

*** NEWS RELEASE ***

DECEPTIVE ANNUITY MARKETING TO SENIOR INVESTORS EARNS LOCAL INSURANCE AGENT \$40,000 IN PENALTIES AND COSTS

FOR IMMEDIATE RELEASE

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Monterey County District Attorney Dean Flippo announced today that his Consumer Protection Unit obtained a civil judgment for alleged false advertising and deceptive annuity sales practices against Michelle Ashen, a local business owner and licensed California insurance agent. The civil judgment concludes a two year investigation of Ashen's advertising and sales practices, particularly her marketing of complex annuity products to senior investors.

Without admitting any wrongdoing or liability, Ashen and her attorney consented to the entry of the civil judgment by the Monterey County Superior Court that includes injunctive provisions, the immediate payment of \$15,000 in civil penalties and costs, and an agreement to be liable for an additional \$25,000 in penalties should she fail to comply with the Court's injunctive orders. Monterey County shall receive \$10,000 in penalties and costs while the Santa Cruz County District Attorney will receive \$5,000 in penalties.

According to the civil complaint, Ashen and her company Ashen Senior Resources Insurance Services engaged in unlawful business practices by deceptively marketing herself to senior investors as a "Certified Estate Planner", a senior financial advisor and/or a "Medi-Cal" planning specialist. Under the judgment, Ashen will no longer be permitted to describe herself as a "Certified Estate Planner" nor engage in any deception with respect to her status as an insurance agent or her professional credentials.

The complaint also alleged that Ashen deceptively marketed annuities to senior investors through the use of insurance sales presentations disguised as "free seminars" or "senior financial workshops". Ashen would use these seminars and sales gimmicks like free meals and door prizes to promote annuities to senior investors. Holding her seminars at hotels, restaurants, veteran centers and community centers around Monterey and Santa Cruz Counties, Ashen would tout her expertise as a senior financial advisor and pitch annuities as a way to qualify for Medi-Cal benefits or as a prudent and risk-free investment. Ashen also falsely represented that some annuities could provide first year returns of as high as 12.75%. The permanent injunction prohibits Ashen from engaging in deceptive sales practices with respect to her products.

Ashen's advertising and sales practices previously drew the attention of the California Department of Corporations when that agency issued a "Desist & Refrain" order in June 2005 for providing investment advice without being properly certified.

The District Attorney urges consumers and senior investors, in particular, to use caution and consult with qualified professionals before purchasing annuities. Since some annuities can involve early withdrawal penalties and deferred income, it is critical that investors always take care to understand whether an annuity is a suitable investment in light of such factors as the investor's income, age and risk tolerance.

Anyone having information or questions as to the advertising or sales practices as described above, please contact the Monterey County District Attorney's Consumer Protection Unit at 831-647-7770 or the California Department of Insurance at 1-800-927-HELP