residents and others, totaling at least \$2,738,000 prior to qualification with the  
4 Department of Corporations. The offer and sale of securities were not exempt under the California  
5 Corporations Securities Law.  
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7           8.   Beginning in or about late 1999 through at least December 2002, Renaissance and  
8 Nadel sold securities in the form of promissory notes, investment contracts and participating debt  
9 instruments to at least 38 investors including California residents and others, totaling at least  
10 \$1,903,418, prior to qualification with the Department of Corporations. The offer and sale of  
11 securities were not exempt under the California Corporations Securities Law.

12           9.   In connection with the offers or sales of securities to the public, Renaissance, and  
13 Nadel made misrepresentations and omissions of material fact. The misrepresentations  
14 and/or omissions of material fact include:

- 15                   A. Failure to inform investors that their investments with Renaissance, in the  
16                    Dacono Commercial Business Center Project (also known as Dacono  
17                    Factory Stores II Development Project), was not sound because Dacono  
18                    had failed to obtain a construction loan.
- 19                   B. Failure to inform investors that the Dacono Factory Stores II Development  
20                    Project was foreclosed on in approximately July 2001.
- 21                   C. Misrepresented to investors that their participating debt interests were  
22                    secured by deeds of trust, when in fact most were not secured.
- 23                   D. Misrepresented to investors that Kelly Konzelman was a licensed Broker-  
24                    Dealer and/or registered Investment Adviser in the Renaissance offering.

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1           10. During July 2001, Pacific and Konzelman sold securities in the form of limited  
2 liability membership interests or units to at least one California resident totaling at least \$38,000  
3 prior to qualification with the Department of Corporations. The offer and sale of securities were not  
4 exempt under the California Corporations Securities Law.

5           The securities were offered or sold in this state in issuer transactions. The Department of  
6 Corporations has not issued a permit or other form of qualification authorizing any person to  
7 offer or sell these securities.

8           Based upon the foregoing findings, the California Corporations Commissioner is of the  
9 opinion that the promissory notes issued by Senior Resources and Baum, and the promissory  
10 notes, participating debt instruments and investment contracts issued by Renaissance, Asset  
11 Lenders and Nadel, as well as the limited liability company membership interests or units issued  
12 by Konzelman and Pacific are securities subject to qualification under the California Securities  
13 Law of 1968 and are being or have been offered or sold without being qualified in violation of  
14 California Corporations Code section 25110.

15           Further, the California Corporations Commissioner is of the opinion that the securities that  
16 Senior Resources, Baum, Renaissance, and Nadel, offered or sold in this State were by means of  
17 written or oral communications which included an untrue statement of a material fact or omitted  
18 to state a material fact necessary in order to make the statements made, in the light of the  
19 circumstances under which they were made, not misleading in violation of section 25401 of the  
20 Corporate Securities Law of 1968.

21           Pursuant to Corporations Code section 25532, the California Corporations Commissioner  
22 hereby orders Senior Resources Asset Fund, LLC, Kenneth Baum, Asset Lenders Group, LLC,  
23 Renaissance Asset Fund, Inc., Ron Nadel, Kelly Konzelman and Pacific Lending Fund, LLC to  
24 desist and refrain from the further offer or sale of promissory notes, common stock, participating  
25 debt interests, limited liability company interests investment contracts, membership certificate  
26 interests or units, unless and until qualification has been made under the law or unless exempt.

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1 Pursuant to the Corporations Code section 25532, Senior Resources Asset Fund, LLC,  
2 Kenneth Baum, Renaissance Asset Fund, Inc., and Ron Nadel are hereby ordered to Desist and  
3 Refrain from offering or selling or buying or offering to buy a security in the State of California  
4 by means of any written or oral communication, which includes an untrue statement of a material  
5 fact or omits to state a material fact necessary in order to make the statement made in light of the  
6 circumstances under which they were made, not misleading.

7 This Order is necessary, in the public interest, and for the protection of consumers.

8 Dated: August 17, 2005

9 Los Angeles, California

10 WAYNE STRUMPFER  
11 Acting California Corporations Commissioner

12  
13 By \_\_\_\_\_

14 ALAN S. WEINGER  
15 Acting Deputy Commissioner  
16 Enforcement Division

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